



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

July 1, 2014

Mr. William Hammink
Mission Director for Afghanistan
U.S. Agency for International Development

Dear Mr. Hammink:

Thank you for your responses to my two inquiry letters regarding the 19 contracts¹ USAID has terminated in Afghanistan since 2008.² We have completed an initial review of the information provided by USAID and will be sharing this information with SIGAR's Investigations and Audits Directorates for further analysis. However, please allow me to share some preliminary observations:

- **Overall Cost:** There are at least seven terminated contracts identified in your responses for which USAID has yet to reach a settlement agreement. Therefore, as USAID reaches settlement agreements concerning these contracts, the \$237 million your office identified as the amount disbursed by USAID for terminated contracts may increase.³ We suggest USAID factor in those likely cost increases as it schedules and prioritizes its financial audits as part of the contract closeout process.⁴
- **Termination for Default vs. Termination for Convenience:** We noted that 18 of the contracts identified in your April 15, 2014 response letter were terminated for the convenience of USAID, and that none of the contracts were terminated for default⁵. USAID's responses suggest that termination for default was considered in at least two instances. We understand that terminating a contract for default can lead to litigation and that an agency's decision making can come under intense scrutiny when it asserts that a contractor has failed to meet its obligations. However, we are concerned that if avoiding these challenges becomes the standard approach to contracting in Afghanistan, it may lead to poorly performing contractors being unduly compensated for substandard work. Therefore, as a preliminary matter, SIGAR suggests that USAID assess its current process for terminating contacts, so as to safeguard against the reflexive use of terminations for convenience in situations where a termination for default would be warranted.

¹ SIGAR's inquiry letter of March 25, 2014, asked for information concerning all of USAID's terminated contracts, grants and cooperative agreements related to Afghanistan reconstruction. USAID's response letter of April 15, 2014 only refers to terminated contracts.

² See Attachments I - IV.

³ See Attachment I.

⁴ In April 2012 we noted that there has been a significant backlog in these financial audits and made recommendations to USAID to alleviate this backlog by providing additional funding and by altering the system to identify, prioritize, and expedite specific audits. See SIGAR Audit-12-9, *USAID Has Disbursed \$9.5 Billion for Reconstruction and Funded Some Financial Audits as required, but Many Audits Face Significant Delays, Accountability Limitations, and Lack of Resources*, April 30, 2012.

⁵ One contract (306-IL-10-04-01) was to be canceled because the Ministry of Finance/Independent Directorate for Local Governance could not demonstrate substantial capacity to track and disburse funds to sub-national governance agencies outside of Kabul.

- **Direct Bilateral Assistance and Public Financial Management Risk Assessment Framework (PFMRAF):** U.S. direct bilateral assistance to Afghanistan should be predicated, at the very least, on the recipient meeting U.S. government qualifying standards for eligibility. USAID’s operational policy requires that “...USAID Missions must conduct PFMRAF assessments of any new/potential partner country government implementing entities...”⁶ USAID terminated two contracts for pre-award assessment of Afghan government entities—the Supreme Court and Ministry of Counter Narcotics.⁷ USAID canceled the contracts before any costs were incurred. The annexes provided by USAID for the cancellation of both risk assessment contracts state that these Afghan government entities were “unwilling to cooperate with the contractor”⁸ undertaking the assessment.⁹ With the cancellation of the assessments, the Supreme Court and Ministry of Counter Narcotics were rendered ineligible to receive direct bilateral assistance. We agree with USAID’s actions as presented in your April 15, 2014 letter and continue to believe that USAID should require compliance with ADS 220¹⁰ prior to providing direct bilateral assistance to Afghan government entities.
- **Pre-award Planning:** In some cases, USAID’s termination of a contract seems to relate to inefficient or ineffective pre-award planning or activities. For example, USAID notes that its Watershed Restoration Program in Ghor province duplicated or overlapped with another project with the same implementing partner. While it appears that USAID later discovered the problem and attempted to correct it by combining the two contracts with the same implementing partner into a single contract, we question why an initial amendment or expansion of the contract was not explored as opposed to awarding a second contract. Security concerns were also cited in a number of canceled contracts. We are concerned that USAID’s project planning may not be adequately taking into account the size, scope, and sustainability of projects undertaken in areas of Afghanistan with known security concerns. We suggest that USAID conduct a thorough examination of projects that were consolidated with other projects or canceled due to security concerns, because they may provide valuable lessons learned for future projects.

⁶ USAID, Automated Directive System (ADS) 220, ADS 220.3.2.2, pg 16.

⁷ In both cases the assessments were begun prior to ADS 220 being finalized.

⁸ USAID Annex 10 “Pre-award Assessment of Supreme Court” and USAID Annex 12 “Pre-award Assessment of Ministry of Counter Narcotics”.

⁹ USAID’s April 15, 2014 letter in response to SIGAR’s inquiry states both projects had extenuating circumstances including security, lack of staff coordination, and confidentiality concerns, although no extenuating circumstances are listed in either annex.

¹⁰ SIGAR 14-32 Audit Report, *Direct Assistance: USAID Has Taken Positive Action to Assess Afghan Ministries’ Ability to Manage Donor Funds, but Concerns Remain*, January 2014.

I am submitting this request pursuant to my authority under Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. SIGAR has no further questions or requests for information at this time. No further response from USAID is required. Should you have any questions or need additional information, please contact Jack Mitchell, Director of Special Projects, at [REDACTED] or [REDACTED].

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosure(s):

- I – USAID Response to SIGAR-14-44-SP, dated April 15, 2014
- II – SIGAR-14-44-SP Inquiry Letter: Canceled USAID Contracts, dated March 25, 2014
- III – USAID Response to SIGAR, dated December 15, 2013
- IV – Initial Inquiry Letter to USAID Regarding Canceled Contracts, dated November 15, 2013
- V – USAID Mission Director Open Letter to the Los Angeles Times, dated November 3, 2013



USAID | AFGHANISTAN

April 15, 2014

Mr. John Sopko
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, Suite 900
Arlington, VA 22202

Dear Mr. Sopko:

This letter is in response to SIGAR Inquiry (14-44-SP) dated March 25, 2014, relating to the terminated/canceled USAID projects. In the referenced letter, you raised concerns about the value received from USAID terminated contracts relative to the amount of funds expended. Per your request, USAID is pleased to provide further clarification, in Attachment 1, responding to the additional questions about the 17 terminated projects. USAID's response to the two general questions relating to the terminated projects is included below.

General Questions:

1) *Why did USAID not take action earlier to terminate or cancel these contracts?*

By their very nature, terminations, be they for the convenience of the government or due to lack of performance by an implementing partner, are a very costly proposition for the taxpayers. For this reason, federal procurement regulations discourage terminations, and it is USAID practice to view them as a "last resort" measure. Our preference, both from a programmatic and cost-effectiveness standpoint, is to re-focus and re-adjust objectives *within* a program, to modify requirements, if at all possible within contractual parameters, or correct performance, as necessary. In Afghanistan, the decision to terminate and re-focus programming objectives is a deliberative, analytical, and carefully considered process. In many cases, the underlying reasons for the basis of the termination are predicated on challenges unique to Afghanistan, such as security concerns or shifting USG priorities.

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Each contract is a different situation, with reasons for termination. Details are provided for each agreement. USAID believes all terminations were made in a timely way, based on the circumstances of the program.

To maximize development results and the investment of taxpayer dollars, USAID decides to terminate programs (contracts or cooperative agreements) only when: a) lack of programmatic progress can be clearly and demonstrably attributed to poor performance by an implementing partner; b) when the USG strategy and USAID priorities shift drastically, necessitating a re-alignment of development objectives and resources; or c) when the operational environment presents challenges that are too difficult or too costly to overcome.

Of the 16 contracts terminated between 2008 and 2013:

- Four (4) were terminated due to the increased violence throughout the country, particularly the southern and eastern parts, or due to an increasingly challenging business environment, e.g., delays in visa issuances, customs delays, which would have delayed implementation and increased costs to an unacceptable level.
- Six (6) were terminated as a direct outcome of USAID diligent monitoring of performance and results, examination of program effectiveness in the ever-changing environment of Afghanistan during those years, and re-alignment with shifting USG and GIRA priorities, as stated during the Kabul Conference.
- Two (2) were terminated on procedural/legal grounds, following bid protests, even though new contracts were immediately issued following resolution of the bid protests.
- Three (3) were terminated due to the inability of host-government counterparts to meet USAID requirements. These contracts amounted to \$101,784 total, out of which \$5,406 was disbursed prior to termination.
- One (1) was not terminated, but rather suspended, and then allowed to continue throughout its period of performance, achieving all of its results.

In addition, the mission suspended funding to the District Delivery Program, which supported the Independent Directorate of Local Government, because of allegations of improprieties in program management. Since then, the Mission has conducted several reviews of the program and is evaluating the findings to determine what further action to take.

In making the decision to terminate the 17 programs reported to SIGAR, USAID safeguarded taxpayer dollars and increased the effectiveness of development assistance in Afghanistan, all the considerations above notwithstanding. Of a total portfolio of over \$12 billion, the amount disbursed under the terminated programs was less than 2%. Results achieved with those disbursed resources helped build the foundations of new programs and made a lasting impact on Afghanistan's development, an intrinsically valuable accomplishment, even if incomplete. For example, our Support to the Electoral Process in Afghanistan (STEP) project strengthened the electoral process in Afghanistan, improved planning and implementation of both the 2009 and 2010 elections, and even paved the way for the peaceful elections Afghanistan just experienced on April 5, 2014.

The information provided in Attachment I details the reasons for the termination of each project, the benefits from USAID's perspective of doing so, as well as the value obtained prior to termination of each project.

2) To what degree is the lack of cooperation impeding USAID reconstruction and development efforts in Afghanistan?

In general, USAID enjoys significant and constructive cooperation from Afghan institutions in the overwhelming majority of its projects. Of several hundred projects since 2008, only two were cancelled due to a misnomer "lack of cooperation," both instances had extenuating circumstances further described in the annex. Both instances with Afghan institutions involved a Public Financial Management Risk Assessment for on-budget assistance. Therefore, it would be inaccurate to conclude that a lack of cooperation from Afghan institutions to any degree has significantly impeded USAID reconstruction, or that a lack of cooperation is significantly impeding USAID development efforts, when less than 1% of activities have been halted since 2008.

Afghanistan does have unique challenges. For example, Afghanistan is coming out of decades of war and is still dealing with pockets of conflict in insecure areas, as the run-up to the April 2014 elections have shown, making Kabul itself insecure at times. There is no doubt that challenges such as these, and genuine disagreement about priorities, funding mechanisms, and implementation approaches, require more of an effort by USAID to resolve. Nonetheless, these challenges, even when they appear to be more acute in Afghanistan than elsewhere, are part of the normal dialogue between USAID and host-country partners in delivering assistance.

A more detailed response relating to General Questions 1 & 2 is included in Attachment 1.

Sincerely,

A handwritten signature in black ink, appearing to read "William Hammink". The signature is fluid and cursive, with a large loop at the end.

William Hammink
Mission Director

Enclosures:

1. Questions regarding USAID cancelled contracts
2. Terminated contracts fact sheets
3. List of terminated/cancelled contracts

ATTACHMENT I: QUESTIONS REGARDING USAID CANCELED CONTRACTS

1. For each of the canceled 17 projects or programs, provide current information on the following:

- Dollar value of each related implementing prime contract, grant and cooperative agreement; *(Original Total Estimated Cost, please see Annexes 1 – 18)*
- Total obligated amount of each implementing prime contract, grant and cooperative agreement the contract; *(Please see List of Projects and Programs Terminated/Cancelled)*
- Total amount spent on each implementing prime contract, grant and cooperative agreement; *(Amount Disbursed, please see Annexes 1 – 18)*
- Estimated cost to complete the terms of each terminated contract, grant and cooperative agreement as of the date of termination; *(TEC at termination or awaiting settlement, please see Annexes 1 – 18)*
- Highest total estimated cost during the life of the project or program; *(Original TEC/ Revised TEC/ TEC at Termination/ TEC at Close-out, please see Annexes 1 – 18) (Please see List of Projects and Programs Terminated/Cancelled)*
- Type of each implementing award, including whether it is a contract (firm-fixed-priced, cost plus-fixed-fee, etc.) grant or cooperative agreement; *(Please see Annexes 1 – 18)*
- List of original implementing award (i.e., prime contract, grant or cooperative agreement) deliverables and documentation of any modifications made over the life of the award, including any outstanding or remaining work to be done at the time of termination/cancellation; *(Please see supporting documentation, within the folder for the awards)*
- Approved decision memorandum documenting the termination/cancellation; *(Please see supporting documentation, within the folder for certain awards)*
- Final implementing award modification/amendment; *(Please see supporting documentation, within the folder for each award)*
- Status of award close out and any outstanding obligations such as additional disbursements (actual or estimated amount) due the implementer (i.e., contractor, grantee or recipient of a cooperative agreement); *(SF-30 or Settlement Agreement, please see Annexes 1 -18) (Annex 2, 3, 5, 9, 15, 17, 18 are all in-progress)*
- Was there termination liability on behalf of the government and, if so, how much; *(SF-30 or Settlement Agreement, please see Annexes 1 -18) (Annex 2, 3, 5, 9, 15, 17, 18 are all in-progress)*

- Value to Afghanistan reconstruction achieved before termination/cancellation (i.e. training provided, capacity increased, construction completed), and; *(Please see Annexes 1 – 18)*
- Termination clause contained in the award. *(Please see highlighted clause for all awards in the supporting documentation, within the folder for each award)*

2. According to the spreadsheet, the last terminated project/program ended on October 30, 2013.

Have additional awards been terminated/canceled since that date? If so, provide the award number, date of award, name of implementing partner, the total obligated and disbursed amounts, and a brief explanation for the termination/cancellation.

