

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

OFFICE OF SPECIAL PROJECTS

STATE DEPARTMENT'S GOOD PERFORMERS INITIATIVE: STATUS OF SIX COMPLETED PROJECTS IN FARYAB PROVINCE



JANUARY 2018

SIGAR-18-21-SP



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

January 10, 2018

The Honorable James A. Walsh
Acting Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs

The Honorable John R. Bass
United States Ambassador, U.S. Embassy, Kabul, Afghanistan

Dear Sirs:

I am writing to inform you of the results of site inspections conducted by SIGAR at six Good Performers Initiative (GPI) infrastructure projects in Faryab province, Afghanistan, which were funded by the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL). These six projects were completed at a cost of about \$2.42 million. We conducted the 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 five of the six projects were less than two kilometers from the actual project location. However, the sixth project we inspected was located more than 50 kilometers away from the location reported by INL. This one substantial discrepancy raises questions about whether the clinic is providing health care to the population that INL intended the clinic to serve. We also found that the projects were in usable condition, with access to power and water.

We provided a draft of this report to State for comment on December 14, 2017. INL provided comments January 5, 2018. In its comments on a draft of this report, INL stated that the "discrepancy in geospatial coordinates" for the Qaisar health clinic, the facility we found to be more than 50 kilometers away from the location reported by INL, was the result of "poor GPS unit calibration" and that the facility was in its intended location. INL also stated that it recognized the importance of accurate geospatial information and had all of the GPS units it used for the GPI program recalibrated in June 2017. INL also stated that the Afghan Ministry of Counter Narcotics notified the ministries responsible for facility maintenance about the issues we identified and that "The ministries have committed to address the issues." INL's comments are reproduced in appendix I. INL also provided technical comments, which we incorporated, as appropriate.

We conducted this special project in Washington, D.C. and in Faryab and Kabul, Afghanistan, from May 2017 to September 2017 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 accurate and reliable. SIGAR performed this special project under the

¹ See, e.g., SIGAR, *Review Letter: USAID-Supported Health Facilities in Takhar Province*, SIGAR 17-51-SP, July 6, 2017; SIGAR, *Review Letter: Good Performers Initiative: Status of Seven Completed Projects in Khost Province, Afghanistan*, SIGAR 17-37-SP, April 18, 2017; SIGAR, *Review Letter: Good Performers Initiative: Status of Six Completed Projects in Ghazni Province, Afghanistan*, SIGAR 17-26-SP, February 2, 2017; 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.

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 Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) initiated the Good Performers Initiative (GPI) program in Afghanistan. The program provided direct assistance funds to the Afghan Ministry of Counter Narcotics to incentivize provincial governors' counter narcotics activities.² The GPI program offered Afghan provincial governors a tangible way of demonstrating to their constituents the benefits of reducing poppy cultivation.

Despite this laudable goal, no new GPI projects have been approved since April 30, 2016, and INL decided to end the program, due to the Afghan government's inability to implement the program efficiently and effectively.³ Despite cancellation of the program, understanding the current condition of completed GPI projects may be instructive for any similar future programs. For example, INL is providing funding to the United Nations Office on Drugs and Crime (UNODC) for an alternative-development project called Boost Alternative Development Intervention through Licit Livelihoods (BADILL). BADILL is expected to supplement activities previously performed under GPI and follow through on INL's commitments to those provinces most affected by the GPI cancellation.

As of September 1, 2017, INL had provided funding for 286 GPI projects in Afghanistan, with a total value of \$126.4 million.⁴ Our review focused on six GPI infrastructure projects completed in Faryab province between 2010 and 2013 at a cost of about \$2.42 million.⁵ Prior to September 2010, INL directly engaged contractors to complete projects in Faryab province using off-budget procurement.⁶ For projects initiated after September 2010, in Faryab province, INL used a cost-reimbursement method to disburse its direct assistance funds for GPI, which required both the ministry and State INL to review and approve invoices and supporting documentation prior to funds disbursement.⁷

In order to carry out our work, we reviewed relevant documentation, such as GPI project data sheets, GPI-INL monthly project progress reports for Faryab province, and building contracts between the Ministry of Counter Narcotics and Afghan construction companies. We also conducted site inspections at each of the six project locations. At each site inspection, our team took time, date, and location-stamped photographs. Wherever appropriate, we also completed the following activities during the course of site inspections:

- An overall assessment of each project (outside and inside), recording, among other information, the geospatial coordinates of the project, whether the project appeared to be open and operational, and whether the project had access to electricity and water;
- An interview with a 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 by CSTC-A, State, and USAID*, SIGAR 15-14-SP, October 2014, p. 2).

