

# Corruption perceptions and risks in humanitarian assistance: an Afghanistan case study

Kevin Savage, Lorenzo Delesgues, Ellen Martin  
and Gul Pacha Ulfat

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## **About the lead authors**

Lorenzo Delesgues is Director of Integrity Watch Afghanistan (IWA). IWA is an independent Afghan research organisation whose mission is to increase transparency, integrity and accountability in Afghanistan through the provision of policy-oriented research, the development of training tools and facilitation of policy dialogue.

Kevin Savage is a Research Officer with the Humanitarian Policy Group.

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Humanitarian Policy Group  
Overseas Development Institute  
111 Westminster Bridge Road  
London  
SE1 7JD  
United Kingdom  
Tel: +44(0) 20 7922 0300  
Fax: +44(0) 20 7922 0399  
Website: [www.odi.org.uk/hpg](http://www.odi.org.uk/hpg)  
Email: [hpgadmin@odi.org.uk](mailto:hpgadmin@odi.org.uk)  
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# 1. Introduction

This report sets out to examine the risks of corruption faced by those delivering and receiving humanitarian assistance in Afghanistan. It is drawn from a limited amount of fieldwork and interviews, and so should be seen very much as a preliminary effort to understand the issues and dimensions of the problem. However, the picture it paints is a devastating one, suggesting a clear need for more concerted action on the part of the government, aid agencies and donors to address corruption risks. The report insists on the importance of managing corruption risks in an environment where needs are important and resources very limited.

The report focuses on a particular case study – the delivery of aid to a long established IDP camp in Herat in the period 2001 to 2003. Capacity, resource and security constraints limited the scope of the research to this one case study and more general interviews in Kabul, but the wealth of information generated from this short study demonstrates what is possible, and suggests the clear need for further work.

The intervention by the United States in 2001 and the subsequent fall of the Taliban hugely increased international attention on Afghanistan. This saw a massive increase in the number of organisations and the size of humanitarian assistance projects implemented in the country. Organisations already present in the country, heavily constrained and limited in their past work by the Taliban government, were now able to expand their scope, and many more organisations came to Afghanistan to begin operations. There was also a huge increase in the amount of funding available for humanitarian assistance. Such assistance was desperately needed. Some 80% of Afghanistan's population lives in rural areas where there is high pressure on arable land, as well as cyclical droughts and continual threats to livelihood assets from chronic political instability. In 2001, Afghanistan had been suffering the effects of countrywide drought since 1996, and localised natural calamities – earthquakes, floods, landslides, agricultural pests – which continue to place great strains on the population, particularly in the rural areas (TISA, 2004). The unprecedented drought left much of the population very vulnerable to food insecurity (Lautze et al., 2002) and caused large-scale displacement. Many thousands of people were in desperate need of assistance by the time of the intervention and the fall of the Taliban. Humanitarians delivering such

assistance still faced extremely challenging and dangerous circumstances. The fact that this report focuses on corruption risks should in no way be seen as an attack on or as undermining the humanitarian imperative. That some assistance may have been corruptly diverted does not mean that it was not needed. This report aims to promote the more effective delivery of much-needed assistance. It is precisely because the needs were so great and resources so limited that any corrupt abuse of assistance was particularly problematic.

Corruption is a difficult and sensitive issue. The research conducted for this report was not investigative. The report does not make any judgements about whether corruption occurred in particular instances, within particular agencies, nor does it seek to gauge the overall extent of corruption. Names and contexts have been removed where appropriate in order to ensure the confidentiality of the people interviewed.

The Humanitarian Policy Group's work on corruption aims to engage humanitarian aid actors in a process of research and policy development around anti-corruption initiatives, and to develop tools and good practice. Work completed includes papers on managing and mapping the risks of corruption (Willits-King and Harvey, 2005; Ewins et al., 2006). In addition to this study, a similar case study was carried out in Liberia (Savage et al., 2007).

This work is intended to be a constructive contribution to the better management of corruption risks by aid agencies. The aim is therefore to promote:

- greater understanding amongst aid agencies and their staff about the key risks;
- sharing of learning and existing tools, systems and policies for minimising corruption risks and dealing with corruption when it occurs; and
- thinking about how to improve tools, systems and policies in order to minimise and manage corruption risks.

The remainder of this section outlines how the study was carried out and the methodology used. Section 2 presents the findings of the case study, discussing both the beneficiaries' experiences of

corruption and the corruption risks encountered by humanitarian workers. Section 3 discusses the context of reconstruction and disaster response in Afghanistan today, and some of the corruption issues involved. Finally, Section 4 presents some conclusions for humanitarian agencies and actors, suggesting some ways in which corruption risks may be reduced and better managed in the future.

### 1.1. Methodology of the research and limitations of the study

The study was designed to answer three key research questions:

- What have been the main features, risks and perceptions of corruption in some of the relief responses in Afghanistan?
- What systems are in place to minimise corruption risks in such responses, and how effective are they?
- What further steps could be taken to minimise corruption risks in relief response?

