OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

Commander's Emergency Response Program in Laghman Province Provided Some Benefits, but Oversight Weaknesses and Sustainment Concerns Led to Questionable Outcomes and Potential Waste

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OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

January 27, 2011

The Honorable Robert Gates
Secretary of Defense

General John N. Mattis
Commander, U.S. Central Command

General David Petraeus
Commander, U.S. Forces-Afghanistan, and
Commander, International Security Assistance Force

This report discusses the results of the Office of the Special Inspector General for Afghanistan Reconstruction's (SIGAR) audit of selected Commander's Emergency Response Program (CERP) projects in Laghman Province, Afghanistan. This report includes recommendations to the Commander, U.S. Forces-Afghanistan (USFOR-A), to improve oversight of CERP projects, including updating guidance and evaluating project outcomes, and to help ensure the sustainment of CERP projects. When preparing the final report, we considered comments from USFOR-A on a draft of this report. In their comments, USFOR-A generally concurred with the report's findings and recommendations. These comments are reproduced in appendix IV of this report.

A summary of this report is on page ii. SIGAR conducted this performance under the authority of Public Law 110-181, as amended, the Inspector General Act of 1978, and the Inspector General Reform Act of 2008.

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Acting Assistant Inspector General for Audits
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SIGAR

Special Inspector General for Afghanistan Reconstruction

SIGAR Audit-11-7 January 2011

Commander's Emergency Response Program in Laghman Province Provided Some Benefits, but Oversight Weaknesses and Sustainment Concerns Led to Questionable Outcomes and Potential Waste

What SIGAR Reviewed

Since 2004, Congress has appropriated nearly $2.64 billion for the Commander's Emergency Response Program (CERP) in Afghanistan. CERP is a Department of Defense (DOD) program managed by U.S. Forces-Afghanistan (USFOR-A) that enables commanders to fund humanitarian relief and reconstruction projects to immediately assist the indigenous population. In recent years, Congress has expressed significant concerns over the rapid growth of CERP funding in Afghanistan, the use of CERP funds on large-scale development projects, and the capacity of the government of Afghanistan to absorb the influx of CERP-funded projects. SIGAR initiated this audit to examine the funding, outcomes, and oversight of 69 selected CERP projects in Laghman Province. As of November 2010, the total funding obligated for the 69 projects was more than $53 million. Specifically, SIGAR (1) assessed the projects' status, including funds obligated and disbursed, whether the projects were meeting intended outcomes and, if applicable, were being sustained; and (2) determined whether project oversight was in accordance with applicable guidance. To accomplish these objectives, SIGAR reviewed relevant laws, regulations, standard operating procedures, and other guidance related to CERP and interviewed U.S. and Afghan officials. SIGAR also conducted file reviews for all 69 projects. SIGAR was able to assess the outcomes of 46 projects, which included site visits to 36 of these projects. SIGAR conducted work in Kabul and Laghman Province, Afghanistan, from July through December 2010 in accordance with generally accepted government auditing standards.

What SIGAR Found

In Laghman Province, CERP project costs and outcomes were mixed and varied by project type. About $2 million was obligated (4 percent of the projects we selected) for 19 projects that had generally successful outcomes; however, about $49.2 million was obligated (92 percent of the projects we selected) for 27 projects that are at risk or have resulted in questionable outcomes. Most of the CERP investment in Laghman was used for large-scale projects, specifically for the construction of asphalt roads and new facilities. All asphalt road projects (about $44.6 million obligated) are at risk due to the lack of maintenance plans. In addition, we identified more than $3 million in obligations at risk for buildings that were completed but are not being used as intended, or the construction was ongoing and the government of Afghanistan has not agreed to a business plan to sustain the facilities after completion.

SIGAR found that CERP project oversight was not in compliance with applicable requirements, which places CERP funds at risk of questionable outcomes and potential waste. For example, most project files lacked required legal reviews and sufficient documentation to substantiate payments. In addition, SIGAR identified two groups of related projects that were more in line with large-scale development efforts and had sustainment concerns. As SIGAR has reported, large-scale projects require significant amounts of time and resources to monitor; however, CERP oversight officials rotate frequently and have been trained to implement smaller-scale projects. Finally, USFOR-A lacks a coordinated, results-oriented approach to determine whether CERP projects have achieved their goals, are being used as intended, and are being sustained. Without adequate oversight and assessments of results, the U.S. investment is at risk for waste and the Afghan people may not receive the projects' intended benefits.

What SIGAR Recommends

SIGAR is making five recommendations to the USFOR-A Commander to improve oversight and promote the sustainment of CERP projects in Laghman Province, establish criteria for the planning and approval of related CERP projects, and help assess whether CERP projects have met their intended outcomes. The recommendations address the following actions: (1) develop approaches to improve construction quality and sustainment plans for active CERP projects, or consider terminating or de-scoping active CERP projects and re-obligating the funds for better use, if it is in the best interest of the government to do so; (2) require contractors to repair any defective work for completed projects that are still under warranty; (3) work with Afghanistan government officials to develop sustainment plans for completed CERP projects that have not been sustained; (4) update CERP standard operating procedures to include criteria to help field commanders determine when groups of CERP projects should be considered related for project planning and approval purposes; and (5) develop a coordinated, results-oriented approach for evaluating CERP project effectiveness. In commenting on a draft of this report, USFOR-A generally concurred with the findings and recommendations.

For more information contact: SIGAR Public Affairs at (703) 602-8742 or PublicAffairs@sigar.mil

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ACRONYMS

ADT	Agribusiness Development Team
CBF	Capacity Building Fund
CERP	Commander's Emergency Response Program
DOD	Department of Defense
FAR	Federal Acquisition Regulation
FMR	Financial Management Regulation
FOB	Forward Operating Base
GIRoA	Government of the Islamic Republic of Afghanistan
LEAF	Laghman Empowerment Agricultural Facility
PRT	Provincial Reconstruction Team
RC-E	Regional Command-East
SIGAR	Special Inspector General for Afghanistan Reconstruction
STANFINS	Standard Finance System
USFOR-A	U.S. Forces-Afghanistan

Commander's Emergency Response Program in Laghman Province Provided Some Benefits, but Oversight Weaknesses and Sustainment Concerns Led to Questionable Outcomes and Potential Waste

Since 2004, Congress has appropriated nearly $2.64 billion for the Commander's Emergency Response Program (CERP) in Afghanistan. CERP is a Department of Defense (DOD) program managed by U.S. Forces-Afghanistan (USFOR-A) that enables commanders to fund humanitarian relief and reconstruction projects to immediately assist the indigenous population. In recent years, Congress has expressed significant concerns over the rapid growth of CERP funding in Afghanistan, the use of CERP funds on large-scale development projects, and the capacity of the government of Afghanistan to absorb the influx of CERP-funded projects.[1] SIGAR has conducted three audits related to CERP, which identified weaknesses in CERP oversight.[2]

SIGAR initiated this audit to examine the funding, outcomes, and oversight of 69 selected CERP projects in Laghman Province, Afghanistan, that were approved in fiscal years 2008 through 2010. The 69 projects we selected include 24 active, 42 completed, and 3 terminated projects. Among other factors, we selected Laghman Province because, based on USFOR-A data, it had the highest average CERP project obligations of the provinces in Regional Command-East (RC-E). As of November 2010, the total funding obligated for the 69 projects we selected was more than $53.3 million. Specifically, our objectives were to (1) assess the projects' status, including funds obligated and disbursed, whether the projects were meeting intended outcomes and, if applicable, were being sustained;[3] and (2) determine whether project oversight by U.S. officials was in accordance with applicable guidance.

To accomplish these objectives, we reviewed relevant laws, regulations, standard operating procedures, and other guidance related to CERP. We interviewed CERP oversight officials from USFOR-A and the Provincial Reconstruction Team (PRT), Agribusiness Development Team (ADT), and Task Force Iron Gray, which are co-located at the Forward Operating Base (FOB) in Mehtar Lam, the capital of Laghman. We also interviewed the provincial governor of Laghman. The 69 projects we selected represented 91 percent of the $58.5 million obligated for CERP projects in Laghman Province during fiscal years 2008 through 2010. We also conducted file reviews for all 69 projects and site visits for 36 of the 69 projects, which represented $39.8 million in obligations, or nearly 75 percent, of the total obligated for all 69 projects we selected. We conducted our work in Kabul and Laghman Province, Afghanistan, from July through December 2010 in accordance with generally accepted government auditing standards. Appendix I includes a discussion of our scope and methodology.

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[1] See Senate reports 111-201 and 111-295.

[2] See SIGAR, *Increased Viability, Monitoring, and Planning Needed for Commander's Emergency Response Program in Afghanistan*, Audit-09-5 (Sept. 9, 2009); *The Tojg Bridge Construction Is Nearly Complete, but Several Contract Issues Need to Be Addressed*, Audit-10-7 (Mar. 1, 2010); and *Weaknesses in Reporting and Coordination of Development Assistance and Lack of Provincial Capacity Pose Risks to U.S. Strategy in Nangarhar Province*, Audit 11-1 (Oct. 26, 2010).

[3] CERP standard operating procedures do not define a successful project outcome. Therefore, to assess project outcomes, we focused on whether the work performed was in compliance with contract requirements, including the quality of the work, and whether the government of Afghanistan is sustaining or plans to sustain the projects after they have been completed.

BACKGROUND

U.S. military commanders use CERP as a tool to promote counterinsurgency objectives, including supporting the government of Afghanistan, protecting the Afghan people, and defeating the insurgency. CERP is the primary source of funding available to PRT, ADT, and task force commanders[4] to execute projects in their areas of responsibility. CERP's authorizing legislation gives field commanders broad authority to spend CERP funds notwithstanding other provisions of law.[5] As a result, projects funded by CERP funds are not bound by the Federal Acquisition Regulation (FAR) or other procurement laws.

A DOD Financial Management Regulation (FMR) lists 20 authorized uses for CERP funds,[6] including electricity, education, transportation, and other urgent humanitarian or reconstruction projects. (See appendix III for a complete list of authorized CERP categories.) USFOR-A is responsible for providing oversight of CERP in Afghanistan and has issued standard operating procedures,[7] which have evolved over the years.[8] Starting in May 2009, these procedures were included in USFOR-A Publication 1-06, which provides guidance for using money as a weapon system in Afghanistan. The FMR and standard operating procedures that applied to the CERP projects we selected required commanders to coordinate CERP projects with Afghanistan government representatives and to document Afghanistan's commitment to sustain the projects after completion. As of December 2009, CERP standard operating procedures required that all CERP projects adhere to the *Afghanistan First Program*, which encourages the use of Afghan contractors to the greatest extent possible. All the projects we selected were awarded to Afghan contractors.

The 69 CERP projects we selected were managed by officials from the PRT, ADT, and task forces located at FOB Mehtar Lam in Laghman Province. Figure 1 shows the four districts and one municipality in Laghman Province. Twenty-seven of the 69 projects we selected were in Mehtar Lam, 15 in Alisheng, 14 in Qarghahi, 10 in Alingar, and 3 in Dowlat Shah.

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[4] In this report we refer to PRT, ADT, and task force commanders as field commanders.

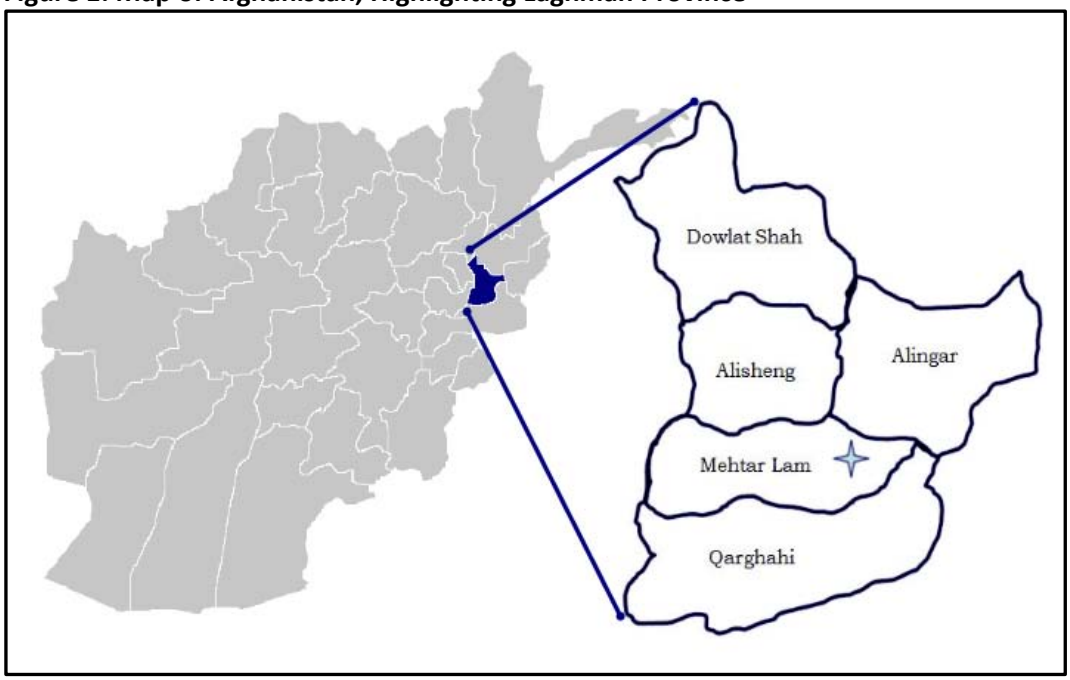
[5] P.L. 108-106, Title 1, Section 1110.

[6] DOD, *Financial Management Regulation 7000.14-R, volume 12, chapter 27, Commanders' Emergency Response Program* (January 2009).

[7] USFOR-A assumed responsibility for CERP management in May 2009. Prior to that date, combined joint task forces in RC-E were responsible for CERP management in Afghanistan.

[8] We selected projects approved in fiscal years 2008 through 2010. The applicable CERP standard operating procedures include, *Money as a Weapon System–Afghanistan*, USFOR-A Publication 1-06, updated December 2009 and May 2009; *Commander's Emergency Response Program Standard Operating Procedures*, Combined Joint Task Force-101, updated September 2008; and *Commander's Emergency Response Program Standard Operating Procedures*, Combined Joint Task Force-9, updated October 2007.

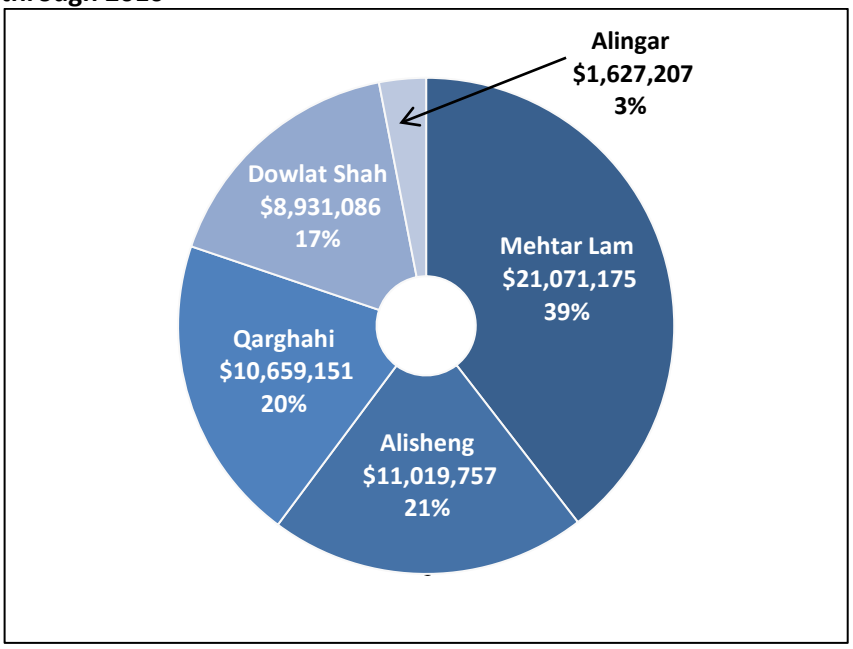
Figure 1: Map of Afghanistan, Highlighting Laghman Province



Source:.SIGAR analysis of maps available on U.S. Agency for International Development website.

As shown in figure 2, Mehtar Lam received the largest amount of CERP funding, followed by Alisheng and Qarghahi.

