

Actions Needed to Better Assess and Coordinate Capacity-Building Efforts at the Ministry of Agriculture, Irrigation, and Livestock



October 20, 2011



OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

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Executive Departments and Agencies:

This report discusses the results of a performance audit by the Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR) of U.S. assistance to build the capacity of the Ministry of Agriculture, Irrigation, and Livestock. This report includes five recommendations to the U.S. Ambassador to Afghanistan to improve management and integration of U.S. capacity-building efforts to ensure the sustainment of U.S. agriculture assistance in Afghanistan.

A summary of this report is on page iii. When preparing the final report, we considered comments from the U.S. Embassy in Kabul, which are reproduced in appendix III of this report. The U.S. Embassy concurred with our recommendations and noted actions they are taking to address them. We conducted this performance audit under the authority of Public Law No. 110-181, as amended, the Inspector General Act of 1978, and the Inspector General Reform Act of 2008.

A handwritten signature in black ink, appearing to read "Steven J Trent".

Steven J Trent
Acting Special Inspector General
for Afghanistan Reconstruction

The Honorable Hillary Rodham Clinton
Secretary of State

The Honorable Leon Panetta
Secretary of Defense

The Honorable Thomas J. Vilsack
Secretary of Agriculture

General James N. Mattis
Commander, U.S. Central Command

The Honorable Ryan C. Crocker
U.S. Ambassador to Afghanistan

General John R. Allen
Commander, U.S. Forces – Afghanistan, and
Commander, International Security Assistance Force

General Craig R. McKinley
Chief, National Guard Bureau

Dr. Rajiv Shah
Administrator
U.S. Agency for International Development

Dr. S. Ken Yamashita
USAID Mission Director for Afghanistan



SIGAR

Special Inspector General for Afghanistan Reconstruction

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Actions Needed to Better Assess and Coordinate Capacity-Building Efforts at the Ministry of Agriculture, Irrigation, and Livestock

What SIGAR Reviewed

Decades of conflict and neglect have devastated Afghanistan's agriculture sector, yet between 65 to 80 percent of the Afghan population are dependent on agriculture for their livelihoods. The United States has made rebuilding the Afghan agriculture sector one of its highest development priorities. Between fiscal years 2002 and 2010, the United States invested more than \$1 billion to develop Afghanistan's agriculture sector and plans to continue to invest in this sector. To improve the long-term sustainability of U.S.-funded agriculture projects, U.S. agencies have provided \$77 million to help build the capacity of the Ministry of Agriculture, Irrigation and Livestock (MAIL) to better serve farmers and promote private sector development. As part of this effort, the U.S. Department of Agriculture (USDA), the U.S. Agency for International Development (USAID), and the Department of Defense (DOD) have deployed agricultural advisors and agribusiness development teams throughout Afghanistan. This report assesses (1) the extent to which U.S. capacity-building programs and activities in agriculture are coordinated and integrated and (2) progress made in building MAIL's capacity in Kabul and at its provincial offices. SIGAR interviewed officials from USDA, USAID, DOD, and U.S. Embassy Kabul, as well as Afghan government officials and implementing partners. SIGAR also reviewed U.S. strategies and plans, program documents, budgets, and performance management plans. SIGAR conducted its work in Kabul, Balkh Province, and Nangarhar Province, Afghanistan, and Washington, D.C., from October 2010 to September 2011 in accordance with generally accepted government auditing standards.

What SIGAR Found

In accordance with the *U.S. Government Agriculture Assistance Strategy for Afghanistan*, the U.S. Embassy Kabul has taken steps to better coordinate and integrate U.S. agriculture assistance and capacity-building efforts, but coordination and integration problems among the national, provincial, and district levels continue to limit the effectiveness of the U.S. effort. For example, U.S. personnel in the field were unaware of capacity-building activities at the ministry in Kabul and therefore could not ensure they were building the same capabilities in provinces and districts as those in Kabul. Several factors contribute to these coordination challenges, such as insufficient guidance to those implementing capacity-building activities, ineffective use of existing coordination mechanisms, and incomplete devolution of administrative and programmatic authority to USAID field program officers. Without effective coordination and integration of U.S. capacity-building efforts, U.S. agencies cannot assure their programs and activities are well aligned or mutually reinforcing in building the Afghans' capacity to provide agriculture programs and services. To the extent that the Afghan government can develop the capacity to deliver agriculture services, the U.S. government and other donor countries can reduce the number of personnel (at an estimated cost of up to \$570,998 per person per year) and program funds required to support agriculture needs in Afghanistan.

The U.S. Embassy has not been able to determine how much progress has been made to date in building ministry capacity because it did not have sufficient or complete data. The Agriculture Campaign Assessment does not include USDA and DOD agricultural advisors' capacity-building activities, and the performance data that agencies collect is not consistent, thereby making it difficult for the U.S. Embassy to incorporate them into its assessment. Moreover, the Agriculture Campaign Assessment does not have performance baselines and targets for all of its performance indicators, and it largely measures the products of capacity-building efforts, rather than the results achieved. Without a mechanism that can sufficiently and reliably assess and report on progress made in building MAIL's capacity, the U.S. Embassy is not able to evaluate whether the strategy is working and resources are properly aligned. Without being able to assess progress, these agencies cannot identify what changes are needed to improve the effectiveness of their programs and ensure sustainable results.

What SIGAR Recommends

SIGAR is making five recommendations to the U.S. Ambassador to Afghanistan to improve the management and integration of U.S. capacity-building programs for MAIL and better ensure the long-term sustainability of U.S.-funded agriculture projects. These recommendations address the need to improve the integration and coordination of U.S. capacity-building efforts, more closely integrate DOD's agribusiness development team capacity-building activities with those of civilian agencies, and more accurately and consistently measure civilian-military progress made in building MAIL's capacity in Kabul and in the provinces. In commenting on a draft of this report, the U.S. Embassy Kabul concurred with the recommendations and noted steps it will take to address them.

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ACRONYMS

ADT	Agribusiness Development Team
CDDEA	Coordinating Director for Development and Economic Affairs
DAIL	Directorate of Agriculture, Irrigation, and Livestock
DOD	Department of Defense
ISAF	International Security Assistance Force
MAIL	Ministry of Agriculture, Irrigation, and Livestock
SIGAR	Special Inspector General for Afghanistan Reconstruction
USAID	U.S. Agency for International Development
USDA	U.S. Department of Agriculture



Actions Needed to Better Assess and Coordinate Capacity-Building Efforts at the Ministry of Agriculture, Irrigation, and Livestock

Through fiscal year 2010, U.S. agencies had obligated more than \$1 billion in agricultural assistance. After focusing primarily on humanitarian and stabilization activities, U.S. agencies are adjusting their program portfolios to make fundamental investments in the development of Afghanistan's agriculture sector. The long-term success and sustainability of this investment depends on the ability of the Afghan Ministry of Agriculture, Irrigation, and Livestock (MAIL) to perform its core functions—restoring Afghanistan's licit agricultural economy by delivering services to farmers and supporting private sector market development—but the ministry faces serious capacity limitations after decades of conflict and neglect. Consequently, in 2010, the U.S. Embassy Kabul made building MAIL's capacity a high priority for U.S. agricultural assistance.

Three U.S. agencies—the U.S. Department of Agriculture (USDA), the U.S. Agency for International Development (USAID), and the Department of Defense (DOD)—have a significant role in building MAIL's capacity in Kabul and in Afghanistan's provinces and districts. USDA and USAID have already provided \$77 million for capacity-building activities in their agricultural programs that were active in fiscal years 2010 and 2011, and they plan to obligate significant funding for capacity building in agricultural programs in the near future.

This report assesses the (1) extent to which U.S. capacity-building programs and activities in agriculture are coordinated and integrated and (2) progress made in building MAIL's capacity in Kabul and at its provincial offices.

