

Report on Post-Award Contracts

Background:

Post the publication of the 6th AEITI report in which the government confirmed non-trivial deviation in contract / license award process for the years 1395 and 1396 which resulted in concerns about the none-trivial deviation, further clarity to the matter was discussed in AEITI Self-Assessment Workshop and considered in the AEITI Action Plan which needed to be included in the addendum report. The matter was brought to the attention of the AEITI MSG in its 44th and 45th meetings and it has been decided to review the case based on a sample size – through MSG technical working group and led by Cadaster Directorate.

Methodology:

The licenses awarded during the year 1395 were in accordance with the Mineral Law (published during the year 1393).

During the year 1395, a total of 120 construction licenses were awarded; the said licenses were awarded in accordance with the mineral law, based on the applications and without specific bidding. It should be noted that during the year 1396, no licenses have been awarded.

The applications were received by the provincial mining directorates which were evaluated and shared with the central cadaster directorate of MoMP for review. These applications were reviewed and approved by the Cadaster Department and sent to the Minister of Mines and Petroleum for signature.

The sample licenses awarded were based in Kabul, Bamyan, Baghlan, Balkh, Badghes, Herat and Nangarhar.

The licenses were awarded based on the article number 74 of the mineral law. The basic implementing criteria for awarding the licenses were as follow:

- Submission of application with definite fee by the applicant
- Submission of work plan with technical and financial capabilities by the applicant
- Dispatching of a reporting representative to the area of interest by the provincial directorate for reporting purposes
- The evaluation of application and field report by the provincial directorate's designated committee
- Asking for guarantees of the effective implementation of the work plan by the provincial directorate
- Drafting of licensing contract by the provincial directorate and sending it to the center for the purpose of approval



- Evaluation of the implementing processes of the provincial directorate by the center based on the related procedures
- Checking of coordinates with the definite area for licensing and recording them in the related systems
- Getting approval from the designated authorities and sending the contract for implementation to the related provincial directorate

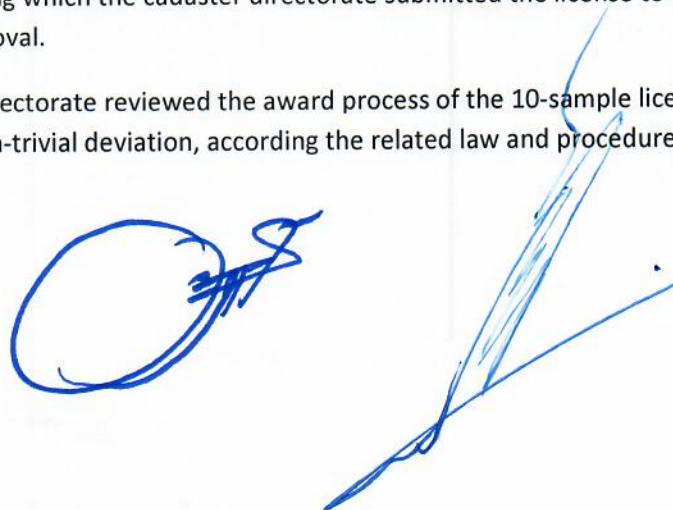
Conclusion:

For the reporting purposes and to evaluate that the licenses have been awarded in accordance with the mineral law and that all the related procedures have been duly followed, the random licenses which were selected as sample from the list were 2, 12, 22, 32, 42, 52, 62, 72 and 92. The provincial directorates of the MoMP where the mentioned licenses were awarded were requested to share the soft copy of the mentioned contracts from the initial process i.e. from submission of applications till the signature of the contracts.

It is note-worthy to mention that after the approval of licenses, the original copy of the licenses have been sent to the related provincial directorate and its copies to the contract management department of the related zone, small-scale mining directorate and one copy to the public relations department of the MoMP for the purpose of publication on the MoMP website.

It should be noted that the awarded licenses which were processed by the related provincial directorates in accordance with the compulsory forms were being submitted to the center for approval, the administrative process and checking the coordinates in comparison with the area is reevaluated by the responsible authority with the cadaster directorate. In case of any deviation or lack of supporting documents, the applications had rejected and sent to the related provincial directorate for corrective actions, following which the cadaster directorate submitted the license to the designated authorities of MoMP for approval.

The cadaster directorate reviewed the award process of the 10-sample license and could not find the existence of non-trivial deviation, according the related law and procedure.

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