

February 14, 2017

The Honorable Wade Warren
Acting Administrator
U.S. Agency for International Development

Dear Acting Administrator Warren:

I am writing to request information regarding USAID's ongoing and planned infrastructure development projects in Afghanistan. Infrastructure projects have been and continue to be a significant part of the Afghanistan reconstruction effort, and the Afghanistan National Peace and Development Framework (ANPDF) for 2017-2021 calls on international donors to support the Afghan government's efforts to improve the economic environment by focusing on infrastructure development, among other things, over the next five years. In addition to understanding how USAID is responding to the Afghan government's call for infrastructure development, information about USAID's ongoing and planned infrastructure development projects in Afghanistan will help the new U.S. Congress and Administration understand existing reconstruction priorities and allow SIGAR to bolster our planning efforts.

Since its creation, SIGAR has conducted extensive oversight of infrastructure projects in Afghanistan funded by the U.S., and our efforts have resulted in hundreds of millions of dollars in cost savings. For example, as a result of our September 2013 audit examining ongoing and planned construction in support of the Afghan National Defense and Security Forces, the Department of Defense took actions to more closely align infrastructure development with projected needs. DOD's actions in response to our work resulted in approximately \$600 million worth of U.S. taxpayer funds being put to better use.²

To assist us in fulfilling our critical oversight mandate, please provide, no later than March 1, 2017, a list of all ongoing and planned USAID-funded infrastructure development projects in Afghanistan. The list should include infrastructure projects funded on- and off-budget, as well as individual infrastructure projects implemented as components of USAID programs. For each project, please include the project location, cost (planned or committed, obligated, and disbursed), program name

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¹ Islamic Republic of Afghanistan, Afghanistan National Peace and Development Framework (ANPDF) 2017-2021, p.34.

² SIGAR, Afghan National Security Forces: Additional Action Needed to Reduce Waste in \$4.7 Billion Worth of Planned and Ongoing Construction Projects, SIGAR 13-18, September 13, 2013.

(where applicable), expected period of performance (start and completion dates), and the sector to which the project is expected to contribute (e.g. transportation, energy, agricultural and natural resource, etc.).

I am submitting this request under the authority of Public Law No. 110-181, 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 (703) 545-6051 or matthew.d.dove.civ@mail.mil.

Sincerely,

John F. Sopko

Special Inspector General

for Afghanistan Reconstruction

ENCLOSURE I: SUMMARY OF USAID RESPONSE TO SIGAR-17-30-SP

On March 12, 2017, USAID provided its response to our February 14, 2017 letter. USAID's response was marked "Procurement Sensitive." According to USAID, the response was marked "Procurement Sensitive" because it contained planned activities based on internally prepared Independent Government Cost Estimates and activities in the early stages of design. USAID stated that such information is sensitive or nonpublic and therefore non-disclosable. Regarding its on-budget activities, USAID stated that it "does not control or have privity over those actual procurements," and it did not want to make public any information that could interfere in the Afghan government's contracting processes. In response to USAID's concerns, we are withholding USAID's full response from publication and instead providing a summary of the response, including aggregated costs of USAID's ongoing and planned work.³

According to the USAID response, as of December 31, 2016, USAID had 12 ongoing infrastructure projects in Afghanistan valued at approximately \$446 million. These 12 projects primarily support energy, agricultural, education, and water sector development and are comprised of both on-and off-budget⁴ projects, as well as projects funded by grants to Public International Organizations.⁵ USAID also has two ongoing agricultural programs with construction components worth about \$16 million.

In addition to its ongoing work, USAID also has 15 planned infrastructure projects with a projected value of approximately \$505 million. These 15 planned infrastructure projects will support energy, agricultural, transportation, and water sector development and are comprised of both on-and off-budget projects.

³ The information that USAID marked "Procurement Sensitive" does not meet the definition of procurement sensitive as defined by 41 USC §§ 2101 and 2102, Nevertheless, SIGAR was able to aggregate the information for the purposes of this summary.

⁴ On-budget assistance is funding that is provided directly to the Afghan government's core budget. Off-budget assistance is funding for programs that U.S. agencies directly fund and manage.

⁵ This includes approximately \$154 million contribution to the Asian Development Bank's Afghanistan Infrastructure Trust Fund; ADB receives a grant as a Public International Organization.