

SIGAR

Special Inspector General for
Afghanistan Reconstruction

SIGAR 18-45 Audit Report

Commander's Emergency Response Program: DOD Has Not Determined the Full Extent to Which Its Program and Projects, Totaling \$1.5 Billion in Obligations, Achieved Their Objectives and Goals in Afghanistan from Fiscal Years 2009 through 2013



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WHAT SIGAR REVIEWED

The Department of Defense's (DOD) Commander's Emergency Response Program (CERP) is a flexible program that U.S. commanders use in support of the U.S. Forces-Afghanistan (USFOR-A) mission and to meet urgent humanitarian and reconstruction needs. This program is implemented across 20 different categories, such as transportation, electricity, and agriculture. Since 2004, Congress appropriated \$3.7 billion for CERP activities in Afghanistan, with over \$2.6 billion (69 percent) appropriated between fiscal years 2009 and 2013.

DOD has viewed the program as a critical tool for U.S. commanders to use in conducting counterinsurgency (COIN) and stability operations and other U.S. objectives, including improving economic development, supporting the Afghan government, protecting the Afghan people, and undermining the insurgency.

The objectives of this audit were to assess the extent to which (1) DOD's reports demonstrate how CERP is advancing the U.S. strategy in Afghanistan and (2) DOD determined whether CERP projects are achieving their goals. The audit focused on CERP projects implemented from fiscal years 2009 through 2013. During this period, USFOR-A was responsible for CERP, and DOD obligated \$1.5 billion (58 percent of all obligated CERP funds) and initiated 45,846 projects (80 percent of all CERP projects in Afghanistan).

April 2018

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WHAT SIGAR FOUND

SIGAR found that DOD's reports did not consistently demonstrate how CERP advanced the U.S. strategy in Afghanistan. Specifically, the quarterly USFOR-A Commander's Narratives did not consistently provide information describing how CERP assisted the United States in carrying out its strategy in Afghanistan. DOD's Financial Management Regulation required the department to submit quarterly reports with two components: (1) a section regarding the source, allocation, and use of funds, and (2) a narrative completed by the USFOR-A commander that reports on the progress CERP achieved. The regulation also required that the USFOR-A Commander's Narratives contain 15 separate elements. SIGAR determined that only 6 of those elements contribute to reporting on CERP's performance, including:

1. the USFOR-A commander's overall goals for CERP funding;
2. how progress against the identified goals will be judged;
3. the impacts of CERP-funded projects, individually and collectively, in assisting the United States in carrying out its strategy in Afghanistan;
4. the identification of newly approved CERP projects greater than or equal to \$500,000 and the category of each project;
5. the identification of CERP projects greater than or equal to \$500,000 that were completed during the quarter and the category of each project; and
6. the contribution each CERP project greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Afghan people.

Through its analysis of the 18 quarterly USFOR-A Commander's Narratives issued from June 2009 through September 2013, SIGAR found that only one of them met all six reporting requirements that contribute to reporting on CERP's performance. That particular narrative, issued for the 3rd quarter of fiscal year 2009, was the first report issued by USFOR-A. USFOR-A's compliance with the regulation began to decline the following quarter. Regarding the 18 Commander's Narratives, we also found that:

- 11 reports described the impacts of CERP-funded projects, individually and collectively, in assisting the United States in carrying out its strategy in Afghanistan;
- 15 reports identified newly approved projects greater than or equal to \$500,000;
- 5 reports identified projects greater than or equal to \$500,000 that were completed during the quarter; and
- 1 report described the contribution each project greater than or equal to \$500,000 made to the humanitarian relief and reconstruction efforts for the benefit of the Afghan people.

In 2012, DOD requested the RAND Corporation assess the effectiveness of CERP in Afghanistan for possible application in future contingency operations. Using quantitative data and interviews with CERP implementers, RAND found that, if used correctly, CERP projects were a useful tool for USFOR-A to improve rapport between U.S. military units and the local population. However, RAND noted that the study's design did not allow it to provide any clear insights on CERP's contribution to U.S. strategic goals. Additionally, the National Defense Authorization Act for Fiscal Year 2014 required DOD to submit a report on lessons learned and best practices regarding the implementation of CERP in Iraq and Afghanistan by December 2014. In its comments on a draft of this report, DOD informed SIGAR that it plans to submit the mandated report to Congress by September 30, 2018.

SIGAR also found that DOD did not fully assess the extent to which CERP projects valued at \$50,000 or more met their stated goals. To conduct its analysis, SIGAR selected a random, stratified sample of 1,429 CERP projects and reviewed Afghan Development Reports—the official CERP project report—and other files for these projects. SIGAR stratified the sample into three groups: “small projects” valued at less than \$50,000, “medium projects” valued from \$50,000 to \$499,999, and “large projects” valued at \$500,000 or more. SIGAR found that the files for all 1,429 projects in its sample identified the goals to be achieved and 946 CERP projects (66 percent) included all seven performance metrics. According to SIGAR's analysis of the Afghan Development Reports and the project files, 48 of the 51 large projects (94 percent) and 58 of the 66 medium projects (88 percent) contained all seven required performance metrics. Although performance metrics for small CERP projects were not consistently required during the scope of this audit, SIGAR found that files for 840 of 1,312 projects (64 percent) contained all seven required performance metrics.

Although CERP project files identified how the achievement of goals for each large and medium project would be measured, they did not include information that reported whether the completed projects achieved those goals. SIGAR determined that none of the files for 45 large and 64 medium completed CERP projects in its sample reported on the achievement of project goals. However, the files for all 1,312 small CERP projects—valued below \$50,000—in the sample did report on project goal achievement, which occurred when payments were made.

WHAT SIGAR RECOMMENDS

To better assess CERP's performance and improve accountability over its funding should Congress and DOD continue to implement CERP in Afghanistan or expand it to another contingency operation, SIGAR recommends that the Secretary of Defense:

- 1. Consistently implement procedures for assessing CERP and CERP-funded projects to determine the extent to which they are achieving their intended goals and assisting the United States in carrying out its strategy in Afghanistan.**
- 2. Complete and submit to Congress the CERP report on lessons learned and best practices as soon as possible, and ensure that it includes all of the elements prescribed in the National Defense Authorization Act for Fiscal Year 2014.**

SIGAR received written comments on a draft of this report from the Office of the Under Secretary of Defense for Policy (OUSD-P). The office concurred with both recommendations. With respect to recommendation one, OUSD-P stated that researchers such as RAND and the Asia Foundation have documented the challenge of isolating and aggregating the local effects of a tactical-level tool like CERP, but also stated that it agrees that it should strive to improve assessment procedures. With respect to recommendation two, OUSD-P stated that the RAND assessment of CERP covered many of the themes outlined in the congressional reporting requirement. However, the office stated that it continues to make progress on completing the report and has a goal of submitting it to Congress by the end of the current fiscal year. The office also provided technical comments, which we incorporated, as appropriate.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

April 30, 2018

The Honorable James N. Mattis
Secretary of Defense

General Joseph L. Votel
Commander, U.S. Central Command

General John W. Nicholson, Jr.
Commander, U.S. Forces—Afghanistan, and
Commander, Resolute Support

This report provides results of SIGAR's audit of the Department of Defense's (DOD) Commander's Emergency Response Program (CERP), with a focus on those CERP projects initiated from fiscal years 2009 through 2013. During this time, DOD obligated \$1.5 billion (58 percent of all obligated CERP funds) and initiated 45,846 projects (80 percent of all CERP projects). CERP is designed to enable U.S. commanders to meet urgent humanitarian relief and reconstruction requirements that directly benefit the local population. U.S. commanders used CERP to support counterinsurgency and other U.S. objectives in Afghanistan, including improving economic development, supporting the Afghan government, protecting the Afghan people, and undermining the insurgency.

We are making two recommendations to DOD. To better assess CERP's performance and improve accountability over its funding should Congress and DOD continue to implement CERP in Afghanistan or expand it to another contingency operation, we recommend that the Secretary of Defense (1) consistently implement procedures for assessing CERP and CERP-funded projects to determine the extent to which they are achieving their intended goals and assisting the United States in carrying out its strategy in Afghanistan and (2) complete and submit to Congress the CERP report on lessons learned and best practices as soon as possible, and ensure that it includes all of the elements prescribed in the National Defense Authorization Act for Fiscal Year 2014.