To accomplish these objectives, we reviewed U.S. and Afghan government strategies and campaign plans; agricultural program contracts and agreements, work plans, and USAID's performance management plan; and performance reports and assessments. We also interviewed officials from the U.S. Embassy, USDA, USAID, DOD's Agribusiness Development Teams (ADT), as well as MAIL officials in Kabul and in the provinces, implementing partners, and the International Security Assistance Force (ISAF). We attended an Agriculture Conference in November 2010 and an ADT Conference in March 2011. We conducted our work in Kabul, Balkh Province, and Nangarhar Province, Afghanistan, and Washington, D.C., from October 2010 to September 2011, in accordance with generally accepted government auditing standards. Appendix I includes a more detailed discussion of our scope and methodology.

BACKGROUND

The agriculture sector is integral to Afghanistan's long-term political and economic stability. It accounts for more than a third of Afghanistan's gross domestic product (excluding the illicit opium economy), and an estimated 65 to 80 percent of Afghans depend on it for their livelihoods.¹ Decades of conflict, frequent droughts, and environmental degradation have decimated the sector. Farmers have limited access to quality agricultural inputs and credit, suffer from pre- and post-harvest loss, and struggle to transport their products to markets that often provide only limited returns. Additionally, the lack of strong public services for farmers inhibits agriculture sector growth. Meanwhile, the higher profit margins and wages that can be earned from cultivating poppies for illicit opium production can lure many farmers into activities that feed instability, support the insurgency, and undermine the government.

U.S. Agriculture Assistance Strategy and Organization

Since fiscal year 2002, the U.S. government has provided agricultural assistance to Afghanistan. The focus of this assistance has changed from providing emergency food assistance in 2002 and 2003 and counternarcotics-related alternative development programs from 2004 through 2008 to countering the insurgency and developing the agriculture sector since 2009. In October 2009, the U.S. Embassy issued the *USG Agriculture Assistance Strategy for Afghanistan* (U.S. agriculture strategy) to bring greater coherency to U.S. government efforts to rebuild Afghanistan's agriculture sector. The strategy identifies two goals for U.S. assistance to the agriculture sector. The first is to increase agriculture-related jobs and incomes. The second is to increase the confidence that Afghans have in their government. To accomplish these goals, U.S. agriculture assistance seeks to (1) increase agricultural productivity, (2) regenerate agribusiness, (3) rehabilitate watersheds and improve irrigation infrastructure, and (4) increase MAIL's capacity to deliver services to rural farmers and herders and promote the private sector and farmer associations. The *Afghanistan and Pakistan Regional Stabilization Strategy* and the *United States Government Integrated Civilian-Military Campaign Plan for Support to Afghanistan* reiterated these goals and objectives in 2010 and 2011.²

In the summer of 2010, the U.S. Embassy's Coordinating Director for Development and Economic Affairs (CDDEA) raised concerns that U.S. agriculture assistance was not well coordinated and was not achieving its strategic objectives despite the substantial U.S. investment in the agriculture sector. As a result, the U.S. Embassy took several steps to address these problems.³ First, in November 2010, the U.S. Ambassador appointed a Senior Agriculture Coordinator with responsibility for developing and directing U.S. agriculture policy and oversight of all U.S. agriculture-related personnel and programs. Second, the Ambassador established a Senior Agriculture Policy Committee and restructured the existing Agriculture Working Group, whose membership includes representatives from the U.S. Embassy; USDA; USAID; ISAF headquarters; the Department of State's Bureau for International Narcotics and Law Enforcement Affairs; the U.S. Army Corps of Engineers; and agricultural advisors at the regional, provincial, and

¹ According to United Nations Office of Drugs and Crime, the farm-gate value of opium was 9 percent of Afghanistan's gross domestic product, or \$1.4 billion, in 2011. See United Nations Office of Drugs and Crime/Afghanistan Ministry of Counter Narcotics, *Afghanistan Opium Survey 2011 Summary Findings*, October 2011

² The U.S. goals and objectives are also consistent with the Afghan government's National Agriculture Development Framework.

³ The ambassadorial-level Coordinating Director for Development and Economic Affairs coordinates the activities of sections and agencies focused on development and economic affairs in Afghanistan.

district levels. Third, CDDEA conducted a comprehensive review of U.S. agriculture assistance and made 20 recommendations to improve the effectiveness and efficiency of U.S. agriculture assistance.⁴

Building MAIL's Capacity Is a U.S. Priority

In 2010, the U.S. Embassy Kabul made building MAIL's capacity a high priority for U.S. agricultural assistance for several reasons. First, establishing institutions that can adequately perform their core functions is necessary for the Afghan government to take over lead responsibility for security in 2014, in accordance with the Lisbon Summit Declaration.⁵ In addition, the United States and international donors committed to channeling at least 50 percent of development assistance through the Afghan government by 2012, and MAIL is expected to play a significant role in fulfilling this commitment. Implementing programs directly through MAIL rather than through contractors would have longer-lasting effects and be less expensive in the long term. Providing assistance through the Afghan government is dependent upon MAIL's ability to demonstrate the capacity to handle the assistance. Furthermore, the success and sustainability of U.S. agriculture programs depends on MAIL's ability to maintain and sustain the results or benefits of those programs in the future.

MAIL faces a significant capacity deficit after decades of conflict and neglect. According to a 2010 compilation of six organizational assessments prepared by Volunteers for Economic Growth Alliance,⁶ more than 55 percent of MAIL's technical staff did not meet the basic skill requirement for their positions, 40 percent of districts did not have an agriculture office and existing offices often lacked the personnel and technical skills for even basic services, and MAIL's procurement processes were very complicated—exceeding 60 steps—which slowed down business functions. In addition, MAIL's budget execution rate was low with MAIL only executing 30 percent of its solar year 1388 budget due to insufficient program design and implementation capacity.⁷ A June 2010 USAID assessment found that MAIL was not ready to independently manage USAID funds with sufficient accountability and implementation capacity without significant improvement in all core functional areas including finance, procurement, internal audit, human resources, project formulation and management. In July 2010, the Government Accountability Office reported that MAIL lacked the capacity to maintain and sustain the agricultural programs put in place by donors.⁸

MAIL is charged with restoring Afghanistan's licit agricultural economy. Its primary functions include agricultural research and extension, livestock and animal health, land management, natural resource management, irrigation and infrastructure, and program implementation and coordination. It has a presence in all of Afghanistan's 34 provinces through its provincial Directorates of Agriculture, Irrigation, and Livestock (DAIL), which are the primary link between the Ministry in Kabul and farmers and herders in the provinces.

⁴ U.S. Embassy Kabul, Afghanistan, *USG Agricultural Assistance to Afghanistan: A Review* (March 21, 2011). The review's recommendations addressed program alignment; performance reporting; transition to Afghan authority; budget actions; clarity of mission; agency coordination; program procurement and execution; provincial agriculture development strategies; field staffing; and international collaboration.

⁵ On November 20, 2010, the heads of state and government participating in the meeting of the North Atlantic Council in Lisbon proclaimed, "Looking to the end of 2014, Afghan forces will be assuming full responsibility for security across the whole of Afghanistan."

⁶ The Alliance based its analysis on organizational assessments conducted by USAID, Afghanistan's Ministry of Finance, GRM International (a development management company), Deloitte, MAIL, and The Asia Foundation.

⁷ Solar year 1388 is the Afghan government's fiscal year from approximately March 22, 2009, to March 21, 2010.

⁸ See GAO, *Afghanistan Development: Enhancements to Performance Management and Evaluation Efforts Could Improve USAID's Agriculture Programs*, GAO-10-368 (Washington, DC: July 14, 2010).

