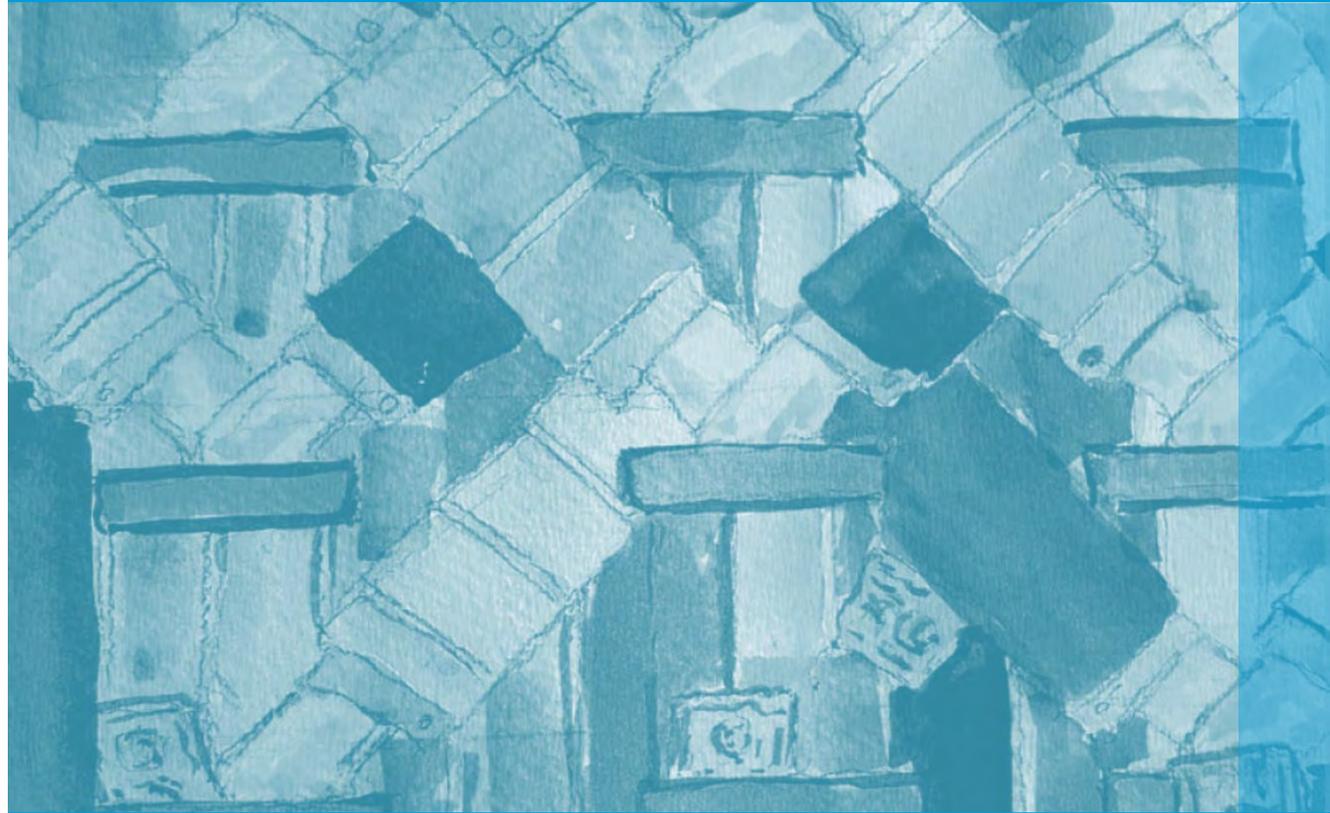


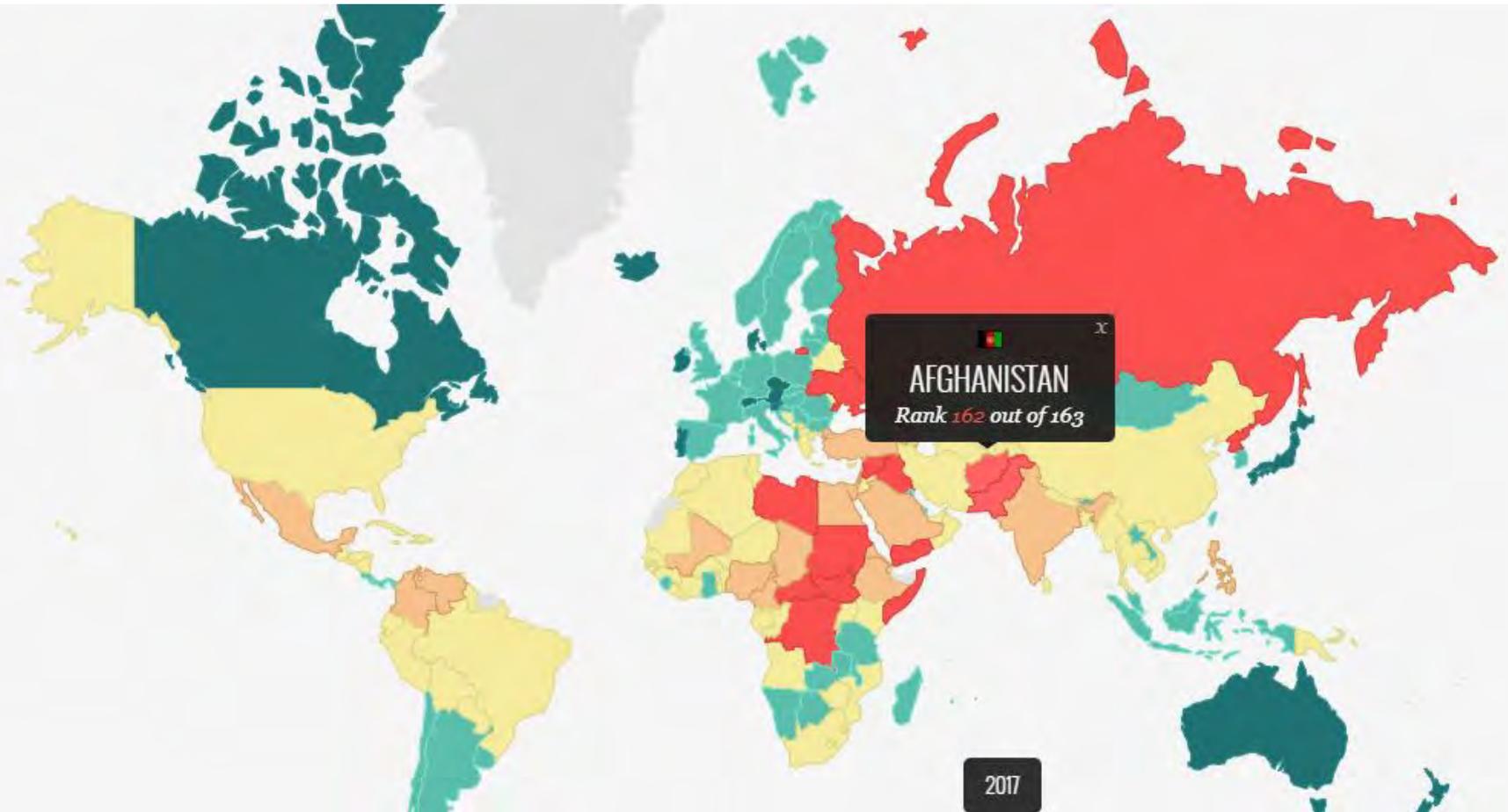
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