Robustness and vulnerabilities to corruption in Denmark’s aid funding modalities in Afghanistan
Robustness and vulnerabilities to corruption in Denmark’s aid funding modalities in Afghanistan
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A man at the marked in Kandahar Airfield is setting up his shop for the day, 2009. Photo by Thomas Sjørup, CC-license.

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TABLE OF CONTENTS

1. Background and Introduction 5
2. Denmark’s financial assistance to Afghanistan 6
   2.1 Danish Aid 2014–2017 6
   2.2 Denmark’s fiduciary arrangements under the ACP 7
3. Corruption Risks and Efforts to Mitigate in Afghanistan 7
4. Models for managing corruption risk in development aid 9
5. Donor Corruption Risk Approaches 11
   5.1 World Bank and ARTF 11
   5.2 UNDP and LOTFA 12
   5.3 The European Union / Commission 13
   5.4 Bilateral donor in delegated cooperation agreements: DFID 13
   5.5 Directly funded National bodies and NGOs 14
6. Denmark’s anti-corruption policies and practices 14
   6.1 National bodies and NGOs 16
   6.2 Multilateral programming 16
   6.3 Multilateral trust funds 17
   6.4 Delegated Cooperation Agreements 18
   6.5 Summing Up 19
7. Conclusions and Recommendations 20
   7.1 Best practices 20
   7.2 RDE’s risk management systems 20
   7.3 Recommendations 21

ANNEX A: ARTF OVERVIEW 22
ANNEX B: LOTFA OVERVIEW 23
ANNEX C: REFERENCES 24
ABBREVIATIONS

AAN  Afghan Analyst Network
ACJC  Anti-Corruption Justice Centre
ACP  (Danish) Afghanistan Country Programme
AIHRC  Afghan Independent Human Rights Commission
ARTF  Afghanistan Reconstruction Trust Fund
CARD-F  Comprehensive Agriculture and Rural Development Facility
CSO  Civil Society Organisation
DED  Development Engagement Document
DFID  Department for International Development
ELECT  Enhancing Legal and Electoral Capacity for Tomorrow
EQUIP  Education Quality Improvement Project
EC  European Commission
EU  European Union
FEFA  Free and Fair Election Foundation
GAIN  Global Anti-corruption Initiative
GIRoA  Government of the Islamic Republic of Afghanistan
IEC  Independent Election Commission
IECC  Independent Electoral Complaints Commission
IMA  Independent Monitoring Agent
IWA  Integrity Watch Afghanistan
LOTFA  Law and Order Trust Fund for Afghanistan
MDTF  Multi-Donor Trust Funds
MEC  Independent Joint Anti-Corruption Monitoring and Evaluation Committee
MFA  Ministry of Foreign Affairs
MOF  Ministry of Finance
MOIA  Ministry of Interior Affairs
NPA  National Procurement Authority
NSP  National Solidarity Programme
NGO  Non-governmental Organization
NSP  National Solidarity Programme
NUG  National Unity Government
OAI  (UNDP) Office of Audit and Investigation
OECD  Organisation for Economic Co-operation and Development
RDE  Royal Danish Embassy
SAO  Supreme Audit Office
SIGAR  Special Inspector General for Afghanistan Reconstruction
SOP  Standard Operating Procedures
SPM  Support to Payroll Management
TA  Technical Assistant
TAP  Technical Assistance Provider
TP  Thematic Programme (Denmark’s ACP)
UNCAC  UN Convention Against Corruption
UNDP  United Nations Development Programme
VCA  Vulnerability to Corruption Assessment
WB  World Bank
1. BACKGROUND AND INTRODUCTION

The Royal Danish Embassy (RDE) in Kabul, in a call for proposals issued on 8 December 2016, asked for an analysis of the robustness and vulnerabilities to corruption in each of Denmark’s aid funding modalities in Afghanistan. This is to be done in light of the assessment carried out in 2016 of the current anti-corruption measures implemented directly by the RDE.

The aim is to produce a study that highlights any vulnerabilities and provides concrete recommendations to strengthen Denmark’s ability to prevent, monitor and respond to corruption in Afghanistan. The task is to look at the corruption risk according to the four aid modalities that Denmark applies in Afghanistan, being multilateral programming, multilateral trust-funds, delegated cooperation and direct funding for national bodies and non-governmental organisations.

The study will serve to inform the Danish Ministry of Foreign Affairs (MFA) personnel in Kabul, Copenhagen and other Missions on the vulnerability in the different aid modalities and the measures taken by the RDE. And, moreover, provide important lessons learned for other international development partners programming in fragile states. An important component of the study will be the analysis of other donors’ practices when it comes to addressing such vulnerabilities and corruption risks.

The study is based on documents made available by the RDE, a range of programme evaluations and reviews, academic literature and interviews with RDE staff, officials of the Government of the Islamic Republic of Afghanistan (GIRoA), other donors and the European Union, implementers of Danish development aid, auditors and independent monitors/evaluators.

2. DENMARK’S FINANCIAL ASSISTANCE TO AFGHANISTAN

For the period 2013–2017, Denmark’s Parliament allocated in principle DKK 530 million per year, making Afghanistan one of the largest recipients of Danish financial assistance. One of the major challenges Denmark faced in managing its assistance to Afghanistan, was that the aid programme was highly fragmented. In 2012 Denmark was financing more than 50 projects, thus making oversight and management complicated and costly. Denmark restructured its development cooperation with its “Afghanistan Country Programme 2014–2018” (ACP). It was based on three thematic programmes (TPs) with a total indicative frame of DKK 1,085 million: (i) TP 1 – Governance, Democracy and Human Rights; (ii) TP 2 – Education; and (iii) TP 3 – Growth and Employment.

2.1 Danish Aid 2014–2017

Table 1 shows data on Danish aid for the period 2014–2017. The data for 2014 and 2015 are actual disbursement data from Denmark’s internal financial management system while the figures for 2016 are the disbursement estimates as at year-end. For 2017, the budget figures as provided in the various Development Engagement Documents (DEDs) have been used.