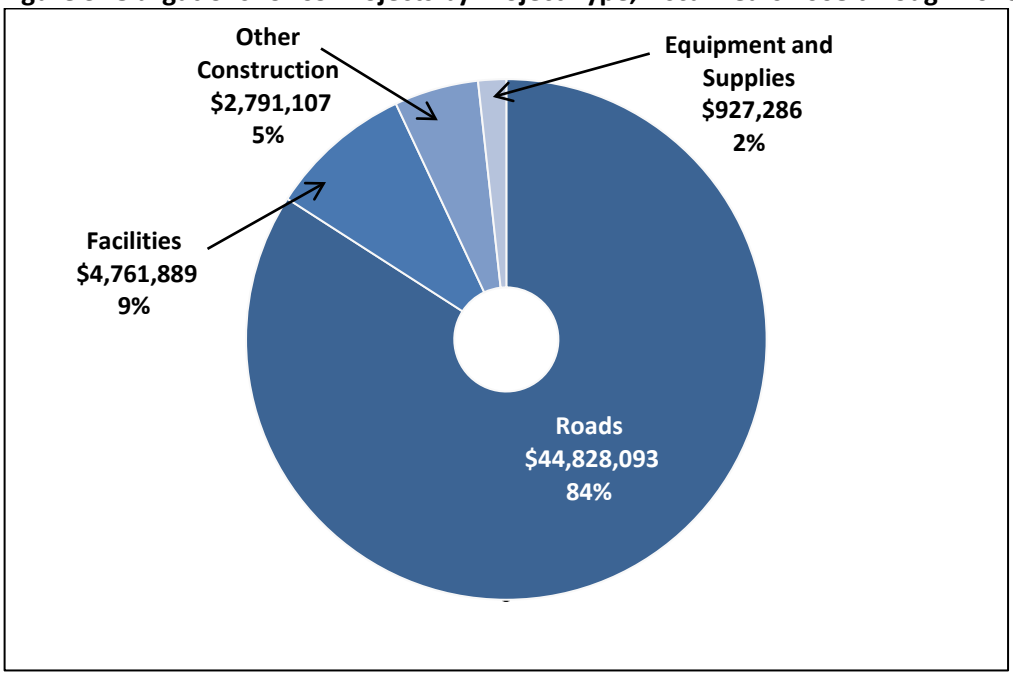
Figure 2: Obligations for 69 Projects by Location, Fiscal Years 2008 through 2010



Source: SIGAR analysis of Department of the Army's Standard Finance System (STANFINS), USFOR-A, PRT, ADT, and task force data.

Of the 69 projects we selected, 11 projects were for road construction; 17 were to build or renovate facilities; 30 were for other types of construction, such as building or renovating dams, walls, canals, or bridges; and 11 provided equipment, including agricultural supplies.[9] The projects ranged from $32,537 to install two canal passageways in Kanda Village to $8.7 million for the construction of a paved road from the Alisheng District to the Dowlat Shah District. Road projects comprised about $44.8 million of the CERP funds obligated (84 percent of total obligations). Figure 3 shows the obligations for the 69 projects by project type.

Figure 3: Obligations for 69 Projects by Project Type, Fiscal Years 2008 through 2010



Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data.

Note: The other construction type incudes projects to build or renovate protection walls, gabion walls, check dams, canals, bridges, and security walls.

In addition to CERP guidance, two initiatives in Laghman Province—the *Go Green* strategy and the *Capacity Building Fund*—influence the way field commanders executed CERP:

- The *Go Green* strategy rewards villages that support the government of Afghanistan with U.S. government-funded projects. Under the initiative, the PRT codes villages as green, red, amber, or violet to indicate the level of support the village provides the government of Afghanistan. Only villages coded green are eligible for U.S. government funding. Villages achieve a green rating when the community does not harbor insurgents, community/religious leaders do not advocate violence against Afghanistan or coalition forces, there are no attacks from the community against the Afghan National Security Forces or coalition forces, and the village elders have signed a contract agreeing to the aforementioned criteria. As of September 30, 2010, 182 of the 596 villages in Laghman Province were green (i.e., eligible for new projects), 145 were red (i.e., not currently eligible for new projects), 95 were amber (i.e., in the process of becoming eligible for new projects), and 174 were violet (i.e., no assessment of the village has been conducted yet to determine eligibility).

[9] We created these project types for the purpose of summarizing the projects.

- The *Capacity Building Fund* (CBF) initiative, previously called *CERP as a Budget*, is implemented throughout RC-E. Under this initiative, the PRT and ADT provides mentors to the provincial line directors and the task force provides mentors to the district governors. The mentors give the Afghan officials a notional budget to plan projects. The officials must provide a 1-year strategy for using the budget, and provide a viable sustainment plan for proposed projects. As part of the CBF initiative, no funds are transferred and no contracting authorities are given to Afghan government entities. When we conducted our site visits in September 2010, many of the projects funded under the CBF initiative in Laghman had not been completed, and it was too early to determine whether ministries were sustaining the projects.

Our analysis did not take into account other factors that may determine a successful counterinsurgency outcome, such as the perceived legitimacy of government of Afghanistan, measures of corruption, differences in economic growth, or the number of insurgent attacks, because such assessments are beyond the scope of our review. Additionally, counterinsurgency guidance suggests that CERP projects should help promote stability in insecure areas.[10] However, we did not attempt to assess project outcomes on this basis because such an analysis would require us to make decisions about military intelligence that are not in the scope of our audit responsibilities.[11]

ALTHOUGH CERP PROJECT OUTCOMES WERE MIXED, QUESTIONABLE OUTCOMES EXCEED $49 MILLION IN OBLIGATIONS

Based on our assessment of 46 projects,[12] we found 19 projects with generally successful outcomes accounting for about $2 million in obligations (4 percent of total obligations), but we determined that 27 projects had or were at risk for questionable outcomes and they accounted for the vast majority of the funding—about $49.2 million (92 percent). For our analysis, we grouped projects by whether they were active or completed and according to project outcome. For active projects, we determined whether they were "generally successful" to date or "at risk," and for completed projects we determined whether they were "generally successful" or had "questionable" outcomes. See appendix II for a detailed description of our assessment criteria. The projects with questionable outcomes or at risk included the highest cost projects, primarily the construction of asphalt roads. For example, 9 asphalt road projects (about $44.6 million) that we reviewed are at risk because of sustainment concerns.

Table 1 summarizes the outcomes of the 27 projects with at risk or questionable outcomes and our reasons for concern.

[10] Army Field Manual 3-24, *Counterinsurgency*, outlines successful operational practices for a counterinsurgency, such as: focus on the population, its needs, and its security; establish and expand secure areas; isolate insurgents from the populace; and deny sanctuary to insurgent.

[11] We were unable to visit 14 of the projects, having a total obligation of nearly $6.9 million, due to security concerns.

[12] We did not assess 23 projects with total obligations of about $2.1 million. Five were active projects (about $500,000 obligated) for which the contract had not been awarded or the work was in its early stages when we conducted our site visits; 15 were completed projects (about $1.4 million) that we could not visit (due to security concerns or remoteness of the project site) or the project files contained insufficient evidence for us to determine the projects' outcomes; and 3 projects (about $200,000) were terminated after funds had been disbursed.

Table 1: Reasons for Concern for 27 Projects with at Risk or Questionable Outcomes (dollars in thousands)

Reason for Concern	At Risk Projects	At Risk Projects (Obligations)	Questionable Projects	Questionable Projects (Obligations)	Total Obligations
Construction Quality	2	$80	7	$788	**$869**
Sustainment Concerns	11	$38,623	5	$9,511	**$48,133**
Discrepancy with Requirements	0	$0	2	$238	**$238**
Total	**13**	**$38,703**	**14**	**$10,537**	**$49,240**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

Note: Totals may not add due to rounding.

The highest-cost and most complex projects that we selected were projects to construct asphalt roads and new facilities. We found that these were most at risk or susceptible to questionable outcomes. Of the 11 road projects we assessed, 9 were asphalt roads (about $44.6 million), which are at risk or have resulted in a questionable outcomes due to the lack of plans and resources for their maintenance. In addition, nearly 75 percent (about $3.5 million) of the amount obligated for facilities is at risk or has resulted in questionable outcomes.

Table 2 is a summary of the 69 CERP projects we selected by the four project types. See appendix II for a more detailed discussion of each of the projects.

Table 2: CERP Projects by Project Type and Outcome (dollars in thousands)

Outcome Category	Roads		Facilities		Other Construction		Equipment and Supplies		Total	
	Number	Obligations	Number	Obligations	Number	Obligations	Number	Obligations	Number	Obligations
Generally Successful	1	$81	5	$656	4	$362	9	$830	**19**	**$1,930**
At Risk	8	$35,827	4	$2,844	1	$33	0	0	**13**	**$38,703**
Questionable	2	$8,920	3	$705	9	$912	0	0	**14**	**$10,537**
Not Assessed[a]	0	0	5	$557	16	$1,484	2	$98	**23**	**$2,138**
Total	**11**	**$44,828**	**17**	**$4,762**	**30**	**$2,791**	**11**	**$927**	**69**	**$53,308**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data.

Notes: Totals may not add due to rounding.

[a] We did not assess 23 projects for multiple reasons. Five were active projects for which the contract had not been awarded or the work was in its early stages when we conducted our inspections; 15 were completed projects that we could not visit (due to security concerns or remoteness of the project site) or the project files contained insufficient evidence for us to determine the projects' outcomes; and 3 projects were terminated after funds had been disbursed.

Discussions of each of the CERP projects we examined follows. Many of the projects we assessed are at risk for waste. Waste occurs when U.S. taxpayers do not receive reasonable value for their money from U.S. government-funded activities. Most waste does not involve a violation of law; it often occurs as a result of mismanagement or inadequate oversight.

Asphalt Road Projects Are at Risk for Waste

All except two of the road projects we selected—Gumain Road Rehabilitation and Charbagh Road Rehabilitation—were asphalt roads. The nine asphalt road projects may result in waste due to sustainment concerns and in some cases questionable construction quality.[13] These projects were approved without adequate assurance that the Afghan government had the resources to maintain the roads after completion. According to PRT officials, the Directors of Public Works and Rural Rehabilitation and Development do not have resources to maintain roads, particularly asphalt roads, which require more resources and equipment to maintain than dirt roads. The nine asphalt projects account for about $44.6 million obligated. Most of the road projects we examined are ongoing, multiyear efforts in Mehtar Lam. Table 3 summarizes the results of our analysis of the 11 road projects.

Table 3: Location, Status, Outcome, and Costs of Road Projects

Project Name	Location	Status and Outcome	Obligation	Disbursement
Alisheng Road Project Phase II (25 km.)	Dowlat Shah	Active At Risk: Sustainment and Construction Concerns	$8,750,000	$5,345,220
North Ring Road Phase I (Duranta Bypass) (28.5 km.)	Qarghahi	Active At Risk: Sustainment Concerns	$8,372,760	$1,961,241
Alisheng Road Project Phase I (23 km.)	Mehtar Lam	Completed Questionable: Sustainment Concerns	$8,050,000	$8,050,000
Mayl Valley Road (15 km.)	Alisheng	Active At Risk: Sustainment Concerns	$5,816,712	$1,053,590
Mehtar Lam Road Modernization Phase 2 (16.8 km.)	Mehtar Lam	Active At Risk: Sustainment and Construction Concerns	$5,239,214	$4,400,940
Shamakat Road (11.9 km.)	Alisheng	Active At Risk: Sustainment Concerns	$4,162,877	$3,815,970
Administrative Zone Road Phase II (6.3 km.)	Mehtar Lam	Active At Risk: Sustainment Concerns	$1,865,745	$1,554,353
Mehtar Lam Road Modernization Phase I (4.7 km.)	Mehtar Lam	Active At Risk: Sustainment Concerns	$1,459,220	$1,356,035
Administrative Zone Road Phase I (2.9 km.)	Mehtar Lam	Completed Questionable: Sustainment and Construction Concerns	$870,134	$870,134
Gumain Road Rehabilitation	Mehtar Lam	Active At Risk: Sustainment Concerns	$160,169	$101,131
Charbagh Road Rehabilitation	Qarghahi	Active Generally Successful	$81,262	$73,388
		Total	**$44,828,093**	**$28,582,002**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

[13] The Gumain road is also at risk due to sustainment concerns. We observed a section of the road where an improvised drainage ditch had been cut, which raised concerns whether additional damage would occur.

Most Funds Obligated for Facilities Projects Are at Risk or Resulted in Questionable Outcomes

Projects to construct or renovate facilities comprise the next largest obligation of CERP funds that we examined (9 percent of total obligations). Seven of the 17 facilities projects are at risk or are questionable due to sustainment concerns, discrepancies between work performed and contract requirements, or poor construction. These 7 projects account for about $3.5 million obligated, which is nearly 75 percent of the total amount for facilities. All of the facility projects for which we had concerns were projects to construct new buildings.

We did not assess 5 facilities projects accounting for about 12 percent of the total amount obligated for facilities projects that we selected. Four of these five projects were completed school projects located in insecure or remote locations. Table 4 summarizes our results for the 17 facility projects.

Table 4: Location, Status, Outcome, and Costs of Facility Projects

Project Name	Location	Status and Outcome	Obligation	Disbursement
Laghman Province Center of Excellence	Mehtar Lam	Active At Risk: Sustainment Concerns	$1,252,897	$1,127,604
Alingar Community LEAF (Agriculture Storage Facility)	Alingar	Active At Risk: Sustainment Concerns	$771,463	$578,598
Qarghahi Community LEAF (Agriculture Storage Facility)	Qarghahi	Active At Risk: Sustainment Concerns	S771,463	$578,598
Mehtar Lam Community Cold Storage	Alingar	Completed Questionable: Sustainment Concerns	$273,437	$273,437
Agriculture Storage and Maintenance	Mehtar Lam	Completed Questionable: Sustainment Concerns	$252,650	$252,650
Social Affairs Training Center	Mehtar Lam	Completed Generally Successful	$204,390	$204,390
Laghman Prison Security Upgrades	Mehtar Lam	Completed Generally Successful	$199,446	$199,446
Sawati School	Qarghahi	Completed Questionable: Work Does Not Meet Contract Requirements	$179,018	$179,018
Myakhan Kac School	Qarghahi	Completed Not Assessed: Insufficient Evidence and Remote Location	$172,128	$172,128
Mashala Kamar School	Qarghahi	Completed Not Assessed: Insufficient Evidence and Remote Location	$170,787	$170,787
Prosecutor's Building Refurbishment	Mehtar Lam	Completed Generally Successful	$128,782	$128,782

Project Name	Location	Status and Outcome	Obligation	Disbursement
Women's Affairs Facility Upgrade and Community Kitchen	Mehtar Lam	Active Generally Successful	$88,741	$53,245
Tilli School	Alisheng	Completed Not Assessed: Insufficient Evidence and Security Concerns	$98,365	$98,365
Gonapal School	Alisheng	Completed Not Assessed: Insufficient Evidence and Security Concerns	$59,081	$59,081
Information, Culture, and Youth Directorate	Mehtar Lam	Active Not Assessed: New Project	$56,298	$16,889
Nomad Affairs Conference Building	Mehtar Lam	Active At Risk: Construction Concerns	$47,931	$32,927
Agriculture Ministry Building Remodel	Mehtar Lam	Completed Generally Successful	$35,010	$26,082
		Total	**$4,761,889**	**$4,152,026**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

Other Construction Projects Have Had Mixed Outcomes

Other construction projects had mixed outcomes. We grouped these projects into four sub-categories: (1) protection walls, gabion walls, and check dams; (2) canals; (3) bridges; and (4) security walls. Most canal projects had successful outcomes. The remaining categories had or are at risk for questionable outcomes or were not assessed due to security concerns or remoteness of the sites.

Six of the 14 projects in the protection wall, gabion wall, and check dams sub-category had questionable outcomes, likely due to poor construction, and the remaining 8 were not assessed. These 6 projects represent 44 percent of the total obligations for protection wall, gabion wall, and check dam projects that we examined. We did not assess 8 projects that account for 56 percent of the amount obligated for this sub-category because the project files were incomplete and the projects were difficult to inspect due to security concerns or remoteness of the sites. Table 5 summarizes our results for the 14 protection wall, gabion wall, and check dam projects.

Table 5: Location, Status, Outcome, and Costs of Protection Wall, Gabion Wall, and Check Dam Projects

Project Name	Location	Status and Outcome	Obligation	Disbursement
Mulayan Protection Wall	Mehtar Lam	Completed Not Assessed: Insufficient Evidence and Remote Location	$226,787	$226,787
Amin Abad Protection Wall	Qarghahi	Completed: Questionable: Construction Concerns	$199,479	$199,479
Farooz Abad Protection Wall	Qarghahi	Completed: Questionable: Construction Concerns	$199,413	$199,413
Alisheng Gabion Wall	Alisheng	Completed: Not Assessed: Insufficient Evidence and Remote Location	$137,500	$137,500
Eslamabad Check Dam	Alisheng	Active Not Assessed: New Project	$117,561	$29,390
Sangar Protection Wall	Alingar	Completed: Not Assessed: Insufficient Evidence and Security Concerns	$103,092	$103,092
Maroof Khil Protection Wall	Qarghahi	Completed: Questionable: Construction Concerns	$99,522	$99,522
Gamarden Bila Gabion Wall	Mehtar Lam	Completed Not Assessed: Insufficient Evidence and Remote Location	$83,105	$83,105
Alisheng Oluswali Protection Wall	Alisheng	Completed Questionable: Construction Concerns	$60,390	$60,390
Upper Gomrei Check Dam	Alisheng	Completed Not Assessed: Insufficient Evidence and Security Concerns	$59,339	$59,339
Ghunde Gabion Wall	Qarghahi	Completed Questionable: Construction Concerns	$56,835	$56,835
Gomrei Check Dam	Alisheng	Completed Not Assessed: Insufficient Evidence and Security Concerns	$51,588	$36,182
Dumlam Check Dam	Alisheng	Completed Not Assessed: Insufficient Evidence and Security Concerns	$44,415	$44,415

Project Name	Location	Status and Outcome	Obligation	Disbursement
Kanda Canal Check Dams	Alingar	Active At Risk: Construction Concerns	$32,537	$8,134
		Total	**$1,471,563**	**$1,343,583**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

Most canal projects that we examined had generally successful outcomes. We had concerns with two projects—Shahi Canal Improvements and Bagasarach Canal—one due to construction and the other because the canal had not been kept clean, even though the mayor of Mehtar Lam had signed a maintenance agreement. Table 6 summarizes our results for the seven canal projects.

