

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

OFFICE OF SPECIAL PROJECTS

GOOD PERFORMERS INITIATIVE: STATUS OF SIX COMPLETED PROJECTS IN GHAZNI PROVINCE, AFGHANISTAN



FEBRUARY 2017

SIGAR-17-26-SP



February 2, 2017

The Honorable Hugo Llorens
Special Chargé d'Affaires, U.S. Embassy, Kabul, Afghanistan

Dear Chargé Llorens:

I am writing to inform you of the results of site inspections conducted by SIGAR at six Bureau of International Narcotics and Law Enforcement Affairs (INL) funded Good Performers Initiative (GPI) infrastructure projects in Ghazni province, Afghanistan. These six projects were completed at a cost to the U.S. taxpayer of about \$3.1 million. We conducted these inspections as part of our ongoing effort to verify the location and operating conditions of facilities built, refurbished, or funded by the U.S. as part of the reconstruction effort in Afghanistan.¹

We found that INL's reported geospatial coordinates for 2 of the 6 infrastructure projects were more than 40 kilometers from the actual project location. We also found that one of the projects, for which INL paid nearly \$1 million, stood abandoned, and three had deficiencies that were affecting usability, including a lack of electricity and water, and leaky roofs. At another site, we found that contractual requirements for the installation of water and sewer components may not have been met by the contractor used by the Afghan Ministry of Counter Narcotics.

We provided a draft of this review to the State Department for comment on January 3, 2017. The Department of State provided comments on January 19, 2017. In its comments on a draft of this report, the Department of State thanked SIGAR for its thorough examination of the six projects and for raising the issues contained in the review. State also provided technical comments, which we incorporated, as appropriate. The Department's comments are reproduced in appendix I.

We conducted this special project in Washington, D.C. and Kabul, Afghanistan, from December 2015 to June 2016 in accordance with SIGAR's quality control standards. These standards require that we carry out work with integrity, objectivity, and independence, and provide information that is factually

¹ See, e.g., SIGAR, *Review Letter: USAID-Supported Health Facilities in Badakhshan*, SIGAR 16-40-SP, June 30, 2016; SIGAR, *Alert Letter: Structural Damage at Educational Facility S145A*, SIGAR 16-38-SP, May 19, 2016; SIGAR, *Alert Letter: Structural Damage at Health Facility 1987*, SIGAR 16-19-SP, March 01, 2016; SIGAR, *Review Letter: USAID-Supported Health Facilities in Kabul*, SIGAR 16-09-SP, January 5, 2016; SIGAR, *Alert Letter: USAID-Supported Health Facilities in Herat*, SIGAR 16-01-SP, October 20, 2015.

accurate and reliable. For more information on the policies and procedures and quality control standards for conducting special project work, please see SIGAR's website (www.SIGAR.mil). SIGAR performed this special project under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.

Sincerely,

A handwritten signature in black ink, appearing to read 'John F. Sopko', written in a cursive style.

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

In 2007, the Afghan Government initiated the Good Performers Initiative (GPI) program which was funded by the U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs (INL). The program provided direct assistance funds to the Afghan Ministry of Counter Narcotics to incentivize provincial governors' counter narcotics activities.² State INL uses a cost-reimbursement method to disburse its direct assistance funds, which requires both the ministry and State INL to review and approve implementer invoices and supporting documentation prior to funds disbursement.³

The GPI program offered Afghan provincial governors a tangible way to demonstrate to their constituents the benefits of reducing poppy cultivation. Despite these laudable goals, no new GPI projects have been approved since April 30, 2016, and INL recently decided to end the program, due to the Afghan government's inability to implement the program efficiently and effectively.⁴ Nevertheless, understanding the current condition of completed GPI projects may be instructive for any similar future programs. This is especially important because INL launched two new programs in October 2016 with the United Nations Office on Drugs and Crime (UNODC) that are intended to supplement activities previously performed under GPI.