The study used qualitative research methods to answer these questions, interviewing a very broad range of humanitarian agency personnel, UN staff, and government workers in Kabul and Herat, and, for the case study, former beneficiaries and local people. Security concerns constrained the choice of case study and the extent of the research. Researching corruption is always difficult, but there is a need for particular attention and caution in the insecure operating environment of Afghanistan. The case study site was therefore selected largely for pragmatic reasons of relative accessibility. It was originally intended to tackle two case studies to provide a comparative perspective, but insecurity prevented this. Again, there is clear scope for further research, for instance focusing on non-camp environments, on the return process or on other specific sectors such as shelter. The case study was of a closed IDP camp, Maslakh, in which in-depth interviews were complemented by focus group discussions (FGDs) with aid beneficiaries. The FGDs were done with groups of four to six individuals of the same ethnicity (Hazara, Tadjik or Pashtun) within Maslakh camp's shops and at the bus station in Herat. Two interviewers were present, one of them conducting the discussion and the other taking notes. The discussion was based on a semi-structured questionnaire. An initial clarification was made on what respondents perceived to be corruption. During the discussion, particular

attention was given to people's personal experiences of corruption. Most respondents welcomed this research.

Kevin Savage (ODI) and Lorenzo Delesgues and Gul Pacha Ulfat (IWA) conducted the interviews. They can be summarised as follows:

Place	Number of interviews	Number of Focus Group Discussions
Kabul	12	-
Herat City	20	-
Maslakh	15	3

The retrospective nature of the case study was a limitation. People's recall of events from several years ago may be biased. Also, the camp population had largely returned by the time the research was conducted, and insecurity prevented the researchers from speaking with those who had left. Very few agency staff with experience of the camp were still in Afghanistan. However, this gap was felt to be useful in decreasing the level of risk involved in the research, as it was expected that the topic would be less sensitive. Nonetheless, the security risk was still perceived to be such that we could not interview private companies directly related to local warlords, who probably benefited from the illegal diversion of assistance at the time, and we were limited in the number of visits we could make and the time we could spend in Maslakh, for fear that the study would attract dangerous attention.

### 1.2 Definition of corruption

This study uses the commonly accepted definition of corruption: 'the misuse of entrusted power for private gain'. Ewins et al. (2006) explains that 'in the context of humanitarian relief, this means thinking through where power lies, what would constitute misuse, how power has been entrusted and what "private" means'.

## 2. Maslakh camp case study

### 2.1 Background

In 1998, because of drought and conflict, a large number of people moved to the region of Herat. They came mostly from Faryab, Badghis, Uruzgan, Helmand and Ghor and were initially settled into the several IDP camps around Herat city, the biggest of which was known as Maslakh camp.

Maslakh is situated in the suburbs of Herat City in the west of Afghanistan. It was one of Asia's biggest IDP camps. Emergency assistance for those in the camp began during the Taliban regime and continued until 2004. By the beginning of 2002, the population of Maslakh camp was estimated at around 120,000 IDPs. Improved climatic conditions and emergency food distributions in the rural areas from which the people had come allowed a process of return to begin. In late 2002, large-scale aid distribution, particularly food, began to be phased out to match the planned returned process.

#### Corruption

Corruption is not an easy word to translate and the study referred to the definition presented in section 1.2 above when explaining the study to informants. Some examples of what initial reactions from both aid workers and beneficiaries were with regard to corruption are relevant to keep in mind and to put corruption risk management in perspective:

“corruption is spending money on overheads and luxuries for the NGO office”

“corruption is wasted effort due to bad management and poor preparedness”

“not using [aid] money to prevent emergencies is corrupt”

“flying inappropriate goods thousands of miles on planes costing many thousand of dollars, that could have been used to buy the right stuff locally, just so the NGO can be on television is corrupt”

A final census and registration in the camp was made in June 2003. After October 2003, Maslakh received additional IDPs from the smaller Shaidayee and Minaret camps, when these camps were closed. At the end of 2004, emergency activities became less visible and humanitarian organisations began to withdraw. Displaced people in Maslakh were given until September 2004 to register for the return process, which was to end by spring 2005 (Marsden and Turton, 2004).

A range of actors was involved in managing the camp and assisting the population, including INGOs, national NGOs, UN agencies and government departments from both the Taliban and post-Taliban periods. Throughout the history of the camp, corruption was a huge consideration for aid actors working in it. At the time of research, the camp was officially closed and the remaining 1,100 or so families still living there no longer received any assistance.

### 2.2 Mapping the corruption risks in Maslakh

The study looked at two distinctly different perspectives of corruption in the assistance given to Maslakh camp: that of the beneficiaries living there, and that of aid staff working there.

In discussion with former beneficiaries, the study followed a historical approach, looking at the process of moving to the camp, living in the camp and the closure of the camp. We drew upon the corruption risk map developed by HPG to relate corruption issues to the process of delivering assistance. In discussions with aid workers, the risk map provided a useful reference tool to go through the various corruption risks encountered in assistance programming. The number of different cases of corruption cited by beneficiaries and aid workers was enormous and it is not the intent of this study to make an exhaustive list of them. Rather, the following discussion highlights some of the salient areas of risk and gives examples of the ways in which processes of assistance were corrupt.

### 2.3 Beneficiaries' perspectives

The experience of beneficiaries with corruption can be categorised into four areas of interface with the aid process or aid actors: registration in the camp, camp governance, aid distribution and return.

#### *Registration*

The process of arriving and being registered as a camp member had significant corruption risks due to the large flow of people. Residents of Herat could see the value of being a beneficiary of the camp, and so registered themselves as IDPs in the camp. In order to avoid this, the organisations in charge of the IDP camp installed control posts in strategic places on the outskirts of the city;

however, testimonies suggest that the teams in these check points were not always reliable and would sometimes allow non-IDPs to register. Furthermore, armed groups threatened or intimidated ‘certain ethnic categories’ to prevent them from accessing the registration posts and entering the camp.