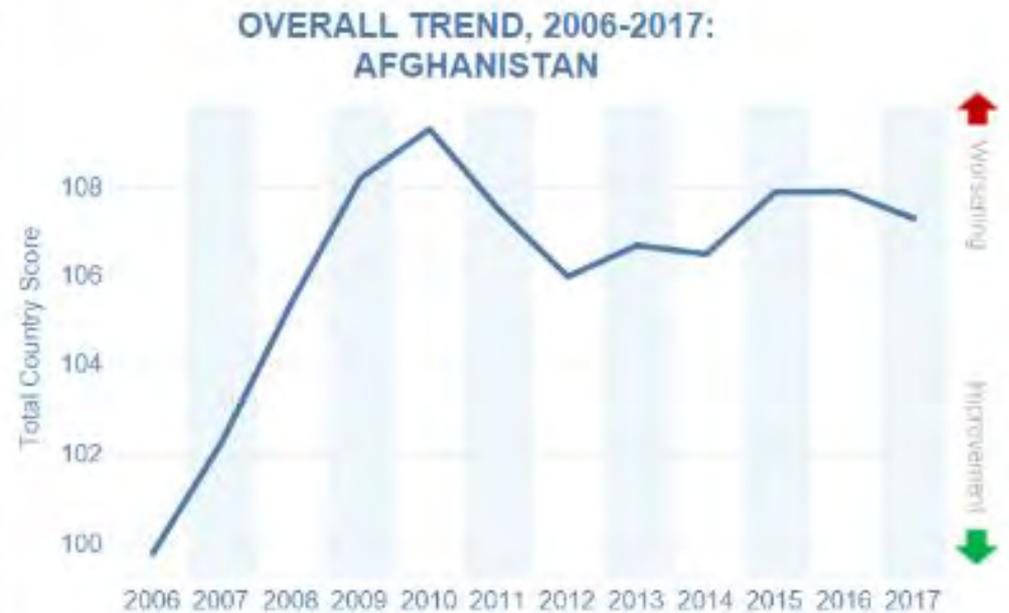
The Nexus between Corruption and insecurity in Afghanistan