U.S. Agriculture Capacity Building Programs

According to the U.S. Agriculture Strategy, USDA, USAID, and DOD's ADTs have responsibility for building MAIL's capacity to deliver services and promote the private sector.⁹ USDA and USAID have committed \$77 million for capacity-building activities in their agricultural programs from fiscal years 2010 and 2011 appropriations. USDA oversees the U.S. government's principal program for building MAIL's capacity—the 3-year, \$36 million Capacity Building Change Management Program.¹⁰ The program aims to (1) develop the capacity of MAIL to manage donor and Afghan government funds and its human and physical capital and (2) design and implement a program of change management to build the technical capacity of MAIL. Nine of USAID's 18 active agricultural programs in fiscal year 2010 have at least a small capacity-building component; more than half of these expire in fiscal year 2011. USAID estimates these capacity-building activities cost \$41 million, or 4 percent, of total agricultural programming.¹¹ Described in more detail in appendix II, these programs are:

- Agricultural Credit Enhancement
- Advancing Afghan Agriculture Alliance
- Accelerating Sustainable Agriculture Program
- Afghanistan Vouchers for Increased Production in Agriculture-Plus
- Afghanistan Water, Agriculture, and Technology Transfer
- Commercial Horticulture and Agricultural Marketing Program
- Incentives Driving Economic Alternatives for the North, East, and West
- Improving Livelihoods and Governance through Natural Resource Management
- Pastoral Engagement, Adaptation, and Capacity Enhancement

Future U.S. agricultural programs will place a greater emphasis on building MAIL's capacity in some of its most important departments.¹² These programs include USDA's agricultural extension program, USAID's agricultural research and extension program, and a capacity-building component within the U.S. government irrigation and watershed management program. USDA and USAID expect to award cooperative agreements for these programs in fiscal year 2011 or early fiscal year 2012.

⁹ DOD's provincial reconstruction teams and village stability operations teams are also engaged in efforts to rebuild Afghanistan's agriculture sector; however, they were not included in the scope of the audit because the U.S. Agriculture Strategy did not identify them as having responsibility for building MAIL's capacity. In addition, the State Department's Bureau for International Narcotics and Law Enforcement Affairs and the U.S. Army Corps of Engineers, which also provide agriculture assistance to Afghanistan, were not included in the scope of this audit, though they provide agriculture assistance, because they do not implement MAIL's capacity-building activities.

¹⁰ USDA awarded the cooperative agreement to the Volunteers for Economic Growth Alliance in November 2010. Originally awarded for four years, USDA officials have indicated that they reduced the program to three years at the same funding level.

¹¹ This figure includes the capacity-building components of the Advancing Afghan Agriculture Alliance program; Accelerating Sustainable Agriculture Program; Afghanistan Water, Agriculture, and Technology Transfer program; Commercial Horticulture and Agriculture Marketing Program; and Incentives Driving Economic Alternatives for the North, East, and West program. USAID did not include the four other agricultural programs we identified as having a capacity-building component in their estimate. We were unable to determine the amount of funding dedicated to those programs' capacity-building components.

¹² Funding for future agriculture programs are considered sensitive and cannot be released publicly.

In addition to their capacity-building programs, USDA, USAID, and DOD deploy about 160 personnel across Afghanistan at any one time on a rotational basis who help, as part of their duties, to build MAIL's capacity at the ministry and in the provinces and districts.¹³ At an annual cost that ranges between \$425,926 and \$570,998 per year to support a civilian in the field, the U.S. government spends at least \$80 million per year to support these personnel.¹⁴ In July 2011, USDA had 47 agricultural advisors to train and mentor MAIL and DAIL staff in project management and agricultural techniques and advise military units, other U.S. agencies, and international donors on their agricultural activities. USDA agricultural advisors are embedded at the ministry in Kabul and attached to regional commands, task forces, provincial reconstruction teams, and district support teams. According to USDA, from April 2010 to March 2011, agricultural advisors trained on average about 370 MAIL and DAIL staff each quarter, and an estimated 24,000 farmers were trained in that year.¹⁵ As of June 2011, USAID had seven field program officers to advise provincial reconstruction teams and district support teams on agriculture projects and on coordination with the Afghan government and international donors.¹⁶ Currently, DOD deploys nine ADTs—eight in eastern Afghanistan and one in southern Afghanistan. An ADT is a National Guard unit typically composed of an agricultural expert team of 12 soldiers and airmen, a headquarters section, and its own security force. According to several ADT commanders, their missions have largely evolved from building agricultural infrastructure and training farmers to emphasizing increasing MAIL's capacity at the provincial and district levels.¹⁷ For example, ADTs worked with the DAIL and agricultural extension agents to develop budgets and manage development projects funded through the Commander's Emergency Response Program. The 2011 CDDEA review reported that ADTs had initiated 578 Commander's Emergency Response Program projects in 2010, with a total value of \$9.9 million, and completed 413 projects.

COORDINATION IN KABUL HAS IMPROVED BUT SEVERAL FACTORS CONTINUE TO HAMPER INTEGRATION OF U.S. CAPACITY-BUILDING EFFORTS

Despite some improvement in coordination between USDA and USAID in Kabul, U.S. agencies continue to have difficulty coordinating and integrating their agriculture capacity-building efforts both between Kabul and the provinces and with some USAID implementing partners in the same geographic area. For example, U.S. personnel in the field were unaware of capacity-building activities at the ministry in Kabul and, therefore, could not ensure they were building the same capabilities in provinces and districts as those in Kabul. Several factors contribute to these coordination challenges, such as insufficient guidance to those implementing capacity-building activities, ineffective use of existing coordination mechanisms, and incomplete devolution of administrative and programmatic authority to USAID field program

¹³ This number includes USDA agricultural advisors, USAID agricultural field program officers, and ADT agricultural specialists. It does not include ADT security force personnel because they do not directly implement agricultural activities or USAID generalist field program officers.

¹⁴ See SIGAR and State OIG, *The U.S. Civilian Uplift in Afghanistan Has Cost Nearly \$2 Billion, and State Should Continue to Strengthen Its Management and Oversight of the Funds Transferred to Other Agencies*, SIGAR Audit-11-17 & State OIG AUD/SI-11-45 (Washington D.C., September 8, 2011). The \$80 million per year is an estimate.

¹⁵ According to USDA, some duplication in the number of farmers trained is likely because many attended more than one training opportunity and, therefore, were counted more than once. We did not conduct an independent data reliability assessment of the data.

¹⁶ USAID had a total of 185 field program officers throughout Afghanistan, but only seven were specifically dedicated to agricultural programs, as of June 2011.

¹⁷ The ADT Handbook and the National Guard Bureau, which is the program manager for ADTs, states that the ADT mission is to provide basic agricultural education and services and conduct stability operations to support the effectiveness of the Afghan government. See Center for Army Lessons Learned, *Agribusiness Development Teams in Afghanistan: Tactics, Techniques, and Procedures*, No.10-10 (November 2009).

officers. Without effective coordination and integration of U.S. capacity-building efforts, U.S. agencies cannot be assured their programs and activities are well aligned or mutually reinforcing, which the U.S. agriculture strategy indicates is necessary to achieve a common objective.

U.S. Agencies Continue to Have Difficulty Coordinating Despite Some Improvement

Although coordination among agencies in Kabul has improved somewhat since the U.S. Embassy reorganized U.S. agriculture assistance in November 2010, U.S. agencies continue to have difficulty achieving the level of coordination needed to integrate their capacity-building efforts. The U.S. agriculture strategy calls for integrating multiple agencies' human, technical, financial, and material assets to achieve a common objective. Achieving this level of integration requires coordination among civilian agencies and military forces at all levels. The CDDEA, the Senior Agriculture Coordinator, and other U.S. officials in Kabul and the field characterized U.S. agriculture assistance as disparate activities that did not constitute a strategic, sustained approach to achieving U.S. strategic objectives. Without effective coordination, U.S. agencies may be missing opportunities to leverage or build on other agencies' capacity-building activities, thus limiting the U.S. Embassy's ability to maximize the synergism of multiple agencies' capacity-building efforts.

The steps the U.S. Embassy took in November 2010 has led to closer coordination between USDA and USAID in Kabul and improvements to the management and effectiveness of U.S. agriculture assistance. Specifically, we found that USDA and USAID officials have more closely coordinated their respective agricultural research and extension and watershed management programs through Agriculture Working Group teams. The restructured Agriculture Working Group has become a mechanism for vetting major agriculture programs before the U.S. Ambassador reviews them. Previously, the U.S. Embassy expressed concerns about proposed program designs, citing in part concerns over duplications of effort. Because of their closer coordination, USDA and USAID are combining their watershed management programs into the U.S. government Irrigation and Watershed Management program and de-conflicting their agricultural research and extension programs to ensure there will be no overlap in the programs. Additionally, a USAID staff member provides advice as a member of the advisory board of USDA's Capacity Building Change Management Program. The advisory board is the decision-making body that monitors program implementation.

