



Islamic Republic of Afghanistan
Ministry of Finance

Statement by H.E. Eklil Hakimi
Minister of Finance
at the meeting of the Oversight Coordination Body
October 26, 2016

Ambassadors, Ministers, distinguished guests: as the co-chair of the Oversight and Coordination Body, I would like to welcome you to the 8th Full Level meeting of this important forum. First of all, I would like to thank our gracious hosts at the Presidential Palace, represented here by H.E The President. Also I would like to thank my colleague, Ambassador P. Michael McKinley, for his dedication and close partnership as International co-chair and secretariat of the OCB. It has been a pleasure working closely with you and your team. We are very grateful for your continuous support to the sustainment of ANDSF in the past 15 years. I am very grateful to Italian Ambassador for his work and collaboration at OCB. I am thankful to the Germans, Australians, Britons and Canadians to their work in OCB.

We are honored to be able to co-chair the OCB at this crucial juncture in the partnership between Afghanistan and the International Community. The NATO Summit in Warsaw was a great success. The recent Brussels Conference was a platform to reaffirm commitment to deepen and strengthen our cooperation to achieve Afghanistan's Self-Reliance in the Transformation Decade (2015-2024) and to create a political, social and economic environment that will allow Afghanistan to consolidate peace, security, sustainable development and prosperity.

This is the framework within which we seek to encourage a productive high-level discussion here today on the way forward. We are much honored to have with us National Security Advisor HanifAtmar, who updated us on the outcome of Warsaw Summit, the pledges and Afghanistan's commitments and resolution following Warsaw. I also want to thank Minister of Defense H.E Mr. Habibi for his presence that will allow us to gain further insight into his vision for reform within the Afghan army, their capabilities development and anti-corruption measures taken by the leadership of MoD. Minister Jahed is also with us and I am grateful to him for providing us with an update on reforms within Afghan police, their capabilities development and anti-corruption measures taken by the leadership of Mol.

The primary objective of Italy's OCB co-chairmanship thus far has been to make sure that the progress being made by our Afghan counterparts is duly recognized and communicated to International partners.

Distinguished NATO colleagues:

The National Unity Government of Afghanistan and the International Community along with other partners have met on 5 October in Brussels to renew their partnership for prosperity and peace. The aim of the conference was to endorse a reform program to support the Afghan government and to



ensure continued international political and financial support over the next four years to bolster political and economic stability, state-building and development.

Against a backdrop of the political, security and socio-economic challenges, the Afghan leadership needs continued international solidarity to ensure economic development and political reform, moving the country towards self-reliance, prosperity and peace. To that effect, we expected the outcome of the Brussels Conference on Afghanistan to be the deliverance on three main aspects:

-) Renewed partnership towards state- and institution building through their implementation of the reform package as set out by the National Unity Government;
-) Continued international funding at or near current levels until 2020, and increased aid effectiveness in support of the new Afghan development framework;
-) Regional support for a political process oriented towards peace and cross-border economic cooperation.

The Afghan Government has made good progress in putting forward key deliverables for the Conference:

We have revitalized the Afghan National Peace and Development Framework. The international community welcomed this framework which sets out Afghanistan's strategic policy priorities towards achieving self-reliance and the presentation of five sectoral reforms spelled out in the new National Priority Programs. These sectors are being the Citizens' Charter, Women's Economic Empowerment; Urban Development; Comprehensive Agriculture and National Infrastructure will improve the conditions for advancing sustainable development and stability. We made significant progress under the Self- Reliance through Mutual Accountability Framework which sets out specific progress indicators for the next two years and endorse a new set of SMAF indicators which will be implemented in the 2017/18.

Corruption remains a major obstacle for development and stability. However, the International Community welcomed the priority that the Afghan government has placed on fighting it and welcomed the steps taken so far.

Regional cooperation is a centerpiece of our foreign economic policy. We have therefore taken significant steps to increase economic cooperation with our neighbors. The International Community has welcome the important initiatives for regional connectivity, namely in the frameworks of the Regional Economic Cooperation Conference on Afghanistan (RECCA) and the Heart of Asia Confidence Building Measures to further improve transit, transport and energy corridors and facilitate increased trade throughout the region. Our continued efforts on implementing the Afghanistan-Pakistan Transit Trade Agreement were welcomed together with the progress made on projects such as CASA-1000, TAPI gas pipeline, and important regional railway infrastructure projects, the signing of the Chabahar Agreement by Afghanistan, Iran and India and the agreement on the Lapis Lazuli Transit Trade & Transport Route.

