



Islamic Republic of  
Afghanistan



Ministry Mines and  
Petroleum

Anti-Corruption Action Plan

Year 2019

## Overview

The Ministry of Mines and Petroleum is one of the revenue generating ministries of the Government of Islamic Republic of Afghanistan. The ministry's leadership is committed to combating corruption at all levels and creating greater transparency in the extractive sector to ensure that all international standards are met in the Ministry's performance. Therefore, the Ministry has prepared this Anti-Corruption Action Plan as per the Presidential Decree, High Council of Rule of Law and Anti-Corruption, Anti-Corruption Law and the National Anti-Corruption Strategy instructions to strengthen transparency and accountability in the mining sector. The MoMP has included a number of additional programs in this Anti-Corruption Plan, taken from donor community benchmarks and external audit institution recommendations. This Anti-Corruption Action Plan focuses on activities that falls under sole authority of the Ministry and excludes activities of other extractives sector stakeholders.

## Key Mandates of the Ministry

Ministry of Mines and Petroleum, in coordination with other governmental agencies and stakeholders, is responsible for regulating and managing the extractive industries of Afghanistan. The main mandates of the Ministry include:

1. Develop laws, regulations and policies for extractive sector in the country
2. Collect and manage geological information
3. Promote investment in the mining sector.
4. Manage mining contracts (including non-tax revenue collection, contract negotiation in coordination with other government entities)

## Identified Anti-Corruption Benchmarks in line with Afghanistan National Anti-corruption Strategy

This Action Plan encompasses nine benchmarks developed in line with the National Anti-Corruption Strategy pillars, Pillar one (institutions and political leadership), pillar six (Improving Economic Institutions), and the section for ministries in priority. The nine benchmarks are as follows:

1. Transparency in mining contracts management.
2. Enhance revenue management in the mining sector.
3. Implement EITI (Extractive Industries Transparency Initiatives) Standards.
4. Implement the MoMP Reform Strategy (identified activities for fiscal year 1398 (2019)).

5. Strengthen transparency and accountability in the Ministry.
6. Strengthening accountability to external audit and evaluation reports.
7. Establish mining technical committee (this is an explicitly specified benchmark for MoMP in the National Anti – Corruption Strategy)
8. Stall and formalize illegal mining, and
9. Establish Information Management System at MoMP.

All of the anti-corruption measures considered in this action plan will intently decrease corruption in the ministry that will ultimately upsurge revenue. For example, creating a conducive context for access to information in the mining sector will improve the investment climate and win public trust and attract foreign investment.

### **Additional Commitments to Combat Corruption**

MoMP has additional commitments to combat corruption besides the national anti-corruption strategy which are included in this plan that are as follows:

1. Compliance with the Extractive Industries Transparency Initiative (EITI) standards
2. Meet EU (European Union) benchmarks
3. Meet US-Afghan Compact benchmarks
4. Implement Afghanistan's commitments at the Geneva Conference (GMAF)
5. Implement the Independent Joint Monitoring and Evaluation Committee (MEC) recommendations from MoMP MVCA report

### **Stakeholders Consultation**

This action plan was developed in consultation with all departments of the Ministry of Mines and Petroleum under the supervision of H.E. the Acting Minister of Mines and Petroleum. Subsequently, the plan was shared with the following civil society and international community for consultation:

1. Civil Society Organizations Consulted: The Liaison Office, the Integrity Watch of Afghanistan, the Human Rights Research and Advocacy Consortium, Peace Training and Research Organization and CORDAID.
2. The International Community Consulted: European Union, the World Bank, GIZ and DFID.

### **Identification of vulnerable to corruption areas**

To identify areas vulnerable to corruption, MEC (Independent Joint Monitoring and Evaluation Committee) conducted vulnerability to corruption assessment of the ministry (MVCA). As per MEC's published report, following areas have been identified as most vulnerable to corruption:

1. Contract Management and Negotiation
2. Bidding Processes
3. Conflict of Interest (people involved in the mining projects)

MEC's report also consists recommendations to address the identified areas which were incorporated in the activities section of this plan as far as possible.

