



AFGHANISTAN'S ACCOUNTABILITY AND ANTI-CORRUPTION PROGRAMS

USAID assistance focuses on preventative measures that reduce opportunities for corruption, while improving the quality of services offered to Afghan citizens and complementing efforts by other U.S. Government partners aimed at enforcement and prosecution.

Although there are inherent risks in doing business in Afghanistan, USAID prioritizes the effective and accountable use of taxpayer dollars and does not assume that there is any level of acceptable fraud, waste, or abuse in our programs. This means that oversight must be a process of continual re-examination of ongoing efforts, and that there must be flexibility to adjust to new security and operational environments as they arise.

ANTI-CORRUPTION PROGRAMS IN AFGHANISTAN

Afghan government institutions and leaders must be transparent and accountable to citizens. USAID and the international donor community support this effort through a network of tools to encourage increased transparency and accountability within the Afghan government. *Incentivized* on-budget assistance is provided once the Afghan government meets transparency goals, creates processes to mitigate corruption, or makes targeted reforms supported by the international community. Fiduciary reviews are regularly conducted on national programs that use U.S. and other donor contributions to the World Bank-managed Afghanistan Reconstruction Trust Fund.

USAID's Afghanistan Measure for Accountability and Transparency (AMANAT) program works with select government institutions to implement procedural reforms that reduce vulnerabilities to corruption in day-to-day administrative processes. The program also strengthens the capacity of local civil society organizations to test and monitor the effectiveness of those reforms, and to advocate for their implementation.

One of the driving goals of U.S. assistance to Afghanistan is advancing the country's journey to self-reliance through enhanced revenue generation from increased exports of Afghan goods to regional markets.

USAID helped the Afghan government establish “one-stop-shops” for customs and exports at key transportation hubs, including Kabul’s International Airport. The facilities not only significantly reduce the time required to export goods by streamlining the process, but also reduce the risk of corruption by automating customs transactions for multiple government agencies at one location.

IMPROVING OVERSIGHT THROUGH MULTI-TIERED MONITORING

USAID provides on-going and strategic program oversight despite security restrictions, which make it difficult for U.S. Government (USG) staff to travel throughout Afghanistan for monitoring purposes. Measures taken in Afghanistan include: vetting of implementing partners (IPs); multi-tiered monitoring efforts; and financial controls. These efforts lead the Agency in innovative methods to overcome monitoring constraints, while maintaining accountability for U.S. taxpayer funds. To monitor projects in a non-permissive environment, USAID developed a “Multi-Tiered Monitoring (MTM)” tool, requiring project managers to develop a three-tier monitoring approach utilizing multiple sources of information to verify implementation and performance and ensure a greater level of oversight. The three tiers are:

- **Tier 1: Direct observation by USG staff and/or through third-party monitoring.** Third party monitoring is used when it is not possible for USG staff to conduct in-person site visits or virtual observation of USAID activities.
- **Tier 2: Review of implementing partner performance reporting.** All USAID-funded IPs are required to submit quarterly progress reports. The reporting frequency varies based on the type of award. IPs upload their performance data to Afghan Info --the USAID/Afghanistan’s web-based performance management system. Project managers upload performance data for IPs where not required under their contract/agreement, and review and verify IP performance data by cross-checking against regular progress reports, prior to approval in Afghan Info.
- **Tier 3: Corroboration of Tier 1 and Tier 2 monitoring data with external sources.** Project managers contextualize Tier 1 and Tier 2 monitoring findings and triangulate them with external sources of information, such as: beneficiary interviews, information generated from the Afghan government technical sector working groups; civil society organizations; media reports; and external evaluations or assessments. Corroboration focuses on intervention components and expected performance results.

VETTING TO PREVENT MISUSE OF U.S. TAXPAYER FUNDS

In Afghanistan, USAID implements a counterterrorism partner vetting program to mitigate the risk that U.S. taxpayer resources inadvertently benefit terrorists, their supporters, financiers, or affiliates. Since 2011, USAID has vetted approximately 11,000 awards. This stringent, time-intensive, but vitally important, process has prevented an estimated \$720 million from inadvertently supporting extremists. To measure compliance with vetting procedures, USAID includes review of the vetting program in its annual audit scope of work. The Afghanistan vetting approach has been used as a pilot and model for a broader Agency initiative to implement similar programs at other missions.

AUDITS TO INCREASE ACCOUNTABILITY

In Afghanistan, USAID audits 100 percent of locally incurred project costs of off-budget programs. Since 2013, USAID has facilitated over 180 financial audits of over \$6 billion in expenditures. USAID is also committed to assessing capacity of Afghan government ministries prior to on-budget programming. In addition, USAID benefits from the on-site presence of auditors and investigators from the Office of the Inspector General and the Special Inspector General for Afghanistan Reconstruction, which conduct in-depth investigations, performance audits, and special reviews.