Nevertheless, we found instances where U.S. agencies continued to have difficulty achieving the level of coordination between Kabul and the provinces needed to integrate capacity-building activities. Specifically, we found that U.S. agencies were implementing capacity-building activities in provinces and districts with limited knowledge of what was being done to build capabilities at the ministry in Kabul, even though the U.S. government has emphasized the importance of strengthening the relationship between MAIL in Kabul and provincial DAILs. None of the USDA, USAID, or ADT personnel in provinces and districts we met with were aware of USDA's Capacity Building Change Management Program, the principal U.S. program to build MAIL's capacity, or the work of USDA's embedded ministerial advisors and vice versa. As a result, USDA agricultural advisors and ADTs were helping build DAIL's capacity to plan, develop, and execute a provincial budget without an awareness of the financial management capabilities that USDA was helping the Ministry to develop in Kabul, including the capability to disburse development assistance to the provincial and district levels.¹⁸

Additionally, we found instances where USDA agricultural advisors and ADTs had difficulty coordinating with some USAID implementing partners operating in the same geographic area. In Nangarhar, for

¹⁸During the course of our audit, USDA officials at the U.S. Embassy in Kabul began participating in biweekly ADT conference calls.

instance, USDA and ADT personnel said that they did not always know what specific training opportunities USAID implementing partners had already provided to DAIL staff or which staff had attended. Consequently, they had no way of knowing whether they were duplicating training opportunities or inadvertently excluding staff, and they may have missed opportunities to build on what DAIL staff had already learned. Furthermore, implementing partners report on their capacity-building activities to contracting/agreement officer's technical representatives, almost all of whom are in Kabul, and this information frequently was not disseminated to USAID field program officers. This consequently limited the visibility of field advisors over those activities and ultimately may have hampered their ability to facilitate coordination with other agencies in the area.

Although we found coordination to be good between USDA agricultural advisors and ADTs that were co-located, U.S. Embassy and USAID officials in Kabul expressed concern over the extent of strategic coordination among U.S. civilian agencies and military forces. During our fieldwork in Mazar-e-Sharif and Nangarhar, we observed USDA agricultural advisors and ADT personnel sharing information and planning capacity-building activities. In addition, USDA agricultural advisors often relied on ADTs for transportation and security to travel to locations to conduct capacity-building activities with DAIL staff. However, the CDDEA report on U.S. agricultural assistance noted that activities could be better coordinated strategically and recommended discussion between the U.S. Embassy and U.S. Forces-Afghanistan on the composition, location, and duration of ADTs.

Several Factors Hamper Agencies' Ability to Coordinate and Integrate Their Capacity-Building Efforts

The difficulties that U.S. agencies continue to have in coordinating and integrating their capacity-building efforts can be partly attributed to several factors. First, the U.S. Embassy has not clearly defined the set of conditions required to successfully build MAIL's capacity, and consequently, U.S. personnel managing and implementing capacity-building activities do not have sufficient guidance for ensuring their efforts are linked to the overall U.S. effort. Second, U.S. agencies are not effectively using the Agriculture Working Group to share information because ADTs are not members and headquarters-level liaisons do not regularly participate in the working group meetings. Third, USAID is devolving some administrative and programmatic authority to designated field program officers that can help ensure implementing partners' activities support the overall U.S. effort, but the process has not been completed.

Insufficient Guidance Hinders Agencies' Efforts to Integrate Capacity-Building Activities

USDA, USAID, and ADTs manage and implement numerous ministerial capacity-building activities throughout the provinces in Afghanistan, but they do not have sufficient guidance to ensure their individual efforts are linked to the overall U.S. effort in agriculture. Almost all of the USDA agricultural advisors, USAID field program officers, and ADT personnel we spoke with said that they did not have guidance on how to implement their capacity-building activities or, for ADTs, how to integrate their activities with civilian efforts. Furthermore, several USAID implementing partners stated that they did not have sufficient guidance from USAID to adequately plan their DAIL capacity-building to fit into an overall U.S. effort. Without such guidance, several ADT and USDA officials were concerned that their capacity-building efforts were disconnected from the overall U.S. effort and questioned whether the progress they made in building MAIL's capacity at the provincial and district levels would be sustainable in the long term.

The Government Performance and Results Act of 1993 provides management principles for ensuring U.S. programs are well aligned, closely coordinated, and mutually reinforcing.¹⁹ They include (1) identifying long-term goals and objectives, (2) providing a description of specific actions to achieve stated goals and objectives, and (3) identifying a timetable with milestones for achieving those goals and objectives, among others.

While we found that the U.S. agriculture strategy and other guiding documents incorporated some of these elements, they did not provide a sufficient description of the specific tasks or intermediate milestones for building MAIL's capacity at the Ministry or in provincial offices. For example, the U.S. agriculture strategy and the Integrated Civilian-Military Campaign Plan identify improving MAIL's ability to deliver services to farmers and herders as a strategic objective, but neither document identifies which services MAIL is expected to deliver. According to an official from the Interagency Provincial Affairs office, USDA agricultural advisors at the regional, provincial, and district levels did not know what actions were needed to successfully build MAIL's capacity because the strategy's objectives were too broad. In addition, the 2011 Integrated Civilian-Military Campaign Plan establishes the timeframe of 12 to 18 months to strengthen MAIL's capacity to effectively deliver services to farmers, but does not define the set of conditions that would demonstrate successful achievement of this objective.

Without guidance on the specific set of conditions required for success, SIGAR found that U.S. agencies defined their own end states for their individual efforts and conducted capacity-building activities based on the core competencies they identified and prioritized. For example, one ADT commander tasked his team to create a list of DAIL core competencies that they would help build because they had not received national-level guidance on what capabilities were needed. We found U.S. personnel sometimes had differing opinions about what U.S. capacity-building efforts were intended to accomplish, with some officials thinking the purpose was to improve MAIL's ability to better manage donor funding and others believing it was to provide better agricultural services in the provinces and districts. Although both may be necessary to build a capable ministry, understanding how these efforts are linked and prioritized is necessary for ensuring U.S. agencies emphasize and pursue the appropriate activities.

Existing Coordination Mechanisms Are Not Used Effectively

Strategic coordination between U.S. civilian agencies and ADTs has been limited because they are not effectively using existing coordination mechanisms to disseminate information and guidance on building MAIL's capacity. Establishing and effectively using coordination mechanisms to facilitate frequent communication, a key practice for enhancing interagency coordination, is particularly important because ADTs and civilian personnel fall under separate chains of command. ADTs are under the command and control of the brigade combat team commander assigned to their respective areas. As such, they report to and receive guidance through their military chain of command. On the other hand, U.S. personnel in the field report to and receive guidance from the U.S. Embassy's Interagency Provincial Affairs office.

Several mechanisms could facilitate coordination among civilian agencies and military forces, such as the Agriculture Working Group and the National Guard Bureau's biweekly teleconference with ADTs. During the course of our audit, we found that all relevant stakeholders did not participate in these meetings on a regular basis or just started participating recently. In November 2010, the U.S. Embassy restructured the Agriculture Working Group to be a more effective means of communicating and coordinating across U.S. agencies in Kabul and the field. We found that representatives from ISAF Joint Command and Regional Command-East did not regularly participate in the working group's weekly meetings and ADTs

¹⁹ Pub.L. No.103-62

were not members. As a result, they could not receive or share key information about other U.S. capacity-building efforts, priorities, or challenges. In addition, we found that ISAF Joint Command and Regional Command-East headquarters officials who are responsible for ADT issues do not regularly participate in these working group meetings. In June 2011, ADTs formally requested that they be included in the Agriculture Working Group through a designated headquarters-level liaison, and the chair of the working group said that he would consider their request to determine the level of involvement they were requesting. The Interagency Provincial Affairs office also began participating in the National Guard Bureau's biweekly teleconference with all nine ADTs in July 2011.

