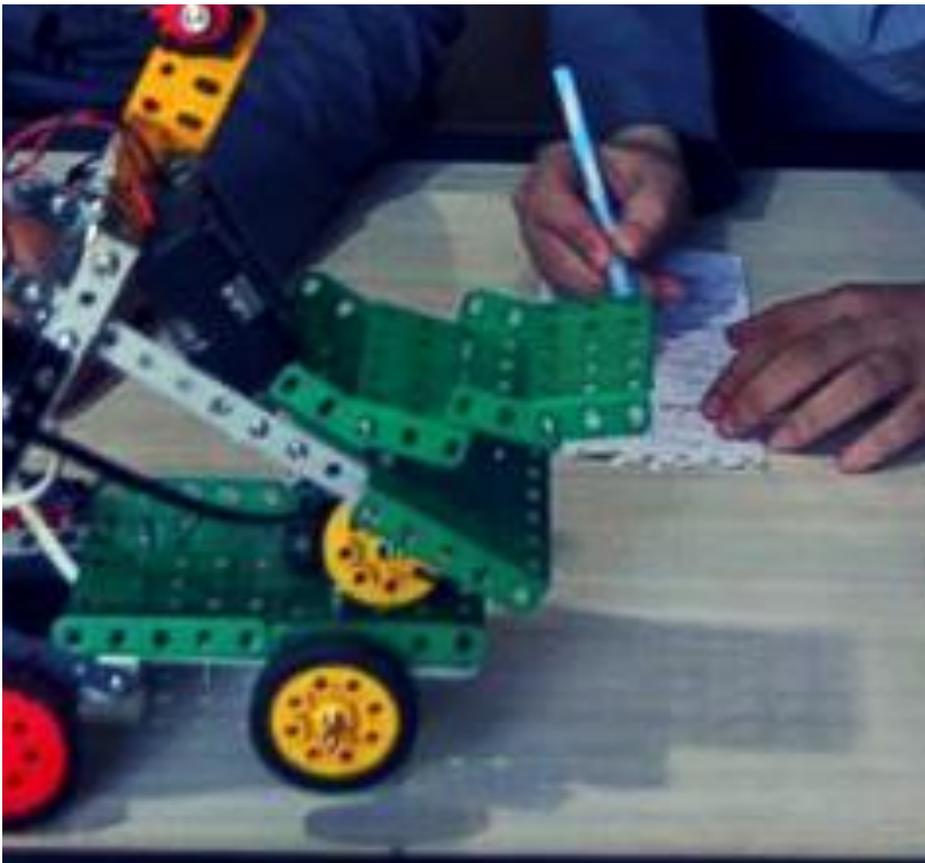




**Islamic Republic of  
Afghanistan**  
Ministry of Finance

# **AFGHANISTAN**

## **ON THE ROAD TO SELF-RELIANCE**



**A YEAR IN  
PROGRESS**

# **AFGHANISTAN ON THE ROAD TO SELF-RELIANCE**

**A Year in Progress**

**HIGHLIGHTS OF ACHIEVEMENTS  
THE NATIONAL UNITY GOVERNMENT**

**October 2017**

# INTRODUCTION

The National Unity Government presented its 2015-2016 Highlights of Achievements at the Brussels Conference on Afghanistan on 5 October 2016. Since then, the Government has continued to put its reforms agenda into practice, with extensive actions to enhance service delivery, curb corruption and respond to the nation's development needs.

We are pleased to share our updated Highlights of Achievements with you.

# FIGHTING CORRUPTION AND ESTABLISHING THE RULE OF LAW

Afghanistan will hold **parliamentary and district council elections on 7 July 2018**, with plans under way by the **IEC to use biometric technology to register voters for the upcoming elections.**

**Afghanistan National Strategy for Combatting Corruption is approved**

**Hizb-e Islami leader Gulbuddin Hekmatyar arrived in Kabul on 4 May 2017** as part of a historic peace accord.

The Ministry of Labour, Social Affairs, Martyrs and Disabled is piloting a program to use mobile phones to **pay salaries to government employees and members of the security forces.**

**The Attorney General's Office has tried 1,100 cases** of corruption, including bribery, embezzlement, treachery, abuse of public authority and forging documents; 468 people have been jailed; more than \$14 million in repayments and fines ordered.

Prosecutions by the **Anti-Corruption Justice Center – 31 individuals have been sentenced to a combined total of 209 years behind bars**, including 3 officials from the Ministry of Urban Development; 6 from the Ministry of Finance; 8 from the Ministry of Interior, arrested; including a Deputy Interior Minister suspended; and 7 from the Ministry of Education. \$9 million has been recovered.