Two additional awards have been terminated since October 30, 2013 – AID-306-C-12-00006 Agriculture Research and Extension Development Program (AGRED) and AID-306-TC-13-00002 Irrigation and Watershed Management Program (IWMP). (Please see List of Projects and Programs Terminated/Canceled, and Annex 17 and 18 for brief explanation for the termination)

3. Based on the information provided by USAID, 3 of the 17 projects (#306-C-00-11-00517-00, #306-C-00-11-00517-00, #AID-306-C-12-00005) were canceled due to bid protests. Does USAID consider 3 bid protests out of 17 terminated awards to be the norm or unusually high for a similar period of time? Please explain. Also, were subsequent actions taken by USAID to solicit contracts for the same requirements contained in the canceled projects? If so, provide the award number, date of award, name of implementing partner, and total amount obligated and disbursed.

The terminations that were due to bid protests occurred in 2010, 2011 and 2013. Given the volume, scope and magnitude of projects awarded over this period of time relative to the three terminated awards, USAID considers terminated awards as a result of bid protests as extremely low. Subsequent action by USAID: for project #306-C-00-11-00517-00, please see Annex 2. For project #306-C-00-10-00506-00, please see Annex 5- (AID-306-C-12-00014, 7/16/12, Tetra Tech DPK, Amt. Obligated: \$22,581,128.00. For project #AID-306-C-12-00005, please see Annex 15- (AID-306-C-13-00-00003, 3/14/2013, AECOM International, Inc., Amt. Obligated: \$24,510,000).

4. Please explain under what circumstances USAID would terminate an award for convenience after the full, or nearly full, value of the award had been paid. Please explain why some awards were terminated after a relatively short time span while others were terminated near the end of the performance period. Please include in your response answers to the following questions:

USAID views terminations of programs as a last resort. The preference, both from a programmatic and cost-effectiveness standpoint, is to re-adjust focus to track implementation realities within a program, modifying work if at all possible, within contractual parameters.

USAID's decisions to terminate and re-focus programming were the outcome of a deliberative, analytical process, influenced by several factors, many of which were beyond USAID's direct control, and can happen at any stage in the lifecycle of a program:

- a. *Security and Violence: The areas in which USAID's programs were implemented, particularly the southern and eastern parts of the country, were and continue to be highly kinetic and subject to violent insurgent attacks. As a result, program implementation and the ability of the USAID partners to complete work in some areas was greatly hindered. Completing the envisioned activities became costly and difficult at best, and at times, simply impossible (e.g., AMDEP, Design and Construction of Higher Education Facilities).*
- b. *Shifts in USG Strategy and USAID Priorities: During the 2010 Kabul Conference, the USG committed to aligning 80% of the development assistance to Afghanistan with the National Priority Programs and to delivering 50% of that assistance through on-budget mechanisms. In addition and as a consequence, in 2011 USAID revised its development approach in Afghanistan to focus on "foundational investments," mainly in infrastructure and economic growth. The necessity to respond to Afghan national priorities, coupled with USAID's strategic re-direction led to a re-assessment of the programmatic focus of projects, and in some cases, to their termination (e.g. Watershed Restoration in Ghor, AMDEP, STEP, APAP II).*
- c. *Complexity of Work and the Operating Environment: In addition to the difficult security environment, conducting normal, day-to-day business operations in Afghanistan was, and continues to be challenging at best. The projects USAID implements are large, logistically complex and often times require local cooperation and capacity to achieve their intended results. For some of them, logistical difficulties (visas, transport, customs, taxes, etc.) hindered progress; in others, systemic deficiencies, flaws and lack of local contractor capacity were encountered, causing USAID to stop work, despite achievements (e.g. LGCD, Sheberghan Gas Fields, ACEP).*

(For award specific explanations, please see Annexes 1 – 18)

- **Award No. 306-A-00-07-00504:** At the time of termination, roughly \$1.4 million had been expended over approximately 3.5 years. Explain which activities were folded into other projects, the names of those projects, and associated award numbers.

(Please see Annex 1) The activities of the Village-Based Watershed Restoration in Ghor activities were included in the Agro-Enterprise Development Alliance project – AID-306-A-00-08-00511-00.

- **Award No. 306-P-00-08-00520:** At the time of termination, roughly \$8.5 million had been expended on the project over the course of 4.5 years of work. Explain why the services to design and construct 16 facilities of higher education were no longer needed. Provide a detailed description of the sixteen facilities including the function they were to serve, their location, and the extent to which any of the buildings were completed and are in use.

During implementation, the implementer found it extremely difficult to complete the 16 buildings due to the worsening security situation throughout the country. In September 2010, USAID reduced the original scope of 16 facilities to 6. While there was still a need for all 16 schools, it was no longer practicable to complete them in all the areas initially identified. The agreement amount was reduced from \$17,200,000 to \$9,120,625. In 2011, an Afghan subcontractor abandoned the worksite, and subsequent inspections determined electrical deficiencies and faulty roofs. In 2012, USACE hired a new local contractor to complete the remaining work for completion by August 2012. USACE de-scoped and terminated the sub-award, resulting in further delays and costs. USACE prepared a new solicitation to subcontract the work at an additional 310 days and \$150,000 in additional costs. The new completion date was proposed as December 2013. As of January 2013, 3 facilities were complete and turned over to the Ministry of Higher Education and the remaining 3 facilities were 95% complete. In the Decision Memo, the technical office recommended descopeing the USACE award and procuring a contract with two local firms using the USAID Vertical Structures IQC. The recommended action would reduce the overall costs of the project and estimated completion date to May 2013. A Termination for Convenience letter dated January 13, 2013, was issued by OAA. The negotiated settlement agreement took place in Mod #10 reducing the obligated amount of the agreement by \$1,373,915.97, leaving a total obligated amount of \$8,525,098.77. (Please see Annex 6, and the program description of the project for description of facilities, function, and location, within the folder for this award)

- **Award No. 306-C-00-09-00505-00:** Roughly \$1.4 million had been disbursed during the first 8 months of a 19-month project, yet the contract was terminated because, “its completion was not going to be possible within the period of performance.” Provide the percentage of completion of the dormitories at the time of termination. Was work on the dormitories abandoned or was Kabul University able to use whatever progress had been made on the project for an alternative purpose? Please provide supporting documentation.

June 30, 2009, COR submitted an email with attachment to the CO recommending termination for default of the contract, with the value of the completed work at approximately \$1 million (90% of the refurbishment of the Fine Arts building as a temporary living space completed, and work partially completed for the first of the four wings of the dormitory). According to FAR 49.402-3(a), “When a default termination is being considered, the Government shall decide which type of termination action to take (i.e., default, convenience, or no-cost cancellation) only after review by contracting and technical personnel, and by counsel, to ensure the propriety of the proposed action.” On July 2, 2009, the CO met with the RLA to discuss the recommendation. The COR’s memorandum specifically addressed the contractor’s failures as: Failure to meet contract specifications for quality control; Failure to meet contract specifications for safety and health; and unacceptable job-site performance. The contractor was previously issued stop-work orders related to health and safety, with the

latest issued on June 18, 2009, under the Accident Prevention clause of the contract. The Government considered the contractor's lack of commitment to safety an on-going hazard should they continue in the implementation of work. Based on discussions with the COR and RIA, the Government determined that continuing the work with LFS would put workers at risk, and the contractor will have quality issues requiring substantial rework that will impact schedule through the remaining period of performance of the contract. Moreover, completion of the work was vital to the Government objectives in Afghanistan, given the importance of completing the work on schedule to meet our commitments to GIRA. Based on the discussions, the quality and responsiveness issues alleged against the contractor did not appear to reach the threshold necessary to sustain a termination for default. Accordingly, it was determined by the CO to terminate the contract for convenience. A termination for convenience letter dated July 2, 2009, was submitted to LFS. The negotiated terminated settlement amount was \$494,571. (Please see Annex 7 and supporting documentation, within the folder for this award). Upon approval of a Justification and Approval to award on a sole source basis, a contract was issued to Venco Intiaz Construction Company to renovate the Men's Dormitory and Design and Construct a Dining Facility at Kabul University. As such, the original project was completed, with a Notice to Proceed issued on December 30, 2009. The award number is AID-306-C-00-10-00501, dated November 15, 2009, Venco Intiaz Construction Company, total amount obligated and disbursed \$7,769,096.70.

- **Award No. DFD-I-00-05-00225:** Considering that \$69 million had been spent and roughly 3.5 years invested in this project before termination, were the contractor's shortcomings correctable in the final seven months of the project?

The post-election need for capacity-building of the IEC was not the original focus of the program, rather, its focus was towards pre-election and election needs, such as technical and logistical assistance at the election planning and implementation stages. As a result, resources spent were not going to meet USAID's and IEC's needs or yield the results required. The technical office did attempt to correct the program, working with IFES on budget realignments but achieved only limited success. IFES did not demonstrate an ability to evolve quickly to the changing needs of the IEC and changing resource climate. (Please see Annex 3)

5. For 4 of 17 projects, the rationale for termination/cancellation was either that the implementer was not meeting the needs of an international partner (one project) or that there was lack of cooperation from the Afghan institutions (three projects). How does the lack of cooperation from Afghan institutions in Afghanistan compare to other countries in which USAID is operating? To what degree is the lack of cooperation impeding USAID reconstruction and development efforts in Afghanistan? Please respond to the questions below:

Overall, the level of cooperation received from Afghan institutions for reconstruction and development efforts, is not unusual. Our on-budget efforts in Afghanistan are unique, given its USAID's largest program by far and the Administration's priority to move forward with on-budget assistance in Afghanistan. USAID assessed a large number of ministries but did not expect to necessarily work with all of them, but rather focus on the ones that had the

strongest potential. It is not unusual in any country for some ministries to demonstrate greater political will to work with donors, institute reforms, etc., than others. However, in most countries, USAID will have a program in mind and identify a much more limited number of government counterparts that need to be assessed. Relative to the length of time USAID has been in Afghanistan, and the number of development and assistance objectives implemented, these four terminations have had little to no effect on development efforts. On-budget assistance is increasing and off-budget assistance remains the largest within the Agency. Two of the terminations dealt with public financial management risk assessments for two Afghan institutions.

- **Award No. DFD-I-00-05-00225:** What needs of the Independent Election Commission (IEC) were not being met by the contractor, International Foundation for Electoral Systems (IFES)? What efforts were made to rectify the shortcomings during the life of the contract?

While the Support to the Electoral Process in Afghanistan (STEP) program played a critical role in the 2009 and 2010 elections, the transformation of the project to a capacity building program in the post-election period developed into a challenge. The Office of Democracy and Governance discussed the termination with the Mission Director, Mission Management, U.S. Embassy POL section and USAID/Washington. It was determined that the technical office should proceed with termination of the contract based on the post-election needs of the IEC. The post-election need for capacity-building of the IEC was not the original focus of the program, rather, its focus was towards pre-election and election needs, such as technical and logistical assistance at the election planning and implementation stages. As a result, resources spent were not going to meet USAID's and IEC's needs or yield the results required. The technical office worked with IFES on budget realignments but achieved only limited success. IFES did not demonstrate an ability to evolve quickly to the changing needs of the IEC and changing resource climate. (Please see Annex 3)

- **Award No. AID-306-BC-13-00005:** No funds were expended during the six months this project was active. What actions were taken by USAID and its contractor to facilitate cooperation with the Afghan Supreme Court? Describe what other USAID projects or programs involve the Supreme Court and whether they are in jeopardy of being terminated/canceled?

