

# SIGAR

**Special Inspector General for  
Afghanistan Reconstruction**

**SIGAR 17-10 Audit Report**

## USAID's Measuring Impacts of Stabilization Initiatives: Program Generally Achieved Its Objectives, but USAID's Lack of a Geospatial Data Policy and Standards Affected Its Implementation



OCTOBER  
2016

# SIGAR

## Special Inspector General for Afghanistan Reconstruction

### WHAT SIGAR REVIEWED

From September 2003 through December 2015, the U.S. Agency for International Development (USAID) spent more than \$2.3 billion on more than two dozen stabilization activities and programs in Afghanistan. The stabilization programs were intended to support at-risk populations, extend the reach of the Afghan government to unstable areas, provide job opportunities, build trust between citizens and their government, and encourage local populations to take an active role in their development.

Beginning in 2011, with the drawdown of coalition troops throughout Afghanistan, USAID faced increasing challenges in overseeing its stabilization programs. To address these challenges, in March 2012, USAID awarded Management Systems International Inc. (MSI) a contract to implement the Measuring Impacts of Stabilization Initiatives (MISTI) program to monitor and evaluate eight ongoing stabilization programs costing approximately \$762 million. The agency estimated that MISTI would last 3 years and cost approximately \$15 million. The contract ended in October 2015 and ultimately cost \$19.3 million.

The objectives of this audit were to (1) assess the extent to which MSI met its contract requirements and USAID provided oversight; (2) assess the extent to which the MISTI program met its objectives; and (3) identify challenges MSI faced in conducting third-party monitoring under MISTI and the extent to which USAID has addressed those challenges.

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### USAID's Measuring Impacts of Stabilization Initiatives: Program Generally Achieved Its Objectives, but USAID's Lack of a Geospatial Data Policy and Standards Affected Its Implementation

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## SIGAR 17-10 AUDIT REPORT

### WHAT SIGAR FOUND

SIGAR found that although early monitoring and evaluation (M&E) challenges caused USAID to make multiple modifications to the MISTI contract, MSI met its contract requirements, and USAID generally performed contract oversight in accordance with agency regulations. USAID modified the MISTI contract multiple times to address the agency's inability to verify directly whether the contractors implementing the stabilization programs were meeting their contract requirements, and to assess the quality of the data being collected from them. The modifications to and expansions in MISTI's scope added to the cost of the contract with MSI. Within the first year, the contract's maximum value increased from approximately \$15 million to \$21 million, though USAID ultimately spent \$19.3 million on the program. Despite this increased cost, SIGAR determined that USAID's decisions appropriately followed contract requirements, helped ensure oversight of its stabilization activities, and potentially benefitted the agency's overall understanding of the impact of its stabilization efforts.

Although MSI completed all 10 contract deliverables, it was late, through no apparent fault of its own, in establishing the program baselines required to complete two of the deliverables. Specifically, the contract required MSI to establish baselines for its evaluation of the eight USAID stabilization programs within the contract's first year, or by March 2013. However, MSI did not do this until 4 months later. USAID officials said that during MISTI's first year, the four Stability in Key Areas (SIKA) programs, the Community Cohesion Initiative, and the Community Development Program were not yet performing activities necessary for MSI to generate baseline data, largely because of security concerns in areas where the programs operated and because implementers were not completing required activities. As a result, MSI did not have sufficient performance data to use to establish the baselines.

USAID generally followed Federal Acquisition Regulation (FAR) and USAID requirements for contract oversight by performing quality assurance and technical performance monitoring functions on the MISTI contract. For example, the contracting officer's representatives (COR) generally maintained adequate files to document correspondence with the contractor and actions or decisions taken related to the contract, as required. However, USAID could not provide documentation supporting MSI's request and the agency's approval for MSI to compare the SIKA programs to the World Bank's National Solidarity Program when the two operated in the same areas.

SIGAR found that MSI met MISTI program objectives to complete independent evaluations and impact assessments of USAID's eight stabilization programs and develop recommendations for improving them. For example, by March 2015, MSI had conducted 6 mid-term evaluations and made 82 recommendations to USAID, most of which USAID accepted. USAID also received information from MSI that could have influenced its decisions about the direction and design of the stabilization programs.

However, many of the recommendations USAID officials told SIGAR that they considered through November 2015 were of limited value in Afghanistan because seven of the eight stabilization programs ended in 2015. Moreover, before MISTI began in 2012, the U.S. government had already decided to discontinue the stabilization mission and stop implementing new programs, because of a U.S. policy shift to support the transition to building the capacity of the Afghan government to lead its own development efforts. MSI's findings and recommendations did not influence this decision to discontinue the stabilization mission.

MSI also met program objectives to track stabilization trends and provide best practices for stabilization programs. For example, MSI reached several conclusions and identified trends from its tracking of the programs' performance and impacts. MSI noted that: (1) USAID's stabilization programs, though having some positive impacts throughout implementation, were unsuccessful overall as implemented in Afghanistan; (2) insurgents targeted programs in areas where the Afghan government was in control; and (3) the programs should include more programming aimed at empowering women and at literate Afghans because these groups were least supportive of the Taliban.

SIGAR identified two significant issues that MSI faced in conducting third-party monitoring under the MISTI contract: (1) the lack of accurate geospatial data and (2) lack of sharing existing geospatial data from, for example, USAID. USAID and MSI officials told SIGAR that the geospatial data they received from the stabilization programs' implementers were of poor quality. MSI also reported that the implementers did not have standardized collection platforms or methods for using geospatial data, and that they used different formats and Global Positioning System (GPS) devices for recording coordinates and storing geospatial data. Because of the inaccurate data it received, MSI told us it could not properly locate where USAID conducted stabilization activities, and as a result, it could not begin conducting verification work in February 2014, as the contract required. In order to meet the contract requirement, MSI officials had to first create its own geospatial database and work closely with the stabilization program implementers to address errors. MSI officials said they initially spent up to 60 percent of their time addressing these errors instead of performing verification work.

In addition to these problems, MSI did not have access to existing government geospatial data, as it was supposed to according to the contract. MSI officials stated that they understood this would include geospatial information from the Department of Defense's (DOD) databases and USAID's Afghan Info database, which had information on village locations and naming conventions. MSI did not gain access to existing DOD geographic data, and USAID officials did not provide an explanation for not getting this data from DOD. Moreover, although MSI had access to Afghan Info, its employees told us they had concerns about its accuracy.

Since 1990, the Office of Management and Budget's (OMB) Circular A-16 has required agencies—including USAID—to issue agency standards for the collection and reporting of geospatial data. Officials from USAID's Bureau for Policy, Planning and Learning and the GeoCenter confirmed that OMB Circular A-16 applies to USAID. However, USAID officials told SIGAR that they do not have any agency or mission-level—for example, USAID Mission for Afghanistan (USAID/Afghanistan)—policies to govern or guide the collection, maintenance, use, or sharing of geospatial data. When SIGAR asked why the agency has not followed OMB Circular A-16, the officials could not provide an explanation.

These challenges with geospatial data are not new to USAID or limited to Afghanistan. Over the past decade, USAID and SIGAR have repeatedly identified problems with the agency's ability to use accurate geospatial data and an inability to standardize a practice and process for collecting, managing, and reporting that data. Without an established policy and standards for how USAID and its implementers should collect, maintain, use, and share geospatial data, the agency will continue to face problems with inaccuracies and inconsistencies in the data, and, therefore, maintain a limited understanding of the locations, and visual verification, of its activities being conducted in Afghanistan.

## WHAT SIGAR RECOMMENDS

To enhance USAID/Afghanistan's ability to monitor, evaluate, and oversee its development efforts, SIGAR recommends that the USAID Administrator, as soon as possible, establish an agency policy implementing OMB Circular A-16 requirements that institute agency-wide standards for collecting, using, and sharing geospatial data both within USAID and with other U.S. government agencies and nongovernmental entities, including those conducting reconstruction efforts in Afghanistan.

SIGAR received written comments on a draft of this report from USAID's Office of Afghanistan and Pakistan Affairs. USAID concurred in principle with our recommendation and noted several actions either taken, underway, or planned that will address the weaknesses SIGAR identified.



**SIGAR**

Office of the Special Inspector General  
for Afghanistan Reconstruction

October 26, 2016

The Honorable John F. Kerry  
Secretary of State

The Honorable P. Michael McKinley  
U.S. Ambassador to Afghanistan

The Honorable Gayle E. Smith  
Administrator, U.S. Agency for International Development

Mr. Herbert B. Smith  
USAID Mission Director for Afghanistan

This report discusses the results of SIGAR's audit of the U.S. Agency for International Development's (USAID) Measuring Impacts of Stabilization Initiatives (MISTI) program. In March 2012, USAID awarded a contract, which ultimately cost \$19.3 million, to Management Systems International Inc. (MSI) to implement MISTI. The program was intended to monitor and evaluate eight ongoing USAID stabilization programs in Afghanistan. This report focuses on MSI's implementation of MISTI and USAID's oversight of the program from March 2012 to October 2015.