We provided a draft of this report to DOD for comment. The Office of the Under Secretary of Defense for Policy (OUSD-P) provided written comments, which are reproduced in appendix II. OUSD-P concurred with both of our recommendations. With respect to recommendation one, OUSD-P stated that researchers such as RAND and the Asia Foundation have documented the challenge of isolating and aggregating the local effects of a tactical-level tool like CERP, but also stated that it agrees that it should strive to improve assessment procedures. With respect to recommendation two, OUSD-P stated that the RAND assessment of CERP covered many of the themes outlined in the congressional reporting requirement. However, the office stated that it continues to make progress on completing the report and has a goal of submitting it to Congress by the end of the current fiscal year. The office also provided technical comments, which we incorporated, as appropriate.

SIGAR conducted this work under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended, and in accordance with generally accepted government auditing standards.

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

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ABBREVIATIONS

CERP	Commander's Emergency Response Program
CIDNE	Combined Information Data Network Exchange
COIN	counterinsurgency
DOD	Department of Defense
GAO	U.S. Government Accountability Office
OUSD-P	Office of the Under Secretary of Defense for Policy
USFOR-A	U.S. Forces--Afghanistan

The Department of Defense's (DOD) Commander's Emergency Response Program (CERP) is a flexible program that U.S. commanders use in support of the U.S. Forces–Afghanistan (USFOR-A) mission and to meet urgent humanitarian relief and reconstruction requirements that directly benefit the local population.¹ After initially developing CERP to support the U.S. counterinsurgency (COIN) strategy in Iraq in June 2003, DOD expanded the program to Afghanistan in fiscal year 2004. In November 2003, Congress appropriated \$180 million for CERP in both Iraq and Afghanistan.² In October 2004, Congress authorized funding for CERP and required DOD to report to Congress quarterly on the allocation and use of those funds.³ Since fiscal year 2004, Congress has funded CERP every year and, in total, has appropriated \$3.7 billion for CERP activities in Afghanistan, with over \$2.6 billion (69 percent), appropriated between fiscal years 2009 and 2013.

DOD has viewed CERP as a critical tool for U.S. commanders to use in conducting COIN and stability operations designed to undermine the insurgency.⁴ While supporting CERP's use in support of the U.S. COIN strategy, Congressional committees expressed concern that the program had grown beyond the scope originally intended by Congress and become an alternative U.S. development program.⁵ In addition, we, and others in the oversight community, have reported on the importance of monitoring and evaluating CERP's effectiveness.⁶

The objectives of this audit were to assess the extent to which (1) DOD's reports demonstrate how CERP is advancing the U.S. strategy in Afghanistan and (2) DOD determined whether CERP projects are achieving their goals. We focused the audit on CERP projects implemented from fiscal years 2009 through 2013. We chose this period because USFOR-A was responsible for CERP.⁷ In addition, DOD obligated \$1.5 billion (58 percent of all obligated CERP funds) and initiated 45,846 projects during this time (80 percent of all CERP projects in Afghanistan).

To accomplish these objectives, we reviewed U.S. laws, DOD regulations, and CERP standard operating procedures related to CERP from fiscal years 2009 through 2013. We also assessed DOD's quarterly CERP reports to Congress that document the allocation and use of funds, and provide the USFOR-A Commander's Narrative, which provided operational perspective and context for CERP financial data. Furthermore, we reviewed our prior reports and reports from the U.S. Army Audit Agency and the U.S. Government Accountability Office (GAO) to identify findings on

¹ USFOR-A is the command and control headquarters for U.S. forces operating in Afghanistan and is responsible for military operations, including DOD's reconstruction program.

² Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, Pub. L. No. 108-106, § 1110, 117 Stat. 1209, 1215 (2003).

³ National Defense Authorization Act for Fiscal Year 2005, Pub. L. No. 108-375, § 1201, 118 Stat. 2077 (2004).

⁴ COIN is a blend of comprehensive U.S. civilian and military efforts designed to contain the insurgency and address its root causes (see U.S. Government Interagency Counterinsurgency Initiative, *U.S. Government Counterinsurgency Guide*, January 2009). Stability operations refer to various military missions, tasks, and activities conducted outside the U.S. to maintain or reestablish a safe and secure environment, and provide essential governmental services, emergency infrastructure reconstruction, and humanitarian relief. Consequently, stability operations are considered fundamental to COIN (see DOD Instruction 3000.05, "Stability Operations," updated June 29, 2017).

⁵ S. Rep. No. 111-295 at 6 and 207 (2010); see also S. Rep. No. 111-201 at 208 (2010); H.R. Rep. No. 111-230 at 6 and 349 (2009); H.R. Rep. No. 110-60 at 65 (2007); H.R. Rep. 109-388 at 15 (2006).

⁶ SIGAR, *Commander's Emergency Response Program in Laghman Province Provided Some Benefits, but Oversight Weaknesses and Sustainment Concerns Led to Questionable Outcomes and Potential Waste*, SIGAR Audit-11-7, January 27, 2011; U.S. Army Audit Agency, *Commander's Emergency Response Program U.S. Forces – Afghanistan*, A-2011-0020-ALL, November 16, 2010; U.S. Government Accountability Office, *Afghanistan Development: U.S. Efforts to Support Afghan Water Sector Increasing, but Improvements Needed in Planning and Coordination*, GAO-11-138, November 15, 2010; SIGAR, *Increased Visibility, Monitoring, and Planning Needed for Commander's Emergency Response Program in Afghanistan*, SIGAR Audit-09-5, September 9, 2009; U.S. Government Accountability Office, *Afghanistan Reconstruction: Progress Made in Constructing Roads, but Assessments for Determining Impact and a Sustainable Maintenance Program are Needed*, GAO-08-689, July 8, 2008; and U.S. Government Accountability Office, *Military Operations: Actions Needed to Better Guide Project Selection for Commander's Emergency Response Program and Improve Oversight in Iraq*, GAO-08-736R, June 23, 2008.

⁷ In May 2009, USFOR-A assumed responsibility for management of CERP. Prior to that date, Combined Joint Task Force-101 was responsible for CERP in Afghanistan.

assessments of CERP's effectiveness. In addition, we selected a random, stratified sample of 1,429 CERP projects that ranged from \$10 cash payments for battle damage to multi-million dollar infrastructure projects, and reviewed Afghan Development Reports—the official CERP project report—and other files for these projects.⁸ We stratified our sample into three groups: “small projects” valued at less than \$50,000, “medium projects” valued from \$50,000 to \$499,999, and “large projects” valued at \$500,000 or more. The results of our analysis of this stratified sample are projectable to the entire population of CERP projects initiated from fiscal years 2009 through 2013. We conducted our work in Washington, D.C., from August 2015 to April 2018 in accordance with generally accepted government auditing standards. Appendix I has a more detailed discussion of our scope and methodology.

BACKGROUND

Under CERP, U.S. military commanders have the flexibility to quickly fund and implement projects from up to 20 different categories, such as transportation, electricity, and agriculture. Commanders use CERP as a tool to promote COIN and other U.S. objectives, including improving economic development, supporting the Afghan government, protecting the Afghan people, and undermining the insurgency.

Initially, CERP provided U.S. commanders at subordinate levels with funds to implement urgent, small-scale humanitarian relief and reconstruction projects, and provide services that could immediately assist the local population and that the local population or government could sustain. According to DOD, as the mission in Afghanistan evolved, CERP projects became more complex. In addition to implementing small-scale projects, such as drilling water wells, with estimated costs of several thousand dollars, USFOR-A also funded projects, such as building schools, with estimated costs of hundreds of thousands of dollars and larger-scale infrastructure projects with estimated costs in the millions of dollars.

Figure 1 identifies CERP appropriations from fiscal years 2004 through 2018 and shows that from fiscal year 2004 through fiscal year 2010, congressional funding of CERP steadily increased and peaked at about \$1 billion in fiscal year 2010. In fiscal year 2011, funding for CERP declined as the U.S. military began preparations to end its combat role in Afghanistan and started to support the coalition's train, advise, and assist mission.⁹ In addition, Congress appropriated \$400 million to establish the Afghanistan Infrastructure Fund to fund large-scale infrastructure projects.¹⁰ While Congress maintained funding for CERP in fiscal year 2012, the amount of funding decreased since fiscal year 2013, and this trend has continued.¹¹ According to DOD, CERP is now a smaller program. To date, USFOR-A implemented fewer than 100 projects in fiscal year 2018. Most of these projects were condolence and hero payments.

