



Prepared Remarks of
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Thank you for that introduction and for inviting me to speak about the importance of fighting corruption in Afghanistan and SIGAR’s contribution to that effort.

Before I do so, I first want to thank Ikram and IWA for the tremendous work they are doing to advance transparency and accountability in Afghanistan, especially now in light of the immense challenges they face during this pandemic.

I also want to congratulate our colleagues at UNAMA for issuing their fourth annual report on anticorruption efforts in Afghanistan.

This latest installment is an important contribution to an ongoing effort to hold the Afghan government accountable to its people and the international community on which it financially depends for 75% of its annual budget.

The new report does an excellent job of highlighting the critical issues underpinning the Afghan government’s continued struggle against corruption.

Of note, it correctly emphasizes the importance of anticorruption for future peace and prosperity in Afghanistan and makes important recommendations to the Afghan government to succeed in this critical effort.

It also calls upon international donors to keep focus on anticorruption in Afghanistan, especially at this fall’s donor conference.

That last point is particularly important because the international donor community, as it has done before, can and should condition future assistance on the implementation of effective anticorruption measures.

Now, as many of you know, the scourge of corruption has long been a focus of SIGAR’s work under my tenure.

SIGAR investigations have identified corruption at virtually every level of the Afghan state – from salaries paid by international donors for Afghan soldiers and police who do not really exist – to theft of U.S.-military provided fuel on a massive scale.

These examples skim the surface of what we have found.

Independent surveys continue to highlight that most Afghans report having to deal with corruption on an almost daily basis – often in the form of a bribe to a government official to get something the government should otherwise be providing, such as basic access to health care, justice, or education.

But, let me be perfectly clear, corruption in Afghanistan is not just a criminal justice issue. Systemic corruption in Afghanistan goes beyond that. As SIGAR noted in our 2016 Lessons Learned report, corruption is a strategic threat to the entire U.S. mission and international effort in Afghanistan.

It is the most insidious threat the Afghan government faces because it saps the support of citizens who are trying to go about their daily work, feed their families, and live free of fear and intimidation.

The Taliban and other insurgents use corruption to undermine public support for the government, garner recruits to their cause, and weaken the government's bargaining position during future peace negotiations.

Additionally, it also acts as an extreme disincentive for the private sector investment that Afghanistan so desperately needs in a post-peace environment, when donors will likely reduce or eliminate their financial support to the government.

In fact, fighting corruption is the key to creating the economic environment necessary to attract the private investment needed to grow Afghanistan's economy and create good-paying jobs for its citizens.

As I have previously said for the last 8 years, international businesses will not invest here if there is no transparency and no assurance that any grievances they have will be fairly addressed by independent legal and judicial systems that respect and enforce the rule of law.

Laws are essential, but laws are mere words if they are not backed by the will of the Afghan government to provide even-handed and aggressive enforcement of its laws.

Because of SIGAR's long experience investigating corruption in Afghanistan, the U.S Congress gave us an unprecedented task for an IG office – to assess the Afghan government's anti-corruption strategy and its implementation.

Our first assessment was publicly issued in 2018, and Congress has since requested annual updates. That is a sign not only of Congress' confidence in SIGAR's independent oversight but also that Congress is still very concerned with the Afghan government's ability to address systemic corruption.

What SIGAR has found so far is that the Afghan government, in an attempt to please international donors, appears to be very good at “checking the box” and putting anti-corruption policies on paper and creating related institutions, without always adequately resourcing and otherwise supporting them.

UNAMA’s latest report reinforces SIGAR’s findings. It confirmed the Afghan government has yet to prove that anti-corruption laws are equally enforced across all offenders regardless of wealth and power.

UNAMA also corroborated what SIGAR reported in its last assessment: that powerful, politically-connected Afghans often act with impunity, making it difficult for the Afghan government to demonstrate a true commitment to curbing corruption.

And, because corruption in Afghanistan is deeply entrenched at all levels of power across the country, UNAMA’s report also makes clear that unraveling such deep networks of corruption takes time.

SIGAR is now working on its third anticorruption assessment for Congress. Since the completion deadlines for all of the benchmarks from its last anti-corruption strategy have past, one aspect of our report will assess the Afghan government’s political will to implement meaningful reform.

While political will is always difficult to measure, some practical examples that we should be seeing if the Afghan government is serious about combating corruption would include:

- Addressing the backlog of important corruption cases that the Afghan government is aware of but have not done anything about such as the over 6 year old fuel price-fixing case;
- The extradition of suspects from overseas;
- The arrest, trial, and imprisonment of powerful individuals engaging in corruption;
- Significant output from anti-corruption courts;
- The recovery of stolen assets;
- Proper resourcing of anti-corruption institutions; and
- Greater transparency in contracting, public procurement and legal proceedings.

However, while our next assessment is still in its early phases, a series of frank discussions I had with our embassy and military officials as well as other donor country embassies in Kabul earlier this year raised questions about how much progress the Afghan government has made over the past year.

For example, as of last January, there were over 6,500 outstanding arrest warrants for corruption-related offenses and the Afghan government could not provide us with a timeline for completing those arrests.

The Afghan government had recovered less than one percent of the financial penalties issued by the country's top anti-corruption body – the Afghan Anti-Corruption Justice Center, and there was a 22 percent decline in the number of individuals prosecuted by the Anti-Corruption Justice Center between 2018 and 2019.

I am also disappointed to see press reports that one of the masterminds behind the failure of the largest Afghan bank may be under consideration to oversee a major Afghan government agency. If true, that would be a step backwards, not forwards in the fight against corruption.

Let me conclude by saying that while the Afghan government may be able to get away with paying lip service to the United States and international donors about its anti-corruption commitments, the private sector and particularly international investors – who care far more about their own bottom line – will not overlook Afghanistan's failure to tackle the corruption challenge.

Afghanistan's leaders must come to realize that in the end, private sector investment will matter far more to their country's future than international donors, because after 19 years of war, foreign governments, including the United States, are growing weary of paying Afghanistan's bills.

As many U.S. congressmen and their staffs have told me after my return from my last trip to Afghanistan, their patience and that of the voters who elect them is not endless, even if it seems the war is.

Time is running out. The Afghan government must finally get serious about addressing the problem of corruption if it is ever to bring lasting peace to its people.

Thank you again for the opportunity to discuss these issues. I look forward to your questions.