<table>
<thead>
<tr>
<th>Program/project</th>
<th>2014 (*)</th>
<th>2015</th>
<th>2016 (†)</th>
<th>2017 (‡)</th>
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<td><strong>Sub-total- TP-1</strong></td>
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<td><strong>46.6</strong></td>
<td><strong>103.0</strong></td>
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<td><strong>TP-2: Education</strong></td>
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<td>Other activities</td>
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<td><strong>Sub-total- TP-2</strong></td>
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<td><strong>143.1</strong></td>
<td><strong>130.4</strong></td>
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<td><strong>TP-3: Growth and Employment</strong></td>
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<td>Ag &amp; Rural Development Facility, CARD-F</td>
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<td>74.0</td>
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<td><strong>83.0</strong></td>
<td><strong>381.5</strong></td>
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<td><strong>332.1</strong></td>
<td><strong>526.5</strong></td>
<td><strong>280.0</strong></td>
<td><strong>296.0</strong></td>
<td><strong>1 434.6</strong></td>
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</tbody>
</table>

* Total disbursement for 2014 too high as a reclassified expenditure is not subtracted here
† Not all figures for 2016 are final - figures used here are year-end best estimates for some expenditures
‡ 2017 figures from Development Engagement Documents, so not formally approved/funded yet

2 See http://www.altinget.dk/artikel/ny-dansk-afghanistan-strategi-paa-plads
3 See Afghanistan Country Programme 2014-2018, update June 2016, footnote 17
These activities can also be classified according to the four aid modalities as follows:

- **Multilateral programming**: This includes the support to the ELECT programme through the United Nations Development Programme (UNDP).
- **Multilateral trust funds**: The World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF) has received about DKK 190 mill that have been applied to the National Solidarity Programme, NSP, under TP-1. The EQUIP programme, also administered under the ARTF, has received about DKK 376 mill, while the National Horticulture and Livestock Project under TP-3 has received un-preferenced funding but is followed and reported on by Danida. The UNDP-administered LOTFA also belongs in this category, where during the latter period funding is channelled through the European Commission (EC) (see below).
- **Delegated cooperation** includes about DKK 334 mill to the DFID-administered Agriculture Development Fund (CARD-F and Rahunma (previously Tawanmandi), and the recent LOTFA funding that is channelled via the EU.
- **Direct funding to national bodies and NGOs** covers the financing to the various bodies under the TP-1 Programme of Governance, Democracy and Human Rights, including to Danner.

This restructuring with a focus on three broad thematic areas has led to a dramatic reduction in programmes/projects being funded – from the over 50 projects in 2012 to only 10 in early 2017.

### 2.2 Denmark’s fiduciary arrangements under the ACP

The ACP document discusses the challenges and risks that the continued high disbursement levels entail, and in order to address these, the Embassy foresees that it will need to “ensure monitoring by the RDE thematic teams, regular participation by RDE in key programme management meetings, and regular dialogue with other donors. In addition to the annual reporting from partners, it is envisaged to have periodic external reviews, as well as further develop lessons with sharing of risk assessments with the UN Afghanistan Risk Management Unit” (op.cit., p. 8).

As the basis for such monitoring, each project is based on a Development Engagement Document (DED) where the expected Outcomes are laid out based on a theory of change (ToC) argument; the risk management picture is presented; and various management issues are discussed. The risks by aid modality and major partner group is discussed in chapter 7.

### 3. CORRUPTION RISKS AND EFFORTS TO MITIGATE IN AFGHANISTAN

The conclusion of a recent U4 Helpdesk answer (2016) is that:

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.

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. This includes the establishment of the Anti-Corruption Justice Centre (ACJC) and the National Procurement Authority (NPA) (SIGAR, 2017) and enactment of the National Law on Procurement. Integrity Watch Afghanistan’s 2016 survey (IWA, 2016) found that, after insecurity and unemployment, corruption was the third biggest concern for Afghans. An estimated USD 2.9 billion were paid in bribes in 2015, compared to USD 1.25 billion in 2012. The most common places to pay a bribe (mostly in cash) is at the courts (55%), at the municipalities
(53%), to prosecutors (51%), to district governments (42%) and to government officials in Kabul (40%).

There is a broad consensus that the large inflow of aid has contributed to widespread corruption (Suhrke and Wimpelmann, 2016; DIIS 2016; SIGAR 2016; Transparency International UK 2015) and led to poor oversight of and short timelines for contracting and procurement related to the international presence (SIGAR, 2016). Overall, the absence of a strategic analysis of the roles of corruption (DIIS 2016), and the mechanisms by which development assistance has been delivered is also seen as contributing to the problem.

Research has found that much of the corruption in Afghanistan concerns abuse of power by public officials rather than leakage from the treasury system. A report by the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC 2015) notes that the procurement of goods, materials and services, staff recruitment, and the selection of project beneficiaries and project locations all remain highly vulnerable to the influence of powerful local actors who take advantage of contracts from development programmes. While it has been a priority of the NUG to increase the on-budget support, several donors tend to bypass government systems and implement projects through contractors, NGOs and other third parties (McKechnie 2011, Martini 2013). Studies moreover note that international assistance, in the form of service delivery and technical expertise, has largely substituted for, rather than built, civil service capacity in the country (Marti, 2013, World Bank 2013).

The GIRoA has over the last years taken a number of important initiatives to address corruption, as mentioned above. Of recent steps can be mentioned the appointment of a new Attorney General in September 2016, the extended and clarified mandate of the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC), the first trials held by the specialized Anti-Corruption Justice Centre and Afghanistan signing up to the Open Government Partnership (OGP).
4. MODELS FOR MANAGING CORRUPTION RISK IN DEVELOPMENT AID

A model for risk management and the most recent OECD recommendations for managing corruption risks in development aid are presented below.

All development funding is allocated based on proposals for achieving defined results, and the funding follows a delivery chain from the mobilisation of funds until the expected Outputs have been produced and the resultant Outcomes subsequently achieved. When the quality assurance, monitoring and reporting dimensions of activity management are included, this is normally represented in the form of an activity cycle. While a “follow the money” approach might formally end when the Outputs have been delivered, actual monitoring and reporting tracks the full cycle, and lessons learned from the application of the funding is therefore also part of the complete cycle. This review therefore apply a model for risk management initiatives that tracks the typical activity cycle, drawing on an established framework for corruption risk assessment and mitigation (see figure 1 below, Johnsøn 2015).