We recommend that the USAID Administrator, as soon as possible, establish an agency policy implementing Office of Management and Budget Circular A-16 requirements. This policy should set agency-wide standards for collecting, using, and sharing geospatial data both within USAID and with other U.S. government agencies and nongovernmental entities, including those conducting reconstruction efforts in Afghanistan.

We received written comments on a draft of this report from USAID's Office of Afghanistan and Pakistan Affairs. USAID concurred in principle with our recommendation and noted several actions either taken, underway, or planned that will address the weaknesses we identified.

SIGAR conducted this work under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended; and in accordance with generally accepted government auditing standards.

John F. Sopko  
Special Inspector General  
for Afghanistan Reconstruction

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## ABBREVIATIONS

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ADS	Automated Directives System
COR	contracting officer's representative
DOD	Department of Defense
FAR	Federal Acquisition Regulation
FGDC	Federal Geographic Data Committee
GPS	Global Positioning System
M&E	monitoring and evaluation
MISTI	Measuring Impacts of Stabilization Initiatives
MSI	Management Systems International Inc.
NGO	nongovernmental organization
OMB	Office of Management and Budget
SIKA	Stability in Key Areas
USAID	U.S. Agency for International Development
USAID/Afghanistan	USAID Mission for Afghanistan
USAID/OAPA	USAID Office of Afghanistan and Pakistan Affairs
USAID OIG	USAID Office of Inspector General

From September 2003 through December 2015, the U.S. Agency for International Development (USAID) spent more than \$2.3 billion on more than two dozen stabilization programs in Afghanistan. The programs were intended to work with and support at-risk populations, extend the Afghan government's reach to unstable areas, provide job opportunities, build trust between citizens and their government, and encourage local populations to take an active role in their development.<sup>1</sup> With the drawdown of coalition troops throughout Afghanistan beginning in 2011, USAID faced increasing challenges in overseeing its stabilization programs. These challenges included high levels of violence and reduced security and protection, which impeded USAID personnel from traveling to or accessing locations where the agency was implementing its programs. USAID's stabilization programs ended in August 2016.

To address those challenges, in March 2012, USAID awarded a contract to Management Systems International Inc. (MSI) to implement the Measuring Impacts of Stabilization Initiatives (MISTI) program to monitor and evaluate the agency's eight ongoing stabilization programs. As of March 2016, those eight programs had cost a total of approximately \$762 million.<sup>2</sup> MISTI was a third-party monitoring and evaluation (M&E) program designed "to measure and map stabilization trends and impacts in areas such as security, rule of law, and economic activity; build a community of practice for rigorous monitoring and evaluation of Afghan reconstruction programs; and communicate lessons learned for the transition to Afghan-led sustainable development."<sup>3</sup> MISTI's three main objectives were to:

1. Provide independent evaluation and impact assessment of USAID stabilization programs.
2. Collect, synthesize, and analyze data at the district, provincial, and regional levels to track higher-order stabilization trends and inform U.S. and Afghan government policy and practice related to the transition from short-term, donor-driven, counterinsurgency-focused programming to Afghan government-led, long-term traditional development activities.
3. Contribute to the larger body of knowledge on best practices and lessons learned related to the design, implementation, and assessment of stabilization activities within a counterinsurgency context.

Initially valued at a maximum of \$15 million, the MISTI contract ultimately cost \$19.3 million.

The objectives of this audit were to (1) assess the extent to which MSI met its contract requirements and USAID provided oversight; (2) assess the extent to which the MISTI program met its objectives; and (3) identify challenges MSI faced in conducting third-party monitoring under MISTI and the extent to which USAID has addressed those challenges.<sup>4</sup>

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<sup>1</sup> SIGAR, *Quarterly Report to the United States Congress*, January 30, 2016.

<sup>2</sup> According to USAID, performance monitoring "is the ongoing and routine collection of performance indicator data to reveal whether desired results are being achieved and whether implementation is on track. Performance monitoring continues throughout the life of an activity [and] project." A performance evaluation "focuses on what a particular project or program has achieved (either at an intermediate point in execution or at the conclusion of an implementation period), how it is implemented, how it is perceived and valued, whether expected results occur, and other questions that are pertinent to project design, management and operational decision making." See USAID, *Automated Directives System (ADS) Chapter 200, Introduction to Programming*, partially revised July 18, 2014; and USAID, *ADS Chapter 203, Assessing and Learning*, partially revised November 2, 2012.

<sup>3</sup> USAID, *Stabilization Unit Afghanistan: Performance Management Plan, Fiscal Years 2012–15*, June 18, 2013.

<sup>4</sup> For this audit, we did not assess MSI's management of the MISTI contract's costs, which was the subject of a separate SIGAR financial audit of costs incurred under the contract (see SIGAR, *USAID's Measuring Impact of Stabilization Initiative: Audit of Costs Incurred by Management Systems International*, SIGAR 15-53-FA, April 21, 2015). In that financial audit, we identified two significant deficiencies in MSI's internal control and two instances of noncompliance with the terms and conditions of the contract, all of which related to cash management procedures and financial reporting. We did not identify any questioned costs. In addition, we did not review or assess the implementation or results of the eight stabilization programs MSI was required to monitor and evaluate under the MISTI program.

To accomplish these objectives, we reviewed USAID’s MISTI contract, task orders, modifications, and MSI’s contract requirements and deliverables. We interviewed current and former USAID officials responsible for overseeing MISTI, including staff from USAID’s Office of Afghanistan and Pakistan Affairs (OAPA) and the USAID Mission for Afghanistan’s (USAID/Afghanistan) Office of Program and Project Development; MSI officials responsible for implementing the MISTI contract; and a nongovernmental organization (NGO), the Global Public Policy Institute. We reviewed USAID’s Learning Lab best practices for conducting M&E. We also reviewed U.S. government standards and requirements for geospatial data collection, processing, maintenance, and information sharing, including Office of Management and Budget (OMB) circulars and USAID policies. We conducted our work from November 2014 through October 2016 in accordance with generally accepted government auditing standards. A more detailed discussion of our scope and methodology is in appendix I.

## BACKGROUND

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Due to ongoing security concerns and the drawdown of coalition military and civilian personnel in Afghanistan, in December 2013, USAID took steps to develop a more robust means of conducting oversight and M&E of its programs. The agency ultimately developed a five-tiered strategy to provide alternative means of M&E and oversight through (1) U.S. government representatives, (2) implementing partners, (3) Afghan government representatives and other international donors, (4) Afghan civil society groups and beneficiaries, and (5) independent monitoring contractors, also known as third-party or “remote” monitors.<sup>5</sup> USAID M&E practices in Afghanistan rely significantly on geographic location information, also referred to as geospatial data, among other activities, to identify project sites, visually verify whether program activities are being conducted, and report and present information visually and spatially in maps, charts, and reports.<sup>6</sup>

As early as 2003, USAID authorized the use of alternative M&E methods to, among other things, keep its personnel safe while satisfying its need to visit project sites and meet project beneficiaries to assess project implementation.<sup>7</sup> USAID’s Automated Directives System (ADS) Chapter 202, *Achieving*, supports, and even encourages, the use of third-party monitors as a way of doing this.<sup>8</sup> USAID hires third-party monitors as contractors to conduct M&E activities, such as verifying project data through site visits, collection of geographic location data, and interviews with, among others, program implementers and beneficiaries.<sup>9</sup> The monitors report to USAID as part of the agency’s contract oversight, but do not replace USAID program staff and managers, or completely relieve them of their responsibility for overseeing how agency programs are being implemented.

In December 2015, the USAID Office of Inspector General (OIG) issued an audit report on USAID/Afghanistan’s five-tiered M&E strategy. The report identified several issues with USAID/Afghanistan’s M&E policy and processes.<sup>10</sup> For example, USAID OIG reported that USAID/Afghanistan did not have standards for what

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<sup>5</sup> USAID introduced this strategy over a year after MISTI began.

<sup>6</sup> OMB defines “geospatial” as relating to or denoting data that is associated with a particular location. OMB Circular A-16, “Coordination of Geographic Information and Related Spatial Data Activities,” revised August 19, 2002.

<sup>7</sup> SIGAR, *USAID Spent Almost \$400 Million on an Afghan Stabilization Project Despite Uncertain Results, but Has Taken Steps to Better Assess Similar Efforts*, SIGAR Audit-12-8, April 25, 2012; and SIGAR, *Statement of John F. Sopko Before the Subcommittee on National Security, Committee on Oversight and Government Reform, Lessons Learned from Oversight of the U.S. Agency for International Development’s Efforts in Afghanistan*, April 3, 2014.