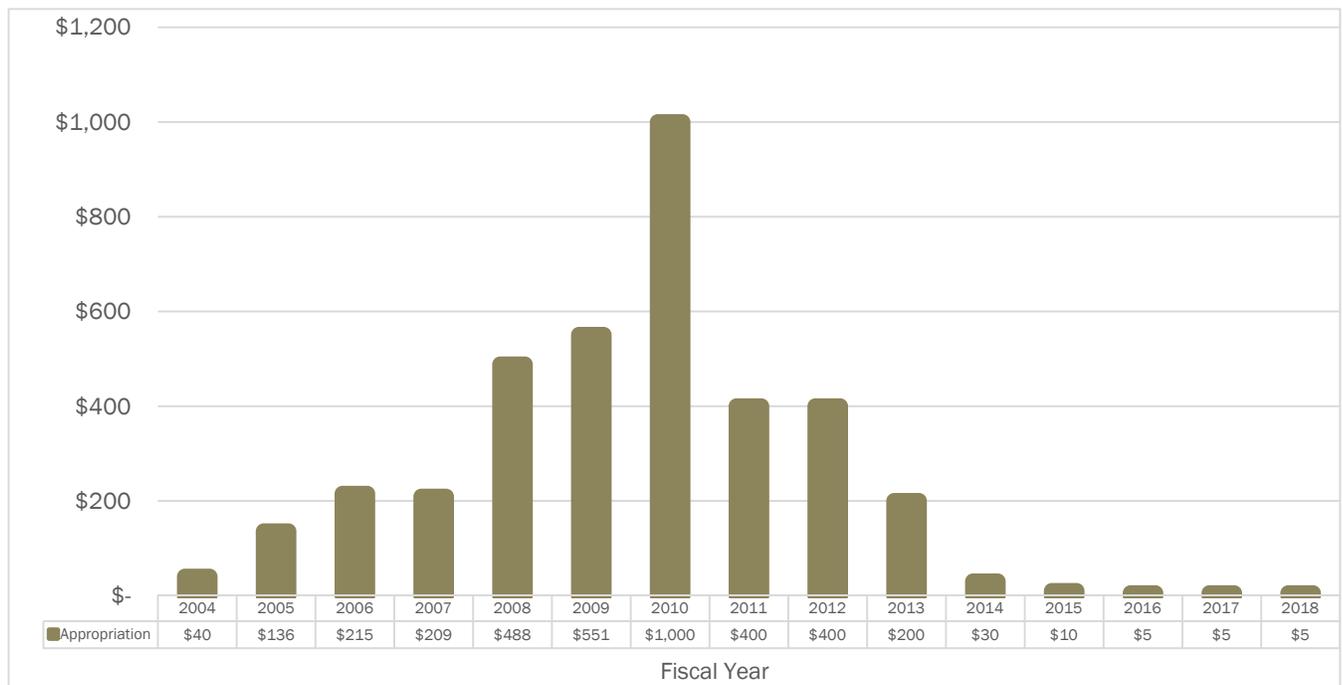
⁸ Between fiscal years 2009 and 2013, USFOR-A initiated 45,846 CERP projects in Afghanistan. Using a 90 percent confidence level and a 10 percent margin of error, we selected a statistical sample of 1,429 CERP projects from those 45,846 projects.

⁹ Launched on January 1, 2015, the train, advise, and assist mission is implemented by the North Atlantic Treaty Organization's Resolute Support mission in Afghanistan, which USFOR-A supports. It provides support to the Afghan Ministries of Defense and Interior in eight key areas: (1) multi-year budgeting; (2) transparency, accountability and oversight; (3) civilian oversight of the ministries; (4) force generation; (5) force sustainment; (6) strategy and policy planning, resourcing, and execution; (7) intelligence; and (8) strategic communications. Prior to the Resolute Support mission, the North Atlantic Treaty Organization's International Security Assistance Force was responsible for assisting the Afghan National Defense Security Forces in the conduct of security operations throughout Afghanistan, including increasing the capacity and capabilities of these forces.

¹⁰ Congress created the Afghanistan Infrastructure Fund in January 2011. Prior to the creation of the Afghanistan Infrastructure Fund, DOD relied on CERP to fund large-scale infrastructure projects. We previously reported on the Afghanistan Infrastructure Fund (see SIGAR, *Afghanistan Infrastructure Fund: Agencies Have Not Assessed Whether Six Projects That Began in Fiscal Year 2011, Worth about \$400 Million, Achieved Counterinsurgency Objectives and Can Be Sustained*, SIGAR-18-10-AR, October 31, 2017 and SIGAR, *Fiscal Years 2011 Afghanistan Infrastructure Projects Are Behind Schedule and Lack Adequate Sustainment Plans*, SIGAR Audit 12-12, July 30, 2012).

¹¹ CERP is currently authorized through December 31, 2018 (see H. Rep. 115-404).

Figure 1 - CERP Appropriations, Fiscal Years 2004 through 2018 (\$ million)



Source: SIGAR analysis of CERP appropriations.

Between fiscal years 2009 and 2013, USFOR-A initiated 45,846 CERP projects across 20 different project categories in Afghanistan. Table 1 identifies the authorized project categories cited in the CERP standard operating procedures from fiscal years 2009 through 2013, and the number of CERP projects and obligations by category.

Table 1 - CERP Projects and Obligations by Authorized Category, Fiscal Years 2009 through 2013^a

Project Category	Total Number of Projects	Total Obligations (\$ million)
Agriculture/Irrigation	6,527	\$134.3
Battle Damage Repair	11,173	22.4
Civic Cleanup Activities	1,667	17.8
Civic Support Vehicles	254	14.1
Condolence Payments	1,462	4.8
Economic, Financial, and Management Improvements	1,855	28.4
Education	2,501	132.2
Electricity	787	262.1
Food Production and Distribution	126	4.5
Former Detainee Payments	502	0.0 ^b
Healthcare	1,347	40.7
Hero Payments	779	2.1
Other Urgent Humanitarian or Reconstruction Projects	2,901	51.8
Protective measures	981	22.9
Repair of Civic and Cultural Facilities	2,028	23.3
Rule of Law and Governance	1,090	32.1
Telecommunications	249	5.4
Temporary Contract Guards for Critical Infrastructure	802	25.2
Transportation	4,376	652.4
Water and Sanitation	4,439	57.6
Totals	45,846	\$1,534.1

Source: SIGAR analysis of DOD's quarterly reports to Congress.

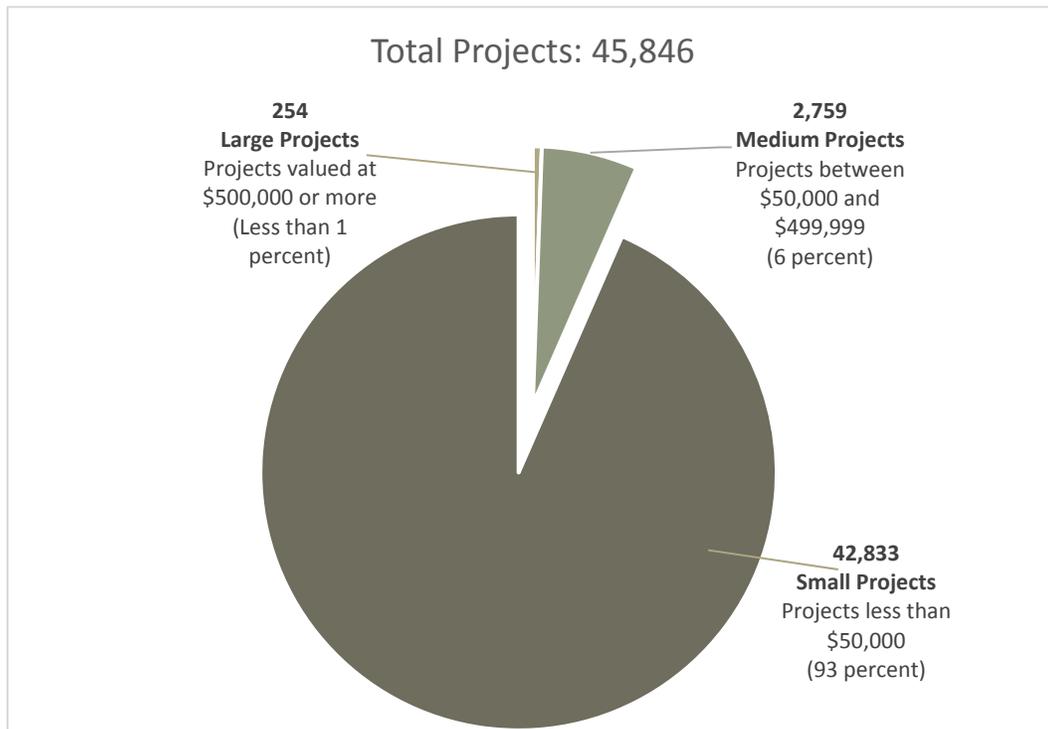
^a From May 2009 through June 2013, USFOR-A issued multiple versions of its standard operating procedures for CERP. However, the project categories remained fairly consistent.