### *Camp governance*

Camp governance was identified as one of the main catalysts for the corruption, manipulation and diversion of aid in Maslakh. Aid actors supporting the management of camps typically put in place a system of governance that divides camps into groups (blocks) and sub-groups of the population, who are represented by nominated leaders who are supposedly democratically elected. However, in Maslakh the camp leadership system was controlled by the Taliban authorities. The role of these block leaders was intended to be representing the population with respect to humanitarian needs; however, the Taliban used the structure for other purposes, including security and extending their authority in the camp. The fall of the Taliban regime had apparently little effect on the block leaders and civil servants in charge of the camp, who remained in place: ‘the block leaders and the personnel of the Department of Repatriation were working together ... 90% of the Department of Repatriation staff was already working there under the Taliban, when lots of corruption happened’. Camp residents said: ‘there were no systems in place to reappoint the block leaders, once they were in place, it was very difficult to remove them’ and this leadership system was widely accused by beneficiaries and aid workers of diverting and extorting large amounts of aid: ‘in the whole camp there were 25–30 important block leaders and then there were sub-block leaders, these block leaders were pressuring us to give them a part of our aid package’.

### *Distribution*

Corruption in the registration process and camp governance was directed primarily at controlling the distribution of aid in the camp. Aid diversion in Maslakh involved a complex network of block leaders, fake beneficiaries coming from the city during the day who would go back at night, and merchants or traders from Herat. Often, aid was redirected towards certain groups of IDPs based on ethnicity or political alignment, in order to gain further support.

*I remember that when there were distributions, I had one or two block leaders who would take [hire] my truck once a week, fill it up completely with aid items and go to the market to sell them. These products were taken from the people by force or were goods never given to the people. A bus driver serving Maslakh/Herat*

*Just prior to the distribution, bribes were given to managers or supervisors of the distribution in order to capture the wheat or the flour and then sell it on the market. IWA interview with former aid worker*

*Food was distributed through block leaders’ representatives and would not reach the targeted beneficiaries.*

*The quality of non-food aid was inferior than the one that was supposed to be distributed, for example, blankets were single ply instead of double.*

*Our turn was systematically skipped in order for the distributors to keep the excess food.*

The distribution of aid was primarily controlled through registration/ration cards, and these were the greatest source of frustration reported to us by beneficiaries: ‘in order to get sufficient aid for our family, we were obliged to buy many registration cards’; ‘the cost for pink cards went down to 1,000 Afg but in 2004 it was as high as 12,000 Afg and 5,000 Afg in 2003’. Both beneficiaries and aid workers reported that it was the most vulnerable and needy people in the camps who were selling their cards for the immediate cash value, even though the value of assistance in the long term should have been greater than the selling price. Some NGOs, in order to distribute aid more quickly, used block leaders to identify vulnerable people for targeted distributions. Block leaders also held people’s ration cards and reportedly were able to collect aid on others’ behalf, keeping a portion for themselves before handing it over to their block population. Aid agencies tried to address this by distributing leaflets detailing the quantity of aid to which people were entitled, but the low level of literacy and people’s dependence of people on their block leaders meant that this had little effect. Technological solutions such as cards with biometric data, like the iris recognition system used by UNHCR in Afghan refugee camps in Iran and Pakistan, could address some of these corruption risks.

After the distribution, a tax of beneficiaries would apparently take place. Beneficiaries reported that this varied between one-third and a half of any distributed items. Some households were better able to protect themselves from it than others; those with fewer social connections were more vulnerable to this taxation. Social networks were seen by beneficiaries as a crucial part of corruption in aid distribution. Strong 'Herati' networks connecting camp management, aid workers, government staff and political powers were denounced in many of our interviews as the source of much of the diversion of aid from the camp.

### *Return*

Maslakh IDPs' last contact with emergency assistance was during their return. Assistance was given to people to help them move, presumably back to their place of origin, and to some extent to help them re-establish themselves once there. The return of people and closing of the camps was a very political issue: 'The repatriation of IDP groups was very political and was made mostly by the block leaders'. 'Incentives' to return and perceived pressure to achieve returns and closure of the camp created high risks of corruption within the process. The targeting and distribution of return assistance suffered from many of the corruption issues reported earlier in the camps: control by the block leaders of ration/identity cards and of registration on lists, reinforcing and continuing the exploitation of the most vulnerable people. The targeting of assistance was done on the basis of place of origin/place of return, ethnic association and ownership of land and livestock, all of which are difficult to assess and monitor and are at high risk of corruption. The access to and distribution of land was a hugely problematic issue throughout the country, and remains so today (UNHCR, no date, 2003, 2005, ICVA, 2003, ACTED, 2007). While the study was unable to speak to people in places of return, those still living at Maslakh reported that 'the best land would be kept by local influential persons and only a part of the land would really go to returned IDPs'.

Examples of corruption in transport and logistics contracts were reported. Contracts for transporting families home were breached to corruptly charge for more trucks than were actually used: 'one truck per three families was supposed to be used [to take families home under contract] but in reality, a few kilometres after the departure, six families were concentrated in one truck'. People reported that many 'returnees' would accept their assistance and get on the trucks, but then simply

return to the camp and receive assistance there again. At this point, no new registrations were officially taking place, so either the return registration or possibly the previous camp registration process (duplicate or multiple registrations) was being corruptly manipulated. Transport cartels connected with powerful local rulers controlled prices for transportation: 'the transporters were organised as a network under the control of the dominant commanders, they would, as a consequence, be able to impose very high transportation prices. In reaction to this some NGOs also got together in order to limit the inflation on transportation prices'. Resisting commanders in such a way was a significant security risk, and the acceptance of high prices, and the paying of rents or bribes, was reported.

