

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

OFFICE OF SPECIAL PROJECTS

STATE DEPARTMENT'S GOOD
PERFORMERS INITIATIVE: STATUS OF
SIX COMPLETED PROJECTS IN
TAKHAR PROVINCE



OCTOBER 2018

SIGAR 19-02-SP



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

October 17, 2018

The Honorable Kirsten D. Madison
Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs

The Honorable John R. Bass
United States Ambassador, U.S. Embassy, Kabul, Afghanistan

I am writing to inform you of the results of site visits conducted by SIGAR at six Good Performers Initiative (GPI) infrastructure projects in Takhar province, Afghanistan, which were funded by the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL). GPI provided direct assistance to the Afghan Ministry of Counter Narcotics and off-budget funding to incentivize provincial governors' counter narcotics activities. The GPI program was intended to offer Afghan provincial governors a tangible way of demonstrating to their constituents the benefits of reducing poppy cultivation.

The six projects examined in this report were completed at a cost of about \$2.7 million. We conducted the site visits as part of our ongoing effort to verify the location and operating conditions of facilities built, refurbished, or funded by the United States as part of the reconstruction effort in Afghanistan. We found that INL's reported geospatial coordinates for the six projects were each within one kilometer from the actual project location. Additionally, we found that the two hostel building projects had missing and broken furniture, a general lack of facility maintenance and sanitation, and nonoperational dining facilities. Our site visits to the four other projects determined that, despite problems, such as a lack of clean water or well-maintained toilets, each was functioning and fulfilling its intended purpose.

We provided a draft of this report to INL for comment on September 24, 2018. INL provided comments on October 11, 2018. INL stated it respects SIGAR's role in safeguarding U.S. taxpayer investments. However, INL noted, for the record, that furniture and a kitchen, at one location, were not part of the project contracts for any of the facilities. While we recognize that maintenance and the provision of furniture were not part of the project contracts for these facilities, these factors are relevant to evaluating the extent to which the facilities are being maintained and used as intended. In addition, our review of the relevant contract documents shows that construction of a kitchen was required for the hostel. INL's comments are reproduced in appendix I. INL also provided technical comments, which were incorporated, as appropriate.

We conducted our work in Washington, DC, Virginia; and in Takhar and Kabul, Afghanistan, from October 2017 to October 2018, under the authority of Public Law 110-181, as amended, and the Inspector General Act of 1978, as amended; and in accordance with the Council of Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Inspection and Evaluation. Should you or your staff have any questions about this project, please contact Ms. Nomi Taslitt, Acting Director of Special Projects, at (703) 545-6062 or nomi.r.taslitt.civ@mail.mil.

Sincerely,

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

BACKGROUND

In 2007, the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) initiated the Good Performers Initiative (GPI) program in Afghanistan. The program provided direct assistance to the Afghan Ministry of Counter Narcotics and off-budget funding to incentivize provincial governors' counter narcotics activities.¹ The GPI program was intended to offer Afghan provincial governors a tangible way of demonstrating to their constituents the benefits of reducing poppy cultivation.

Despite this laudable goal, no new GPI projects have been approved since April 30, 2016, and INL decided to end the program, due to the Afghan government's inability to implement the program efficiently and effectively.² Despite cancellation of the program, understanding the current condition of completed GPI projects may be instructive for any similar future programs. For example, INL is providing funding to the United Nations Office on Drugs and Crime (UNODC) for an alternative development project called Boost Alternative Development Intervention through Licit Livelihoods. INL expects this program to follow through on its commitments to those provinces most affected by the GPI cancellation.

As of May 31, 2018, INL had contracted for 290 GPI projects in Afghanistan, with a total value of \$126.4 million.³ This review focused on six GPI infrastructure projects completed in Takhar province between 2011 and 2014 at a cost of about \$2.7 million.⁴ Prior to September 2010, INL directly engaged contractors to complete projects in Takhar province using off-budget procurement.⁵ For projects initiated after September 2010, in Takhar province, INL used a cost-reimbursement method to disburse its direct assistance funds for GPI, which required both the ministry and INL to review and approve invoices and supporting documentation prior to funds disbursement.⁶

To carry out our work, we reviewed relevant documentation, such as GPI project data sheets, GPI-INL monthly project progress reports for Takhar province, and construction contracts between the Ministry of Counter Narcotics and Afghan construction companies. We also conducted site visits at each of the six project locations. At each site visit, we took time, date, and location-stamped photographs. Wherever appropriate, we also completed the following activities during the course of site visits:

- an overall assessment of each project (outside and inside) to record, among other information, the geospatial coordinates of the project, whether the project appeared to be open and operational, and whether the project had access to electricity and water;

¹ Direct assistance is a type of on-budget assistance that includes host country contracts and government-to-government awards (see SIGAR, Direct Assistance: Review of Processes and Controls used by CSTC-A, State, and USAID, SIGAR 15-14-SP, October 2014, p. 2). Off-budget procurements use funds that are separate from the Afghan national budget and not managed through Afghan government systems.