An overview of insecurity in Afghanistan

Global Peace Index

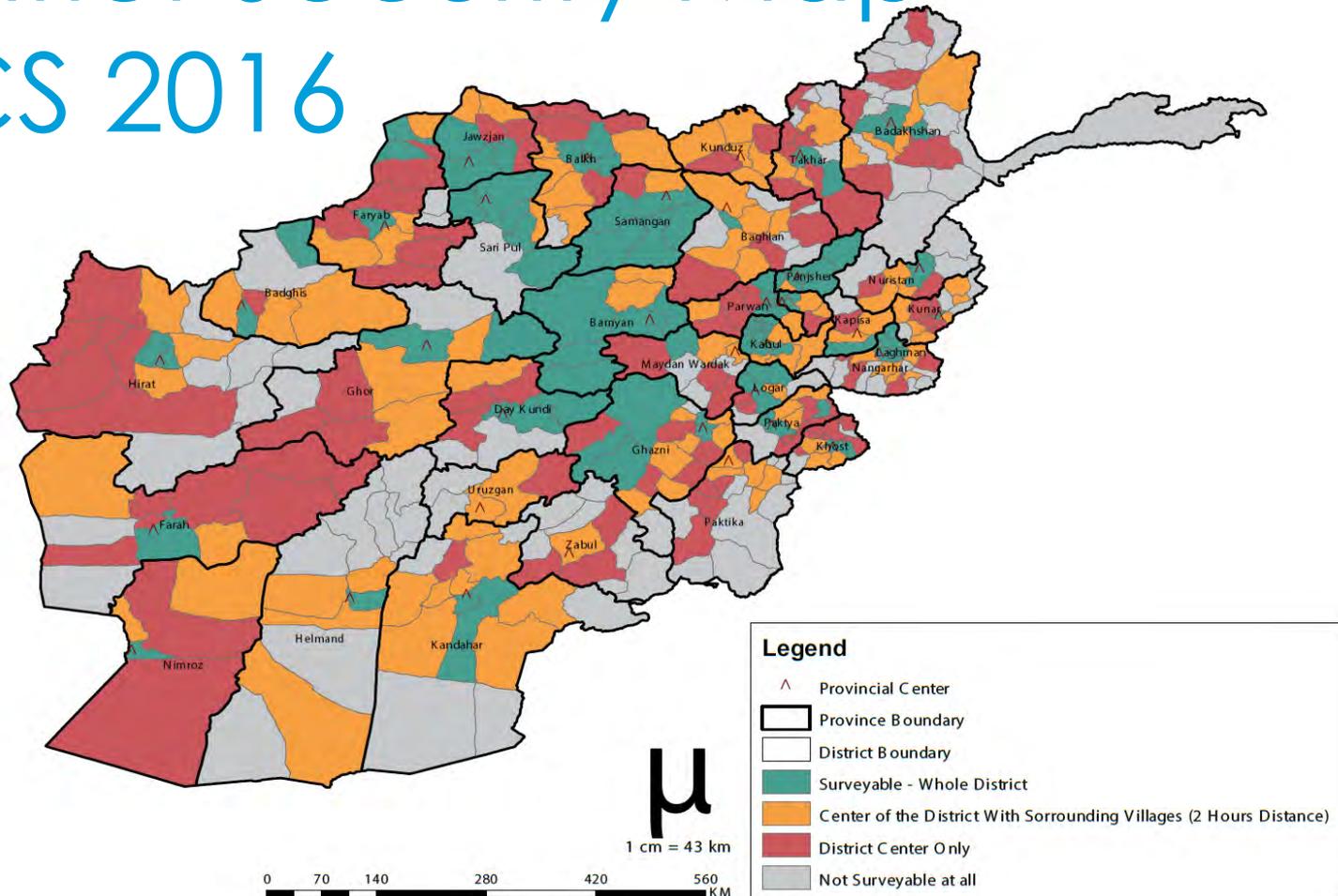


Fragile States Index



District Security Map

NCS 2016



Taliban Control in Afghanistan



212

117

45

24

GoA control or undetermined

Contested

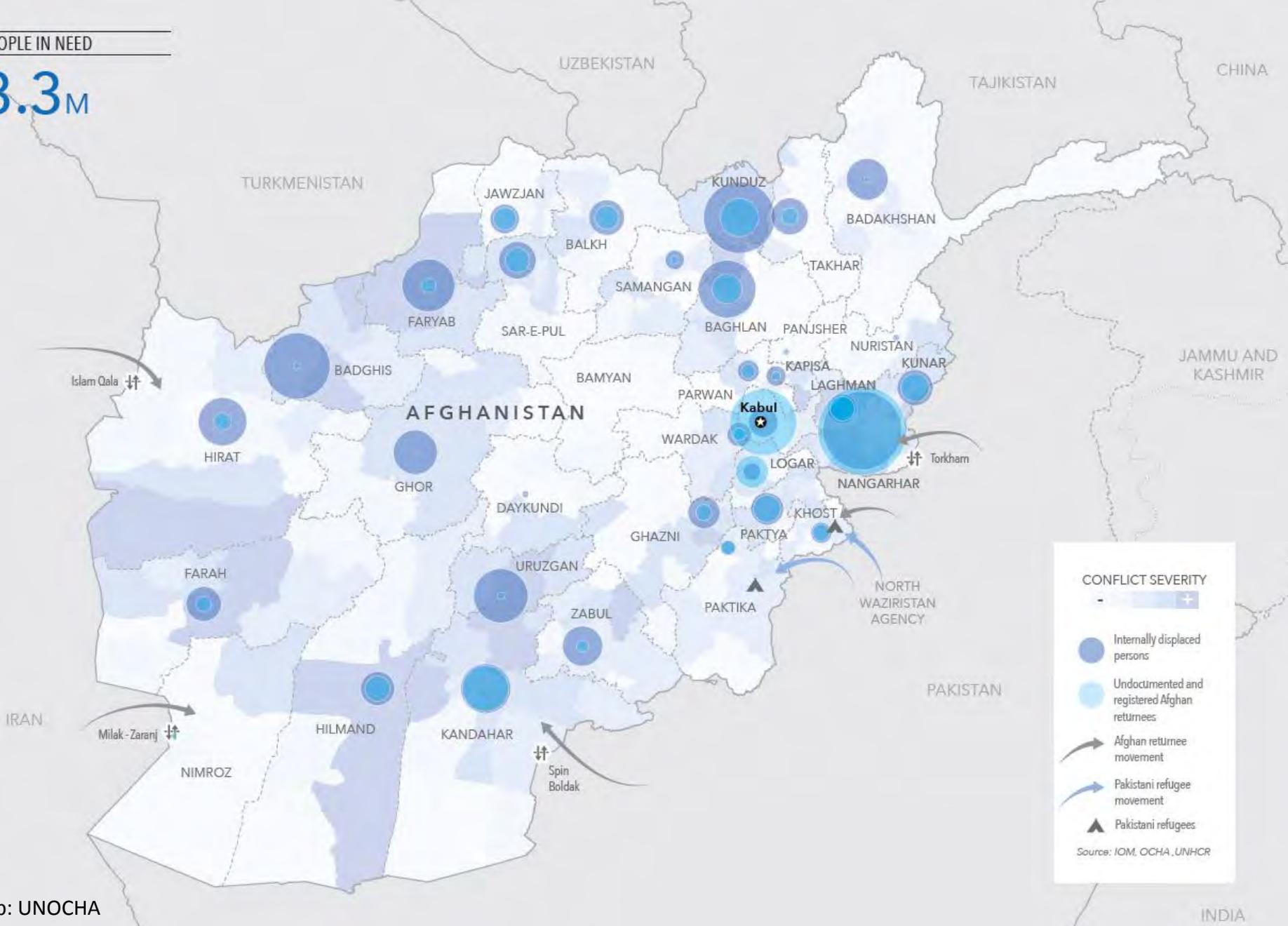
Control

Unconfirmable Taliban claim

The humanitarian cost of war and insecurity

PEOPLE IN NEED