^b Numbers have been rounded. The total obligated amount for former detainee payments is \$40,841.

As Figure 2 illustrates, between fiscal years 2009 and 2013, USFOR-A initiated 254 large projects valued at \$500,000 or more; 2,759 medium projects valued between \$50,000 and \$499,999; and 42,833 small projects valued at \$50,000 or less.¹²

¹² Our use of the term "small projects" is specific to this report and should not be confused with "small-scale projects," defined in DOD's Financial Management Regulation as projects under \$500,000. However, our use is still consistent with the regulation

Figure 2 - CERP Projects Initiated, Fiscal Years 2009 through 2013



Source: SIGAR analysis of data from DOD's quarterly CERP reports to Congress.

Note: Numbers have been rounded.

As previously noted, we selected a random sample of 1,429 projects and these projects were implemented across Afghanistan. Table 2 identifies the CERP projects initiated from fiscal year 2009 through 2013 that were part of our sample.

Table 2 - CERP Projects in SIGAR's Sample, Fiscal Years 2009 through 2013

Project Group	Number of Projects	Obligations (\$ millions)
Large Projects	51	\$121.0
Medium Projects	66	9.9
Small Projects ^a	1,312	0.3
Totals	1,429	\$131.2

Source: SIGAR analysis based on data from DOD's quarterly reports to Congress.

^a SIGAR's use of the term "small projects" is specific to this report and should not be confused with "small-scale projects," defined in DOD's Financial Management Regulation as projects under \$500,000.

because it has additional requirements for small-scale projects greater than \$50,000. Some of these small projects involve categories such as battle damage repair, former detainee payments, hero payments, protective measures, temporary contract guards for critical infrastructure, condolence payments, and other urgent humanitarian or reconstruction projects.

Roles and Responsibilities for CERP from 2009 - 2013

DOD's Under Secretary of Defense (Comptroller) was responsible for establishing, overseeing, and supervising the execution of CERP policies and procedures, and for informing Congress in a timely manner of CERP activities through the quarterly reports.¹³ The Secretary of the Army served as the executive agent for CERP and was responsible for issuing detailed procedures for U.S. military commanders to implement CERP in compliance with applicable laws, regulations, and guidance. The U.S. Central Command commander determined the allocation of CERP funds among subordinate commands and reviewed quarterly reports submitted to the Secretary of the Army by the USFOR-A commander. In Afghanistan, the USFOR-A commander was responsible for providing program oversight, including establishing command-wide policies and procedures to ensure that CERP projects met the intent of the program, were monitored to ensure that payments were commensurate with the work accomplished, and achieved their stated goals.¹⁴

According to CERP standard operating procedures, subordinate U.S. commanders were responsible for the overall execution of CERP in their areas of responsibility. Among other tasks, these commanders were responsible for identifying and approving CERP projects within specific dollar thresholds, appointing key CERP personnel, and ensuring proper management of CERP projects, including that funds achieve maximum results. Each subordinate command was required to have a program manager who was responsible, and served as the primary point of contact, for CERP. Program managers were responsible for ensuring that CERP regulations and policies were adhered to and for reviewing all project proposals prior to approval to ensure they were accurate, complete, and measurable and met the commander's intent. CERP program managers were also responsible for ensuring the accuracy and completeness of all data input into the Combined Information Data Network Exchange (CIDNE)—CERP's database of record—prior to processing the project for approval. Finally, CERP program managers served as liaisons between the subordinate units and higher headquarters in relation to all CERP projects executed under his or her commander's authority. Furthermore, each CERP project was assigned a project manager who managed the projects from initiation through completion. According to the CERP standard operating procedures, serving as a CERP project manager is the primary duty for those who are selected.

Assessing CERP's Performance

DOD's Financial Management Regulation and the CERP standard operating procedures established requirements to oversee CERP funds. DOD's Financial Management Regulation states that performance indicators are essential to ensure that CERP funds are applied for the most beneficial projects.¹⁵ The regulation advises USFOR-A to include performance metrics for CERP projects with an estimated cost of \$50,000 or more or use during the project proposal and close-out stages to evaluate a CERP project. The Financial Management Regulation also states that USFOR-A's CERP evaluations should consider the following seven metrics:

1. **Immediate benefit to the local population.** How the military unit will measure the success of the project.

¹³ In May 2010, the Deputy Secretary of Defense established the CERP Steering Committee to provide senior-level oversight of CERP activities. Later, in August 2011, noting the importance of proper planning, execution, and oversight of funds appropriated for the Afghanistan Security Forces Fund, CERP, the Afghanistan Infrastructure Fund, and other DOD programs in Afghanistan, the Deputy Secretary of Defense established the Afghanistan Resources Oversight Council to provide oversight for DOD-funded programs in Afghanistan. The Under Secretary of Defense for Policy, the Under Secretary of Defense (Acquisition, Technology, and Logistics), and the Under Secretary of Defense (Comptroller) co-chaired the council.

¹⁴ The USFOR-A commander was dual-hatted and served as the commander of the North Atlantic Treaty Organization's International Security Assistance Force.

¹⁵ The DOD Financial Management Regulation assigns responsibilities for administering CERP; defines the purposes for which U.S. appropriations or other funds provided for CERP may be expended, and specifies processes for executing, managing, recording, and reporting such expenditures. See DOD Financial Management Regulation 7000.14-R, Volume 12, Chapter 27, *Commander's Emergency Response Program*, January 2009.

2. **Sustainability of the project.** How military units plan to make the project last and identify the Afghan ministry, organization, or other groups that will sustain the project.
3. **Name and stability of the local partner.** Whether the project has been coordinated with the Afghan government, provincial reconstruction teams, other agencies in the area of responsibility, and the local population, including whether local leaders and provincial ministers identified the project as a priority and to whom within the Afghan government the project will be transferred.
4. **Number of the local population engaged in the project.** The number of local nationals employed in the execution of the project.
5. **Number of locals benefitting.** The estimated number of locals who will benefit from the project and the identification of the primary and secondary benefits of the project.
6. **“Executability” of the project.** Timelines for project completion and any restrictions associated with project execution, such as security, contractor capability, and weather.
7. **Relationship to other similar efforts.** The relationship to other projects undertaken by provincial reconstruction teams and others in the sector, including overlap, duplication, and replication.

In addition, DOD’s Financial Management Regulation directs that the USFOR-A commander ensure that in-theater guidance establish proper procedures that require the development of project performance objectives and monitoring achievements.¹⁶ This is meant to ensure that each project meets the intent of the program and that CERP funds achieve maximum results. In response to this requirement, in May 2009, the USFOR-A commander established the USFOR-A standard operating procedures after it assumed responsibility for CERP in Afghanistan.¹⁷ These standard operating procedures reinforced DOD’s Financial Management Regulation through more specific requirements that CERP projects be executed with measurable results and that CERP reports include all seven performance metrics identified in DOD’s Financial Management Regulation.¹⁸

Since 2009, USFOR-A has issued multiple versions of its standard operating procedures for CERP. The May 2009 CERP standard operating procedures stated the need to achieve focused results while working directly with the Afghan government and required that performance metrics be included in CIDNE for projects estimated to cost \$50,000 or more.¹⁹ In December 2009, the CERP standard operating procedures required a focus on measurable effects to meet urgent humanitarian needs and COIN objectives, and went even further than DOD’s Financial Management Regulation by requiring the use of performance metrics for all CERP projects, regardless of dollar value.²⁰ The February 2011 CERP standard operating procedures maintained the requirements for measurable effects to meet humanitarian needs and COIN objectives, but revised the performance metric requirements to apply only to CERP projects that cost \$50,000 or more.²¹ Finally, the CERP standard operating procedures issued in March 2012 and July 2013 focused on the execution of projects resulting in measurable effects that support

¹⁶ *Id.*, Section 270204.

¹⁷ USFOR-A, *Money As A Weapon System–Afghanistan, Appendix B-1: Commander’s Emergency Response Program Standard Operating Procedures*, USFOR-A Pub 1-06, May 15, 2009.