### **Drafting and Finalization Process of Anti-Corruption**

The drafting process for this Anti-Corruption plan was as follows:

a. Review by MoMP Internal Anti-Corruption Plan & Monitoring Committee: on 09/11/1397, MoMP established a working committee chaired by H.E. Deputy Minister of Policy and Programs that was composed of Internal Audit, Cadaster, Mining Inspection, Finance and Policy directorates. The Committee prepared the initial draft of the plan, based on recommended anti-corruption activities of extractive Industries in the National Anti-Corruption Strategy, recommendations of MEC, and other commitments of the Ministry to international community.

B. Stakeholders Consultation: MoMP shared initial draft of Anti-Corruption Plan with stakeholders in the sector such as civil society, private sector and International Community (Donors). Subsequent to incorporation of the stakeholders' comments and consent of Special Secretariat of Anti-Corruption, MoMP adopted the plan for implementation.

### **The Monitoring and Evaluation Mechanism for the Implementation of the Action Plan**

MoMP established the Anti-Corruption Committee chaired by Deputy Minister of Policy and Programs to monitor the implementation of the plan. The committee meets once a month to ensure timely implementation of the Anti-Corruption Plan at the Ministry level. The secretariat of the committee lays with the policy directorate.

To ensure the proper implementation of this Anti-Corruption Plan, its activities have been incorporated in annual work plan of the ministry's directorates; and the directorates are obliged to report on the implementation of their work plan on monthly bases.

### **Reporting to Special Secretariat**

Directorate of Policy, as a member and the secretariat of MoMP Anti-corruption Committee, is responsible for reporting to the High Council of Rule of Law and Anti-Corruption on the

implementation of Ministry’s Anti-Corruption plan on quarterly basis. Policy directorate will prepare and present report to High Council Rule of Law and Anti-Corruption two weeks before the end of each quarter.

**Challenges for Reform Process and Mitigation of Risk**

The implementation of reform in an organization will certainly face series of challenges. Therefore, in view of the vulnerable areas mentioned above, the Ministry anticipate the following major risks to the implementation of the Anti-Corruption Action Plan:

No	Risk	Solution
1	Lack of security in mineral deposit sites that hinders inspection of mine and stalling illegal mining activities	The ministry established Mining Protection Committee for coordination with security entities
2	Weak and not timely cooperation of other organization and entities involved in the anti-corruption activities of MoMP	The ministry assures to develop coordination mechanism with involved entities and consolidate cooperation meeting with stakeholders of MoMP Anti-Corruption Plan

**Issues to be discussed and approved by High Council of Rule of Law and Anti-Corruption**

The Ministry of Mines and Petroleum, identified one activity of the Anti-Corruption Action Plan that requires discussion and approval of High Council of Rule of Law and Anti-Corruption, the activity is:

- Establish Mineral Technical Committee

## Benchmark-1: Transparency in Mining Contracts Management

No	Main Activities	Expected Result	Indicators	Impact	Pillar	Fiscal Year 2019				Risks
						1st Q	2nd Q	3rd Q	4th Q	
1.1	Sharing information with Attorney General Office of Afghanistan, about the persons specified in the article 17 of mining law (if their involvement in the mining contracts is identified)	Introduction of PEPs (who are mining contract holder) for investigation and implementation of law	Shared information with General Attorney office of Afghanistan	Increased transparency in mining contracts and Encourage Foreign Investment in Mining Sector	Pillar 1: National Anti-corruption Strategy	✓	✓	✓	✓	This is a continuous activity and cannot be divided in to quarterly percentages
1.2	Sharing the results of mining inspection report with all contractors and publish it on MoMP website after the Minister's approval	Identification of revenue variances in mining contracts, and decrease the risk of abuse of power by authorities	The number of published reports	Improved transparency in Mining Inspection	Pillar 1: National Anti-corruption Strategy	5 Province	8 province	8 province	4 province	Insecurity and lack of transportation facility which prevent continuous inspection
1.3	Review (60) issued contracts to identify and resolve (Technical, Environmental and Financial) problems	Identify and solve technical, financial and environmental issue of contracts	All of the (60) contracts reviewed	Improved investment climate and ultimately advance employees' contract	Pillar-1: National Anti-Corruption Strategy And EITI standards	✓	✓	✓	✓	None