3.3M



CONFLICT SEVERITY

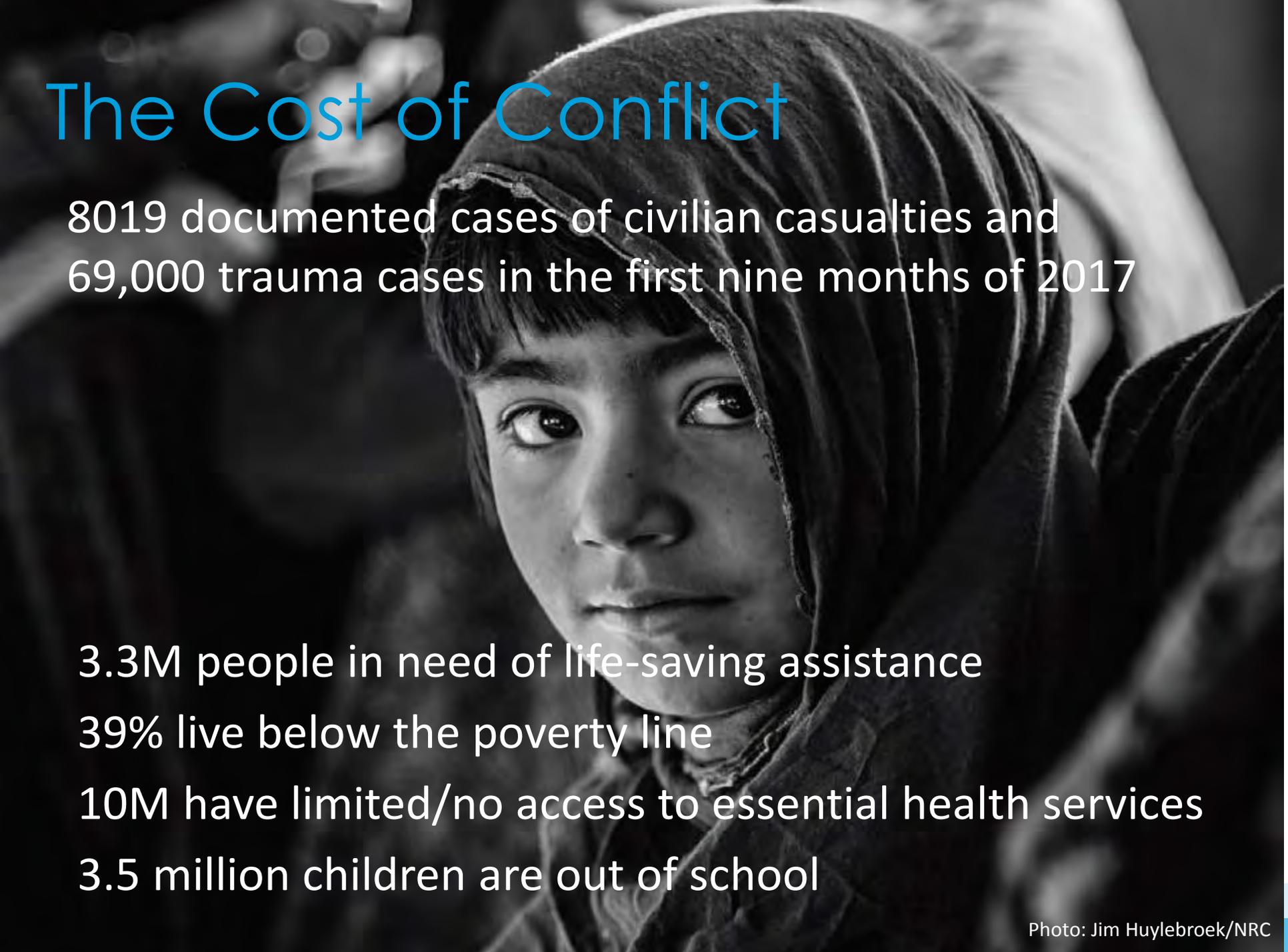


- Internally displaced persons
- Undocumented and registered Afghan returnees
- ➔ Afghan returnee movement
- ➔ Pakistani refugee movement
- ▲ Pakistani refugees

Source: IOM, OCHA, UNHCR

Map: UNOCHA

The Cost of Conflict



8019 documented cases of civilian casualties and
69,000 trauma cases in the first nine months of 2017