In December 2016, the Council for Development Co-operation of the OECD published their new set of Recommendations on managing corruption risk. It is succinct yet comprehensive, suggesting that all OECD members should ensure that it has a system in place that contains the following ten dimensions: 1) Code of Conduct for all its staff that has strong internal political support and provides clear guidance on which practise should be embraced or avoided; 2) Ethics or anti-corruption assistance/advisory service that can guide staff and provide advice; 3) Training and awareness raising on anti-corruption,

particularly for field-based staff who have the greatest probability of being exposed to corruption risk; 4) **High level of auditing and internal investigation** in order to ensure a proper use of resources and prevent, detect and remedy corruption risks, where a number of necessary functions are then listed; 5) **Active and systematic assessment and management of corruption risks** in an ongoing way and at multiple levels of decision making; 6) **Measures to prevent and detect corruption enshrined in ODA contracts**; 7) **Reporting/whistle-blowing mechanism** that provide real protection for those who wish to provide information on funds mismanagement; 8) **Sanctioning regime** to be applied in cases of documented misappropriation or fraud; 9) **Joint responses to corruption** to enhance the effectiveness of anti-corruption efforts, and to 10) **Take into consideration the risks posed by the environment of operation**.

When reviewing what the different actors in fact have in place, we suggest that this needs to be assessed in terms of proportionality: NGOs working with small community-based projects clearly cannot allocate the same resources to issues like high-level audit and internal investigation as compared with USD 100-million a year or more disbursement agencies like ARTF, LOTFA and DFID. What should be expected, however, is that most actors have a fair share of these formal systems and practices in place, though degree of coverage and quality of application may vary.
5. DONOR CORRUPTION RISK APPROACHES

Donors are acutely aware of the challenges facing sound fiduciary management. As a key source of economic rent – the large-scale military presence – has now largely disappeared, the donor community is aware that rent-seekers will try to exploit foreign aid more aggressively – see i.a. World Bank (2011).

At the same time, national bodies and actors who want Afghanistan to develop an environment more conducive to normal economic activities and investment are pushing to strengthen transparency, improve accountability and remove the opportunities and practices that lead to resource abuse and private capture. The international community has played and will continue to play an important role in this field. The approaches by some of the important actors in Afghanistan are presented below.

5.1 World Bank and ARTF

In a study of multi-donor trust funds (MDTFs) in post-crisis situations, one of the issues was what determined the selection of administrator of the funds, which could either be the World Bank or UNDP (Scanteam 2007). It was found that UNDP was considered to be more flexible, including permitting earmarking of funds for specific purposes, while the Bank was seen to have better fiduciary management and thus was preferred for the larger-scale funds, such as the ARTF. A presentation of ARTF is included in Annex A.

In the agreements signed with the donors, the World Bank commits to managing trust funds to the same standards and applying the same procedures as regular Bank funds. That is, the Bank applies the fiduciary standards that were developed for its loans. This is seen as the strength and weakness of the Bank as MDTF administrator. It ensures that budget support and project identification, development and closure are tracked according to “good practice” standards and with Bank staff supervising. Since most activities are sizeable, resources allocated to quality assurance activities can be substantial. The downside is that the procedures can be rigid, time-consuming and costly if the actual funding is limited. Bank-managed MDTFs therefore tend not to score very high when it comes to fast-disbursing, small-scale, innovative and civil-society based initiatives. The ARTF activities that Denmark contributes to, however, are large-scale programmes with a very visible profile of strategic importance to the Government, and thus attracting both Government and donor attentions.

The World Bank has an ARTF management unit that complements its regular staff in the Kabul office (some programmes have funding both from the Bank’s own resources as well as from the ARTF). The ARTF provides funds through two “windows”: (i) budget support through a reimbursement mechanism that is supervised by a Monitoring Agent (the Recurrent Cost Window), and (ii) project funding that follows a classic World Bank project cycle with task team leaders (TTLs) that are responsible for the overall management and supervision of activities (the Investment Window). Because the ARTF programme has grown so much and so fast, with a total of nearly USD 10 billion pledged as of end 2016, and thus plays an important role in overall donor funding to the country, Bank management in dialogue with the ARTF donors have put in place a number of mechanisms to reduce the exposure to corrupt practices and improve the ability to identify and address resource abuse that may arise. The web-site for the ARTF (see www.artf.af) ensures full transparency on resource mobilisation, allocation and disbursement, detailed reporting on the various projects both from external reviews and evaluations and internal monitoring activities.

The ARTF therefore benefits from the rigorous lending practices of the World Bank, the unparalleled technical capacity of Bank staff regarding public finance management and large-scale project implementation, oversight and control, and the fact that ARTF activities are generally large-scale and long-term. This ensures economies of scale and learning properties associated with most ARTF undertakings.

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6 The ARTF does not permit donors to earmark funds for particular projects, but they can indicate “preferences” which the Bank will then try to satisfy. If, however, donors in the aggregate have preferenced more funds for a particular programme, such as the National Solidarity Programme, than is actually required, then the Bank is free to re-allocate the excess funds to other approved but under-funded programmes.
The ARTF, as an on-budget funding mechanism, has built a reputation for good management; has expanded the control mechanisms by adding a Supervisory Agent to carry out field-based visits to projects; uses new technology (drones, satellite imagery) to verify on-site performance; and builds the capacities of national bodies to improve budgeting, disbursement, accounting and auditing over time. From the reporting provided, it appears that ARTF so far has avoided serious funds abuse, to which the multi-layered control system and strong involvement of Bank staff play key roles. As will be noted later, however, there are still issues regarding the efficient and effective application of resources, pointing to the need for constant and “live” attention despite “best practice” systems.

5.2 UNDP and LOTFA

Similar to the World Bank’s administration of the ARTF, UNDP’s management of LOTFA is a combination of general UNDP fiduciary management and specific steps to address the challenges of the LOTFA. A presentation of LOTFA is included in Annex B.

UNDP has long contributed to capacity building in the field of anti-corruption and public finance management. Its Global Anti-Corruption Initiative (GAIN) 2014–2017 is in part to support national efforts to operationalise and implement the UN Convention Against Corruption (UNCAC). UNDP has therefore developed considerable knowledge and a network of experts in the field that represents an important skills base for anti-corruption activities.

Internally UNDP relies heavily on its formal Anti-fraud policy. It is to prevent, detect and address all such acts, whether carried out by own staff, contractors or implementing partners, such as when UNDP provides funding to national bodies. The policy is a short, practical document that also refers to a number of more specific policies that are relevant for particular actors or situations. But the overall message is that management is always responsible for ensuring that due care is taken to identify and manage all likely risks of corruption.

