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Preface

One of the prime resources of Afghanistan are its vast amount of mines. If used sagaciously, these could help in the improvement of the economic situation of the country and the people. However, because of war in the country almost four decades have passed while these mines have faced illegal extraction and smuggling into foreign countries by strongmen and the armed opposition of the government.

Since the new political system was established in Afghanistan, many have hoped that the Afghan mine sector would be given serious attention and that illegal excavation and corruption in the sector would be eliminated. Yet reports still indicate that due to the rife corruption in the sector, the Afghan mines face illegal extraction and looting, with contracts giving no importance to transparency.

The first part of the CSRS Weekly Analysis has discussed the government's performance and capacity regarding the Afghan mines, as well as existence of wide corruption in the sector.

The second part of the Analysis is allocated for the 16th legislative 8-year term of the Afghan Wolesi Jirga (Lower House of the Afghan Parliament). The 16th legislative term of the Wolesi Jirga, despite its legal 5 years, was active for another privileged 3 years. During this period, beside fulfilling its main roles and responsibilities, Wolesi Jirga also had inner disputes with the executive branch of the state. The Wolesi Jirga is, to a large extent, accused of corruption and law-breaking during this period.

Illegal Extraction and Lack of Transparency in Afghan Mine Contracts



Mines and natural resources are the untapped properties of the country that could lead to economic development, prosperity, security, and stability in the country. Nonetheless, the illegal and unprofessional extraction from mines in Afghanistan has been continuing over the past four decades, and the perpetuation of this situation has negatively affected the country's economy, revenue, security, etc.

On October 5, 2018, the Afghan government signed [two contracts](#), regarding major gold mines in Badakhshan and a copper mine in Balkhab with British company Centar Ltd. The contract was signed at the Afghan Embassy in Washington D.C where a lot of opposition was faced. Afghan and civil society organizations raised concerns about this project, pointing out that a former government minister is a partner in the venture. A day after the gold and copper contracts were signed, the [Integrity Watch](#) Afghanistan (IWA) held a press conference where hundreds of civil society activists were present. They pointed out that the contracts were against the Mining Law of the country and demanded their cancellation.

Besides other issues, IWA considers the partnership of Sadat Mansour Naderi, a businessman who was the Minister for Urban Development and Housing, as apparent contravention of Afghanistan's Law on Mining. It has also raised its concerns over the funding of the ongoing war through Afghan mining and alleged that there were discussions between the international community and the Afghan government over the use of mining as the funding source for war in Afghanistan, based on some reports.

Here we have discussed the mineral resources, funding the war through Afghan war, their extraction and how the contracts are granted in the mining sector in the country.

The Afghan Subterranean Resources

The outcomes of studies conducted in 1890 by British geologists and thereafter Russians, Americans, Germans, and French regarding the Afghan mines reveals significant deposits of oil, gas, coal, silver, copper, lapis lazuli gemstones, and other valuable materials, most of which are untouched yet.

After the U.S campaign on Afghanistan and collapse of the Taliban regime, the 5-year U.S. geological survey (2006-2010) showed that the total value of the mineral resources in Afghanistan is one trillion dollars, while the Afghan government has estimated its value to be three trillion dollars. Overall, 1400 mineral fields have been detected so far in the country.

With mineral resources valuing hundreds of billions of U.S. dollars not so far from the surface and close to its major cities, Afghanistan is one of the distinctive countries in the region. Nevertheless, Afghans are one of the poorest nations in the world; and thus, they cannot use their buried resources due to the ongoing war in the country.

Mines and Afghan War

The Funding of the war through mining and smuggling by parties involved in the decades-long war of Afghanistan, especially the commanders in the front lines has been routine.

During the invasion of the former Soviet Union, Afghan gemstones were being unprofessionally extracted and smuggled by commanders and Jihadi leaders in order to fund their war. This continued during the civil war and later during the Taliban regime. Existing information indicates that the war leaders of the Northern Coalition against the Taliban were, to a large extent, extracting the gemstones from the areas they controlled and selling them to others which helped in [funding the militants](#).