² See Afghan Ministry of Counter Narcotics, GPI, Annual Report, 2014, pp. 8, 38-39. The report states that the Ministry had "unprofessional" staff responsible for procurement which was slowing down implementation. The 2014 Ministry report also stated that the Ministry of Finance was slow to administer payments, further hampering project implementation.

³ Of the 290 projects, 278 projects have been completed; 12 were still in progress as of May 31, 2018.

⁴ Security conditions prevented a site visit to a 6 classroom school building within Takhar province.

⁵ Off-budget procurement encompasses donor funds that are excluded from the Afghan national budget not managed through Afghan government systems.

⁶ INL also required, among other things, the Ministry of Counter Narcotics to provide bank statements, monthly reports on the use of the funds and photographs of projects in various stages of completion (see SIGAR, Direct Assistance: Review of Processes and Controls used by CSTC-A, State, and USAID, SIGAR 15-14-SP, October 2014, p. 4).

- an interview with a staff member on the site of the completed project to gain insight into the operational status and maintenance arrangements for the project; and
- an interview with a member of the community served by the project to gain insight into the extent to which the project has benefitted the community.

We conducted our site visits from February through April 2018. Our site visits were limited in scope to a walk-through and did not include comprehensive engineering evaluations of structures or complete technical testing of key systems (for example, electrical or water). We recognize that maintenance and the provision of furniture were not part of the contracts for construction of these facilities, but they are relevant to evaluating the extent to which the facilities are being maintained and used as intended. We also assessed the accuracy of the INL-maintained coordinates for the projects.⁷

GEOSPATIAL COORDINATES MATCHED LOCATION INFORMATION AT THE SIX GPI INFRASTRUCTURE PROJECTS IN TAKHAR PROVINCE

Using the geospatial coordinates obtained from INL, we confirmed the location of the six infrastructure projects that we visited, which included:⁸

- (1) Hostel building at Takhar University
- (2) Two hostel buildings at Takhar University
- (3) Education faculty building
- (4) Takhar irrigation system
- (5) Primary school in Worsaj District
- (6) 8-classroom school in Worsaj District

Based on our site visits, the actual geospatial coordinates for each of the six projects were within one kilometer from the coordinates provided by INL.

POOR MAINTENANCE CONTRIBUTED TO DETERIORATING CONDITIONS AT 2 OF THE 6 PROJECTS AND LIMITED THEIR USABILITY

We found that the two hostel building projects appeared unusable due to missing and broken furniture, a general lack of facility maintenance and sanitation, and nonoperational dining facilities. Additionally, we determined that the other four projects, despite problems, such as a lack of clean water or well-maintained toilets, were functioning and fulfilling their intended purposes. No students were observed at the hostels or schools during our site visits because schools were closed for winter holiday.

⁷ Our objectives were not to determine the feasibility of individual projects or whether GPI achieved its broader goals related to sustained reductions in poppy production, and we did not assess the extent to which projects met program requirements or fulfilled program objectives. Similarly, this review did not assess the contracting process used by the program or the extent to which program funds were accurately and fully accounted for by program officials.

⁸ We used the geospatial coordinates for each infrastructure project based on the August 2017 Ministry of Counter Narcotics GPI data sheet for Takhar province provided by INL.

Construction of Hostel Building

Using GPI funding provided by INL, the Afghan Ministry of Counter Narcotics signed a contract in May 2011 with M/s. Yasir Saidy Construction Company for the construction of a hostel building and supporting infrastructure (including a dining hall, water supply, sewage, and electric power system capabilities) in Takhar province, Afghanistan for use by students at Takhar University. The project was completed in June 2012 at a cost of \$706,898.

During our site visit, we noted that the hostel building was in poor condition and lacked basic amenities. For example, it lacked a kitchen in the dining hall, which should have been built in accordance with the contract. In addition, hostel rooms lacked chairs and tables for seating and mattresses for the beds, several of which were broken. The hostel was littered with trash and appeared unsanitary, particularly in the bathrooms, where the toilets, though functional, did not appear to be cleaned. We also noted that the electric wiring system was exposed and that the rooms, in general, did not appear to be usable due to a general lack of maintenance.