## **2.4 Aid workers' experiences**

The corruption risks highlighted by former aid workers at Maslakh cover the whole relief process, involving camp governance, registration, assessments, procurement, 'scaling up' and monitoring.

### *Camp governance*

In an assessment mission covering Maslakh camp, Calamard and Featherstone (2002) quote an aid worker as saying: 'Our winterization program was done through block leaders. They are very corrupted. How to reach the population? We know that 45% of our stuff got diverted'. In discussions with aid workers, this study similarly found that NGOs were forced to accept that a part of their aid would not reach the beneficiaries or the most vulnerable, as they had no means of controlling the camp leadership or holding leaders to account.

Aid agencies found it very difficult to usurp the entrenched corrupt leadership even after the fall of the Taliban, as by that time block leaders had developed very tight control over the population and had become extremely powerful within the social structure of the population. Attempts to bypass the leadership failed. Aid agencies tried holding weekly public meetings in the camp and setting up complaint boxes, but these were not sufficient. The weekly meetings were dominated by representatives of the block leaders, and it was reportedly very rare that genuine complaints arose. The complaint boxes were not well adapted to the mostly illiterate population.

The failure to manage corruption was again related to the control of registration, and was very much a result of the systems put in place during the time of the Taliban, and which continued after the Taliban regime fell. Such was the power of the camp leadership that aid agencies were unable to undertake accurate registration. The control of registration lists and ration cards gave the camp's leaders immense power over the population. The main tool block leaders used to exert power over the population of the camp appears to have been the threat of exclusion from aid distribution lists.

### *Registration*

Before the end of 2001, the large flow of aid to Maslakh was an important resource for the local elements of the relatively poor Taliban regime, who took large amounts of it. The fact that the Taliban authorities were doing this was widely known, but aid actors felt powerless to stop them. Food trucks were regularly unloaded before they could get to the distribution point, and pressure was exerted on aid agencies to give a portion of the food aid to the local Taliban government if they wanted to continue their aid activities in the camp. The registration of camp inhabitants was one of the key processes the Taliban used, inflating the number of beneficiaries registered in the camp so that a surplus would be delivered, which would then be available to them. The Taliban authorities threatened to expel aid actors should they attempt to reduce the aid flow or produce accurate registration lists of their own.

The end of the Taliban regime allowed international aid actors to carry out a new census and registration of camp residents in February 2002, following which all the registered inhabitants were issued with blue registration cards. The exercise established a clearer idea of the amount of aid that had been diverted by the Taliban. The population was only about half of the Taliban authorities' claim of some 300,000, which implies that food adequate to feed 150,000 people had been diverted.

Despite the census, problems with the registration process continued. While aid workers and beneficiaries thought that things had improved, misuse of the registration system continued. In June 2003, a third camp census was conducted, the camp was closed to new arrivals and a return assistance process started based on the new registration. Census-takers came early in the morning and physically surrounded the camp, with the help of the police, in order to stop any movement in or out. While the date of the census

was officially kept secret, it was apparently well known to the camp leadership in advance, allowing 'a great number of persons [to be] brought in by the block leaders and ... placed in houses that were usually kept empty. These false IDPs were coming from the city of Herat and allowed the mafia of the camp to get more cards'<sup>1</sup>. There then followed a break between the census and issuance of registration/entitlement cards. Census-takers had given each head of household in the camp a paper slip to retrieve the new card a few weeks later, making the system vulnerable to manipulation. During that period 'certain block leaders were pressuring families to get their slips'. By undermining the registration process from the beginning, elites were subsequently better able to control distribution and assessment processes.

### *Assessments*

Due to the (perceived) nature of Afghan society and cultural sensitivities, emergency programming in Maslakh drew heavily on the camp leadership and governance structures set up during the Taliban regime. This affected where, when and with whom assessments were done, and needs assessments in the camp were sometimes left to the camp leadership, the block leaders, to undertake. This was allowed them to marginalise groups within the camp, by excluding them from assessments in the first place. In particular, after the fall of the Taliban, Pashtun IDPs, due to their ethnic association with the Taliban, were reportedly victims of discrimination in accessing aid.

### *'Scaling up'*

While Maslakh camp was open, the number of international agencies working in Afghanistan varied considerably, but relative to other emergency contexts around the world was quite small. The number of local agencies with whom international agencies could partner was also very small. Often, the selection of implementing partners for agencies was based less on the quality of the organisation and more on the estimated likelihood of them being able to expend funding quickly. This was cited by aid workers as an important factor in high levels of corruption.

There was a significant difference existed between those few organisations working in the province of Herat for a long period, and those who arrived after the fall of the Taliban. For the latter, qualified

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<sup>1</sup> Separate IWA interviews with a beneficiary and a former staff of a medical NGO working in the camp who made the same statement. 11/10/2006

staff members were often hard to recruit as the best people were already working for the established organisation (although the new organisations with large amounts of funding flows were accused of ‘poaching’ by paying high salaries). Rapid expansion of programmes and activities following the fall of the Taliban led to a capacity problem, with many agencies relying on new, under-qualified and inexperienced staff, which was perceived by many experienced aid workers to be an important factor in corruption risk. The rush to expand and hire staff necessitated using social and familial networks, which, while achieving immediate results, led to later problems such as conflicts of interest in management. Not only did aid workers see this as a key factor, but former beneficiaries also pointed to the existence of social or familial networks within individual aid organisations as a critical source of corrupt activities.