USAID Has Not Completed Its Process of Devolving Authority to Field Program Officers

The difficulties that USDA agricultural advisors and ADTs experienced in coordinating with some USAID implementing partners can be partly attributed to the fact that USAID has not completed its process of devolving administrative and programmatic authority to field program officers. USAID began this process in September 2010 to use field program officers to help ensure development resources are used strategically and to help manage and oversee implementing partners. As of July 2011, they are devolving authority to field program officers in the Regional Command East to assist in program oversight. Unless designated an activity manager, USAID field program officers do not have the authority to guide or direct implementing partners to ensure their activities are coordinated or integrated with other U.S. capacity-building efforts. Once designated, field program officers will have responsibility for the day-to-day oversight of one or more specific activities and for communicating programmatic information to the contracting/agreement officer's technical representative. Not all field program officers will be designated an activity manager, according to a USAID official.

One limitation on the visibility that USAID field program officers have over implementing partners' capacity-building activities is the large number of programs they need to be familiar with in a given geographic area. As previously discussed, only seven field program officers are dedicated to USAID agricultural programs. The other 178 field program officers are expected to be familiar with all USAID programs in their areas. The field program office in Nangarhar, for example, is responsible for monitoring 27 USAID programs, five of which are agricultural programs that help build the DAIL's capacity.

THE U.S. EMBASSY FACES DIFFICULTY ASSESSING PROGRESS IN BUILDING MAIL'S CAPACITY

The U.S. Embassy has not been able to determine how much progress has been made to date in building ministry capacity because they did not have sufficient or complete data. The Agriculture Campaign Assessment does not include USDA agricultural advisors' and ADTs' capacity-building activities, and the performance data that agencies collect is not consistent, thereby making it difficult for the U.S. Embassy to incorporate them into their assessment. Moreover, the Agriculture Campaign Assessment does not have performance baselines and targets for all of their performance indicators, and it largely measures the products of capacity-building efforts, rather than the results achieved. Without a mechanism that can sufficiently and reliably assess and report on progress made in building MAIL's capacity, the U.S. Embassy cannot determine whether the strategy is working and resources are properly aligned. Without being able to assess progress, these agencies cannot identify what changes are needed to improve the effectiveness of their programs and ensure sustainable results.

The U.S. Embassy Does Not Have Sufficient Data to Determine Progress Made in Building MAIL Capacity

Although the U.S. Embassy reports on progress toward building MAIL's capacity to deliver services and promote the private sector through the Agriculture Campaign Assessment, the September 2010 and March 2011 assessments did not have sufficient data to assess how much overall progress U.S. agencies had made to date.²⁰ The primary purpose of the campaign assessment process is to provide U.S. leadership in Afghanistan with a series of assessments that can be used to prioritize and readjust the allocation of resources and efforts strategically. The Agriculture Campaign Assessment measures the performance of U.S. capacity-building efforts in improving agricultural education systems, agricultural research and extension services, and MAIL's core function through performance indicators, which are particular characteristics used to observe progress and measure actual results compared to expected results. The Agriculture Campaign Assessment performance indicators were:

- Percentage of foreign direct assistance processed and managed by MAIL
- Percentage increase in the number of applications for service delivery across targeted directorates (March 2011 only)
- Number of advanced degrees received as a result of U.S. assistance
- Number of farmers accessing agricultural extension services
- Number of agricultural extension staff trained in new techniques
- Number of national research stations and labs built or rehabilitated (September 2010 only)
- Number of MAIL officials trained at the provincial and district levels (September 2010 only)
- Number of new technologies made available for transfer (September 2010 only)
- Decrease in the number of steps involved in MAIL's procurement process (September 2010 only)
- Percentage of benchmarks achieved for U.S. direct assistance (September 2010 only)

Based on the September 2010 and March 2011 Agriculture Campaign Assessments, the U.S. Embassy could only demonstrate progress in the number of advanced degrees received because of U.S. government assistance. Between 2009 and December 2010, the number of advanced degree candidates increased from 0 to 27. According to a USAID official, the U.S. Embassy did not have sufficient performance data to determine how much progress had been made for the other performance indicators in the September 2010 and March 2011 assessments. In the September 2010 assessment, the U.S. Embassy reported on three of its nine indicators, but we found that the U.S. Embassy did not have data to support the reported increase in the number of farmers accessing extension services, number of advanced degrees received, and the number of extension staff trained in new techniques. In March 2011, the U.S. Embassy only reported on one of its five indicators—the number of advanced degrees received. USAID officials explained that performance data were not available to assess performance indicators because the agriculture programs that were to supply the data were either too new to have collected it or had not yet begun operations. Planned future agricultural programs discussed earlier in this report are supposed to provide this performance data, and we recognize that performance data for new and future programs should be available when necessary.

²⁰ The U.S. Embassy did not assess or report on U.S. capacity-building efforts prior to the September 2010 Agriculture Campaign Assessment.

Several Factors Undermine the Reliability of the Agriculture Campaign Assessment

The U.S. Embassy will have difficulty assessing progress in building MAIL's capacity in the future because the Agriculture Campaign Assessment does not provide a reliable evaluation of the overall impact of U.S. capacity-building efforts at MAIL. Specifically, it does not assess progress made because of the capacity-building efforts of USDA agricultural advisors and ADTs, who have primary responsibility for building MAIL's capacity in provinces and districts. Because the assessment is missing some performance baselines and targets and largely measures performance outputs, the U.S. Embassy will have difficulty assessing the degree of change in MAIL's performance over time.

Not All U.S. Capacity-Building Activities Are Included in the Agriculture Campaign Assessment

The Agriculture Campaign Assessment does not include all U.S. agencies' activities that contribute to building MAIL's capacity. Specifically, we found that the Agriculture Campaign Assessment does not assess the activities of USDA's agricultural advisors and DOD's ADTs, even though USDA and ADTs have primary responsibility for building MAIL's capacity at the sub-national level according to the U.S. agriculture strategy. The Agriculture Campaign Assessment is based on USAID's Mission Performance Management Plan, which only measures the performance of USAID's and USDA's capacity-building programs.²¹ By not including information on USDA and ADT activities, the U.S. Embassy is missing key information on progress made in building the capacity of provincial DAILs. In addition, the Mission Performance Management Plan only identifies a single source of data for each performance indicator. For example, USAID's future program on agricultural research and extension is the only program designated to provide performance data on improving Afghan government agricultural research and extension services, yet USDA will also have a program focused on building agricultural extension services. USAID guidance on performance management recognizes that while individual projects and activities produce specific outcomes, it takes the combined efforts of several projects to produce a sustainable impact.

The U.S. Embassy will have difficulty incorporating performance data from USDA and ADTs into the Agriculture Campaign Assessment because U.S. agencies do not consistently collect or report their performance data. USAID performance management guidance states that data collection methods should be consistent and comparable over time. USAID, USDA, and ADTs individually collect and report on the performance of their respective capacity-building efforts. We found that they differed in both what they were measuring and how they were measuring performance. For example, the ADTs we met with measured the capacity of DAIL staff through color-coded assessments, while USAID measured the performance of its capacity-building programs in quantitative terms. These inconsistencies in agencies' data collection methods can be attributed in part to a lack of common performance indicators and standard definitions. ADTs individually determined how they assessed progress in building MAIL's capacity. USDA headquarters in Washington, D.C., which collects and compiles data from agricultural advisors in Afghanistan, determined their performance categories without input from the U.S. Embassy. USAID and ADT officials raised concerns about measuring progress toward building MAIL's capacity without standard measures in part because the assessment process can be subjective. USDA's guidance to its field personnel notes that the performance data collected should reflect the perspectives of field personnel based on their observations and best estimates, rather than the actual facts on the ground. USAID guidance notes that measuring institutional capacity is by nature subjective when it is based on

²¹A Mission Performance Management Plan is a tool typically used by USAID to plan and manage the process of assessing and reporting progress toward an assistance objective, as required in the Automated Directives System 203.3.3. The U.S. Embassy issued the *U.S. Foreign Assistance for Afghanistan Post Performance Management Plan 2011-2015* in October 2010.

perceptions and judgment, but subjectivity can be mitigated by clearly defining the capacity being measured and the criteria against which it is being judged.