Following the U.S. attack on Afghanistan and collapse of the Taliban regime, during the last 17 years of war Afghan mines have been illegally and unprofessionally extracted from and looted by strongmen and irresponsible armed groups. These mined have been depended on as the main funding sources of armed opposition of the Afghan government, based on reports of various national and international bodies.

In the meanwhile, in a report released on June 2016, the international organization of [Global Witness](#) has said that the income of armed groups from a single small mine in Badakhshan province is equal to the total revenue of the Afghan government from the mining sector. The institution added that “the competition between the economic mafia over controlling the mines of Badakhshan has created such a diversified coalition which in some occasions have aligned the Taliban, the local commanders of Jamiat-e-Islami, and some senior officials of the Afghan government.”

Moreover, the armed opposition of the government, especially the Taliban and Daesh, unprofessionally extract from the mines in areas out of control of the government and sell them for the purpose of funding their war. Afghanistan Anti-Corruption Network (ACCN) released a [report](#) revealing that armed insurgents including the Taliban gained \$46 million through illegal extraction of minerals in a mine of Nanagarhar province in 2016.

Overall, war in the areas where mines are located is intentionally perpetuated in order to fund the Afghan war through them or to facilitate the extraction, smuggling and looting from Afghanistan.

Government Capacity for Mine Extractions

Although it was hoped the government would take care of the Afghan mines and their legal and professional extraction, especially after the new system was established in 2001; 17 years have passed and hundreds of millions of dollars have been spent, but reports still indicate that Afghan mines are illegally and unprofessionally extracted from and looted by strongmen and armed groups.

The lack of security and decreased control of Afghan government over the geography of the country has caused an inability of the government to host the required monitoring over the country's mine. On the other hand, corruption and lack of capacity for professional management coupled with the extraction from Afghan mines by the Ministry of Mines and Petroleum (MOMP) are other reasons that have deprived the country of economic welfare and development as a result of lack of using of its untouched subterranean resources.

During the last 17 years, the Afghan government has signed several contracts with national and international companies for the purpose of extraction of the mines; however, there were always concerns on the issue due to lack of transparency in the signing of contracts and lack of appropriate monitoring of the practical extractive operations. For example, a major contract of Logar's Aynak Copper was granted to a Chinese company named MCC by the MOMP in 2008; however, its practical operations are yet to be commenced.

Briefly, a one and half decade has passed, but there are still many problems on how to manage the natural resources and how to make contracts on extraction from the country's mines; however, apart from considering the national interests of Afghanistan, intricacy and professionalism is needed while accepting major contracts for the country's natural resources.

Contracts on Badakhshan's Gold and Balkhab's Copper

The contracts on Badakhshan's gold and Balkhab's copper mines were put for bidding in 2012 and two companies namely Turkish Afghan Mining and Afghan Gold & Minerals won the bidding; however, the MOMP said they had legal problems and there were conflict of interests at that time. The contract has been suspended since 8 years; however, it was granted to a company in Afghanistan's embassy in Washington a while ago, on October 5, 2018.

The contracts are for thirty years, according to MOMP. The first three years will be for exploration where the Turkish Afghan Mining will invest \$22 million on the gold mine of Badakhshan and Afghan Gold & Minerals will invest \$56 million on the cooper mine of Balkhab located in Saripul Province.

Meanwhile, there are accusations that the contracts are against the Afghan Law on Mining. Reasons are listed as follows:

First; the overall worth of every contracted mine is unclear.

Second; the partnership of Sadat Mansour Naderi, a businessman who was the Minister for Urban Development and Housing is an apparent contravention of the Afghanistan's Law on Mining. As article 16 of the 2014 Afghan [mining law](#) sets a five-year time limit before a Minister, President, Vice Presidents, members of Parliament (MPs) and other senior government officials or their direct relatives are allowed to hold a mining contract.

Third; decrease in Royalty (a financial obligation payable by a License or Authorization Holder or contractor to the State) of contracts from 11 to 8 and from 10 to 6 took effect. The IWA alleges that it happened while Mansour Naderi was performing duty as the Minister for Urban Development and Housing of the Afghan cabinet.

Fourth; lack of financial guarantees from the contracted companies of mining.

