Afghan National Security Forces: Additional Action Needed to Reduce Waste in $4.7 Billion Worth of Planned and Ongoing Construction Projects
WHAT SIGAR REVIEWED

Since 2005, Congress has appropriated nearly $52.8 billion to equip, train, base, and sustain the Afghanistan National Security Forces (ANSF). As of April 2013, the ANSF facilities construction program had more than 400 ANSF facilities in progress or in the acquisition or planning stages. These facilities, worth $4.7 billion, are designed to support the currently approved ANSF strength of 352,000 personnel. The Combined Security Transition Command-Afghanistan (CSTC-A) is constructing new facilities for the ANSF, while at the same time the United States and coalition partners are reducing their presence in Afghanistan and, through the International Security Assistance Force Joint Command (IJC), closing or transferring their facilities to the Afghan government. SIGAR’s prior audit of ANSF facilities expressed concern that CSTC-A’s lack of planning increased the risk that CSTC-A was building facilities that did not meet ANSF needs. In addition, the United

WHAT SIGAR FOUND

The International Security Assistance Force Joint Command (IJC) has established a process to review and analyze existing coalition facilities for transfer to the Afghan government. Specifically, in April 2012, IJC instituted an Operational Basing Board that meets weekly to nominate and review existing U.S. and coalition facilities for closure or transfer to the Afghan government. The IJC board actively engages with Combined Security Transition Command-Afghanistan (CSTC-A) and the Afghan Ministries of Defense and Interior to determine which facilities should be transferred to the Afghan National Security Forces (ANSF). Through December 2012, the coalition closed 235 facilities and transferred 352 other facilities to the ANSF, and per CSTC-A, helped reduce plans to construct new ANSF facilities by 318 projects and reducing costs by approximately $2 billion.

CSTC-A, with IJC assistance, has responsibility for managing the construction of ANSF facilities around the country. However, CSTC-A lacks a comprehensive basing plan for the ANSF that considers future ANSF reductions and excess capacity in existing facilities. Current construction requirements reflect the currently approved 352,000 ANSF personnel level and do not take into account planned reductions in the number of ANSF personnel. As a result, when the ANSF decreases to 228,500 personnel, ANSF facilities will have excess personnel capacity. SIGAR has previously noted excess capacity and underutilization in existing ANSF facilities. SIGAR attempted to review the occupancy of existing ANSF facilities and requested on-site personnel numbers for 36 randomly-selected ANA and ANP facilities, but IJC and CSTC-A officials informed

Construction Stages and Cost of ANSF Facilities, as of April 20, 2013

Source: CSTC-A Informational Brief, April 20, 2013

For more information contact: SIGAR Public Affairs at (703) 545-5974 or sigar.pentagon.ccr.mbx.public-affairs@mail.mil
States, its NATO allies, and the Afghan government announced at the May 2012 Chicago Summit that the ANSF may shrink from its currently approved strength of 352,000 to 228,500 personnel, depending on security conditions.

The objectives of this audit were to assess (1) the extent to which U.S. and coalition basing plans for the ANSF reflect force strength projections; (2) whether CSTC-A analyzed alternatives to minimize new construction, including using existing U.S. and coalition bases to satisfy ANSF basing needs; and (3) the extent to which planned construction projects are likely to be completed by December 2014.

**WHAT SIGAR RECOMMENDS**

To help ensure that the U.S. government is providing the appropriate number of facilities for the current and future ANSF, SIGAR recommends that the Deputy Commander, CSTC-A, among other things, (1) develop a plan that considers potential ANSF reductions and defer building facilities, as appropriate, to reduce future excess capacity, and (2) identify the extent to which current facilities are underutilized in order to reduce construction of new facilities and save reconstruction funds. SIGAR also recommends that the Deputy Commander, CSTC-A, in coordination with the Commanding General and Chief of Engineers, U.S. Army Corps of Engineers, prepare a plan detailing specifics for security and oversight for construction projects continuing past 2014.

SIGAR received formal comments on a draft of this report from CSTC-A and IJC. CSTC-A concurred with all the recommendations addressed to it and IJC concurred with the two recommendations addressed to it. Both CSTC-A and IJC, as well as U.S. Central Command, provided additional technical comments, which SIGAR incorporated, as appropriate.
This report discusses the results of SIGAR’s audit of base construction requirements and transition procedures for the Afghanistan National Security Forces (ANSF). We recommend that the Deputy Commander, Combined Security Transition Command (CSTC-A), in coordination with the Commander, International Security Assistance Force Joint Command (IJC), (1) develop a plan that considers potential ANSF reductions to 228,500 and defer building permanent facilities, as appropriate, to eliminate future excess facility capacity, and (2) identify the extent to which current facilities are underutilized and determine how excess capacity can be used to reduce the construction of new facilities and save reconstruction funds for other purposes.

We also recommend that the Deputy Commander, CSTC-A, in coordination with the Commanding General and Chief of Engineers, U.S. Army Corps of Engineers, prepare a plan detailing specifics for security and oversight for construction projects continuing past 2014.

