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**From rhetoric to reality: President Karzai has taken a major step forward to embed transparency in the country's nascent extractives sector – now it is up to the Ministry of Mines to make it happen.**

A recent decree from Afghanistan's President Karzai represents a major step forward in turning the government's commitments to a transparent mining and petroleum sector into a reality. The ball is now in the Ministry of Mines' court to follow his lead, and to ensure that the Afghan people can see and understand the deals negotiated in their name for country's most valuable national assets.

Following a speech to the National Assembly on 21 June, Karzai issued [a presidential decree](#) which requires all contracts signed in the past three years with national and international companies to be published in full. For the extractives sector, the Decree rightly goes further, requiring the Ministry of Mines to:

*'Finalize a specific plan to provide for transparency regarding mining contracts in the country . . . Contract transparency provisions will be based, above all, on agreed international principles and with considerations of the future of the country. It must publicize all contract details (not summaries) through the websites of the Ministries of Mines, Finance, and Economy.'*

Contract transparency in the extractives sector is a first step towards making sure the resources benefit the Afghan people – allowing citizens to see and scrutinise the terms negotiated for major national assets and to monitor company and government performance on their commitments.

Over the last year, the Afghan government and its international partners have made important political commitments to transparent and accountable governance of its fast-developing extractives sector.<sup>1</sup> Global Witness' [analysis of Afghanistan's first mining contracts](#), however, has highlighted the gap between these public pledges and the reality on the ground. Promises of transparency, for example, have yet to be matched by full publication of all major extractives contracts agreed by the Afghan government. This Decree should help to bridge this gap.

It is now up to the Ministry of Mines to follow the President's lead and develop a plan which brings real transparency and accountability to Afghanistan's extractives sector. Basic elements of this plan should include:

- Immediate and full publication of all extractives contracts agreed to date (including the 2008 Aynak copper agreement) in Dari and Pashto on relevant ministerial websites and in hard copy;
- Publication of all key extractive project documents as and when they become available including sub-contracts, impact assessments and independent monitoring reports;
- Publication of the identities of all the ultimate beneficial owners of all companies awarded contracts for or linked to mining projects (including contracts for

associated infrastructure, and major project supply contracts and sub-contracts);

- Ways for communities directly affected by mining projects to access the documents and technical advice they need to understand the potential implications of projects and be able to input into the project planning.
- Clarification of how the plan ties into the National Priority Programme process and post-Tokyo *Mutual Accountability Framework* for the extractives, and how it will be regularly monitored and assessed.

In turn, the country's international donors – who have so far bankrolled the development of this sector – also have a role to play in making sure this initiative works. They should extend financing to support its development, while at the same time robustly monitoring its implementation up to and beyond transition in 2014.

Afghanistan has a rare opportunity to put its burgeoning mining and petroleum sector onto a truly transparent footing. What happens next in the Ministry will determine whether these pledges move from paper to practice.

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<sup>i</sup> Notably at last month's [Tokyo conference](#), in May's [Strategic Partnership Agreement with the United States](#), and at last December's [Bonn conference](#).