³ See, e.g., Afghan Ministry of Counter Narcotics, *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.

⁴ Of the 286 projects, 255 projects have been completed; 31 were still in progress as of September 2017.

⁵ Four additional GPI projects were completed in Faryab at a cost of \$974,748 but we were unable to inspect these sites due to security concerns.

⁶ Off budget procurement encompasses donor funds that are excluded from the Afghan national budget and not managed through Afghan government systems.

⁷ INL also required, among other things, the Ministry of Counter Narcotics 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 by CSTC-A, State, and USAID*, SIGAR 15-14-SP, October 2014, p. 4).

- 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 June and August 2017. 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.⁸

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

Using the geospatial coordinates obtained from the Ministry of Counter Narcotics as a starting point, we were able to confirm the location of the six infrastructure projects.⁹ Our site inspections revealed that the actual geospatial coordinates for five of the six projects were less than two kilometers from the coordinates provided by INL. These five projects included an economics faculty building, a rehabilitated recreational park and playground, and a park upgrade. The sixth project, a 20 bed clinic, was almost 51 kilometers from the coordinates provided by INL.¹⁰

As SIGAR has stressed previously, robust program oversight requires specific knowledge of the project location, and accurate location information is critical to ensuring that the project is being maintained and used for its intended purpose.¹¹ Because the 20 bed clinic was so far from the coordinates on record with the ministry and INL, it may not actually be providing the medical services to the intended population.¹²

Our site visits to the six GPI-funded infrastructure projects in Faryab province also revealed that each project was being used as intended, the projects were in reasonably good condition, and community members we spoke with found them to be very useful. However, medical staff at each of the 3 district clinics we visited reported that the facilities needed more doctors—particularly female

⁸ 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.

⁹ We used the geospatial coordinates for each infrastructure project based on the May 2017 Ministry of Counter Narcotics GPI data sheet for Faryab province provided by INL.

¹⁰ In its technical comments to a draft of this report, INL stated that the “discrepancy between the clinic’s location and the geospatial coordinates is the result of poor GPS unit calibration. After identifying this issue, GPI had all of its GPS units recalibrated in June 2017. The Qaisar project coordinates were last updated in April 2016.”

¹¹ Previous SIGAR letters that stressed the importance of accurate geospatial information include: *SIGAR, Review Letter: USAID-Supported Health Facilities in Takhar Province, SIGAR 17-51-SP, July 6, 2017*; *SIGAR, Review Letter: Good Performers Initiative: Status of Seven Completed Projects in Khost Province, Afghanistan, SIGAR 17-37-SP, April 18, 2017*; *SIGAR, Review Letter: Good Performers Initiative: Status of Six Completed Projects in Ghazni Province, Afghanistan, SIGAR 17-26-SP, February 2, 2017*; *Review Letter: USAID-Supported Health Facilities in Badakshan, SIGAR 16-39-SP, June 27, 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*.

¹² In its technical comments to a draft of this report, INL stated that the “clinic location was selected by a surveying team including provincial and local authorities and the clinic is in the correct location and serves the intended community.”

doctors—and more medicine and equipment to properly care for the number of people seeking medical care.

Almar District 20 Bed Health Clinic

The Almar health clinic was completed in July, 2010, at an estimated cost of \$261,016.¹³ When we visited the facility in August 2017, we found it was open and located in a well-tended area. Further, we did not observe any structural problems at the facility: the roof appeared to be in good condition, most of the windows and doors were intact, and the clinic had electricity and clean water. However, the director of the clinic stated that the 16 staff working at the facility was inadequate for the number of patients seen every day, and that he needs more medical staff, especially women, to effectively serve the community. According to the director, 350 patients visit the facility for treatment on a normal day and there aren't enough staff or medications to adequately treat them all.

Photo 1 – Almar Clinic Operating Room



Source: SIGAR, August 10, 2017.

Photo 2 – Almar Clinic Exterior



Source: SIGAR, August 10 2017.

Qaisar District 20 Bed Health Clinic

The Qaisar clinic was completed in July 2010, at an estimated cost of \$261,016.¹⁴ When we visited the facility in August 2017, we found it was open and located in a well-tended area. The clinic appeared to be in good condition, and we did not observe any major structural problems. We also found that the clinic was electrified, had access to clean water, and had functional and maintained toilets. The clinic's roof did not appear to have any defects and most of its windows and doors were not broken or missing.

The director of the clinic's laboratory stated that the facility had 15 health workers on staff, which he said was not enough to treat all of the 330 patients who visit the clinic on a normal day. The director specifically stated that additional female doctors were needed at the clinic, and that the clinic did not have enough medication on hand to treat the high volume of patients that come to the clinic.