				negotiation skill						
1.4	Develop a policy for observation of local communities from extraction and implementation of mining projects	Enhance Observation/ monitoring of local communities on mining projects	Launch a pilot program to find safe approaches for local people engagement in monitoring of mining activities.	Increasing local communities surveillance from mining projects and improve transparency in the projects	Pillar-1: National Anti-Corruption Strategy, and MEC recommendations			✓		None
			Established policy					✓		
1.5	Publish bidding opportunities for small and large scale mining contracts based on mineral law	Improve transparency in mining tender and contracts	The number of tenders published on Transparency Portal, MoMP website and National Procurement Authority	Improved transparency in tender and mining contract process	Pillar-1 and 5: National Anti-Corruption Strategy, EITI standard and US-AFG Comapct		10 opportunity	15 opportunity	25 opportunity	None
1.6	Publish mining licenses, beneficial ownership, contracts and contract holder companies of all mining projects, within 14 days after the contracts issued and	ensure transparency in mining tender and contracts	Published beneficial owners of all contracts	Improve transparency in tender and contract process	According to MEC recommendations, Pillar-1 of National Anti-Corruption Strategy,	✓	✓	✓	✓	None
			All bidding documents published on MOMP website			✓	✓	✓	✓	



	publish the bidding documents during the bidding process		Reports of all (1046) mining contracts published on MoMP website		GMAF and EU Benchmarks	✓	✓	✓	✓	
1.7	Implement Mining Cadaster Administration System, Non Tax Revenue System and MOMP transparency portal (MCAS, NTRS and Transparency Portal)	Improving of contract management system	The former systems (MCAS, NTRS and Transparency Portal) implemented	Transparency in contract management and revenue collection,	According to MEC recommendations, Pillar-1 of National Anti-Corruption Strategy, US-AFG Compact, GMAF and EU Benchmarks	✓	✓	✓	✓	None
			All contracts published on MOMP Transparency Portal			✓	✓	✓	✓	

### Benchmark-2: Enhance Revenue Management in the Mining Sector.

No	Main Activities	Expected Result	Indicators	Impact	Pillar	Fiscal Year 2019				Risks
						1st Q	2nd Q	3rd Q	4th Q	
2.1	Collect Non-tax revenue, monitor the payment in provinces and center, and publish them quarterly on the MOMP transparency portal	Identification of a specific path for Non-tax revenue collection generated by Mining Sector for compliance with the EITI standards	Collection of (2,571,402,887) AFs of non-tax revenue in four quarters	Increased Transparency and improved non-tax revenue management	Pillar-1: National Anti-Corruption Strategy, US-AFG Compact, GMAF and EU Benchmarks	25%	25%	25%	25%	1-Contractors failure on timely payments in compliance with terms and conditions of the contracts. 2-Insufficient capacity in provincial offices
			Published monitoring reports on revenue			✓	✓	✓	✓	
			Publish MOMP's Non tax revenue			✓	✓	✓	✓	



2.2	Coordinate with the Ministry of Finance (MoF) to create a specific revenue code for Bonus	Create a specific code for Bonus	Created Code	Transparency in revenue collection	According to MEC recommendations & Pillar-1 of National Anti-Corruption Strategy	100 %				None
2.3	Establish legal base (regulations or procedures) for dedication of 5-8 % of mining revenue to local communities (in consultation with stakeholders) that includes establishing a mechanism for local communities inspection of mining projects	Compensate for social & environmental impacts of mining activities in effected areas	Established legal base	Ensure benefit for local communities from mining revenue, and increase public support for mining projects	MEC recommendation & Pillar-1 of National Anti-Corruption Strategy				100 %	No
2.4	Coordinate information sharing among Large Tax-payer Authority of MoF and Cadaster directorate of MoMP	Facilitate revenue collection and prevent contractors from escaping to pay their taxes	MCAS and NTRS Systems synced with SIGTAS, RMIS and ASYCUDA systems of MOF	Improved transparency and increase revenue turnover	According to MEC recommendations, Pillar-1 of National Anti-Corruption Strategy, US-AFG Compact and EU Benchmarks		50%	50%		None
2.5	Publish annual report of revenue generated by mining sector and the	Exposing all of the revenue	Published reports	Improving transparency and	Pillar-1 of National Anti-Corruption				✓	This activity is implementable if MOMP signed new contract