We received written comments on a draft of this report from CSTC-A and IJC, which we incorporated, as appropriate. CSTC-A concurred with all three recommendations directed to it and IJC concurred with the two recommendations addressed to it. Their comments are presented in appendixes II and III, respectively. We understand that NTM-A/CSTC-A is currently undergoing reorganization. This report should be forwarded to the appropriate office(s), as necessary, once this reorganization is complete to ensure implementation of our recommendations. SIGAR conducted this audit under the authority of Public Law No. 110-181; 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
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ANA</td>
<td>Afghan National Army</td>
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<tr>
<td>ANP</td>
<td>Afghan National Police</td>
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<tr>
<td>ANSF</td>
<td>Afghan National Security Forces</td>
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<tr>
<td>CSTC-A</td>
<td>Combined Security Transition Command–Afghanistan</td>
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<td>IJC</td>
<td>International Security Assistance Force Joint Command</td>
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<td>ISAF</td>
<td>International Security Assistance Force</td>
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<td>North Atlantic Treaty Organization</td>
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<td>USACE</td>
<td>U.S. Army Corps of Engineers</td>
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<td>USFOR-A</td>
<td>U.S. Forces-Afghanistan</td>
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Since 2005, Congress has appropriated nearly $52.8 billion to equip, train, base, and sustain the Afghan National Security Forces (ANSF), which include the Afghan National Army (ANA) and the Afghan National Police (ANP). As of April 2013, approximately $9.2 billion of this amount has been provided to construct ANSF facilities. Of this amount, approximately $4.7 billion in construction projects was in progress or in the acquisition or planning stages. At the May 2012 North Atlantic Treaty Organization (NATO) Summit held in Chicago, NATO and International Security Assistance Force (ISAF) partner nations pledged long-term support for the security of Afghanistan.\(^1\) To that end, the U.S. government, in coordination with donor nations and the Afghan government, is building and transferring facilities for a force of 352,000 ANSF personnel. At the same time, coalition nations are reducing their presence in Afghanistan and closing or transferring existing facilities. In conjunction with the withdrawal of U.S. and coalition forces in Afghanistan, ISAF guidance requires that all remaining ANSF construction projects be completed by December 2014.\(^2\)

In our prior audit of the ANSF facilities program,\(^3\) we reported that despite considerable funding and large numbers of facilities being constructed, the Combined Security Transition Command-Afghanistan (CSTC-A), under U.S. Forces-Afghanistan (USFOR-A) command,\(^4\) had not developed a long-range construction plan, thereby increasing the risk that it was building facilities that did not meet ANSF needs. We recommended that CSTC-A develop a long-range planning document that incorporated, among other things, updated requirements and justification for all ANSF facilities to meet projected ANSF needs. CSTC-A did not fully concur with this recommendation, but noted that it could improve “the identification of future projects and better document its priorities.”

The objectives of this audit were to assess (1) the extent to which U.S. and coalition basing plans for the ANSF reflect force strength projections; (2) whether CSTC-A analyzed alternatives to minimize new construction, including using existing U.S. and coalition bases to satisfy ANSF basing needs; and (3) the extent to which planned construction projects are likely to be completed by December 2014.

To accomplish these objectives, we reviewed ANSF planning guidance provided by CSTC-A, the ISAF Joint Command (IJC), and the U.S. Army Corps of Engineers (USACE). We identified current and proposed ANSF construction projects, their personnel capacity, and their average project delays. Additionally, we reviewed 411 ANSF construction projects implemented by CSTC-A to identify increases in periods of performance.\(^5\) We also interviewed CSTC-A and IJC officials. We conducted our work in Kabul, Afghanistan from October 2012 through August 2013, in accordance with generally accepted government auditing standards. Appendix I contains a more detailed discussion of our scope and methodology.

**BACKGROUND**

Planned levels of ANSF personnel have changed considerably since the initial 112,000 level set in the 2001 Bonn Agreement. Since 2006, the Afghan government and international community have agreed to several

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\(^1\) Chicago Summit Declaration on Afghanistan Issued by the Heads of State and Government of Afghanistan and nations contributing to the NATO-led International Security Assistance Force, May 21, 2012.


\(^3\) See SIGAR Audit 11-6, *Inadequate Planning for ANSF Facilities Increases Risks for $11.4 Billion Program*, January 26, 2011. Since this report, CSTC-A has modified the program and reduced the overall cost from $11.4 billion in January 2011 to $9.2 billion in April 2013. In addition, the ANSF goal at that time was 400,000.

\(^4\) USFOR-A is the command and control headquarters for U.S. forces operating in Afghanistan. The Commander of USFOR-A is also the Commander of the ISAF. USFOR-A oversees CSTC-A’s efforts to develop the ANSF.

\(^5\) Period of performance is the number of days between construction start date and end date.
increases in the ANSF personnel levels. Most recently, at the May 2012 Chicago Summit, the United States, its NATO allies, other coalition partners, and Afghanistan announced a preliminary size of 228,500 personnel for an enduring ANSF and committed to provide funding for it. According to the Department of Defense, the ANSF will remain at a surge level of 352,000 through 2015.

Depending on security conditions, the Afghan government, in coordination with NATO and other partners, plans to refocus the ANSF toward enduring security roles and to consider how to reshape the ANSF into a more sustainable force, including through reducing the number of ANSF personnel. The Chicago Summit participants anticipated a carefully planned drawdown, based on security conditions, to an ANSF goal of 228,500 personnel in 2017, from its currently approved level of 352,000, with an estimated annual budget of $4.1 billion.

To base and house the required troop level, the U.S. and coalition partners are providing ANA and ANP facilities in strategic locations jointly determined by ISAF and the Afghan government. CSTC-A, in coordination with IJC and USACE, has primary responsibility for planning, constructing, and managing the facilities required to house the ANSF.

The Director of CSTC-A Combined Joint Engineering heads the ANSF base construction process. CSTC-A also coordinates with regional commands,6 local ANSF leaders, and the Afghan government. In addition to building new facilities, the coalition can choose to transfer existing coalition facilities to the ANSF.