3.3M people in need of life-saving assistance

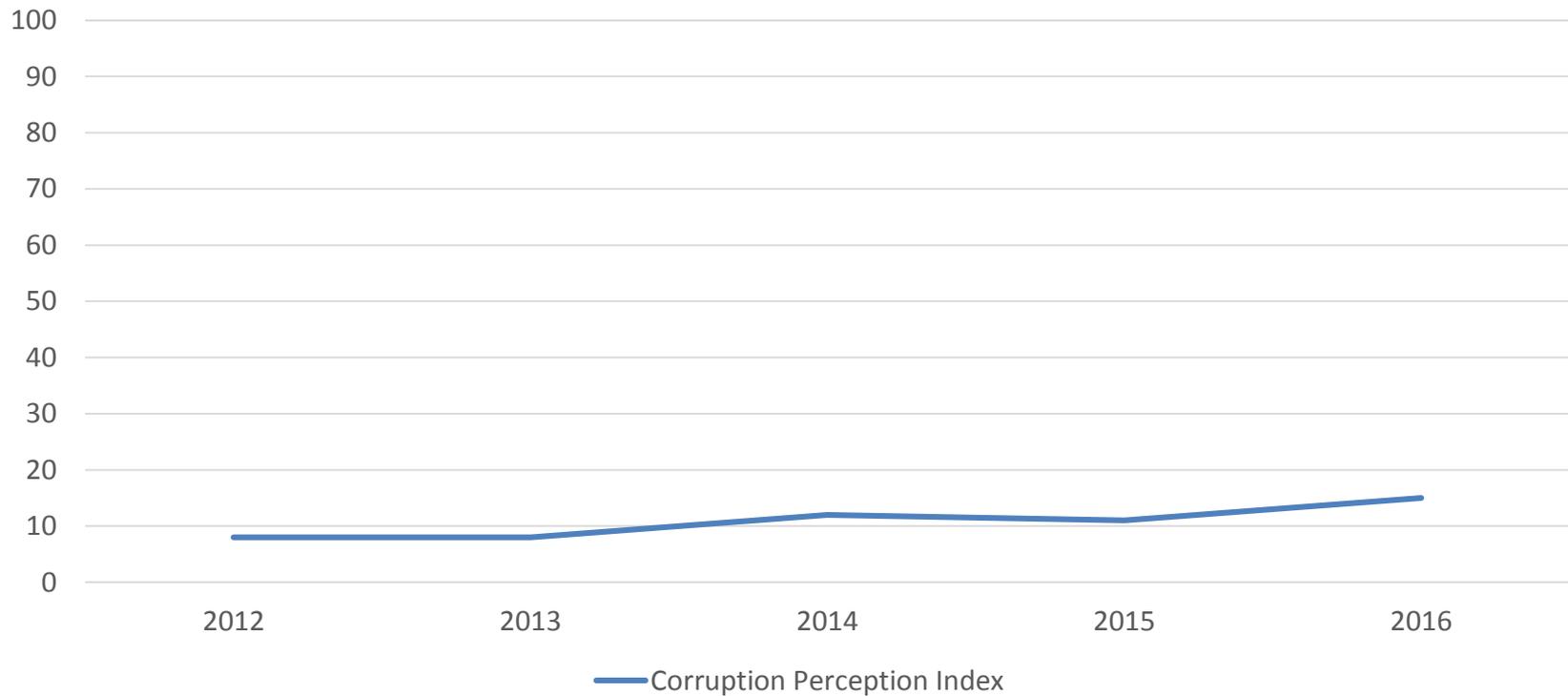
39% live below the poverty line

10M have limited/no access to essential health services

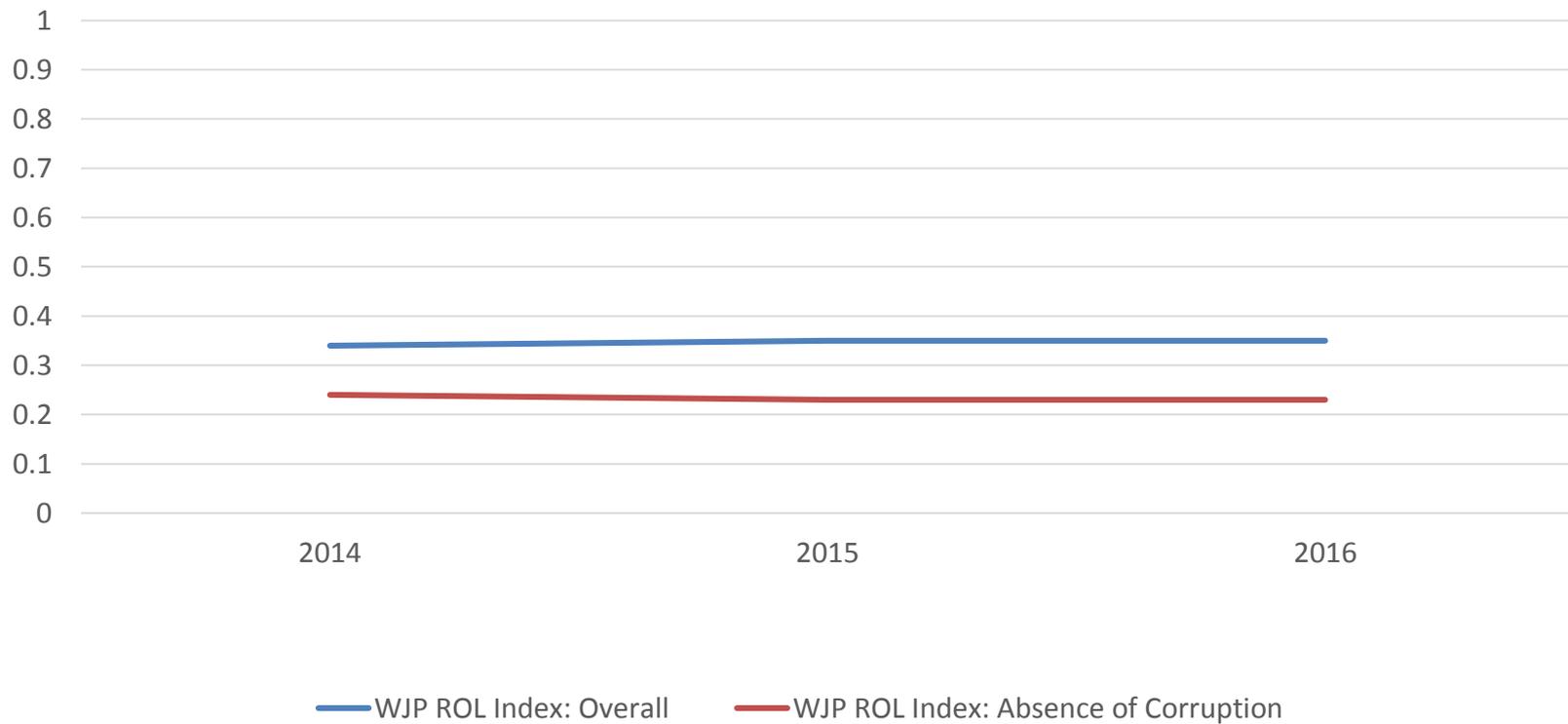