¹³ GPI provided funding for the construction of multiple clinics in Faryab. In some cases, funding and contracting for individual clinics was grouped, or bundled, together. Funding and construction for the Almar clinic was grouped with funding and construction of two other clinics. The cost estimate presented here is based on dividing the total cost of the three bundled facilities, \$783,048, by three.

¹⁴ GPI provided funding for the construction of multiple clinics in Faryab. In some cases, funding and contracting for individual clinics was grouped, or bundled, together. Funding and construction for the Qaisar clinic was grouped with funding and construction of two other clinics. The cost estimate presented here is based on dividing the total cost of the three bundled facilities, \$783,048, by three.

According to the director, patients are occasionally turned away or referred to another facility for treatment due to the lack of staff, equipment, and medicines.

Photo 3 - Women's Doctors' Office at Qaisar Clinic



Source: SIGAR, August 15, 2017.

Photo 4 - Exterior of Qaisar Clinic



Source: SIGAR, August 15, 2017.

Andkhoy District 20 Bed Clinic

The Andkhoy clinic was completed in March 2010, at an estimated cost of \$236,895.¹⁵ When we visited the Andkhoy clinic in June 2017, we found it was open, in usable condition, and had access to clean water, and that most windows and doors were intact. However, we also found that the roof was leaking, which, if left unrepaired, could lead to other structural problems.¹⁶ According to a doctor we spoke with at the clinic, the clinic did not have enough medicine or medical staff, particularly female medical staff, to provide treatment for the 400 patients that visit the clinic for treatment on a normal day.

Photo 5 - Andkhoy Clinic Exterior



Source: SIGAR, June 21, 2017.

Photo 6 - Andkhoy Clinic Patient Room



Source: SIGAR, June 21, 2017.

¹⁵ GPI provided funding for the construction of multiple clinics in Faryab. In some cases, funding and contracting for individual clinics was grouped, or bundled, together. Funding and construction for the Andkhoy clinic was grouped with funding and construction of one other clinic. The cost estimate presented here is based on dividing the total cost of the two bundled facilities, \$473,790 by two.

¹⁶ In its technical comments to a draft of this report, INL stated that the "roof leakage occurred after the final project handover. The Ministry of Counter Narcotics discussed the issue with the MoPH on December 19, 2017, and requested rectification of the deficiencies. MoPH promised to address the matter."

Economic Faculty Building

Construction of the economic faculty building in Faryab's provincial capital, Maimena, was completed in June 2013 at a cost of \$598,139. When we visited the facility in June 2017, it was open and in use, with access to electricity, clean water, and functional and maintained toilets and hand washing stations. The building is three stories and appeared to be made out of concrete, surrounded by a boundary wall and with a main gate.¹⁷ In addition, we did not observe any major structural problems at the facility and most of the windows and doors were intact. We did find that the roof was leaking, and needed repairs because, if left unfixed, it could lead to other structural issues.¹⁸

Photo 7 – Economic Faculty Building



Source: SIGAR, June 14, 2017.

Photo 8 – Economic Faculty Classroom



Source: SIGAR, June 14, 2017.

Rehabilitation of a Recreation Park and Playground and Park Upgrade Projects

INL provided approximately \$1.1 million in GPI funds for the rehabilitation and upgrade of two public parks in Faryab's provincial capital, Maimena. Specifically, the "Rehabilitation of Recreational Park and play ground [sic]"¹⁹ project was completed in September 2011, at a cost of \$ 960,463, and the "Park Up Gradation [sic]"²⁰ was completed in May 2013, at a cost of \$106,247. The specific objectives of the two projects included providing short-term employment opportunities to local laborers, and to encourage youths and students to avoid drug addiction through the provision of safe and secure areas for recreational activities.

When we visited the parks in August 2017, we found them both to be open and in usable condition. Moreover, community members we spoke with at both locations stated that the parks were very useful to the local population and provided area youth with a relatively safe and clean place to engage in recreational activities. Photos 9-12 show the grounds at the two playgrounds.

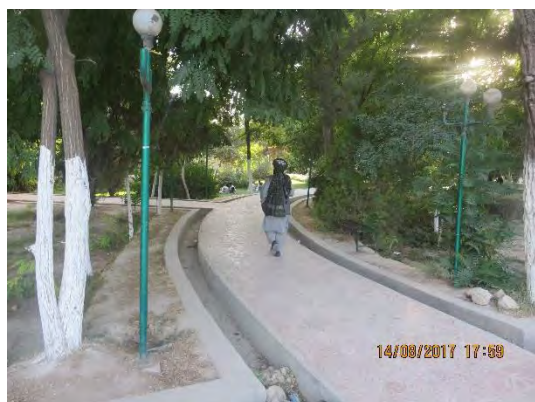
¹⁷ The building had a total of approximately 30 rooms, most of which were used for classrooms or as department and administrative rooms. Other rooms were used as a warehouse and library.