What should be done?

Work for establishing effective strategies for preventing corruption and increasing capacity building in the Afghan mine sector are among the important points regarding managing the natural resources of Afghanistan. The following points are worth mentioning:

- Establishing a cooperation framework between the MOMP and Afghan Commission on Civil Services in order to develop and apply an employment process for MOMP and to prioritize the knowledge, skill and other related requirements. The process could be used for filling current vacancies.
- In order to prevent the interference of MPs, influential officials, Mafia and strongmen while awarding contracts, it should be asked that MOMP should officially and publicly register their contacts with MOMP officials. Also, the face to face meetings could be monitored by special divisions at the MOMP.
- The mine contract awarding should be competitive and public in order for the bidders to learn the reasons for their success or failure.
- Establishing a clear and effective policy and strategy for rule of law which should include process for reviewing the decisions of inspectors as well, in accordance with the law.
- Establishing a single and transparent account for collecting the entire revenue of natural resources and for strengthening the overall monitoring system on mine extraction. Also, the establishment of a fair mechanism for ensuring the interests of the indigenous people. For the purpose of achieving all this, it is necessary firstly to make an effort for putting an end to the ongoing Afghan war and for maintaining peace in the country. End

8-year Progress of Wolesi Jirga's 16th Legislative Term



The 16th legislative term of the Wolesi Jirga (Lower House of the Afghan Parliament), despite its legal 5 years, was active for another privileged 3 years. The Parliamentary Elections should have been held three years ago; however, they were suspended till late 20 October, 2018.

Eight million Afghans have been registered for the Parliamentary Elections according to Afghanistan Independent Election Commission (IEC) where votes were casted for almost 2570 candidates in 32 out of all 34 provinces of Afghanistan, except for Kandahar and Ghazni. The initial results of the elections will be announced on November 10 and the final results will be announced on December 20, 2018, according to IEC. Thereafter, the 17th legislative term of the Wolesi Jirga will officially be commenced.

The 16th legislative term of Wolesi Jirga, members of Parliament (MPs) accused with corruption and the disputes among the government and Wolesi Jirga are discussed here.

16th Legislative Term of Wolesi Jirga

After the U.S. attack on Afghanistan in 2001 and establishment of the interim government under the leadership of Hamid Karzai in the Bonn Conference, the new Constitution of Afghanistan was also compiled. Parliamentary Elections for the 15th legislative term of the Wolesi Jirga were held in 2005, based on the new Constitution where as a result, 249 MPs were elected for Wolesi Jirga.

Thereafter, Parliamentary Elections were once again held in 2009 and the members of the 16th legislative term commenced their work. It was planned that the Parliamentary Elections for 17th legislative term will be held in 2014; however, these elections were suspended for 3 years and the term of the 16th legislative term extended to 8 years.

The 16th legislative term of Wolesi Jirga approved tens of legislative documents, proposals and international agreements in the last 8 years. Moreover, a number of cooperation agreements between Afghanistan and some countries as well as resolutions of some convictions were confirmed during the term of Wolesi Jirga.

During its period, Wolesi Jirga also approved some documents which later were asked to be cancelled. Among them is the Bilateral [Security Agreement](#) between Afghanistan and the U.S (BSA). Since the National Unity Government (NUG) signed the BSA promptly with first houses of its government, the Wolesi Jirga also approved it within a short matter of time without conducting discussions about it; but in recent years, as the air bombardment and civilian casualties have increased, Wolesi Jirga and Meshrano Jirga (Upper House of the Afghan Parliament) have raised their voices on reviewing the BSA.

In sum, in its 16th legislative term, Wolesi Jirga had disputes with the executive branch of the state. Also, the absence of MPs and their visits abroad during vacations instead of meeting with their clients were factors that put doubts on the capability of the Wolesi Jirga when it comes to lawmaking, monitoring of governmental activities and honest representativeness of the people. Thus, the dissatisfaction of the public with them is reflected in a survey conducted by [Khana-e Azad-e Afghanistan](#) in December 2016 showing that 70% of Afghans are dissatisfied with the work of the Wolesi Jirga.