3.5 million children are out of school

An overview of corruption in Afghanistan

Corruption Perception Index

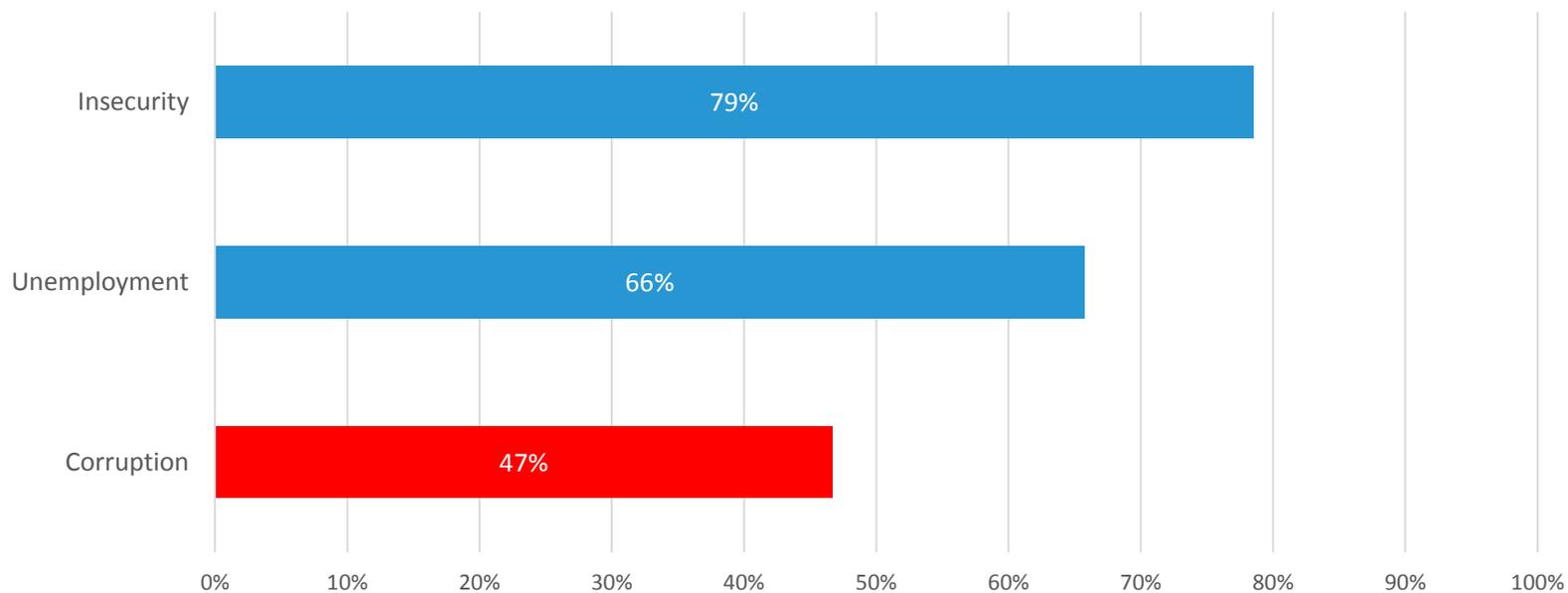


Rule of Law Index



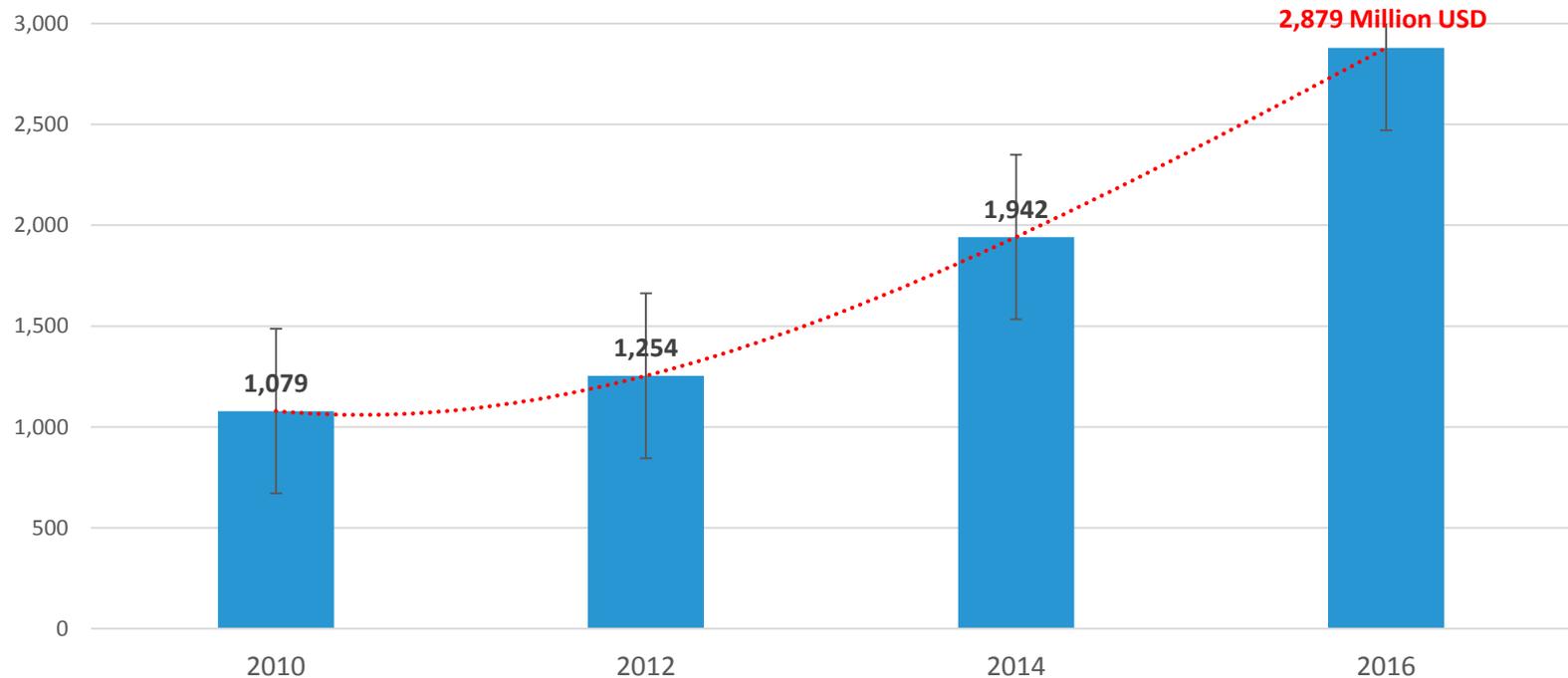