As of June 30, 2016, 286 GPI projects had been undertaken in Afghanistan, with a total value of \$126 million.⁵ Our review focused on the six GPI infrastructure projects completed in Ghazni province at a cost of about \$3.1 million.⁶ We selected Ghazni province's completed GPI infrastructure projects for site inspection because it reportedly achieved a degree of success in controlling poppy production and received \$1 million in GPI funding annually, the maximum allowable, for six consecutive years (2008 -2013).

In order to carry out our work, we reviewed relevant documentation, such as GPI's monthly reports and building contracts between the Ministry of Counter Narcotics and Afghan construction companies, and interviewed key officials from the Ministry of Counter Narcotics, and INL in Washington, D.C. and Kabul, Afghanistan. We also conducted site inspections at each of the project locations. At each site inspection, our team took time, date, and location-stamped photographs. We also completed the following activities during the course of each site inspection:

- An overall assessment of each project (outside and inside), recording, among other information, the geospatial coordinates of the infrastructure project, (where appropriate) whether the project appeared to be open and operational, and whether the project had access to electricity and water;
- An interview with a(n) staff member on the site of the completed project to gain insight into the operational status and maintenance arrangements for the project; and

² Direct assistance is a type of on-budget assistance that includes host country contracts and government-to-government awards (see SIGAR, *Direct Assistance: Review of Processes and Controls used for U.S. Direct Assistance*, SIGAR 15-14-SP, October 2014, p. 2).

³ INL also requires, among other things, the Ministry of Counternarcotics to provide bank statements, monthly reports on the use of the funds and photographs of projects in various stages of completion (see SIGAR, *Direct Assistance: Review of Processes and Controls used for U.S. Direct Assistance*, SIGAR 15-14-SP, October 2014, p. 4).

⁴ See, e.g., Afghan Ministry of Counternarcotics, *Good Performers Initiative (GPI) Annual Report*, 2014, pp. 8, 38–39. The report states that the Ministry had “unprofessional” staff responsible for procurement, which was slowing down implementation. The 2014 Ministry report also stated that the Ministry of Finance was slow to administer payments, further hampering project implementation.

⁵ At the time of our site visits, eighteen projects were ongoing, and were expected to be completed by the end of 2016.

⁶ In the coming months, SIGAR will issue a Lessons Learned report that will offer a comprehensive assessment of U.S. counter narcotics efforts in Afghanistan.

- An interview with a member of the community served by the project to gain insight into the extent to which the project has benefitted the community.

We conducted our site inspections in April 2016. Our inspections were limited in scope to a walk through and did not include comprehensive engineering evaluations of structures, or complete technical testing of key systems (for example, electrical or water). We also assessed the reliability of INL-maintained coordinates for the projects and the extent to which the projects were being maintained and used as intended.⁷

LOCATION INFORMATION AND OPERATIONAL CONDITIONS AT THE SIX GPI INFRASTRUCTURE PROJECTS WE VISITED IN GHAZNI PROVINCE

Using the geospatial coordinates obtained from the Ministry of Counter Narcotics GPI data sheet for Ghazni province as a starting point, we were able to confirm the location of the six infrastructure projects.⁸ Our site inspections revealed that the actual geospatial coordinates for two of the six projects were more than 40 kilometers away from the coordinates provided by INL in the GPI data sheet.

Specifically we found that:

- Four projects (agriculture stock buildings, an irrigation system, a gymnasium, and a school) were less than 2 kilometers from the INL coordinates; and
- Two projects (a school's boundary wall and a drug treatment facility) were between 44 and 51 kilometers from the INL coordinates.