Another challenge is that the U.S. Embassy does not have access to ADT information. For example, the performance assessments that the ADTs in Parwan and Nangarhar conducted each quarter were only provided to their brigade commanders, and not the U.S. Embassy. In addition, according to a USAID official, the ISAF Joint Command is expected to provide information on ADT agriculture activities into USAID's performance management database, but command officials said that they do not collect agriculture-related data unless requested.²²

U.S. Embassy Indicators Lack Some Performance Baselines and Targets

Although the Agriculture Campaign Assessment has identified some performance baselines and targets, we found that the performance indicators related to improving MAIL's core functions are missing, which could limit the U.S. Embassy's ability to monitor progress over time and make program adjustments.²³ The U.S. Embassy with the help of USAID took steps to identify baselines and targets between the September 2010 and March 2011 campaign assessments. While the September 2010 assessment had baseline data for only half of its indicators and targets for a third, the March 2011 Agricultural Campaign Assessment had baseline data and performance targets for three of its five performance indicators. The baselines and targets missing from the March 2011 assessment are for the indicators measuring the percentage of foreign direct assistance that is processed and managed by MAIL and the percentage increase in the number of applications for service delivery. Both indicators are associated with USDA's Capacity Building Change Management Program, which, as of June 2011, did not have an approved performance management plan to supply that information. We recognize that performance indicators for new agricultural programs will have to be finalized before baselines and targets can be established.

U.S. Embassy Indicators Measure Outputs, Not Outcomes

The Agriculture Campaign Assessment measures program outputs, rather than outcomes achieved because of those programs, which makes it difficult to recognize and quantify change in MAIL's performance. The Government Accountability Office defines an output as the product or service delivered by a program, while an outcome is the result of those products and services.²⁴ Although output indicators provide a measure of a program's deliverables, they are unlikely to demonstrate the effect on the delivery or quality of agriculture-related public services. For example, the number of advanced degrees received quantifies how many students graduated, but does not measure the quality of the education they received or whether the recipient of the advanced degree contributes to agriculture-related public services. USDA agriculture advisors in eastern and northern Afghanistan expressed concern that measuring outputs, such as the number of officials trained, does not provide an effective assessment of progress. A senior USAID official explained that indicators are initially more focused on output measures because of the time it takes to generate outcome or impact data, but should evolve over the course of program implementation. In commenting on the findings of this audit, a senior Agriculture official from the Embassy noted that although output measures are not sufficient, they are integral to tracking progress toward outcomes.

²² ISAF Joint Command directs the day-to-day operations of coalition forces across Afghanistan.

²³ A performance baseline is the value of a performance indicator prior to implementation of U.S.-funded activities, which serves as a starting point from which to measure the degree of change. A performance target, which is the result that an agency plans to achieve within a specific timeframe, serves as a guidepost for judging whether progress is being made on schedule and at the levels originally envisioned.

²⁴ GAO, *Performance Measurement and Evaluation: Definitions and Relationships*, GAO-11-646SP (Washington, D.C.: May 2011).

CONCLUSION

Building MAIL's capacity is critical to ensuring the long-term success and sustainability of the substantial U.S. investment in Afghanistan's agriculture sector. U.S. agencies have provided \$77 million for capacity-building activities in their fiscal year 2010 and 2011 agricultural programs, and they plan to obligate significantly more funding for capacity-building in the next fiscal year. In addition, U.S. agencies deploy about 160 personnel across Afghanistan at any one time on a rotational basis to help accomplish this strategic objective. The U.S. Embassy has taken steps to better coordinate and integrate these programs and activities, but U.S. agencies continue to implement numerous programs and activities without sufficient guidance on the actions needed to successfully achieve the U.S. strategic objective of building MAIL's capacity and effective means of evaluating their efforts. The absence of sufficient guidance, effective coordination mechanisms, and reliable evaluation tools not only reduces the U.S. Embassy's ability to capitalize on individual agencies' efforts, but also limits the U.S. Embassy's ability to make necessary strategic and programmatic changes. Taking steps to better coordinate and assess U.S. capacity-building efforts is critical to ensuring MAIL has the capacity it needs to manage and sustain the agricultural programs that the United States and other donors have put in place, ensure food security, and foster sufficient economic growth to lessen the Afghan government's dependence on donor assistance.

RECOMMENDATIONS

We are making five recommendations to improve management and integration of U.S. efforts to build MAIL's capacity throughout Afghanistan.

To improve the integration and coordination of U.S. capacity-building efforts, we recommend the U.S. Ambassador to Afghanistan, in coordination with MAIL:

1. Develop a MAIL capacity-building implementation plan to provide guidance for programs with MAIL and DAIL capacity-building components that defines and articulates an end state for MAIL capacity building, identifies core competencies and their standards, and establishes priorities and critical milestones. This plan should include regular progress reporting.

To more closely integrate ADT capacity-building activities with those of civilian agencies, we recommend the U.S. Ambassador to Afghanistan:

2. Improve coordination and integration mechanisms with ADTs by disseminating information and guidance to ADTs through a designated military liaison to implement U.S. MAIL capacity-building activities in a coordinated civilian-military manner. The dissemination of this information and guidance should be done formally and systematically.

To more accurately and consistently measure civilian-military progress made in building MAIL's capacity in Kabul and in the provinces, we recommend that the U.S. Ambassador to Afghanistan, in conjunction with the USAID Mission Director, USDA, the Office of Interagency Provincial Affairs, and the ISAF Joint Command:

3. Establish common indicators and standard definitions for assessing capacity-building efforts throughout MAIL and direct U.S. agencies to collect and report on those indicators to the U.S. Embassy;

4. Establish performance baselines and targets for all performance indicators in the Agriculture Campaign Assessment and the Mission Performance Management Plan; and
5. Include capacity-building activities from USDA agricultural advisors, ADTs, and relevant USAID programs in the Agriculture Campaign Assessment.

COMMENTS

The U.S. Embassy Kabul provided written comments on a draft of this report. These comments are reproduced in appendix III. In its response, the U.S. Embassy concurred with each of the five recommendations.

- In response to recommendation one, the Embassy is defining MAIL capacity-building implementation plans and identifying core competencies of field DAIL extension agents and DAIL directors. The Embassy also noted it plans to hold a Field Agriculture Advisors Conference in October where actions in response to several recommendations will be addressed, including assisting in the establishment of common definitions for indicator data and identifying core competencies.
- In response to recommendation two, the Embassy stated that the Embassy Agriculture Team includes a Civilian-Military Coordination Team and two DOD officers are embedded among its Interagency Provincial Affairs staff. It also noted that the Embassy Agriculture Team would hold a conference in October focusing on capacity building.
- In response to recommendation three, the Embassy is revising the Agriculture Performance Management Plan to include ADT and USDA advisor efforts, and addressing the data collection issues and the use of common indicators. The October conference mentioned above will assist in establishing common indicators.
- In response to recommendations four and five, the Embassy concurred, but did not provide any additional detail about how it would proceed.

The Embassy also provided general comments, which we have incorporated in this report, as appropriate. ISAF Command and the U.S. Central Command did not formally comment on the draft report, but provided technical comments, which we have incorporated, as appropriate.

APPENDIX I: SCOPE AND METHODOLOGY

This report provides the results of the Office of the Special Inspector General for Afghanistan Reconstruction's (SIGAR) audit of U.S. assistance to build the capacity of the Afghan Ministry of Agriculture, Irrigation, and Livestock (MAIL). We focused on the fiscal years 2010 and 2011 capacity-building programs and activities of the U.S. Department of Agriculture (USDA), the U.S. Agency for International Development (USAID), and the Department of Defense's agribusiness development teams (ADT). We did not include activities conducted by provincial reconstruction teams or village stability operations teams. We assessed (1) the extent to which U.S. capacity-building programs and activities in agriculture are coordinated and integrated and (2) progress made in building MAIL's capacity in Kabul and at its provincial offices.