**The Ministry of Defense has dismissed 1,400 staff members** (946 officers, 230 financial personnel, 209 procurement officials). Investigations are underway into 55 cases of illegal ammunition and weapons sales, in which 109 people were involved, 578 cases are being investigated for other crimes.

The **National Procurement Authority has blacklisted 137 firms; approved 2,330 contracts** with a **total value of 300 billion Afs** and a **savings of 18.3 billion Afs.**

**Land grabbing is now a criminal offense.** 15,831 land usurpers have been identified, 64,000 hectares of illegally seized land have been reclaimed and 355 illegal townships identified.

**Ministry of Finance has reclaimed governmental properties from land-grabbers saving 102 million Afs annually** including properties used by Youth Social Association, Farmers cooperatives, Enayat Market in Shar-e- Now and Sadar Market in Mandawee Kabul.

**Afghanistan moved up four points in the 2016 Transparency International Corruption Perception Index;** nearly double our 2013 score, thanks to strong leadership at the Supreme Court and Attorney General's Office.

## Sending Wrong Doers to Justice One Criminal at a Time

Established less than a year ago, the achievements of the Anti-Corruption Justice Center are already the stuff of legend. The Center's commitment to the fighting corruption is sending a strong message to wrongdoers.

A recent German Press Agency article recounts a sting reminiscent of the exploits of Elliot Ness and his fabled Untouchables:

*Ramping up its fight against endemic corruption, Afghanistan has turned to tactics sometimes worthy of a Hollywood thriller.*

*One high-profile case ensnared an Interior Ministry general who had demanded a 200,000-dollar bribe from a US company bidding to supply police vehicles with fuel. The company alerted the newly formed Anti-Corruption Justice Centre (ACJC), whose detectives arrested the itchy-fingered general a few days later.*

*"We've got a colleague who looks like a businessman – nice and fat," recalls Alif Urfani, the ACJC's general director. Passing himself off as a representative of the bidding company, the operative agreed to the bribe and appeared at a second meeting with 200,000 dollars in 10 bundles of 20,000 dollars each.*

*The general, fearing he might be filmed, switched off the light for the handover, "but the colleague had a listening device on him, and when the general began counting loudly in the semi-darkness, we burst in and nabbed him red-handed with the money," Urfani says.*

*The general was sentenced to 12 years in prison.*

*Justice Center Takes Down Afghan Elite  
The German Press Agency (DPA)  
12 September 2017*

# REGIONAL AND INTERNATIONAL COOPERATION

**The Cooperation Agreement on Partnership and Development – CAPD – between Afghanistan and European Union has been ratified by the Parliament and endorsed by** Presidential decree 12. The agreement builds on mutual commitments on stability and development that were renewed at the Brussels Conference on Afghanistan in October 2016.

**Afghanistan has signed a contract with BSL International Services Ltd to open of eight visa application centers in five Gulf countries** -- UAE, Kuwait, Oman, Bahrain, and Qatar. The \$5 million project will start by the end of 2017 for a one-year trial period and is expected to process 200,000 applications for Afghans in participating countries.

**Afghanistan has exported 400 tons of fruit to India** from Kabul and Kandahar. Afghan grapes, apples and pomegranates were transported on the **first air corridor with India** will make a significant contribution to an expected **60% increase in trade between the two countries.**

Representatives from 21 nations met in Kabul on 6 June 2017 for an **Afghanistan led peace conference.**

Chief Executive Officer, Dr. Abdullah Abdullah, joined some **200 Afghan businesses for a trade and investment show** in the Indian capital of New Delhi in September 2017.

The Indian company, Dynasty Oil & Gas, is building a **10-megawatt solar power plant in Kandahar.** The \$10 million project is the first of its capacity in Afghanistan.

The draft agreement for the **Lazuli Route between Afghanistan, Turkmenistan, Azerbaijan, Georgia, and Turkey linking Afghanistan to the Black Sea and the Mediterranean** was finalized in November 2016.

The **Atta Morad-Aqina international railway line was inaugurated** November 2016 linking Afghanistan to Turkmenistan and other Central Asian countries.

**Afghan and Pakistani leaders have agreed to revive the Quadrilateral Coordination Group including U.S. and China to promote peace and reconciliation in Afghanistan.** The two countries also agreed to establish joint working groups to coordinate action against terrorism.

**Construction of a 108 kilometer road in northeast Badakhshan province** near the Tajik border to connect Baharak and Ishkashim will be completed in 2021 at a cost of \$98 million USD.