<sup>8</sup> USAID, ADS Chapter 202, *Achieving*, partially revised January 25, 2012; and USAID/Afghanistan Mission Order 203.2, *Monitoring and Evaluation*, October 24, 2012.

<sup>9</sup> *After the Withdrawal: the Way Forward in Afghanistan and Pakistan (Part III)*, Joint Hearing before the Subcommittee on the Middle East and North Africa and the Subcommittee on Asia and the Pacific of the U.S. House of Representatives Committee of Foreign Affairs, H.R. Rep No. 113-233; *Statement for the Record*, Donald L. “Larry” Sampler, Assistant to the Administrator and Director of the Office of Afghanistan and Pakistan Affairs, USAID, December 10, 2014.

<sup>10</sup> USAID OIG, *Audit of USAID/Afghanistan’s Strategy for Monitoring and Evaluating Programs Throughout Afghanistan*, F-306-16-001-P, December 10, 2015.

constitutes effective M&E and that Afghan Info—the database USAID program managers used to track foreign assistance activities, spending, and monitoring data—was not updated or used as directed.

The use of third-party monitors is not new or unique to Afghanistan or USAID. The United Nations, World Bank, the foreign aid agencies of other nations, and numerous NGOs use them for oversight in conflict or high-threat areas, such as Afghanistan. USAID has been using third-party monitors for at least two decades in countries such as Afghanistan, Yemen, South Sudan, Iraq, and Pakistan. According to MSI officials, as of August 2015, the company had 12 third-party M&E contracts covering USAID programs around the world.<sup>11</sup>

## USAID Designed the MISTI Program to Improve M&E of Its Stabilization Programs

In February 2010, USAID/Afghanistan formed the Stabilization Unit to unite all U.S. government stabilization planning and programs under one office.<sup>12</sup> The unit's responsibilities were managing, coordinating, and monitoring and evaluating USAID's stabilization programs. Prior to awarding the MISTI contract in March 2012, USAID/Afghanistan's M&E of these programs consisted of the contractor for each program performing M&E requirements on its own program and the Stabilization Unit using three additional separate contracts to perform additional M&E on three of the programs.<sup>13</sup> In September 2010, USAID reported that this approach was inefficient and raised the possibility of using only one independent M&E contractor for all stabilization programs.

The agency was concerned then about its inability to measure the impacts of its stabilization programs and access the programs to provide direct oversight. As a result, USAID/Afghanistan replaced the three separate M&E contracts with one contract—MISTI.<sup>14</sup> USAID reported that using one monitor would help ensure contractor compliance with USAID requirements and increase the level of transparency on its stabilization efforts.

On March 14, 2012, using a competitive process, USAID awarded the MISTI contract to MSI. The agency estimated that the program would last 3 years—with an original 18-month base year period of performance of March 2012 to September 2013 and one 18-month option year—and cost approximately \$15 million. Ultimately, USAID modified the MISTI contract 12 times and issued 2 extensions, increasing the contract's period of performance to approximately 3 and a half years—through October 7, 2015—and its cost to approximately \$19.3 million. Under MISTI, MSI was to provide M&E of eight stabilization programs that collectively cost approximately \$762 million as of March 2016 (see table 1).

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<sup>11</sup> USAID also contracted with MSI to implement its Monitoring Support Project in Afghanistan, which aims to assist USAID/Afghanistan in monitoring its portfolio of development assistance projects.

<sup>12</sup> USAID/Afghanistan closed the Stabilization Unit in 2014 and made the Office of Democracy and Governance responsible for the mission's stabilization programs.

<sup>13</sup> The three stabilization programs were Local Governance and Community Development implemented by Checchi and Company Consulting Inc. (Checchi), the Afghan Stability Initiative implemented by Altai Consulting, and Community Development implemented by A.E. Ferguson. The first two programs ended before MISTI began.

<sup>14</sup> According to USAID Acquisition Regulation requirements, each contractor was still required to conduct its own M&E.

**Table 1 - USAID/Afghanistan Stabilization Programs under MISTI Oversight**

Stabilization Program	Program Objective(s)	Period of Performance	Total Estimated Cost (\$ millions)	Amount Spent <sup>1</sup> (\$ millions)
Community Development Program <sup>2</sup>	Promote links between the Afghan government and communities, primarily those in insecure rural areas, through, for example, labor-intensive infrastructure projects.	March 2009– August 2013	\$266.0	\$264.0
Community Cohesion Initiative	Build community cohesion and resilience in areas vulnerable to insurgent exploitation by increasing cohesion among and between communities; supporting peaceful and legitimate governance processes and outcomes; and countering violent extremism.	March 2012– December 2015	\$133.6	\$117.0
Stability in Key Areas (SIKA)- North	Promote stabilization in key areas by supporting Afghan government efforts to implement community-led development and governance initiatives that respond to the population’s needs and concerns, with an aim to build confidence in local government and increase the provision of basic services.	March 2012– July 2015	\$38.0	\$37.0
SIKA-West	Expand and improve the legitimacy of the Afghan government in unstable districts and communities by assisting district entities to better understand their operating environment and the challenges to stability they face.	January 2012– August 2015	\$54.0	\$51.2
SIKA-South	Support the Afghan Independent Directorate of Local Governance and the Ministry of Rural Rehabilitation and Development to build governance, build development projects, facilitate governance and democracy initiatives, and deliver training and mentoring to district and provincial entities.	April 2012– July 2015	\$82.1	\$79.3
SIKA-East	Expand and improve the legitimacy of the Afghan government in unstable districts and communities by assisting district entities to better understand their operating environment and the challenges to stability they face, and then enable district governments to implement activities aimed at addressing those identified sources of instability.	December 2011– September 2015	\$145.0	\$138.7
Afghan Civilian Assistance Program II	Partner with the Afghan Ministry of Labor, Social Affairs, Martyrs, and Disabled to provide education and vocational training to affected families.	September 2011– February 2015	\$64.0	\$52.4

Kandahar Food Zone	Identify and attempt to address drivers of poppy cultivation in seven districts of Kandahar province, and work with the Afghan government to reduce poppy cultivation and increase the effectiveness and legitimacy of national and subnational administrations	July 2013– August 2016	\$27.7	\$22.5
<b>Totals</b>			<b>\$810.4</b>	<b>\$762.1</b>

Source: SIGAR analysis of USAID data

<sup>1</sup> As of March 31, 2016.

<sup>2</sup> From April 2012 to August 2013, MISTI provided oversight for the last two of the five phases of the program.

## Ongoing, Systemic Challenges Affect Program Implementation and M&E in Afghanistan

USAID faces a host of systemic challenges in implementing and conducting oversight of its stabilization programs in Afghanistan. These challenges are not unique to MISTI and cut across all U.S. government and stakeholder development efforts in Afghanistan. These challenges include the high levels of violence endemic to a war zone and reduced security and protection assets available to USAID/Afghanistan personnel, which impede them from traveling to and accessing places where programs are under way. In addition, reductions in USAID/Afghanistan staff at the U.S. Embassy in Kabul have left fewer employees to oversee program implementation. Furthermore, USAID and MSI reported challenges with the timely vetting of contractors and their personnel, managing frequent staff turnover, and the need to include Afghan women in programming and M&E activities, while facing cultural and gender issues that continue to affect the agency’s ability to implement programs and conduct M&E.

## USAID Has Requirements and Guidance for Managing Contracts, Monitoring and Evaluating Programs, and Developing Policies and Standards for Using Geospatial Data

The Federal Acquisition Regulation (FAR) requires U.S. government agencies, such as USAID, to clearly define their requirements when contracting for services;<sup>15</sup> safeguard the interests of the United States in its contractual relationships;<sup>16</sup> and perform contract quality assurance “as may be necessary to determine that the supplies or services conform to contract requirements.”<sup>17</sup> The FAR also requires contracting officers to designate contracting officer’s representatives (COR)<sup>18</sup> to assist “in the technical monitoring or administration of a contract,” including the maintaining of contract files documenting actions taken in “accordance with the delegation of authority” from the contracting officer.<sup>19</sup>

Additionally, USAID has established agency guidance for conducting M&E of its programs and contractors. For example, ADS Chapter 202, *Achieving*, (1) requires USAID officials to assess the performance of contractors to determine whether the outputs, or deliverables, produced by the contractors are timely and of acceptable quality, and (2) supports the use of third-party monitoring as a way of recognizing the need to keep USAID mission personnel safe while ensuring that project monitoring is conducted in a “high threat environment,”

<sup>15</sup> FAR 37.503.

<sup>16</sup> FAR 1.602-2.

<sup>17</sup> FAR 46.401.

<sup>18</sup> Unless the contracting officer retains and executes the COR duties.

<sup>19</sup> FAR Subpart 1.6.

such as Afghanistan. In addition, ADS Chapter 203, *Assessing and Learning*, requires agency programs to establish performance baselines from which to assess program effectiveness and assess the quality of data and processes used to establish and report program results.