To assess the extent to which capacity-building programs and activities are coordinated and integrated among U.S. agencies, we reviewed U.S. strategic documents, such as the U.S. Government's Agriculture Assistance Strategy for Afghanistan (2009) and the U.S. Integrated Civilian-Military Campaign Plan (2011); operational and campaign plans; and USAID and USDA program contracts, agreements, work plans, and performance reports. In Kabul and in the provinces, we conducted interviews with officials from the U.S. Embassy, USDA, USAID, ADTs, the International Security Assistance Force, and MAIL, as well as representatives from implementing partners. Additionally, we observed Agriculture Working Group meetings and attended two conferences: an Agriculture Shura in November 2010 and an ADT Conference in March 2011. To evaluate the level of coordination and integration between the national and sub-national levels and identify challenges, we conducted fieldwork at Regional Command-East and North headquarters and forward operating bases in Balkh and Nangarhar provinces. We selected these locations based on criteria we established on the number of U.S. government personnel and the number of U.S. agricultural programs that help build MAIL's capacity. At each location, we obtained documentation and conducted interviews on capacity-building activities, guidance, coordination, and reporting mechanisms. We also observed the ADT in Nangarhar conducting capacity-building activities in the Jalalabad area. To calculate the cost of agriculture advisors deployed in the field, we multiplied the number of deployed advisors by \$500,000, approximately the average cost of deploying a civilian in Afghanistan for one year, as reported by SIGAR and State Office of the Inspector General.²⁵

To determine the extent to which U.S. agencies have made progress in building MAIL's capacity, we examined the September 2010 and March 2011 assessments of the Agriculture Campaign Assessment, which were the only two assessments that reported on progress made in achieving the *U.S. Government Agriculture Assistance Strategy for Afghanistan's* strategic objective of building MAIL's capacity. We used the Agriculture Campaign Assessment because it was the mechanism by which the U.S. Embassy was assessing progress made in achieving the *U.S. Government Agriculture Assistance Strategy for Afghanistan*. We also examined USAID's Mission Performance Management Plan (PMP) because it served as the basis for the Agriculture Campaign Assessment's performance indicators and performance data. To assess internal controls for reporting performance data we analyzed the performance indicators, baselines, and targets, as well as the sources of the performance data used to assess progress. We also conducted interviews with U.S. Embassy and USAID officials responsible for developing and managing the Agriculture Campaign Assessment and the Mission PMP. To determine other performance assessments and sources of performance data, we interviewed officials from the U.S. Embassy, USDA, USAID, ADTs, and International Security Assistance Force Joint Command in Kabul, at regional commands, and at the provincial and district levels. Based on these interviews, we collected

²⁵ SIGAR Audit-11-17 & State OIG AUD/SI-11-45.

documentation and analyzed USDA and ADT performance assessments to determine how consistently U.S. agencies measured progress in building MAIL's capacity. We relied on data provided by U.S. agencies to determine and allocate program costs and personnel deployments and did not independently validate these data.

We conducted work in Washington, D.C., and Kabul, Nangarhar Province, and Balkh Province, Afghanistan, from October 2010 to September 2011 in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was conducted by the Office of the Special Inspector General for Afghanistan Reconstruction under the authority of Public Law No. 110-181, as amended, the Inspector General Act of 1978, and the Inspector General Reform Act of 2008.

APPENDIX II: USAID AGRICULTURAL PROGRAMS THAT CONTRIBUTE TO BUILDING MAIL'S CAPACITY

In fiscal year 2010, the U.S. Agency for International Development (USAID) oversaw the implementation of 18 agricultural programs. Based on our review of contracts, cooperative agreements, and other program documents, we found that nine of these programs, totaling \$833 million, had a capacity-building objective, as shown in table I. USAID estimated that the capacity-building activities in five of these programs cost \$41.1 million. USAID did not calculate the cost of capacity-building activities in the four other agricultural programs that we identified as helping to build MAIL's capacity, and we were unable to determine the amount of funding because data was not available for individual program activities.

Table I: USAID Agricultural Programs with Capacity-Building Objectives in Fiscal Year 2010

Program	Performance Period	Estimated Total Cost (\$ million)	Capacity-Building Funding (\$ million)	Capacity-Building Objective
Agricultural Credit Enhancement	2010-2014	\$49.1	NA	Support MAIL in better coordinating and rationalizing donor-funded rural and agricultural initiatives.
Advancing Afghan Agriculture Alliance	2006-2011	7.0	\$7.0	Link university agriculture faculties' development efforts to MAIL.
Accelerating Sustainable Agriculture Program	2006-2011	133.0	20.0	Improve the Afghan government's capacity to formulate agriculture sector policies and strategies and carry out administrative and financial coordination for competitive, market-led production and agribusiness.
Afghanistan Vouchers for Increased Production in Agriculture-Plus	2008-2011	431.0	NA	Include Afghan authorities, civilian and military counterparts in program implementation. Strengthen MAIL and DAIR capacity to address farmer needs.
Afghanistan Water, Agriculture, and Technology Transfer	2008-2011	19.8	3.0	Provide technical assistance to improve MAIL's irrigation and watershed management decision-making strategies and outreach capabilities.
Commercial Horticulture and Agricultural Marketing Program	2010-2014	30.4	0.6	Increase support to MAIL for the development of market-led agricultural production and marketing.

Program	Performance Period	Estimated Total Cost (\$ million)	Capacity-Building Funding (\$ million)	Capacity-Building Objective
Incentives Driving Economic Alternatives for the North, East, and West	2009-2014	150.0	10.5	Enable local government to competently fulfill its role in driving long-term adoption and sustainability of projects. Engage the Afghan public sector to plan and implement activities, especially in insurgent areas.
Improving Livelihoods and Governance through Natural Resource Management	2010-2013	8.0	NA	Create and strengthen community governance institutions. Strengthen laws, policies, and institutions. Build capacity to manage the health interface between livestock, wildlife, and people.
Pastoral Engagement, Adaptation, and Capacity Enhancement	2006-2011	4.7	NA	Help build capacity of government personnel responsible for planning and implementing livestock development and rangeland resource management.
Total		\$833.0	\$41.1	

Source: SIGAR analysis of USAID data

Note: NA = Not Available. USAID could not provide value of capacity-building activities.

APPENDIX III: COMMENTS FROM THE U.S. EMBASSY KABUL



Embassy of the United States of America
Kabul, Afghanistan

UNCLASSIFIED
DECISION MEMORANDUM

October 11, 2011

TO: CDDEA – Gregory S. Burton

FROM: CDDEA – Peggy J. Walker

SUBJECT: Response to Draft SIGAR Report (SIGAR Audit 11-18) on U.S.
Assistance to the Ministry of Agriculture, Irrigation, and Livestock

CONTEXT

SIGAR has prepared a draft audit report titled, “Actions Needed to Better Assess and Coordinate Capacity-Building Efforts at the Ministry of Agriculture, Irrigation, and Livestock” (SIGAR Audit 11-18). Tab 1, compiled with input from USAID, USDA, and IPA, is the proposed response to SIGAR’s request.

RECOMMENDATION

That you approve the response to SIGAR at Tab 1 and sign the attached letter transmitting this response to SIGAR.

Approve GSB Disapprove _____ Let’s discuss _____

Attachments:

Tab 1 Post Response to Draft SIGAR Audit on U.S. Assistance to Ministry of
Agriculture, Irrigation and Livestock

Tab 2 Draft SIGAR Audit 11-18

Drafted: Mark Carrato/Kaush Arha, SCA, extension 4242

Cleared: CDDEA: Peggy Walker cleared Date: 10/11/2011

USAID: Ken Yamashita cleared Date: 10/10/2011

USDA: Quintin Gray cleared Date: 10/06/2011

IPA: Virginia Murphy cleared Date: 10/05/2011

Embassy Kabul Response to the Office of the Special Inspector General for Afghanistan Reconstruction's (SIGAR) draft report: "Actions Needed to Better Assess and Coordinate Capacity-Building Efforts at the Ministry of Agriculture, Irrigation, and Livestock" (SIGAR Audit 11-18)

Embassy Kabul appreciates the performance audit undertaken by SIGAR on the U.S. Government's assistance to build the capacity of the Ministry of Agriculture, Irrigation, and Livestock (MAIL). Embassy Kabul's response is divided into two parts: comments on specific SIGAR recommendations and comments on the audit in general.