As of April 2013, the ANSF infrastructure program totaled $9.2 billion and consisted of 361 ANA facilities and 762 ANP facilities. Of this amount, approximately $4.7 billion of construction projects are under construction or in pre-construction stages. As shown in figure 1, for the ANA, 214 projects (59 percent) are complete, 136 (38 percent) are in progress, and 11 (3 percent) are in pre-construction stages. For the ANP, 507 projects (67 percent) are complete, 234 (31 percent) are under construction, and 21 (3 percent) are in pre-construction stages. These new facilities are being built in addition to the 235 existing U.S. and coalition facilities that have been transferred to the Afghan government for use by the ANSF. Figure 1 shows that, as of April 20, 2013, the ANA and ANP construction projects in progress were valued at approximately $2.9 billion and $1.3 billion, respectively.

![Figure 1 - Construction Stages and Cost of ANSF Facilities, as of April 20, 2013](image)

Source: CSTC-A Informational Brief, April 20, 2013.

6 ISAF is divided into six regional commands across Afghanistan, each with a specific geographic area of responsibility—North, East, South, Southwest, West, and the Kabul area. The United States leads Regional Commands East, South, and Southwest.
IJC AND CSTC-A REVIEW EXISTING COALITION FACILITIES FOR POSSIBLE TRANSFER TO THE ANSF

In April 2012, IJC established the Operational Basing Board, which meets weekly to review existing U.S. and coalition facilities for closure or transfer to the Afghan government. IJC’s Directors for Future Operations and Joint Engineer Directorate co-chair the board, which coordinates with the Afghan government to determine which facilities may be suited for the ANSF. IJC officials stated that each regional command nominates U.S. and coalition facilities for closure or transfer. The regional commands submit weekly nomination packets to the board, which decides on a case-by-case basis whether to transfer nominated facilities to the Afghan government.

Following IJC’s review, CSTC-A reviews the nomination packets and IJC’s recommendation. IJC and CSTC-A do not always agree on whether to close or transfer existing facilities. According to Operational Basing Board officials, IJC and CSTC-A may differ as to whether the facility is located in a strategic location or the facility is temporary and no permanent facility is planned to replace it. When IJC and CSTC-A do not initially agree on closure or transfer, their staff provides the information to the board co-chairs, who then jointly make a final decision. After the Operational Basing Board review, information on the facility and the IJC and CSTC-A recommendations are presented to the Afghan government, including the ministries of Defense and Interior for review.

According to IJC officials, they hold weekly meetings with ministerial representatives to discuss facilities nominated for transfer and receive Afghan input, analysis, and recommendations. IJC also provides the Afghan government the coalition’s current sustainment costs for the existing facility and all parties use this information in their decisions to either close or transfer a facility. Although initially the Afghan government wanted all facilities transferred instead of closed, IJC officials stated that the Afghan government is beginning to understand the need to close some facilities rather than transfer them. According to IJC officials, they will close a facility unless they are confident that the Afghan government can fully staff, operate, and maintain it. They claim that transferring too many facilities can lead to ANSF forces being spread too thinly across the country, degradation of the facilities due to lack of use, and increased sustainment costs. They also contend that because the Afghan government has limited resources, transferring all facilities would place an undue burden on the Afghan government.

After CSTC-A, IJC, and the Afghan government conduct their reviews, the IJC co-chairs render their decision regarding the future use of the nominated facility. Table 1 shows the number and types of facilities closed or transferred to the ANSF through December 2012.

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7 A regional command provides the nomination packet and recommends a transfer or permanent closure. The information contained within the packet also creates a linkage between tactical and operational needs, if the base is required for area security, and provides coalition costs of sustainment. Regarding Special Operations Forces, an IJC official stated that since they are their own entity, IJC and CSTC-A do not have ownership or control over their facilities. However, IJC asks Special Operations Command for awareness regarding the special operations facilities and their potential future use.
Table 1 - Facilities Closed or Transferred to the Afghan Government through December 2012

<table>
<thead>
<tr>
<th>Type</th>
<th>Closed</th>
<th>Transferred</th>
<th>Ministry of Defense</th>
<th>Ministry of Interior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational basesa</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Tactical bases</td>
<td>57</td>
<td>116</td>
<td>81</td>
<td>35</td>
</tr>
<tr>
<td>Tactical infrastructure</td>
<td>178</td>
<td>235</td>
<td>106</td>
<td>129</td>
</tr>
<tr>
<td>Total</td>
<td>235</td>
<td>352</td>
<td>188</td>
<td>164</td>
</tr>
</tbody>
</table>

Source: CSTC-A.

Note: aOperational bases are large bases primarily used for within-theater transportation and typically include an airfield; a tactical base is usually occupied by a battalion-sized element or smaller; and a tactical infrastructure is a very small, temporary location usually occupied by a platoon-sized element or smaller.

According to IJC, the Operational Basing Board’s assessment of facilities to be nominated, reviewed, and approved for transfer or closure will continue until the end of 2014, on a facility by facility basis. In January 2013, CSTC-A projected that a total of 221 operational and tactical bases and 284 tactical infrastructures will be transferred to the Afghan government through 2014.

IJC also stated that when facilities are transferred to the Afghan government, CSTC-A works to reduce or eliminate facilities proposed or being constructed in that region, in response to the additional capacity created by transferring existing facilities. In comments on a draft of this report, CSTC-A noted that most coalition bases were built to “expeditionary standards with a relatively short lifespan”. However, CSTC-A acknowledged the benefits of using these facilities to add flexibility to the ANSF construction program.

Transferring Facilities to and Modifying Facilities for the Afghans Have Reduced CSTC-A Construction Costs

CSTC-A officials stated that transferring existing coalition facilities to the Afghans, in conjunction with efforts to modify or terminate projects, helped reduce the ANSF program by 318 projects worth approximately $2 billion between fiscal years 2011 and 2012. CSTC-A develops information papers that provide an overview of the ANSF basing program within a region, including the status of planned or ongoing permanent projects and any challenges associated with them. CSTC-A provided us with examples of these papers, which also identify facilities that have been modified to help lower construction costs. For example, CSTC-A had planned to spend $127 million to construct an ANA brigade headquarters in Faryab province, but it identified an existing facility in the area that could meet the ANSF’s needs. CSTC-A cancelled the new construction and modified the existing facility at a cost of $25 million. CSTC-A stated that this change resulted in about $100 million in savings.