Table 6: Location, Status, Outcome, and Costs of Canal Projects

Project Name	Location	Status and Outcome	Obligation	Disbursement
Alikel Canal Refurbishment	Mehtar Lam	Completed Generally Successful	$172,208	$172,208
Shahi Canal Improvements	Alingar	Completed Questionable: Construction Concerns	$83,150	$83,150
Badiabad Canal Intake	Alingar	Completed Generally Successful	$79,714	$79,714
Bagasarach Canal	Mehtar Lam	Completed Questionable: Sustainment Concerns	$64,721	$64,721
Domlech Irrigation Canal	Dowlat Shah	Completed Generally Successful	$59,492	$59,492
Nora Kareem Canal	Qarghahi	Active Not Assessed: New Project	$57,600	$0
Nahri Shahi Irrigation Canal	Alingar	Active Generally Successful	$51,053	$25,527
		Total	**$567,938**	**$484,812**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

One of four bridge projects resulted in a questionable outcome; we did not assess the other three. The Alisheng Oluswali Footbridge was damaged by floods after it was completed, likely due to poor construction. Two of the four bridge projects in our sample were terminated: the Seqanwateh Footbridge after it was destroyed by floods and the Karandali Footbridge due to improvised explosive device activity in the vicinity. Table 7 summarizes our results for the four bridge projects.

Table 7: Location, Status, Outcome, and Costs of Bridge Projects

Project Name	Location	Status and Outcome	Obligation	Disbursement
Mia Khan Kas Suspension Bridge	Qarghahi	Active Not Assessed: New Project	$196,861	$0
Seqanwateh Footbridge	Alisheng	Terminated Not Assessed	$124,524	$124,524
Alisheng Oluswali Footbridge	Alisheng	Completed Questionable: Construction Concerns	$89,250	$89,250
Karandali Footbridge	Alisheng	Terminated Not Assessed	$65,000	$65,000
		Total	**$475,635**	**$278,774**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

The security wall projects had incomplete files and were difficult to inspect due to security concerns or project site remoteness. We questioned the outcome of the Provincial Council Security Wall because of discrepancies between the work we observed and the contract requirements. In addition, the building the wall surrounds appeared to have been occupied by squatters and not used as intended. The Busram School Wall project was terminated due to security concerns, but before termination, the contractor stopped work because of a dispute between the education department and the local villagers. Table 8 summarizes our results for the five security wall projects.

Table 8: Location, Status, Outcome, and Costs of Security Wall Projects

Project Name	Location	Status and Outcome	Obligation	Disbursement
Parwai Girls School I Boundary Wall	Alingar	Completed Not Assessed: Insufficient Evidence and Security Concerns	$60,000	$60,000
Parwai Girls School II Boundary Wall	Alingar	Completed Not Assessed: Insufficient Evidence and Security Concerns	$60,000	$60,000
Mandrawar Girls Primary School Wall	Qarghahi	Completed Not Assessed: Insufficient Evidence and Remote Location	$59,500	$59,500
Provincial Council Security Wall	Mehtar Lam	Completed Questionable: Work Does Not Meet Contract Requirements	$59,432	$59,432
Busram School Wall	Mehtar Lam	Terminated Not Assessed	$37,039	$37,039
		Total	**$275,971**	**$275,971**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

Equipment Projects and Projects to Purchase Agricultural Supplies Were Generally Successful

The equipment purchase projects that we examined generally resulted in successful outcomes. Most of these projects were under $100,000. We categorized the outcome as successful if we found sufficient evidence in the project file that the equipment was purchased. We inspected two of the three projects with the highest obligations in this category—Rehabilitate Mehtar Lam Power Plant and State Radio Tower Upgrade—and the equipment was being used as intended. Table 9 summarizes the results of the eight equipment projects.

Table 9: Location, Status, Outcome, and Costs of Equipment Projects

Project Name	Location	Status and Outcome	Obligation	Disbursement
Laghman Rule of Law Office Equipment	Mehtar Lam	Completed Generally Successful	$127,840	$127,840
Rehabilitate Mehtar Lam Power Plant	Mehtar Lam	Active Generally Successful	$123,700	$40,000
State Radio Tower Upgrade	Dowlat Shah	Completed Generally Successful	$121,594	$121,594
Hajiabad/Ghaziabad Hydro Electric Village Rehabilitation	Alisheng	Completed Generally Successful	$78,155	$78,155
Mehtar Lam City Power Transmission Repair Supply of Goods	Mehtar Lam	Completed Generally Successful	$58,504	$58,504
Arani Water Distribution	Alisheng	Completed Not Assessed: Insufficient Evidence and Remote Location	$55,000	$55,000
Sorkahkan Pump House	Qarghahi	Active Not Assessed: Just Started	$42,522	$0
Nomad Affairs Center – Power	Mehtar Lam	Completed Generally Successful	$42,256	$42,256
		Total	**$649,571**	**$523,349**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

The agricultural supplies projects we selected were generally successful. Based on our inspections and reviews of the project files, it appeared that the supplies were purchased and used as intended. Table 10 summarizes the results of agricultural supplies projects.

Table 10: Location, Status, Outcome, and Costs of Agricultural Supply Projects

Project Name	Location	Status and Outcome	Obligation	Disbursement
Alingar Saffron Project	Alingar	Active Generally Successful	$112,760	$98,960
Mehtar Lam Saffron Project	Mehtar Lam	Active Generally Successful	$101,530	$75,840
Agriculture Sapling Protectors	Mehtar Lam	Completed Generally Successful	$63,425	$63,425
		Total	**$277,715**	**$238,225**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

OVERSIGHT WEAKNESSES, SEPARATE PLANNING FOR RELATED PROJECTS, AND INADEQUATE PERFORMANCE MONITORING INCREASED RISKS OF QUESTIONABLE OUTCOMES AND POTENTIAL WASTE

In Laghman Province, CERP funds were not managed in accordance with standard operating procedures that provide for oversight of project files and financial databases. For example, the CERP contract for the Alisheng Road Phase 1 project was not signed by a warranted contracting officer, which resulted in an unauthorized commitment of more than $8 million for the U.S. government. In addition, two groups of related projects were approved individually but appeared more in line with large-scale development efforts rather than small-scale projects. The related projects all had sustainment concerns and the immediate benefits of these related projects are unclear. Finally, USFOR-A has in place aspects of a performance monitoring framework to identify CERP project benefits, but it lacks a coordinated and results-oriented approach to determine whether CERP projects have achieved their intended goals, are being used as intended, and are being sustained by the government of Afghanistan.

Oversight Weaknesses over CERP Funds

The CERP project files and financial databases we reviewed did not all contain evidence of certain internal controls, which could lead to the mismanagement of funds. CERP standard operating procedures establish internal controls to ensure accountability for CERP funds; therefore, CERP project files and financial systems should contain evidence that these controls were followed. However, we identified examples of non-compliance with CERP procedures.

All CERP project files are required to contain evidence that CERP oversight officials followed the internal controls established by CERP's standard operating procedures, including (1) initial project approval documents, such as a justification for the project and a commander's approval to commit funds; (2) a project statement of work; (3) a legal review; and (4) evidence to substantiate payments. We found that the 69 project files generally contained the initial project documentation and statements of work, but most lacked legal reviews and contained insufficient evidence to substantiate payments.

Examples of oversight weaknesses in the project files included:

- $8 million unauthorized commitment: Most CERP projects are awarded by project purchasing officers; however, CERP standard operating procedures require warranted contracting officers to award contracts that cost $500,000 or greater. The Alisheng Road Phase 1 project was administered by the Laghman purchasing officer and was not signed by a warranted contracting officer, which resulted in an unauthorized commitment of more than $8 million. An unauthorized commitment is a financial commitment that is not binding because the official who made it lacked the authority to enter into the agreement on behalf of the U.S. government. Project purchasing officers have less training than warranted contracting officers, who have at least one year of experience and are required to take a significant amount of classroom training before they are allowed to award contracts.
- $4 million in unsupported costs: For each payment made, CERP standard operating procedures require two forms of support: an invoice and a Materials Inspection and Receiving Report (also known as Form DD250). Thirty-five of the project files (over $11 million in disbursements) we reviewed had incomplete financial documentation; the files did not contain both an invoice and a Materials Inspection and Receiving Report for one or more payments made. Fifteen of these 47 projects had over $4 million in disbursements without either the invoice or the Materials Inspection and Receiving Report in the project file.
- $8.9 million obligated without documented legal reviews: Three projects in our sample, representing $8.9 million obligated, did not contain evidence that a legal review had been conducted. CERP authorizing legislation and implementing regulations give commanders flexibility in responding to urgent humanitarian relief and reconstruction requirements. To help ensure that commanders use CERP for authorized purposes, CERP standard operating procedures require commanders to obtain legal reviews for proposed projects. The absence of a legal review increases the risk that the proposed project does not meet statutory and regulatory requirements for the expenditure of CERP funds.
- $9.1 million disbursed with incomplete documentation of project monitoring: Forty files, representing $9.1 million in disbursements, contained minimal evidence that project monitoring, such as quality control and quality assurance reports, had occurred. According to the U.S. Government Accountability Office, properly managing and overseeing contractor performance is an essential element for achieving good acquisition outcomes.[14] CERP standard operating procedures applicable to projects in our sample required CERP oversight officials to ensure that proper quality assurance measures were in place for all projects. As CERP standard operating procedures were updated, CERP project monitoring requirements became more stringent. The most recent draft, dated November 2010, requires CERP oversight officals to conduct quality assurance assessments for projects costing more than $50,000 and to document the results of the assessments in the Combined Information Data Network Exchange, which is the official program database for CERP.

[14] *Stabilizing and Rebuilding Iraq: Actions Needed to Address Inadequate Accountability over U.S. Efforts and Investments*, GAO-08-568T, March 11, 2008.

Related Projects in Laghman Province Were Approved Individually; Immediate Benefits of Related Projects Are Unclear

CERP's purpose is to enable commanders to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out small-scale projects that immediately assist the indigenous population.[15] However, CERP has been used for large-scale projects. Out of the 69 CERP projects we examined, the majority of CERP funds were obligated for multimillion dollar road projects. The 69 projects included two groups of related projects that were approved individually but appeared more in-line with large-scale development efforts: the Mehtar Lam administrative zone projects and Laghman agricultural storage and maintenance projects. As SIGAR previously reported, large-scale projects typically require several years to complete and require CERP oversight officials to devote significant amounts of time and resources to monitor their completion.[16] However, CERP oversight officials rotate frequently and have been trained to implement smaller-scale projects. In Laghman Province, we identified sustainment concerns for the majority of these related projects. In addition, the related projects did not appear to meet an urgent need or provide an immediate benefit.

- Mehtar Lam administrative zone projects: Six projects totaling more than $4 million in obligations were related to an economic development effort to re-locate most of the governmental, educational, and medical facilities in Mehtar Lam from their current location in the city center to a sparsely populated area outside of Forward Operating Base Mehtar Lam. According to PRT officials, the rationale for these projects was to allow further expansion and economic development for the city. The 6 projects include Administrative Zone Road Phase II (about $1.9 million); Laghman Province Center of Excellence (about $1.3 million); Administrative Zone Road Phase I (about $0.9 million); Information, Culture, and Youth Directorate renovation ($56,298); Nomad Affairs Conference Building ($47,931); and Nomad Affairs Center power project ($42,256).[17] We were unable to determine how the projects address an immediate need or provide immediate benefits to the local population. The individual projects that exceeded $1 million were approved in 2008 and 2009. The PRT officials who were involved in the decisions to fund the projects rotated before we began our review, and the files contained minimal evidence to document why the projects were selected. According to current PRT officials, allegations of corruption—related to the sale of land—have been made against the previous governor of Laghman. We could not independently verify the authenticity of these allegations, since the project files did not include land-use agreements. However, the project files contained evidence that the original scope of the Administrative Zone Phase II road project was changed due to a land dispute between the Afghan National Army and the Provincial Governor. The PRT intervened and relocated sections of the road to other parts of the city.
- Laghman agriculture storage and maintenance projects: More than $2 million has been obligated for 4 agricultural storage projects: the Mehtar Lam Community Cold Storage project ($273,437), the Agriculture Storage and Maintenance project ($252,650), the Laghman Empowerment Agricultural Facility project in Alingar ($771,463), and the Laghman

[15] Starting in September 2008, CERP standard operating procedures generally defined "small-scale" as any project less than $500,000 and "urgent" as any chronic or acute inadequacy of an essential good or service that, in the judgment of a local commander, calls for immediate action.

[16] SIGAR, *Increased Viability, Monitoring, and Planning Needed for Commander's Emergency Response Program in Afghanistan*, SIGAR Audit-09-5, Sept. 9, 2009.

[17] The area also includes two projects that were not in our sample: a fire house and a Women's Affairs demonstration garden. According to PRT officials, these projects were constructed using U.S. funds and have not been used as intended.

Empowerment Agricultural Facility in Qarghahi ($771,463). The Mehtar Lam Community Cold Storage project and Agriculture Storage and Maintenance project were completed in June 2010 but have not been transferred to the Government of Afghanistan because a sustainment agreement was not in place. The PRT awarded the projects, and the ADT is working with the Director for Agriculture, Irrigation, and Livestock to sign a contract with a private business to operate the two completed facilities in Mehtar Lam. A similar agreement will need to be reached for the ongoing projects in Alingar and Qarghahi to ensure that the Afghan government sustains the projects after they are transferred. The investment made for these two facilities is at risk until such an agreement is finalized. In addition, the fact that the completed buildings are not used as intended calls into question the projects' immediate benefits. A Center for Army Lessons Learned handbook, Commander's Emergency Response Program: Tactics, Techniques, and Procedures (March 2008), suggests that commanders should request, or conduct for themselves, an assessment of local conditions before investing financial resources into potential relief and reconstruction programs. This was not done but may have provided a better understanding of Afghan government's capacity to use and maintain the projects after completion.

Most of these projects were approved in 2008 and 2009. In 2010, Commanders in Laghman did not use CERP funds on new facilities and new large-scale development projects. Instead, they leveraged CERP as a means of engaging local Afghan government officials. For example, under the *Capacity Building Fund* (CBF) initiative, PRT and ADT mentors give the provincial line directors a notional budget to plan projects, and the directors must provide a 1-year strategy for using the budget.[18]

USFOR-A Lacks a Coordinated, Results-Oriented Approach for Evaluating the Effectiveness of CERP Projects

Commanders and CERP oversight officials lack a coordinated, results-oriented approach to determine whether CERP projects have achieved their goals, are being used as intended, and are being sustained by the government of Afghanistan. USFOR-A has aspects of a performance monitoring framework in place, but improvements are needed to determine whether CERP projects are achieving their desired effects.[19]

The U.S. Government Accountability Office has reported on the value of using a results-oriented approach to guide and evaluate the performance of agency operations.[20] Under such an approach, commanders at all levels would have the data needed to assess CERP project outcomes, determine whether projects meet the program's intent, and determine whether CERP funds are being used in a

[18] As part of the CBF initiative, no funds are transferred and no contracting authorities are given to Afghan government entities.

[19] Other oversight institutions also have reported on weaknesses in USFOR-A's assessment of CERP outcomes. The U.S. Army Audit Agency recommended that USFOR-A take action to improve aspects of its performance monitoring system for CERP. The Assistant Secretary of the Army (Financial Management and Comptroller) agreed with the report's findings and recommendations. See U.S. Army Audit Agency, Commander's Emergency Response Program: *U.S. Forces-Afghanistan,* A-2011-0020-ALL, Nov. 16, 2010. Also, the U.S. Government Accountability Office recommended that the Secretary of Defense require impact evaluations for CERP-funded road projects. See GAO, Afghanistan Reconstruction: *Progress Made in Constructing Roads, but Assessments for Determining Impact and a Sustainable Maintenance Program Are Needed*, GAO-08-689, July 2008.

[20] See GAO, *Executive Guide*: *Effectively Implementing the Government Performance and Results Act,* GGD-96-118, Jun. 1996; GAO, *Military Operations: Actions Needed to Better Guide Project Selection for Commander's Emergency Response Program and Improve Oversight in Iraq*, GAO-08-736R, Jun. 23, 2008.

fiscally responsible manner. The Government Performance and Results Act of 1993[21] outlines criteria for a program evaluation framework: (1) results-oriented goals; (2) balanced performance measures to mark progress toward goals; and (3) procedures to collect, analyze, and report on performance data.

USFOR-A includes the commander's goals for CERP in Afghanistan in a quarterly report to the Under Secretary of Defense (Comptroller). For fiscal year 2011, these goals describe the USFOR-A commander's intent to emphasize small-scale projects, distribute funding authority to field commanders, improve pre-deployment training, and involve Afghan officials in construction projects. These goals are not results-oriented because they focus on the process of awarding and executing CERP projects rather than on the projects' impact.