¹⁸ For the purposes of this report, we consider the achievement of project goals to include the achievement of intended results, effects, and outcomes.

¹⁹ USFOR-A, *Money As A Weapon System–Afghanistan, Appendix B-1: Commander’s Emergency Response Program Standard Operating Procedures*, USFOR-A Pub 1-06, May 15, 2009.

²⁰ USFOR-A, *Money As A Weapon System–Afghanistan, Commander’s Emergency Response Program Standard Operating Procedures*, USFOR-A Pub 1-06, updated December 2009.

²¹ USFOR-A, *Money As A Weapon System–Afghanistan, Commander’s Emergency Response Program Standard Operating Procedures*, USFOR-A Pub 1-06, updated February 2011.

COIN objectives and maintained the requirement that performance metrics be reported for CERP projects valued at \$50,000 or more.²²

Lastly, Congress required DOD to submit quarterly reports regarding the source of CERP funds and the allocation and use of those funds.²³ In response to this requirement, DOD's Financial Management Regulation requires the Secretary of the Army to forward the quarterly report to Congress. DOD went beyond the basic reporting requirement set forth by Congress and also required that the USFOR-A Commander submit quarterly narrative reports, called the USFOR-A Commander's Narrative, to accompany each CERP quarterly report to Congress and provide operational perspective and context for CERP financial data. DOD's Financial Management Regulation identified specific elements that the quarterly narratives were supposed to contain. These elements included, but were not limited to, (1) the commander's overall goals for the CERP funding; (2) how progress against CERP's identified goals will be judged; (3) the impacts of CERP-funded projects, including how individually and collectively the projects assist the U.S. in carrying out its strategy; (4) newly approved projects greater than or equal to \$500,000; (5) projects greater than or equal to \$500,000 that were completed during the quarter; and (6) contributions that projects greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Afghan people.²⁴

Combined Information Data Network Exchange (CIDNE)

CIDNE is the project management system, or database of record for CERP, and USFOR-A uses it to document and report on the status of CERP projects from project nomination to project closure. This system includes data fields that require detailed information on each CERP project, such as the (1) responsible military unit; (2) project document reference number; (3) project justification; (4) description of the project; (5) project status; (6) amount of funds committed, obligated, and disbursed; and (7) performance metrics. Table 3 illustrates how CIDNE incorporates each performance metric identified in DOD's Financial Management Regulation and reinforced by CERP standard operating procedures.

²² USFOR-A, *Money As A Weapon System–Afghanistan, Appendix B: Commander's Emergency Response Program Standard Operating Procedure*, USFOR-A Pub 1-06, updated March 2012; and USFOR-A, *Money As A Weapon System–Afghanistan: Commander's Emergency Response Program Standard Operating Procedure*, USFOR-A Pub 1-06, updated July 2013.

²³ National Defense Authorization Act for Fiscal Year 2005, Pub. L. No. 108-375, § 1201, 118 Stat. 2077 (2004). See also, Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004, Pub. L. No. 108-106, § 1110, 117 Stat. 1209, 1215 (2003).

²⁴ DOD's Financial Management Regulation 7000.14-R, Volume 12, Chapter 27, Section 270402 and Annex B, *Commander's Emergency Response Program*, January 2009.

Table 3 - CERP Performance Metric Requirements

DOD's Financial Management Regulation/ CERP Standard Operating Procedures Performance Metric	CIDNE Field(s) That Address Each Performance Metric
Immediate Benefit to the Local Population	How Will the Unit Be Able to Measure the Success of the Project?
Sustainability Of the Project	How Do We Plan to Make it Last? Explain Which Ministry, Organization, Leaders, or Other Groups Will Be Sustaining This Project
Name and Stability of Local Partner	Has the Project Been Coordinated with the Afghan Government? Has the Project Been Coordinated with Provincial Reconstruction Teams? Has the Project Been Coordinated with the Provincial Development Plan? Has the Project Been Coordinated with Other Agencies in the Area of Responsibility? Has the Project Been Coordinated with Local Population? Have the Local Leaders or Provincial Ministers Identified this as a Priority? To Whom in the Afghan Government Will the Project Be Transferred?
Number of the Local Population Engaged in the Project	How Many Local Nationals Are Involved in the Execution of the Project (Number of People Employed)?
Number of Locals Benefiting from the Project	Estimated Number of Locals Who Will Benefit from This Project What Are the Primary and Secondary Benefits?
"Executability" of the Project	How Long Will It Take to Complete? Are There Any Restrictions for the Time-frame for Building or Execution? Is Weather Expected to Be a Factor? Is Security Expected to Be a Factor? Will There Be Any Chance of the Contractor Needing Extra Services to Complete on Time? If Yes to Any of the Above, Please Explain
Relationship to Other Similar Efforts	How Does This Project Fit into the Overall Plan for the PRT/Landowner in This Sector? Explain Above Response or Provide Additional Relationships to Similar Effort

Source: SIGAR analysis of DOD's Financial Management Regulation, CERP standard operating procedures, and CIDNE.

The resulting documentation for each CERP project is the Afghan Development Report, which is generated by CIDNE and contains updated project data captured during the project's life cycle. In addition to performance metrics, each report includes the project's (1) category, for example, transportation or education; (2) problem statement, or justification for immediate action; and (3) goals it was to achieve. In addition to the Afghan Development Report, CIDNE also contains media files covering a range of documents. Because DOD officials stated there may be performance metric information contained in those files, we reviewed the following for each:

- The letter of justification, which provides the justification for the CERP project, including an overview of the proposed CERP project in terms of the goals it will achieve, performance period, location, costs, operating requirements, and performance metrics. It is required for all projects valued at \$50,000 or more and must be signed by the initiating U.S. commander.

- The storyboard, which is required for all projects valued over \$500,000 and provides a one-page description of the project, including project goals, performance metrics, estimated costs, and lines of operation.
- Other documentation including statements of work, sole source justifications, deficiency memos, and other files.

DOD'S REPORTS DO NOT CONSISTENTLY INDICATE HOW CERP ADVANCED THE U.S. STRATEGY IN AFGHANISTAN

DOD's reports from fiscal years 2009 through 2013 do not consistently demonstrate how CERP advanced the U.S. strategy in Afghanistan because the USFOR-A Commander's Narratives did not consistently provide information describing how CERP assisted the United States in carrying out its strategy in Afghanistan. In response to congressional requirements, DOD's Financial Management Regulation required the department to submit quarterly reports with two components. The first component is a section regarding the source, allocation, and use of CERP funds, as mandated by Congress.²⁵ DOD also added a requirement for the USFOR-A commander to complete a narrative that reports on the progress CERP achieved. According to DOD's Financial Management Regulation, each USFOR-A Commander's Narrative will contain 15 separate elements. Of those 15 elements, we determined that 6 contribute to reporting on CERP's performance:

1. the USFOR-A commander's overall goals for CERP funding;
2. how progress against the identified goals will be judged;
3. the impacts of CERP-funded projects, individually and collectively, in assisting the United States in carrying out its strategy in Afghanistan;
4. the identification of newly approved CERP projects greater than or equal to \$500,000 and the category of each project;
5. the identification of CERP projects greater than or equal to \$500,000 that were completed during the quarter and the category of each project; and
6. the contribution each CERP project greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Afghan people.

Through our analysis of the 18 quarterly USFOR-A Commander's Narratives issued from June 2009 through September 2013, we found that the narratives did not consistently reflect six of the elements that contribute to reporting on CERP's performance. Table 4 illustrates USFOR-A's compliance with these performance reporting requirements.

²⁵ National Defense Authorization Act for Fiscal Year 2005, Pub. L. No. 108-375, § 1201, 118 Stat. 2077 (2004).

Table 4 - USFOR-A Commander's Quarterly Narratives Compliance with DOD's Financial Management Regulation, Fiscal Years 2009 through 2013

DOD's Financial Management Regulation Requirement	Specific Section of the Commander's Quarterly Narrative	2009		2010				2011				2012				2013				
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
USFOR-A Commander's Intent	Commander's overall goals for the CERP funding ^a	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	-
	How progress against the identified goals will be judged ^b	X	X	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Impacts	Impacts of CERP-funded projects, individually and collectively, in assisting the United States in carrying out its strategy	X	X	X	X	X	X	X	X	X	X	X	-	-	-	-	-	-	-	
Description of Large Projects	Newly approved projects greater than or equal to \$500,000	X	X	X	X	X	X	X	X	X	X	X	X	-	-	-	X	X	X	
	Projects greater than or equal to \$500,000 that were completed during the quarter	X	-	-	-	-	-	-	-	-	-	-	-	-	-	X	X	X	X	
Contributions of Large Projects	Contributions each project greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Afghan people	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Source: SIGAR analysis of quarterly USFOR-A Commander's Narratives and DOD's Financial Management Regulation.