#### **FFW Example**

Shelter projects to build houses in the camp relied on partner organisations of large international agencies undertaking FFW for construction. Several interviews mentioned that corruption of this process occurred in the calculation of the work norms for given activities. The partner NGO implementing the project would modify the amount of work reported as required or done for given pieces of construction in order to receive a surplus of food that they would keep themselves.

#### *Procurement*

Procurement was identified by aid workers as one of the most salient areas in which corruption was occurring. Much business in Afghanistan involves ‘greasing the wheels’ in ways which are not thought of locally as corrupt, and which are seen as normal business practice. In the absence of effective governance and institutions of state, and the presence of widespread systems of patronage, nepotism and warlordism, it is difficult for outsiders to differentiate between legitimate and illegitimate processes and determine how to react when confronted with what appears to be corruption. However, many of the examples raised were related to inadequate or poorly implemented control procedures and management within aid agencies, which were exploited by suppliers: goods being distributed were not independently monitored, small numbers of staff had control of large parts of logistics and procurement systems, and there was inadequate oversight by

experienced, qualified and trusted staff. Many of the examples cited involved collusion between suppliers and key individuals within procurement departments to deliver inferior goods or reduced quantities of goods, such as thin blankets or underweight sacks of grain. Perhaps the most oft-repeated issue by both international and national aid workers with reference both to the study period of several years ago and to today’s context was the attitude of agencies towards purchasing – that ‘aid agencies will pay anything’ for the goods they want, and will skip procedures for the sake of time as they are under pressure to deliver. Agencies unintentionally foster the belief locally that they have limitless amounts of money and care little for cost-efficiency. Charging customers the highest price they are willing to pay is of course perfectly good business practice; however, such behaviour by agencies fosters the impression that they are also an easy target for corruption.

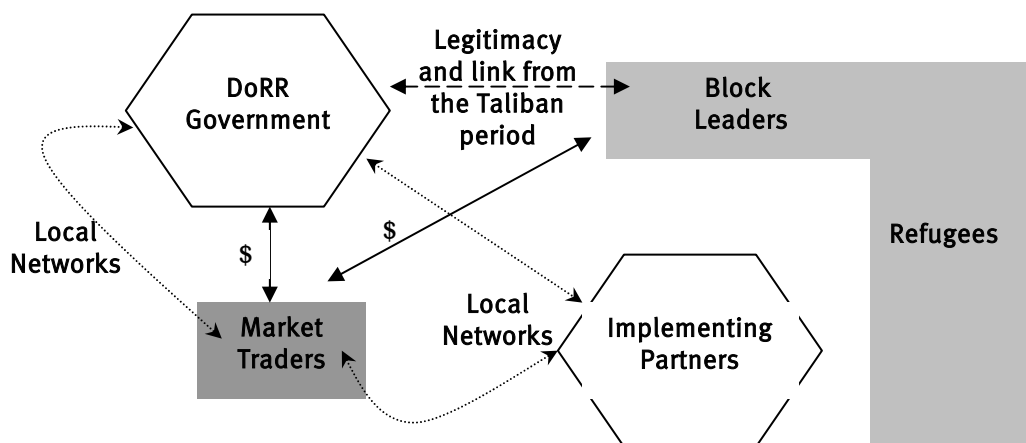
Another issue cited repeatedly was the standard paper-based auditable-trail approach used by most agencies, which is typically seen as the key way of avoiding corruption in purchasing but which tends to be reliant on receipts from suppliers. This is of course based on the premise that a reliable system of state governance and financial regulation exists to make receipts from businesses meaningful. The use of receipts as proof of a transaction or that a particular sum of money has been spent on a particular item is pointless in Afghanistan (and in many other crisis contexts). Shopkeepers and even registered firms are apparently producing receipts for NGO workers on demand, and it is reportedly common practice for retailers to produce receipts listing goods that they do not even sell. Aid workers interviewed by the study felt that auditors were not adequately verifying expenditures, for example by going back to the company or the person who produced the receipt to inquire about it.

The risks of corruption arising from procurement and scaling up are perceived to be amplified by the lack of justice and effective governance in Afghanistan. Doing any sort of business, contacting or hiring has always involved local authorities attempting to control with whom and how agencies do business, or who they hire as staff, and often involved systems of local taxation which are not clearly legitimate. The judicial environment does not allow organisations to take any legal action against corrupt staff or partners or businesses that breach contracts or defraud them. It was also explained that taking any action in response to such problems was very difficult due

to the climate of violence and insecurity – tackling corruption could put the security of staff and the organisation at risk. Much trade and business is controlled by cartels led by ‘former’ warlords who still effectively run the governance of the province.

### Systemic corruption within the camp

Figure 1: Corruption networks and collusion in Maslakh camp



The illegitimate capture of aid for Maslakh camp was mainly accomplished through an active collaboration, established in the camp during the time of the Taliban regime, between the Department of Refugees and Returns (DoRR), government, commanders, traders and block leaders. The block leaders were in place from the beginning of the camp and were chosen on the basis of relations with the DoRR. A small proportion of the implementing partners’ staff also colluded with the government or DoRR staff. During the time of the Taliban, much of the diversion of aid occurred prior to final distribution due to their iron-grip and strong control of access to the camp. After their fall, corrupt diversion of aid mainly occurred post-distribution, when aid agencies’ are least able to monitor the aid.