CSTC-A LACKS A COMPREHENSIVE PLAN FOR ANSF CONSTRUCTION THAT ACCOUNTS FOR FUTURE ANSF PERSONNEL REDUCTIONS

Although CSTC-A and IJC have made progress reducing new construction projects through the review of existing coalition facilities for closure or transfer to the Afghan government, as of June 2013, CSTC-A had still not implemented a long-term basing plan. Instead, CSTC-A and IJC told us they modify ANSF projects and facilities on an ad-hoc basis, taking into account changes in ANSF needs, input from regional commanders, and
knowledge of the changing security environment. According to CSTC-A, changing personnel requirements make the development of a long-term basing plan difficult, especially because facilities take an average of 2 years to build.

CSTC-A provided to us an April 2012 engineering directorate developed booklet entitled, Permanent Basing for the Afghan National Army and Facility Stewardship Program. This booklet combines information from a number of years of ANA facility construction and outlines what has been built, what is currently under construction, and what is still being planned. This document has not been reviewed by Afghan ministries, IJC, or CSTC-A senior officials and does not represent the official views of these entities, nor does it constitute a guiding strategy or plan. CSTC-A also lacks a similar document for the ANP.

Two additional documents guide CSTC-A ANSF base planning and implementation efforts, but neither constitutes a comprehensive plan. The first of these documents is entitled, “Annex K Operations Order Version 27.” This document, approved by CSTC-A, IJC, and the Afghan government, provides the requirement for building the ANSF to 352,000. However, this document does not address future ANSF levels or basing needs, and, as such, does not require basing plans to adapt to reductions in personnel. The second document is the Afghan Program of Record which describes ANSF strength composition and functions, but it does not state the required number of forces per ANSF facility.

CSTC-A Is Constructing Facilities That Will Have Excess Capacity

Currently, CSTC-A is building permanent facilities to house the surge level of 352,000 troops and plans to continue this construction, despite plans for the ANSF to reduce its size to 228,500. The international community and Afghan government approved a preliminary model for a reduced ANSF at the Chicago Summit, calling for a reduction of 123,500 personnel in the ANSF, from a size of 352,000 in 2015 to 228,500 in 2017. As a result, when the ANSF decreases to 228,500, ANSF facilities will have excess capacity.

We have previously reported on excess capacity or underutilization of ANSF facilities. For example, in a July 2012 report, we found three Afghan Border Police Bases in Nangarhar province that were either unoccupied or were not being used for their intended purpose.8 Similarly, in a January 2013 report on the $7.3 million Imam Sahib Border Police Company Headquarters, we found that only 12 Afghan personnel were present at a facility built to accommodate up to 175.9 The report also noted that most buildings at the site appeared unused. According to CSTC-A, the project was originally designed to accommodate 59 personnel, but a change in requirements increased the capacity to 175. Nevertheless, the Afghan Border Police told CSTC-A that a facility will rarely be at full capacity due to dispersed daily operations. Moreover, when we discussed the facility’s underutilization with CSTC-A officials, they informed us that the construction plans for the ANSF were aligned to the personnel strength of 352,000 and there were no plans to adjust the building program to varying circumstances.

IJC and CSTC-A officials stated that until the reduced ANSF becomes a formal directive, construction of permanent facilities will continue to be based on the current 352,000 ANSF personnel goal. The officials also stated that reducing the ANSF to 228,500 personnel is an “international projected amount” and, as such, has not been approved by ISAF. Therefore, IJC and CSTC-A officials told us they cannot deviate from the construction plan until official guidance directs them to do so. IJC officials stated that while the Chicago Summit guidance calls for a reduction in forces due to decreased international funding, the Afghan

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government may increase its funding amount—or reduce ANSF wages, costs, maintenance, and overhead—to achieve a larger force.

Although CSTC-A does not have a construction plan for addressing a reduction in the ANSF to 228,500, CSTC-A officials stated that if the reduction occurs, they will eliminate any planned bases that have not yet been awarded. However, CSTC-A expects all base contracts to be awarded by September 2013, which will not coincide with the ANSF reduction, so eliminating un-awarded projects will not be a viable option. CSTC-A officials also stated that they can reduce the scope of non-completed projects after contract award.

**CSTC-A Is Unaware of Facilities’ Current Usage**

To better quantify excess capacity issues, we requested that IJC and CSTC-A provide us with on-site personnel numbers for 18 ANA and 18 ANP facilities that had already been constructed. IJC responded that neither command tracks on-site personnel numbers for these or other facilities. As a result, IJC and CSTC-A cannot determine whether current facilities—let alone facilities under construction or being planned—meet ANSF needs. In addition, given high annual attrition rates—31.8 percent for the ANA and 16.8 percent for the ANP from March 2012 through February 2013—the ANSF are unlikely to achieve full capacity at all facilities built.

In commenting on our draft report, CSTC-A reported that it is working with the Ministries of Defense and Interior to help them develop a comprehensive basing strategy that will provide a nationwide view of the current basing capacity of each ministry, future basing requirements, and future Afghan budget constraints. According to CSTC-A, working within the ministries’ processes of requirements validation, resource allocation, execution, and feedback will provide the ANSF the flexibility needed to ensure that current and future needs are met. In addition, CSTC-A stated that it has several initiatives underway to determine ANSF infrastructure capacity to help identify those areas where there is excess capacity and current projects can be de-scoped or cancelled. According to CSTC-A, from January to August 2013, these additional initiatives, combined with routine reviews, resulted in a reduction of over $432 million in U.S. and coalition funding. As the coalition drawdown continues, CSTC-A and IJC are working to identify additional opportunities to transfer coalition facilities to the ANSF instead of building new facilities.