LOTFA has posed some major challenges, some of which are not so different in nature from ARTF. The ARTF budget support has largely been for recurrent costs, and in particular salaries for teachers and health workers around the country. LOTFA has been a funding mechanism for salaries to the national police and prison services. While the social sectors have been an integral part of the national budget and payrolls and disbursements have been centralised to the Ministry of Finance, the security services initially were not under the same central control and oversight, but managed directly by what is now the Ministry of Interior Affairs (MOIA). With little external accountability and where parts of the security services built on local militias and armed bodies loyal to warlords, a number of classic corrupt practices quickly arose, notably ghost-police officers (SIGAR 2016). Since most funding for the Afghan National Police and the prison services came from the donors, channelled through LOTFA, UNDP fairly early had to face problems of massive mismanagement of funds, detailed in a series of reviews and financial reports, including by UNDP control bodies. Steps were taken to address the weaknesses, including restructuring the payment system to become part of the national payroll disbursed by the Ministry of Finance. Over 85% of the over 150,000 police officers and 6,000 prison services staff now have their salaries deposited electronically directly to their bank accounts.

LOTFA is financially a huge operation, with disbursements during the 5-year period 2011-2015 averaging nearly USD 520 million a year. Denmark has been a consistent donor, providing over USD 5 million a year on average. UNDP has therefore been under considerable scrutiny when it comes to how it has managed the LOTFA. A number of steps have been taken to address the weaknesses, and management has focused a lot of
attention on this. But as with the ARTF, while systems and procedures have become better, implementation still faces challenges, as will be noted below.

5.3 The European Union / Commission
The Danish funding for LOTFA has lately been channelled through the European Union represented by the European Commission in Kabul, under a delegated cooperation agreement signed in December 2015. The fiduciary obligations of the Commission are based on those pertaining to the EU in general. The General Conditions attached to Denmark’s agreement with the EC notes that

“Commission shall take appropriate measures to prevent irregularities or fraud, as referred to in Article 1 of the Convention on the protection of the European Communities’ financial interests of 26 July 1995 (OJ C 316, 27.11.1995, p. 48), as well as corruption, as referred to in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union of 26 May 1997”

and promises to take appropriate measures against any person suspected of misuse of funds or corruption.

The Common Implementing Rules §7 notes that in cases of financial intermediation – such as delegated cooperation – the agreement should address risk-sharing and transparency. §13 states that the EU’s financial interests need to be protected throughout the cycle “including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used”, a principle that is repeated and expanded upon also later in the Rules (see for example Art. 7 §1-4).

The EU points out that the Commission, which manages most of the funds, has several control procedures in place: compliance analysis regarding funds management (budgeting, procurement, accounting, internal control, external audit); monitoring and audit where the Commission and the EU Court of Auditors can request necessary information and access to verify financial reporting; verification missions which can carry out oversight and control visits to implementing partners; and general policy dialogue with national and international partners who have received EU funding or implementation responsibilities.

While both ARTF and LOTFA have put in place specific measures to address particular corruption risks identified, the EC thus remains at the level of general policies and procedures. In the case of Denmark’s delegated cooperation agreement, this may in fact be sufficient. In their agreement, the EC commits to six-monthly meetings with Denmark, based on LOTFA reporting. If an evaluation of LOTFA is to be carried out, the EC will share the draft ToR with Denmark for comments, and makes specific reference to its obligation to prevent irregularities or fraud (Transfer Agreement, pp. 5-6). Denmark therefore has procured an oversight body that has a strong own-interest in the LOTFA oversight task, and for this is providing the EC an administrative fee equivalent to about 3.5% of its LOTFA funding.

5.4 Bilateral donor in delegated cooperation agreements: DFID
DFID assumes a delegated cooperation responsibility for the CARD-F and Rahunma projects. DFID is one of the donors that has come the farthest in its governance and anti-corruption thinking. At the same time, it has a policy of out-sourcing most implementation and oversight functions due to the rapid expansion of budgets yet constrained own staff size.

When it comes to the CARD-F agreement with DFID, the DED notes that the main fiduciary risk is in the procurement of implementing contractors, goods and services. DFID has committed to mitigating these challenges through the contracting of an Independent Monitoring Agent (IMA), an Independent Evaluation Provider, and a Technical Assistance provider that report to the CARD-F Management Unit. As the programme progresses, a
particular fraud risk is expected to be the infrastructure components, so the IMA was to hire infrastructure consultants to oversee these. Actual performance is discussed below.

Common for donor agencies interviewed for this study was an emphasis on information sharing, better structured and organised coordination meetings and the need to agree on a set of anti-corruption priorities to be consistently followed up on.

5.5 Directly funded National bodies and NGOs

The support through civil society actors has changed considerably from the first period of 2014-2015 to the new ACP programme. While foreign NGOs received funding for direct service delivery, under the ACP financing is focused on five Afghan non-state actors in the fields of governance, democracy and human rights – MEC, AIHRC, FEFA, Afghanistan Analysts Network and Rahnuma (previously Tawanmandi) (see table 1).

Danish assistance is therefore re-directed to national actors. At the same time the nature of the projects has also changed. While the foreign NGOs provided support to local community development, the five TP-1 actors receive funding more for their own activities. The corruption concern thus moves from organisational-external to organisational-internal, in the case of the TP-1 partners. Once resources are largely restricted to the internal functioning of the organisation, the delivery chain is much more transparent and shorter – an important end beneficiary is the organisation itself and what it is to achieve. The incentives to maximise the benefits from the resources by ensuring that they are applied as intended are therefore stronger. The anti-corruption issues that need to be considered thus are different, because the potential pitfalls are now organisation-internal, such as favouritism including nepotism, distorted payment and incentive schemes for staff, access to project-funded resources such as computers and vehicles. While important, they typically are not as skewed as corrupt procurement practices, kick-back schemes and the larger rent-seeking activities in big projects.

With the move from a large number of individual projects through a series of NGOs of varying size, experience and management capacity as seen during the preceding years, to a more limited number of governance-related organisations that fulfil certain capacity building, transparency and accountability functions under the ACP, Denmark has thus simplified the anti-corruption challenge along two dimensions. First of all, the number of actors and their organisational/administrative heterogeneity has been reduced. Just as important, the nature of the activities funded are also less prone to corrupt practices, and the organisations themselves have an own-interest in fighting corruption: they have this as part of their mandate, and any corrupt activity will have a devastating effect on their reputation and thus ability to mobilise funds in the future. It should also be noted that since the five organisations funded under the ACP TP-1 programme are largely active at national level, it is also much easier to get external validation on their performance.