OMB Circular A-16 provides direction and requirements to federal agencies related to the collecting and reporting of geospatial data.<sup>20</sup> This circular and related supplemental guidance also established the interagency Federal Geographic Data Committee (FGDC), which develops government standards and promotes the development, use, sharing, and dissemination of geospatial data throughout the federal government.

## USAID MODIFIED THE MISTI CONTRACT DUE TO M&E CHALLENGES; DESPITE THOSE CHALLENGES, MSI MET ITS CONTRACT REQUIREMENTS, AND USAID GENERALLY OVERSAW THE CONTRACT IN ACCORDANCE WITH AGENCY REGULATIONS

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### USAID Modified the MISTI Contract's Scope to Address Early Implementation Challenges

USAID revised the scope of the MISTI contract multiple times in order to address the agency's inability to (1) verify directly whether the contractors for its eight stabilization programs were meeting their contract requirements, and (2) assess the quality of the data being collected from those contractors. For example, in its Federal Managers' Financial Integrity certification reports, USAID/Afghanistan stated that it was increasingly unable to perform its required M&E responsibilities for the programs to verify whether the contractors were completing their contractual obligations and the programs were meeting their objectives, due to security and travel restrictions placed on USAID/Afghanistan staff.<sup>21</sup> As a result, the agency modified the MISTI contract in February 2014 to require that MSI conduct this verification, in addition to its existing requirement to perform M&E of the programs.

In addition, MSI and USAID reported that they were concerned with the accuracy and quality of the data that program implementers were collecting, and had questions about the experimental methodologies MSI was using to measure the programs' effectiveness. As a result, in May 2014—2 years into the 3.5 year MISTI contract—USAID modified the contract to allow a third party, the RAND Corporation, to conduct an independent peer review of MSI's evaluation process and the data collected under USAID's stabilization programs.

The modifications and expansions in MISTI's scope added to the contract's cost. Within the first year, the contract's maximum value increased from approximately \$15 million to \$21 million. However, we determined that USAID's decisions to increase the scope appropriately followed contract requirements, helped ensure oversight of its stabilization programs, and potentially benefitted the agency's overall understanding of the impact of its stabilization efforts.

### MSI Completed All Required Contract Deliverables

ADS Chapter 202 requires contracting officers to ensure that contractors perform in accordance with the terms in their contracts or other agreements by, for example, reviewing and approving deliverables and performance

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<sup>20</sup> OMB Circular A-16, "Coordination of Geographic Information and Related Spatial Data Activities," revised August 19, 2002; and Executive Office of the President, OMB, Memorandum to Heads of Executive Departments and Agencies, Subject: Issuance of OMB Circular A-16 Supplemental Guidance, M-11-03, November 10, 2010.

<sup>21</sup> To comply with the Federal Managers' Financial Integrity Act of 1982, Pub. L. No. 97-255, USAID requires its missions to report annually on significant internal control deficiencies and action plans to correct them.

reports; reporting variations and problems; recommending modifications; and analyzing financial reports.<sup>22</sup> For the purposes of this report, we analyzed MISTI contract records that MSI and USAID provided to identify the contract deliverables MSI was required to produce and determined the extent to which MSI completed them.<sup>23</sup> We found that MSI completed all 10 deliverables. Table 2 lists the deliverables and their completion dates.

**Table 2 - MISTI Contract Deliverables**

<b>Deliverables</b>	<b>Description of Requirements or Objectives</b>	<b>Date Completed</b>
1. Review of stabilization resources	Identify challenges, best practices, and lessons learned for third-party monitoring in Afghanistan.	February 2013
2. Establish a knowledge management platform	Deliver a U.S. government web-accessible database and fully operational knowledge management platform for USAID and M&E stakeholders to use in program performance management.	March 2015
3. Review and revise the USAID/Afghanistan Stabilization Unit's Performance Management Plan	Review and provide suggested edits to USAID's Stabilization Unit Performance Management Plan, including data quality assessments.	June 2014
4. Performance evaluations of stabilization programs	Spatial analysis of baseline stabilization trends at sub-district, district, provincial, and regional scales.	September 2015
5. Impact evaluations of stabilization programs	Conduct midterm and final performance evaluations for the Community Development Program, Community Cohesion Initiative, all four SIKAs, Kandahar Food Zone, and Afghan Civilian Assistance Program II stabilization programs.	April 2015
6. Evaluation and assessment of best practices for the district stability framework/stability analysis methodologies	Review and assess the effectiveness of the concepts and tools for stabilization analysis, resiliency assessment, relationship building, and community engagement currently employed by stabilization programs in Afghanistan.	May 2014
7. Operationalize stabilization trends and impact evaluation survey	Conduct a baseline survey as a basis for measuring program impacts for the Wave 1 impact evaluation survey. Conduct four additional surveys as the basis of midterm and final impact evaluations.	April 2015

<sup>22</sup> ADS Chapter 202 requires USAID to assess the performance of contractors, including whether the outputs, or deliverables, produced by the contractor are timely and of acceptable quality. See USAID, ADS Chapter 202, section 202.3.6.1, *Assessing Performance of Contractors and Recipients*, partially revised January 25, 2012.

<sup>23</sup> These deliverables are identified in "Section C: Description. Specifications/Statement of Work" of the MISTI contract. The contract lists a number of other documents that MSI was required to produce for USAID, such as annual work plans and quarterly performance monitoring reports. These documents, largely directed at contract management and oversight, were not included in the list of deliverables that USAID tracked. However, we obtained these documents and included them as part of our analysis of USAID's contract oversight.

8. Lessons learned and best practices	Deliver lessons learned/best practices briefings; annual reports and one final report documenting project performance, key findings, lessons learned, best practices, and implementation challenges; conduct quarterly stabilization M&E summit meetings and report on the results; and three research reports, suitable for publication in scholarly journals, that document lessons learned and best practices from the program.	November 2015
9. Stabilization program project and activity verification	Conduct site visits, verify, and report on the status or completion of stabilization projects and activities conducted by USAID's implementers.	September 2015
10. RAND peer review of MISTI data	Provide an assessment of the MISTI program survey design methodology, tools used to measure and map stabilization trends, and approach used to evaluate the impacts of stabilization projects to help validate the quality of MISTI data independently.	October 2014

Source: SIGAR analysis of USAID data

Although MSI completed all 10 contract deliverables, it was, through no apparent fault of its own, late in establishing the program baseline required to complete the impact evaluations of stabilization programs (item #5 in table 2) and to operationalize stabilization trends and impact evaluation survey (item #7 in table 2).<sup>24</sup> USAID's ADS Chapter 203, *Assessing and Learning*, requires the establishment of performance baselines from which to assess the effectiveness of the agency's programs and activities.<sup>25</sup> In addition, ADS 203 states that the program baseline should be established at the beginning of the program. The MISTI contract specifically required MSI to establish a baseline for its evaluation of USAID's stabilization programs within the contract's first year, or by March 2013. However, MSI did not do this until 4 months later. USAID reported that during MISTI's first year the four SIKAs, the Community Cohesion Initiative, and the Community Development Program were not yet performing activities necessary to generate baseline data. This was largely because of security concerns in areas where the programs operated and implementers not completing required activities. As a result, MSI did not have sufficient performance data to use to establish the baseline.<sup>26</sup> Because MSI could not establish baselines early in MISTI implementation, USAID lacked a starting point from which to monitor and evaluate the progress of the stabilization programs over the first year of the MISTI contract.

## USAID Generally Met Its Contract Oversight Requirements

Through our analysis of MISTI contract documentation and discussions with USAID contracting officers and CORs, we determined that USAID generally met its contract oversight requirements and provided sufficient oversight of the contract. The FAR requires contracting officers to designate CORs to assist in the contract activities, unless the contracting officer retains and executes the COR duties.<sup>27</sup> The FAR also requires agencies to directly manage and oversee the administration of their contracts,<sup>28</sup> and to follow an effective quality

<sup>24</sup> A baseline is the value of a performance indicator before the implementation of projects or activities. See USAID, ADS Chapter 203, *Assessing and Learning*, partially revised November 2, 2012.

<sup>25</sup> USAID, ADS Chapter 203, *Assessing and Learning*, partially revised November 2, 2012.

<sup>26</sup> As we reported in July 2013, the SIKA programs had not met essential program objectives because USAID did not get a formal working agreement with the Afghan government and did not award grants on a timely basis (See SIGAR, *Stability in Key Areas (SIKA) Program: After 16 Months and \$47 Million Spent, USAID Had Not Met Essential Program Objectives*, Audit 13-16, July 29, 2013.)

<sup>27</sup> FAR 1.602-2.

<sup>28</sup> FAR 37.504.

assurance and monitoring process.<sup>29</sup> Additionally, the FAR requires that CORs maintain complete records in their files that document their activities and any significant decisions made during contract execution.<sup>30</sup> For example, in accordance with the FAR, contracting officers appropriately designated CORs in writing with appointment letters and documented they were trained to oversee the MISTI contract.