	amount of financial resources dedicated to provincial development fund	generated by mining sector		accountability in mining revenue collection	Strategy, US-AFG Compact, GMAF and EU Benchmarks					
<b>Benchmark 3: Implement EITI Standards</b>										
No	Main activities	Expected result	Indicators	Impact	Pillar	Fiscal Year 2019				Risk
						1st Q	2nd Q	3rd Q	4th Q	
3.1	Prepare and publish an action plan for implementing decision of EITI Board, all recommendations of EITI reports including the report number (2019-1/BC-264) and quarterly report on implementation of action plan	Implement EITI standards	Published action plan	Compliance of Afghanistan's mining sector with the EITI standards	National Anti-Corruption Strategy, First Pillar, GMAF and EU Benchmarks		100 %			No
Implementation reports of the EITI standards						✓	✓	✓		
3.2	Conduct Multi Stakeholder group meetings on regular basis	Compliance with the EITI standard	Number of meetings conducted, results of the meetings	- Improved enabling investment environment - Attract foreign investment and Increase revenue	National Anti-Corruption Strategy, First Pillar, GMAF and EU Benchmarks	1 meeting	1 meeting	1 meeting	1 meeting	None



3.3	Conduct meetings on compliance with EITI standard to monitor the implementation of AEITI's action plan activities	Compliance EITI standard	Number of meetings conducted	- Improved investment climate - Attract foreign investment and increase revenue	Compliance with the EITI standards, GMAF and EU Benchmarks	3 meeting	3 meeting	3 meeting	3 meeting	None
			Implement the 15 recommendations of EITI fifth report			✓	✓	✓	✓	
3.4	Publish production volume of companies, the condition for winning bidder prior to signing contract and the minutes of the final contract negotiation meeting, on MOMP Transparency Portal in line with EITI standards	Compliance international standards on publishing production volume of companies	Published production volume of all contracted companies	Ensure that companies are accountable to public on their production volumes & Promote transparency and foreign investment	National Anti-Corruption Strategy, First Pillar, US-AFG Compact, EU and GMAF benchmarks					None
			Published all winning bidder's information			✓	✓	✓	✓	
			Published all minutes of final contract negotiation meetings							

#### Benchmark 4: Implement Reform Strategy in MoMP 2019

No	Main activities	Expected result	Indicators	Impact	Pillar	Fiscal Year 2019				Risk
						1st Q	2nd Q	3rd Q	4th Q	

4.1	Recruit qualified staff through CBR/Taghir and super scale programs in order to fill the vacant positions (led by acting directors)	Fill the vacant positions	Filled 36 vacant positions in center and 24 in provinces	Increase work efficiency at the ministry	National Anti-Corruption Strategy Third pillar MEC Recommendations	✓	✓	✓	✓	Recruitment through CBR program is slow and time consuming
4.2	Amend Ministry's Organization Structure (Tashkeel) to increase efficiency	Avoid work overlaps among departments	Amended Organizational Structure (Tashkeel)	Increase work efficiency in the Ministry	National Anti-Corruption Strategy First and third pillar and MEC recommendation	50%	50%			Rejection of the amendment in the organizational structure by Civil Service Commission
4.3	Conduct capacity building programs for technical and administrative staff of central and provincial offices of the ministry	Capacity building of staff	Trained 600 technical and administrative staff of the ministry	Effective implementation of anti-corruption strategy	National Anti-Corruption Strategy Third pillar		30%	50%	20%	None
			Number of conducted programs				5 Training	5 Training	5 Training	
			Number of staff participated in the training programs				180	300	120	
4.4	Complete mining regulations which should be approved by the cabinet to improve transparency in the Ministry	To address regulation gaps in the mining sector	Mining regulation is developed (a comprehensive one that includes financial, technical and environmental sections)	Improve transparency in the Ministry	National Anti-Corruption Strategy First pillar, US-AFG Compact, GMAF and EU Benchmarks and IMF		50%	50%		Insufficient support of stakeholders involved in developing and approving the regulations

