



Islamic Republic of Afghanistan

Self-Reliance through Mutual Accountability Framework (SMAF)

Kabul, Afghanistan

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Realizing the need for deepening mutual accountability between the government of Afghanistan and the international community to face the challenges of the Transformation Decade, the Tokyo Conference in July 2012 set out the Tokyo Mutual Accountability Framework (TMAF). The TMAF initiated a new phase of relationship between the two, and has been effectively guiding their activities since then. In the last three years, the political and security transition has been completed successfully, a national unity government took the office in September 2014, and the Transformation Decade has begun. The new government, responding to the formidable challenges it inherited, developed a comprehensive reform agenda, presented at the London Conference on Afghanistan in December 2014 through its paper “Realizing Self-Reliance: Commitments to Reforms and Renewed Partnerships”. TMAF and the reform agenda of the government together represent the actions to be taken in the future, and have been consolidated in a single document, the Self-Reliance through Mutual Accountability Framework (SMAF). The SMAF will now guide the government and the international community at least to the end of the term of the present government.

Principles of Mutual Accountability

A lot has been achieved through the mutual accountability between the government of the Islamic Republic of Afghanistan and the international community. This relationship will continue to be governed by the following principles:

1. The international community will support the developmental priorities identified by the government;
 2. The government’s delivery of the mutually agreed commitments will be key for sustained international support;
 3. Predictable aid is critical to effective government delivery;
 4. Lessons from aid effectiveness should be acted upon by the international community and the government;
 5. Building a system of governance is crucial to the elimination of corruption and ensuring transparency, efficiency and effectiveness;
 6. International assistance aligned with a limited number of outcome-focused National Priority Programs is essential for the sustainability of development assistance and citizen buy-in and loyalty;
 7. International assistance provided through the national budget can ensure alignment of short, medium and long-term goals;
 8. Transparent, citizen-based, monitoring of development and governance benchmarks provides accountability to the Afghan people, and reinforces the reciprocal commitments of donors and the government to improved development performance;
 9. Building market institutions is critical to attracting, both domestic and foreign, investment and thereby creating sustainable economic growth and jobs; and
 10. Regional economic cooperation is the key to ensuring growth, eliminating poverty and utilizing the immense trade and transit potential of Afghanistan and its neighbors.
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Area 1: Improving Security and Political Stability

Goal: Effective governance of the security sector by introducing transparent civilian systems. Electoral reforms leading to fair, transparent and inclusive elections.

Indicators

- Introduce civilian systems of procurement, human resources management, and financial transparency and accountability into the security ministries' normal operating procedures.
- An electoral reform commission is established and electoral reforms implemented to ensure that future elections in Afghanistan are fully inclusive, transparent and credible.
- Fair, transparent and participative elections are conducted.

Area 2: Anti-corruption, Governance, Rule of Law, and human rights

Goal: Tackling underlying drivers of corruption, including the illicit economy, and improving governance with a focus on the rule of law and ensuring human rights, especially for women and children.

Indicators

- Implement administrative measures and enact and enforce the legal framework for fighting the underlying drivers of corruption following the policy of “zero tolerance”.
 - Put in place mechanisms to review and implement the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC)'s national plan to reduce corruption.
 - National Procurement Committee is institutionalized, and procurement reforms are implemented.
 - New government officials under Constitution Article 154 (President, Vice Presidents, ministers, Attorney General, Supreme Court) declare their assets.

 - Implement reforms in the areas of civil service, sub-national governance, and professionalizing administration to ensure effective governance.
 - Develop and enact required regulations, procedures and guidelines for three laws: New Civil Servants Law, Basic Organizational Law, and Administrative Procedural Law.
 - Capacity Building for Results Program (CBR) recruits government staff to its full capacity.
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- Implement Sub-National Policy and Provincial Budgeting Policy.
- Develop and implement the Justice Sector Reform plan to improve access to justice and rule of law all over the country.
- Demonstrated developments in the legal and policy framework for empowering women, especially elimination of violence against women, including through effective implementation of relevant laws and policies with civil society engagement.
- Increase women's participation in government, including the justice and security sectors.
- Implement National Action Plan for Women Peace and Security.
- Prepare and implement anti-harassment regulation.
- Implement the recommendations of the Reports on Implementation of the Elimination of Violence Against Women (EVAW) Law and establish dedicated Violence Against Women prosecution units in AGO office in all provinces.

Area 3: Restoring Fiscal Sustainability & Integrity of Public Finance and Commercial Banking

Goal: Fiscal sustainability restored through increased revenues, with a special focus on the integrity of public finance and commercial banking.