USAID followed the FAR and its own internal requirements while performing contract quality assurance and technical performance monitoring functions related to its contract with MSI. The agency established and tracked requirements for MSI to produce annual work plans describing the activities it initiated and planned to execute in the next year. The contract also required that MSI produce quarterly performance reports describing items such as the activities and accomplishments in the preceding quarter, highlights of any problems affecting the delivery of services, and program progress against specific benchmarks. MSI fulfilled both of these reporting requirements.

USAID's CORs generally established and maintained adequate files to document correspondence with MSI and actions taken, as USAID guidance requires. However, the agency could not provide documentation approving MSI's request and the agency's approval for MSI to perform additional work comparing the performance of the SIKa programs with the World Bank's National Solidarity Program when the two programs operated in the same areas.<sup>31</sup> USAID and MSI personnel stated that the CORs asked for the additional analysis to help the agency compare the results from the World Bank's methodology in its program to the results from MSI's methodology used in MISTI.

## MISTI MET ITS OBJECTIVES AND PROVIDED USAID WITH INFORMATION RELEVANT TO THE MANAGEMENT OF STABILIZATION PROGRAMS IN AFGHANISTAN

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### MSI Met MISTI Program Objectives to Evaluate USAID's Stabilization Programs, but Its Recommendations to Improve Stabilization Efforts Are of Limited Use

According to ADS Chapter 203, USAID's overall success in managing programs depends on its ability to use program evaluation findings to strengthen programming efforts and decision making. By measuring program effectiveness, relevance, and efficiency, evaluation results can ensure accountability to stakeholders and inform resource allocation and other decisions.<sup>32</sup> USAID/Afghanistan guidance states that the mission should determine whether it accepts and supports recommendations that come either from external evaluations or from a program's final reporting in the mission's design of future or follow-up work, and incorporate the recommendations as appropriate.<sup>33</sup>

Based on our analysis, MSI met USAID guidance and MISTI program objectives to complete independent evaluations and impact assessments of USAID's stabilization programs, and to develop recommendations for improving them. For example, by March 2015, MSI had conducted 6 MISTI midterm evaluations that resulted

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<sup>29</sup> FAR 46.401.

<sup>30</sup> FAR 1.604.

<sup>31</sup> The Afghan Ministry for Rural Rehabilitation and Development began implementing the National Solidarity Program in 2003 to extend the government's administrative reach. It is a community-driven development program that aimed to create gender-balanced democratically elected community development councils and fund small-scale development projects. See World Bank Group, *The National Solidarity Program: Assessing the Effects of Community-Driven Development in Afghanistan*, Policy Research Working Paper 7415, September 2015.

<sup>32</sup> USAID, ADS Chapter 203, *Assessing and Learning*, partially revised November 2, 2012; and *USAID Evaluation Policy*, January 2011.

<sup>33</sup> USAID/Afghanistan Mission Order 203.2, *Monitoring and Evaluation*, October 24, 2012.

in 82 recommendations to USAID.<sup>34</sup> We assessed each recommendation and the agency's response. We determined that USAID accepted 72 of the recommendations, rejected 8 of them, and neither accepted or rejected remaining 2.

The 82 recommendations made by MSI provided USAID with information that influenced its decisions regarding the direction and design of its Afghanistan stabilization programs. We found several examples in which USAID reviewed, changed, or updated the planning and implementation of programs that were still ongoing, or had sufficient remaining implementation time, based on MSI's recommendations. For instance, in response to a recommendation on SIK-East, USAID adjusted the program to focus during its last year on improving the responsiveness of local government institutions to Afghan citizens, instead of developing the capabilities of Afghan ministries.<sup>35</sup> In another case, USAID reevaluated SIK-South's capacity-building assessments, curriculum, and workshop designs based on feedback from district and provincial stakeholders.<sup>36</sup>

However, many of the remaining midterm and final recommendations USAID reported as having considered through November 2015 were of limited value or benefit in Afghanistan because seven of the eight stabilization programs ended by 2015, leaving insufficient time to make meaningful program changes.<sup>37</sup> Moreover, USAID officials told us that MSI's findings and recommendations did not influence USAID's decision to conclude its stabilization efforts in Afghanistan. Before MISTI started in 2012, the U.S. government had already decided to discontinue the stabilization mission and stop implementing new programs because of a policy shift to support the transition to building the capacity of the Afghan government to lead its own development efforts.

## MSI Met MISTI Program Objectives to Track Stabilization Trends and Provide Best Practices for Stabilization Activities

Our review and analysis of USAID and MSI documentation showed that MSI addressed MISTI's objective to collect, synthesize, and analyze district, provincial, and regional data to track stabilization trends and inform U.S. policy regarding the transition of responsibility for development efforts to the Afghan government. For example, USAID and MSI documents mention five semiannual MSI surveys of between 36,000 and 41,000 households that provided data on how Afghan citizens perceived the impacts of USAID's stabilization programs in their communities. The surveys used "treated" groups (i.e., people in villages that received stability programming) and control groups (i.e., those in villages that did not receive such programming) to develop a comparative baseline against which to assess impacts. In addition, MSI reached several conclusions and identified trends from its tracking of the programs' performance and impacts. For example:

- USAID's stabilization programs, though having some positive impacts throughout implementation, were unsuccessful overall as implemented in Afghanistan.
- The programs generally were more successful when used in concert with other, similar development or stabilization programs, such as the World Bank's National Solidarity Program.
- Insurgents targeted USAID's stabilization programs in areas where the Afghan government was in control.

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<sup>34</sup> In November 2015, MSI provided us with documentation intended to show that it produced 52 additional recommendations in its final evaluations, and, 4 months later, USAID provided information that officials said showed how the agency considered them. However, we found that this information lacked enough evidence to include it in our overall analysis.

<sup>35</sup> MSI, *Stability in Key Areas—East, Mid-Term Performance Evaluation*, November 2014.

<sup>36</sup> MSI, *Stability in Key Areas—South, Mid-Term Performance Evaluation*, October 2014.

<sup>37</sup> As noted in a previous footnote, we did not have sufficient information on the 52 final recommendations to determine a specific amount of all the recommendations that we consider to be of limited value or benefit in Afghanistan.

- USAID’s stabilization programs should include more “soft” programming, such as capacity development, vocational training, and communications, aimed more at empowering women and at literate Afghans because these groups were least supportive of the Taliban. Such programming would likely have a greater impact on support for the Afghan government than the most common, “hard” infrastructure-focused stabilization activities.

Officials in USAID/Afghanistan’s Office of Program and Project Development told us the agency has not responded officially to or confirmed the findings by MSI, nor is it required to do so. However, MSI’s data and analyses provide USAID’s technical and programming officers, as well as the broader development community, information on the impacts of the agency’s stabilization efforts in Afghanistan.

Finally, MSI addressed MISTI’s objective “to contribute to the larger body of knowledge on best practices and lessons learned related to the design, implementation, and assessment of stabilization activities within a counterinsurgency context.”<sup>38</sup> USAID is in the process of publishing MISTI data and evaluation and performance reports on the Internet to make the information publically available. In addition, MSI produced lessons learned briefings and reports, and shared this information with Afghan national and local government officials, other U.S. government employees, and NGOs. For example, MSI noted that stabilization programs should clearly outline which specific Afghan ministries and departments are responsible for overseeing programming, and identify their particular responsibilities, deliverables, communication channels, and necessary coordination activities.

According to USAID officials, some of MSI’s lessons learned are being considered in USAID’s implementation of other programs, such as the Services Under Program and Project Offices for Results Tracking II program, and in the design of its new Monitoring Support Program, and will be used to improve the way the agency reviews evaluation reports.<sup>39</sup> Those officials added that as part of its implementation of the Monitoring Support Program, MSI is maintaining MISTI documents to use for historical and lessons learned purposes.

## THE MISTI PROGRAM FACED IMPLEMENTATION PROBLEMS BECAUSE OF A LACK OF GEOSPATIAL DATA AND USAID STANDARDS FOR COLLECTING AND REPORTING THIS DATA

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### USAID Lacked Accurate Geospatial Data Early in MISTI’s Implementation, and Sharing and Access to Geospatial Data Did Not Occur as Expected

We identified two significant challenges that MSI faced in conducting third-party monitoring under the MISTI program: (1) the lack of accurate geospatial data and (2) lack of sharing existing geospatial data. As part of the MISTI contract, MSI staff conducted third-party verification of USAID’s implementation of its stabilization programs, in order to help USAID better track performance and monitor progress on the programs. USAID and MSI officials told us the data they received from the stabilization programs’ implementers were poor quality. MSI also reported that the implementers did not have standardized collection platforms or methods for using geospatial data, and that they used different formats and Global Positioning System (GPS) devices for recording coordinates and storing geospatial data. USAID/OAPA officials and MSI contractors added that accurate GPS coordinates are important to their verification efforts for several reasons, particularly to enable them to discern whether programs have been executed and whether those programs are operating at the proper locations.