DOD's FMR identifies standard measures of effectiveness for CERP such as (1) the number of Afghans employed on the project, (2) the number of Afghans benefitting economically from the project, and (3) a description of the project's benefits for the local population, among other data. The regulations require CERP project managers to document standard measures of effectiveness during the approval process, regardless of the project's dollar value. The project files we reviewed primarily included estimates of the number of Afghans who will be employed or the number of Afghans who will benefit economically; however, the project files did not contain evidence to support the development of these estimates. The project files also included statements of anticipated project effects.

During the period covered by our review, CERP oversight officials at the USFOR-A level and in Laghman Province did not have formal mechanisms in place to track and assess project outcomes. Instead, CERP oversight officials in Laghman Province relied on anecdotal information from villagers to report problems with completed projects.

In August 2010, the International Security Assistance Force Joint Command drafted a strategy to determine the effectiveness of CERP expenditures. The draft strategy defines a successful CERP project as one that achieves counterinsurgency effects, which the draft documents defines as:

- sustainable,
- easily executed,
- timely,
- employing Afghans,
- supported by the Afghan government, and
- managing expectations.

The draft strategy requires regional commanders to develop CERP plans to (1) identify projects that meet the needs of local Afghans, Afghanistan government initiatives, and the USFOR-A Commander's goals for the fiscal year and (2) assess the impact of projects.

In addition, USFOR-A has drafted an update to the CERP standard operating procedures, which was in the approval process as of December 2010. The updated draft procedures require CERP oversight officials to conduct quality assurance reviews after CERP projects have been completed to ensure the projects are being sustained and are achieving their desired objectives.[22] Under these new procedures, CERP officials will be required to collect data on (1) local Afghan employment opportunities created by

[21] P.L. 103-62.

[22] The draft standard operating procedures require project officers to prepare quality assurance reports 60 days, 120 days, and 365 days after CERP projects have been completed.

the project, (2) the government of Afghanistan's satisfaction of the project, (3) satisfaction of community leaders, and (4) the number of attendees, users, or locals who experienced benefits from the project. It is too early to assess the impact the draft CERP strategy and the draft standard operating procedures will have on program oversight.

CONCLUSION

Our analysis shows 27 of 69 CERP projects in Laghman Province are at risk or have questionable outcomes. Many of these projects were high-dollar value, representing about $49.2 million, or 92 percent of the total obligations we reviewed, and may result in waste. Large-scale projects, such as roads and groups of related infrastructure projects, were approved without adequate assurance that the government of Afghanistan had the resources needed to operate and maintain them. Moreover, the overall effect of CERP in achieving the intended goals of the program is unknown because commanders and CERP officials lack results-based data to determine whether CERP projects are successful and can be sustained. These issues raise questions about the adequacy of CERP oversight and the capacity of the Afghanistan government to sustain CERP projects after they are completed. Without better oversight and plans for sustainment, the United States' investment is at risk for waste and the Afghan people may not receive the projects' intended benefits.

RECOMMENDATIONS

To improve CERP oversight and promote the sustainment of CERP projects in Laghman Province, we recommend that the USFOR-A commander direct the commanders of the PRT, ADT, or Task Force to:

1. Develop approaches to improve the construction quality and sustainment plans for active CERP projects; or consider terminating or de-scoping active CERP projects and re-obligating the funds for better use, if it is in the best interest of the government to do so;
2. Require contractors to repair any defective work, for completed projects that are still under warranty; and,
3. Work with government of Afghanistan officials to develop sustainment plans for CERP projects that are completed and have not been sustained. USFOR-A should consider identifying steps for Afghanistan government officials in Laghman Province to take to sustain projects that have been transferred to their authority, prior to the commitment of additional CERP projects.

To better identify CERP-funded large-scale development efforts and ensure sustainment plans for these projects, we recommend that the USFOR-A commander:

4. Update CERP standard operating procedures to include criteria that would help field commanders determine when groups of CERP projects should be considered related for project planning and approval purposes.

To help determine whether CERP projects have met their intended outcomes and the purposes of CERP, we recommend that the USFOR-A commander:

5. Develop a coordinated, results-oriented approach for evaluating the effectiveness of CERP projects. Such an approach should include goals that are objective, quantifiable, and measurable; criteria to define a successful CERP outcome; balanced performance measures to

mark progress toward the goals; and procedures to collect, analyze, and report on performance data both during project execution and after project completion.

COMMENTS

U.S. Forces-Afghanistan (USFOR-A) provided comments on a draft of this report. The comments are reproduced in appendix IV. USFOR-A generally concurred with our findings and recommendations and stated that our recommendations, if properly executed, will ensure a more successful CERP program while protecting U.S. taxpayer dollars. USFOR-A also outlined actions that would address these recommendations, including:

- seeking input from local Afghans to include local building practices into project statements of work;
- enforcing contract warranties and withholding final payments until all deficiencies have been corrected;
- working with district and provincial Ministry of Public Works to develop a budgeting mechanism for sustainment;
- requiring commanders to review CERP databases before initiating projects to avoid duplication of efforts that wastes resources; and
- developing outcome-based assessments following project completion.

USFOR-A noted that it faces challenges in fully implementing the recommendations of this report, including:

- limited capacity of local contractors,
- limited time or resources for project managers to supervise the construction, and
- lack of budgeting mechanisms within the government of Afghanistan to fund recurring operations and maintenance costs.

USFOR-A also provided technical comments, which we have incorporated where appropriate. In addition, in January 2011, USFOR-A provided copies of missing project documents that were not made available by CERP officials during the course of our audit. As a result, we updated our findings regarding oversight weaknesses over CERP funds. The challenges we faced in obtaining complete and accurate information during the course of our audit are due, in part, to the fact that USFOR-A has not maintained centralized record keeping systems, which limits USFOR-A's monitoring and reporting capabilities.

APPENDIX I: SCOPE AND METHODOLOGY

This report presents the results of the Office of the Special Inspector General for Afghanistan Reconstruction's (SIGAR) review of Commander's Emergency Response Program (CERP) projects in Laghman Province, Afghanistan. SIGAR initiated this audit to examine the funding, outcomes, and oversight of selected CERP projects in Laghman Province, Afghanistan, that were approved in fiscal years 2008 through 2010. Specifically, our objectives were to (1) assess the projects' status, including funds obligated and disbursed and whether the projects were meeting intended outcomes and, if applicable, were being sustained; and (2) determine whether project oversight by U.S. officials was in accordance with applicable guidance.

To address these objectives, we selected 69 CERP projects to evaluate. As of November 13, 2010, the total obligations for the 69 selected projects exceeded $53.3 million, and the total disbursements exceeded $35 million.

We chose Laghman Province because, among other factors, it had the highest average project cost of the provinces in RC-E. Initially, we grouped CERP project data from USFOR-A's Combined Information Data Network Exchange database by regional command, and noted that Regional Command-East (RC-E) had the highest dollar value for all CERP projects approved in Afghanistan between 2008 and 2010.[23] Within RC-E, Nangahar Province had the highest dollar value of all provinces, but we excluded Nangahar because SIGAR had ongoing audit work in that province, and the audit team did not want to duplicate efforts. [24] We selected CERP projects in Laghman Province that were

- approved in fiscal years 2008 through 2010;
- committed for $50,000 or greater, since this is the threshold at which CERP regulations and operating procedures require detailed project justifications, coordination with government of Afghanistan representatives, and documentation that those representatives agree to sustain the projects; and
- awarded by the Laghman Provincial Reconstruction Team (PRT), Laghman Agribusiness Development Team (ADT), or the various task forces (Iron Gray, Wild Horse, and Bayonet) that were co-located with the Laghman PRT.

In addition to cost considerations, the selection included a mix of active, completed, and terminated projects across the 20 categories of CERP assistance for which the use of CERP funds is permitted, as outlined in DOD's Financial Management Regulation.[25] Since we selected the projects we assessed on a judgmental basis, we cannot draw inferences to the entire population of CERP projects in Afghanistan. The following analyses formed the basis of our observations and findings.[26]

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[23]In a previous CERP report, SIGAR found the data in CIDNE to be unreliable; however, CIDNE was the best available source for the purpose of selecting our judgment sample.

[24]See *Weaknesses in Reporting and Coordination of Development Assistance and Lack of Provincial Capacity Pose Risks to U.S. Strategy in Nangarhar Province,* SIGAR-Audit-11-1, Oct. 26, 2010.

[25]DOD, *Financial Management Regulation* 7000.14-R, volume 12, chapter 27, Commanders' Emergency Response Program (January 2009).

[26] The Special Inspector General for Iraq Reconstruction used a similar methodology in its review of a collection of CERP projects at the Baghdad International Airport. See *Commander's Emergency Response Program: Projects at Baghdad International Airport Provided Some Benefits, but Waste and Management Problems Occurred,* SIGIR 10-013, April 26, 2010.

To determine the costs of the projects we selected for review, we analyzed obligation and disbursement data from contract documents in the project files and financial data from the Department of the Army's Standard Finance System (STANFINS) and U.S. Forces-Afghanistan's CERP checkbook. To assess the reliability of the computer-processed data, we (1) interviewed USFOR-A officials to discuss the reliability of the data; (2) conducted electronic testing and checked for missing data, erroneous entries, and duplicates; and (3) compared the financial system's output with the documents in the project files, such as invoices, receiving reports, and other payment documents. On the basis of our reliability assessments, we determined that the data were sufficiently reliable to meet the audit's objectives. Specifically, the data reported to us from STANFINS were sufficiently reliable for reporting obligations and disbursements for the projects in our sample when corroborated with financial data from the project files, and the data reported to us from the CERP checkbook were sufficiently reliable for the purposes of illustrating the magnitude of CERP obligations in Laghman province.

To determine project outcomes, we conducted file reviews for all 69 projects and site visits for 36 of the 69 projects we selected. Not all of the files contained sufficient evidence for us to make an assessment, and we were unable to visit all of the project sites; however, by conducting file reviews and site visits, we were able to assess the outcomes of 46 of the 69 projects we selected. For the file reviews, we analyzed quality assurance reports and additional documents in the project files that listed the projects' requirements (such as the contracts and statements of work) and described the conditions of the projects. We conducted our site visits from September 26 through 29, 2010. The 36 projects we visited represented $39.8 million (nearly 75 percent) of the $53.3 million obligated for the 69 projects in our selection. We were aware that we would be unable to visit every project site. Consequently, we coordinated with key personnel at the PRT, ADT and the task force and gave them criteria to consider when scheduling site visits, such as project costs, security of the area, and remoteness of the project site. We asked them to prioritize the most expensive projects where security concerns would not prohibit us from visiting the project site and where the project locations were not too remote (some sites would take all day to reach). The PRT, ADT and task force identified 27 of the 69 projects that (1) were in areas that were too insecure to visit, (2) were too remote to visit in the time allotted, or (3) were eliminated for other reasons such as the projects were similar to other projects on the site visit schedule. Additionally, we could not visit 6 of the 42 project sites we planned to visit, primarily due to security concerns.

To present our analysis of project outcomes, we grouped the projects by completion status and sub-grouped the projects by their outcomes. Table 1 of appendix II outlines our rationale for the categories we developed to group our analysis.

Our analysis did not take into account other factors that may determine a successful counterinsurgency outcome, such as the perceived legitimacy of the government of Afghanistan, measures of corruption, differences in economic growth, or the number of insurgent attacks, because such assessments are beyond the scope of our review. Additionally, counterinsurgency guidance suggests that CERP projects should help promote stability in insecure areas.[27] However, we did not attempt to assess project outcomes on this basis because such an analysis would require us to make decisions about military intelligence that are not in the scope of our audit responsibilities.[28]

[27] Army Field Manual 3-24, *Counterinsurgency*, (Dec. 2006) outlines successful operational practices for a counterinsurgency, such as: focus on the population, its needs, and its security; establish and expand secure areas; isolate insurgents from the populace; and deny sanctuary to insurgent.

[28] We were unable to visit 14 of the projects, having a total obligation of nearly $6.9 million, due to security concerns.

To assess USFOR-A's and field commanders' oversight of the selected projects, including internal controls and accountability mechanisms in place to safeguard CERP funds, we reviewed relevant laws, regulations, standard operating procedures, and other guidance related to CERP. Additionally, we reviewed the completeness of the selected project files, USFOR-A's financial database and electronic project management database, and the Army's Standard Finance System. Due to time and resource limitations, we did not conduct our internal controls assessment or track every requirement in the CERP regulations and standard operating procedures. Instead, we adhered to the general principles outlined in SIGAR's guidelines for conducting audits of contracts, and we limited our review to primary documents and other evidence that addressed our research objectives. In addition, we conducted interviews with U.S. officials involved with project planning, administration, and oversight. We also interviewed the Provincial Governor of Laghman and other Laghman government officials who were on-site during our site visits. Over the course of the audit, as appropriate, we also reviewed planning documents and documents that outline commanders' goals for CERP in Afghanistan. We identified internal control weaknesses, which we present in the body of the report.

We conducted this review from July 2010 to December 2010 in Kabul and Laghman Province, Afghanistan, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions 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. This audit was conducted by the Special Inspector General for Afghanistan Reconstruction under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, and the Inspector General Act of 2008.

APPENDIX II: CERP PROJECTS REVIEWED THROUGHOUT LAGHMAN PROVINCE

This appendix summarizes the costs, outcomes, and other project data for the Commander's Emergency Response Program (CERP) projects we selected for review throughout Laghman Province. Our sample includes all CERP projects with an initial commitment of $50,000 or greater that were approved by the Provincial Reconstruction Team (PRT), Agribusiness Development Team (ADT), or various task forces located at Forward Operating Base Mehtar Lam[29] during fiscal years 2008 through 2010. The 69 projects we selected include 24 active, 42 completed, and 3 terminated projects; the total obligation was about $53.3 million, of which $35.8 million had been disbursed as of November 2010.

CERP standard operating procedures[30] establish criteria for selecting projects and determining the appropriateness of proposed projects; however, the procedures do not define a successful CERP outcome. To develop our criteria for categorizing project outcomes, we took into account the purpose of CERP, as defined in the standard operating procedures, which is to enable commanders to respond to urgent humanitarian relief and reconstruction requirements within their area of responsibility by carrying out programs that will immediately assist the indigenous population. Starting in September 2008, CERP procedures defined "urgent" as any chronic or acute inadequacy of an essential good or service that, in the judgment of the local commander, calls for immediate action. The procedures updated on or after September 2008 also indicate that CERP is intended for projects that can be sustained by the local population or government and cost less than $500,000.

To determine project outcomes, we relied primarily on reviews of documents in the project files and physical inspections we conducted during site visits. For all 69 projects we selected, we reviewed quality assurance reports and other documents in the project files that stated the projects' requirements and described their conditions. Also, from September 26 through 29, 2010, we visited 36 of the 69 projects in Laghman; these represented $39.8 million (nearly 75 percent) of the amount obligated for all 69 projects we selected.

Using this approach, we assessed the outcomes of 46 projects in our sample. We grouped the projects by completion status (active and completed). Within each category, we grouped the projects into sub-categories according to project outcome:

- Active projects
  - Generally successful outcome to date
  - At risk
- Completed projects
  - Generally successful outcome
  - Questionable outcome

We did not assess 23 of the sample projects. These 23 projects had a total obligation of about $2.1 million and include 5 active projects (about $500,000 obligated) where the contract had not been awarded or the work performed was in early stages when we conducted our inspections in September 2010; 15 completed projects (about $1.4 million obligated) where we could not inspect the project due to security concerns or remoteness of the project site and the project files contained insufficient evidence for us to determine the projects' outcomes; and 3 projects (about $200,000 obligated) that were terminated after funds had been disbursed.

[29] The municipality of Mehtar Lam is the provincial capital of Laghman.

[30] Our review included projects that were approved in fiscal years 2008 through 2010. The applicable CERP standard operating procedures include *Money as a Weapon System—Afghanistan*, USFOR-A Publication 1-06, updated December 2009 and May 2009; *Commander's Emergency Response Program Standard Operating Procedures*, Combined Joint Task Force—101, updated September 2008; and *Commander's Emergency Response Program Standard Operating Procedures*, Combined Joint Task Force—9, updated October 2007.

Table I outlines the criteria we used to determine CERP project outcomes.

Table I: SIGAR Criteria for Determining CERP Project Outcomes

Outcome Categories	Outcome Criteria by Project Status
	Criteria for Active Projects
Generally Successful	• Work performed is consistent with statement of work requirements, • Project does not appear to have construction deficiencies, and • Government of Afghanistan has a plan to sustain project after transfer
At Risk	• Work performed is inconsistent with statement of work requirements, • Project has construction deficiencies or SIGAR is concerned with construction quality, • Government of Afghanistan does not have a sustainment plan in place for the project after transfer, or • Immediate need for the project and benefit to the population are unclear
Not Assessed	• Project was in its initial stages and minimal site work had been conducted at the time of our review
	Criteria for Completed Projects
Generally Successful	• Work performed is consistent with statement of work requirements, • Project does not appear to have construction deficiencies, and • Government of Afghanistan has sustained the project
Questionable	• Work performed is inconsistent with statement of work requirements, • Project has construction deficiencies or SIGAR is concerned with construction quality, • Government of Afghanistan has not sustained project after its transfer, or the government of Afghanistan does not have a plan to sustain the project, or • Immediate need for the project and benefit to the population are unclear
Not Assessed	• SIGAR was unable to observe project outcome due to security concerns or remoteness of the project site, and • Project file included insufficient evidence to assess the outcome (e.g., poor documentation of quality assurance reviews conducted)
	Criteria for Terminated Projects
Generally Successful	• N/A
Questionable	• N/A
Not Assessed	• Funds were expended but project was terminated

Source: SIGAR developed criteria based on CERP standard operating procedures and other factors.

