



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

May 05, 2016

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

Dear Ambassador McKinley:

In July 2013 the Afghan government released its *Afghanistan National Railway Plan (ANRP)*, which highlights the important role that an expanded national railway could play in reducing Afghanistan's dependence on foreign assistance.¹ The ANRP is an Afghan government document that it developed in coordination with representatives from multiple U.S. government agencies. The plan notes that "much attention is focused on expanding the national railway as a means to haul significant tonnages of commodities and resources from mines to markets."² The ANRP also suggests that, without an expanded national railway, some of Afghanistan's largest mineral deposits "would not be economically viable for private sector investment."³

Our January 2016 audit report, titled *Afghanistan's Oil, Gas, and Minerals Industries: \$488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, also noted the importance of rail infrastructure to the development of the Afghan mining sector. As stated in our report, Afghanistan's lack of rail networks is a key factor contributing to slow extractive-industry development. The report also found that Afghanistan's rail network is almost nonexistent and the few railroad lines that do exist use gauges (track spacings) that are incompatible with each other.⁴ Because Afghanistan is a landlocked country, shipping bulk commodities like iron and copper (of which Afghanistan has vast reserves) generally requires transport by rail to customer or port in order to be economically feasible.⁵

Given the important role that expanded rail infrastructure could play in building a sustainable Afghan economy, I am writing to request information regarding the Department of State's efforts to develop the Afghan railway sector. Please provide responses to the following, with supporting documentation:

1. Has the Department of State provided any assistance or implemented any projects or programs to develop, construct, operate, or otherwise promote rail infrastructure in Afghanistan, since 2010? If so, please provide specific details including all relevant contract, cooperative agreement, grant, or direct assistance information.
2. The ANRP included the following list of challenges to the expansion of Afghanistan's national railway: "mountainous terrain, regional and inter-ministerial cooperation, regional connectivity, ability to import railway building materials and rolling stock, availability of real estate, funding, and transparency."⁶ Has the Department of State provided assistance to the Afghan government or implemented projects or programs to specifically address these challenges with railway development? Are there any plans for such assistance in the future?

¹ *The Railway of Opportunity: Afghanistan National Railway Plan (ANRP)*, July 1, 2013, p. v.

² *Id.* p. 4.

³ *Id.*

⁴ SIGAR 16-11, *Afghanistan's Oil, Gas, and Minerals Industries: \$488 Million in U.S. Efforts Show Limited Progress Overall, and Challenges Prevent Further Investment and Growth*, January 11, 2016. p. 14.

⁵ *Id.*

⁶ ANRP, p. 33.

I am submitting this request under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended. Should you or your staff have any questions about this project, please contact Mr. Matthew Dove, Director of Special Projects, at [REDACTED] or [REDACTED].

Sincerely,

A handwritten signature in black ink, appearing to read 'John F. Sopko', with a long horizontal flourish extending to the right.

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

Encl: I – State Response, dated June 14, 2016

APPENDIX 1 – STATE RESPONSE TO SIGAR INQUIRY LETTER 16-34-SP, DATED
JUNE 14, 2016



United States Department of State

Washington, D.C. 20520

June 14, 2016

Matthew Dove
Director of Special Projects
Office of the Special Inspector General
For Afghanistan Reconstruction (SIGAR)
2530 Crystal Drive
Arlington, VA 22202

SUBJECT: Response to Inquiry on Afghan National Rail Plan

Dear Mr. Dove,

Thank you for your letter of May 5, 2016 related to the implementation of the Afghan National Rail Plan. We agree that development of Afghanistan's transportation infrastructure is an important ingredient for the country's long-term economic stability. The development of the Afghan National Rail Plan was a useful initial step in organizing Afghan government and international donor efforts in the transportation sector. More work certainly needs to be done, and the Afghan government is working to determine appropriate next steps.

With regard to the two questions posed in your letter on whether any U.S. government assistance has been applied to develop rail infrastructure in Afghanistan, or whether the Department of State provided assistance to the Afghan government to specifically address challenges with railway development in Afghanistan, we have searched our files and found no record of Department of State assistance in either of these areas since 2010.

Please do not hesitate to contact us again if you have any further questions or if we can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Carpenter".

Jonathan Carpenter
Deputy Special Representative
for Afghanistan and Pakistan