6. DENMARK’S ANTI-CORRUPTION POLICIES AND PRACTICES

Denmark has an impressive set of anti-corruption policies, guidelines and practices in place, including for the Embassy in Kabul. The Danish Anti-corruption Policy applies to all areas of activity for the Danish Ministry of Foreign Affairs (MFA), and is based on a zero tolerance for corruption. The MFA has a dedicated webpage for reporting corruption and procedures for follow-up of “c-cases”, and for making information public.\footnote{For details see http://um.dk/en/danida-en/about-danida/Danida-transparency/anti-corruption/report-corruption/}

The general anti-corruption policy is operationalized in an “Anti-corruption Guidance Note for the Embassy in Kabul”, dated November 2013. These have a risk management approach “tailored to the sectoral composition and implementation modalities of the portfolio as well as the special Afghan context” (p.3) with a five-point action plan: i) Establishment of a Task Force at the Embassy in Kabul to strengthen anti-corruption work;
2) Public Expenditure Tracking Surveys that follow the money spent in a programme, from the government to the end recipients; 3) Value for Money Audits with focus in the price and quality of selected projects; 4) Closer cooperation with international development partners and anti-corruption initiatives in Afghanistan and 5) Strengthened focus on rigorous audit mechanisms. The RDE use a risk matrix specially developed for the Afghanistan Country Programme, with three sets of Standard Operating Procedures (SOP) and an electronic “risk and results reporting workbook”, that is regularly checked against the risk matrix. This is complemented using third-party monitoring of selected programmes/projects and regular visits by an Embassy team to check their partners’ audits, accounts and human resource management. This is done in dialogue with the MFA Department for Technical Quality Support (KFU in Danish), that also undertake regular “financial visits” to Kabul. The RDE is moreover actively involved in the “Donor Anti-Corruption Working Group” and in the management of the different programmes supported.

The RDE has three distinct approaches that form a comprehensive and inter-supportive Danish approach to anti-corruption in Afghanistan. The first is the Embassy’s internal procedures and tools for assessing and handling corruption risks in their development programmes. The second is financial and political support for public bodies with anti-corruption mandates, such as the ACJC and MEC. This is to bolster (and challenge) the Government’s ability to detect corruption risks, improve their risk management and take corrupt officials to court. The third is support to independent Afghan actors that identify, expose and hold the Afghan Government accountable on corruption issues.

An illustration of RDE’s comprehensive and holistic anti-corruption approach is included in the below, and the four aid modalities and their corruption risks are discussed in more details.

The RDE has three distinct approaches that form a comprehensive and inter-supportive Danish approach to anti-corruption in Afghanistan.

Illustration 1: RDE’s anti-corruption support and risk management system

(note: not all projects are shown here – the graph shows the overarching structure)
6.1 National bodies and NGOs

The RDE has a high degree of control of the direct funding for national bodies and NGOs, which is the aid modality with the lowest corruption risk. The organisations funded are key actors involved in corruption risk identification, awareness and mitigation in Afghanistan and fall well within Danish priorities and as a “multiplier” of RDE’s efforts in this field.

Compared with the other aid modalities, the Embassy is extensively involved with these organisations. The closeness to the partners and a shared objective with their activities help facilitate a more open dialogue, including on upcoming challenges, than identified in the other aid modalities. This provides an ability to address problems or weak performance at an early stage in the project cycle and thus reduces RDE’s fiduciary and reputational risks.

Reviewing this modality against the models for corruption risk management and data collection, the RDE’s system meets the requirements set for the five activities in the cycle and for how data are collected. The Embassy could possibly improve it by undertaking a political economy analysis, although such knowledge is already evident in the Embassy’s planning and review processes. It is the modality that to the largest extent fulfils the OECD recommendations for risk management.

6.2 Multilateral programming

The risks are higher in the multilateral programming. The UNDP administered Enhancing Legal and Electoral Capacity for Tomorrow (ELECT II) provided direct support to Afghanistan’s Independent Election Commission (IEC) from 2012 to mid-2015, where the first phase started in 2006. UNDP also supported the Independent Electoral Complaints Commission (IECC)\textsuperscript{12}.

The DED identifies a number of risk factors, as an almost certain “influence or perceived influence over the IEC from political actors” and a number of more technical factors. The management arrangement Denmark is allowed participation in includes a three-tier management system with 1) the Project Board; 2) the technical working group and 3) the ELECT II donor meeting.

The final ELECT project report, covering the period until 31 July 2015 (UNDP, 2015.p. 47), mentions that the UNDP Office of Audit and Investigation (OAI) identified a number of weaknesses in internal control and rated the project as “unsatisfactory”. This was based on severe concerns over payment to IEA staff and polling staff, poor asset management regarding utilization of vehicles, and unclear project results and no assurance on achievement of results.

The UNDP contested the OAI audit, referring to external security threats and efforts underway to mitigate several of the shortcoming identified, but donors were not satisfied with this reaction. They demanded a response on how UNDP aimed to adapt risk assessments methodologies, mitigation strategies and corrective measure to avoid future irregular payments and inefficiencies and to initiate a new audit of the period in question. They also requested to be informed on “…how UNDP will engage with ministries and other entities to ensure that the seriousness of these concerns is conveyed to the Afghan government, and for them to assess and address these concerns accordingly”.

The UNDP and the ELECT programme reveal several weaknesses. Although corruption risks were identified at the outset, UNDP does not appear to have allocated sufficient attention or resources to corruption risk management in project formulation and/or ensuring sufficient mitigation tools during the programme appraisal. There is a concern that programme and procedures were not sufficiently corruption proofed. Some evaluations failed to detect corruption risks and the one that did were contested by UNDP, thereby increasing the vulnerability to corruption and limiting their ability to mitigate the risks.

While UNDP has risk identification and mitigation systems in place, the ELECT programme shows that these are not systematically implemented. This raises questions regarding UNDP’s willingness to address and mitigate corruption risks in its programming. Donors want to see UNDP take the necessary steps in the ELECT case, but also identify and

\textsuperscript{12} For further details see http://www.af.undp.org/content/afghanistan/en/home/operations/projects/democratic_governance/elect.html [visited 13.02.2017]
implement necessary organizational changes to improve risk identification and mitigation systems, and allocate sufficient human and organizational resources to implement the improvements.

**6.3 Multilateral trust funds**

The risks with multilateral trust funds administering on-budget support seem to face some of the same challenges as those seen in ELECT, as exemplified by the support for EQUIP through ARTF.