**PROJECTS MAY NOT MEET 2014 DEADLINE, POTENTIALLY INCREASING COSTS AND HINDERING OVERSIGHT OF CONSTRUCTION PROJECTS**

In conjunction with the withdrawal of U.S. and coalition forces in Afghanistan, ISAF guidance requires that all remaining ANSF construction projects be completed by December 2014. Prior SIGAR reports found delays in completion of ANSF facility construction projects. For example, in January 2013 we reported that the construction of the Kunduz ANP Provincial Headquarters incurred a 10-month delay and a $5 million cost increase.\(^\text{10}\) In April 2013, we also reported that the ANP Main Road Security Company in Kunduz Province was behind schedule and probably will not meet the target completion date.\(^\text{11}\)

Using CSTC-A’s 2012 schedule, we identified historical delays in completion of ANA and ANP projects and applied them to CSTC-A’s December 2012 schedule. Specifically, we analyzed a dataset of 136 ANA and 275 ANP construction projects active or completed during 2012, which amounted to $4.4 billion in government


contracts. We found that among the projects active during more than one reporting period in 2012, the period of performance increased an average of 215 days (74 percent) for ANA projects and 143 days (33 percent) for ANP projects beyond the initial estimated completion date. Using these average delays, we projected the periods of performance for 348 projects scheduled for completion by the end of 2014.

As shown in figure 2, once these projected delays were taken into account, we estimated that 52 projects would go beyond the December 2014 deadline. In contrast, CSTC-A’s December 2012 schedule showed that only one project would extend beyond this deadline.

Figure 2 - CSTC-A Project Schedule Compared to SIGAR Estimates for ANA and ANP Active Projects (as of December 2012)

Source: SIGAR analyses of CSTC-A ANA and ANP project data.

According to USACE officials, changing security issues, changing construction requirements, and subcontractor performance issues have caused construction delays. CSTC-A and USACE coordinate to determine a new project’s period of performance, but historical delays are not taken into account in that determination. After CSTC-A submits the requirements for a given facility, USACE reviews the scope, designs the project, and determines the period of performance based on CSTC-A requirements. If the determined period of performance does not meet CSTC-A’s needs or timeframes, the scope and/or design are revised.

USACE officials noted that the contractor is contractually obligated to complete a project on time. USACE officials work with the contracting officer and project office personnel to monitor the contractor’s progress, in accordance with construction schedules. In addition, USACE on-site engineers monitor the progress of a project. USACE meets with CSTC-A and the regional commands to discuss potential courses of action to address any issues that arise, including a contractor’s schedule. USACE officials stated that when a delay occurs, they evaluate the cause and determines whether to provide the contractor with additional time. According to USACE, all projects scheduled for completion in the last 90 days of 2014 or in 2015 are currently under review. USACE officials stated that they are coordinating with CSTC-A and the ANSF either to help ensure on-time delivery or to de-scope projects to provide a usable facility prior to December 2014. USACE may also recommend cancelling a project when the contractor fails to perform the work within the time specified in the contract or does not meet quality standards. CSTC-A makes a determination on whether to cancel a project.
and notifies the contracting officer to terminate the contract. In September 2012, for example, CSTC-A terminated three contracts in Regional Command–Southwest for poor performance.

In December 2012, CSTC-A reported that one facility, worth approximately $16 million, would not meet the 2014 deadline. In March 2013, we briefed CSTC-A engineers and raised concerns that additional projects would continue into 2015. Following that briefing, in April 2013, CSTC-A began the process of reassessing project timelines. As of June 2013, it reported that 47 projects worth approximately $1.1 billion would not be completed by December 2014. CSTC-A is prioritizing these 47 projects based on regional command input, ANSF operational needs, project location, the ability to use coalition facilities, and the ability to de-scope the project. Once the review is complete, CSTC-A will present the projects to senior coalition officials for final decision on whether to continue each project past 2014. In its comments on a draft of this report, CSTC-A updated this number to 36 projects that are scheduled to go beyond 2014. USACE and CSTC-A officials attributed the initial optimistic schedules to shortened project planning times in the rush to award all ANSF projects by a December 2012 ISAF deadline. In comments provided by U.S. Central Command, it noted that the Commander, ISAF, has requested a quarterly review of the ANSF construction program to ensure that requirements remain valid and construction is on track.

**Coalition Drawdown Creates Project Oversight Risks**

USACE officials stated that because many ANSF projects are located in insecure areas, the downsizing and planned withdrawal of U.S. forces will make it more challenging to complete construction projects on schedule. According to USACE officials, the U.S. and coalition drawdown will adversely affect its ability to oversee and visit construction projects. USACE plans to maintain a ratio of about 1.5 personnel in Afghanistan and the United States for every active project in Afghanistan. As of April 1, 2013, USACE had 598 personnel managing 399 active and pre-award projects. In July 2013, USACE officials stated that after December 2014, it will have at least 130 personnel managing about 50 projects. This assumes that the number of active projects will decrease from 134 in July 2014 to 50 active projects after December 2014.