Photo 1 - Exposed Wiring in Hostel Building



Source: SIGAR, March 1, 2018

Photo 2 - Broken Bedframes in Hostel Room



Source: SIGAR, March 1, 2018

Photo 3 - Unsanitary Sinks in Hostel Bathroom



Source: SIGAR, March 1, 2018

Photo 4 - Trash and Unsanitary Conditions in Hostel Room



Source: SIGAR, March 1, 2018

Construction of Two Hostel Buildings at Takhar University

Using GPI funding provided by INL, the Afghan Ministry of Counter Narcotics signed a contract in January 2013 with M/s. Olympia Construction Company for the construction of two hostel buildings and supporting infrastructure (water supply, sewage, and electrical power system capabilities) in Takhar province, Afghanistan for use by Takhar University students. The project was completed in January 2014 at a cost of \$768,655.

We noted that the hostel buildings appeared open but not usable due to a lack of maintenance. Specifically, the electric wiring system was exposed and the rooms lacked chairs, tables, and mattresses for guests. We also identified a potential structural deficiency in the foundation due to the appearance of cracks in the walls possibly resulting from earthquakes and settlement. However, we also found that the hostel buildings had clean water and electricity, the windows and doors were intact, and the toilets were functioning although they were not clean. We interviewed the hostel administrator who stated that the hostel buildings needed a standard dining facility and a boundary wall.

The hostel administrator stated that the two facilities employ a total of 27 staff. We observed a total of 10 staff members working at both sites during our visit.

Photo 5 - Cracks in Hostel Building I



Source: SIGAR, March 1, 2018

Photo 6 - Hostel Room Interior



Source: SIGAR, March 1, 2018

Construction of Faculty Building

The Afghan Ministry of Counter Narcotics signed a contract in February 2013 with M/s Zuhmat Construction Company using GPI funding to construct a faculty building and supporting infrastructure (water supply, sewage, and electric power system capabilities) in Takhar province, Afghanistan. The project, which provides free education services to the community, was completed in March 2014, at a cost of \$658,323.

The building was open. From the outside, we observed no structural problems and the windows and doors were intact. The building was electrified, climate controlled, and had clean water. The toilets were functioning but not clean or well-maintained. According to the faculty director, the building needed more books for the library and high quality materials for the laboratory. He also stated the building employs 48 staff personnel; we observed 10 staff during our site visit. A community member stated that the building was very useful because it was the nearest faculty building and provided free education services for the community.

Photo 7 - Education Faculty Building Exterior



Source: SIGAR, March 1, 2018

Photo 8 - Education Faculty Building Interior



Source: SIGAR, March 1, 2018

Takhar Warsaj Tershet Irrigation System

The Afghan Ministry of Counter Narcotics signed a contract in January 2011 with M/s. Haroon Masood Construction Company using GPI funding to construct an irrigation system in Takhar province, Afghanistan. The project was completed in November 2011 at a cost of \$183,635.

We noted that the irrigation system appeared to be structurally sound and properly maintained. A 1-kilometer section of the system was not constructed because the system successfully relies on an existing natural water stream to provide the additional necessary water. It appeared the irrigation system was being used as intended to provide water to irrigate surrounding crops. The engineer we interviewed stated that the canal was very useful to the surrounding community by supporting irrigation for crops covering about 2,000 acres of land.

Photo 9 - Irrigation Canal Section



Source: SIGAR, April 16, 2018

Photo 10 - Well-maintained Irrigation System



Source: SIGAR, April 16, 2018

Construction of Primary School in Worsaj District

The Afghan Ministry of Counter Narcotics signed a contract in January 2011 with M/s Ghazi Aminullah Logari Construction Company using GPI funding to construct a primary school and supporting infrastructure (water supply, sewage, and electric power system capabilities) in Takhar province, Afghanistan. The project was completed in October 2011, at a cost of \$147,056.

While overall the school appeared to be adequately maintained, the school did not have clean drinking water and the toilets were not clean or well maintained. We observed no structural damage on the outside, although wall cracks were visible. We observed no defects in the roof and the windows and doors were intact. According to the school's headmaster, the school has 494 students. Because students were on winter break at the time of our site visit, we did not observe any students in attendance. The school's headmaster said they could use more computers and textbooks. The community member we interviewed stated that the school is very useful to the community because (1) it provides the community with free books and education and (2) the school is close to the community

Photo 11 - Exterior of Primary School



Source: SIGAR, February 1, 2018

Photo 12 - Primary School Classroom



Source: SIGAR, February 1, 2018

Photo 13 - Exterior Crack at 8 Classroom Takhar School



Source: SIGAR, February 1, 2018

Construction of 8-Classroom School in Worsaj District

The Afghan Ministry of Counter Narcotics signed a contract in August 2012 with M/s Sanaye Balkhi Construction Company using GPI funding to construct an 8-classroom school and supporting infrastructure (water supply, sewage, and electric power system capabilities) in Takhar province, Afghanistan. The project was completed in July 2013 at a cost of \$208,055.