Denmark’s bilateral support for education through the Ministry of Education was from 2015 transferred to ARTF in support for the Education Quality Improvement Project (EQUIP II). The main reason provided for this shift was to raise Denmark’s “…funding level above the required threshold for participation in ARTF decision-making bodies. However, it was acknowledged that the model had come with a heavy administrative burden over time, especially as the MOE was rather fragmented in their structure, had limited capacity, and faced challenges relating to corruption during the implementation” (Strand, 2015, p. 11).

EQUIP contains three components, a) school grants for quality enhancement, infrastructure development, and social awareness and mobilization; b) teacher and principal training and education, including a component aiming to increase the number of female teachers; and c) project management, monitoring and evaluation.

The Final Programme Evaluation of EQUIP II notes that EQUIP has received USD 517 mill since 2004. Some 51% of the total funding has been provided by the World Bank, with the remainder provided by donors through the ARTF (Integration, 2016, p. viii). The report only mentions corruption risks in relation to the construction sector (ibid. p.18) where “…it can still be difficult to resist political pressure in some localities, for example when it comes to selecting construction sites.” This is curious as the report mentions that donors express doubts “…that the World Bank is aware of the level of corruption within the system” (ibid. 53), and acknowledges that “there are weaknesses in EQUIP’s monitoring at central, province, and district levels. Site monitoring visits have not been effective in ensuring timely and satisfactory completion of works” (ibid. 60).

A WB Implementation Support Mission of November 2015 had then raised a concern that “…a large number of schools that have already been funded under the project still remain incomplete …. There are also serious weaknesses in project management and coordination among different departments, poor contract management as well as significant fiduciary issues” (WB/ISP, 2015, p.2). The report acknowledges that the “fiduciary aspects of the project continue to be rated unsatisfactory, with a slight improvement in procurement”, referring to an internal audit report “which highlighted serious issues and needed corrective action from the MoE management” (p.5). Their concern is also with the 1500 EQUIP financed Technical Assistant (TA) positions that come in addition to the above reported EQUIP staff, with salaries not aligned or following the Capacity Building for Results scale.

World Bank staff acknowledge concerns over corruption, but their primary concern is with processes and funds handling in the MOE. Senior officials in the ministry were concerned that the EQUIP office within the MOE had prioritized programme implementation over capacity building and coordination within the ministry. There were concerns over corruption regarding procurement, both for school buildings and books, that hiring procedures were not followed and that the World Bank only in rare occasions objected to appointments of senior EQUIP officials. Donors to EQUIP are highly concerned about corruption risks in the programme, including the weaknesses of the EQUIP unit in the MOE. Several criticized what was regarded as unwillingness by Bank staff to share information with the donors, and a lack of engagement with EQUIP and the MOE in addressing and follow up on issues identified. As one donor articulated it: “It is expected that a trust fund identifies 1) who is responsible to follow-up, 2) what will be the next steps, and,
3) who informs the donors. If donors are not brought in early on is there limited possibility for a more joint approach in addressing the issues identified”.

The EQUIP programme shows that although there has been knowledge about the risks and corruption challenges in this programme for some time, this is not reflected in external evaluations or spelled out in the internal reviews. The various layers of oversight, audits, monitoring and evaluations are then of little help.

The ARTF/EQUIP programme exhibits the same weaknesses as UNDP/ELECT when reviewed against the model for corruption risk management and data collection. Reports of WB staff’s reluctance to engage with the donors and share information makes the case problematic. This is even more disconcerting given the MOU on Anti-corruption cooperation and information sharing signed between the MFA and the World Bank Group. It raises uncomfortable questions regarding the broader ARTF programme, not least given the responsibility of the trust fund in the forthcoming implementation of the large-scale Citizens Charter.

6.4 Delegated Cooperation Agreements

The risks and mitigation efforts appears more diverse when it comes to the delegated partnerships. The European Delegation, despite being an additional layer and expense for the support for LOTFA, has sharply reduced the RDE’s involvement in the programme, added risk identification and mitigation capacity and additional strength on policy issues and how to proceed with the transfer of the salary payment component to the Afghan government. Their reporting and information to the RDE is functioning well. The additional financial costs of having to pay the EU an overhead seem justified.

The picture is more diverse for activities delegated to DFID. The Rahunma project has presently DFID managed with Danida funding. The Danida and DFID co-funded Comprehensive Agriculture and Rural Development Facility (CARD-F) has a more complicated structure, governed by an Inter-Ministerial Committee and presently managed by a private consultancy company.

When it was agreed to close the Tawanmandi trust fund, DFID took responsibility for managing the support to a limited number of core partners retained in the Rahunma programme. This reduction is expected to reduce the vulnerability to corruption, but risks remain and it is important that DFID allocate sufficient resources to handle these. The RDE is advised to consider its ambitions for support to the Afghan civil society before deciding on a continued support through such a trust fund.

The CARD–F programme appears as more challenging, given a high Danida financial contribution (DKK 250 mill for phase II), and that it is in the middle of a transition from a non-legal and externally managed entity to another legal status. The ministries on the Inter-Ministerial Committee might have differing opinions on a preferred model, which might require a greater involvement by the RDE for a period of time. The change of contract has led to postponement of field monitoring for the last 1.5 year, which might have exposed the programme to larger corruption risks, as the only monitoring conducted was by CARD-F’s own unit. This appears as insufficient from a risk management perspective, as CARD–F also helps develop projects and undertakes purchase of equipment for intended beneficiaries. The management responsibility is contracted out to a private company. While this is a reputable company, CARD-F staff, when interviewed, identified a degree of corruption risks in their own programming, and questions if their oversight function is sufficient to mitigate these.

The conclusion is that there is some uncertainty whether DFID has been able to identify and mitigate the various risks across the activity cycle, as expected in the risk management model, and to what extent the OECD recommendations are applied. The RDE thus finds itself in a situation where it has to allocate extensive human resources and time to management of the ongoing processes, with major uncertainty over current risks and how that might be addressed in any future organisational model. This obviously questions the value of the delegated partnership.
6.5 Summing Up

A general reflection is that Denmark relies heavily on indirect management of most of its Afghanistan portfolio. The challenges therefore vary, depending on whether funds only are managed and supervised on behalf of Denmark, or the recipient of the funds is directly responsible for implementation.