PART I: COMMENTS ON SPECIFIC SIGAR RECOMMENDATIONS

Recommendation 1:

To improve the integration and coordination of U.S. capacity-building efforts, we recommend the U.S. Ambassador to Afghanistan, in coordination with MAIL, to:

1. Develop a MAIL capacity-building implementation plan to provide guidance for programs with MAIL and DAIL capacity-building components that defines and articulates an end state for MAIL capacity building, identifies core competencies and their standards, and establishes priorities and critical milestones. This plan should include regular progress reporting.

Embassy Comments: The Embassy Agriculture Team concurs with this recommendation and notes that the Embassy Agriculture Team has taken the following actions:

- The USDA Capacity Building and Change Management program (CBCMP) is currently defining a MAIL capacity-building implementation plan for key areas of MAIL as one of its principal deliverables.
- USAID and USDA programs supporting extension, research, the Agricultural Development Fund (ADF) and irrigation will set capacity-building implementation plans for these areas.
- The Embassy Agriculture Team is identifying core competencies of field DAIL Extension Agents and DAIL directors. Identifying these competencies is a primary objective of the Field Agriculture Advisors Conference to be held in October 2011, which builds upon the outcomes of the March 2011 conference, which started these efforts.

Recommendation 2:

To more closely integrate ADT capacity-building activities with those of civilian agencies, we recommend the U.S. Ambassador to Afghanistan to:

2. Improve coordination and integration mechanisms with ADTs by disseminating information and guidance to ADTs through a designated military liaison to implement U.S. MAIL capacity-building activities in a coordinated civilian-military manner. The

dissemination of this information and guidance should be done formally and systematically.

Embassy Comments: The Embassy Agriculture Team concurs with this recommendation and notes that the Embassy Agriculture Team has taken the following actions:

- The Embassy Agriculture Team includes a Civ-Mil Coordination Team and two U.S. DOD officers are embedded among Interagency Provincial Affairs (IPA) staff. The Embassy team will consider the merits of adding another designated military liaison officer if needed to further integrate ADT capacity-building activities.
- The Embassy Agriculture Team held a conference for USDA agricultural advisors and Agriculture Development Teams (ADTs) in March 2011 to improve planning and coordination. The Embassy Agriculture Team will hold another conference in October 2011, focusing on capacity building. For this conference, USDA agricultural advisors and ADT personnel will be joined by USAID and implementing partner representatives, as well as representatives from IJC, USFOR-A, CFSOCC-A, ISAF and CENTCOM.

Recommendations 3 - 5:

To more accurately and consistently measure civilian-military progress made in building MAIL's capacity in Kabul and in the provinces, we recommend that the U.S. Ambassador to Afghanistan, in conjunction with the USAID Mission Director, USDA, Office of Interagency Provincial Affairs, and ISAF Joint Command:

3. Establish common indicators and standard definitions for assessing capacity-building efforts throughout MAIL and direct U.S. agencies to collect and report on those indicators to the U.S. Embassy.

Embassy Comments: The Embassy Agriculture Team concurs with this recommendation and notes that the Embassy Agriculture Team has taken the following actions:

- The U.S. Embassy Agriculture Performance Management Plan (PMP) is being revised to include ADT and USDA Agriculture advisor efforts. The Embassy Agriculture Team also is creating additional and improving existing capacity-building indicators and baselines within the PMP, in part building upon the CBCMP-level PMP and assessment cited on page 3 of the draft report.
- The Embassy Agriculture Team also will work with ADTs and CENTCOM to encourage the collection of consistent indicator data from the ADTs. The October 2011 conference mentioned above will assist in establishing some common definitions.
- USAID and USDA programs supporting extension, research, the Agricultural Development Fund (ADF) and irrigation will collect and report common indicators for these areas respectively.

4. Establish performance baselines and targets for all performance indicators in the Agriculture Campaign Assessment and the Mission Performance Management Plan.

Embassy Comments: The Embassy Agriculture Team concurs with this recommendation and is coordinating efforts to establish performance baselines and targets for all performance indicators in the Agriculture Campaign Assessment and the Mission PMP.

5. Include capacity-building activities from USDA agricultural advisors, ADTs, and relevant USAID programs in the Agriculture Campaign Assessment.

Embassy Comments: The Embassy Agriculture Team concurs with this recommendation and will ensure that capacity-building activities of all USG actors in future Agriculture Campaign Assessments.

II. GENERAL COMMENTS ON THE SIGAR AUDIT

The Embassy Agriculture Team welcomes the report and concurs, in general, with the recommendations put forth in the report. The Office of Senior Coordinator Agriculture (SCA) will work with USAID, USDA, DOD and other Embassy offices to better coordinate capacity-building efforts at the Ministry of Agriculture, Irrigation and Livestock (MAIL). Inter-agency coordination is always a challenge amidst an active area of civilian-military operations.

The Embassy leadership, as recognized in the report, identified early the need for better coordination in our agricultural assistance to Afghanistan and took needed organizational steps to create the SCA, re-energize the Agriculture Working Group and conduct a thorough review of the U.S. agricultural assistance to Afghanistan. Considerable work has already been done and is currently being undertaken on several points and recommendations stated in the report.

As a point of clarification, the roughly 160 field personnel cited in the report do have capacity building as one of their main tasks, but by no means the only one. Field advisors, in addition to capacity building assistance, also provide basic agricultural education and services to Afghan farmers and agribusiness and provide technical assistance in civilian-military inter-agency funded agriculture projects. Consequently, \$81 million as a direct cost for USG capacity building efforts is perhaps an overstatement as stated. Additionally, USAID does not help oversee implementation of the USDA's Change Management Program. A member of the USAID staff sits on the Advisory Board to offer advice when requested.

Substantial work has been undertaken on areas identified in the audit that hamper agencies' abilities to coordinate and integrate their capacity-building efforts. The Embassy Agriculture Team has taken several steps through Agriculture Working Group and other means to offer *enhanced guidance on capacity-building activities*. In particular, the Embassy Agriculture Team is holding a Field Advisors' Conference in October 2011 – to build upon the conference in March 2011 – to discuss and develop a uniform understanding among inter-agency field advisors on capacity-building activities and reporting.

The Embassy Agriculture Team has been closely coordinating with DOD on ADT activities, location, and future direction. A senior DOD team from Washington D.C. visited Kabul to meet with Embassy leadership on improving ADT coordination with the civilian efforts. ADT members will be attending the Field Advisor Conference in October 2011 as they did in March 2011. *ADT coordination through existing coordination mechanisms such as the Agriculture Working Group has improved in participation and content.* IPA Agriculture Team members are regular participants in the bi-weekly ADT conference calls. USDA has also briefed the majority of ADTs that have deployed in 2011 on working with MAIL to address agricultural issues in the field. Furthermore, USDA is providing standardized training to ADTs and other civilian and military partners deploying in 2012; this training aims to coordinate USG's approach in working with MAIL and its constituents.

USAID has made considerable progress in devolving authority to Field Program Officers (FPOs). USAID currently has nearly 100 On-site Monitors and Activity Managers. In terms of

agricultural programs in Regional Command East, a network has already been established, which will contribute to aligning Kabul programming and Regional Command East efforts. However, it is important to note that even in the absence of greater devolution, FPOs are not hampered in playing an active role in assisting with USAID agriculture projects. For example, Bamiyan FPOs work in partnership with Agricultural Credit Enhancement/Agricultural Development Fund efforts to build the capacity of DAIL to work with potato cooperatives. As another example, the new Southern Regional Agriculture Development Program is currently improving on successful lessons learned from AVIPA to continue efforts to build the capacity of DAILs to provide on-farm training for high value horticulture. Additionally, USAID recently convened a workshop focusing on current efforts and approaches to capacity building of its implementing partners. These workshops will be held at regular intervals.

USDA also monitors capacity-building efforts in its quarterly surveys and has recently signed a contract for third-party monitoring and evaluation services to coordinate all of its capacity-building activities with the U.S. Embassy's capacity-building activities; this process will include creating clear indicators that will be more outcome-focused, rather than output-focused.

(This performance audit was conducted under the project code SIGAR-035A).

SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

- improve effectiveness of the overall reconstruction strategy and its component programs;
- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
- prevent fraud, waste, and abuse; and
- advance U.S. interests in reconstructing Afghanistan.

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