USACE officials stated that they will monitor the security situation in Afghanistan and adjust their execution plan as necessary. Further, after the coalition drawdown, the officials said they intend to conduct project oversight, but will use fewer USACE personnel to do so. For example, USACE officials noted the possibilities of using local Afghan staff, third-party monitors, and aerial photos. In addition, when USACE personnel are needed in-country for oversight, USACE officials stated that they can operate from outside Afghanistan by conducting short on-site visits. In commenting on a draft of this report, CSTC-A stated that it is working with USACE on developing a series of post-drawdown options to ensure adequate project management, including hiring a construction management firm to live on site or using USACE’s existing Afghan quality assurance personnel. In its comments, U.S. Central Command added that USACE has directed the Transatlantic Division–Afghanistan office to focus exclusively on ANSF construction. Transatlantic Division–Afghanistan leadership will evaluate construction progress, the evolving security situation, and engineer personnel to ensure that the ANSF construction program remains on track until completion.

**CONCLUSION**

Transferring facilities to the ANSF, in conjunction with modifying or terminating facilities has allowed CSTC-A to cut approximately $2 billion from the ANSF facilities construction program. We applaud CSTC-A for transferring coalition facilities and modifying the ANSF construction program to save taxpayer funds. In addition, we are

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12 USACE numbers include some non-CSTC-A projects.
pleased that CSTC-A took additional steps during the course of this audit to modify or eliminate projects. However, DOD is missing additional opportunities to reduce waste in the ANSF facilities construction program before the drawdown of U.S. and coalition forces is completed in December 2014. Given the size and scope of the remaining $4.7 billion ANSF basing construction projects, the U.S. government has the opportunity to prevent the construction of excess facilities and reduce wasted funds. However, the U.S. is building permanent facilities with lifespans of 25 years or more for a temporary surge force potentially lasting 4 to 5 years. With no plans to address the impending 123,500 personnel reduction in the ANSF and reduce spending to support the ANSF long-term goals, DOD is funding a program that is potentially building permanent facilities in excess of the ANSF’s eventual needs. Furthermore, it is building these facilities without knowledge of current facility utilization and the Afghan government’s ability to sustain them. We have previously reported that current facilities are underutilized or not being used at all, and have repeatedly questioned the ANSF’s ability to operate and maintain these facilities.

The U.S. ability to conduct direct oversight and ensure that contractors are being held accountable for construction projects is diminishing quickly due to the continuing drawdown of U.S. and coalition forces from Afghanistan. The December 2014 deadline is approaching, and, as our analysis showed, more construction will remain after this deadline than CSTC-A originally estimated. If CSTC-A and USACE projects continue into 2015, they must plan to provide adequate program management and oversight. Once U.S. and coalition forces significantly reduce their presence at the end of 2014, without sufficient staff to manage and oversee projects, USACE and CSTC-A’s ability to ensure successful completion will significantly decrease and thereby increase the risk that the U.S. investment in these projects will be wasted.

RECOMMENDATIONS

To help ensure that the U.S. government is providing the appropriate number of facilities for the current and future ANSF, we recommend that the Deputy Commander, CSTC-A, in coordination with the Commander, IJC, immediately:

1. Develop a plan that considers potential ANSF reductions to 228,500, and defer building permanent facilities, as appropriate, to eliminate future excess facility capacity.

2. Determine the extent to which current facilities are being underutilized and how this excess capacity can be used to reduce the construction of new facilities and save reconstruction funds for other purposes.

To ensure that the U.S. government provides the necessary oversight and personnel for construction projects extending to 2015, we recommend that the Deputy Commander, CSTC-A, in coordination with the Commanding General and Chief of Engineers, USACE:

3. Prepare a plan detailing specifics for security and oversight for construction projects continuing past 2014.

AGENCY COMMENTS

SIGAR received formal comments on a draft of this report from CSTC-A and IJC. CSTC-A concurred with all three recommendations addressed to it and IJC concurred with the two recommendations addressed to it. Both CSTC-A and IJC, as well as U.S. Central Command, provided additional technical comments and updates on implementation, which we incorporated into the report, as appropriate.
APPENDIX I - SCOPE AND METHODOLOGY

The audit focuses on Combined Security Transition Command-Afghanistan’s (CSTC-A) overall planning process for construction of the Afghan National Security Forces (ANSF) facilities in Afghanistan. Specifically, our objectives were to assess (1) whether CSTC-A analyzed alternatives to minimize new construction, including using existing U.S. and coalition bases to satisfy ANSF basing needs, (2) the extent to which U.S. and coalition basing plans for the ANSF reflect force strength projections, and (3) the extent to which planned construction projects are likely to be completed by December 2014. To accomplish our objectives, we reviewed relevant ANSF planning guidance provided by CSTC-A, Internal Security Assistance Force (ISAF) Joint Command (IJC), and the U.S. Army Corps of Engineers (USACE). We identified and analyzed the current and proposed ANSF facility projects, their personnel capacity, and the historical project days to completion. We also interviewed relevant IJC and CSTC-A officials to gain an understanding of the historical planning process. We reviewed information on construction projects active from December 2011 through June 2013.

To determine whether CSTC-A analyzed alternatives to minimize new construction, including using existing U.S and coalition bases to satisfy ANSF basing needs, we requested information on the Operational Basing Board, and attended a board meeting to observe the transfer decision process. We also reviewed documentation specifying the review process for existing coalition facilities, including facility nomination packets. In order to assess if this process results in decreased cost, we reviewed CSTC-A information papers that identified facilities that were modified and transferred, and as a result, reduced program costs.