Cooperation with the Supreme Court was not of issue in the performance of work, but rather security-related events, including a bombing at the facility, and lack of coordination of Supreme Court administrative staff with management in scheduling the assessment. Over the course of the estimated period of performance, USAID made multiple attempts to schedule and reschedule an entrance conference and the field work with the Ministry of Justice/Supreme Court. The call order was extended three times, (Modifications 1, 2 and 3), an additional 5-1/2 months. There are no other USAID projects or programs with the Supreme Court at this time. (Please see Annex 10 and supporting documentation within the folder for this award)

- **Award No. 306-0-00-00533-00:** According to information furnished by USAID, the United Nations Office for Projects failed to cooperate with the contractor hired by USAID to conduct an audit. What actions were taken to resolve the impasse? How was the issue of the audit resolved? Was it ever conducted? What was the total value of the Kabul School Construction project that was the focus of the audit?

During the course of the audit process, the audit firm was unable to examine evidence, systems and processes, or financial documentation to conduct the audit services required. The incurred cost audit was never conducted. The audit purchase order was canceled per request of the OIG based on the agreed use of the UNOPS SOW for audit services and not the SOW of USAID/OIG. The total value of the Kabul School Construction project was \$30,754,372, for two high schools and several smaller schools in Kabul. (Please see Memo for Record, within the folder for this award, and Annex 11)

- Award No. AID-306-BC-13-00009: What actions were taken by USAID and its contractor to facilitate cooperation with the Ministry of Counter Narcotics? What other USAID programs the concern Ministry of Counter Narcotics and are any of those contracts in jeopardy of being terminated/canceled?

The Ministry of Counter Narcotics repeatedly expressed concern in having its records reviewed and examined by an outside agency, based on the confidentiality of its records. USAID is working with the Ministry of Counter Narcotics under the Kandahar Food Zone cooperative agreement – International Relief and Development, Inc., AID-306-A-13-00008, \$18,695,804, July 2013-June 2015. This cooperative agreement is not in jeopardy of being terminated. (Please see Annex 12)

6. Award No. 306-A-00-06-00506-00: After the Academy for Educational Development was suspended, did USAID conduct a cost incurred audit to determine the final disbursement and whether there were any questionable costs? If so, provide supporting documentation. Were the activities being carried out under this contract re-solicited? If so, provide the contract number, award date, and the name of the contractor. After AED was suspended, were audits conducted on all USAID-funded AED projects in Afghanistan?

(Please see Annex 13). The award was not terminated, but only suspended. After the lifting of the suspension, performance continued through the award expiration date. No cost-incurred audit was performed on the suspended project.

7. Award No. DFD-I-00-05-00248: Provide a copy of the final USAID Office of Inspector General Investigation Report to include the end result and recommendations.

(Please see Annex 14) Copies of OIG investigation reports are not routinely provided to OAA or OFM. USAID refers SIGAR to the OIG for a copy of the report.

8. Award No. 306-IL-10-04-01: The funds in this program were on-budget funds. Is there a lessons learned document or post cancellation review that was produced relating to USAID's experience with this program? What did the November 30, 2012, audit conclude about the \$2,286,979.20 already spent? Prior to signing an Implementation Letter, a number of assessments should be conducted (including a Public Financial Management Risk Assessment) what determinations did the Mission make regarding the strengths of the Independent Directorate for Local Governance's internal controls and ability to disburse funds?

Are there lessons learned document or post cancellation review that was produced relating to USAID's experience with this program?

Implementing activities in a war zone is challenging and difficult especially with constant rotation of staff, but Mission has learned from these challenges and is constantly evaluating and improving its implementation techniques. The Mission conducted some reviews/evaluations on the DDP project, an evaluation by Checchi, a monitoring review by KPMG, an audit by KPMG, and an internal review of the billing documents.

What did the November 30, 2012, audit conclude about the \$2,286,979.20 already spent?

The auditors issued a disclaimer of opinion on the schedule of costs, because they were not provided all the required information from IDLG. Based on their limited review the auditors questioned \$1,883,947 of the \$2,240,819 of total costs incurred.

Prior to signing an Implementation Letter, a number of assessments should be conducted (including a Public Financial Management Risk Assessment) what determinations did the Mission make regarding the strengths of the Independent Directorate for Local Governance's internal controls and ability to disburse funds?

The District Delivery Program (DDP) at the IDLG started before the issuance of ADS 220, which required the Public Financial Management Risk Assessment. Therefore the requirement for a PFMRAF was not applicable.

Supporting the IDLG to help stand up local government was considered as a critical foreign policy priority for post-conflict stabilization, and to be in the best interest of the U.S. Government to implement delivery of services in key districts. Nonetheless the Mission recognized the risks within the IDLG, and made a determination not to rely on its systems. The Mission relied instead on the Ministry of Finance (MoF) systems, the Ministry responsible for receiving, disbursing, and recording the funds received for the benefit of DDP. Based on that determination, the Mission assessed the MoF's systems and it found that it had adequate financial management capacity to effectively and efficiently record and account for USAID funds. While MOF was the custodian for USAID funds, the MOF and USAID still required the IDLG to submit supporting documentation for disbursements.

9. For each of the following, provide further explanation for the termination/cancellation.

- Award No. AID-306-TO-12-00012: Provide the initial request for proposal or requirement at the time of award. What factors led to the broadening of the program strategy and why were these factors not identified at the time of the award?

Please see supporting documentation, within the folder for this award, including the Request for Proposals. For factors leading to the broadening of the program, (Please see Annex 4)

- Award No. 306-C-00-11-00526: Explain the delays in mobilization (outside of the contractor's control) that caused this project to be canceled.

(Please see Annex 8)

- Award No. 306-I-15-06-00517-00: Explain further the reason for the customs delays and visa problems. Were viable alternatives/workarounds such as the use of other personnel to perform the work identified as a means to mitigate the schedule delays and allow the program to proceed? If so, provide supporting documentation.

(Please see Annex 9)

- Award No. AID-O-00-08-00522-00: Provide specificity as to why “the contractor could not proceed with the assigned audit.”

Security concerns. (Please see Annex 16)

10. Has USAID canceled or terminated any additional projects or programs, other than the 17 referenced above, since 2008? Did USAID cancel or terminate a contract, cooperative agreement, or grant dealing with road construction that involved International Relief and Development? If so, please provide the same information for each project or program as requested in question number one.

Two additional awards have been terminated other than the 17 referenced above – AID-306-C-12-00006 Agriculture Research and Extension Development Program (AGRED) and AID-306-TO-13-00002 Irrigation and Watershed Management Program (IWMP). (Please see List of Projects and Programs Terminated/Cancelled, and Annex 17 and 18 for brief explanation for the termination). USAID de-scoped a Strategic Provincial Roads project with IRD, but no terminations.

USAID/AFGHANISTAN TERMINATED PROJECTS (2008-2013)

FACT SHEETS

OVERVIEW:

1. **Scope:** USAID/Afghanistan managed 356 awards with a total value of \$12.6 Billion from 2008-2013. Out of these 17 (or 5%) were terminated by the Mission. The total value of the terminated awards was \$603 million (or 5%) of the total portfolio, of which only \$237 million (or 39%) were disbursed.

2. **USAID's decisions to terminate and re-focus programming were the outcome of a deliberative, analytical process, influenced by several factors, many of which were beyond USAID's direct control:**
 - a. *Security and Violence:* The areas in which USAID's programs were implemented, particularly the southern and eastern parts of the country, were and continue to be highly kinetic and subject to violent insurgent attacks. As a result, program implementation and the ability of the USAID partners to complete work in some areas was greatly hindered. Completing the envisioned activities became costly and difficult at best, and at times, simply impossible (e.g., AMDEP, Design and Construction of Higher Education Facilities, SPR).
 - b. *Shifts in USG Strategy and USAID Priorities:* During the 2010 Kabul Conference, the USG committed to aligning 80% of the development assistance to Afghanistan with the National Priority Programs and to delivering 50% of that assistance through on-budget mechanisms. In addition and as a consequence, in 2011 USAID revised its development approach in Afghanistan to focus on "foundational investments," mainly in infrastructure and economic growth. The necessity to respond to Afghan national priorities, coupled with USAID's strategic re-direction led to a re-assessment of the programmatic focus of projects, and in some cases, to their termination (e.g. Watershed Restoration in Ghor, AMDEP, STEP, APAP II).
 - c. *Complexity of Work and the Operating Environment:* In addition to the difficult security environment, conducting normal, day-to-day business operations in Afghanistan was, and continues to be challenging at best. The projects USAID implements are large, logistically complex and often times require local cooperation and capacity to achieve their intended results. For some of them, logistical difficulties (visas, transport, customs, taxes, etc.) hindered progress; in others, systemic deficiencies, flaws and lack of local contractor capacity were encountered, causing USAID to stop work, despite achievements (e.g. LGCD, Sheberghan Gas Fields, ACEP).

3. **USAID's program terminations safeguarded taxpayer dollars and increased the effectiveness of development assistance.** USAID views terminations of programs as a last resort. The preference, both from a programmatic and cost-effectiveness standpoint, is to re-adjust focus to track implementation realities *within* a program, modifying work if at all possible, within contractual parameters. In making the decision to terminate programs that were no longer viable or effective given policy priorities and the challenging Afghanistan environment, USAID safeguarded and put to better development use, over \$365 million of taxpayer dollars. The results achieved during their performance helped build the foundations of new programs, intrinsically valuable, even though incomplete. For example, even though the STEP program was terminated before its end date, the support that USAID provided through it strengthened the electoral authority in Afghanistan and improved the planning and implementation of both the 2009 and 2010 elections. (Other examples: The Watershed project, Design and Construction of Higher Education Facilities, Sheberghan Gas Field, LGCD).

ANNEX 1. VILLAGE-BASED WATERSHED RESTORATION IN GHOR

Cooperative Agreement: 306-A-00-07-00504 (IMPLEMENTER: Catholic Relief Services)

Original TEC: \$592,057; Revised TEC: \$5,591,985; TEC at Termination: \$5,591,985

Amount Disbursed: \$1,440,606

Estimated Completion Date: June 30, 2011

Termination Date: June 23, 2010

DOCUMENT	IN FILE
Action Memo from Mission Director	Yes
Notice of Termination	No
SF-30 or Settlement Agreement	Yes
Negotiation Memo	Yes

Purpose of the Project: To improve water security for home consumption and for irrigation by rehabilitating watersheds located within the target villages and through water conservation techniques. At least 30 rural communities and their watersheds in five districts of Ghor province were to benefit.

Reasons for Termination:

- Although progress was on track to completing performance and delivering the results, USAID, in consultation with the recipient noticed overlap between this activity and another, existing project implemented by the same recipient (CRS).
- In order to avoid duplication of effort and resources, USAID took measures to combine the two projects (Ghor Watershed project and the Agro-Enterprise Development Alliance) into one activity: The Agro-Enterprise Development Alliance (ADA).
- ADA was expanded to include the Ghor Watershed activities.

Benefits of USAID's Actions:

- **Combination of the two projects led to greater synergy of activities and enhanced effectiveness of technical assistance.** As both projects' ultimate purpose was to increase rural incomes by increasing economic opportunities through improved productivity in agriculture, combining the two integrated activities better, making technical assistance more effective and results oriented. For example, availability of water for domestic and agriculture use depends on the conditions of the watersheds. Limited water for irrigation and domestic consumption is one of the major barriers to expanding production for high-value licit crops in Ghor province.
- **Given that both projects had complementary objectives and were implemented by the same recipient (CRS), combining them led to greater efficiencies and cost savings.** In terminating this project and folding activities under the ADA project, the government saved over \$2.5 million (\$4.5 million were saved by terminating the Watershed project, but ADA was expanded by \$2 million; thus, net savings were \$2.5 million).

Results Achieved Prior to Termination:

- **The new expanded ADA project continued to build on the results of the Watershed project.** By integrating activities of the two, USAID increased the potential development impact and the results envisioned under the Watershed project, while minimizing cost. Results include, but are not limited to: at least 200 farmers in

7 watersheds were trained in small-scale water-harvesting, and villages in 7 watersheds have established community plans for watershed restoration and monitoring of resource health.

ANNEX 2. AFGHANISTAN MEDIA DEVELOPMENT AND EMPOWERMENT PROJECT (AMDEP) – MOBILE KHABAR

Contract: 306-C-00-11-00517-00 (IMPLEMENTER: Motion Matters)

Original TEC: \$6,709,890.35; Revised TEC: \$16,380,627.37

Amount Disbursed: \$1,990,487.17

Estimated Completion Date: February 23, 2012

Termination Date: October 15, 2011

DOCUMENT	IN FILE
Action Memo from Mission Director	Yes
Notice of Termination	Yes
SF-30 or Settlement Agreement	No – In progress
Negotiation Memo	No – In progress

Purpose of the Project: To provide Afghans with improved access to information and to empower local media. The program was to help create a news service for collecting all available news content and making it available to Afghans via their mobile phones.