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<sup>38</sup> USAID-306-TO-12-00004, MISTI Task Order with Management Systems International, March 14, 2012.

<sup>39</sup> The Services Under Program and Project Offices for Results Tracking II program is a follow-on to a contract that Checchi has executed since 2006 to improve the efficiency and effectiveness of USAID M&E, strategic communications and public information products, and performance management.

MSI told us that, because of the inaccurate data it received, it could not properly locate where USAID conducted stabilization activities, and as a result, it could not begin conducting verification work in February 2014, as the contract required. In order to meet the contract requirement, MSI had to first create its own geospatial database and work closely with the stabilization program implementers to address errors. MSI officials said they initially spent up to 60 percent of their time addressing these errors instead of performing verification work.<sup>40</sup>

In addition to these problems, MSI officials stated they did not have full access to existing government geospatial data, even though the MISTI contract stated that “USAID shall assist the Contractor [MSI] in obtaining access to data from the military and USAID-supported stabilization programs.”<sup>41</sup> MSI officials said they had understood that this would include geospatial information from the Department of Defense’s (DOD) databases and from USAID’s Afghan Info database, which had information on village locations and naming conventions.<sup>42</sup> However, MSI did not gain access to DOD’s geographic data. A USAID COR made at least one request to DOD for the data. We did not find any evidence that DOD responded to that request or that USAID followed up. USAID officials did not provide an explanation for not obtaining the data from DOD. Moreover, although MSI had access to Afghan Info, its officials told us they had concerns about its accuracy.

While MSI and USAID MISTI personnel identified data-sharing issues, they did not bring these issues to the attention of USAID offices responsible for geospatial data. USAID officials could not provide us an explanation for this. Specifically, USAID officials responsible for MISTI stated they did not consult with USAID/OAPA’s Mapping Unit or the agency’s GeoCenter regarding the use of existing geospatial data or the lack of information sharing, and therefore, did not make use of all of its own geospatial resources.<sup>43</sup>

## USAID Has Not Developed Policies or Standards for Collecting and Reporting Geospatial Data

Since 1990, the U.S. government has required agencies—including USAID—to adopt agency standards for collecting and reporting geospatial data.<sup>44</sup> According to the FGDC, “Standards might include requirements and/or recommendations for products, systems, processes or services. They might describe a measurement or

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<sup>40</sup> We could not quantify a dollar amount for the time MSI lost implementing MISTI.

<sup>41</sup> USAID-306-TO-12-00004, MISTI Task Order with Management Systems International, March 14, 2012.

<sup>42</sup> USAID officials stated it is common for locations in Afghanistan to have several names. For example, a single town may have different names in Dari or Pashto; it could be annotated according to boundary levels like village, district, region, or province. A GPS coordinate or corresponding latitudinal and longitudinal data would denote the name and location.

<sup>43</sup> According to USAID officials, the Mapping Unit has one employee who receives on-site direction from USAID/OAPA’s Strategy, Monitoring, and Evaluation Division. The employee’s duties include providing geospatial services to the client in support of program management, analysis, planning, and advocacy as a member of the Geographic Information Unit; communicating the geographic operating picture of the client’s international development work through the acquisition, production, and provision of geospatial data and cartography; and collaborating closely with the client and with peers in U.S. agencies, academia, NGOs, and the private sector to achieve the client’s mandate. Additionally, a USAID summary of the GeoCenter states that the center’s goal “is to improve the effectiveness and efficiency of USAID’s development programs by geographically prioritizing resources where they will maximize development impact. The GeoCenter team works directly with field missions and Washington-based bureaus to integrate a geographic approach into the strategic planning, design, monitoring, and evaluation of USAID’s development programs.” The center, now part of the Learning Lab, launched on November 10, 2011, as part of USAID’s Office of Science and Technology. It provides services such as mapping and analysis, geospatial training, coordination among USAID geographic information system specialists, and external engagements. See USAID/U.S. Global Development Lab GeoCenter, *The Geographic Approach to Development*, undated.

<sup>44</sup> OMB Circular A-16 was originally issued in 1953 and revised in 1967, 1990, and 2002. The 1990 revision expanded the circular to include related spatial activities, in addition to surveying and mapping; specifically, it included computer-readable (digital) data. The 2002 update includes continued improvements in spatial coordination, the use of geographic data, and clearly defines agency and Federal Geographic Data Committee responsibilities. Supplemental guidance, published on November 10, 2010, clarifies and further defines the guidance for more coordinated and effective federal geospatial asset management.

test method or establish common [geospatial-data-related] terminology so that there is no misunderstanding among users.”<sup>45</sup>

OMB Circular A-16 and the related supplemental guidance also state that federal agencies that produce, maintain, or use geospatial data, either directly or indirectly in the fulfillment of their mission will:

- Prepare, maintain, publish, and implement a strategy for advancing geographic information and related spatial data activities appropriate to their mission.
- Collect, maintain, disseminate, and preserve spatial information such that the resulting data, information, or products can be readily shared with other federal agencies and non-federal uses.
- Allocate agency resources to fulfill the responsibilities of effective spatial data collection, production, and stewardship.
- Appoint a contact to coordinate with lead agencies for collection, acquisition, maintenance, or dissemination of the spatial data themes used by their organization.<sup>46</sup>

However, USAID has not created an agency-level policy addressing OMB Circular A-16 requirements or how the agency intends to implement them. USAID officials confirmed that it is normal practice for federal agencies to create and implement agency policy related to OMB Circulars. USAID officials also told us they do not have any agency or mission-level—for example, USAID/Afghanistan—policies to govern or guide the collection, maintenance, use, or sharing of geospatial data. Officials from USAID’s Bureau for Policy, Planning and Learning, and the GeoCenter confirmed that OMB Circular A-16 applies to USAID and that the agency is a member of the FGDC. They added that although USAID does have an agency policy for sharing data, it does not specifically relate to geospatial data.<sup>47</sup>

When we asked USAID officials why the agency has not followed OMB’s requirements or FGDC guidance, they could not provide an explanation. One senior official stated that the agency’s missions and contractors—which implement most of its programs—are not required to follow any specific standards and use their own methods. To address this problem, in January 2016, officials in USAID’s GeoCenter provided draft language to update ADS 579, *USAID Development Data*, to include a requirement that contracts include specific standards for the use of geospatial data. However, the agency has yet to make a decision to incorporate the revision into its regulations.

The challenges identified with using geospatial data as part of the MISTI program are not new to USAID or limited to Afghanistan. Over the past decade of USAID reconstruction efforts in Afghanistan, the agency has repeatedly identified a problem in the agency’s ability to use accurate geospatial data and standardize a practice and process for collecting, managing, and reporting that data. USAID and its contractors have highlighted the need for geospatial precision and the lack of geospatial standards, tools, and baseline data. For example, in a 2006 USAID report, MSI recommended that “monitoring information and databases must code activities according to [geo]spatial coordinates and be able to report and present information visually and spatially.”<sup>48</sup>

We also have reported on problems with USAID’s geospatial data and the agency’s inability to adequately use geographic data to show where its projects and activities are located.<sup>49</sup> For example, in January 2016, we

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<sup>45</sup> Federal Geographic Data Committee, Presentation on Standards Benefits, <https://www.fgdc.gov/standards>, accessed February 26, 2016.

<sup>46</sup> OMB Circular A-16, “Coordination of Geographic Information and Related Spatial Data Activities,” revised August 19, 2002; and Executive Office of the President, OMB, Memorandum to Heads of Executive Departments and Agencies, Subject: Issuance of OMB Circular A-16 Supplemental Guidance, M-11-03, November 10, 2010.

<sup>47</sup> USAID, ADS Chapter 579, *USAID Development Data*, partially revised March 13, 2015.

<sup>48</sup> USAID, *Monitoring and Evaluation in Post-conflict Settings*, PN-ADG-193, March 15, 2006.

<sup>49</sup> SIGAR, *USAID-Supported Health Facilities in Kabul*, SIGAR-16-09-SP, January 5, 2016; SIGAR, *USAID-Supported Health Facilities in Herat*, SIGAR-16-01-SP, October 20, 2015; and SIGAR, *Geospatial Coordinates for PCH Health Facilities*, SIGAR-

reported on substantial inaccuracies in the geospatial coordinates USAID provided for many of the health facilities it funded in Afghanistan.<sup>50</sup> Moreover, a senior USAID official responsible for studying USAID's geospatial data practices explained that the agency's challenges with collecting and maintaining accurate geospatial data affect missions around the world.

Without an established policy and standards for how USAID and its implementers should collect, maintain, use, and share geospatial data, USAID will continue to face problems with inaccuracies and inconsistencies in its geospatial data. As a result, the agency will continue to have only a limited understanding of the locations and limited visual verification of its activities being conducted in Afghanistan.