To assess the extent to which IJC and CSTC-A have developed an ANSF basing plan that reflects force strength projections, we requested documents that they use to guide the ANSF basing program. We were provided with three primary documents: (1) Permanent Basing for the Afghan National Army and Facility Stewardship Program, (2) Annex K Operations Order Version 27, and (3) Afghan Program of Record. We also requested documents outlining a basing plan to account for the possible ANSF drawdown and determined that no plan exists. Additionally, in order to determine if there is current excess capacity in existing ANSF facilities, we reviewed two SIGAR inspection reports of completed ANSF facilities that noted excess personnel capacity. As a result of this review, we selected 36 ANSF facilities and requested that IJC and CSTC-A provide the number of ANSF personnel located at each facility. IJC notified us that the coalition does not track facility capacity, and as such, we were unable to project how many facilities have excess capacity. With respect to assessing internal controls, we reviewed whether CSTC-A developed a basing plan that reflects force strength projections and collected information on the utilization of existing facilities. The results of our assessment are included in the body of this report.

To determine the extent to which planned construction projects were likely to be completed by December 2014, we reviewed quarterly submitted CSTC-A ANSF construction projects active or planned during 2012. CSTC-A submitted this computer-processed data to us on a quarterly basis during 2012; it included project names, locations, cost, and start and completion dates. Through a review of the data and tracking projects through multiple quarters, we determined that the data was sufficiently reliable for the purposes of our analysis.

We identified historical delays for projects and then applied these delays to 2012 ongoing projects. To do this, we drew two separate but overlapping sets of data from CSTC-A’s reported Afghan National Army (ANA) and Afghan National Police (ANP) projects. First, we looked at all projects that CSTC-A reported as active during two or more quarters in 2012. This dataset contained 411 total projects, 136 ANA (62 percent of all reported ANA projects) and 275 ANP (72 percent of all reported ANP projects). Projects with missing start or completion dates were excluded.

from this dataset, as were projects listed during only one quarter in 2012, as no changes in periods of performance would be evident from these projects.

Using these 411 projects, we calculated any change CSTC-A reported to the period of performance. Table 2 shows how the period of performance changed for ANA and ANP projects in 2012.

Table 2 - Change in Period of Performance for ANA and ANP Projects, 2012

<table>
<thead>
<tr>
<th>Change in Period of Performance</th>
<th>ANA</th>
<th></th>
<th></th>
<th>ANP</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Projects</td>
<td>Percent of Projects</td>
<td>Average days</td>
<td>Average Percent Change</td>
<td>Number of Projects</td>
<td>Percent of Projects</td>
</tr>
<tr>
<td>Increase</td>
<td>115</td>
<td>85%</td>
<td>+266</td>
<td>+89%</td>
<td>244</td>
<td>89%</td>
</tr>
<tr>
<td>Decrease</td>
<td>15</td>
<td>11%</td>
<td>-83</td>
<td>-13%</td>
<td>11</td>
<td>4%</td>
</tr>
<tr>
<td>Unchanged</td>
<td>6</td>
<td>4%</td>
<td>0</td>
<td>N/A</td>
<td>20</td>
<td>7%</td>
</tr>
<tr>
<td>Total population</td>
<td>136</td>
<td>100%</td>
<td>+215</td>
<td>+74%</td>
<td>275</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: SIGAR analysis of CSTC-A provided data

Note: Percentages rounded.

We applied these averages to a second data set of reported projects with a projected completion date of January 2013 or later. We excluded projects missing start or completion date data, projects lacking a fourth quarter record, and projects that closed as expected during 2012. A total of 348 projects—141 ANA and 207 ANP—met these criteria.

Our analysis of this dataset aimed to understand the number of likely active projects at any given time during 2014 and 2015, taking into account historical delay averages. Two categories of projects were specifically affected by our analysis: projects with only one record during the fourth quarter of 2012—which had therefore not yet experienced recorded delays—as well as projects with a completion date in the future showing a 2012 period of performance increase of less than the average.

For projects with no trendline data, we applied the population average percent change in period of performance (74 percent increase for ANA projects, 33 percent increase for ANP) to the CSTC-A-projected completion date to demonstrate the impact an average delay would have on active projects. For projects with trendline data, and delays below the mean, we calculated new completion dates based on projects reaching average delays (266 day delay for ANA projects, 164 day delay for ANP). Finally, we assumed projects with trendline data showing either a period of performance decrease or no change during 2012 would remain as such, and therefore did not project increases in periods of performance for either category.

We do not predict that all projects will be delayed by the average; these calculations were only intended to suggest a potential outcome if current projects experience delays consistent with 2012 historical data.

We conducted our work in Kabul, Afghanistan, from September 2012 through August 2013, in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusion 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. The audit was conducted by the Office of Special Inspector General for Afghanistan Reconstruction under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.
APPENDIX II - COMMENTS FROM THE COMBINED SECURITY TRANSITION COMMAND-AFGHANISTAN

HEADQUARTERS
COMBINED SECURITY TRANSITION COMMAND - AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09356

28 Aug 2013

MEMORANDUM THRU United States Forces - Afghanistan (CJIG), APO AE 09356
United States Central Command (CCIG), MacDill AFB, FL 33621

FOR: Office of the Special Inspector General for Afghanistan Reconstruction
2530 Crystal Drive, Arlington, VA 22202


1. The purpose of this memorandum is to provide responses to SIGAR’s draft report.

2. Point of contact for this action is LTC Regis C. Worley at DSN [REDACTED] or via e-mail at

KENNETH E. TOYO
Lieutenant General, US Army
Commanding General

Enclosure:
CSTC-A Response to Draft Report
2. Recommendation
Develop facilities, as appropriate, to eliminate future excess facility capacity.