**Direct flights between Afghanistan and Qatar** will start in October 2017 at the rate of 14 per week.

**The Parliament approved the Development Agreement for Chabahar port** in south east of Iran.

**Afghanistan and China have signed MoUs to build a four-nation – China-Kyrgyzstan-Tajikistan-Afghanistan – Silk Road Fibre Optic Cable** will connect the Central Asia to Europe. The strategic partnership between Afghan Telecom and China Telecom will expand Afghanistan's connectivity with the region.

# SERVING OUR CITIZENS

Work on the first ever **metro bus project in Kabul** started on 15 June 2017. The first phase will cover four kilometers from Baraki square to Sarai Shamali and is expected to be operational in 2018, providing easy, fast and comfortable transport for Kabul residents.

**Kabul municipality is preparing plans for the construction of 610 km of roads in 2017**; 10 km of Kabul roads will be enhanced with greenery, road surface markings, street lights, and signals. Six recreational parks will be completed in 2017.

The **Citizens' Charter** is working in communities in **78 districts and four cities in 32 provinces**. **By the end of 2017, the program will reach 2,500 communities, including disbursing around \$40 million in grants** to Community Development Councils for infrastructure projects as well as cash for works projects.

A \$74 million loan from the Islamic Development Bank will support **phase 1 of the construction of the Kabul's ring road** will start in Maidan Shahr (Maidan Wardak province) and end in Logar province. Kabul's four lane ring road will extend 95km and all of Kabul's neighboring provinces will be connected to this highway.

**Technical studies and designs are underway to improve the Salang highway** which connects capital Kabul with north Afghanistan, bringing of goods and people across the Hindu Kush mountain.

The **Policy Framework and Action Plan for Returnees** will support the return of nearly one million new migrants back to Afghanistan.

**\$520 million from the World Bank will help improve service delivery and support returnees**, with nearly half (going to support communities with internally displaced persons and refugees returning from Pakistan. The funding will help Afghanistan with refugees, expand private-sector opportunities for the poor, boost the development of five cities, expand electrification, improve food security, build rural roads and establish strategic wheat reserves.

The **biometric system for retirees**, together with the provision of bank accounts, is being rolled out in 30 provinces.

The **launch of E-Prescription** will give citizens better access to hospitals and medical centers and prevent bureaucracy and corruption.

# IMPROVING FISCAL SUSTAINABILITY

**Afghanistan surpassed revenue targets for a third year.** Revenue collection stood at **76.5 billion Afghanis in the first six months of 2017** – nearly a 10 percent increase compared to the same period last year. In 2016, revenue collection improved by 26% compared to 2015, including one-off revenue. Last year we exceeded the IMF target by 9 billion AFN.

The Large Taxpayers office has introduced **electronic revenue collection system** across the country to support the fight against corruption, in particular bribery.

A **taxpayer call center** will receive complaints and suggestions every day from 8 a.m. to 5 p.m. at the following numbers **0755840111- 0755840112- 0755840113- 0755840114.**

**Mobile phone users have paid more than 8.4 billion AFN in tax** on top-ups since 2015.

The **Financial Action Task Force (FATF) has removed Afghanistan from its gray list;** after meeting commitments to crack down on banking crimes.

**IMF has approved \$6.2 million for Afghanistan,** bringing total disbursements under the arrangement to \$12.4 million USD. The approval came following the completion of the first review of the arrangement under the Extended Credit Facility (ECF) in May 2017.

IMF is projecting **economic growth to 3 percent in 2017.**

**Afghanistan joined** Armenia, Hong Kong, Fiji and Timor-Leste as the newest members of **the Asian Infrastructure Investment Bank**, enabling the country to access opportunities for financing or co-financing of infrastructure projects, such as energy and power, transport and telecommunication, rural infrastructure, agriculture, and water and sanitation. Membership also offers opportunities to Afghan companies to take part in tenders for projects approved for financing.

The **first Annual Assessment of performance for implementation of the five-year rolling was released in April 2017,** with key achievements noted in national procurement, revenue and customs.

# EMPOWERING AFGHAN WOMEN

The **Women's Economic Empowerment National Priority Program** has supported **67,000 women in agriculture activities** **35,000 women in the livestock sector**; is recruiting **3,000 female teachers** and training **900 community midwives and nurses** who will return to their communities in 2018.

**3,500 Afghan women now proudly serve in our military and police forces in 34 provinces.** The Ministry of Defense has allocated 5,000 posts for women and the Afghanistan National Army has established a 10% quota for women.

Women account for **14% of university lecturers**; 782 women lead classrooms in Afghan institutions of higher learning.

**50,225 Afghan women are studying at university** an increase of 6% or 3,000 compared to 2016.

Nearly **50,000 women took part in the 2017 Kankur University entrance exam**, with women accounting for 33% of students matriculating in the upcoming academic year.