Indicators:

- Increase revenues by fighting corruption in revenue-generating departments of the improving enforcement; and by exploring and implementing new sources of revenue.
 - Prepare and implement customs reform package.
 - Implement the Automated System for Customs Data (ASYCUDA) valuation model nationally.
 - Establish E-payments in customs nationwide.
 - International Monetary Fund (IMF) Staff Monitored Program implemented and a subsequent regular financial arrangement negotiated with the IMF.
 - Strengthen banking supervision and implement banking sector reforms.
 - The Financial Action Task Force (FATF) recommendations on Anti-Money Laundering/Counter-Financing of Terrorism (AML/CFT) implemented.
 - Public Financial Management (PFM) Roadmap II finalized and implemented.
 - Strategic planning improved by moving to a multi-year budget framework.
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Area 4: Reforming Development Planning and Management & Ensuring Citizen's Development Rights

Goal: Improve development planning and implementation to ensure delivery of essential services and outcomes to people, and citizens' development rights.

Indicators

- Reprioritized National Priority Programs (NPPs) prepared, financed, implemented and monitoring system in place.
- Improve development planning, coordination, implementation and monitoring to ensure delivery of national priorities.
- Develop robust monitoring and data collection systems in ministries for monitoring on- and off-budget projects so that emergent problems can be detected and remedied.

Area 5: Private Sector Development and Inclusive growth and development

Goal: An enabling environment for private sector development and investments is created and productive sectors of the economy, such as agriculture, extractives and services, are energized for inclusive economic growth and development.

Indicators

- Improve the investment climate and Afghanistan's ranking on the World Bank Doing Business Indicators (DBI).
- Clarify the roles of Afghanistan Investment Support Agency (AISA) and Ministry of Commerce and Industries (MoCI) with respect to investment promotion.
- Issue and implement a public-private partnerships regulation and
- enhance infrastructure and operational capacity, including for civil aviation and transport, to support economic growth and development.

Area 6: Development Partnerships and Aid Effectiveness

Goal: Renew and enhance development partnership between Afghanistan and the international community for development, economic growth and poverty reduction. As Afghanistan will continue to require considerable financial assistance from the international community, measures

taken for improving effectiveness of development assistance, are key during the transformation decade.

Key to the government's reform agenda is its plan to make the budget the primary instrument for implementing policy. To achieve that goal, donor partners will endeavor to ensure that their support to the budget is sufficiently flexible, adaptive, and responsive to national priorities. Both government and partners agree that the current aid system must adapt to national priorities. Additionally, off-budget support should be aligned with the government's priorities with proper accountability and oversight mechanism ensuring meaningful participation of the government and other stakeholders.

Indicators:

- Donors continue to provide at least 50% of their annual aid through the national budget. The government exercises more budgetary discretion so that during annual performance reviews, resources can be moved from lagging programs to better performing ones, where appropriate;
 - Donors align at least 80% of their annual aid to the National Priority Programs at the level of deliverables and work collectively to finance them;
 - Donors ensure timely, accurate and complete aid information (on both on- and off-budget projects) to enable the government to better plan and monitor; and, where possible, provide reliable annual and mid-term forward spending plans to support the government's envisaged multi-year budgeting cycle.
 - Donors follow Capacity Building for Results (CBR) scales and work towards a single mechanism for provision of Technical Assistance (TA) to the government.
 - In recognition of the government's priority to increase revenues, donors commit to bilateral dialogue on the implementation of the recommendations of the joint working group on taxation issues.
 - Donors and Government commit to complete Development Framework Agreements (DFAs) for improving harmonization and aid predictability
 - Donors commit to complete Financing Agreements (FA) with the Government for all off-budget projects, in line with the agreed Aid
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Management Policy, as well as to carrying out annual portfolio performance reviews.

- Development cooperation moves toward program/sectoral approaches.

Modalities

The Afghan Government and the International Community decide to continue the mechanism created as part of TMAF to monitor their performance of indicators and work plans. The three elements of the mechanism are:

1. The Joint Coordination and Monitoring Board (JCMB) structure to review progress on a regular basis;
2. A Senior Officials Meeting to be held every second year to review progress; and
3. A Ministerial-level Meeting to be held in 2016, and every second year subsequently to review progress, update indicators, assess resource requirements and renew international commitments.

Short-term Deliverables

While the indicators under SMAF provide broad guidance to the government and the international community for the rest of the term of the new government, a set of short-term deliverables to be achieved by the end of 2016 is annexed. These will be revised in line with the above modalities.

Annex:

Self-Reliance through Mutual Accountability Framework (SMAF) Short-term deliverables by 2016

Area 1: Improving Security and Political Stability

1. The Special Electoral Reform Commission provides its recommendations and the Government begins implementing reforms by the first half of 2016.