## CONCLUSION

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Overall, USAID's \$19.3 million MISTI program met its overall objective to monitor and evaluate approximately \$762 million in USAID stabilization programs. MSI produced all of the required contract deliverables, and USAID generally provided the necessary contract oversight. As a result of the program, USAID received a wealth of information on the performance and progress of eight of its programs intended to bring stability to Afghanistan. However, USAID decided around the time MISTI began that it would discontinue its stabilization mission in Afghanistan—on which USAID has spent more than \$2.3 billion—a decision that was made before the results of MISTI were known. Therefore, the utility of the information provided by MSI was limited by USAID's decision not to continue its stabilization programs in Afghanistan. Nevertheless, we would expect that USAID, as it has mentioned, would use the program's results to inform its decisions and other programming in Afghanistan and other countries.

USAID has not addressed a longstanding need for accurate, standardized geospatial data. MSI's reporting that the agency's stabilization programs in Afghanistan had poor, inaccurate data underscores a significant problem that SIGAR continues to highlight. Geospatial data plays a crucial role in USAID's M&E practices by helping identify USAID program sites and visually verifying whether activities are being conducted. Although OMB guidance requires USAID to develop standards for collecting, sharing, and reporting geospatial data, the agency has not adhered to it. As a result, USAID and its implementers continue to reinvent standard operating procedures for handling geospatial data on a case-by-case basis and, in turn, add unnecessary burdens to the implementation of programs and contracts. Without an established policy and standards that explain how to handle and use geospatial data, USAID will continue to operate with inaccurate, problematic geospatial data, not knowing where its program activities are being conducted. This, in turn, will continue to limit the agency's ability to provide effective oversight and to mitigate potential fraud, waste, and abuse in connection with its programs in Afghanistan.

## RECOMMENDATION

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To enhance USAID/Afghanistan's ability to monitor, evaluate, and oversee its development efforts, SIGAR recommends that the USAID Administrator, as soon as possible:

- 1. Establish an agency policy implementing OMB Circular A-16 requirements that institute agency-wide standards for collecting, using, and sharing geospatial data both within USAID and with other U.S. government agencies and nongovernmental entities, including those conducting reconstruction efforts in Afghanistan.**

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15-67-SP, June 25, 2015. These letters highlighted our concerns about the inaccurate geospatial coordinates for numerous health-care facilities funded by USAID and requested that the agency to correct the information.

<sup>50</sup> SIGAR, *USAID-Supported Health Facilities in Kabul*, SIGAR-16-09-SP, January 5, 2016.

## AGENCY COMMENTS

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We provided a draft of this report to USAID for review and comment. USAID/OAPA provided written comments, which are reproduced in appendix II. Additionally, USAID/OAPA provided technical comments, which we incorporated into this report, as appropriate.

USAID concurred in principle with our recommendation and noted several actions either taken, underway, or planned that will address the weaknesses we identified in its approaches to geospatial data and policy in accordance with OMB Circular A-16. For example, USAID/Afghanistan updated its guidance for mission project managers and implementing partners on collecting geospatial data. According to USAID, this guidance is intended to standardize collection and use of the data, and is being circulated among USAID staff and implementing partners. In addition, USAID plans to strengthen its two policies that cover the use of geospatial data by including mandatory references that further define how the agency collects, uses, and shares geospatial data. USAID's target date for completing these actions is March 31, 2017. We commend USAID's immediate attention to this issue. The recommendation will remain open until we receive evidence that the actions are complete.

## APPENDIX I - SCOPE AND METHODOLOGY

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This audit examines the implementation of the U.S. Agency for International Development's (USAID) Measuring Impacts of Stabilization Initiatives (MISTI) contract from March 2012 to October 2015. The objectives of this audit were to: (1) assess the extent to which Management Systems International, Inc. (MSI) met its contract requirements and USAID provided oversight; (2) assess the extent to which the MISTI program met its objectives; and (3) identify challenges MSI faced in conducting third-party monitoring under MISTI and the extent to which USAID has addressed those challenges.

To assess the extent to which MSI met its contract requirements, and USAID provided oversight, we analyzed MISTI's contract requirements and deliverables, and contract modifications, specifically those impacting the contract's cost and schedule. We reviewed relevant sections and clauses of the Federal Acquisition Regulation and USAID's Acquisition Regulation. We interviewed the USAID contracting officer responsible for the MISTI program during our audit, as well as prior and current contracting officer's representatives (COR) responsible for monitoring MSI's performance. We obtained records from the MISTI COR files to help us understand the extent to which USAID and MSI documented and reported on specific oversight and management activities, such as contract deliverables, annual work plans, and periodic reporting and briefings of contract and program status.<sup>51</sup>

To assess the extent to which MISTI met its first program objective—to provide independent evaluations and impact assessments of USAID stabilization programs and to develop recommendations for improving them—we reviewed MSI reports and evaluations that focused primarily on the performance and implementation of USAID's stabilization programs. We analyzed recommendations MSI made in six MISTI mid-term evaluations on how to improve USAID's stabilization programs. Next, we sent a table to USAID listing the recommendations we identified and asked officials to verify our information, and provide information on the extent to which USAID considered each recommendation. We then performed qualitative and quantitative analysis on the data and USAID's responses to determine if and how the agency considered and applied the recommendations to ongoing stabilization programs.

To assess the extent to which MISTI met its second objective—to collect, synthesize, and analyze data at the district, provincial, and regional levels to track higher-order stabilization trends and inform U.S. and Afghan government policy and practice related to transition—we reviewed MSI's evaluation reports and semi-annual surveys to assess the contractor's efforts to collect data, quantify trends, and draw conclusions about USAID stabilization programming.

To assess the extent to which MISTI met its third and final objective—to contribute to the larger body of knowledge on best practices and lessons learned related to the design, implementation, and assessment of stabilization activities within a counterinsurgency context—we reviewed MISTI contract records and USAID Learning Lab best practices for conducting monitoring and evaluation (M&E). We also interviewed USAID officials and MSI staff.

To identify any challenges MSI faced in conducting third-party monitoring under MISTI and the extent to which USAID has addressed those challenges, we first defined "challenges" as they relate to the MISTI program and third-party monitoring in Afghanistan. For the purpose of this audit, we defined "challenges" as impediments to the successful, timely, and accurate fulfillment of MISTI objectives. We reviewed MISTI contract records and interviewed USAID and MSI officials to identify potential challenges. We also interviewed a nongovernmental organization, the Global Public Policy Institute, to learn about its independent research on third-party monitoring in high threat environments, including Afghanistan. To narrow the list of potential challenges, we established three general criteria the challenges had to meet for inclusion in our analysis:

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<sup>51</sup> In a separate financial audit of the MISTI contract, we assessed MSI's cost management. (See SIGAR, *USAID's Measuring Impact of Stabilization Initiative: Audit of Costs Incurred by Management Systems International*, SIGAR 15-53-FA, April 21, 2015.)

1. The challenge must be directly related to and within the scope of the MISTI program: Given our audit objective, we decided to consider only challenges identified within the scope of and directly relevant to the MISTI program. We excluded challenges that we determined to be outside the scope of the MISTI program. This means those challenges focused primarily on USAID's stabilization program implementing partners, and not on MISTI implementation, or on broad systemic issues within USAID were not included.
2. The challenge must be directly related to third-party monitoring in Afghanistan: We only considered challenges that related to performing third-party monitoring in Afghanistan and excluded those related to M&E practices as a whole.
3. The challenge must be one for which there can be realistic, actionable remedies: We included challenges for which USAID can implement corrective action to address root causes or fully address the issue, but excluded challenges that neither the contractor, subcontractors, nor USAID could readily remedy. For example, security and the hostile, violent environment in Afghanistan are common challenges all U.S. reconstruction efforts face. While USAID programs may contribute to stabilization or even indirectly reduce violence, it is not reasonable to expect USAID to resolve this challenge itself.

Using this criteria, we identified two significant challenges that MSI faced conducting third-party monitoring under MISTI: (1) lack of accurate geospatial data and (2) lack of sharing existing geospatial data. We then identified and reviewed U.S. government requirements for geospatial data collection, processing, standards, maintenance, and information sharing, including the Office of Management and Budget's (OMB) Circular A-16 and supplemental guidance; Executive Orders 12906 and 12333; the Federal Geographic Data Committee website; USAID Automated Directives System (ADS) Chapters 200, 201, 202, 203, and 579; and USAID/Afghanistan Mission Orders 201.03, 203.01, and 203.2.<sup>52</sup>

For all of our objectives, we interviewed current and former USAID officials responsible for overseeing the MISTI contract, including staff from USAID's Office of Afghanistan and Pakistan Affairs and the USAID Mission for Afghanistan's (USAID/Afghanistan) the Office of Program and Project Development, the former USAID/Afghanistan Stabilization Unit, and the Office of Acquisition and Assistance. We also interviewed MSI officials responsible for implementing the MISTI contract.