Reasons for Termination:

- This contract was awarded on February 23, 2011 to Motion Matters. On March 29, 2011, Innovim, LLC filed a timely protest to the GAO. In accordance with federal regulations, the Contracting Officer notified Motion Matters (the contractor) to suspend performance, on March 31, 2011, a month after the contractor had mobilized.
- As the Contracting Officer was preparing to take action in response to the protest, the Mission considered once again the circumstances and viability of the envisioned program and decided to cancel the procurement/award in its entirety. Therefore, the issued contract to Motion Matters was terminated for the convenience of the government on October 15, 2011.
- The decision to cancel the program was based on the following factors:
 - *Media Sector Developments:* The media sector in Afghanistan had grown fast in the time period between the program design (2009) and contract award. Multiple donor activities and private sector investment had in the meantime changed the relevancy and potential effectiveness of USAID's envisioned assistance.
 - *Transition:* With the announcement of planned troop withdrawal and the planned transition towards Afghan ownership and leadership on development, USAID Afghanistan revised its development approach in 2011 to focus on "foundational investments" involving key shifts to basic infrastructure and economic foundations. As a result, this project no longer fit that development focus.
 - *Aid Effectiveness:* In accordance with Kabul Conference commitments, 80% of development assistance in Afghanistan needed to align with National Priority Programs (NPP) of GfR/A. This would entail, among other things, closer coordination with GfR/A on future activities, and closer linkages to the NPP, which this program would be lacking.
 - *Conflict Environment:* The security situation continued to deteriorate in many areas of Afghanistan. Insurgent attacks were on the rise, particularly against media outlets that broadcasted on women's rights. Any new program related to media development needed to take into account this shifting risk profile, for it to be effective in promoting independent media and reaching target populations. The program, as designed, did not account for the recent conflict environment.

Benefits of USAID's Actions:

Terminated Projects Fact Sheets
Source: OAA/Afghanistan Files

Page 4

- **USAID investment was re-focused on foreign policy strategic priorities.** To meet the USG commitments on foreign assistance and its alignment with Afghan national priorities, USAID shifted its resources in line with those priorities.
- **Recognizing the rapidly changing market and conflict environment, USAID put to better use \$14 million of taxpayer funds.** USAID's re-assessment of the program objectives, the dynamic development need, and the changing security situation on the ground, led to the prudent conclusion to not continue with a program that no longer remained relevant.

Results Achieved Prior to Termination:

- **This contract was active only for one month.** The amount disbursed to the contractor was the cost of mobilization and rapid de-mobilization.

ANNEX 3. SUPPORT TO THE ELECTORAL PROCESS IN AFGHANISTAN (STEP)

Contract: DFD-I-00-05-00225 (IMPLEMENTER: IFES)

Original TEC: \$67,354,793; Revised TEC: \$67,381,704; Re-Revised TEC: \$79,340,182; TEC at Termination: \$79,340,182

Amount Disbursed: \$69,201,895.88

Estimated Completion Date: August 31, 2012

Termination Date: January 18, 2012

DOCUMENT	IN FILE
Action Memo from Mission Director	Yes
Notice of Termination	No
SF-30 or Settlement Agreement	No – In progress
Negotiation Memo	No – In progress

Purpose of the Project: To support increased electoral capacity and improved electoral administration in Afghanistan through the provision of technical and logistical assistance to the Afghan Independent Elections Commission (IEC).

Reasons for Termination:

- On January 9, 2012, the Chief Electoral Officer of IEC requested that USAID modify its assistance provided to IEC through STEP and combine it with the concurrent UNDP ELECT program, also providing support during and in-between elections.
- After extensive consultation with IFES, IEC and the USAID Mission, the Elections team lead of the Mission requested that the Contracting Officer terminate the program for convenience, as it was no longer meeting the needs of USAID's principle counterpart, the IEC.
- While STEP played a critical role in 2009 and 2010 elections, the transformation of the project to a capacity building program in the post-election period remained a challenge. This was not the focus of the program. As a result, resources spent were not going to meet USAID's and IEC's needs or yield the results required.

Benefits of USAID's Actions:

- USAID re-aligned its programming with GIRoA's priorities, as committed to in the Kabul Conference. Upon coming to the conclusion that USAID's program was no longer meeting the IEC's needs, USAID took action to re-align its programming with GIRoA's priorities and safeguard the results achieved.

Results Achieved Prior to Termination:

- STEP was critical in ensuring timely implementation of the 2009 and 2010 elections in Afghanistan. As recognized by the Chief of IEC, in his letter to USAID's Mission Director, the STEP program strengthened the electoral authority in Afghanistan and improved the planning and implementation of both elections.

ANNEX 4. AFGHANISTAN PARLIAMENTARY ASSISTANCE PROGRAM II (APAP II)

Contract: AID-306-TO-12-00012 (IMPLEMENTER: DAI)
Original TEC: \$15,975,306; TEC at Termination: \$73,016
Amount Disbursed: \$71,553,76
Estimated Completion Date: August 31, 2015
Termination Date: December 6, 2012

DOCUMENT	IN FILE
Action Memo from Mission Director	Yes
Notice of Termination	Yes
SF-30 or Settlement Agreement	Yes
Negotiation Memo	Yes

Purpose of the Project: To support the development of the Afghan Parliament to enable it to operate as an independent and effective legislative, representative and oversight body.

Reasons for Termination:

- Two timely protests filed with the GAO in early September 2012, provided an opportunity for the Office of Democracy and Governance (ODG) team to re-assess the validity of the APAP II design.
- In an action memorandum, signed by the Mission Director, the ODG Director laid out a rationale for why the APAP II program, as designed, would not be as effective as it could be, without an expansion in scope. Hence, a case was made, and the Mission Director agreed, for a new, re-designed and expanded program titled Assistance to Legislative Bodies of Afghanistan (ALBA).
- The essential difference between APAP II and ALBA was that APAP II focused primarily on improving the capacity of the National Assembly's lower house (the Wolesi Jirga (WJ)) in terms of legislative support, oversight and public outreach. The new ALBA program on the other hand, broadened the USAID assistance by working with both houses of the National Assembly, to include the Meshrano Jirga (MJ). This was a significant change in the design, necessitating re-solicitation.

Benefits of USAID's Actions:

- **A revised USAID assistance strategy, broadened by working with both WJ and MJ would build linkages between the National Assembly and Provincial Councils, having a direct, integrated impact on improved local governance.** While the WJ is a more powerful legislative body, the MJ has special constitutional authorities on legislation, budget issues and oversight. The MJ also holds special status in Afghanistan's political society and an important link between the provincial and national level governance bodies. Therefore, integration of assistance to both houses of the National Assembly would make it much more effective and impactful.
- **In lieu of issuing two separate contracts (one for MJ and one for WJ), USAID consolidated impact, integration of results and activities and saved redundant costs.** Providing assistance to MJ separately would have entailed a second contract and all associated costs, could have duplicated efforts and increased cost and administrative burden. By combining the two, development impact was maximized and so were the resources.

Results Achieved Prior to Termination:

- Amount disbursed related to mobilization costs.

ANNEX 5. RULE OF LAW STABILIZATION (RLS) PROGRAM

Contract: 306-C-00-10-00506-00 (IMPLEMENTER: Checchi and Company Consulting)

Original TEC (Base + Options): \$123,689,316; TEC at Termination: \$5,001,000

Amount Disbursed: \$593,537.72

Estimated Completion Date: December 31, 2014 (after 2 option years)

Termination Date: January 26, 2010

DOCUMENT	IN FILE
Action Memo from Mission Director	N/A
Notice of Termination	Yes
SF-30 or Settlement Agreement	No
Negotiation Memo	Yes

Purpose of the Project: To develop the capacity of Afghanistan's justice system to be accessible, reliable and fair.

Reasons for Termination:

- Upon contract award on January 4, 2010, the Contracting Officer was made aware that a protest had been filed prior to contract signature on December 31, 2009. The Contracting Officer had no knowledge of this protest, as it was delivered to the GAO. Upon consultations with USAID/Washington General Counsel's Office, it was determined that regardless of the merits of the protest (which was improperly filed), the award itself was in fact tainted because it was issued AFTER a timely protest. Therefore, a Termination for Convenience was effected by the Contracting Officer.

Benefits of USAID's Actions:

- **Government was protected from further litigation and terminated in accordance with federal procurement requirements.** Continuation of the stay of performance, while litigating the propriety of the filed protest would have resulted in additional costs to the government, both in administrative burden and "suspension costs" of the active contract. Termination curtailed those costs.

Results Achieved Prior to Termination:

- It is assumed that amount disbursed related to mobilization costs, though no settlement agreement can be located in the files.

ANNEX 6. DESIGN AND CONSTRUCTION OF HIGHER EDUCATION FACILITIES

Contract: 306-P-00-08-00520 (IMPLEMENTER: US Army Corps of Engineers (USACE))

Original TEC: \$17,120,655; TEC at Termination: \$9,777,014.74

Amount Disbursed: \$8,529,098.77

Estimated Completion Date: September 30, 2013

Termination Date: January 15, 2013

DOCUMENT	IN FILE
Action Memo from Mission Director	Yes, but from OEGI Office Director
Notice of Termination	Yes
SF-30 or Settlement Agreement	Not required because this was an IAA
Negotiation Memo	Yes

Purpose of the Project: To design and construct 16 higher education facilities in various provinces in Afghanistan.

Reasons for Termination:

- During implementation, USACE (the implementer), found it extremely difficult to complete the 16 buildings due to the worsening security situation throughout the country.
- Through discussions between USAID and USACE, the project was de-scoped from 16 buildings to 6 buildings.
- USACE completed 3 buildings, but found it extremely difficult to get contractors to take on the remaining work, having to terminate two contracts.
- The areas in which USAID's programs were implemented, particularly the southern and eastern parts of the country, were and continue to be highly kinetic and subject to violent insurgent attacks. As a result, program implementation and the ability of the USAID partners to complete work in some areas was greatly hindered. Completing the envisioned activities became costly and difficult at best, and at times, simply impossible.

Benefits of USAID's Actions:

- **Government was protected when USAID determined that taxpayer resources could be more effectively utilized by completing the work through a different mechanism.**
- USAID could complete the remaining three facilities at a lower price, saving taxpayer dollars.
- Since this was an IAA, there were no adverse effects from terminating for convenience (e.g. no settlement).

Results Achieved Prior to Termination:

- **Despite delays and an insecure environment, 3 buildings were completed and are now being utilized to further the education system in Afghanistan.** USACE completed and turned over 3 buildings to the Afghan Ministry of Higher Education.

ANNEX 7. KABUL UNIVERSITY MEN'S DORMITORY RENOVATION

Contract: 306-C-00-09-00505 (IMPLEMENTER: Lakeshore Engineering Services)

Original TEC: \$7,133,830.30; TEC at Termination: \$1,502,620.00

Amount Disbursed: \$1,396,881.07

Estimated Completion Date: May 31, 2010

Termination Date: July 2, 2010

DOCUMENT	IN FILE
Action Memo from Mission Director	No
Notice of Termination	Yes
SF-30 or Settlement Agreement	Yes
Negotiation Memo	Yes

Purpose of the Project: To renovate the men's dormitory at the University of Kabul and design and construct a new dining facility.

Reasons for Termination:

- USAID COR had serious concerns regarding the quality of work of the contractor, but these were contested by the contractor.
- USAID CO had serious concerns relating to health and safety, especially workers' exposure to asbestos, and issued a suspension of work order due to the safety concerns.
- USAID's legal counsel and the CO, after extensive analysis, determined that there was not enough cause to terminate for default and instead decided to terminate for convenience.

Benefits of USAID's Actions:

- USAID decided to protect workers from harmful contaminants by ending the contract in the most expedient and cost effective manner, and completed the project using another contractor,
- Instead of allowing a contractor to continue potentially defective work and potentially expose its workers to harmful contaminants, USAID decided to terminate the award.
- USAID did not receive a defective building which would have cost just as much to repair.

Results Achieved Prior to Termination:

- Partially completed renovation and partial designs for the dining facility.

ANNEX 8. COMMERCIAL AIR SERVICES IN AFGHANISTAN

Contract: 306-C-00-11-00526 (IMPLEMENTER: Mesopotamia Group Services)

TEC: \$6,499,500

Amount Disbursed: \$0

Estimated Completion Date: October 21, 2012

Termination Date: June 14, 2012

DOCUMENT	IN FILE
Action Memo from Mission Director	No, but concurrence from COR and OEGI
Notice of Termination	Yes
SF-30 or Settlement Agreement	No (settlement was not expected)
Negotiation Memo	Yes

Purpose of the Project: To provide USAID/Afghanistan with commercial air services, primarily rotary aircraft.

Reasons for Termination:

- Contractor was unable to provide the required rotary aircraft due to delays in aircraft certification in South Africa.
- Based on discussions and guidance from USAID's Assistant General Counsel for Litigation and Enforcement, contract was terminated for convenience as the services were no longer required by the US Government and no money would be paid to the contractor.