While overall the school appeared to be adequately maintained and had access to electricity, the school did not have clean drinking water, and the toilets were not clean or well maintained. We observed no structural damage from the outside or defects in the roof, though wall cracks were present. The windows and doors were all intact.

According to the school's supervisor, the school has 287 students. Because students were on winter break at the time of our site visit, we did not observe any students in attendance. In addition, the school's supervisor said the school could use additional textbooks and computers

Photo 14 - Takhar School Classroom



Source: SIGAR, February 1, 2018

Photo 15 - Interior Crack at 8 Classroom Takhar School



Source: SIGAR, February 1, 2018

Photo 16 - Exterior Crack in 8 Classroom School



Source: SIGAR, February 1, 2018

CONCLUSION

We found that the INL-maintained location information for the six infrastructure projects was accurate, and four of the six projects were functioning and fulfilling their intended purposes. In addition, we found that two projects, consisting of three GPI-funded hostel buildings for students at Takhar University, had missing and damaged furniture, were littered with trash; one had a nonoperational dining facility; and all suffered from a lack of maintenance.

AGENCY COMMENTS

We provided a draft of this report to INL for comment on September 24, 2018. INL provided comments on October 11, 2018. INL stated it respects SIGAR's role in safeguarding U.S. taxpayer investments. However, INL noted, for the record, that furniture and a kitchen, at one location, were not part of the project contracts for any of the facilities. While we recognize that maintenance and the provision of furniture were not part of the project contracts for these facilities, these factors are relevant to evaluating the extent to which the facilities are being maintained and used as intended. In addition, our review of the relevant contract documents shows that construction of a kitchen was required for the hostel.

INL's comments are reproduced in appendix I. INL also provided technical comments, which were incorporated, as appropriate.

APPENDIX I – STATE DEPARTMENT COMMENTS



United States Department of State

Washington, D.C. 20520

October 11, 2018

Ms. Gabriele A. Tonsil
Assistant Inspector General for Audits and Inspections
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, Suite 900
Arlington, VA 22202

Dear Ms. Tonsil:

The Department of State welcomes the opportunity to comment on this draft Special Inspector General for Afghanistan Reconstruction (SIGAR) report entitled, "State Department's Good Performers Initiative: Status of Six Completed Projects in Takhar Province" (dated October 2018). The Department respects SIGAR's role in safeguarding U.S. taxpayer investment, and we share your goals of implementing programs free from waste, fraud, and abuse.

SIGAR found that two projects, consisting of three GPI-funded hostel buildings for the students at Takhar University, had missing and damaged furniture, a lack of a kitchen at one location, and an overall lack of maintenance. INL would like to note for the record that furniture and a kitchen were not part of the project contracts for any of the facilities. The provision of furniture and maintenance of the hostels is the responsibility of the Ministry of Higher Education. Please see the Technical Corrections attachment for specific concerns for your consideration prior to publication.

- 2 -

The Department of State appreciates SIGAR's thorough examination of U.S. foreign assistance programming in Afghanistan's counternarcotics sector. INL looks forward to continuing to work with SIGAR and other relevant authorities on these issues.

Sincerely,



Erin M. Barclay
Executive Director
Bureau of International
Narcotics and Law
Enforcement Affairs

Attachments:

Tab 1 – Technical Comments

This project was conducted
under project code SP-190.

SIGAR's Mission

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

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

Obtaining Copies of SIGAR Reports and Testimonies

To obtain copies of SIGAR documents at no cost, go to SIGAR's Web site (www.sigar.mil). SIGAR posts all publicly released reports, testimonies, and correspondence on its Web site.

To Report Fraud, Waste, and Abuse in Afghanistan Reconstruction Programs

To help prevent fraud, waste, and abuse by reporting allegations of fraud, waste, abuse, mismanagement, and reprisal, contact SIGAR's hotline:

- Web: www.sigar.mil/fraud
- Email: sigar.pentagon.inv.mbx.hotline@mail.mil
- Phone Afghanistan: +93 (0) 700-10-7300
- Phone DSN Afghanistan: 318-237-3912 ext. 7303
- Phone International: +1-866-329-8893
- Phone DSN International: 312-664-0378
- U.S. fax: +1-703-601-4065

Public Affairs

Public Affairs Officer

- Phone: 703-545-5974
- Email: sigar.pentagon.ccr.mbx.public-affairs@mail.mil
- Mail: SIGAR Public Affairs
2530 Crystal Drive
Arlington, VA 22202