Area 2: Anti-corruption, Governance, Rule of law and human rights

2. Attorney General appointed and vacant posts of Deputy Ministers and Governors filled by the end of 2015.
 3. At least 90 per cent of the officials of the new government, under article 154 of the Constitution, declare their assets by the first half of 2016.
 4. The National Procurement Commission adopts and implements service standards according to the Procurement Law of Afghanistan 2009 (as amended) by the second half of 2016.
 5. Five revenue based ministries (Ministry of Finance, Ministry of Mines and Petroleum, Ministry of Commerce and Industries, Ministry of Transport and Civil Aviation and Ministry of Communication and Information Technology) prepare their anti-corruption plans by the end of 2015 and begin implementation by the first half of 2016, with the remaining ministries' plans completed by the end of 2016.
 6. At least one-third (800) of the 2,400 positions planned for recruitment through the Capacity Building for Results program (CBR) completed by December 2016.
 7. The Government approves the Capacity Building for Results (CBR) scales for all project contract staff by the first half of 2016.
 8. Sub-National Policy approved by the Cabinet by March 2016 and Provincial Budgeting Policy approved by the Cabinet by the first half of 2016.
 9. The Justice Sector Reform Plan launched by December 2016.
 10. A draft of a revised penal code, consistent with Afghanistan's constitution and guided by its international commitments, completed by the Taqin by December 2016.
 11. The draft of the Child Act, consistent with Afghanistan's constitution and guided by its international commitments, completed by the Taqin by December 2016.
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12. The National Action Plan for Women Peace and Security implementation plan, including financing in consultation with donors, approved by the end of 2015 and implementation started by the first half of 2016.
13. An anti-harassment regulation for improving the working environment for women in the public sector, issued by the first half of 2016.
14. Dedicated Violence Against Women prosecution units established in 26 provinces by December 2016.

Area 3: Restoring Fiscal Sustainability and Integrity of Public Finance and Commercial Banking

15. The Cabinet approves a new comprehensive HR reform policy for the Afghan Customs Department (ACD) and establishment of a new law enforcement wing within the ACD by the first quarter of 2016.
16. The IMF Staff Monitored Program implemented, and subsequent regular financial arrangement negotiated with the IMF by the first quarter of 2016.
17. The ASYCUDA WORLD Valuation Module implemented in six major Customs locations by December 2016.
18. The new PFM Roadmap II launched by the second half of 2016.

Area 4: Reforming Development Planning and Management and Ensuring Citizens' Development Rights

19. Concept notes for four NPPs (Citizen's Charter, Urban Development Program, Rural Development and National Women's Economic Empowerment Plan), embedded in a development framework, reviewed by the Cabinet by the first half of 2016.
20. The development councils to manage different sectors approved and functioning by the end of 2015.
21. A Memorandum of Understanding between the Government and Civil Society approved by the end of 2015.

Area 5: Private Sector Development and Inclusive Growth and Development

22. The Public-Private Partnerships regulation issued by March 2016.
 23. A business simplification roadmap covering business registration, construction permits, tax registration and payment, accessing electricity, and adjudicating land disputes, prepared and approved by Cabinet by December 2016.
 24. An infrastructure development plan is prepared and launched by the second half of 2016.
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25. The EITI fourth reconciliation report is published by the first half of 2016.
26. To provide security and end land-grabbing affecting the urban poor, by the end of December 2015 the government will launch a national program to survey informal settlements and provide 100 per cent coverage of land tenure certificates in the cities of Kabul, Herat, Kandahar, Mazari-Sharif and Jalalabad.
27. To help the rural poor, the government will launch a program by December 2015 to provide at least 5,000 rural communities with funds for labour-intensive works to repair agricultural infrastructure.
28. To promote food self-sufficiency and to help the poor, by December 31, 2015, the government will launch a pilot program for market gardening in urban peripheries.
29. By December 31, 2015, the government will have completed new power distribution systems that provide electricity to 40,000 poor households.
30. By the first half of 2016, the government will form a commission to review the use of child labour in Afghanistan's carpet industry and provide recommendations for reform, compliance and alignment with Afghanistan's commitments to end the use of child labour.

Area 6: Development Partnerships and Aid Effectiveness

31. Donor funded contractors on the national technical assistance invoicing scale to follow government approved CBR (Capacity Building for Results) scales by June 2016.
 32. To inform the 2016 Ministerial Meeting, a focused external review would be completed of how best the ARTF can support and adapt to the Government needs and priorities in a flexible manner. The review will be commissioned by the end of 2015 and submitted to the ARTF Steering Committee by July 31, 2016.
 33. Donors to provide all aid information including spending, both on- and off-budget in Afghanistan, to be recorded in the Development Assistance Database annually through the DCD process starting by September 2015.
 34. Donors who have achieved or exceeded the 50 per cent on-budget target commit to joint performance reviews of their projects by the first half of 2016 to ensure resources can be moved from lagging programs to better performing ones, where appropriate.
 35. Joint project reviews carried out to assess the progress and results of off-budget programs by the first half of 2016.
 36. In addition to the commitment to achieve 80 per cent alignment with NPPs, donors and government will establish a working group to produce a roadmap for sector-wide approaches by the first half of 2016.
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37. A joint working group put in place by December 2015, to define common principles and deliver recommendations on taxation by June 2016 that will be taken forward through bilateral dialogue.
 38. Development Framework Agreements (DFAs) completed by the second half of 2016.
 39. Financing Agreements (FA) for all off-budget projects completed by the second half of 2016, in line with the agreed Aid Management Policy.
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