National Corruption Survey 2016

What are the most serious problems facing Afghanistan as a country today?

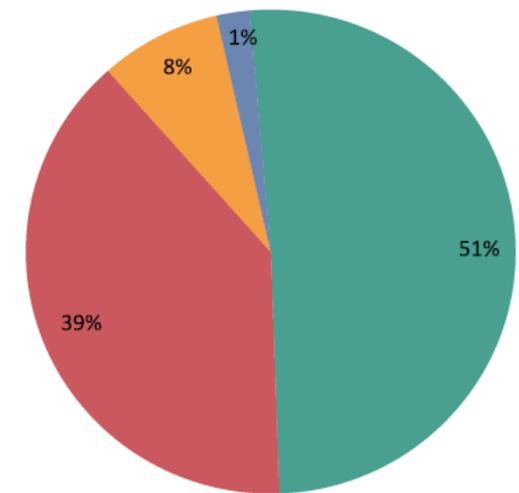
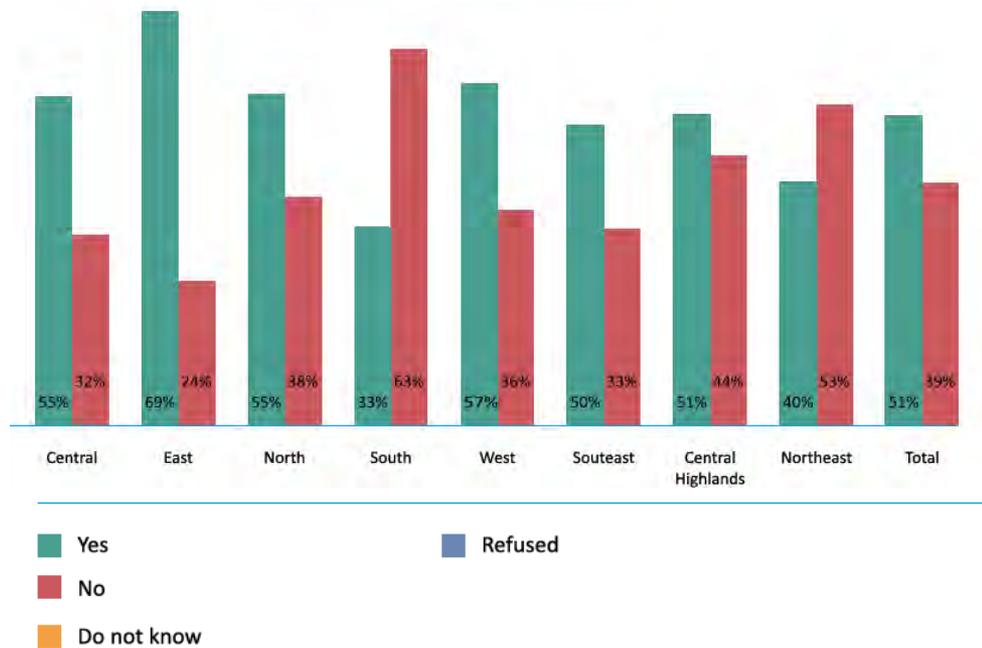