As SIGAR has stressed previously, robust program oversight requires specific knowledge of the project location, and accurate specific location information is critical to ensuring that the project is being maintained and used for its intended purpose.⁹

According to State, the GPI project proposals were nominated by the Provincial Development Council and approved by the Provincial Governor. Project proposals were then approved by the relevant national ministry responsible for the long-term maintenance and operation of the project before receiving final approval. The GPI program does not provide funding for operations and maintenance of completed projects. Our site visits to the six GPI-funded infrastructure projects in Ghazni province also revealed varying degrees of maintenance and operation by the Afghan government. For example, one project was abandoned and completely unused, while three were being used but were poorly maintained and needed repairs. Two of the projects were structurally sound and well-maintained.

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

⁸ We used the geospatial coordinates for each infrastructure project based on the May/June 2015 Ministry of Counter Narcotics GPI data sheet for Ghazni province provided by INL.

⁹ Previous SIGAR letters that stressed the importance of accurate geospatial information include: *Review Letter: USAID-Supported Health Facilities in Badakshan*, SIGAR 16-40-SP, June 30, 2016; *Review Letter: USAID-Supported Health Facilities in Kabul*, SIGAR 16-09-SP, January 05, 2016; *Alert Letter: USAID-Supported Health Facilities in Herat*, SIGAR 16-01-SP, October 20, 2015; *Alert Letter: PCH Health Facilities Coordinates Response*, SIGAR 15-82-SP, August 18, 2015; *Inquiry Letter: Geospatial Coordinates for PCH Health Facilities*, SIGAR 15-67-SP, June 25, 2015.

Six Agriculture Stock Buildings Were Empty and Abandoned

In March 2012, six agriculture stock buildings constructed in Ghazni, paid for through GPI at a reported cost of \$931,199, were completed and transferred to the Ministry of Agriculture, Irrigation and Livestock for use and maintenance.¹⁰ The stock buildings were supposed to help prevent the loss of local agricultural commodities by providing area farmers with a facility in which to store products awaiting sale. While the buildings generally appeared well-built, none of them had access to electricity and all six of the buildings were empty and not being used to warehouse agricultural commodities at the time of our site visit. According to a provincial agriculture official, the buildings sat abandoned because they were located too far from the local population and the area was insecure.¹¹ Photos 1 shows the outside of the six agriculture stock buildings and photo 2 shows the empty interior of one of the buildings at the time of our site inspection.¹²

Photo 1 - Agricultural Stock Buildings Site Abandoned



Source: SIGAR, April 11, 2016

Photo 2 - Interior of Abandoned Building



Source: SIGAR, April 13, 2016

Drug Treatment Facility Was Functioning but Was in Need of Repairs

In October 2013, a GPI-funded 20-bed drug treatment facility was completed at a cost of \$218,428 and turned over to the Ministry of Public Health. At the time of our site visit, the facility was operating

¹⁰ Afghan Ministry of Counter Narcotics, *GPI projects data sheet for Ghazni province*, June-May 2015.

¹¹ In its technical comments on a draft of this review, INL stated that the buildings were inaugurated by the provincial governor on November 7, 2016, more than four and a half years after their completion, and the buildings are now being used.

¹² The buildings did not have guard protection and we were not able to interview anyone from the community due to the insecure environment.

and providing services to patients.¹³ According to a community member interviewed, the drug treatment facility was very useful. The community member stated that he knew people that had received treatment at the facility within the past two months and that the services provided by the facility allowed patients to lead normal lives free from addiction.

While in generally usable condition, we did observe several issues that, if addressed, could improve conditions at the treatment facility. Specifically, we found that the roof was leaking and the treatment rooms did not have hand-washing stations. Photos 3 and 4 show water damage from the leaking roof and the condition of the lavatories at the facility.