			The mining regulation must be approved by the cabinet		benchmark on fiscal regime					✓	
<b>Benchmark 5: Strength Transparency and Accountability</b>											
No	Main activities	Expected result	Indicators	Impact	Pillar	Fiscal Year 2019				Risk	
						1st Q	2nd Q	3rd Q	4th Q		
5.1	Publish information about Ministry's activities in accordance with Article 15 of the Access to Information law; including work plans and reports, and monitoring activities, such as performance monitoring of the ministry	Raising public awareness about the Ministry's activities	Publish documents and information relevant to 17 activates about the ministry as specified in the article 15 of Access to Information Law	Enhancing transparency and accountability in the organization and raising public awareness about its activities	National Anti-Corruption Strategy, First pillar	✓	17 Doc	✓	17 Doc	None	
5.2	Develop Internal Audit Guidelines and adjust Internal Audit Reports' structure based on the Guidelines and establish an effective mechanism based on EITI criteria and MEC recommendations for approval of internal audit reports.	Standardized internal audit reporting	Internal Audit Manual	Decrease Corruption in the ministry and increase transparency	In accordance with the recommendations of MEC, and the first pillar of the National Anti-Corruption Strategy		50%	50%		None	
			Established internal audit mechanism			100 %					



5.3	Audit all departments and administrative units of the ministry on an annual basis to ensure that the internal audit process is facilitated in coordination with Supreme Audit Office.	Compliance with EITI criteria	Audited 40 central and provincial directorate and administrative unites of the ministry	- Make Directorate s accountable -Improve transparency in the ministry and reduce the risks of corruption	In accordance with the recommendations of MEC, and 1 <sup>st</sup> and 5 <sup>th</sup> pillar of the National Anti-Corruption Strategy	18 Unit	10 Unit	9 Unit	3 Unit	Staff deficiency at the Internal Audit Directorate and lack of security in provinces
5.4	Collaborate in completing assets (Material assets) registration forms of high ranked staff (in accordance with the law and principles)	The assets registering process is facilitated	Completed assets registration of 82 required staff	Preventing corruption, abuse and conflict of interests by officials and government employees	In accordance with the recommendations of MEC, and the first pillar of the National Anti-Corruption Strategy	82 Staff				None
5.5	Establish an internal information (corruption cases report taking) authority based on Corruption whistleblower Protection Law and establish an Internal Information (corruption cases report taking) Procedures to regulate its Implementation	Employees and clients easily and securely report their experiences and observations of corruption and misuses of power in the organization.	Established Informants reference Developed procedures Number of cases reported and prosecuted by the informants reference	Improving transparency and providing safe environment for reporting corruption	First Pillar of Strategy and MEC recommendations			✓		
								✓		
								✓	✓	



## Benchmark 6: Responsiveness to External Audits and Evaluations

No	Main activities	Expected result	Indicators	Impact	Pillar					Risk
						1st Q	2nd Q	3rd Q	4th Q	
6.1	Implement accepted MEC recommendations, audit reports and external evaluation reports	The ministry response to audit reports and external evaluations	Number of implemented recommendations out of the total 191 recommendations  Review the Ministry reform strategy considering the MEC recommendations	Increasing accountability and making the necessary reforms to strengthen the administration	in accordance with the recommendations of MEC, and 1 <sup>st</sup> and 5 <sup>th</sup> pillar of the National Anti-Corruption Strategy	26 Recommendations	78 Recommendations		45 Recommendations  100 %	Some of the MEC recommendations are not in compliance with mandates of the ministry and may not be implemented
6.2	Implement the EU, US-AFG Compact and IMF Benchmarks	Implement promised reforms in the ministry and raise fund for further reforms	Accomplished a total of 40 benchmarks	Promote transparency and further development in the mining sector	National Anti-Corruption Strategy pillar 1 and 6 and MEC institution	6 Benchmarks	8 Benchmarks	1 Benchmarks	25 Benchmarks	None
6.3	Develop tools (applicable guidelines and checklists) for mining inspector	Coherent and efficient inspection of mining areas	Developed tools in line with EITI standards	Standardization of mining inspections	National Anti-Corruption Strategy pillar 1 and 6 MEC institution	100 %				None