A first issue is a reluctance by organisations to be fully transparent and share concerns over possible corruption or identified malpractices. This undermines the Embassy’s ability to fulfill its obligations, both regarding reporting to its head office, but perhaps more importantly to take the steps that its rules and procedures require when funding may not be managed properly.

A second issue is that several of the organisations that manage the funds do not include a sufficiently thorough examination of corruption risks when they undertake internal risks assessments or commission external studies/evaluations. Given the severity of corruption risks in the country, this is not being addressed seriously enough.

At the end of the day, the Embassy – and all other donor offices for that matter – are accountable to their own governments for the sound management of fiscal resources made available in Afghanistan. The main challenge remains the organisational willingness to identify and address corruption risks in the programming, and to consistently emphasise and reward such practises, from headquarters down to the project officers. But the donor community – individually and as a group – also need to follow up, at policy, programming and implementation levels, so investing resources in building this consensus may also be important.
7. CONCLUSIONS AND RECOMMENDATIONS

This review confirms how embedded corruption is in Afghanistan today, and the challenges and risks this poses for development aid. Procurement processes and payment of salaries emerge as especially prone to large scale corruption, while everyone is exposed to “everyday bribing” to obtain services or documents (IWA, 2016). It is therefore worrying that this review sees that even independent evaluations of large programmes did not identify corruption as a major and system-wide risk, even where such risks were pointed out by the donors and duly documented in later reviews.

The general consensus is that reducing corruption will require a combination of short term targeted efforts on the side of the donors and long term and systematic strengthening of government functions and capacities. This means in particular strengthening the quality, independence and capacities of public and non-state oversight and control bodies, defending the political space for action, and supporting the principles of transparency in decision making, accountability for consequences and public knowledge about the distributional results of resource decisions and usage. This is challenging in the given context. It requires both reform willingness on the side of the GIRoA and a coordinated and sustained engagement and support from the donor community, and a continued willingness for risk taking in their aid programming.

7.1 Best practices

A very positive development is the expressed intentions and efforts of President Ghani to highlight the corruption challenge and prioritize efforts and his own time to address it, and gradually get systems and capable and reform willing persons into key positions. His on-going efforts to centralize more of the Government’s procurement and construction activities can be an important step in the right direction, but only if a professional and transparent management system is in place, since one important danger is that centralized systems are susceptible to elite capture.

There are “good practices” to build on. One that is often referred to are systems that combine a ministry that has gone through a civil service reform and have recruited qualified staff, an active trust fund/donor that prioritizes capacity building, solid oversight functions and active dialogue with central authority and the supporting donors. This is then further strengthened by community involvement in identifying priorities and qualified and transparent NGO/CSO undertaking community mobilization and project implementation. There are likewise examples in Afghanistan and internationally to be drawn on of well-functioning systems for community monitoring, and of active media, religious and community leaders and CSOs disclosing and documenting corrupt practices.

Given RDE’s limited financial and human resources, their holistic anti-corruption approach, Danish MFA support and engagement and coordination with other donors, we will argue that they have developed a best practise for a smaller donor’s anti-corruption approach in Afghanistan.

7.2 RDE’s risk management systems

The Danish Embassy’s risk management and mitigation system is well-structured and effective. The Embassy has a coherent and comprehensive anti-corruption approach that addresses both internal and external dimensions, and includes short-term and long-term interventions.

Regarding internal anti-corruption management, the general policies and guidelines for Danish development cooperation have been taken fully on-board, and made more operational in the Afghan context with a specific action plan and internal systems and procedures that are being applied in practice. The constant updating of skills, the operational responsibilities for monitoring corruption risks that all programme staff are given combined with a well-known focal point and strong support from Embassy management means that both procedures and practices are being applied on a systematic basis, with staff being held accountable in real-time.

The development programme provides resources to both public and civil society bodies engaged in resource management oversight and control, covering a range of dimensions for addressing corruption risks. Given both the embeddedness of corruption across what seems to be most aspects of life in Afghanistan today, while at the same time there is clearly
a serious commitment from the highest levels of Government to address this problem, this support is strategic. The challenge is of course to ensure that it is optimized in light of what other actors are providing, how donor coordination is utilized in addressing corruption risks and to make the most of Denmark’s comparative advantage in these efforts.

7.3 Recommendations

Based on the findings and conclusions of this report, the review team has three sets of recommendations: to the RDE in Kabul regarding internal risk and corruption management; to the RDE concerning their work with the larger donor community and national authorities in Kabul; and to the MFA in Copenhagen.

The fundamental recommendation, however, is for Denmark to continue implementing and further developing its current risk management system. The visits to partners and the use of a third-party monitoring agency, able to visit projects in all parts of Afghanistan, constitute important aspects of the RDE’s risk management system. This can, with the support of other donors, be expanded and drawn on in the management of projects under the multilateral programming, the trust funds and the delegated partnerships.

It is of concern to the entire donor community if the risk management systems applied in the different aid modalities pay insufficient attention to identifying and mitigating corruption risks. This should be addressed in international forums and in the bilateral dialogue with the Word Bank and UN agencies.

Internal Risk and Corruption Management in the RDE/Kabul:

1. Maintain and strengthen the support to anti-corruption actors and initiatives, both in the public and non-state sectors, and develop a strategic approach in line with GIRoA priorities and coordinated with the international community regarding medium-term results.
2. Introduce an annual review of all RDE supported projects/programmes, to establish and record status and risk for each activity and decide if further support or attention is required and what that in case will imply for finance and allocation of own staff resources.
3. Consider if the present delegated authority agreements are adequate to the Afghan context, and if they could include a clause that allows RDE/Danida to initiate own third party monitoring and reviews.
4. Ensure that vacancies at the Embassy are filled and new staff given training in detecting and mitigating corruption risks.

Collaboration with National Authorities and Donor Community in Kabul:

5. Encourage all donors to adopt the recent OECD guidelines for their development cooperation in Afghanistan.
6. Agree to include assessments of corruption risks and of implementing organisations’ systems to mitigate these as a standard component of all evaluations.
7. Encourage a common donor approach on core issues that address corruption risks, and in particular encourage the NUG to pursue a civil service reform in all ministries, with a priority for those implementing the Citizens Charter.
8. Exploit the flexibility of RDE programming to responding quickly to new opportunities for addressing corruption, and encourage more joint action with likeminded donors in areas with common interest and/or where the risks of engaging might be shared among a larger group.
9. Undertake an external evaluation of the Monitoring Agents and other compliance actors that have supervisory functions over large donor-funded programmes, assessing in particular their methodology for data collection and risk identification, and to what extent this includes corruption risks throughout the entire activity cycle.
10. Make use of media to communicate best practices in corruption management.