Photo 3 - Ceiling with Water Damage at the Drug Treatment Facility



Source: SIGAR, April 13, 2016

Photo 4 - Condition of Lavatories at the Drug Treatment Facility



Source: SIGAR, April 13, 2016

Irrigation System Was Structurally Sound and Maintained

The GPI program financed the construction of an irrigation system in the provincial center of Ghazni province. The system uses the drip method to irrigate more than 4,000 acres of land in the province. The project was completed in May 2012, at a cost of \$1,269,198 and handed over to Afghan provincial authorities for operation and maintenance.¹⁴ At the time of our site visit, the irrigation system appeared structurally sound and in generally good condition. However, the Afghan official responsible for maintaining the irrigation system told us that the Afghan government was not providing a maintenance budget for the system and that he has no funds to perform necessary repairs. Photo 5 shows the irrigation system.

¹³ We observed 55 patients at the time of our visit.

¹⁴ In drip irrigation, water is run through pipes (with holes in them) either buried or lying slightly above the ground next to the crops. Water slowly drips onto the crop roots and stems. Unlike spray irrigation, very little is lost to evaporation and the water can be directed only to the plants that need it, cutting back on water waste (see, USGS The Water Science School, *Irrigation: Drip/Microirrigation*, <http://water.usgs.gov/edu/irdrip.html>, accessed September 14, 2016).

Boundary Wall for Teacher Training Institute was Structurally Sound and Maintained

The GPI program financed the construction of a boundary wall for a teacher training institute in the provincial center of Ghazni province. The project was completed in 2013 at an estimated cost of about \$127,000. At the time of our site visit, the boundary wall appeared to be structurally sound and properly maintained. A teacher training institute staff member stated that the wall was very useful for two reasons. First, the boundary wall delineated the property owned by the Institute and it also served as a protective barrier for the safety of both students and staff. Photos 6 and 7 show the boundary wall at the teacher training institute.

Photo 6 - Boundary Wall



Source: SIGAR, April 12, 2016

Photo 7 - Boundary Wall



Source: SIGAR, April 12, 2016

Gymnasium in Use but Needed Repairs

This GPI-funded gymnasium was completed in March 2012, at a cost of \$264,229, in the provincial center of Ghazni. According to the Ministry of Counter Narcotics, the gym was built to provide “facilities for youths of Ghazni and enable them to perform their sport activities in a better environment” and help “the youths to stay away from drug addiction and reduce drug demand.”¹⁵ At the time of our site visit, the gym was open and operating, and according to an employee we interviewed at the gym, 102 students (including 25 females) used the facility.

While in generally usable condition, we did observe several basic maintenance issues that, if addressed, could improve the usability of the gymnasium. For example, we observed many shattered windows, poorly maintained lavatories, and inoperable electrical outlets. In addition, the gym’s ceiling was damaged due to a bomb explosion in 2015, and, though the gymnasium has electricity derived from a loaned generator, it does not have any heating or cooling system.

Finally, the gymnasium does not have access to drinking water. The contract (funded by INL) between the Afghan Ministry of Counter Narcotics and M/s United Europe Construction Company states that the company was required to install a 1000 liter insulated steel water tank on the

¹⁵ Ministry of Counter Narcotics, Good Performers Initiative, <http://mcn-gpi.gov.af/index.php/en/ghazni-completed-project/148-construction-of-gymnasium>, accessed September 14, 2016.

gymnasium's roof and to construct a complete water supply and canalization system to include a deep well with a submersible water pump. We did not observe either a functioning well or the 1000 liter insulated steel water tank during our site visit.¹⁶ Photos 8 and 9 shows the gymnasium's exterior and interior.

Photo 8 - Gymnasium Exterior



Source: SIGAR, April 11, 2016

Photo 9 - Gymnasium Interior



Source: SIGAR, April 11, 2016

Secondary School was Operational but Needed Repairs and Had No Access to Electricity

The GPI-funded Sheikh Attar Higher Secondary School was completed in 2012 at a cost of \$270,174. The school is located in a populated area in the provincial center and there is easy access to the school. A community member we interviewed near the school stated that the school was “very useful” for the community and, at the time of our visit, the school was open and operational and we observed approximately three hundred students at the school.¹⁷

While in generally usable condition, we did observe several issues that, if addressed, could improve the delivery of education at the school. For example, we found that the school did not have electricity or functional lavatories, and that the roof was leaking. In addition, a school official we interviewed stated that the school does not have enough student text books or any computers. Photos 10 and 11 show the school building's exterior and a classroom full of students.