MPs accused of Corruption

The rampant corruption within Wolesi Jirga and accusations against MPs was another aspect affecting the 16th legislative term of Wolesi Jirga. Wolesi Jirga was among many other bodies in Afghanistan that had a role in corruption. Even [UNAMA](#) harshly criticized the Afghan Parliament for being involved in corruption in its 2018 report titled 'Afghanistan's Fight Against Corruption: From Strategies to Implementation'.

The Wolesi Jirga is accused of providing ministers with vote of confidence in return for various privileges, breaking of the law, not observing public order and rules, smuggling, putting pressure on government for their personal jobs and other such cases of corruption.

For example, on 13 May 2013, former Finance Minister Hazrat Omar Zakhilwal was summoned by the Wolesi Jirga where he revealed the corruption files of some MPs in front of other lawmakers and media. He explicitly said: “considering the [investigations](#) of Finance Ministry, Lalay Hamidzai is accused of smuggling alcoholic beverages and vehicles, Samiullah Samim is accused of smuggling oil and alcoholic beverages, Zahir Qadir is accused of smuggling flour and illegal extortion of money, Arif Rahmani is accused of asking for contracts and money, Mahmood Khan Sulaimankhil is accused of smuggling good and Mohammad Azim Mohseni is accused of asking for illegal housing.”

Former Minister of Information and Culture, [Abdul Bari Jihani](#) personally shared the information on the MP's corruption with the public. In his article, he wrote that he was present in a party of Zahir Qadir on February 2015 where some of the government's nominated ministers for taking vote of confidence from the Wolesi Jirga were asked to provide each member of the Jirga with \$5,000.

Additionally, reports on defalcation of millions of Afghani's and existence of countless ghost employees were released in September, 2017. Based on these reports, 217 out of 370 employees of the Wolesi Jirga Secretariat were ghosts and about 4 million Afghanis were taken by MPs as a salary for the ghost employees. Meanwhile, the speaker of the Wolesi Jirga was also accused of spending 5 million Afghanis of the official budget on building his private home.

Although a number of MPs reacted towards the corruption of the speaker and asked for further investigation; the latest information of the file and outcomes of the legal investigation on the case are yet to be shared with the public.

Confrontation of Government and Wolesi Jirga

The Afghan Constitution has provided the Wolesi and Meshrano Jirga with the following duties: ratification, modification or abrogation of laws, decision on the development programs as well as the budget, ratification of international treaties and agreements or abrogation of membership of Afghanistan in them, providing the nominated ministers with vote of confidence, decision on elucidation sessions and approval of the state budget as well development program.

The three organs of state, in accordance with the Afghan Constitution, have inseparable ties and all three of them have the right to monitor each other for the purpose of better performance. The Parliament monitors the government activities as it is considered key for continuation and success of the government.

The 16th legislative term of Wolesi Jirga that commenced during the Karzai administration did not have as good relations with the government as it had in its 15th legislative terms. Although the ties between the government and Wolesi Jirga were not that good during the Karzai Administration, the distance between them and lack of coordination was not much. But after the NUG was established, the distance between them became unprecedentedly greater and resulted in disputes.

During the first years of the NUG, Wolesi Jirga criticized the NUG's foreign policy, especially its peace policy and closeness to Pakistan and its policy of providing it with privileges. Later, some members of the Wolesi Jirga accused the NUG of having a hand in the emergence and expansion of the Daesh group in Afghanistan. Delaying the introducing of minister-nominees to the Wolesi Jirga, rejecting of some minister-nominees by the Wolesi Jirga, not holding the Parliamentary Elections on time and distribution of Electronic Tazkira (ID Cards) were the factors that had caused disputes and distance between the NUG and Wolesi Jirga.

End

Contact Us:

Email: info@csrskabul.com - csrskabul@gmail.com

Website: www.csrskabul.com - www.csrskabul.net

Office: **(+93) 202564049 - (+93) 784089590**



Researcher and Editor of Weekly Analysis: **Zia-ul-Islam Shirani**

Researcher and Distributor of Weekly Analysis: **Ahmad Shah Rashed**

Translated into English by **Abdullah Jawed**

Edited by **Aisha Khatibi**