Because CERP regulations allow commanders to fund projects using 20 broadly defined categories of assistance, we considered projects to meet the intent of CERP unless we had strong evidence to the contrary. We questioned the outcomes of two groups of related projects that were related to larger-scale development efforts, where the immediate needs for the projects and the benefits to the local population were unclear.

We were unable to observe 14 of the projects, having a total obligation of nearly $6.9 million, due to security concerns. Counterinsurgency guidance suggests that CERP projects should help promote

stability in insecure areas.[31] However, we did not attempt to assess project outcomes based on this rationale because such an analysis would require us to make decisions about military intelligence that are not in the scope of our audit responsibilities.[32] Additionally, our analysis also does not take into account other factors that may determine a successful counterinsurgency outcome, such as the perceived legitimacy of the government of Afghanistan, measures of corruption, differences in economic growth, or the number of insurgent attacks, because such assessments are beyond the scope of our review.

Table II summarizes our findings.

Table II: Summary of Selected CERP Project Outcomes by Project Completion Status

Outcome Categories	Number	Obligation (in millions)
Active Projects		
Generally Successful Outcome	6	$0.6
At Risk	13	$38.7
Outcome Not Assessed	5	$0.5
Total Active	**24**	**$39.8**
Completed Projects		
Generally Successful Outcome	13	$1.4
Questionable Outcome	14	$10.5
Outcome Not Assessed	15	$1.4
Total Completed	**42**	**$13.3**
Terminated Projects		
Outcome Not Assessed	3	$0.2
Total Active, Completed, and Terminated	**69**	**$53.3**

Source: SIGAR analysis of STANFINS, USFOR-A, PRT, ADT, and task force data; physical inspections; and project file reviews.

We discuss each of the projects, in descending order of obligation, by completion status, and by outcome category within each status group.

[31] Army Field Manual 3-24 (Dec. 2006), *Counterinsurgency*, outlines successful operational practices for a counterinsurgency, such as focusing on the population, its needs and security; establishing and expanding secure areas; isolating insurgents from the populace; and denying sanctuary to insurgents.

[32] We were unable to visit 14 of the projects, totaling nearly $6.9 million in obligated funds, due to security concerns.

ACTIVE PROJECTS

As of November 2010, 24 of 69 projects, representing $39.8 million (74.6 percent) of total obligations, were active. Of the 24 active projects, we found that 6 were generally successful and 13 were at risk for unsuccessful outcomes. We did not assess 5 of the active projects because contracts had not been awarded or work had just been initiated.

Active Projects – Generally Successful Outcome

We determined that 6 of the active projects were likely to have generally successful outcomes, as of November 2010. These projects have a total obligation of about $600,000, which is 1 percent of total obligations for the projects in our review.

Rehabilitate Mehtar Lam Power Plant

Source: SIGAR site inspection, September 26, 2010.

Obligation: $123,700
Disbursement: $40,000
Approval Date: April 2010
Planned Completion: December 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Energy
CERP Category: Electricity
Project Type: Equipment
Outcome: Purchases of Equipment Ongoing

The purpose of this project is to improve the capacity of the existing diesel generator power plant that provides power to the city of Mehtar Lam. A new bulk storage fuel tank was installed at the plant; this eliminated the need to bring in fuel by drums on a daily basis. In addition, the original plan was to repair one of the existing two generators, install a third generator, and install a switchgear with an automatic transfer switch that would allow multiple generators to run simultaneously. Problems with generator compatibility required changing to a manual transfer switch, which added additional time to the project. According to PRT officials, the provincial governor determines how long the plant will run each day—around 13 hours in the summer and around 6 hours in the winter due to lighter demand. Reportedly, 1,068 metered, electrical customers are on the system and are billed bi-monthly, and, according to PRT officials, the revenues collected pay for most of the plant's fuel costs.

Alingar Saffron Project

Source: Project file, October 17, 2009

Obligation: $112,760
Disbursement: $98,960
Approval Date: September 2009
Planned Completion: December 2010
Location: Alingar
Responsible GIRoA Entity: Alingar District
CERP Category: Agriculture/Irrigation
Project Type: Agricultural Supplies
Outcome: Training Sessions Ongoing

The project is a cooperative research effort that provided saffron bulbs and about 5 acres of demonstration plots in the Alingar District to teach local farmers how to cultivate and produce saffron as an alternative to poppy. It takes the area of a football field to grow one pound of saffron, which is worth approximately $1,000, according to project file documents. As part of the project, local farmers were invited to the demonstration plots to learn saffron techniques and discuss opportunities for saffron production. We did not inspect the project site, however, evidence in the project files suggests that the bulbs were purchased and the plots were used as intended.

Women's Affairs Facility Upgrade and Community Kitchen

Source: SIGAR site inspection, September 26, 2010.

Obligation: $88,741
Disbursement: $53,245
Approval Date: February 2010
Planned Completion: December 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Women's Affairs
CERP Category: Food Production and Distribution, Gender
Project Type: Facility
Outcome: Renovations Ongoing

The Women's Affairs Facility Upgrade and Community Kitchen project includes renovations—such as installation of a well, construction of an outdoor classroom, and other additions—to an existing facility in the city of Mehtar Lam. The project experienced delays because the contractor had multiple projects with the PRT and did not have the capacity to work on multiple contracts at the same time. At the time of our inspection, the well was completed and work was ongoing on the septic tank and latrines.

Mehtar Lam Saffron Project

Source: SIGAR site inspection, September 28, 2010.

Obligation: $101,530
Disbursement: $75,840
Approval Date: September 2009
Planned Completion: December 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Mehtar Lam Municipality
CERP Category: Agriculture/Irrigation
Project Type: Agricultural Supplies
Outcome: Training Sessions Ongoing

The project is a cooperative research effort that provided more than an acre of demonstration saffron plots in the city of Mehtar Lam to teach local farmers how to cultivate and produce saffron as an alternative to poppy. We inspected the project site and observed the planted saffron field, which is leased from a village elder. The saffron bulbs harvested under the project will be split equally among the ADT, landowner, and a local cooperative that participates in training sessions. The ADT plans to use the bulbs to start another saffron project in the Qarghahi District.

Charbagh Road Rehabilitation

Source: SIGAR site inspection, September 29, 2010.

Obligation: $81,262
Disbursement: $73,388
Approval Date: May 2010
Planned Completion: December 2010
Location: Qarghahi
Responsible GIRoA Entity: Rural Rehabilitation and Development
CERP Category: Transportation
Project Type: Road
Outcome: Construction Ongoing

The Charbagh Road project provided a 2.3-kilometer improved gravel road for Charbagh Village in Qarghahi District. The road links the Charbagh village bazaar to a suspension bridge that leads to another marketplace. When we inspected the project site, we observed a steady flow of pedestrian and motorcycle traffic. The road appeared well-constructed, and the contractor was in the process of building a masonry wall along one side of the road.

Nahri Shahi Irrigation Canal

Source: SIGAR site inspection, September 28, 2010.

Obligation: $51,053
Disbursement: $25,526
Approval Date: May 2010
Planned Completion: January 2011
Location: Alingar
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Canal
Outcome: Renovations Ongoing

The Nahri Shahi Irrigation Canal is 24 kilometers long; it diverts water from the Alingar River and flows through the city of Mehtar Lam. This project includes improvements along sections of the canal, such as the construction of a stone masonry wall along the downhill side of the canal and culverts over the canal. When we inspected the project site, water was not flowing through the canal. The work performed to date appeared well constructed. According to ADT officials, construction on the project slowed during Ramadan and Eid, which caused some delays, but, after the holidays, construction progressed nicely.

Active Projects – At Risk

We determined that 13 of the active projects were at risk, as of November 2010. These projects have a total obligation of over $38.7 million, which is 72.6 percent of total obligations in our sample.

Alisheng Road Project Phase II (25 km.)

Source: Project file,September 4, 2010.

Obligation: $8,750,000
Disbursement: $5,345,220
Approval Date: July 2008
Planned Completion: December 2010
Location: Dowlat Shah
Responsible GIRoA Entity: Transportation
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment and Construction Concerns

Phase II of the Alisheng Road project is a 25-kilometer asphalt road that runs from the Alisheng District center to the Dowlat Shah District center. During our inspections, we traveled briefly along the road but were unable to inspect the road due to security concerns. Based on our review of the project file, the PRT has performed quality assurance reviews although security has been an ongoing concern. According to PRT officials, the contractor generally performs well. However, in October 2010, the PRT noticed that the contractor incorrectly applied the prime coat of paving. As a result, according to project file documents, a section of the road is beginning

to deteriorate; several places are easily disturbed by digging the heel of a foot into the road surface. Our main concern is with the sustainment of the road. Asphalt roads require equipment and supplies for their upkeep. According to CERP officials, a sustainment plan for roads does not exist and Laghman government officials do not have the resources to maintain the roads after they are completed.

North Ring Road Phase I (Duranta Bypass) (28.5 km.)

Source: SIGAR site inspection, September 29, 2010.

Obligation: $8,372,760
Disbursement: $1,961,241
Approval Date: August 2009
Planned Completion: December 2011
Location: Qarghahi
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment concerns

The Duranta Dam creates a choke point for traffic traveling along Highway 1A, which connects Kabul to Pakistan. The North Ring Road Phase I project is an asphalt road that bypasses the dam to create an alternate traffic route. We inspected the Charbagh village bazaar area of the project and found that the project was in the road-widening phase of the work. The road appeared to be properly graded and progress payments appeared in line with the work performed to date. The project is at risk because a sustainment plan is not in place and Laghman government officials do not have resources to maintain the road after it is completed. As of December 2010, the road is not on track to meet the estimated completion date.

Mayl Valley Road (15 km.)

Source: Project file,May 27,2010.

Obligation: $5,816,712
Disbursement: $1,053,590
Approval Date: March 2009
Planned Completion: December 2010
Location: Alisheng
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment concerns

The Mayl Valley Road is a 15-kilometer asphalt road between the Villages of Dumlam and Nuri in Alisheng. We did not attempt to inspect the road due to security concerns. Based on our reviews of quality assurance reports and project file evidence, the PRT has raised construction quality issues with the contractor and security is an ongoing issue. The project is at risk because a sustainment plan is not in place and Laghman government officials do not have resources to maintain the road after it is completed.

Mehtar Lam Road Modernization Phase II (16.8 km.)

Source: SIGAR site inspection, September 26, 2010.

Obligation: $5,239,214
Disbursement: $4,400,940
Approval Date: December 2009
Planned Completion: December 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment and Construction Concerns

The Mehtar Lam Road Modernization Phase II project is a 16.8-kilometer series of asphalt roads in the city of Mehtar Lam. When we inspected the project site, the contractor was constructing drainage structures on both sides of the already paved road, which may result in damage to the asphalt. To construct the drains, the contractor rolled heavy equipment along the road, but the soil between the drainage channels and the existing pavement did not appear to be compacted. We observed that, in some areas, the asphalt at the edges had already begun to deteriorate, which is a sign that the underlying support for the asphalt edges may have been compromised. Additionally, the project is at risk because a sustainment plan is not in place and Laghman government officials do not have resources to maintain the road after it is completed.

Shamakat Road (11.9 km.)

Source: Project file, July 21, 2010

Obligation: $4,162,877
Disbursement: $3,815,970
Approval Date: March 2009
Planned Completion: December 2010
Location: Alisheng
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment concerns

The Shamakat Road project is an 11.9-kilometer asphalt road in the Alisheng District that links Shamakat to Qalatak and Mehtar Lam. We could not inspect the project because the most direct route leading to the project was damaged by flooding in July 2010. As a result, we could not reach the project site in the time we allotted for our site inspections. Based on our review of the project file, the PRT conducted quality assurance reviews. The PRT reports raised some construction quality issues, but the documentation showed the contractor addressed those concerns. The project is at risk because a sustainment plan is not in place and Laghman government officials do not have resources to maintain the road after it is completed.

Administrative Zone Road Phase II (6.3 km.)

Source: SIGAR site inspection, September 26, 2010.

Obligation: $1,865,745
Disbursement: $1,554,353
Approval Date: March 2009
Planned Completion: December 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment Concerns

The Administrative Zone Phase II project includes sections of paved road (totaling 6.3 kilometers) that are located throughout the municipality. We observed the main section, which extends from the Administrative Zone Phase I project and leads to the Laghman Province Center of Excellence and Afghan National Police headquarters. At the time of our inspection, the road was paved and included a sub-base shoulder. PRT officials reported concerns with the quality of the contractor's work, which they required the contractor to redo. Also, the original scope of the work changed, due to a land dispute between the Afghan National Army and the Provincial Governor. The PRT intervened and relocated sections of the road to other parts of the city. This suggests the project may not have been thoroughly planned and coordinated with government of Afghanistan stakeholders. Additionally, the project is at risk because a sustainment plan is not in place and Laghman government officials do not have resources to maintain the road after it is completed.

Mehtar Lam Road Modernization Phase I (4.7 km.)

Source: SIGAR site inspection, September 26, 2010.

Obligation: $1,459,220
Disbursement: $1,356,035
Approval Date: November 2008
Planned Completion: December 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment Concerns

The scope of the Mehtar Lam Road Modernization Phase I project is to design and construct 4.7 kilometers of asphalt roads in the Mehtar Lam city center. When we inspected the project, the paving was completed for most of the road. According to PRT officials, the original statement of work included concrete gutters, but the gutters will not be installed because they conflict with a project the United States Agency for International Development has planned to install water lines in Mehtar Lam. Rather than decreasing the cost of the project, the PRT and the contractor agreed to do additional work to remove excess organic material from the project site that was not suitable for supporting the roadway. According to PRT officials, as of December 2010, the construction is completed but the final payment is

pending. The project is at risk because a sustainment plan is not in place and Laghman government officials do not have resources to maintain the road after it is completed.

Laghman Province Center of Excellence

Source: SIGAR site inspection, September 26, 2010.

Obligation: $1,252,897
Disbursement: $1,127,604
Approval Date: November 2008
Planned Completion: December 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Facility
Outcome: Sustainment Concerns

The Center of Excellence is a post-secondary educational facility for boys that includes a two-level classroom building, a three-level dormitory building, a dining facility, and other construction such as a protective wall. The project also provides furniture, a generator, and solar panels. The facility was constructed using a standard Ministry of Education design, according to PRT officials. The project experienced significant delays, and upon inspection, we observed construction deficiencies such as leaking windows in the classroom, dormitory, and dining buildings, and weak welding joints on the metal handrails on the second-floor balcony of the classroom building. PRT officials included these and other deficiencies in a final inspection report and stated that the contractor would not be paid the remaining 10 percent until the deficiencies are satisfactorily resolved. The project was approved without adequate assurance that the Afghan government had a plan in place to use it as intended and sustain it. As of December 2010, the PRT reports that a ribbon cutting ceremony was held and students have moved in to the facility. However, the Afghan government has not provided fuel needed to run the waste system and students are living in unsanitary conditions.

Qarghahi Community LEAF (Agriculture Storage Facility)

Source: SIGAR site inspection, September 29, 2010.

Obligation: $771,463
Disbursement: $578,598
Approval Date: September 2008
Planned Completion: December 2010
Location: Qarghahi
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Facility
Outcome: Sustainment Concerns

The Laghman Empowerment Agricultural Facility (LEAF) project in Qarghahi district includes a dry storage building, cold storage building, grain silo, flour mill,

generator building, an electric tie to the municipal grid, other construction such as a security fence, office furniture, and equipment required to run the complex. When we inspected the project site, the facility was under construction. Overall, the construction appeared satisfactory and major equipment items, such as the flour mill, had been purchased and stored on site. This project is at risk because a sustainment plan is not in place. According to PRT and ADT officials, the Director for Agriculture, Irrigation, and Livestock has not developed an operating agreement for maintaining the facility after completion, and the facility will not be used until an agreement is reached.

Alingar Community LEAF (Agriculture Storage Facility)

Source: Project file, August 2, 2010.

Obligation: $771,463
Disbursement: $578,598
Approval Date: September 2008
Planned Completion: December 2010
Location: Alingar
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Facility
Outcome: Sustainment Concerns

The Laghman Empowerment Agricultural Facility (LEAF) project in Alingar has the same scope of work as the LEAF project in Qarghahi. We did not inspect this facility. Based on our review of project files, the PRT identified some construction concerns through the quality assurance process, which the contractor appears to have addressed. This project is at risk because a sustainment plan is not in place. According to PRT and ADT officials, the Director for Agriculture, Irrigation, and Livestock has not developed an operating agreement for maintaining the facility after completion, and the facility will not be used until an agreement is reached.

Gumain Road Rehabilitation

Source: SIGAR site inspection, September 26, 2010.