Possible Steps for the MFA/Copenhagen:

11. Raise Denmark’s concerns with UNDP and the WB at HQ level regarding their handling of corruption risks in the projects funded.
ANNEX A: ARTF OVERVIEW

The Afghanistan Reconstruction Trust Fund, ARTF

The ARTF is supported by 34 donors, and has since its inception in 2002 mobilised nearly USD 10 billion for budget support and development programmes in Afghanistan. The Steering Committee sets policy and priorities and consists of all donors, the Bank as ARTF administrator, the Ministry of Finance (MoF) on behalf of the Government, and Management Committee (MC) observers. The MC is made up of multilateral actors and the MoF, chaired by the Bank, and primarily oversees ARTF finances. All SC and MC meeting minutes are posted, as are quarterly financial and performance reports by the ARTF. As noted in the most recent ARTF evaluation, “The ARTF remains the vehicle of choice for pooled funding, with low overhead/transaction costs, excellent transparency and high accountability, and provides a well-functioning arena for policy debate and consensus creation” (Scanteam 2012).

The ARTF has identified four key risks.

• Use of funds not reported (i.e., funds drawn but never accounted for);
• Use of funds not in accordance with intended purposes (i.e., not in line with the provisions of the legal agreement);
• Use of funds not following procurement guidelines;
• Use of funds for expenditures that do not meet the agreed fiduciary standards.

To manage these risks, the ARTF has established a risk management framework at five levels:

12. Controls at all project implementing agencies and in the Ministry of Finance, based on all operations being included in the mainstreamed national budget and thus included in the standard budgeting, accounting, procurement and audit rules and standards;
13. A formal audit framework that begins with an annual external audit and then goes to the Supreme Audit Office (SAO) of Afghanistan which with technical assistance from an international audit firm verifies the external audit. The Bank then assesses the SAO’s reporting, and may make recommendations for corrective action if this is seen as required;
14. On larger programmes such as the education program EQUIP and the National Solidarity Program NSP, specific arrangements tailored to the content and scope of the particular activity is put in place, such as community monitoring and oversight bodies at central, provincial and Community Development Committee level of the NSP;
15. World Bank teams carry out bi-annual supervision and oversight tasks: project site visits, performance audits, compliance reviews, beneficiary and client reviews with technical task teams, financial management and procurement teams, etc;
16. Third-party professional Monitoring Agent is used for the recurrent cost window (budget support) and a Supervisory Agent for project activities.
ANNEX B: LOTFA OVERVIEW

The Law and Order Trust Fund for Afghanistan, LOTFA

LOTFA was established in 2002 as a funding mechanism for security staff under the Ministry of Interior Affairs (MOIA). In December 2014, the newly elected President asked that LOTFA be restructured to consist of two projects. Support to Payroll Management (SPM) is to ensure full MOIA payroll management by December 2016 while the second is developing national capacity for self-sustained reform and improvement of the MOIA as an institution – the MOIA and Police Development (MPD) project.

In order to deliver on these objectives while at the same time overseeing the payroll for MOIA staff, UNDP has introduced a new functional demarcation between programme and project responsibilities with clear Standard Operating Procedures (SOP) on key business processes. The UNDP Country Office has created a Financial Fiduciary Fund Management Unit within its Office for Financial Management and Oversight to oversee all financial and fiduciary aspects of SPM police pay, and an independent Monitoring Agent (MA) is to ensure oversight on the use of LOTFA funds. Under a new Terms of Reference (ToR), the MA provides 3 levels of reconciliation services: expenditure verification, physical verification and systems analysis. The MA, MOIA and SPM staff meet on weekly/bi-weekly basis to discuss MA findings and finalize the MA reports.

The Project Board and Project Technical Working Groups are the LOTFA governance bodies. All members of the governance bodies have quality assurance and oversight responsibilities over the two LOTFA projects based on the project strategies and their respective Results and Resources Frameworks, Annual Workplan and Monitoring and Risk Frameworks. The Board is responsible for overall strategic guidance and direction to ensure that Project objectives are being met.

LOTFA has in particular focused on the findings and recommendations from three recent reviews:

- A UK Due Diligence Assessment undertaken third quarter 2014 provided 11 recommendations, all of which in principle have been accepted. The proposal to set up a LOTFA Oversight Sub-Committee is of direct relevance to this study, where its first meeting was held December 2015.
- SIGAR has over the years made a series of inquiries into LOTFA management, as the US is by far the largest donor, having provided nearly USD 923 million over the five years 2011-2015. SIGAR’s negative observations have become fewer as roles and responsibilities have been made clearer as LOTFA management has taken corrective steps to address SIGAR concerns.
- UNDP’s Office of Audit and Investigation (OAI) in 2014 carried out a desk review of the MA, producing a number of recommendations that led to the revised ToR, and thus more rigorous financial oversight.

Overall, UNDP has strengthened project implementation capacity, provided more and clearer guidelines regarding roles and responsibilities; has put in place more internal controls and management oversight; contracted an MA to carry out more complete and validated tracking of the MOIA payroll; and responded to external reviews and audits with specific steps; and has maintained and improved transparency and public access regarding financial management and performance.
ANNEX C: REFERENCES


The Danish Embassy’s risk management and mitigation system is well-structured and effective. The Embassy has a coherent and comprehensive anti-corruption approach that addresses both internal and external dimensions, and includes short-term and long-term interventions.

Regarding internal anti-corruption management, the general policies and guidelines for Danish development cooperation have been taken fully on-board, and made more operational in the Afghan context with a specific action plan and internal systems and procedures that are being applied in practice. The constant updating of skills, the operational responsibilities for monitoring corruption risks that all programme staff are given combined with a well-known focal point and strong support from Embassy management means that both procedures and practices are being applied on a systematic basis, with staff being held accountable in real-time.

The development programme provides resources to both public and civil society bodies engaged in resource management oversight and control, covering a range of dimensions for addressing corruption risks. Given both the embeddedness of corruption across what seems to be most aspects of life in Afghanistan today, while at the same time there is clearly a serious commitment from the highest levels of Government to address this problem, this support is strategic. The challenge is of course to ensure that it is optimized in light of what other actors are providing, how donor coordination is utilized in addressing corruption risks and to make the most of Denmark’s comparative advantage in these efforts.