The camp governance system, which did not change with the fall of the Taliban, was often the main channel used by international organization to help them in the distribution, to evaluate IDPs’ needs and to ensure the camp’s security. But block leaders colluded with corrupt DoRR and government staff, and had direct links with traders many of whom were the suppliers of the assistance goods to agencies. Networks of association between staff of implementing partners, international organizations and government staff, even in limited number, allowed direct access to the systems of control, such as registration cards and lists.

### 3. A brief discussion of corruption risks in the ‘post-war’ context

The risks of corruption faced by humanitarian practitioners can vary considerably according to the nature of the assistance, whether it be relief, rehabilitation or reconstruction (Ewins et al., 2006). The nature of the humanitarian response in Afghanistan can be matched to the shifting nature of international interest in the country (Atmar and Goodhand, 2002). The dynamics of the conflict and assistance to the country were transformed as a result of the US-led invasion and the collapse of the Taliban regime in December 2001: ‘from being an “orphaned” conflict, Afghanistan has become the focus of world attention’ (*ibid.*:6). Since then, Afghanistan has experienced the full spectrum, from emergency programming through to development work. The resources that became available to resolve the conflict and rebuild the country seemed promising, but five years later, and despite considerable progress, the country remains one of the poorest in the world, with reports of chronic aid mismanagement, waste and corruption.

Although several studies have focused on humanitarian aid in Afghanistan before 2001, few deal with humanitarian aid, or indeed the issue of corruption in the humanitarian system, following the overthrow of the Taliban regime. This section presents an overview, drawing on limited interviews with state and non-state aid actors, grey literature and recent reports relating specifically to corruption in the post-war context. It discusses some of the key factors affecting corruption risks, and provides an important background for the case study’s findings and the conclusions presented in the next section.

#### *The urgency to spend*

An important factor affecting corruption risks in a post-war environment appears to be the spending imperative that sees the post-war context as a ‘state of exception’ (Galtung, 2005: 22; Ewins et al., 2006). One of the criteria often used by donors to evaluate the quality of an agency, and thereby determine if it will be funded, is its capacity to disburse funds quickly. This often leads to an acceptance of leakage, the bending of rules and the awarding of contracts without any competitive or transparent tendering. Some of these practices can be seen as corruption; others can be defined as wastage. Although wastage is not synonymous with corruption, says Galtung, ‘where waste is widespread, corruption is not far away ... procedures that are complacent about waste and

profiteering frequently entail corruption at various administrative levels’ (2005: 23).

In Afghanistan, such trends are present within the international aid that has been provided to the country since the fall of the Taliban. According to the World Bank director in the country, an estimated 35% to 40% of aid is being wasted (Duparcq, 2006). The spending imperative was especially evident in the run-up to the 2004 Afghan elections (see Figure 1 above) (GAO, 2005), and the need for the US in particular to present Afghanistan as a success story, especially in view of the ongoing conflict in Iraq (Nawa, 2006). An example of this can be seen in the construction of the USAID-funded Kabul to Kandahar highway, a campaign promise by President Hamid Karzai before the 2004 elections. The road was built in less than two years, but is already disintegrating due to poor design and planning (*ibid.*, 2006). Another example concerns the US construction company Louis Berger. Under USAID’s ‘Accelerating Success initiative’ (GAO, 2005), the firm built and renovated 533 schools and clinics at a cost of \$226,000 each. According to Duparcq (2006), the Afghan government could have achieved the same results at just \$50,000 per building. Many of these buildings were later damaged during the winter because of design flaws (Nawa, 2006).

Massive ‘scale-ups’ in funding and thus activities during the large-scale emergency relief phase illustrated in Figure 1 required a commensurate increase in implementing capacity. International NGOs had to establish new offices and hire many new staff and the urgency with which these were required made it difficult to manage the corruption risks inherent in contracting and recruiting. Much of the post-war funding in Afghanistan has flowed through international NGOs, which have then subcontracted work to local organisations. This work is then sometimes subcontracted again. This results in a long chain of upwards accountability that is hard to monitor and offers many opportunities for corruption. The pressure to spend and act quickly undermines rigour in selecting implementing partners. Many potential partner organisations are new, and were only created in 2001 in response to the demand for local aid organisations; the number of registered NGOs increased tenfold in only four years.<sup>2</sup>

<sup>2</sup> Reconstruction National Integrity System Survey, Delesgues Lorenzo and Yama Torabi, IWA, 2007, p. 72

Defining and understanding what such entities are and how they should operate under the law has been very controversial. Afghan law has no room for not-for-profit charitable organisations, and the local NGOs receiving funding contracts to do this work have been considered private companies no different from standard profit-making businesses, and differentiated from non-operational 'social' organisations (which are registered with the Ministry of Justice). Many are in fact private for-profit contractors doing business with aid actors, such as building contractors. Others are businesses set up specifically to profit from aid contracts. Others are not-for-profit charities set up to implement aid work, more in keeping with the typical understanding of 'NGO'. Still others have been corrupt 'briefcase' NGOs set up specifically to defraud aid agencies and donors. Corruption, profiteering and profligate spending by NGOs have created a very negative perception of their work in Afghanistan, both locally and internationally. The populist M. Bashardost brought up the corruption of NGOs in the parliamentary election campaign of 2004. He accused NGOs of being corrupt and being used for making profits, and based his campaign on 'expelling 1,935 registered NGOs from Afghanistan'<sup>3</sup> (without success). NGOs became one of the main targets of corruption accusations from the public. Afghans are aware that large sums of money were given to Afghanistan for its reconstruction, but believe that the funds are having less impact than they should or could. Often, Afghan perceptions of corruption in NGOs is related to the high living standards of NGO staff, who are cut off from normal Afghan life due to strict security policies.