We did not rely on computer-processed data for the purpose of the audit objectives. We assessed internal controls to determine the extent to which the USAID had systems in place to track and report on its efforts supporting the implementation and oversight of the MISTI contract. The results of our assessment are included in the body of the report.

We conducted our audit work in Washington, D.C., from November 2014 to October 2016, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This audit was performed by SIGAR under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.

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<sup>52</sup> OMB Circular A-16, "Coordination of Geographic Information and related Spatial Data Activities," revised August 19, 2002; Executive Office of the President, OMB, Memorandum to Heads of Executive Departments and Agencies, Subject: Issuance of OMB Circular A-16 Supplemental Guidance, M-11-03, November 10, 2010; Executive Order 12906, *Coordinating Geographic Data Acquisition and Access: The National Spatial Data Infrastructure*, April 11, 1994; Executive Order 12333, *United States Intelligence Activities*, December 4, 1981; USAID, ADS Chapter 200, *Introduction to Programming*, partially revised July 18, 2014; USAID, ADS Chapter 201, *Planning*, partially revised July 22, 2013; USAID, ADS Chapter 202, *Achieving*, January, 25, 2012; USAID, ADS Chapter 203, *Assessing and Learning*, partial revised November 2, 2012; USAID, ADS Chapter 579, *USAID Development Data*, partially revised March 13, 2015; USAID Mission for Afghanistan Mission Order 201.3, *Terrorist Financing Risk Assessment*, May 27, 2009; USAID Mission for Afghanistan Mission Order 203.1, *Review of Project Performance Management Plans (PMP)*, July 30, 2009; and USAID Mission for Afghanistan Mission Order 203.2, *Mission Order on Monitoring and Evaluation*, October 24, 2012.

## APPENDIX II - COMMENTS FROM THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

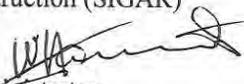
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### MEMORANDUM

**DATE:** October 20, 2016

**TO:** John F. Sopko  
Special Inspector General for  
Afghanistan Reconstruction (SIGAR)

**FROM:** William Hammink   
Assistant to the Administrator  
Office of Afghanistan and Pakistan Affairs

**SUBJECT:** Mission Response to Draft SIGAR Report titled  
“USAID’s Measuring Impacts of Stabilization  
Initiatives: Program Generally Achieved Its  
Objectives, but USAID’s Lack of a Geospatial Data  
Policy and Standards Affected Its Implementation”  
(SIGAR Report 16-XX under Code 103A)

**REF:** SIGAR Transmittal email dated 09/19/2016

USAID thanks SIGAR for the opportunity to comment on this report.

USAID welcomes the feedback that Management Systems International Inc. (MSI) met its contract requirements and that USAID generally performed contract oversight in accordance with agency regulations.

USAID has benefitted from the monitoring and evaluation that was contracted with MSI. We are using the data and findings from MISTI deliverables to account for the funding spent on USAID stabilization programming in Afghanistan and to generate lessons that will inform current and future development projects in Afghanistan and could also be utilized in other conflict areas across the world.

However, we disagree with the summary provided in SIGAR’s draft audit report on the conclusions of the impact evaluation research. In particular, we are concerned that the summary states as facts conclusions that are not in the MISTI reports, and that draw conclusions based on the results of MSI’s fifth survey, without considering the results MSI reported in the first four surveys. For example, we have not been able to identify any

See SIGAR  
Comment 1.

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reference in the MSI impact evaluation reports suggesting a correlation between the effectiveness of stabilization programs and the gender or literacy of a population, nor any suggestion that men and illiterate populations have not also benefitted from stabilization programming. Additional specific responses to SIGAR's summary are provided in Appendix 1.

The USAID/Afghanistan mission has finalized guidance for Mission project managers and implementing partners on geospatial data collection, making the Mission a leader in this area. This guidance is currently being circulated to USAID staff and implementing partners to standardize consistent collection and use of geospatial data to help manage the Mission's portfolio. The guidance also facilitates sharing and maintenance of geospatial information by providing details on how to most efficiently incorporate GPS data in USAID/Afghanistan reporting systems, such as Afghan Info, for proper monitoring and oversight.

#### **RESPONSE TO SIGAR'S RECOMMENDATIONS**

*To enhance USAID/Afghanistan's ability to monitor, evaluate, and oversee its development efforts, SIGAR recommends that the USAID Administrator, as soon as possible:*

***1. Establish an agency policy implementing OMB Circular A-16 requirements that institute agency-wide standards for collecting, using, and sharing geospatial data both within USAID and with other U.S. government agencies and nongovernmental entities, including those conducting reconstruction efforts in Afghanistan.***

**USAID Comments:** USAID concurs in principle with the SIGAR recommendation to establish agency specific practices for the collection, use and sharing, of geospatial data in accordance with OMB Circular A-16.

**Actions Taken/Planned:** Two existing agency policies, ADS 579 and ADS 201, cover the use of geospatial data at USAID as part of the broader use of data for the Agency's development programming. USAID is working to strengthen both of these policies through the inclusion of mandatory references that further define how the Agency collects, uses and shares geospatial data. In addition, the agency has undertaken a number of technological and organizational steps that institutionalize the use of geospatial data inside USAID and across its U.S. Government and nongovernmental partners.

**Mandatory Reference to ADS 579:** ADS 579 defines the Agency's policy for ensuring that data associated with USAID-funded work is open and machine readable by default. In response to the recommendation made by the SIGAR, The Agency's GeoCenter, which provides technical leadership to USAID in the application of geospatial data for development, will cooperate with PPL and the M-Bureau to establish a new mandatory reference defining field data collection and submission requirements for geographic content. While ADS 579 covers all data, including geospatial content, the proposed new mandatory reference will specifically address the unique aspects of geographic information data collection and data management procedures.

Implementation of the mandatory reference will take place through the Agency's Development Data Library (DDL). USAID awards since October 1, 2014 include contract language requiring the submission of data to the DDL and the Agency will continue investing in the DDL to ensure a constant flow of data from partners back to USAID and the general public. The geospatial focused mandatory reference will provide the guidance needed by the Agency's partners to direct their geospatial data collection practices at the onset of their work. The proposed mandatory reference will be completed by March 1, 2017.

**ADS 201 Official Additional Help Supplemental Guidance:** ADS 201 defines the Program Cycle which is USAID's operational model for planning, implementing and assessing development programming in a given country or region. To accompany ADS 201, new guidance is being included to provide standards and best practices for disaggregating performance indicator data by geography. The guidance includes: considerations for setting a minimum geographic scale for an entire Mission or Washington OU; methods to collect geospatial data when collecting monitoring data; and how to analyze geographic data to support management decision making. This guidance is expected to be published alongside the revised ADS 201 by November, 2016.

**Institutionalizing the Collection and Use of Geospatial Data at USAID:**

The collection and use of geospatial data has existed in many parts of the Agency well before the SIGAR reporting period. While the application of geographic information systems (GIS) has proven effective for many programs, there was not a centralized office guiding its use across the Agency or among its partners. In 2011, the Agency established the GeoCenter to provide leadership, best practices, and technical expertise

for using geospatial data at USAID. While still a relatively new team, the GeoCenter is building the Agency's capacity to integrate geospatial data into its planning, design and M&E functions. The head of the GeoCenter serves as the Agency Geographer, which is a new position that represents the Agency's interest before Interagency and International governing bodies serving geospatial data and technology. The GeoCenter has established procurement language covering the collection and submission of geospatial data, co-authored the ADS 201 mandatory reference on the collection and use of geospatial data for performance monitoring, and continues to build the Agency's literacy for the collection and use of geospatial data through its capacity building and training program. The efforts of the GeoCenter will complement and strengthen the implementation of ADS 579 as part of its core mission to integrate geographic approaches into USAID's work.

**Target Closure Date** for Recommendation 1: **March 31, 2017**

**Appendix:**

1 - Technical Comments

cc: U.S. Embassy/Kabul

## SIGAR's Response to Comments from USAID

1. The summary statement in our report is based on MSI's findings presented in MISTI's fifth impact evaluation survey of USAID stabilization programs, which stated that throughout all five surveys, "the overall stability trend across the 55 districts surveyed in all five waves was largely flat."<sup>53</sup> MSI did report some positive impacts of USAID's stabilization programs, and we updated the report to note that. In addition, we removed the statement suggesting that there was a correlation between the effectiveness of stabilization programs and gender or literacy.

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<sup>53</sup> MSI, *MISTI Stabilization Trends and Impact Evaluation Survey, Analytical Report, Wave 5 (with Addendum)*, November 25, 2015.

## APPENDIX III - ACKNOWLEDGMENTS

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This performance audit was conducted  
under project code SIGAR-103A.

## 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.

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