Obligation: $160,169
Disbursement: $101,131
Approval Date: May 2010
Planned Completion: December 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment Concerns

The purpose of the Gumain Road project is to improve the surface of the 3.2-kilometer Gumain Road, which runs from Gumain Village to Shamati Village in Mehtar Lam. According to PRT officials, the road was impassable by vehicles before the project started. When we inspected the project site, we observed a

section where an improvised drainage ditch had been cut across the road, apparently for irrigation purposes. This raised questions about whether additional destruction of the road will occur.

Nomad Affairs Conference Building

Source: SIGAR site inspection, September 28, 2010.

Obligation: $47,931
Disbursement: $32,927
Approval Date: June 2010
Planned Completion: October 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Nomad Affairs
CERP Category: Rule of Law and Governance
Project Type: Facility
Outcome: Construction Concerns

The project is to construct a conference building adjacent to a new office building built by the Director of Nomad Affairs. At the time of our inspection, the contractor was in the process of erecting exterior masonry walls and concrete columns. The brick masonry was unreinforced and did not appear to have sufficient mortar. Due to the poor quality of the work performed, the PRT required the contractor to correct defective work. The contractor did not meet the planned completion date. Based on the construction deficiencies we and the PRT identified, the contractor appears to have limited capacity to fulfill the requirements of the contract, which increases the risk of unsuccessful outcomes.

Kanda Canal Check Dams

Source: SIGAR site inspection, September 28, 2010.

Obligation: $32,537
Disbursement: $8,134
Approval Date: June 2010
Planned Completion: December 2010
Location: Alingar
Responsible GIRoA Entity: Water Management
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Dam
Outcome: Construction Concerns

The scope of this project includes the design and construction of two canal passageways to reinforce the Kanda Canal as it crosses a large wadi.[33] When we inspected the project site, the mortar did not appear well-mixed, and the wall had gaps due to an inadequate amount of cement. In certain areas, stones were stacked on top of other stones with virtually no cement holding them together. The ADT officials indicated that they had had problems with the contractor, and construction was delayed two times for poor quality.

[33] A wadi is the valley of a stream that is usually dry except during the rainy season.

Active Projects -- Not Assessed

We did not assess 5 active projects that had a total obligation of nearly $500,000, which is less than 1 percent of total obligations for all projects in our review. We did not assess the projects because the contracts had not been awarded or the work was still in the early stages.

Mia Khan Kas Suspension Bridge

Source: Project file, May 22, 2010

Obligation: $196,861
Disbursement: $0
Approval Date: July 2010
Planned Completion: December 2010
Location: Qarghahi
Responsible GIRoA Entity: Rural Rehabilitation and Development
CERP Category: Transportation
Project Type: Bridge
Outcome: Not Assessed

The purpose of this project is to design and construct a suspension bridge for Mia Khan Kas Village in the Qarghahi District. Mia Khan Kas Village is geographically isolated by two rivers to the east and south and a mountain range to the north. The Qarghahi District Sub-Governor identified the project and the Director of Rural Rehabilitation and Development nominated it as a priority project under the *Capacity Building Fund* initiative. We did not inspect the project site because construction had not begun at the time of our scheduled inspection. Based on our project file review and according to PRT officials, the project costs may increase. Although originally intended as a walking suspension bridge, the bridge project is now intended for small vehicular traffic. The PRT has submitted a request for additional funds to widen the bridge to accommodate vehicular traffic.

Eslamabad Check Dam

Source: Project file, not dated.

Obligation: $117,561
Disbursement: $29,390
Approval Date: July 2010
Planned Completion: February 2011
Location: Alisheng
Responsible GIRoA Entity: Water Management
CERP Category: Agriculture/Irrigation
Project Type: Dam
Outcome: Not Assessed

This project includes the refurbishment and reconstruction of two check dams and a canal in the vicinity of Eslamabad village that are badly damaged due to erosion. We did not inspect the project

because the contractor had just started work at the time of our inspections. According to ADT officials, the project did not start until after Ramadan, and the project schedule was extended due to damage caused by flooding. Based on our project file review, ADT officials coordinated this project with the Director of Irrigation and village elders as part of the *Capacity Building Fund* initiative.

Nora Kareem Canal

Source: Project file, April 8, 2010.

Obligation: $57,600
Disbursement: $0
Approval Date: September 2010
Planned Completion: April 2011
Location: Qarghahi
Responsible GIRoA Entity: Water Management and Village Elders
CERP Category: Agriculture/Irrigation
Project Type: Canal
Outcome: Not Assessed

The purpose of this project is to establish a major irrigation canal in the villages of Zafron, Nora Kareem, and Spijimat, which are near the Gamberi Garrison Base in Qarghahi district. We did not inspect the site, because the ADT was in the process of reviewing bid proposals for the contract at the time of our scheduled visits. According to ADT officials, the contract was awarded on October 23, 2010 and work did not start until November 10, 2010. Based on our review of the project file, the ADT coordinated this project with the Director of the Water Management Department as part of the *Capacity Building Fund* program.

Information, Culture, and Youth Directorate

Source: Project file, May 8, 2010.

Obligation: $56,298
Disbursement: $16,889
Approval Date: June 2010
Planned Completion: September 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Information and Culture
CERP Category: Rule of Law and Governance
Project Type: Facility
Outcome: Not Assessed

This project includes renovations to the Laghman Department of Information and Culture main facility in Mehtar Lam. The project includes the design and installation of a solar panel system, repairs to the interior and exterior of the facility, and other improvements. We did not inspect the project site because site work began about a month before our scheduled visits and minimal work had been performed, according to PRT officials. Based on our project file review, PRT officials coordinated this project with the

Director of Information and Culture as part of the *Capacity Building Fund* initiative. According to PRT officials, as of December 2010, the project has been completed and the final payment is pending.

Sorkahkan Pump House

Source: Project file,not dated.

Obligation: $42,522
Disbursement: $0
Approval Date: June 2010
Planned Completion: December 2010
Location: Qarghahi
Responsible GIRoA Entity: Water Management
CERP Category: Agriculture/Irrigation
Project Type: Equipment
Outcome: Not Assessed

This pump house will supply water to the Sorkahkan Vocational and Technical Center and the village of Sorkahkan for irrigation. We did not inspect the project site because the contract had just been signed at the time of our scheduled inspection. According to ADT officials, the project started on September 23, 2010, but due to issues with construction quality, the contractor had to tear down and re-lay all of the stone masonry work. Based on our review of the project file, the ADT coordinated this project with the Director of the Water Management Department as part of the *Capacity Building Fund* program.

COMPLETED PROJECTS

As of November 2010, 42 of 69 projects, representing $13.3 million (25 percent) of total obligations, were completed. Of the 42 completed projects, we found that 13 were generally successful and 14 resulted in questionable outcomes. In addition, we did not assess 15 of the completed projects because (1) there was insufficient evidence in the project file to make a determination and (2) we were unable to inspect them due to security concerns or remoteness of the site.

Completed Projects – Generally Successful Outcome

We determined that 13 of the completed projects resulted in generally successful outcomes. These projects have a total obligation of $1.5 million, which is 2.8 percent of total obligations in our sample.

Social Affairs Training Center

Source: SIGAR site inspection, September 26, 2010.

Obligation: $204,390
Disbursement: $204,390
Approval Date: July 2008
Completion Date: April 2009
Location: Mehtar Lam
Responsible GIRoA Entity: Social Affairs
CERP Category: Rule of Law and Governance
Project Type: Facility
Outcome: Construction Completed

The Social Affairs Training Center is located in the city of Mehtar Lam. The project included the construction of a 15-room office building with latrine, guard room, septic system, and perimeter wall, as well as all equipment and furnishings. We inspected the facility and observed that the administrative offices for multiple social affairs programs were located at the center, and the facility appeared well-maintained and occupied. According to the director of the center, who was onsite during our inspection, the center provides services such as payment distributions under the martyr program.

Laghman Prison

Source: SIGAR site inspection, September 28, 2010.

Obligation: $199,446
Disbursement: $199,446
Approval Date: June 2009
Completion Date: August 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Laghman Provincial Prison
CERP Category: Repair of Civic and Cultural Facilities
Project Type: Facility
Outcome: Renovation Completed

The Laghman Prison project included security upgrades to the construction of three new guard towers, a latrine building, and a new perimeter wall at the front of the prison compound. The new stone wall attaches to an older wall the previous PRT built in 2007. We inspected the project site, and all upgrades appeared to be well constructed.

Alikel Canal Refurbishment

Source: SIGAR site inspection, September 27, 2010.

Obligation: $172,208
Disbursement: $172,208
Approval Date: June 2008
Completion Date: April 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Canal
Outcome: Renovation Completed

Alikel canal provides irrigation water for families in and around Alikel village. The project included improvements to sections of the canal: intake, retaining walls, and sub-canal junctions. When we inspected the site, water was in the canal. According to PRT officials, farmers use the canal to irrigate their land by temporarily diverting the water flow through openings in the canal wall.

Prosecutor's Building Refurbishment

Source: SIGAR site inspection, September 27, 2010.

Obligation: $128,782
Disbursement: $128,782
Approval Date: March 2008
Completion Date: April 2009
Location: Mehtar Lam
Responsible GIRoA Entity: Laghman Chief Prosecutor
CERP Category: Repair of Civic and Cultural Facilities
Project Type: Facility
Outcome: Renovation Completed

The project included internal and external improvements to the prosecutor's building in the city of Mehtar Lam. When we inspected the project site, the facility appeared well-maintained and fully occupied.

Laghman Rule of Law Office Equipment

Source: Project file, not dated.

Obligation: $127,840
Disbursement: $127,840
Approval Date: May 2009
Completion Date: -August 2009
Location: Mehtar Lam
Responsible GIRoA Entity: Justice
CERP Category: Rule of Law and Governance
Project Type: Equipment
Outcome: Equipment Purchase Completed

The project provided office equipment such as chairs, desks, file cabinets, computers, and printers. Purchased in July 2009, the equipment was distributed to the Laghman prosecutor's office, the Laghman judge's office, and other Ministry of Justice offices throughout the province. When we inspected the Laghman prosecutor's office, the facility appeared to have sufficient office equipment to function as a judicial entity. We did not attempt to visit the other offices.

State Radio Tower Upgrade

Source: SIGAR site inspection, September 26, 2010.

Obligation: $121,594
Disbursement: $121,594
Approval Date: July 2008
Completion Date: June 2009
Location: Dowlat Shah
Responsible GIRoA Entity: Information and Culture
CERP Category: Telecommunications
Project Type: Equipment
Outcome: Equipment Purchase Completed

The project included upgrades to the broadcasting equipment at the radio tower in Laghman and included repeater towers in the Alisheng and Dowlat Shah District centers to ensure even coverage of the government-owned radio station. During our inspection of the Laghman station tower, officials onsite who operate the equipment confirmed that the repeater towers in Alisheng and Dowlat Shah were installed. They stated that the station provides multiple types of programming, including music, health education, and children's programs.

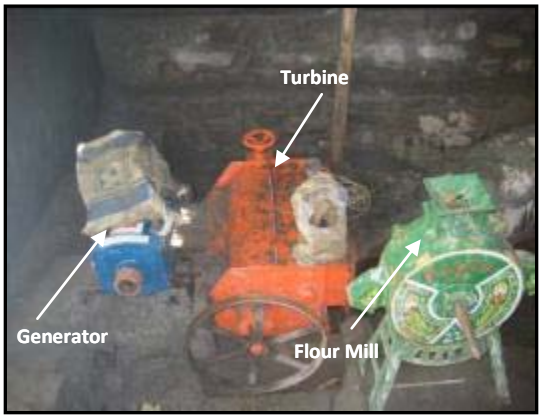
Badiabad Canal Intake

Source: SIGAR site inspection, September 28, 2010.

Obligation: $79,714
Disbursement: $79,714
Approval Date: January 2009
Completion Date: February 2010
Location: Alingar
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Canal
Outcome: Renovation Completed

The Badiabad Canal Intake project in Badiabad village is a stone masonry diversion wall that redirects a portion of the river flow into a 12-kilometer canal. When we inspected the project site, water was flowing in the canal, and the improvements to the canal appeared well-maintained.

Hajiabad/Ghaziabad Hydro Electric Village Rehabilitation



Source: Project file, August 31, 2009.

Obligation: $78,155
Disbursement: $78,155
Approval Date: May 2009
Completion Date: October 2009
Location: Alisheng
Responsible GIRoA Entity: Power
CERP Category: Electricity
Project Type: Equipment
Outcome: Equipment Purchase Completed

The purpose of the project was to build a micro-hydroelectric plant and provide equipment to run a flour mill in the Village of Hajiabad. The micro-hydroelectric plant also provides electricity to four villages. We were unable to access the site due to security concerns. Evidence in the project file suggests that the PRT conducted quality assurance reviews and that the villagers developed a plan to fund operations and maintenance costs. Each home receiving electrical power is to be charged a monthly fee for use.

Agriculture Sapling Protectors

Source: SIGAR site inspection, September 28, 2010.

Obligation: $63,425
Disbursement: $63,425
Approval Date: June 2009
Completion Date: September 2009
Location: Mehtar Lam
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Food Production and Distribution
Project Type:-Agricultural Supplies
Outcome: Equipment Purchase Completed

The Agriculture Sapling Protectors project provided 2,950 empty metal barrels to protect saplings to test the feasibility of growing date palms in Laghman Province. We did not inspect the original project site because the samplings no longer needed to be protected. However, we saw some of the barrels that were used in the project when we inspected other projects in the Mehtar Lam city center. According to ADT officials, the Director of Agriculture, Irrigation, and Livestock plans to use the barrels for another sapling project.

Domlech Irrigation Canal

Source: Project file, not dated.

Obligation: $59,492

Disbursement: $59,492

Approval Date: December 2009

Completion Date: August 2010

Location: Dowlat Shah

Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock

CERP Category: Agriculture/Irrigation

Project Type: Other Construction—Canal

Outcome: Renovation Completed

The Domlech Irrigation Canal project is a 400-meter stone masonry canal in the Dowlat Shah district. We did not attempt to inspect the project site due to security concerns. Evidence in the project file suggests that the ADT conducted quality assurance reviews, which did not reveal significant construction deficiencies.

Mehtar Lam City Power Transmission Repair Supply of Goods

Source: Project file,not dated.

Obligation: $58,504

Disbursement: $58,504

Approval Date: November 2009

Completion Date: January 2010

Location: Mehtar Lam

Responsible GIRoA Entity: Energy

CERP Category: Electricity

Project Type: Equipment

Outcome: Equipment Purchase Completed

This was an equipment purchase project that supplied the city of Mehtar Lam with transformers and other equipment to improve electrical power transmission in the city. We did not inspect the project site; however, the project file included evidence that the equipment was purchased and provided to the Director of Power and Energy. During our visits to other project sites in September 2010, it appeared that electrical power was supplied throughout the city of Mehtar Lam.

Nomad Affairs Center – Power

Source: SIGAR site inspection, September 28, 2010.

Obligation: $42,256
Disbursement: $42,256
Approval Date: May 2010
Completion Date: August 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Nomad Affairs
CERP Category: Electricity
Project Type: Equipment
Outcome: Equipment Purchase Completed

The project included a solar-powered electrical system and submersible water pump to provide the center with sufficient power and water to conduct normal administrative operations. We observed the solar panels on the roof and an electrical fan operating inside the building when we inspected the project site.

Agriculture Ministry Building Remodel

Source: SIGAR site inspection, September 28, 2010.

Obligation: $35,010
Disbursement: $26,082
Approval Date: May 2010
Completion Date: November 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Facility
Outcome: Renovations Completed

The project includes multiple repairs to the boundary wall and other internal and external improvements to the Ministry of Agriculture, Irrigation, and Livestock building in Mehtar Lam. When we inspected the project site, the height of the perimeter wall had been increased to approximately 4 meters. The roof repair for the main building had not yet begun because the ADT directed the contractor to finish work on the gutters first. According to ADT officials, after the roof repairs had been completed, the interior finish work would begin. After our inspection, the project was completed in November 2010.

Completed Projects – Questionable Outcome

We found that 14 of the completed projects resulted in questionable outcomes. These projects have a total obligation of over $10.5 million, which is 19.8 percent of total obligations in our sample.

Alisheng Road Project Phase I (23 km.)

Source: SIGAR site inspection, September 27, 2010.

Obligation: $8,050,000
Disbursement: $8,050,000
Approval Date: November 2007
Completion Date: May 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Transportation
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment Concerns

The Alisheng Road Phase I project is a 23-kilometer asphalt road that connects the Mehtar Lam city center to the Alisheng district center. We traveled along the road for approximately 45 minutes. The paving appeared well done, with no noticeable problems. The shoulders of the road appeared to be well-maintained, and we saw a steady flow of traffic along the road during our inspection. The project is at risk because a sustainment plan is not in place and Laghman government officials do not have resources to maintain the road.

Administrative Zone Road Phase 1 (2.9 km.)

Source: SIGAR site inspection, September 26, 2010.

Obligation: $870,134
Disbursement: $870,134
Approval Date: December 2008
Completion Date: August 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Road
Outcome: Sustainment and Construction Concerns

The Administrative Zone Road Phase I project is a paved road around the perimeter of Forward Operating Base Mehtar Lam that leads to the city center. The work is complete, but the project has not been closed out. Documents in the project file indicate that the road surface has become rough in a short period of time and that-the concrete is failing due to improper mixing, placement and curing procedures during its construction. PRT officials contacted the contractor to discuss solutions for the poor work. The PRT will not close out the project until the contractor satisfactorily resolves the items; however, the PRT has disbursed the full amount of the contract and has little leverage over the contractor to address these

items. The outcome of this project is questionable because a sustainment plan is not in place and Laghman government officials do not have resources to maintain the road.