Benefits of USAID's Actions:

- **The Government, through decisive action, ended the contract in the most cost effective manner and ensured that no taxpayer money was paid to the contractor.** Services were no longer required and any further continuation of the contract would lead to unnecessary costs for taxpayers.
- Though the contractor did not meet the contract requirements, termination for default would have been costly since the contractor would have fought the termination and there were allegations that USAID had breached the contract as well.

Results Achieved Prior to Termination:

- None, though no money was paid to the contractor.

ANNEX 9. SHEBERGHAN GAS FIELD

Contract: 306-I-15-06-00517 (IMPLEMENTER: The Louis Berger Group)

TEC: \$11,897,839

Amount Disbursed: \$8,865,722.13

Estimated Completion Date: August 31, 2009

Termination Date: June 1, 2009

DOCUMENT	IN FILE
Action Memo from Mission Director	No
Notice of Termination	Yes
SF-30 or Settlement Agreement	No (still in claims process)
Negotiation Memo	No

Purpose of the Project: To determine whether the Sheberghan Gas Field is able to meet the life-time needs of a 100MW power plant and, if cost effective, repair and rehabilitate existing wells in the field to operational capability.

Reasons for Termination:

- Contractor was not able to complete the work due to logistical delays; Only one well (Yatimaq, Well #38 was inspected).
- The USAID/Afghanistan RLA at the time provided guidance that a termination for default may not be appropriate.

Benefits of USAID's Actions:

- Although inspection of the viability of the existing wells is a costly proposition, USAID recognized that the work was not going to be completed as envisioned and terminated, safeguarding \$3M.
- Because this award is in litigation, we are unable to discuss further details at this time.

Results Achieved Prior to Termination:

- When the contractor ceased work, several hundred tons of drilling supplies, such as drilling mud, drilling chemicals, expensive pipe (casing and drill pipe), cable, and miscellaneous oil-field grade mechanical equipment was turned over to the Afghan Gas Company (Ministry of Mines and Petroleum-MOMP). **The value of this material and equipment is approximately \$1M.**
- Well #38 has recently been re-worked and completed by TPAO, a drilling contractor operating for MOMP and paid by Asia Development Bank. It was put into production (is producing gas at the present time) very quickly and cheaply because the work done left the well in a condition (cleaned out and ready for perforation and logging) to start producing gas almost immediately. **The value to MOMP of entering and being able to start gas production immediately – without site prep and re-drill work – is in the millions of dollars.**

ANNEX 10. PRE-AWARD ASSESSMENT OF SUPREME COURT

Contract: AID-306-BC-13-00005 (IMPLEMENTER: KPMG Afghanistan)

TEC: \$35,750; TEC at Termination: \$16,706

Amount Disbursed: \$0.00

Estimated Completion Date: November 30, 2013

Termination Date: October 1, 2013

DOCUMENT	IN FILE
Action Memo from Mission Director	No
Notice of Termination	Yes
SF-30 or Settlement Agreement	Yes
Negotiation Memo	Yes

Purpose of the Project: To conduct a Public Financial Management Risk Assessment of the Supreme Court of Afghanistan.

Reasons for Termination:

- The Supreme Court was unwilling to cooperate with the contractor which prevented them from performing the work.

Benefits of USAID's Actions:

- **Though the contract was terminated, USAID was able to ascertain that the Supreme Court, at that time, was not suitable for direct assistance, thereby mitigating the future potential for misuse of taxpayer dollars.**
- USAID made every effort to get the Supreme Court to cooperate with the contractor, but they refused. Instead of investing further, USAID made the conscious decision to terminate the award and save taxpayer dollars.

Results Achieved Prior to Termination:

- None; no funding disbursed.

ANNEX 11. AUDIT OF COSTS INCURRED BY UNOPS UNDER KABUL SCHOOL CONSTRUCTION PROGRAM

Contract: 306-O-00-11-00533-00 (IMPLEMENTER: Zeeshan Ali and Co.)

TEC: \$25,850; TEC at Termination: \$5,406

Amount Disbursed: \$5,406

Estimated Completion Date: Extended Frequently

Termination Date: May 17, 2012

DOCUMENT	IN FILE
Action Memo from Mission Director	N/A
Notice of Termination	Yes
SF-30 or Settlement Agreement	Yes
Negotiation Memo	Yes

Purpose of the Project: To conduct an audit of costs incurred under the UNOPS' Kabul School Construction Program.

Reasons for Termination:

- UNOPS failed to cooperate with the auditors.

Benefits of USAID's Actions:

- Saved \$20,000.

Results Achieved Prior to Termination:

- None; payment was for initial desk review and all preparatory work and coordination effort.

ANNEX 12. PRE-AWARD ASSESSMENT OF MINISTRY OF COUNTER NARCOTICS

Contract: AID-306-BC-13-00009 (IMPLEMENTER: KPMG Afghanistan)

TEC: \$40,184.38; TEC at Termination: \$16,349

Amount Disbursed: \$0.00

Estimated Completion Date: August 28, 2013

Termination Date: December 22, 2013

DOCUMENT	IN FILE
Action Memo from Mission Director	No
Notice of Termination	Yes
SF-30 or Settlement Agreement	Yes
Negotiation Memo	Yes

Purpose of the Project: To conduct a Public Financial Management Risk Assessment of the Afghanistan Ministry of Counter Narcotics

Reasons for Termination:

- The Ministry of Counter Narcotics was unwilling to cooperate with the contractor which prevented them from performing the work.

Benefits of USAID's Actions:

- Though the contract was terminated, USAID was able to ascertain that the Ministry of Counter Narcotics, at that time, was not suitable for direct assistance, thereby mitigating the future potential for misuse of taxpayer dollars.
- USAID made every effort to get the Ministry of Counter Narcotics to cooperate with the contractor, but they refused. Instead of investing further, USAID made the conscious decision to terminate the award and save taxpayer dollars.

Results Achieved Prior to Termination:

- None.

ANNEX 13. HIGHER EDUCATION PROJECT

Cooperative Agreement: 306-A-00-06-00506-00 (IMPLEMENTER: AED)

Original TEC: \$38,014,504; TEC at Closeout: \$46,741,095.51

Amount Disbursed: \$46,741,095.51

Estimated Completion Date: January 31, 2011

Termination Date: **Program was SUSPENDED and then allowed to end; not TERMINATED.**

DOCUMENT	IN FILE
Action Memo from Mission Director	N/A
Notice of Termination	N/A
SF-30 or Settlement Agreement	N/A
Negotiation Memo	N/A

Purpose of the Project: To improve the quality of pre-service teacher education at four-year institutions of higher education.

Reasons for Suspension:

- This was not a termination, but was an award that was simply allowed to expire at the appointed time. At the time, AED had recently been suspended by the Agency on December 8, 2010 because USAID's Office of the Inspector General (OIG) found evidence of serious corporate misconduct, mismanagement, and a lack of internal controls, raising serious concerns of corporate integrity.
- However, the Agency Senior Procurement Executive mandated that, while the negotiations and investigation was on-going, the Agreement Officer was not allowed to terminate and performance continued.

Results Achieved:

- USAID's Higher Education Project (HEP) contributed to the improvement of learning and teaching in 16 Afghan universities and institutes of higher education. HEP also contributed to building greater institutional capacity both at the education institutions and the Ministry of Higher Education.
- In total, 10,055 Afghans from public universities and the Ministry of Higher Education were trained to improve their teaching practices, research capabilities, and administrative practices.
- 121 faculty members studied abroad, ensuring that they received a first-class education and the most up-to-date knowledge and skills to bring back to their teacher education institutions. Of those, 41 faculty members (25 men, 15 women) received Master's Degrees. The Afghan Masters' graduates and Study Abroad returnees all believe that the programs were effective, and over 90% believe that their teaching practice has improved significantly.
- HEP has been effective in improving the institutional leadership and processes at all faculties of education and Ministry of Higher Education. 87% of administrators believe the change has been significant. The faculty members support this view, for example 70% of the faculty members reported that they are more involved in decision making at the departments after HEP.

ANNEX 14. LOCAL GOVERNANCE COMMUNITY DEVELOPMENT (LGCD)

Contract: DFD-I-02-05-00248 (IMPLEMENTER: Associates in Rural Development, Inc. (ARD))

Original TEC: \$49,360,382; Revised TEC: \$81,360,382; TEC at Termination: \$55,981,241.56

Amount Disbursed: \$55,981,241.56

Estimated Completion Date: September 26, 2010

Termination Date: June 30, 2009

DOCUMENT	IN FILE
Action Memo from Mission Director	Yes
Notice of Termination	Yes
SF-30 or Settlement Agreement	Yes
Negotiation Memo	Yes

Purpose of the Project: To 1) assist GiRoA in reaching at-risk populations in unstable areas by building capacity of provincial and local government officials to deliver services; 2) create an environment which encourages local communities to take an active role in development; and 3) promote stability by addressing the underlying causes of violence and support for the insurgency.

Reasons for Termination:

- Starting in December 2008, USAID's oversight (through CO and COR), supported by an on-going OIG investigation, revealed vulnerabilities in the contractor's systems with regards to procurement, filing, project tracking and monitoring, etc.
- OIG/Investigations recommended and USAID concurred that the program be closed as soon as possible. It was determined by USAID that not enough time remained for the contractor to take corrective action and a termination for convenience was issued.
- USAID's COR and other officers implemented a detailed oversight program of each on-going activity from the date of termination notice (March 22, 2009) to termination date, including all grants and sub-contract activities. A transition plan for the on-going activities to other existing USAID programs was also outlined, to ensure continuity of results.
- USAID has no record of the outcome of the OIG investigation on this matter.

Benefits of USAID's Actions:

- **Through the proper use of its monitoring and inspection systems and through close oversight, USAID was able identify issues with the contractor's systems and, through decisive action, ensured that remaining resources were safeguarded.** The early termination of the program resulted in over \$25 million in safeguarded funds, which were invested in other programs.

Results Achieved Prior to Termination:

- **Despite challenges, LGCD successfully:**
 - Assisted the Government of Afghanistan to expand its reach into unstable areas and engage at-risk populations by building the capacity of provincial and local government officials to deliver services and address citizen needs;
 - Created an environment that encouraged local communities to take an active role in their own development, strengthening ties between these communities and the local government bodies; and

- Promoted stability by addressing the underlying causes of violence and support for insurgency in Afghanistan.
- **LGCD successfully achieved the majority of its envisioned targets including:** building the capacity of local governance bodies in all 17 provinces; mobilized communities in 58 reconciliation projects; provided skills and training to community members; engaged citizens, specifically women, in their own development to address the underlying causes for violence and support for the insurgency, which is lack of income; successfully resolved conflicts between villages or tribes; and exceeded its targets with regards to Afghan jobs created.

ANNEX 15. STABILIZATION IN KEY AREAS - SOUTH

Contract: AID-306-C-12-00005 (IMPLEMENTER: AECOM)

TEC: \$117,324,445 (Base + Options)

Amount Disbursed: \$15,886,015.37

Estimated Completion Date: April 9, 2015

Termination Date: Notice = May 15, 2013, Effective = July 31, 2013

DOCUMENT	IN FILE
Action Memo from Mission Director	No
Notice of Termination	Yes
SF-30 or Settlement Agreement	No - In progress
Negotiation Memo	No - In progress

Purpose of the Project: The purpose of the award was to promote stabilization in key areas by supporting GIRoA at the district and provincial level through community led development and governance issues.

Reasons for Termination:

- An offeror filed a protest with the GAO after award of the contract. USAID agreed to take corrective action and re-evaluate proposals and make a new award determination. Due to the critical need of the program by both USAID and the US Military, the protested award was allowed to continue while the protest was resolved.
- Since the new award was based on a revised evaluation, the current award needed to be terminated for convenience and transitioned to the new award currently under implementation.

Benefits of USAID's Actions:

- **By terminating the award, USAID ensure that the integrity of the procurement process was maintained and thus avoided further litigation.** Integrity of the procurement process was ensured resulting in a fair and equitable evaluation of all offerors for the award.
- **USAID's new SIKa program built upon the terminated program and re-aligned better with USAID's objectives in ensuring stability in key areas.** Specifically, the new program supports the Government of Afghanistan at the district level, while coordinating efforts at the provincial level, to implement community led development and governance initiatives that respond to the population's needs and concerns, building confidence, stability, and increase the provision of basic services.

Results Achieved Prior to Termination:

- **Prior to termination, the efforts of the contractor directly supported the US Military in implementing the counterinsurgency strategy.** During the award, AECOM continued to provide services throughout kinetic areas in support of the US Military, furthering efforts to stabilize strategic areas of Afghanistan through a community led approach.