Note: "Q" represents "quarter," and "X" denotes that the USFOR-A Commander's Narrative met the reporting requirement.

^a DOD's Financial Management Regulation requires that the Commander's Narrative identify overall goals for CERP at the beginning of the fiscal year.

^b DOD's Financial Management Regulation requires that the Commander's Narrative identify how progress against CERP's identified goals will be judged at the beginning of the fiscal year.

As shown in table 4, we found that only 1 of the 18 USFOR-A Commander's Narratives issued from June 2009 through September 2013 met the performance reporting requirements identified in DOD's Financial Management Regulation. That particular USFOR-A Commander's Narrative was issued for the 3rd quarter of fiscal year 2009 and was the first report USFOR-A issued during the scope of our audit. USFOR-A's compliance with the regulation began to decline the following quarter. We also found that, regarding the 18 Commander's Narratives:

- 11 reports described the impacts of CERP-funded projects, individually and collectively, in assisting the United States in carrying out its strategy;
- 15 reports identified newly approved projects greater than or equal to \$500,000;
- 5 reports identified projects greater than or equal to \$500,000 that were completed during the quarter; and

- 1 report described the contributions each project greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Afghan people.

The USFOR-A Commander's Narratives did not consistently address two core elements: (1) how progress against those goals will be judged, and (2) the impacts of CERP projects in assisting the United States carry out its strategy in Afghanistan. The USFOR-A Commander was to include in the narratives the overall goals of CERP funding and how progress against those goals would be judged at the beginning of each fiscal year. Of the four narratives that would have required those two elements, we found that all four reported the overall commander's goals. However, only one narrative, for the 1st quarter of fiscal year 2010, reported on how USFOR-A would measure progress against CERP's identified goals, although DOD did also include this information in the narratives for the 3rd and 4th quarters of fiscal year 2009. In addition, USFOR-A did not report on the impacts CERP projects had in assisting the United States in carrying out its strategy for almost 2 years—from the 2nd quarter of fiscal year 2012 through the 4th quarter of fiscal year 2013.

We also found that for three consecutive quarters—from the 3rd quarter of fiscal year 2012 through the 1st quarter of fiscal year 2013—the USFOR-A Commander's Narrative did not identify any newly approved projects greater than or equal to \$500,000. However, in our review of CERP projects implemented during this period, we identified one newly approved CERP projects greater than or equal to \$500,000. We also found that for 3 years—from the 4th quarter of fiscal year 2009 through the 4th quarter of fiscal year 2012—the USFOR-A Commander's Narrative did not identify any completed CERP projects greater than or equal to \$500,000. However, we identified 31 projects greater than or equal to \$500,000 that were completed during this period. Finally, the USFOR-A Commander's Narratives did not identify the contributions that projects greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Afghan people for 4 years—from the 4th quarter of fiscal year 2009 through the end of fiscal year 2013.

Further highlighting the importance of program assessments, the *U.S. Government Counterinsurgency Guidance*, which applied to all COIN efforts worldwide, stated that effective COIN efforts, in this case CERP, should specify the overarching goals and identify performance metrics that will be used to assess the achievement of those goals.²⁶ Thus, a key component of performance measurement is monitoring and evaluating the progress toward mission accomplishment. As early as 2008, GAO found that DOD lacked the necessary data to assess the results or outcomes of CERP and recommended that the department develop measures or indicators for CERP to evaluate project effectiveness and sustainability, as well as the program's budget requests.²⁷ Similarly, in November 2010, the U.S. Army Audit Agency found that USFOR-A and its predecessors had not established a correlation to determine whether CERP funding affected COIN operations, and questioned the effectiveness of CERP as a COIN tool.²⁸ In addition, in 2011, an International Security Assistance Force report concluded that despite hundreds of millions of dollars in investments, there was no persuasive evidence that CERP fostered improved relationships between the Afghan government and the local populations.²⁹

In 2012, DOD requested the RAND Corporation study the effects CERP achieved in Afghanistan.³⁰ The central objective of the study was to assess CERP's effectiveness in Afghanistan. It also sought to provide guidance on how CERP or a CERP-like alternative might be employed in future U.S. engagements.³¹ Using quantitative data and interviews with CERP implementers, RAND found that if used correctly, CERP projects were a useful tool for

²⁶ U.S. Government Interagency Counterinsurgency Initiative, *U.S. Government Counterinsurgency Guide*, January 2009.

²⁷ GAO, *Military Operations: Actions Needed to Better Guide Project Selection for Commander's Emergency Response Program and Improve Oversight in Iraq*, GAO-08-736R, June 23, 2008.

²⁸ U.S. Army Audit Agency, *Commander's Emergency Response Program U.S. Forces – Afghanistan*, A-2011-0020-ALL, November 16, 2010.

²⁹ International Security Assistance Force, *Less Boom for the Buck: Projects for COIN Effects and Transition*, April 2011.

³⁰ The RAND Corporation is a nonprofit institution that focused on improved policy and decision-making through research and analysis.

³¹ Daniel Egel et al, *Investing in the Fight: Assessing the Use of the Commander's Emergency Response Program in Afghanistan*, a report prepared by RAND at the request of DOD, 2016, p. 17.

USFOR-A to improve rapport between U.S. military units and the local population. However, RAND noted that the study's design did not allow it to provide any clear insights on CERP's contribution to U.S. strategic goals.

Finally, the National Defense Authorization Act for Fiscal Year 2014 required DOD to submit to Congress a report on lessons learned and best practices regarding the implementation of CERP in Iraq and Afghanistan by December 2014.³² In its comments on a draft of this report, DOD informed us that it plans to submit the mandated report to Congress by September 30, 2018.

DOD DID NOT FULLY ASSESS THE EXTENT TO WHICH CERP PROJECTS VALUED AT \$50,000 OR MORE MET THEIR STATED GOALS

DOD did not fully assess the extent to which large and medium CERP projects—those valued at \$50,000 or more—achieved their stated goals. Although CERP project files identified how the achievement of each project's goals would be measured, they did not include information about whether large and medium completed projects achieved their stated goals. According to CERP standard operating procedures, performance measurement is essential to ensuring that CERP funds are being applied to projects that will yield the greatest benefit to the Afghan people and achieve their intended objectives. In addition, GAO has reported extensively on the benefits of performance measurement, which includes developing mechanisms to monitor and evaluate performance in achieving objectives, and informing decision-making.^{33,34} According to GAO, the performance measurement process involves (1) identifying goals and objectives, (2) developing performance measures, (3) collecting data, and (4) analyzing data and reporting results.³⁵

For the 1,429 CERP projects in our sample, we found that the files for all of the projects identified the goals to be achieved, and 946 CERP projects (66 percent) included all seven performance metrics required by CERP standard operating procedures.³⁶ According to our analysis, the Afghan Development Reports and project files for large CERP projects showed that files for 48 of the 51 large projects (94 percent) contained all seven required performance metrics. We found that files for 58 of the 66 medium projects (88 percent) contained all seven required performance metrics. Although performance metrics for small CERP projects were not consistently required during the scope of this audit, we found that the files for 840 of the 1,312 projects (64 percent) contained all seven performance metrics required by CERP standard operating procedures.

While USFOR-A reported information regarding CERP project goals and metrics for large and medium projects, the details reported in the Afghan Development Reports and other CERP project files do not include information on whether these projects achieved those goals. For our sample of 51 large CERP projects, we identified 6 terminated projects. For the remaining 45 large completed projects, we found that none of these projects reported on the achievement of project goals. For the 66 medium CERP projects in our sample, we identified 2 terminated projects. For the remaining 64 medium completed projects, we found that none of these projects reported on the

³² National Defense Authorization Act for Fiscal Year 2014, Pub. L. No. 113-66, § 1211.

³³ For example, see GAO, *Managing for Results: Agencies' Trends in the Use of Performance Information to Make Decisions*, GAO-14-747, September 26, 2014; GAO, *Managing for Results: Data-Driven Performance Reviews Show Promise But Agencies Should Explore How to Involve Other Relevant Agencies*, GAO-13-228, February 27, 2013; GAO, *Government Performance: Lessons Learned for the Next Administration on Using Performance Information to Improve Results*, GAO-08-1026T, July 24, 2008; and GAO, *Managing for Results: Critical Actions for Measuring Performance*, GAO/T-GGD/AIMD-95-187, June 20, 1995.