### *State capacity*

A second factor relating to the overall corruption risk in post-conflict contexts concerns the 'weakness of governments in transition' (Galtung, 2005: 24), whereby public authority is impaired and where corruption, as a form of 'legitimised blackmail' (*ibid.*, 24) is sometimes seen to be an acceptable price to pay for peace. As Le Billon argues: 'Corruption may ... have short-term positive effects, for example, in helping secure some degree of political, economic and social stability' (Le Billon, 2005: 76). In Afghanistan, it emerged that the US and UK were secretly distributing large sums of money to Afghan warlords to persuade them not to rebel against the new government. Many are also involved in the drug economy (Burke, 2002). Such activities,

whilst stabilising in the short term, can jeopardise future economic development and political stability. In effect, the deeper impact of the unleashing of huge amounts of hard currency in the post-war context resulted in widespread inflation, which meant that the government was unable to pay officials, impeding efforts to build up a new administration, and leading to more corruption (Carver, 2005).

During the civil war, before 2001, emergency interventions were led primarily by Afghan NGOs, international NGOs and other international organisations. Some coordination of aid was done through ACBAR (the Afghanistan Coordination Body for Afghan Relief), based at the time in Pakistan. With the fall of the Taliban, the Afghan state regained control of emergency operations. In theory, international aid actors are now acting under the umbrella of the Department for Disaster Preparedness (DDP) and the National Disaster Management Commission (NDMC). All humanitarian responses should be led and co-ordinated by the NDMC, devolving down to Provincial Disaster Management Commissions (PDMCs), which include ministries relevant to the disaster, and then down to local community leaders, with the involvement of the DDP throughout. NGOs should also be co-ordinating their work through the national and provincial DMCs. However, in practice lack of capacity in the DDP and many line ministries means that DMCs rely heavily on the local offices of the Ministry of Rural Rehabilitation and Development (MRRD). At this level, the provincial governors and local warlords have tremendous power to control allocations of aid and its disbursement thanks to its leadership of the PDMC itself, and through its control of the provincial level of ministries. The governor controls the commission and represents the central participating ministries concerned with the emergency. The central ministry is perceived to be too weak to contest decisions from the provincial emergency commission even if it were aware of problems. In Afghanistan, there is often a close connection between decision-makers and individuals with an interest in the decision. Most of the important warlords have a significant influence on the private companies working in the province.

### *Procurement and construction contracts and public works*

Public works, procurement and construction contracts, often a major part of disaster response programming and later rehabilitation programming, are the sectors most vulnerable to

<sup>3</sup> The Independent, *Afghan candidate calls for expulsion of 'corrupt' NGOs*, 13 September 2005

corruption, be it in developing or developed countries (Galtung, 2005). This is especially the case in post-war environments, which suffer from a lack of monitoring, transparency and accountability in the aid system. Moreover, external accountability agents such as the media or civil society find it difficult to gain access to information (*ibid.*, 2005). There is little published information available to the public on the contracts for reconstruction work that have been awarded to Afghanistan (Center for Public Integrity, 10 July 2006). Yet a review of those articles that do exist indicates that corruption and waste are evident in the post-war reconstruction effort. The General Independent Afghan Anti-corruption Commission (GIAAC) has complained that the lack of precision in state contracts handicaps attempts to tackle implementing companies over low-quality work, and has cited cases where the contract redactors were bribed in order to keep the contract's content very general.<sup>4</sup>

#### *Poor security*

A fourth factor that typically affects corruption risks in post-conflict settings, and one of huge relevance to the Afghan context, is security. Insecurity affects corruption risks throughout the assistance process, from assessment through to distribution. Efforts to address insecurity affecting reconstruction may be detrimental if security firms collude with warlords to secure protection (International Crisis Group, 2005). This undermines the efforts of the central government to strengthen its authority and legitimacy. Insecurity has also meant that auditors are frequently unable to visit construction sites and monitor results (Nawa, 2006). According to the US Government Accountability Office (GAO): 'USAID did not always require contractors to fulfil contract provisions such as work plans needed to ensure contractor accountability and facilitate USAID oversight' (GAO, July 2005: 4). In all USAID-funded sectors (agriculture, economic governance and infrastructure), the organisation failed to perform the annual contractor performance evaluations required by US law (*ibid.*, 2005).

Insecurity limits access to the field for international aid actors. Some UN agencies are not allowing their staff to leave compounds, and an increasing number of projects are being conducted by 'remote control' – a euphemism for no direct supervision or monitoring, with hugely increased risks of corruption. Limited field access and pressure to implement quickly also affects how aid

is targeted, and can affect corruption risks. Aid agencies and the state often use pre-existing social structures to identify aid beneficiaries. In Afghanistan, structures like Shuras, Ulemas and Community Development Councils (CDC) are the most common local intermediary institutions used by aid agencies during needs assessments. These social institutions are not always the most effective means of detecting emergency beneficiaries, and may be at high risk of corruption:

*Sometimes all the groups are represented in the Shura but some of them cannot express themselves due to the risk of physical pressures, in such cases, if the organizations are making a good work of communication and interact well with the Shura, they can play a role of intermediary between the dominant and marginal groups.<sup>5</sup>*