Mehtar Lam Community Cold Storage

Source: SIGAR site inspection, September 28, 2010.

Obligation: $273,437
Disbursement: $273,437
Approval Date: July 2008
Completion Date: June 2010
Location: Alingar
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Facility
Outcome: Sustainment Concerns

The Mehtar Lam Community Cold Storage project is co-located with the Agriculture Storage and Maintenance project. These two projects were the predecessors to the LEAF projects in Qarghahi and Alingar. The Mehtar Lam Community Cold Storage project was completed and appeared well-constructed, but the storage rooms were empty when we inspected the facility. The project is under warranty until June 4, 2011. However, it is likely that the warranty will expire before the facility is used because the Director of Agriculture, Irrigation, and Livestock has not finalized an agreement for maintaining the facility.

Agriculture Storage and Maintenance

Source: SIGAR site inspection, September 28, 2010.

Obligation: $252,650
Disbursement: $252,650
Approval Date: June 2007[34]
Completion Date: June 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Facility
Outcome: Sustainment Concerns

The Agriculture Storage and Maintenance project in Mehtar Lam was completed and appeared well-constructed but was not being used when we inspected it. The project is under warranty until June 4, 2011. However, it is likely that the warranty will expire before the facility is used because the Director of Agriculture, Irrigation, and Livestock has not finalized an agreement for maintaining the facility.

[34]Documents in project file indicate that the project was proposed in June 2007 and awarded with fiscal year 2008 funding; however, the approval document was not dated.

Amin Abad Protection Wall

Project Photo Unavailable

Obligation: $199,479
Disbursement: $199,479
Approval Date: August 2008
Completion Date: May 2009
Location: Qarghahi
Responsible GIRoA Entity: Not Documented
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Wall
Outcome: Construction Concerns

The purpose of the Amin Abad Protection Wall project was to construct a 600-meter long by 4-meter high gabion box wall in Amin Abad Village at the intersection of the Laghman and Kabul Rivers. We attempted to inspect the project site but were unable to do so due to security concerns.[35] We inspected the Farooz Abad Protection Wall, a similar project the contractor had completed at the same time. The Farooz Abad Protection Wall project was within a few hundred meters of the Amin Abad Protection Wall on the same river. We observed construction deficiencies at the Farooz Abad Wall and questioned the outcome of the Amin Abad Protection Wall based on similarities between the projects.

Farooz Abad Protection Wall

Source: SIGAR site inspection, September 29, 2010.

Obligation: $199,413
Disbursement: $199,413
Approval Date: August 2008
Completion Date: February 2009
Location: Qarghahi
Responsible GIRoA Entity: Not Documented
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Wall
Outcome: Construction Concerns

The Farooz Abad Protection Wall is a 400-meter gabion wall constructed to protect agricultural lands and homes at the intersection of the Laghman and Kabul Rivers. When we inspected the project site, a section of the wall had collapsed and water had run from the river to the back of the wall. It appeared that the gabions were laid without a suitable foundation, which led to the erosion.

[35] While we were on site at the Farooz Abad Protection Wall, a villager warned us that the area where the Amin Abad, Farooz Abad, and Marof Khil protection walls are located is subject to ambush. After we visited the Farooz Abad Protection Wall, we evacuated the area and did not attempt to visit the two other projects.

Sawati School

Source: SIGAR site inspection, September 29, 2010.

Obligation: $179,018
Disbursement: $179,018
Approval Date: May 2009
Completion Date: May 2010
Location: Qarghahi
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Facility
Outcome: Work Does Not Meet Contract Requirements

The Sawati School project included the construction of a new educational facility in Qarghahi district. During our inspection, we observed an 8-classroom school building with two offices, a 6-stall latrine facility, a well, and a boundary wall. At the time of our inspection, the classrooms were not furnished and, the facility was not wired for electricity. The scope of work for the contract, however, included a 10-stall latrine, 160 student desks and other office equipment, and requirements for the contractor to install a complete electrical system for the entire structure. We could not determine what caused the discrepancies due to the lack of documentation in the project file.

Maroof Khil Protection Wall

Project Photo Unavailable

Obligation: $99,522
Disbursement: $99,522
Approval Date: October 2008
Completion Date: March 2009
Location: Qarghahi
Responsible GIRoA Entity: Not Documented
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Wall
Outcome: Construction Concerns

The purpose of the Maroof Khil Protection Wall project was to construct a 400-meter long gabion box wall at the intersection of the Laghman and Kabul Rivers. We attempted to inspect the project site but were unable to do so due to security concerns. We inspected the Farooz Abad Protection Wall, which the contractor had completed at the same time, and was within a few hundred meters of the Maroof Khil Protection Wall on the same river. We observed construction deficiencies at the Farooz Abad Wall and questioned the outcome of the Maroof Khil Protection Wall based on similarities between the projects.

Alisheng Oluswali Footbridge

Source: SIGAR site inspection, September 27, 2010.

Obligation: $89,250
Disbursement: $89,250
Approval Date: October 2007
Completion Date: February 2009
Location: Alisheng
Responsible GIRoA Entity: Not Documented
CERP Category: Transportation
Project Type: Bridge
Outcome: Construction Concerns

The Alisheng Oluswali Footbridge is a 100-meter footbridge over the Alisheng River that links the villages of Alisheng-Oluswali and Dareshabad. When we inspected the project site, the bridge appeared to be severely damaged by flooding. Further, CERP funded another project for a 100-meter gabion wall to protect the footbridge, which we observed to be damaged. In its current state, the bridge is a safety hazard and susceptible to collapse.

Shahi Canal Improvements

Source: SIGAR site inspection, September 28, 2010.

Obligation: $83,150
Disbursement: $83,150
Approval Date: March 2009
Completion Date: February 2010
Location: Alingar
Responsible GIRoA Entity: Local Leaders
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Canal
Outcome: Construction Concerns

The Shahi Canal walls were originally made of compacted earth. The PRT repaired the canal walls and made other improvements. When we inspected the project site, water was flowing in the canal; however, in one section, it appeared that the earthen wall had washed out. Based on evidence in the project files, the PRT observed water leakage during quality assurance reviews of the project. It appears that the contractor did not address the leaks properly, which likely caused the earthen wall to erode and collapse.

Bagasarach Canal

Source: SIGAR site inspection, September 28, 2010.

Obligation: $64,721
Disbursement: $64,721
Approval Date: February 2010
Completion Date: August 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Mehtar Lam Municipality
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Canal
Outcome: Sustainment Concerns

The Bagasarach Canal is approximately 370 meters long and flows through the city of Mehtar Lam. When we inspected the project site, the canal contained large amounts of silt, which impeded the flow of water through the canal. According to a task force official, the city mayor signed a contract stating that he would maintain the canal or risk the loss of funding for future projects. The official stated he would call the mayor and remind him that he would receive no more projects until the Bagasarach Canal is maintained.

Alisheng Oluswali Protection Wall

Source: SIGAR site inspection, September 27, 2010.

Obligation: $60,390
Disbursement: $60,390
Approval Date: March 2009
Completion Date: February 2010
Location: Alisheng
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Other Urgent Humanitarian or Reconstruction Projects
Project Type: Other Construction—Wall
Outcome: Construction Concerns

The Alisheng Oluswali Protection Wall was a 100-meter gabion wall that was constructed to protect the Alisheng Oluswali Footbridge. We inspected the project site and observed that sections of the wall had completely collapsed.

Provincial Council Security Wall

Source: SIGAR site inspection, September 28, 2010.

Obligation: $59,432
Disbursement: $59,432
Approval Date: January 2008
Completion Date: August 2008
Location: Mehtar Lam
Responsible GIRoA Entity: Provincial Council
CERP Category: Protective Measures
Project Type: Other Construction—Security Wall
Outcome: Work Does Not Meet Contract Requirements

The scope of this project included the design and construction of a 393-meter long by 3-meter high security wall around the Laghman Provincial Council building; 124 meters were to be constructed of brick masonry and 269 meters were to be constructed of steel bars with a stone masonry foundation. When we inspected the project site, we observed a steel bar fence around a building that appeared to have been occupied by squatters. The steel fence was only about 2-meters high, and there was no 124-meter brick masonry fence at the project site. From the evidence available, we could not determine why these discrepancies occurred between the contract requirements and the work performed.

Ghunde Gabion Wall

Source: Project file, not dated.

Obligation: $56,835
Disbursement: $56,835
Approval Date: December 2007
Completion Date: October 2008
Location: Qarghahi
Responsible GIRoA Entity: Not Documented
CERP Category: Construction
Project Type: Other Construction—Wall
Outcome: Construction Concerns

The scope of this project included the design and construction of a 210-meter gabion protection wall in Ghunde village. We were scheduled to inspect the project site. However, while we were at the Sawati School, a local villager told our military interpreter that the wall had been destroyed by floods in July 2010. In light of this and security concerns earlier that day, we did not inspect the project site.

Completed Projects -- Not Assessed

We did not assess 15 completed projects. These projects had a total obligation of more than $1.4 million, which is 2.7 percent of total obligations in our sample. We did not assess the outcomes of these projects because (1) there was insufficient evidence in the project file to make a determination and (2) we could not inspect the projects due to security concerns or the remoteness of the project sites.

Mulayan Protection Wall

Project Photo Unavailable

Obligation: $226,787
Disbursement: $226,787
Approval Date: August 2007
Completion Date: July 2008
Location: Mehtar Lam
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Wall
Outcome: Not Assessed

The purpose of the Mulayan Protection Wall project was to reconstruct 500 meters of protection walls that were destroyed during heavy flooding in 2007. We were unable to inspect the project site due to its remote location. The project file did not contain sufficient evidence to determine what work had been performed under the contract or whether military officials had performed quality assurance reviews over the course of the project.

Myakhan Kac School

Project Photo Unavailable

Obligation: $172,128
Disbursement: $172,128
Approval Date: July 2009
Completion Date: July 2010
Location: Qarghahi
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Facility
Outcome: Not Assessed

The Myakhan Kac School project included the construction of an eight-classroom school in Myakhan Kac Village with a surrounding wall, 10-stall latrine, and a well. We were unable to inspect the project site due to its remote location. The project file contained minimal evidence of work performed and no evidence of quality assurance conducted.

Mashala Kamar School

Project Photo Unavailable

Obligation: $170,787
Disbursement: $170,787
Approval Date: May 2009
Completion Date: May 2010
Location: Qarghahi
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Facility
Outcome: Not Assessed

The Mashala Kamar School project included an 8-classroom school with 10-stall latrine, well, and boundary wall in the village of Mashala Kamar. We were unable to inspect the project site because it was too remote to inspect in the time allotted. The project file contained minimal evidence of work performed and quality assurance conducted.

Alisheng Gabion Wall

Project Photo Unavailable

Obligation: $137,500
Disbursement: $137,500
Approval Date: October 2007
Completion Date: October 2008
Location: Alisheng
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Protective Measures
Project Type: Other Construction—Wall
Outcome: Not Assessed

The scope of the Alisheng Gabion Wall project included the design and construction of a 450-meter long Gabion Wall in Rayn Village to prevent flood waters from damaging agricultural fields and an adjacent road. We did not inspect the project site because it was too remote to inspect in the time allotted. The project file contained minimal evidence of work performed and no evidence of quality assurance conducted.

Sangar Protection Wall

Project Photo Unavailable

Obligation: -$103,092
Disbursement: -$103,092
Approval Date: September 2007
Completion Date: June 2008
Location: Alingar
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Wall
Outcome: Not Assessed

The scope of the project included the design and construction of a 300-meter stone masonry flood protection wall and the design and repair of an existing 277-meter gabion wall. The project file contained minimal evidence of work performed and no evidence of quality assurance reviews conducted. We did not attempt to inspect the project site due to security concerns.

Tilli School

Source: Project file, not dated.

Obligation: $98,365
Disbursement: $98,365
Approval Date: December 2008
Completion Date: February 2010
Location: Alisheng
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Facility
Outcome: Not Assessed

The Tilli School project is a six-classroom school in the Mayl Valley in the northern end of the Alisheng District. The project file contained minimal evidence of work performed and quality assurance reviews conducted. We did not attempt to inspect the project site due to security concerns.

Gamarden Bila Gabion Wall

Project Photo Unavailable

Obligation: $83,105
Disbursement: $83,105
Approval Date: December 2007
Completion Date: October 2008
Location: Mehtar Lam
Responsible GIRoA Entity: Not Documented
CERP Category: Protective Measures
Project Type: Other Construction—Wall
Outcome: Not Assessed

The scope of the project included the design and construction of a 250-meter gabion flood protection wall in Gamarden Bila Village. We did not inspect the project site because it was too remote to inspect in the time allotted. The project file contained minimal evidence of work performed and quality assurance conducted.

Parwai Girls School I Boundary Wall

Source: Project file, October 2009.

Obligation: $60,000
Disbursement: $60,000
Approval Date: May 2009
Completion Date: March 2010
Location: Alingar
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Other Construction—Wall
Outcome: Not Assessed

The Parwai Girls School I project included the construction of a boundary wall and an 8-stall latrine. The project file contained minimal evidence of work performed and no evidence of quality assurance reviews conducted. We did not attempt to inspect the project site due to security concerns.

Parwai Girls School II Boundary Wall

Source: Project file, not dated.

Obligation: $60,000
Disbursement: $60,000
Approval Date: May 2009
Completion Date: October 2009
Location: Alingar
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Other Construction—Security Wall
Outcome: Not Assessed

The Parwai Girls School II project included the construction of a boundary wall and a well. We did not attempt to inspect the project site due to security concerns. The project file contained minimal evidence of work performed and no evidence of quality assurance reviews conducted.

Mandrawar Girls Primary School Wall

Source: Project file,not dated.

Obligation: $59,500
Disbursement: $59,500
Approval Date: April 2009
Completion Date: March 2010
Location: Qarghahi
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Other Construction—Security Wall
Outcome: Not Assessed

The Mandrawar Primary School wall was constructed to bring the school into compliance with Ministry of Education standards and to shield the school from public view to allow girls to attend the school. Since the project site is in a remote location, we were unable to inspect the wall to verify its condition or determine whether girls now attend the school.

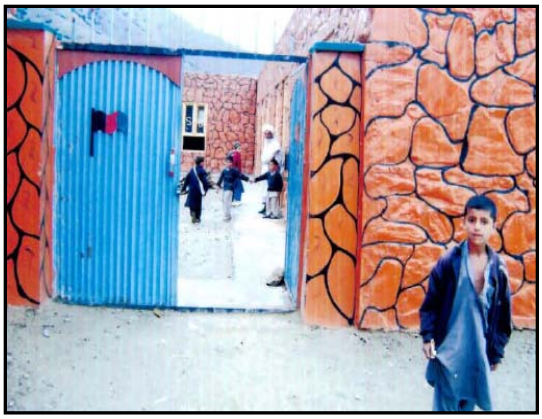
Upper Gomrei Check Dam

Source: Project file, February 2010

Obligation: $59,339
Disbursement: $59,339
Approval Date: December 2009
Completion Date: August 2010
Location: Alisheng
Responsible GIRoA Entity: Community Development Council
CERP Category: Agriculture/Irrigation
Project Type: Other Construction—Dam
Outcome: Not Assessed

The Upper Gomrei Check Dam project included the construction of reinforced concrete check dams for watershed management in the village of Upper Gomrei. We did not attempt to inspect the project site due to security concerns. The project file contained minimal evidence of work performed and quality assurance reviews conducted.

Gonapal School



Source: Project file, April 22, 2010.

Obligation: $59,081
Disbursement: $59,081
Approval Date: August 2009
Completion Date: May 2010
Location: Alisheng
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Facility
Outcome: Not Assessed

The scope of the Gonapal School project included the construction of a boundary wall and an 8-stall latrine, repairs to the roof, and other improvements to provide sufficient drainage around the school. We did not attempt to inspect the project site due to security concerns. The project file contained minimal evidence of work performed and quality assurance reviews conducted.

Arani Water Distribution

Project Photo Unavailable

Obligation: $55,000
Disbursement: $55,000
Approval Date: June 2009
Completion Date: March 2010
Location: Alisheng
Responsible GIRoA Entity: Village Elders
CERP Category: Water and Sanitation
Project Type: Equipment
Outcome: Not Assessed

This project included a water tank to provide potable drinking water for the Arani village. The project also included the construction of a water reservoir for the village's agricultural land. We attempted to inspect the project site; however, the project had been completed during a previous military rotation, and current military personnel could not locate the project site using the coordinates in the project file. The project file contained minimal evidence of work performed and quality assurance reviews conducted.

Gomrei Check Dam

Source: Project file, not dated.

Obligation: $51,588
Disbursement: $36,182
Approval Date: August 2009
Completion Date: January 2010
Location: Alisheng
Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock
CERP Category: Agriculture/Irrigation
Project Type: Dam
Outcome: Not Assessed

The Gomrei Check Dam project included the construction of reinforced concrete check dams for watershed management in the village of Gomrei. We did not attempt to inspect the project site due to security concerns. The project file contained minimal evidence of work performed and quality assurance reviews conducted.