Benchmark 7: Establish Mining Technical Committee										
No	Main activities	Expected result	Indicators	Impact	Pillar	Fiscal Year 2019				Risk
						1st Q	2nd Q	3rd Q	4th Q	
7.1	Propose the establishment of the selection committee for selecting members of the Minerals Technical Committee, to H.E. the President of Afghanistan in accordance with Article 7 of the Mining Law	Establish selection committee	Selected Selection Committee and establish Mining Technical Committee	Increase transparency in Mines Contracts	Sixth Pillar		100 %			None
Benchmark 8: Formalization of Illegal Mining										
No	Main activities	Expected result	Indicators	Impact	Pillar	Fiscal year 2019				Risk
						1st Q	2nd Q	3rd Q	4th Q	
8.1	Develop a formalization strategy for illegal small scale mining (and artisanal), and take approval of High Economic Council for the strategy	Reduce illegal mining and corruption	Developed strategy High Economic Council approved the ASM Formalization Strategy	Improve investment climate and Increase revenues	National Anti-Corruption Strategy pillar 1and 6, GMAF and EU Benchmarks and MEC recommendations	100 %	✓			No
8.2	Prepare a work plan and procedures for the Mines Protection	Reduce Illegal mining activities	Prepared procedures and work plan for	Reduce Illegal mining	National Anti-Corruption Strategy	50%	50%			Lack of timely cooperation of related agencies in



	Committee to prevent illegal and arbitrary mining activities. And get it approved by the National Security Council and Mining Protection Commission		Mines Protection Committee		pillar1and 6, EU Benchmarks and MEC institution					finalization and approval of plan
			The procedure is approved by National Security Council and Mining Protection Commission					✓		
8.3	Miscellaneous site visits (at least four provinces each quarter) of illegal mining activities, checkpoints involved in extortion from mineral shipments and investigate smuggling paths of minerals.	Reduce Illegal mining activities and extortion in mineral shipments	visited provinces and their reports	Reduced mineral smuggling	National Anti-Corruption Strategy pillar1and 6 US-AFG Compact, GMAF and EU benchmarks and MEC recommendations	4 Province	4 Province	4 Province	4 Province	1. Insecurity in the area 2. Lack of timely cooperation of related agencies

### Benchmark 9: Establish Management of Information System (MIS) at MoMP

No	Main activities	Expected result	Indicators	Impact	Pillar	Fiscal year 2019				Risk
						1st Q	2nd Q	3rd Q	4th Q	
9.1	Establish Electronic Administration Systems for Chief of staff and Procurement directorates	Accelerated work processes	Electronic System established	Prevent waste of time and accessing accurate information.	National Anti-Corruption Strategy pillar1			100 %		None

9.2	Establish Mapping System for geological survey	Facilitate geological information management	System established	Prevent waste of time and accessing accurate information.	National Anti-Corruption Strategy pillar 1 and 6		100 %			NO
9.3	Design Financial system for DM Admin and Finance offices to register financial documents including revenue reports	Facilitate admin and finance affairs	Designed system and digitization of accounting books	Strengthen transparency in admin and finance system of the Ministry	National Anti-Corruption Strategy pillar 6 MEC institution				100 %	None
9.4	Expand Mining Cadaster Administration system (MCAS)	Facilitating contract management	New features added to the system	Transparency in Mining Contracts	National Anti-Corruption Strategy pillar 6 , EU Benchmarks and MEC recommendations				100 %	None
9.5	Establish electronic system for large scale mining unit (LSMU)	Facilitate management of large scale mining contracts	Established system	Transparency in management of large scale mining projects	National Anti-Corruption Strategy pillar 6		100 %			None