National Corruption Survey 2016

Estimation of amount of bribe



Does corruption facilitate expansion of the Taliban



Corruption in security institutions

- Government Defence Index: Band E
- Ghost soldiers and police personnel
- Sale of ammunition and weapons
- Unmerited appointments and unfair promotions
- Revenue-generating posts are sold

Corruption-enabled Naro- business



Photo: The New York Times

Corruption in mining

- Lucrative concessions given away to corrupt elite including MPs and Karzai's cronies
- Loss of hundreds of millions of revenues
- Misuse of the sector has contributed to eroding public trust
- Illegal mining: The second biggest source of income of the Taliban

IFFs enabling narco-business, insurgency and terrorism

- 65% of all financial flows constitute IFFs
- High outflows: 115 out of 149 in GFI's Annual Illicit Financial Outflows ranking
- Informal financial system of money dealers (the Hawala system) - largely unregulated
- Hawala system facilitating narco-business

The Cost of Corruption

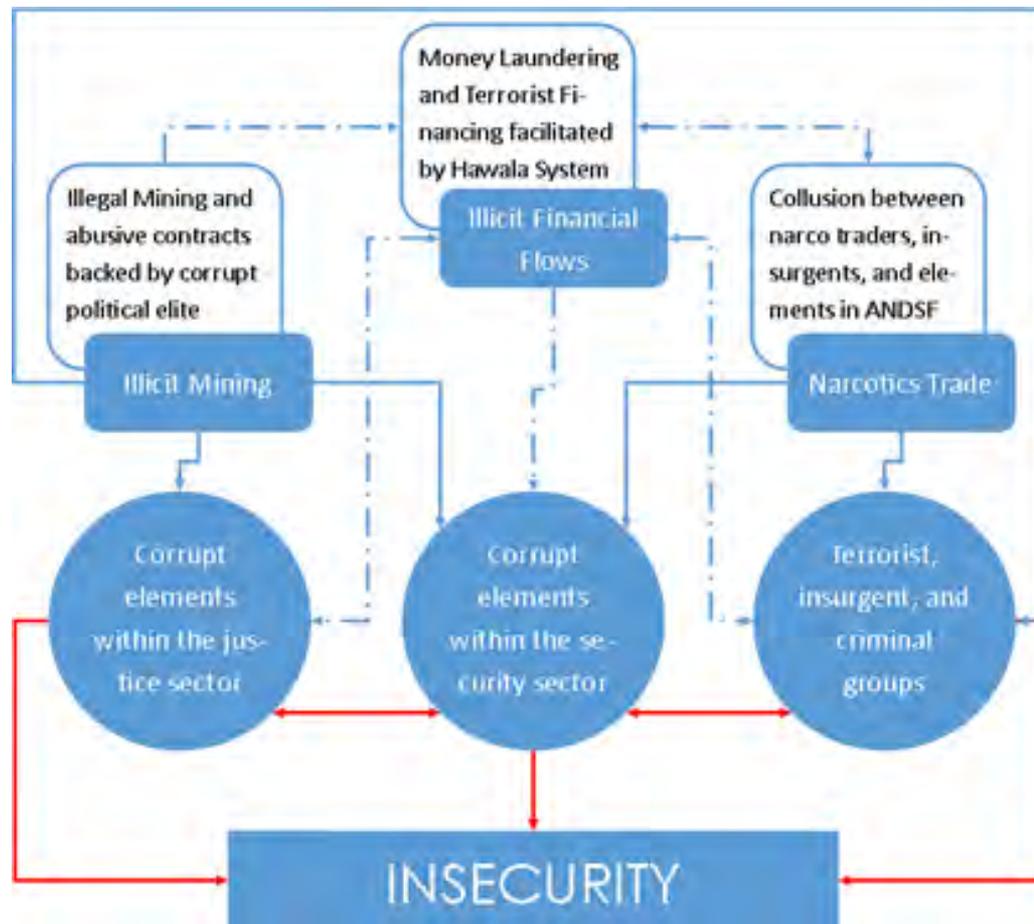
- Loss of \$100 million from illegal mining
- Loss of \$1 billion from uncollected customs revenues annually
- One of the lowest income per capita despite spending \$120b in reconstruction by the US alone
- Empowerment of corrupt political elite
- Direct effect on desertion within the armed forces
- The human cost has been devastating

The nexus between corruption and insecurity

Causation or co-relation?

- Corruption and insecurity reinforce each other
- Corruption facilitates crime and insecurity
- Corruption is incubator of crime, insurgency, and terrorism
- Corruption helps the narrative of the insurgents
- Corruption reduces the legitimacy and effectiveness of the Afghan Government

Sources of Insecurity



Recommendations

General Recommendations

- Political will from the government and international community
- Institutionalize the fight against corruption
- Prioritize reforming of security and justice institutions
- State-building, not military approach
- Promoting a culture of integrity

Recommendations for ADB

- Anti-corruption as a primary objective to realizing development goals
- Invest in promoting a culture of integrity
- Set benchmarks for the government to achieve
- Identify actors and ensure that corrupt elements and groups do not benefit from ADB investment
- Ensure third-party monitoring to improve quality of projects



INTEGRITY
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