Dumlam Check Dam

Source: Project file, February 2010

Obligation: $44,415

Disbursement: $44,415

Approval Date: June 2009

Completion Date: February 2010

Location: Alisheng

Responsible GIRoA Entity: Agriculture, Irrigation, and Livestock

CERP Category: Agriculture/Irrigation

Project Type: Other Construction—Dam

Outcome: Not Assessed

The Dumlam Check Dam project included the construction of reinforced concrete check dams for watershed management in the village of Dumlam. We did not attempt to inspect the project site due to security concerns. The project file contained minimal evidence of work performed and quality assurance reviews conducted.

TERMINATED PROJECTS

As of November 2010, 3 of 69 projects, representing $0.2 million (less than one percent) of total obligations, were terminated. We present descriptions of the projects, but we did not assess their outcomes. The original contract amounts for these projects exceeded $360,000. However, after the projects were terminated, military officials followed CERP oversight procedures and de-obligated the remaining balance for each project.

Seqanwateh Foot Bridge

Source: SIGAR site inspection, September 27, 2010.

Obligation: $124,524[36]
Disbursement: $124,524
Approval Date: May 2009
Termination Date: October 2010
Location: Alisheng
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Other Construction—Bridge
Outcome: Not Assessed

The PRT terminated the Seqanwateh Foot Bridge project for convenience after severe flooding in July 2010 changed the course of the river and made construction of the bridge infeasible. When we inspected the project site, it appeared that the contractor had built two pylons before the floods occurred. The flood had destroyed one of the pylons.

[36] The contract amount was $184,106. After the contract was terminated, the PRT de-obligated the balance of $59,581.

Karandali Foot Bridge

Source: Project file, not dated.

Obligation: $65,000[37]
Disbursement: $65,000
Approval Date: February 2009
Termination Date: March 2010
Location: Alisheng
Responsible GIRoA Entity: Public Works
CERP Category: Transportation
Project Type: Other Construction—Bridge
Outcome: Not Assessed

The scope of the project included the construction of a steel cable suspension bridge near Karandali Village in northern Alisheng District. Military officials suspended construction on the bridge in October 2009 due to improvised explosive device activity in the vicinity of the site. We did not attempt to inspect the project site due to security concerns.

Busram School Wall

Source: Project file, not dated.

Obligation: $37,039[38]
Disbursement: $37,039
Approval Date: May 2009
Termination Date: March 2010
Location: Mehtar Lam
Responsible GIRoA Entity: Education
CERP Category: Education
Project Type: Other Construction—Security Wall
Outcome: Not Assessed

The scope of the project was to design and build a security wall around Busram School. Based on evidence in the project file, the contractor stopped work on the wall in June 2009 due to a dispute between the education department and local villagers. The task force terminated the project in March 2010 due to security concerns.

[37] The contract was awarded for $130,000. When the task force terminated the contract, the remaining $65,000 was de-obligated.

[38] The original contract was for $49,385. When the contract was terminated, the task force de-obligated $12,346.

APPENDIX III: PERMISSIBLE CATEGORIES OF CERP FUND USAGE

The Department of Defense's Financial Management Regulation[39] allows Commander's Emergency Response Program funds to be used under 20 broad categories of assistance. Overall, the categories have remained fairly constant since the initial CERP regulation was published in April 2005.

Agriculture/Irrigation: Projects to increase agricultural production or cooperative agricultural programs.

Battle Damage Repair: Projects to repair, or make payments for repairs of, property damage that results from U.S., coalition, or supporting military operations and is not compensable under the Foreign Claims Act.

Civic Cleanup Activities: Projects to clean up public areas; area beautification.

Civic Support Vehicles: Projects to purchase or lease vehicles by public/government officials in support of civic and community activities.

Condolence Payments: Payments to individual civilians for the death or physical injury resulting from U.S., coalition, or supporting military operations not compensable under the Foreign Claims Act.

Economic, Financial, and Management Improvements: Projects to improve economic or financial security.

Education: Projects to repair or reconstruct schools or to purchase school supplies or equipment.

Electricity: Projects to repair, restore, or improve electrical production, distribution, and secondary distribution infrastructure. Cost analysis must be conducted so that the village or district may collect revenues to ensure operation and maintenance of systems for long-term use.

Food Production & Distribution: Projects to increase food production or distribution processes to further economic development.

Former Detainee Payments: Payments to individuals upon release from Coalition (non-theater internment) detention facilities.

Healthcare: Projects to repair or improve infrastructure, equipment, medical supplies, immunizations, and training of individuals and facilities in respect to efforts made to maintain or restore health especially by trained and licensed professionals.

Hero Payments: Payments made to the surviving spouses or next of kin of Iraqi or Afghan defense or police personnel who were killed as a result of U.S. coalition or supporting military operations.

Other Urgent Humanitarian or Reconstruction Projects: Projects to repair collateral damage not otherwise payable because of combat exclusions or condolence payments. Other urgent humanitarian projects not captured under any other category. For other urgent humanitarian projects, this category should be used only when no other category is applicable.

[39] DOD, *Financial Management Regulation* 7000.14-R, volume 12, chapter 27, Commanders' Emergency Response Program (January 2009).

Protective Measures: Projects to repair or improve protective measures to enhance the durability and survivability of a critical infrastructure site (oil pipelines, electric lines, etc.).

Repair of Civic and Cultural Facilities: Projects to repair or restore civic or cultural buildings or facilities.

Rule of Law and Governance: Projects to repair or reconstruct government buildings such as administrative offices or courthouses.

Telecommunications: Projects to repair or extend communication over a distance. The term telecommunication covers all forms of distance and/or conversion of the original communications, including radio, telegraphy, television, telephone, data communication, and computer networking. Includes projects to repair or reconstruct telecommunications systems or infrastructure.

Temporary Contract Guards for Critical Infrastructure: Projects to guard critical infrastructure, including neighborhoods and other public areas.

Transportation: Projects to repair or restore transportation to include infrastructure and operations. Infrastructure includes the transportation networks (roads, railways, airways, canals, pipelines, etc.) that are used, as well as the nodes or terminals (such as airports, railway stations, bus stations, and seaports). The operations deal with the control of the system, such as traffic signals and ramp meters, railroad switches, air traffic control, etc.

Water & Sanitation: Projects to repair or improve drinking water availability, to include purification and distribution. Building wells in adequate places is a way to produce more water, assuming the aquifers can supply an adequate flow. Other water sources such as rainwater and river or lake water must be purified for human consumption. The processes include filtering, boiling, and distilling among more advanced techniques, such as reverse osmosis. The distribution of drinking water is done through municipal water systems or as bottled water. Sanitation, an important public health measure that is essential for the prevention of disease, is the hygienic disposal or recycling of waste materials, particularly human excrement.

APPENDIX IV: COMMENTS FROM U.S. FORCES-AFGHANISTAN

SIGAR DRAFT REPORT
SIGAR audit 11-7

Commander's Emergency Response Program in Laghman Province Provided Some Benefits, but Oversight Weaknesses and Sustainment Concerns Led to Questionable Outcomes and Potential Waste

COMMENTS
TO THE DRAFT REPORT

General Remarks:

USFOR-A would like to thank the team for the time and effort involved in the audit and providing this report on one very important cog in the Counter Insurgency fight; the Commander's Emergency Response Program. The report brings to light some valid concerns regarding oversight for possibly unsupported costs (unable to locate one contract signed by a contracting officer for a project exceeding $500,000), some incomplete documentation on project monitoring, as well as CERP projects that were at risk for questionable outcomes that need to be addressed. It is worth noting that many of the projects that were investigated were from FY 08 and 09, previous to the implementation of many current CERP policy's and SOPs, such as the first CERP SOP (MAAWS-A) established in December 2009. While the documentation and tracking process is not perfect, there has been drastic improvement since MAAWS-A implementation. MAAWS-A also requires regional commands to submit a monthly closed project report which USFOR-A now crosswalks with the CIDNE database. This crosswalk double checks progress and payments for projects increasing overall oversight. USFOR-A will continue to push the strict adherence to these established standards.

Regarding the major finding of this report that approximately $49.2 million was obligated for projects that are at risk or have resulted in questionable outcomes. 90% of this amount was used for approved paved road projects requested by GIRoA. These roads were critical as they improved freedom of movement and increased commerce within the affected areas and were properly vetted at the Brigade and in some cases Division level where these projects were verified and approved. USFOR-A understands that there are sustainment issues and agrees that we must work with GIRoA to assess the status of projects that have been completed but are at risk of not being sustainable. Further, as noted in response 3, we agree that GIRoA needs to develop sustainment plans that address the expenses for routine operations and maintenance. In September 2010, GEN Petraeus issued the COMISAF Counterinsurgency (COIN) Contracting Guidance. GEN Petraeus directed units to develop operational criteria for awarding contracts with a focus on how contracts will enhance the Coalition's effectiveness in Afghanistan. Also, after issuing contracts commanders must evaluate their success by evaluating the degree to which contracts supports the Afghan people through employment, stability and economic growth. USFOR-A will continue to assist in these matters. Finally, to improve the quality and management of the CIDNE database, USFOR-A has established a contract for 19 CIDNE operators located throughout the CJOA at various Task Forces and PRTs.

RECOMMENDATIONS FOR USFOR-A (see page 24 of the report)

To improve CERP oversight and promote the sustainment of the CERP projects in Laghman Province, we recommend that USFOR-A commander direct the commanders of the PRT, ADT, or Task Force to:

1: Develop approaches to improve the construction quality and sustainment plans for active CERP projects; or consider terminating or de-scoping active CERP projects and re-obligating the funds for better use, if it is in the best interest of the government to do so.

RESPONSE: USFOR-A partially concurs with this recommendation. We agree that it is important to continuously evaluate contractor performance and to ensure that GIRoA has a valid sustainment plan for active CERP projects. Where we find that substandard construction quality or an invalid sustainment plan, USFOR-A must mitigate U.S. risk. While there have been problems with follow-up and oversight of CERP projects, USFOR-A strives to strike a balance between protecting U.S. resources and supporting GIRoA's rebuilding efforts. This support is in the form of the Afghan First program which seeks to use Afghan labor and materials in construction projects. Additionally, we are building Afghan capacity to carry out projects so that the Afghans will have a stable economy. Additionally, USFOR-A has developed a MAAWS-A CERP SOP. The CERP SOP requires the Project Manager to develop a robust Statement of Work (see SOW attachments) that incorporates both Afghan input based on local building practices as well as reasonable western standards that can be accomplished using the Afghan workforce and readily available materials. Any project over $1 Million dollars uses the Project Management Plan (PMP) (see PMP attachment). The PRT Project Manager attempts to QA/QCs their case load of projects once every week per the SOP, but this can vary due to volume and kinetic activity. Both the SOW and PMP have mechanisms in place to de-obligate a project if the contractor is not performing. Further, the recommendation that "USFOR-A should develop approaches to improve construction" is the goal for all projects, but must be viewed in light of the fact that CERP project managers and program managers seek to maximize the use of local contractors, in many cases with limited competition and often of dubious quality. As stated above, the trade off is the effort to protect U.S. resources while injecting financial incentives into the local economy to stabilize the area. As we go forward we will look at ways to increase oversight, but the Boots on Ground (BOG) agreement is another issue as we continue to pursue more CERP projects with limited Project Managers. These Project Managers do not have the time or resources to deploy to a construction site full-time to supervise the construction, but every effort is made to QA/QCs their case load of projects once every week per the SOP.

2: Require contractors to repair any defective work, for completed projects that are still under warranty.

RESPONSE: USFOR-A concurs with this recommendation. It is important that the U.S. find ways to shift more of the risk of poor performance to the contractor. One way to reduce U.S. risk is to ensure that contract warranty clauses are enforced. Implementation of this recommendation can be achieved with increased use of QA/QC assets, realizing however that there are limited personnel available to perform these functions. Additionally, contracting officers should withhold final payment until all deficiencies have been corrected. In the event that latent defects are later discovered, the contracting officer can request that the contractor repair or replace the defective work. These contractual remedies have their limits. In this environment, we are often dealing with fledgling entities that do not have the resources to carry out the necessary repairs. Thus, the U.S. is left with the contractual remedies such as suspension or debarment.

3: Work with government of Afghanistan officials to develop sustainment plans for CERP projects that are completed and have not been sustained. USFOR-A should consider identifying steps for Afghanistan government officials in Laghman Province to take to sustain projects that have been transferred to their authority, prior to the commitment of additional CERP projects.

RESPONSE: USFOR-A partially concurs with this recommendation. USFOR-A believes that it is important for the U.S. to work with GIRoA to assess the status of projects that have been completed but not sustained. For those projects that GIRoA desires to use, the governments can develop sustainment plans that address the expenses for routine operations and maintenance. One way that GIRoA may be able to afford the operations and maintenance costs is through a GIRoA policy that ensures that when local governments accept CERP projects they have the means and a plan for sustaining the projects. Additionally, a GIRoA official should be held responsible by the Afghan government to verify sustainment efforts and identify a local government inability to sustain a project due to changes in circumstances. We must concede that in spite of the best efforts and intentions by the U.S. and GIRoA, there are varying degrees of knowledge, skill, and ability within GIRoA when it comes to managing infrastructure. Ultimately, a CERP project may represent the most responsibility many GIRoA officials have ever exercised. Thus, USFOR-A will work with the District and Provincial Ministry of Public Works to develop a budgeting mechanism for sustainment. USFOR-A will continue to utilize the CERP Sustainment Memorandums that are now part of all CERP packages and formalize the relationship between the district leadership and the commander in an attempt to address sustainment. As GIRoA matures, the Line Ministries will come to have authority and budgeting mechanisms necessary for conducting maintenance operations on CERP funded infrastructure projects. When GIRoA sustainment funds become available USFOR-A will work with local officials to ensure that sustainment is part of the agreement for future CERP projects.

To better identify CERP-funded large-scale development efforts and ensure sustainment plans for these projects, we recommend that the USFOR-A commander:

4: Update CERP standard operating procedures to include criteria that would help field commanders determine when groups of CERP projects should be considered related for project planning and approval purposes.

RESPONSE: USFOR-A partially concurs with this recommendation. USFOR-A believes it is outside the purview of the CERP SOP to recommend to commanders in the field how to plan their projects, it should provide appropriate guidance to commanders to enable them to determine when multiple projects are related for planning and approval purposes. USFOR-A will continue to fulfill its responsibility to train and equip commanders and their units so that we avoid duplication of efforts that wastes resources. Local commanders must conduct thorough reviews of the CIDNE database before initiating projects. Each Province and District is supposed to have a functioning Ministry for Rural Rehabilitation and Development (MRRD) District Development Assembly (DDA) or Provincial Development Council (PDC) which should feed the Afghanistan National Development Strategy (ANDS). All Provincial Reconstruction Teams and District Support Teams are very aware of the ANDS, and work with the capacity building routines and products of the DDA's and PDC's through Shuras and meetings. GIRoA must improve its record keeping systems and USFOR-A will assist GIRoA those improvements.

To help determine whether CERP projects have met their intended outcomes and the purposes of CERP, we recommend that the USFOR-A commander:

5: Develop a coordinated, results-oriented approach for evaluating the effectiveness of CERP projects. Such an approach should include goals that are objective, quantifiable, and measurable; criteria to define a successful CERP outcome; balanced performance measures to mark progress toward the goals; and procedures to collect, analyze, and report on performance data both during project execution and after project completion.

RESPONSE: USFOR-A partially concurs with the SIGAR recommendation. Because commanders are responsible for properly managing U.S. resources we must institute objective measures that evaluate the effectiveness of CERP projects. While USFOR-A has not always had these measures in place. The current MAAWS-A requires a brief summary of a project's purpose(s) and the anticipated outcomes (for example, providing clean water for sanitation, access to health care facilities, improved access to centers of commerce). Project managers must also define the effects of the project. This focus on the long term effects of a project will help to transition these projects over to the GIRoA, USAID, or NGOs. These goals should be objective and measurable upon project completion. As a result of the MAAWS-A guidance units such as TF Bastogne have metric and indicator matrix reviews (see matrix review attachment). USFOR-A agrees that a CJOA wide metric and indicator matrix based on current best practices should be developed and utilized. ISAF Joint Command issued Annex QQ to OP OMID 1390 on 9 Oct 2010, Appendix 7, Cause and Effect Analysis tasking all units to develop a tool for all projects that are contracted as part of an Economic Development Strategy. To increase awareness of project status, USFOR-A intends to alter CIDNE to ensure that follow-ups at the 6 and 12 month point create a required entry on the status of the project. Additionally, USFOR-A has added evaluation of CERP processes and procedures to the FY11 Manager's Internal Control Program (MICP). CERP is now an assessable unit area. Finally, the Counterinsurgency Advisory and Assistance Team (CAAT) provides access to subject matter expertise to assist development of metrics for outcome-based assessments following project completion. USFOR-A will utilize the CAAT as they provide reach-back access to academic expertise through the COIN academic research team, whose members make periodic trips in country to assist with outcome-based assessments.

USFOR-A believes that the above recommendations properly executed will ensure a more successful CERP program while at the same time protecting precious U.S. taxpayer dollars.

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(This report was conducted under the audit project code SIGAR-030A).

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