*In the north (Jowzjan) during the flood, Turkmen were the main victims but were not well represented in the local shura and were apparently partially excluded from aid due to community pressures.<sup>6</sup>*

*The Shura are sometimes the network of local political calculation and are involved in the manipulation of aid to the benefit of dominant groups. We were faced with such difficulties in the provinces of Ghazni and Nangrahar.<sup>7</sup>*

## Section Summary

The spending imperative, the weakness of the Afghan government, and insecurity have contributed to a high risk of corruption in 'post-war' Afghanistan. The construction sector in particular has been particularly vulnerable and corruption in aid programming has been detrimental to addressing the needs of the most vulnerable sections of the population. The pressure to produce visible results<sup>8</sup> quickly has led to projects that are of poor quality and not always designed according to the needs of the majority of the population. Perceptions of foreign aid are unfavourable, and the overall effect has been to undermine the legitimacy of the central

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<sup>5</sup> *Ibid.*

<sup>6</sup> IWA interview of the 27/09/2006

<sup>7</sup> IWA interview of the 07/09/2006

<sup>8</sup> The Accelerating Success Initiative for instance emphasised visible construction results (GAO, July 2005).

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<sup>4</sup> IWA interview of the 20/12/2006 with GIAAC (filmed)

government, its accountability towards its citizens and its efforts to build a sustainable peace. Reducing the risk of corruption in aid programming should therefore be seen not only as necessary for improving efficiency but as an essential part of building stability.

## 4. Conclusion

The fact that this relatively light case study was able easily to uncover such a litany of corrupt abuse suggests that it is not particularly difficult to find out about these issues, and indeed that many of them are widely known. That such seemingly large amounts of the assistance being provided were being diverted by local elites was clearly a cause for concern, but one that aid agencies felt powerless to do much about, so much so that some chose not to work in Maslakh camp, or not to address certain sectors of need. The humanitarian imperative clearly means that the answer is not simply to stop providing support. IDPs throughout Afghanistan were desperately vulnerable and in very clear need of assistance. Without it they would almost certainly have been worse off and endured levels of suffering even greater than the already appalling conditions they found themselves in.

Many of the problems in Maslakh during the study period stemmed from structures established under the earlier Taliban regime. By the end of 2001, Maslakh was infamous for its corruption, particularly for the diversion of food by the Taliban. While the fall from power of the Taliban put a halt to the huge diversions being made, corruption by the power structures that they had supported continued largely unabated. As a parallel study for this research project found in Liberia (Savage et al., 2007), humanitarian responses in camps face particular challenges, especially with respect to corrupt abuse of assistance after its final delivery. Such post-distribution corruption within communities of beneficiaries affects the extent to which assistance can target people according to need, and undermines the impact of humanitarian programmes. Those who were most in need of assistance in the camps were in fact those most vulnerable to exploitation and corruption by controlling elites.

The study found it difficult to examine the practical steps taken on the ground by aid actors at the time to address corruption because the majority of management-level aid workers had moved on. However, those interviewed by the study represented a broad spectrum of local and international aid agencies, including the UN, and provided a good sense of the main concerns of humanitarians with respect to corruption in the day-to-day implementation of activities. It cannot be overemphasised how difficult the environment for aid agencies has been, both before and after

the fall of the Taliban. Efforts to manage corruption risks had to be carefully considered in light of the security of aid workers and beneficiaries. However, some of the significant areas of corruption risk discussed here related to the poor implementation of good management and controls and corporate behaviour, rather than external factors. The extreme urgency with which aid operations were conducted and agencies' willingness to pay any price was felt by local aid workers to have been a significant factor in exacerbating corruption risks. Lack of concern for financial efficiency, lack of codes of conduct and clear explanations of standards of behaviour were seen as an invitation for staff members to collude in order to gain from their position. It may have been impossible to have done much more about the overt diversion of aid by the Taliban if more robust systems for registration and distribution had been used in the first place.

The case study points to the need for further research in three particular areas. The first is the way in which internal camp management systems are set up and the power structures that result. Why do supposedly democratic systems of representation through committees and 'block' leaders sometimes fail to deliver fair and equitable access to assistance? Why are they sometimes corrupt, and what could aid agencies do to prevent this? How can more empowering systems be set up that prevent corrupt individuals from entrenching themselves in positions of power? The second area for further work concerns the technology of identification and registration systems. Much of the corruption in the camp relied on multiple registrations involving the exchange and control of ration cards. Can new, more robust and reliable means of identification be used in humanitarian assistance? Could technologies and systems using biometric data, such as the retina scan system being used by UNHCR, be more widely used? The third area of concern is the failure of some agencies to manage risks from the start of the response, and particularly the difficulties faced in filling key finance, logistics and management positions with appropriately experienced and qualified staff.

While the study highlights how difficult it can be to operate and manage corruption risks in environments such as Afghanistan, it also shows that there are compelling reasons to improve how systems of control are managed and implemented. Large amounts of aid intended for suffering and

vulnerable people flowed to powerful elites because they were able to exploit weaknesses in these systems. Investment in better controls and management might have prevented much of this abuse, and would undoubtedly cost less than the price corruption exacts in aid effectiveness.

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Overseas Development Institute  
111 Westminster Bridge Road  
London SE1 7JD  
UK

Tel: +44 (0)20 7922 0300

Fax: +44 (0)20 7922 0399

Email: [publications@odi.org.uk](mailto:publications@odi.org.uk)

Website: [www.odi.org.uk](http://www.odi.org.uk)