The NATO Summit in Warsaw in July reaffirming our mutual commitment to ensure long-term security and stability in Afghanistan and the recent Brussels Conference ensuring continued international political and financial support for Afghanistan over the next four years is two sides of the same coin. Security is not possible without development and visa-versa. We were thrilled to see that our international partners have closed this circle through commitment of exceptional level of funding notably a total sum of **US\$15.2** which ensures that Afghanistan will remain on a firm path to political and economic stability, state-building and development.



Ladies and Gentlemen:

The International Community welcomed the priority the Afghan government has placed on fighting corruption, which remains a major obstacle to development and stability. The International Community recognizes steps taken so far. The government will effectively implement its anti-corruption measures to ensure that core government functions such as procurement, appointments, financial management and policy making are transparent, accountable and consistent, and that violations are met with legal, timely and consistently applied sanctions. To achieve the aforesaid; the High Council on Rule of Law and Anti-Corruption and the Anti-Corruption Justice Center (ACJC) are established. Ministry of Finance has provided 500k USD from this year's budget and next year, we will provide close to 3 Million USD for this center. The Anti-Corruption Justice Center was established on August 24, 2016 and a total of 16 cases were handed to ACJC by H.E The President's Office and a total of 15 other cases received from various institutions. As a result, 8 cases are being reviewed at ACJC and the rest are handed to AGO office for further review.

The ACJC was able to arrest a senior official of MoI in a bribery case of 150,000 USD and duties of 8 senior official including a Deputy Minister of MoI is suspended in respect to this case. To elaborate further, 3 cases from the total of 15 received from various institutions are completed and handed the primary court for further process. A total of 26 individuals are under detention in respect to the mentioned 15 cases. The total of 26 detained individual includes 3 officials from Ministry of Urban Development in respect to corruption, 6 officials in respect to grabbing government land/property, 6 officials in respect to the Police Headquarter of Wardak, 2 individuals in respect to taking bribe, 1 individual in money laundering and 8 officials in corruption at Afghan Millie Bank in Baghlan,

Dear Ladies and Gentlemen,

Regional cooperation is a centerpiece of our foreign economic policy. We have taken measurable steps to increase economic cooperation with our neighbors. Last September, the Khaf-Herat railway arrived at our border with Iran. This month, President Ghani and his Turkmen counterpart will inaugurate the railway reaching our border with Turkmenistan. A special railway is transporting goods between China and Afghanistan. TAPI and CASA-1000 are on track and so is Chabahar Port. Such regional initiatives will bring us closer, and provide financial, socio-economic, political and security benefits for the entire region. Regional cooperation can provide a platform for our interests to converge, build confidence and provide incentives for peace.

Lasting Peace, through a negotiated political solution to the conflict, is a priority for the National Unity Government. It is what we promised the Afghan people. With support from our international partners, we have engaged in a dialogue for peace with all armed groups without preconditions. The only way to a durable end to the conflict in Afghanistan is through a lasting political settlement. In order to reach a peace settlement, we remain fully committed to supporting an Afghan-led and Afghan-owned peace process representing all Afghan citizens and their legitimate interests that preserves Afghanistan's unity, sovereignty, territorial integrity and equal rights of all Afghans under the Constitution of Afghanistan. We reaffirm that such a process must lead to the renunciation of violence and breaking of all ties to international terrorism and the respect for the Afghan Constitution including its human rights provisions, notably the rights of women and children. We welcome all initiatives to create a conducive environment for such a process, particularly the efforts undertaken by the Afghan government, and call on all parties to engage in such a process.



We have indeed come a long way, but the fight is far from over. Afghanistan needs your continued support to the defeat and dismantle our common enemy. The NATO Summit in Warsaw in July reaffirming our mutual commitment to ensure long-term security and stability in Afghanistan and the recent Brussels Conference ensuring continued international political and financial support for Afghanistan over the next four years are two sides of the same coin. Security is not possible without development and visa-versa. We were thrilled to see that our international partners have closed this circle through commitment of exceptional level of funding which ensures that Afghanistan will remain on a firm path to political and economic stability, state-building and development.

Afghanistan cannot go the distance alone. Working together as partners and allies we can make rid not only Afghanistan but also the world of the threat of violent extremism.

We remain grateful for your extraordinary support for a stable, peaceful and prosperous Afghanistan.

I hope you have a good day and fruitful discussions.

Thank you.