¹⁶ In its technical comments on a draft of this review, INL stated that the project was inspected by the GPI monitoring officer, the GPI site supervisor, and the Ghazni provincial technical team during both the primary and final hand-overs to the Afghan government and at that time all the components of the project were functioning and no deficiencies were observed.

¹⁷ According to a school official, 600 students are enrolled at the school but about 150 are typically absent on a normal day.

Photo 10 - Secondary School



Source: SIGAR, April 12, 2016

Photo 11 - Secondary School Students



Source: SIGAR, April 12, 2016

CONCLUSION

Our review showed that each of the six GPI infrastructure projects inspected were completed and in generally usable condition. However, there was more than a 40 kilometer difference between the GPS coordinates provided by the Ministry of Counter Narcotics for two of the projects and the coordinates we recorded during our site inspections. As mentioned in several SIGAR reports, accurate GPS coordinates enable government agencies to track the condition of reconstruction projects after they are turned over to the host government and to assess whether projects are used for their intended purposes. Moving forward, we suggest INL take deliberate measures to ensure the accuracy of the location-based information provided by the Ministry of Counter Narcotics for any INL-funded activities undertaken by the Ministry.

In addition, we found that one of the projects, for which GPI paid nearly \$1 million, stood abandoned and several others had deficiencies, including a lack of electricity and water, and leaky roofs. At two sites, we found that the contractor may not have installed water and sewer components that were required under its contract with the Ministry of Counter Narcotics. We suggest INL inform Ministry of Counter Narcotics of these various deficiencies, and that INL suggest actions to reasonably resolve them, so that the projects can remain useful for the communities they serve. Given INL's role in providing funding and overseeing the construction of these projects, we also suggest that INL determine whether the responsible contractor fulfilled its requirements for the construction of a deep well with submersible water pump and water tank at the GPI funded gymnasium in central Ghazni, and, if necessary work with the Afghan Ministry of Counter Narcotics, to take action to recoup funds.

AGENCY COMMENTS

We provided a draft of this review to the State Department for comment on January 3, 2017. The Department of State provided comments on January 19, 2017. In its comments on a draft of this report, the Department of State thanked SIGAR for its thorough examination of the six projects and for raising the issues contained in the review. State also provided technical comments, which we incorporated, as appropriate. The Department's comments are reproduced in appendix I

APPENDIX I – DEPARTMENT OF STATE COMMENTS ON DRAFT REPORT



United States Department of State

Washington, D.C. 20520

January 19, 2017

Mr. Matthew Dove
Director, Special Projects Office
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, Suite 900
Arlington, VA 22202

Dear Mr. Dove:

The Department of State welcomes the opportunity to comment on this draft Special Inspector General for Afghanistan Reconstruction (SIGAR) report entitled, "Good Performers Initiative: Status of Six Completed Projects in Ghazni Province, Afghanistan" (dated Jan/Feb 2017). The Department respects SIGAR's role in safeguarding U.S. taxpayer investment, and we share your goals of implementing programs free from waste, fraud, and abuse.

The attached technical comments include detailed responses to the findings in the draft report, and provide clarifications on several of the findings of SIGAR's site visits.

The Department of State appreciates SIGAR's thorough examination of these six projects and looks forward to continuing to work with SIGAR and other relevant authorities on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Patricia A. Thomas".

Patricia A. Thomas
Acting Executive Director
Bureau of International
Narcotics and Law
Enforcement Affairs

Attached:

- Tab 1 – Technical Comments
- Tab 2 – Project Photos

This project was conducted
under project code SP-118.

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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