a. CSTC-A reviewed the draft report and has the following comments:

b. CSTC-A concurs with SIGAR’s recommendation. The CSTC-A is working through the Ministry of Defense’s (MoD) Construction and Property Management Department (CPMD) and Ministry of Interior’s (MoI) Facilities Department (FD) to help them develop a comprehensive basing strategy. This strategy will provide a complete, nationwide view of the current basing capacity of each Ministry (“what they have”), what their current and projected basing requirements are (“what they need”) and what their anticipated future budgets will allow (“what they can afford”). Working within the larger ministerial processes of requirements validation, resource allocation, execution and feedback reporting, this basing analysis process will provide the ANSF the flexibility necessary to ensure that their current and future basing needs are met. Critically, this ongoing process must both adequately house the current force while also affording sufficient flexibility to allow for likely adjustments to future force structure or operational repositioning.

c. The element of flexibility required to deal with future changes to ANSF basing requirements has been added to the Afghan basing portfolio by transferring Coalition Force bases to the ANSF in lieu of new, permanent construction. Most Coalition bases were built to temporary, expeditionary standards expected to last only a few years. Housing a portion of the ANSF in these temporary structures offers not only an obvious level of efficiency, but the relatively short lifespan of these facilities allows basing capacity to be readily deleted. Programmed funding for capital construction in the out-year’s budget (Code 25 Developmental funding) will afford the ANSF flexibility in the event of alternative conditions, including: closing unneeded, end-of-lifespan temporary bases if force levels are reduced; reinvesting in the sustainment of these temporary bases if force levels are not drastically reduced; or investing in completing construction of permanent bases if both the tactical situation and the projected force manning levels allow.

3. Recommendation 2, Page 9, states:
Determine the extent to which current facilities are being underutilized and how this excess capacity can be used to reduce the construction of new facilities and save reconstruction funds for other purposes.

a. CSTC-A reviewed the draft report and has the following comments:

b. CSTC-A concurs with SIGAR’s recommendation. CSTC-A has several current initiatives to determine capacity of current in-progress infrastructure builds. These initiatives will help identify those areas where excess capacity is present and current projects can be de-scoped or cancelled. CSTC-A has already permanently offset 27x kandaks worth of new construction with the transfer of existing Coalition bases. Working closely with IJC, CSTC-A has recently executed a series of initiatives to compliment our routine programmatic reviews and adjustments. To date in CY 13, these reviews and initiatives have resulted in a reduction of over $432M of US and Coalition funding. As the Coalition base drawdown plan progresses, CSTC-A and IJC are working to identify additional opportunities to offset new ANSF construction with the transfer of existing Coalition bases. Transferring existing Coalition bases has the advantage of immediately...
NTM-A/CSTC-A RESPONSE TO DRAFT REPORT

Report No. SIGAR-Inspection-13-18 (SIGAR Code: SIGAR Audit 069A)

providing the ANSF a safe and secure facility that is usually located in a tactically significant location. The disadvantages of many Coalition bases are that they were built to expeditionary standards with a relatively short lifespan and little investment in capital intensive efficient infrastructure (e.g. inefficient spot generation, voice efficient but costly prime power plants). However, as previously mentioned, there is the opportunity to turn this short lifespan disadvantage into an asset by using these expeditionary facilities to inject required flexibility into the Afghans' basing portfolio.

Recommendation 5, Page 9, states.

Prepare a plan detailing security and oversight coverage for construction projects continuing past 2014.

a. CSTC-A reviewed the draft report and has the following comments:

b. CSTC-A concurs with SIGAR’s recommendation. CSTC-A, working closely with their USACE and AFCEC construction agent partners, continue to analyze and adjust the timelines for completing ongoing ANSF infrastructure projects. During this review, CTSC-A analyzes all of the risks that impact the delivery of projects and adds a contingency time to compensate for these identified risks. This risk-adjusted timeframe for completing and handing over the projects to the ANSF has allowed CSTC-A to determine that 36 projects are currently projected to go beyond 2014.

c. As the Coalition Forces draw down to the Resolute Support Mission set, these risk-adjusted dates are being used to determine which projects will be in construction and beyond the operational reach of Coalition Forces. Working with USACE, we are developing a series of post draw down options to ensure adequate project construction management. These options include hiring a Title II construction management firm to live on site to provide the necessary quality assurance and construction management oversight, as well as using USACE's cadre of Afghan Local National Quality Assurance (LNQA) and Local National Professional Engineers (LNPE) workers to provide the required surveillance and oversight.

APPROVED BY:
William H. Graham
COL, CSTC-A ENG
Director

PREPARED BY:
Regis C. Worley
LCDR, CSTC-A ENG
Operations & Integration Branch Chief,
DSN [redacted]

Page 2 of 2
APPENDIX III - COMMENTS FROM THE INTERNATIONAL SECURITY ASSISTANCE FORCE JOINT COMMAND

MEMORANDUM FOR USFOR-A


1. IJC has reviewed the SIGAR Draft Report 13-18, “Afghan National Security Forces: Additional Action Needed to Reduce Waste in $4.7 Billion Worth of Planned and Ongoing Construction Projects”, and submits the following responses (information request in italics / IJC response in bold):

   1. Develop a plan that considers potential ANSF reductions to 228,500, and defer building permanent facilities, as appropriate, to eliminate future excess facility capacity.

   RESPONSE: Concur with comment. IJC should develop plans for all contingencies to account for an ANSF end strength of either 352,000 or 228,500; defer select builds while examining these options.

   2. Determine the extent to which current facilities are being underutilized and how this excess capacity can be used to reduce the construction of new facilities and save reconstruction funds for other purposes.

   RESPONSE: Concur.

2. Point of contact for this response is COL Ron McNamara at DSN [redacted]

Ronald McNamara
RONALD W. McNAMARA
COL, USA
Inspector General
APPENDIX IV - ACKNOWLEDGMENTS

Daniel Chen, Senior Program Manager
Daniel Domke, Auditor-in-Charge
Mia Bonarski, Methodologist
This inspection report was conducted under project code SIGAR-069A.
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- 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
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