ANNEX 16. AUDIT OF COSTS INCURRED UNDER THE PROGRAM-E TAHKIM-E SOLH (PTS)

Contract: 306-o-00-08-00522 (IMPLEMENTER: Yousuf Adil Saleem)

TEC: \$9,700; TEC at Termination: \$5,440

Amount Disbursed: \$5,440

Estimated Completion Date: September 24, 2008

Termination Date: June 22, 2008

DOCUMENT	IN FILE
Action Memo from Mission Director	No
Notice of Termination	Yes
SF-30 or Settlement Agreement	Yes
Negotiation Memo	Yes

Purpose of the Project: To conduct a financial audit of costs incurred under the PTS program.

Reasons for Termination:

- Due to worsening security situations around Afghanistan, USAID determined that it was in its best interests to terminate the audit since allowing the audit to continue would put the auditor in harm's way.

Benefits of USAID's Actions:

- USAID decided that the safety and security of its partners was worth more than \$5,440. Due to the worsening security, the termination mitigated the potential of a USAID partner being targeted and harmed.

Results Achieved Prior to Termination:

- None; the payment was for initial desk review/preparatory work.

ANNEX 17. AGRICULTURE RESEARCH AND EXTENSION DEVELOPMENT PROGRAM (AGRED)

Contract: AID-306-C-12-00006 (IMPLEMENTER: ROOTS OF PEACE - ROP)

TEC: \$23,638,611; Revised TEC: TBD

Amount Disbursed: \$4,193,244.76

Estimated Completion Date: July 16, 2017

Termination Date: May 31, 2014 (not the end date of performance)

DOCUMENT	IN FILE
Action Memo for Mission Director	Yes
Notice of Termination	Yes
SF-30 or Settlement Agreement	Settlement proposal due May 11, 2014
Negotiation Memo	In-process

Purpose of the Project: To build the capacity of the Government of the Islamic Republic of Afghanistan's (GIROA) Ministry of Agriculture, Irrigation and Livestock (MAIL) and Directorates of Agriculture, Irrigation and Livestock (DAIL) to sustainably procure/develop and deploy productivity-enhancing technologies and best practices.

Reasons for Terminating:

- USAID/Afghanistan reviewed the scope of the subject contract and noted that its capacity building objectives were overly ambitious and not feasible given the scope of the national system, its geographical dispersion, the extremely limited Ministry of Agriculture, Irrigation and Livestock (MAIL) human resource base and endemic management challenges.
- As a result of the review, USAID made a decision to terminate the subject contract award for convenience.
- The termination is in process and ROP is expected to submit estimated settlements costs for negotiation. The on-budget component of this program was included in the Irrigation and Watershed Management Program (IWMP) as stated below in (Reasons for Terminating) Annex 18.

Benefits of USAID's Actions:

- USAID will refocus its approach to limit its support for agriculture research and extension to goals that are congruent with its strategy and agricultural program in order to have a bigger impact on USAID program objectives.

Results Achieved Prior to Termination:

- ROP conducted 29 on-the-job trainings benefiting 652 farmers (577 male and 75 female), DAIL staff and agriculture faculty students.

ANNEX 18. IRRIGATION AND WATERSHED MANAGEMENT PROGRAM

Contract: AID-306-TO-13-00002 (IMPLEMENTER: Perini Management Services, Inc.)

TEC: \$129,963,114.00

Amount Disbursed: \$12,419,093

Estimated Completion Date: December 19, 2017

Date Agreed to No-Cost Settlement: December 18, 2013

DOCUMENT	IN FILE
Action Memo from Mission Director	Yes
Agreement to No-cost Settlement	Yes
SF-30 or Settlement Agreement	In-progress
Negotiation Memo	In-progress

Purpose of the Project: To strengthening Afghan government and community-level capacity to better manage water resources to improve agricultural production and productivity in Afghanistan.

Reasons for Terminating:

- **USAID, recognizing performance problems and programmatic difficulties, determined that continuing the program was not the best use of taxpayer dollars.**
- During implementation of the program, USAID observed lagging performance in a number of areas. For instance, the contractor had difficulties fielding key personnel and failed to timely submit key planning documents such as the activity Work Plan and Performance Management Plan. USAID was also dissatisfied with the quality of technical assessments prepared by the Contractor. However, some of the underlying reasons for the poor performance were outside of the control of the implementer. Most of the work under IWMP was devoted to technical assistance to the Ministry of Agriculture, Irrigation, and Livestock (MAIL) and majority of interventions were to be implemented by the MAIL through the on-budget component. MAIL's lack of capacity had a detrimental effect on implementation of these interventions.

Benefits of Termination/No-Cost Settlement:

- **USAID saved taxpayer funds by not continuing the program and avoiding lengthy and costly litigation.** USAID was able to avoid a lengthy settlement process by agreeing to a no-cost settlement, instead of terminating the contract, thereby saving potentially millions of taxpayer dollars.

Results Achieved During Performance:

- **As part of the capacity development work, IWMP completed a Gender Implementation Plan.** The assessment was a quality product and will be instrumental in USAID's future work as gender is one of the most important cross-cutting themes.
- **A MAIL/DAIL Staffing Assessment was produced** that describes the staffing pattern of the MAIL irrigation department and the MAIL natural resource management department. This will be useful for capacity building components for future projects.

ENCLOSURE II: SIGAR-14-44-SP INQUIRY LETTER: CANCELED USAID CONTRACTS, DATED MARCH 25, 2014



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

March 25, 2014

Mr. William Hammink
USAID Mission Director for Afghanistan

Dear Mr. Hammink,

I am writing to follow up on my inquiry of November 15, 2013, requesting a list of the terminated contracts and projects that you noted in your November 3, 2013, letter to the editor of the *Los Angeles Times*.¹ I am pleased that the U.S. Agency for International Development (USAID) Mission agrees that development and reconstruction efforts require "rigorous oversight" and, where the agency has identified instances of waste and project mismanagement, USAID has terminated "contracts and projects". What concerns me is what value the government has received from these terminated contracts relative to the amount of money spent on these contracts.

On December 15, 2013, the Acting Mission Director responded to my request and provided a spreadsheet listing 17 "projects and programs" that have been terminated or canceled by USAID since 2008. (See attached). Subsequently, representatives of my office met with USAID personnel in Washington, DC, and held a teleconference with USAID Mission personnel in Afghanistan to obtain further clarification of that information. While providing valuable insight, those explanations and discussions raised additional questions concerning the circumstances under which particular projects and programs were terminated. Therefore, I request that you provide answers to the attached list of questions concerning the 17 terminated projects and programs identified by USAID.

In addition to the attached list of questions, I would appreciate your response to two general questions related to the 17 projects and programs your office identified. First, it appears that USAID terminated multiple programs after all, or nearly all, the funds had been disbursed – over \$212 million for all 17 projects – and significant time invested. In some cases this allowed the contract to continue almost to the end of the period of performance. Why did USAID not take action earlier to terminate or cancel these contracts? Second, it also appears that multiple USAID programs were terminated or canceled due to either the contractor "no longer meeting the needs" of the partner entity or the lack of cooperation from the partner entity. This raises the second general question: To what extent is such lack of cooperation curtailing USAID reconstruction efforts in Afghanistan?

¹ <http://articles.latimes.com/2013/nov/03/opinion/la-le-11.03-sunday-usaid-afghanistan-20131103>

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Your written answers to the two general questions posed in this letter as well as the attached questions will assist my office in understanding how USAID uses program cancelations and terminations to prevent waste, fraud and abuse. I am submitting this request pursuant to my authority under Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Please provide the requested information within 14 days of the date of this letter to Jack Mitchell, Director of the Office of Special Projects, at john.h.mitchell161.civ@mail.mil or (703) 545-5964. Please do not hesitate to contact him if you have any questions.

Sincerely,



John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Enclosures:

1. Attachment I: Questions Regarding USAID Canceled Contracts
2. Attachment II: USAID Response, dated December 15, 2013

ATTACHMENT I: QUESTIONS REGARDING USAID CANCELED CONTRACTS

1. For each of the canceled 17 projects or programs, provide current information on the following:
 - Dollar value of each related implementing prime contract, grant and cooperative agreement;
 - Total obligated amount of each implementing prime contract, grant and cooperative agreement the contract;
 - Total amount spent on each implementing prime contract, grant and cooperative agreement;
 - Estimated cost to complete the terms of each terminated contract, grant and cooperative agreement as of the date of termination;
 - Highest total estimated cost during the life of the project or program;
 - Type of each implementing award, including whether it is a contract (firm-fixed-priced, cost-plus-fixed-fee, etc.) grant or cooperative agreement;
 - List of original implementing award (i.e., prime contract, grant or cooperative agreement) deliverables and documentation of any modifications made over the life of the award, including any outstanding or remaining work to be done at the time of termination/cancellation;
 - Approved decision memorandum documenting the termination/cancellation;
 - Final implementing award modification/amendment;
 - Status of award close out and any outstanding obligations such as additional disbursements (actual or estimated amount) due the implementer (i.e., contractor, grantee or recipient of a cooperative agreement);
 - Was there termination liability on behalf of the government and, if so, how much;
 - Value to Afghanistan reconstruction achieved before termination/cancellation (i.e. training provided, capacity increased, construction completed), and;
 - Termination clause contained in the award.
2. According to the spreadsheet, the last terminated project/program ended on October 30, 2013. Have additional awards been terminated/canceled since that date? If so, provide the award number, date of award, name of implementing partner, the total obligated and disbursed amounts, and a brief explanation for the termination/cancellation.
3. Based on the information provided by USAID, 3 of the 17 projects (#306-C-00-11-00517-00, #306-C-00-11-00517-00, #AID-306-C-12-00005) were canceled due to bid protests. Does USAID consider 3 bid protests out of 17 terminated awards to be the norm or unusually high for a similar period of time? Please explain. Also, were subsequent actions taken by USAID to solicit contracts for the same requirements contained in the canceled projects? If so, provide the award number, date of award, name of implementing partner, and total amount obligated and disbursed.
4. Please explain under what circumstances USAID would terminate an award for convenience after the full, or nearly full, value of the award had been paid. Please explain why some awards were terminated after a relatively short time span while others were terminated near the end of the performance period. Please include in your response answers to the following questions:
 - **Award No. 306-A-00-07-00504:** At the time of termination, roughly \$1.4 million had been expended over approximately 3.5 years. Explain which activities were folded into other projects, the names of those projects, and associated award numbers.

- Award No. 306-P-00-08-00520: At the time of termination, roughly \$8.5 million had been expended on the project over the course of 4.5 years of work. Explain why the services to design and construct 16 facilities of higher education were no longer needed. Provide a detailed description of the sixteen facilities including the function they were to serve, their location, and the extent to which any of the buildings were completed and are in use.
 - Award No. 306-C-00-09-00505-00: Roughly \$1.4 million had been disbursed during the first 8 months of a 19-month project, yet the contract was terminated because, "its completion was not going to be possible within the period of performance." Provide the percentage of completion of the dormitories at the time of termination. Was work on the dormitories abandoned or was Kabul University able to use whatever progress had been made on the project for an alternative purpose? Please provide supporting documentation.
 - Award No. DFD-I-00-05-00225: Considering that \$69 million had been spent and roughly 3.5 years invested in this project before termination, were the contractor's shortcomings correctable in the final seven months of the project?
- 5 For 4 of 17 projects, the rationale for termination/cancelation was either that the implementer was not meeting the needs of an international partner (one project) or that there was lack of cooperation from the Afghan institutions (three projects). How does the lack of cooperation from Afghan institutions in Afghanistan compare to other countries in which USAID is operating? To what degree is the lack of cooperation impeding USAID reconstruction and development efforts in Afghanistan? Please respond to the questions below.
- Award No. DFD-I-00-05-00225: What needs of the Independent Election Commission (IEC) were not being met by the contractor, International Foundation for Electoral Systems (IFES)? What efforts were made to rectify the shortcomings during the life of the contract?
 - Award No. AID-306-BC-13-00005: No funds were expended during the six months this project was active. What actions were taken by USAID and its contractor to facilitate cooperation with the Afghan Supreme Court? Describe what other USAID projects or programs involve the Supreme Court and whether they are in jeopardy of being terminated/canceled?
 - Award No. 306-0-00-00533-00: According to information furnished by USAID, the United Nations Office for Projects failed to cooperate with the contractor hired by USAID to conduct an audit. What actions were taken to resolve the impasse? How was the issue of the audit resolved? Was it ever conducted? What was the total value of the Kabul School Construction project that was the focus of the audit?
 - Award No. AID-306-BC-13-00009: What actions were taken by USAID and its contractor to facilitate cooperation with the Ministry of Counter Narcotics? What other USAID programs the concern Ministry of Counter Narcotics and are any of those contracts in jeopardy of being terminated/canceled?
- 6 Award No. 306-A-00-06-00506-00: After the Academy for Educational Development was suspended, did USAID conduct a cost incurred audit to determine the final disbursement and whether there were any questionable costs? If so, provide supporting documentation. Were the activities being carried out under this contract re-solicited? If so, provide the contract number, award date, and the name of the contractor. After AED was suspended, were audits conducted on all USAID-funded AED projects in Afghanistan?
- 7 Award No. DFD-I-00-05-00248: Provide a copy of the final USAID Office of Inspector General Investigation Report to include the end result and recommendations.
- 8 Award No. 306-II-10-04-01: The funds in this program were on-budget funds. Is there a lessons learned document or post cancellation review that was produced relating to USAID's experience

with this program? What did the November 30, 2012, audit conclude about the \$2,286,979.20 already spent? Prior to signing an Implementation Letter, a number of assessments should be conducted (including a Public Financial Management Risk Assessment)²—what determinations did the Mission make regarding the strengths of the Independent Directorate for Local Governance's internal controls and ability to disburse funds?