A **Deputy Attorney General for the Elimination of Violence against Women** was created by Presidential decree.

**Afghanistan has 257 female judges**, representing 21% of all judges sitting on the bench.

**9,358 legal cases involving women have been heard by Afghan courts** and 2,263 cases resolved with assistance from lawyers provided by the Ministry of Women's Affairs and the Ministry of Justice.

A special **commission to deal with issues related to incarcerated women** has been established.

**58 lawyers are providing pro-bono services on 928 cases** of violence against women, with 328 cases decided by the courts.

The **Parliament approved the Law on Anti-Harassment of Women and Children** on 25 December 2016.

The Independent Administrative Reform and Civil Service Commission has developed a **policy to increase participation of women in the civil service by 2%** in 2017 and 2018.

## Afghan Girls Robotics Team Wins Silver and Captures Hearts

Six Afghan girls, originally from Herat, captured the attention of the world's media when their visa application to take part in the first robotics competition in the U.S. was initially denied. But in the end, the girls got their chance compete and *Team Afghanistan emerged 114th out of 163 teams in the three-day academic event in Washington, higher than countries such as U.K., U.S. and Russia.*

This Washington Post article captures the moment they arrive at the competition:

*With two words — "Team Afghanistan" — the crowd in the stands at DAR Constitution Hall erupted into a deafening roar Sunday as the teenage girls made their way onto a sprawling stage, waving their country's flag and wearing headscarves in matching colors.*

*Their triumphant entrance on the stage at the FIRST Global Challenge robotics competition marked the end of a long and uncertain journey to the United States. As of last week, their dream of traveling to what has been billed as the "Olympics of Robotics" had been shot down when their visas were denied, despite two grueling trips from their home in Herat, in western Afghanistan, to Kabul for interviews with U.S. State Department officials.*

*But after their plight made international headlines, President Trump intervened at the last minute to grant the girls passage to the United States, and they arrived Saturday.*

*Standing in the busy hallway of Constitution Hall Sunday, while her teammates tinkered with their robot nearby, Fatemah Qaderyu said she was elated to finally make it here. The 14-year-old wants study computer science when she gets older.*

*After visa delays, Afghan girls' robotics team arrives in D.C. for global competition*  
Washington Post  
17 September 2017

# CREATING JOBS AND ENSURING LIVELIHOODS

**Jobs for Peace has created more than 2.6 million labor days**, providing over half a million families living in rural areas. In its second phase the program will scale-up of the rural activities to cover the remaining provinces and introduce a labor-based clean-up program in Afghanistan's five largest cities, with an initial target of 10,000 new jobs.

700 thousand acres of land irrigated through 8,444 water management projects resulting in **increased production for 2.5 million villagers**.

**\$565 million in loans for farmers** over the coming three years.

**Construction of 8 cold storages** with capacity for 5,000 tons in 6 Zones for fruits and vegetables.

**Honey production increased to 2,050 tons** in 2016 from 1,300 in 2015.

**28,000 seasonal workers employed** in the farming sector in 2016.

A \$12 million **milk processing complex will process over 35,000 liters of milk every day** and will meet Afghanistan domestic demand.

**Afghanistan harvested 6.5 tons of saffron** in 2017 and will expand **the cultivation of saffron by over 3,000 hectares in 2018**.

A \$6 million investment by the **Afghan White Gold Cotton Industry employees 200 people to manufacture 6 tons of textiles per day**.

# SUPPORTING THE PRIVATE SECTOR

The Ministry of Commerce and Industry reports a **50% decrease in imports** from neighboring countries, with imports from Pakistan down from \$2 billion to \$900 million; while exports have increased to \$600 million in the current year.

The Barik Aab economic zone will house more than **1,000 industrial units creating more than 35,000 jobs**, with an Initial investment of \$15 million by the Government and \$200 million by the private sector.

The first ever **Economic Diplomacy Guidelines** for overseas political representatives have been finalized.

Afghanistan's first **leather production plant** opened in Herat in May 2017 with an **investment of \$6.3 million** and will help curb the import of leather goods which currently stands at \$350 million per year.

The Mumtaz Group has been contracted by the Urban Water Supply and Canalization Company to improve Kabul's water supply in Kabul. The \$11 million project is the first of a three-phase project which will **provide 10,000 families with clean water on tap**.

The Bayat Power Group signed a \$250 million contract with the government to generate **192 MWs of electricity** using natural gas reserves in Jawzjan province; creating **200 direct job opportunities**.

Afghanistan is producing **solar and wind energy in Herat province**. 5,320 solar panels and three wind turbines on 40 acres will generate 2MWs of electricity **for 1,000 families and 100 small factories**.



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