³⁴ According to GAO, performance measurement is ongoing in nature, focuses on whether a program is making progress on achieving pre-established objectives, and can serve as an early warning system for improving accountability for the achievement of identified objectives. A program may be any activity, project, function, or policy that has an identifiable purpose or set of objectives. See GAO, *Performance Measurement and Evaluation: Definitions and Relationships*, GAO-11-646SP, May 2, 2011.

³⁵ GAO, *Managing for Results: Analytic Challenges in Measuring Performance*, GAO/HEHS/GGD-97-138, May 30, 1997.

³⁶ As previously discussed, these metrics are (1) immediate local population benefits, (2) project sustainability, (3) local partner stability, (4) local population engagement, (5) local population benefit, (6) project execution, and (7) overlap and duplication of efforts.

achievement of project goals. However, the files for all 1,312 small CERP projects—valued below \$50,000—in our sample reported on project goal achievement, which occurred when payments were made.

According to our analysis of Afghan Development Reports and project files for the 45 large completed CERP projects, the files provided information on the individual project goals, but did not report whether the projects achieved those stated goals. For example:

- USFOR-A approved the Maiwand Completion Kit project, valued at approximately \$2.7 million, to procure and deliver hardware for Da Afghanistan Breshna Sherkat to use to monitor and control power usage throughout Afghanistan’s southern electric power grid, and successfully commercialize the sale of electricity.³⁷ USFOR-A identified the primary measure of project goal achievement as (1) decreased amounts of technical losses, as measured by the amount of billable kilowatt-hours compared to the amount of electric power produced at the Kajaki Dam, and (2) more reliable access to electricity for the local population.³⁸ Although this project was completed, the project files did not include information regarding whether there was a decrease in technical losses that resulted in an increase in the amount of billable kilowatt-hours or the local population’s access to reliable electric power.
- USFOR-A approved the Kandahar City Water Supply System Master Plan project—valued at \$3.2 million—to develop a master plan for basic water infrastructure that would provide potable water to citizens of Kandahar City in accordance with World Health Organization standards. This project was to include topographical measurements and gravity system designs, water transmission and distribution lines, and storage and treatment system designs. According to USFOR-A, the achievement of project goals would be measured by (1) the number of citizens who had increased access to potable water and (2) an increase in international financial sponsorship dedicated to providing potable water. Based on our review, the project files did not include any information on whether these goals were achieved.
- USFOR-A approved the Kandahar International Airport Juliet Ramp project—valued at approximately \$800,000—to reconstruct the airport’s ramp to ensure Afghan authorities could continue to expand the size and rate of its operations. USFOR-A stated that it would record and compare (1) the number of aircraft processed through the airport; (2) the tonnage and variety of goods shipped into and out of the airport; and (3) the amount of revenue resulting from increased overnight parking, passengers, and cargo over the same time period. However, the files for this CERP project did not contain any information related to these three performance metrics.

For the 64 medium completed CERP projects, we found that the files contained information about individual project goals, but did not contain information regarding whether the projects achieved their stated goals. For example:

- USFOR-A approved a snow and ice removal program—valued at \$80,000—in the Yakawlang district of Bamyán province to clear snow and ice from a 26-kilometer stretch of road from Nayak to Bamyán, the provincial capital, within 48 hours. The goals for this project were to ensure that Afghan citizens could obtain critical medical care, receive deliveries of food and medicine from Kabul, and access prime banks and government offices in the provincial capital. In addition to clearing the road of snow and ice within 48 hours of snow falling, USFOR-A identified additional performance metrics, including employers not losing

³⁷ Da Afghanistan Breshna Sherkat is Afghanistan’s electric power utility. It is an independent corporate entity that is controlled by the Afghan government and is charged with the acquisition, operation, and maintenance of equipment and systems needed to finance, generate, supply, and expand electricity to all areas of Afghanistan. In April 2013, we reported on the U.S. government’s \$88 million effort to assist in the commercialization of Da Afghanistan Breshna Sherkat. We found that despite \$53 million in investments to commercialize Da Afghanistan Breshna Sherkat in Kabul, the entity’s self-sufficiency in Kabul remained uncertain. In addition, we reported that poor project management by USFOR-A and the U.S. Agency for International Development hampered commercialization efforts. See SIGAR, *Afghanistan’s National Power Utility: Commercialization Efforts Challenged by Expiring Subsidy and Poor USFOR-A and USAID Project Management*, SIGAR Audit 13-7, April 18, 2013.

³⁸ Technical losses refer to differences in the amount of energy purchased by a utility and the amount of energy consumed or stored by the utility; these losses often occur as a result of poorly maintained or aging equipment/infrastructure.

productivity because workers cannot commute due to an inaccessible road, (2) workers continuing to earn wages by not being absent from work due to snow blocking the road, and (3) essential government services continuing to flow to the people in the community. Although this project was completed, the entries related to the achievement of project goals simply restate the goals and include no additional information regarding whether the goals were achieved.

- USFOR-A approved the Sangin Usman Health Initiative in Helmand province—valued at \$75,000—to meet the need for public education and supplies by training Afghan healthcare instructors to provide primary healthcare training and demonstrative treatment of local Sangin residents. This effort focused on empowering these instructors with basic health care knowledge and increasing the capacity of the local healthcare representatives. In the CERP project files, USFOR-A stated that success would be measured by the improvement in public health practices and attendance at the local medical clinic. However, the project files did not include information regarding either of these metrics.
- USFOR-A approved the Marja Solar Lights project—valued at \$132,000—along Route Margaret from the Balakino Bazaar to the Khalifa Bazaar, including at the Balakino School, in Helmand province. USFOR-A reported that the achievement of project goals would be measured by (1) the increase in vehicle traffic, (2) the increase in business and people attending the Khalifa Bazaar, and (3) an increased number of students attending the Balakino School. However, the CERP project files only reported that the solar lights were installed and commented on the timing of the latest payments, and did not contain any information regarding whether the project achieved its goals.

CONCLUSION

Since fiscal year 2004, DOD obligated \$2.6 billion to implement CERP projects in Afghanistan that were intended to meet urgent humanitarian relief and reconstruction requirements and achieve other U.S. objectives. DOD obligated approximately \$1.5 billion of that amount from fiscal years 2009 through 2013.

Although DOD has developed and implemented procedures requiring implementers to develop goals for each CERP project and metrics to measure the achievement of project goals, the department did not consistently implement these procedures or fully assess whether large and medium CERP projects implemented from fiscal years 2009 through 2013 achieved their stated goals. In contrast, DOD met these requirements for the small CERP projects. Despite its success in meeting its requirements for the small projects, DOD did not consistently report on whether CERP as a whole has assisted the United States in carrying out its strategy, an element that DOD's Financial Management Regulation requires DOD to include in the USFOR-A Commander's Narratives. As a result, DOD, Congress, and taxpayers cannot determine the full extent of CERP's accomplishments in Afghanistan. As lawmakers and DOD consider the future of stability operations in Afghanistan and elsewhere, and whether programs like CERP are needed, it is important that the department have improved procedures in place to determine whether the assistance provided is achieving its intended goals and objectives. DOD would also benefit from completing its report on lessons learned and best practices regarding CERP's implementation, as mandated by Congress, and using it to identify ways to improve its use in ongoing and future contingency operations.

RECOMMENDATIONS

To better assess CERP's performance and improve accountability over its funding should Congress and DOD continue to implement CERP in Afghanistan or expand it to another contingency operation, we recommend that the Secretary of Defense:

1. **Consistently implement procedures for assessing CERP and CERP-funded projects to determine the extent to which they are achieving their intended goals and assisting the United States in carrying out its strategy in Afghanistan.**

2. **Complete and submit to Congress the CERP report on lessons learned and best practices as soon as possible, and ensure that it includes all of the elements prescribed in the National Defense Authorization Act for Fiscal Year 2014.**

AGENCY COMMENTS

We provided DOD with a draft of this report for its review and comment. The Office of the Under Secretary of Defense for Policy (OUSD-P) provided written comments, which are reproduced in appendix II. OUSD-P concurred with both of our recommendations. With respect to recommendation one, OUSD-P stated that researchers such as RAND and the Asia Foundation have documented the challenge of isolating and aggregating the local effects of a tactical-level tool like CERP, but also stated that it agrees that it should strive to improve assessment procedures. With respect to recommendation two, OUSD-P stated that the RAND assessment of CERP covered many of the themes outlined in the congressional reporting requirement. However, the office stated that it continues to make progress on completing the report and has a goal of submitting it to Congress by the end of the current fiscal year. The office also provided technical comments, which we incorporated, as appropriate.