9. For each of the following, provide further explanation for the termination/cancellation.
 - **Award No. AID-306-TO-12-00012**: Provide the initial request for proposal or requirement at the time of award. What factors led to the broadening of the program strategy and why were these factors not identified at the time of the award?
 - **Award No. 306-C-00-11-00526**: Explain the delays in mobilization (outside of the contractor's control) that caused this project to be canceled.
 - **Award No. 306-I-15-06-00517-00**: Explain further the reason for the customs delays and visa problems. Were viable alternatives/workarounds such as the use of other personnel to perform the work identified as a means to mitigate the schedule delays and allow the program to proceed? If so, provide supporting documentation.
 - **Award No. AID-O-00-08-00522-00**: Provide specificity as to why "the contractor could not proceed with the assigned audit."
10. Has USAID canceled or terminated any additional projects or programs, other than the 17 referenced above, since 2008? Did USAID cancel or terminate a contract, cooperative agreement, or grant dealing with road construction that involved International Relief and Development? If so, please provide the same information for each project or program as requested in question number one.

² USAID, *Automated Directives System (ADS) 220: Use of Reliable Partner Country Systems for Direct Management and Implementation of Assistance*, updated March 2012.

ATTACHMENT II: USAID RESPONSE, DATED DECEMBER 15, 2013



December 15, 2013

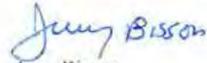
Mr. John F. Sopko
Inspector General
Special Inspector General for
Afghanistan Reconstruction

Dear Mr. Sopko:

In response to your letter dated, November 15, 2013, USAID offers you the requested list of projects and programs terminated by the USAID Mission in Afghanistan since 2008.

USAID appreciates the role that the Special Inspector General for Afghanistan Reconstruction plays in helping USAID respond to the unique challenges in Afghanistan and values our ongoing collaboration.

Sincerely,


Jerry Bisson
Acting Mission Director

U.S. Agency for International Development
Great Mazaroud Road
Kabul, Afghanistan
Tel: 202-216-6238 / 0700-106-001
Email: info@afghanistan.usaid.gov
<http://afghanistan.usaid.gov>

SIGAR INQUIRY

List of Projects and Programs Terminated/Canceled by USAID Mission in Afghanistan since 2009

#	Fiscal Year	Award No.	Project Title	Name of Implementing Partner	Fiscal Year Estimate Cost of Implementation	Total Amount Disbursed	Award Date	End Date	Termination Date	Brief Project/Program Description	Brief Explanation for Cancellation/Withdrawal
1	DOCS	284-01-07-02584	Integrated Management/Rehabilitation Project	Carroll-Rohr-Servicos	1,444,348.00 \$	1,444,348.00 \$	16/06/07	06/30/11	03/31/10	The main objective of the project is to improve water supply to homes, commercial and industrial buildings and to improve the health of the population through water supply and flood prevention activities.	USOAG/Agreement terminated for project for non-compliance at the percentage and funds for budget for the project.
2	DOCS	284-01-11-0111103	The purpose of the project is to provide Afghan with the necessary skills to be able to create a new business. The project was designed to help create a new business. The project was designed to help create a new business. The project was designed to help create a new business.	Modis/Procon	18,394,927.31 \$	3,346,447.17 \$	27/03/11	27/03/11	19/09/11	The purpose of the project is to provide Afghan with the necessary skills to be able to create a new business. The project was designed to help create a new business. The project was designed to help create a new business.	USOAG/Agreement terminated for award for non-compliance for the project.
3	DOCS	2011-01-01-02220	To provide technical assistance to the Ministry of Agriculture, Irrigation and Livestock (MAIL) and the Ministry of Education, Science, Culture and Higher Education (MESC) in the design and implementation of the National Agricultural Extension Commission (NAEC).		19,340,142.00 \$	18,271,338.89 \$	01/05/09	01/05/11	11/01/12	The purpose of the contract is to support technical assistance to the Ministry of Agriculture, Irrigation and Livestock (MAIL) and the Ministry of Education, Science, Culture and Higher Education (MESC) in the design and implementation of the National Agricultural Extension Commission (NAEC).	NAEC cancelled the IFES/DOA including that the IFES project was no longer needed for the needs of the NAEC. A termination for convenience was issued.
4	DOCS	143-018-TG-14-01010	To support the development of the Afghan Investment Promotion Act (AIPA).	DAI	7,716,100.00 \$	7,134,176.00 \$	16/08/11	02/02/13	18/09/12	The purpose of the AIPA program is to provide technical assistance to support the development of the Afghan Investment Promotion Act (AIPA).	USOAG/Agreement terminated for project for non-compliance of the Department for the needs of the AIPA. A termination for convenience was issued.
5	DOCS	181-01-01-04020/02	To provide the capacity of Afghanistan's justice system to be able to prosecute, monitor, and enforce the rule of law in the justice system.	Chronic Consulting	5,187,966.00 \$	642,137.12 \$	17/08/10	12/07/09	10/07/10	The purpose of the AIPA program is to provide technical assistance to support the development of the Afghan Investment Promotion Act (AIPA).	The contract was terminated for non-compliance for the project.
6	DOCS	181-01-01-04020/03	Change and modernization of water resources of Helmand Province.	URS, Army Corps of Engineers	8,579,948.77 \$	8,171,868.00 \$	07/20/09	09/30/11	01/01/10	The purpose of the AIPA program is to provide technical assistance to support the development of the Afghan Investment Promotion Act (AIPA).	USOAG/Agreement terminated for project for non-compliance of the Department for the needs of the AIPA. A termination for convenience was issued.
7	DOCS	181-01-01-04020/04	Water Community Water Laboratory	Leadwater Engineering Services	1,262,228.00 \$	1,334,461.00 \$	12/10/08	03/30/10	02/01/09	The purpose of the AIPA program is to provide technical assistance to support the development of the Afghan Investment Promotion Act (AIPA).	USOAG/Agreement terminated for project for non-compliance of the Department for the needs of the AIPA. A termination for convenience was issued.
8	DOCS	181-01-01-04020/05	Construction of Services in Afghanistan	Merrillville Corp LLC (MCS)	8,489,100.00 \$	8,169,100.00 \$	01/01/11	10/31/07	04/01/12	The purpose of the AIPA program is to provide technical assistance to support the development of the Afghan Investment Promotion Act (AIPA).	USOAG/Agreement terminated for project for non-compliance of the Department for the needs of the AIPA. A termination for convenience was issued.

SIGAR INQUIRY

List of Projects and Programs Terminated/Canceled by USAID Mission in Afghanistan since 2009											
#	Project Office	Award No.	Project Title	Name of Implementing Partner	Final Audit Schedule / Cost of Implementation	Total Amount Obligated	Award Date	End Date	Termination Date	Brief Project/Program Description	Brief Explanation for Cancellation/Withdrawal
8	DFW Energy	288-15-00107-08	288 Energy Gas Field	USDPART and various	1 91,997,538.00 \$	9,199,753.00	2/20/08	8/1/2008	6/30/09	The purpose of this contract is to assess the quality and quantity of gas reserves in the Gas Field area and to develop a conceptual design for a 100 MW gas-fired power plant to be constructed in the Gas Field area.	USDPART terminated the contract because the contractor failed to submit a complete proposal for the Gas Field area and they have which significantly impacted the schedule.
9	DFW	40-338-00-10-0086	Provincial Assessment of Business Development	17 MAC Afghanistan (Julius)	1 14,718.00	31,049,605.13	11/30/09	11/30/09	10/29/10	Public Financial Management (PFM) Assessment of the Province of Kabul, Afghanistan.	The contract was terminated for convenience because the Province of Kabul is not a province in Afghanistan.
10	DFW	288-08-11-00332-02	Financial Audit of ACPDP	Sevelar, W and Co.	1 20,100.00	5,468.89	9/10/09	9/10/09	5/1/2010	Audit of Cash received by MAFDP under the Social Communication Program.	The contract was terminated for convenience because the contractor failed to submit a complete proposal for the Social Communication Program.
11	DFW	40-338-00-10-0086	Provincial Assessment of Ministry of Education (MOE)	17 MAC Afghanistan (Julius)	1 48,184.28	83,900,982.13	7/29/09	7/29/09	10/29/09	Public Financial Management (PFM) Assessment of the Ministry of Education (MOE) of the Government of Helmand Province, Afghanistan.	The contract was terminated for convenience because the contractor failed to submit a complete proposal for the PFM Assessment of the Ministry of Education (MOE) of the Government of Helmand Province, Afghanistan.
12	DFW	188-4-02-08-0086-09	Higher Education Program	AED	1 86,747,085.31	44,171,876.51	1/22/08	7/1/2011	1/8/2010	The purpose of this award is to support the implementation of the Higher Education Program in Afghanistan.	Based on the Security Management Plan (SMP) for the USG/OIG Contract No. 17892010, AED was required to provide security services for personnel and equipment in Afghanistan. AED was unable to provide the required security services and was terminated for convenience. AED was subsequently re-awarded the contract by the Government of Afghanistan.
13	DFW	288-08-11-00332-02	USAID Counterterrorism Development (CTD)	PHD	1 29,877,247.26	2,811,241.95	1/28/09	9/29/09	9/22/09	The purpose of this contract is to provide 14,873 hours of counterterrorism training to Afghan police and military personnel and to conduct the USG/OIG program in the Helmand and Waziristan regions of Afghanistan.	Contract terminated for convenience as a result of CTD's withdrawal from the program.
14	DFW	40-338-00-10-0086	USAID Counterterrorism Development (CTD)	PHD	1 29,877,247.26	2,811,241.95	1/28/09	9/29/09	9/22/09	The purpose of this contract is to provide 14,873 hours of counterterrorism training to Afghan police and military personnel and to conduct the USG/OIG program in the Helmand and Waziristan regions of Afghanistan.	Contract terminated for convenience as a result of CTD's withdrawal from the program.
15	DFW	40-338-00-10-0086	USAID Counterterrorism Development (CTD)	PHD	1 29,877,247.26	2,811,241.95	1/28/09	9/29/09	9/22/09	The purpose of this contract is to provide 14,873 hours of counterterrorism training to Afghan police and military personnel and to conduct the USG/OIG program in the Helmand and Waziristan regions of Afghanistan.	Contract terminated for convenience as a result of CTD's withdrawal from the program.
16	DFW	288-08-11-00332-02	Financial Audit	Provincial Audit System	1 5,442.89	1,468.89	9/10/09	9/10/09	5/1/2010	Financial Audit of the Province of Kabul, Afghanistan.	USG/OIG terminated the contract for convenience because the contractor failed to submit a complete proposal for the Financial Audit of the Province of Kabul, Afghanistan.
17	DFW	188-4-02-08-0086-09	Higher Education Program	AED	1 86,747,085.31	44,171,876.51	1/22/08	7/1/2011	1/8/2010	The purpose of this award is to support the implementation of the Higher Education Program in Afghanistan.	Based on the Security Management Plan (SMP) for the USG/OIG Contract No. 17892010, AED was required to provide security services for personnel and equipment in Afghanistan. AED was unable to provide the required security services and was terminated for convenience. AED was subsequently re-awarded the contract by the Government of Afghanistan.
TOTAL TERMINATED PROJECTS					\$	272,246,882.01	\$	272,246,882.01			



USAID | AFGHANISTAN
FROM THE AMERICAN PEOPLE

December 15, 2013

Mr. John F. Sopko
Inspector General
Special Inspector General for
Afghanistan Reconstruction

Dear Mr. Sopko:

In response to your letter dated, November 15, 2013, USAID offers you the requested list of projects and programs terminated by the USAID Mission in Afghanistan since 2008.

USAID appreciates the role that the Special Inspector General for Afghanistan Reconstruction plays in helping USAID respond to the unique challenges in Afghanistan and values our ongoing collaboration.