¹⁸ In its technical comments to a draft of this report, INL stated that the "roof leakage occurred after the final handover. The Ministry of Counter Narcotics discussed the issue with the MoHE on December 19, 2017, and requested rectification of the deficiencies. MoHE promised to address the matter."

¹⁹ Islamic Republic of Afghanistan, *Rehabilitation of Recreational Park and play ground in Faryab province*, contract no. MCN-114-NCB, October 2010.

²⁰ Islamic Republic of Afghanistan, *Park Up Gradation in Faryab province*, contract no. MCN/188/NCB, April 2012.

Photo 9 – Park Walking Path and Lighting



Source: SIGAR, August 14, 2017.

Photo 10 - Park Soccer Field



Source: SIGAR, August 14, 2017.

Photo 11 – Park Walking Path



Source: SIGAR, August 14, 2017.

Photo 12 – Park Playground



Source: SIGAR, August 14, 2017.

CONCLUSION

Our review showed that each of the six GPI infrastructure projects inspected in Faryab were completed, and in generally usable condition. However, we found that two facilities, the clinic in Andkhoy and the economic faculty building, had leaks in their roofs that could lead to other structural issues. We also found that the Qaisar health clinic was more than 50 kilometers away from the coordinates provided by INL, which calls into question whether the clinic is serving the intended population. As SIGAR has stressed previously, robust program oversight requires specific knowledge of the project location, and accurate location information is critical to ensuring that the project is being maintained and used for its intended purpose

To prevent any further structural damage of the sites we visited we suggest that INL (1) advise the appropriate Afghan ministries of the leaking roofs at the Andkhoy clinic and the economic faculty building, and (2) obtain from those ministries an action plan to address observed deficiencies. To help ensure that the population expected to receive health care are receiving intended services, we also suggest that INL (3) notify the Afghan Ministry of Public Health about the discrepancy in its

location data for the Qaisar health clinic and determine whether this discrepancy has resulted in a gap in service availability.

AGENCY COMMENTS

We provided a draft of this report to State for comment on December 14, 2017. INL provided comments January 5, 2018. In its comments on a draft of this report, INL stated that the “discrepancy in geospatial coordinates” for the Qaisar health clinic, the facility we found to be more than 50 kilometers away from the location reported by INL, was the result of “poor GPS unit calibration” and that the facility was in its intended location. INL also stated that it recognized the importance of accurate geospatial information and had all of the GPS units it used for the GPI program recalibrated in June 2017. INL also stated that the Afghan Ministry of Counter Narcotics notified the ministries responsible for facility maintenance about the issues we identified and that “The ministries have committed to address the issues.” INL’s comments are reproduced in appendix I. INL also provided technical comments, which we incorporated, as appropriate.



United States Department of State

Washington, D.C. 20520

January 5, 2018

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 the Special Inspector General for Afghanistan Reconstruction (SIGAR) draft report entitled, "State Department's Good Performers Initiative: Status of Six Completed Projects in Faryab Province, Afghanistan" (dated December 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 would like to note the following in order to publicly clarify questions raised in the draft report.

SIGAR found that one of the six projects was located more than 50 kilometers away from the recorded geospatial coordinates, and questioned whether the project – the Qaisar health clinic – is serving the intended population. The Department would like to clarify that the project location was surveyed and selected by the Faryab provincial committee and that the clinic is in the intended location. The discrepancy in geospatial coordinates is the result of poor GPS unit calibration, and does not reflect a deviation from the approved project plans.

Recognizing the importance of accurate geospatial information, INL had all of GPI's GPS units recalibrated in June 2017. GPI site engineers subsequently updated the geospatial coordinates for all projects still subject to monitoring, which includes ongoing projects and projects under the one year warranty period after the initial project handover.

After the one year warranty period, the relevant line ministry is responsible for long-term maintenance and operation of the project. The GPI program does not

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provide funding for staffing, operations, or maintenance of completed projects. The Ministry of Counter Narcotics notified the relevant line ministries of the minor maintenance issues found by SIGAR during its inspections, which occurred after the warranty periods had ended. The ministries have committed to address the issues.

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

Sincerely,



Rajesh Rajadhyaksha
Acting Executive Director
Bureau of International
Narcotics and Law
Enforcement Affairs

Attachment:
Technical Comments

This project was conducted under project code SP-170.

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:

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