Sincerely,

Jerry Bisson
Acting Mission Director

U.S. Agency for International Development
Great Massoud Road
Kabul, Afghanistan

Tel: 202-216-6288 / 0700-108-001
Email: kabulusaidinformation@usaid.gov
<http://afghanistan.usaid.gov>

SIGAR INQUIRY

List of Projects and Programs Terminated/Cancelled by USAID Mission in Afghanistan since 2008

#	Technical Office	Award No.	Project Title	Name of Implementing Partner	Final Total Estimated Cost at Termination	Total Amount Disbursed	Award Date	End Date	Termination Date	Brief Project/Program Description	Brief Explanation for Cancellation/Termination
1	OAG	306-A-00-07-00504	Village-Based Watershed Restoration in Ghor	Catholic Relief Services	\$ 5,985,398.00	\$ 1,440,606.00	1/6/2007	6/30/2011	6/23/2010	The main objective of the project was to improve water security for home consumption and for irrigation by rehabilitating watersheds located within the targeted villages and through water conservation.	USAID/Afghanistan terminated the project for the convenience of the Government and folded the activities into other projects.
2	ODG	306-C-00-11-00517-00	The purpose of the procurement was to provide Afghans with improved access to information and to empower local media.	Mobile Khabar	\$ 16,380,627.37	\$ 1,990,487.17	2/23/2011	2/23/2012	10/15/2011	The purpose of this program was to provide Afghans with improved access to information and to empower local media. The program was designed to help create a news service for collecting all available news and information content, made available to Afghans via their mobile phones. The system was named "Mobile Khabar" which means "Mobile News" in both Dari and Pashtu.	USAID/Afghanistan terminated the award for convenience following a bid protest.
3	ODG	DFD-I-00-05-00225	To perform critical post 2010 election capacity development activities that will prepare the IEC to take on greater levels of responsibility for future election events. STEP Project.	IFES	\$ 79,340,182.00	\$ 69,201,896.88	6/15/2008	8/31/2012	1/18/2012	The purpose of the contract was to support increased electoral capacity and improved electoral administration in Afghanistan through the provision of technical and logistical assistance to the Afghan Independent Election Commission (IEC).	IEC contacted the IFES COR indicating that the IFES project was no longer meeting the needs of the IEC. a termination for convenience was issued.
4	ODG	AID-309-TO-12-00012	To support the development of the Afghan Parliament. APAP-II	DAI	\$ 73,016.00	\$ 71,553.76	8/11/2012	8/31/2015	12/6/2012	The purpose of the APAP Program was to purchase services in support of the Embassy's new Parliamentary Engagement Plan, including the review of Ministerial and Supreme Court appointments, and consideration of critical legislation, i.e., a proposed audit bill, elections reform, a human rights bill, and possible mining legislation.	USAID/Afghanistan terminated the contract for the convenience of the Government because the assistance strategy was broadened, which necessitated a significant change in the requirements.
5	ODG	306-C-00-10-00506-00	To develop the capacity of Afghanistan's justice system to be accessible, reliable, and fair. Rule of Law Stabilization (RLS) Program	Checchi Consulting Inc.	\$ 5,001,000.00	\$ 593,527.72	1/1/2010	12/31/2012	1/26/2010	The purpose of the Rule of Law Stabilization (RLS) program was to develop the capacity of Afghanistan's justice system to be accessible, reliable, and fair.	The referenced contract was terminated for convenience following a bid protest.
6	OEGR/RVS	306-P-00-08-00520	Design and construction of sixteen faculties of Higher Education	U.S. Army Corps of Engineers	\$ 8,529,098.77	\$ 8,518,988.95	8/27/2008	9/30/2013	1/15/2013	The purpose of this IAA was to construct additional classrooms, laboratories, library space, and refurbish existing facilities.	USAID/Afghanistan terminated the Interagency Agreement for the convenience of the Government because the services were no longer required.
7	OEGR/RVS	309-C-00-09-00505-00	Kabul University Men's Dormitory	Lakeshore Engineering Services	\$ 1,502,629.00	\$ 1,306,881.07	12/1/2008	5/31/2010	7/2/2009	Men's Dormitory Renovation Design and Construction of Common Dining Facility	USAID/Afghanistan terminated the contract for the convenience of the Government because its completion was not going to be possible within the period of performance.
8	OEGR/RVS	306-C-00-11-00528	Commercial Air Services in Afghanistan	Mesopotamia Group LLC (MG) Services	\$ 8,499,000.00	\$ 30,000	9/21/2011	10/21/2012	9/14/2012	The purpose of this contract was to provide air support services in order to re-supply projects that were inaccessible by road, and to conduct monitoring and transport or medical evacuation of personnel.	USAID/Afghanistan terminated the contract for convenience due to delays in mobilization which were outside of contractor's control.

List of Projects and Programs Terminated/Canceled by USAID Mission in Afghanistan since 2008

#	Technical Office	Award No.	Project Title	Name of Implementing Partner	Final Total Estimated Cost at Termination	Total Amount Disbursed	Award Date	End Date	Termination Date	Brief Project/Program Description	Brief Explanation for Cancellation/ Termination
9	DESI/ENR/	308-L-06-00517-00	Shahraghan Gas Field	LBQBBAK and Veidish	\$ 11,897,839.00	\$ 8,865,722.13	2/6/2008	9/31/2009	9/1/2009	The purpose of this contract is to assess the quantity and quality of gas available from the Shahraghan Gas Field, by opening and testing three of seven existing but blocked wells, and to prepare a conceptual design for a 100 MW gas-fired power plant to provide electricity for the Vahmi East Power System.	USAID/Afghanistan believed it was not in the Government's best interest to continue performance because throughout the life of the contract there were constant constraints imposed by systems delay, and entry visas which significantly impacted the schedule.
10	CFM	MD-308-BCC-13-00005	Pre-Award Assessment of Supreme Court	KPMG Afghanistan Limited	\$ 16,700.00	\$ 0	11/20/2013	11/20/2013	10/1/2013	Public Financial Management Risk Assessment of the Supreme Court of the Islamic Republic of Afghanistan.	This contract was terminated for convenience because the Supreme Court of Afghanistan failed to cooperate with the contractor.
11	CFM	308-O-00-11-00533-90	Financial Audit of SSCP	Zasham Al and Co.	\$ 23,850.00	\$ 5,406.00	9/27/2011	5/17/2012	5/17/2012	Audit of Coef (Invered by UNICOPS under Kabul School Construction Program.	This contract was terminated for convenience because the United Nations Office for Project Services (UNOPS) failed to cooperate with the contractor.
12	CFM	MD-308-SBC-13-00009	Pre-Award Assessment of Ministry of Counter Narcotics	KPMG Afghanistan Limited	\$ 42,184.38	\$ 0	7/29/2013	7/29/2013	10/9/2013	Public Financial Management Risk Assessment of the Ministry of Counter Narcotics (MNC) of the Government of Islamic Republic of Afghanistan.	This contract was terminated for convenience because the Ministry of Counter Narcotics failed to cooperate with the contractor.
13	OSSD	308-A-00-06-00606-00	Higher Education Program	AED	\$ 46,741,095.51	\$ 48,741,095.51	1/23/2006	1/31/2011	1/28/2010	The purpose of this award was to support the recipient's program to implement the Higher Education Program in Afghanistan.	Based on the Executive Message issued via the USAID General Notice on 12/09/2010, AED was suspended from receiving new awards (procurement or non-procurement, acquisition and assistance). Therefore, USAID Afghanistan suspended the Cooperative Agreement with AED and ultimately terminated for convenience, following subsequent instructions by the Procurement Executive.
14	STWBU	DFD-I-00-05-00238	Local Governance Community Development (LGD)	ARD	\$ 55,981,241.59	\$ 55,981,241.59	10/9/2006	9/29/2010	9/22/2008	The purpose of this contract was to provide 26,833 persons (plus of federal assistance services, sub grants, commodities, and infrastructure for the LGD program in the Northern and Western region of Afghanistan.	Contract terminated for convenience as a result of OIG investigation outcome.
15	STWBU	MD-308-C-13-00005	SIKA - South	AECOM	\$ 59,794,676.00	\$ 15,880,015.97	4/10/2012	4/9/2015	5/15/2013	The Proposed Stabilization in Key Areas (SIKA) - South Program's purpose was to purchase services in support of U.S. Government policy to promote stabilization on the ground in Afghanistan and an USDAO's primary response to the need for a counterterrorism strategy.	USAID/Afghanistan terminated the contract for convenience following a bid protest and procurement corrective action.
16	OPPD	308-O-00-06-00522-90	Financial Audit	Yousaf Adil Saieem	\$ 5,440.00	\$ 5,440.00	5/27/2008	9/29/2008	9/27/2008	Services for the financial audit of USAID Resources Program (FRS) in Afghanistan.	USAID/Afghanistan terminated this contract for convenience because the contractor could not proceed with assigned audit.
17	On-Budget	308-L-10-004-01	District Delivery Program (DDP)	Independent Directorate for Local Governance (IDLG)	\$ 24,500,000.00	\$ 2,298,679.20	8/16/2010 -	3/19/2012	3/19/2012	Activities suspended: 19 March 2010/Program review April 2010/Financial Audit 30 Nov 2012	Ministry of Finance/IDLG could not demonstrate sufficient capacity to properly re-allocate funds to substantial governance agencies outside of Kabul. This program will be canceled.
TOTAL TERMINATED PROJECTS					\$ 321,394,483.38	\$ 212,385,849.32					

ENCLOSURE IV: INITIAL INQUIRY LETTER TO USAID REGARDING CANCELED CONTRACTS, DATED NOVEMBER 15, 2013



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

John F. Sopko
Special Inspector General

November 15, 2013

Mr. William Hammink
USAID Mission Director for Afghanistan

Dear Mr. Hammink:

I am writing to commend your recent statement in the Los Angeles Times regarding your mission's commitment to rigorous oversight and to request a list of the terminated contracts and projects mentioned in your letter to the editor.

Given the challenging work environment in Afghanistan, every U.S. government employee must remain committed to aggressive oversight to protect the nearly \$100 billion U.S. investment in building the Afghan security forces, fostering Afghanistan's democracy, and encouraging economic development. I hope your public statements in the Los Angeles Times committing the U.S. Agency for International Development (USAID) Mission in Afghanistan to rigorous oversight of these funds helps guide not only your staff, but also other U.S. government employees in Afghanistan.

I was also particularly heartened to hear that your mission is aggressively protecting the U.S. taxpayer by terminating contracts and projects that presumably are not performing as originally intended. As you know, earlier this year SIGAR asked the USAID Administrator for information about the more and less successful reconstruction projects and programs in Afghanistan.¹ SIGAR sent these two letters because we wanted to learn from USAID what has and has not worked in the reconstruction effort. Given the many challenges in Afghanistan, including violence, illiteracy, and corruption, some programs and projects will work better than others despite the best efforts of hard-working and committed U.S. government employees. The true challenge is learning from what went wrong and making sure we do not repeat the same mistakes.

Knowing the specific contracts, grants, and cooperative agreements you referred to in your letter to the editor can help SIGAR and others formulate important lessons learned for future projects in Afghanistan, and it could greatly assist SIGAR's effort to conduct targeted criminal investigations and financial audits. Therefore, I am formally requesting that you provide a list of all the projects and programs terminated by the USAID Mission in Afghanistan since 2008. Please include the implementing partners' names, award amounts, total payments made, award dates, termination dates, brief project or program descriptions, and brief explanations for why they were terminated.

I am submitting this request pursuant to my authority under Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Please direct your staff to provide this information within 30 days of this letter to my Acting Director of Special Projects, Mr. Jerry W.

¹ SIGAR letters to Rajiv Shah, USAID Administrator, March 25, 2013 and July 5, 2013.

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Clark, at 703-545-5965 or at jerry.w.clark50.civ@mail.mil. Please do not hesitate to contact him if you have any questions.

Thank you for your prompt attention to this matter. I look forward to your response and continuing to work with you in support of our nation's critical mission in Afghanistan.

Sincerely,

A handwritten signature in black ink, appearing to read 'John F. Sopko', written in a cursive style.

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

ENCLOSURE V: USAID MISSION DIRECTOR OPEN LETTER TO THE LOS ANGELES TIMES, DATED NOVEMBER 3, 2013

Letters: USAID in Afghanistan¹¹

November 03, 2013

Los Angeles Times

Re "Afghan projects may lose oversight," Oct. 30

The article overlooks Afghanistan's development progress as it breezes over USAID's rigorous oversight of our projects worldwide.

In the last 10 years, Afghans have seen a 20-year increase in life expectancy and a 62% decrease in child mortality. A decade ago, female education was banned in Afghanistan. Now, almost 3 million girls attend school.

Americans can be proud of their contribution to those achievements.

Furthermore, allegations of widespread waste and mismanagement are unfounded. Where USAID has identified instances of waste and project mismanagement in Afghanistan, we have terminated contracts and projects.

Our multi-tiered approach to monitoring development projects ensures that our rigorous oversight standards will continue to be upheld in the future.

William Hammink
Kabul, Afghanistan

The writer is USAID's mission director in Afghanistan.

¹¹ <http://articles.latimes.com/2013/nov/03/opinion/la-le-1103-sunday-usaid-afghanistan-20131103>