APPENDIX I - SCOPE AND METHODOLOGY

This report provides results of SIGAR's audit of the Department of Defense's (DOD) Commander's Emergency Response Program (CERP), with a focus on CERP projects initiated from fiscal years 2009 through 2013. The objectives of this audit were to assess the extent to which (1) DOD's reports demonstrate how CERP is advancing the U.S. strategy in Afghanistan and (2) DOD determined whether CERP projects are achieving their goals. We focused our review on projects implemented from fiscal years 2009 through 2013, when U.S. Forces–Afghanistan (USFOR-A) was responsible for CERP. We also chose this period because DOD obligated \$1.5 billion (58 percent of all obligated CERP funds) and initiated 45,846 projects (80 percent of all CERP projects in Afghanistan).

To examine the extent to which DOD's reports demonstrate how CERP is advancing U.S. strategy in Afghanistan, we reviewed U.S. laws and DOD's Financial Management Regulation, and identified reporting requirements for the USFOR-A Commander's Narratives. We identified four general requirements specified in DOD's Financial Management Regulation for measuring the CERP's effectiveness: (1) the commander's intent, (2) project impacts, (3) description of large projects, and (4) the contributions of large projects.³⁹ The Financial Management Regulation also includes 15 specific requirements for the USFOR-A Commander's Narratives to address. We matched the specific requirements with the corresponding general requirement, and then identified 6 specific requirements that are relevant to assessing CERP's effectiveness, specifically:

1. the USFOR-A commander's overall goals for the CERP funding;
2. how progress against CERP's identified goals will be judged;
3. the impacts of CERP-funded projects, individually and collectively, in assisting the United States in carrying out its strategy in Afghanistan;
4. the identification of newly approved CERP projects greater than or equal to \$500,000 and the category of each project;
5. the identification of CERP projects greater than or equal to \$500,000 that were completed during the quarter and the category of each project; and
6. the contribution each CERP project greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Afghan people.

Table 5 identifies the general and specific elements required by DOD's Financial Management Regulation for the USFOR-A Commander's Narrative.

³⁹ DOD Financial Management Regulation 7000.14-R, Volume 12, Chapter 27, Section 270204(E), *Commander's Emergency Response Program*, January 2009.

Table 5 - DOD's Financial Management Regulation Requirements for USFOR-A Commander's Narratives

Category	General Requirements from DOD's Financial Management Regulation Requirements (Section 27402)	Specific Requirements from DOD's Financial Management Regulation (Appendix B)
Commander's Intent	Commander's intent for CERP funds, including performance measures for ongoing and proposed projects.	Commander's overall goals for the CERP funding.
		At least three supporting areas of emphasis for using CERP funds.
Project Impacts	Impacts of CERP funded projects, including how they individually and collectively assist the U.S. in carrying out its strategy in theater	How progress against identified CERP goals will be judged.
		Impacts of CERP funded projects, individually and collectively, in assisting the U.S. carry out its strategy.
Description of Large Projects	Specific details for each completed and proposed project greater than or equal to \$500,000.	Newly approved projects greater than or equal to \$500,000 and the category of any project.
		Projects greater than or equal to \$500,000 that were completed during the quarter and category of each project.
Contribution of Large Projects	Contributions each project greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Iraqi and Afghan people.	Contributions each project greater than or equal to \$500,000 made to humanitarian relief and reconstruction efforts for the benefit of the Iraqi and Afghan people.
Significant Events	Not Applicable	Significant events/issues that have occurred since the previous quarterly report.
Funding Adequacy	Not Applicable	Adequacy of projected funding.
Areas of Interest	Not Applicable	Areas anticipated to be of interest to U.S. Central Command, the Department of the Army, the Office of the Secretary of Defense, and Congress.
Project Transfer	Not Applicable	Any problems arising in the transfer of completed projects to the Afghan government.
	Not Applicable	Date that projects were turned over to the Afghan government.
Security Situation	Not Applicable	Impact of security situation on monitoring of CERP funded projects.
Donor Funding	Not Applicable	Efforts made to obtain donor funding for projects and results obtained.
	Not Applicable	Identification of any projects or category of projects that are cost-shared and with whom.

Source: SIGAR's analysis of DOD's Financial Management Regulation.

Note: The six specific requirements are highlighted in gray.

We also reviewed the quarterly USFOR-A Commander's Narratives from fiscal years 2009 through 2013 for compliance with these requirements. In addition, we reviewed our prior reports as well as reports by the U.S. Army Audit Agency and the U.S. Government Accountability Office to identify prior findings and recommendations related to assessments of CERP's effectiveness. We also reviewed RAND's 2016 study entitled *Investing in the Fight: Assessing the Use of the Commander's Emergency Response Program in Afghanistan* to identify findings regarding the effectiveness of CERP for possible application in future contingency operations.⁴⁰ Finally, we interviewed

⁴⁰ Daniel Egel et al, *Investing in the Fight: Assessing the Use of the Commander's Emergency Response Program in Afghanistan*, a report prepared by RAND at the request of DOD, 2016.

officials from the Office of the Under Secretary of Defense for Policy, the Office of the Under Secretary of Defense (Comptroller), and the Office of the Assistant Secretary of the Army for Financial Management and Comptroller.

To examine the extent to which DOD determined whether CERP projects are achieving their goals, we reviewed U.S. laws, DOD's Financial Management Regulation, and CERP standard operating procedures from fiscal years 2009 through 2013.⁴¹ We identified performance reporting instructions, including performance metric requirements and other information, from DOD's Financial Management Regulation and CERP standard operating procedures. The regulation establishes the underlying principles of performance measurement and reporting for CERP projects and the CERP standard operating procedures identified reporting instructions for the Combined Information Data Exchange Network (CIDNE)—the database of record for CERP projects. Using established performance metric reporting requirements, we determined that all CERP projects initiated from fiscal years 2009 through 2013 could be assessed for compliance with the seven performance metrics first suggested in DOD's Financial Management Regulation and later referenced in CERP standard operating procedures.

Next, we drew a random sample of CERP projects and analyzed their documentation to determine the extent to which it complied with CERP standard operating procedures' requirements. To identify our sample, we determined the universe of CERP projects undertaken since CERP's inception in 2004. We used DOD's 4th quarter CERP reports to Congress for fiscal years 2004 through the 2nd quarter of 2017, to create a single, aggregated dataset of 57,587 projects. We shared the aggregated dataset with officials from the Office of the Under Secretary of Defense for Policy, the Office of the Under Secretary of Defense (Comptroller), and the Office of the Assistant Secretary of the Army for Financial Management and Comptroller to ensure that we had a common understanding of the universe of CERP projects. Of the 57,587 CERP projects initiated, 45,846 projects (80 percent) were initiated between fiscal years 2009 and 2013. From the projects within our scope, we drew a sample stratified of three groups—"small projects" valued at less than \$50,000, "medium projects" valued from \$50,000 to \$499,999, and "large projects" valued at \$500,000 or more—based on the initial obligated amount reported to Congress for each project. Table 6 provides information regarding the universe of CERP projects and those projects that were part of our sample.

⁴¹ USFOR-A, *Money As A Weapon System–Afghanistan, Appendix B-1: Commander's Emergency Response Program Standard Operating Procedures*, USFOR-A Pub 1-06, May 15, 2009; USFOR-A, *Money As A Weapon System–Afghanistan, Commander's Emergency Response Program Standard Operating Procedures*, USFOR-A Pub 1-06, updated December 2009; USFOR-A, *Money As A Weapon System–Afghanistan, Commander's Emergency Response Program Standard Operating Procedures*, USFOR-A Pub 1-06, updated February 2011; USFOR-A, *Money As A Weapon System–Afghanistan, Appendix B: Commander's Emergency Response Program Standard Operating Procedure*, USFOR-A Pub 1-06, updated March 2012; and USFOR-A, *Money As A Weapon System–Afghanistan: Commander's Emergency Response Program Standard Operating Procedure*, USFOR-A Pub 1-06, updated July 2013.

Table 6 - CERP Universe and SIGAR's Audit Sample, Fiscal Years 2009 through 2013

Project Group	SIGAR Definition	CERP Universe		SIGAR Audit Sample	
		Number of Projects	Obligations (\$ Millions)	Number of Projects	Obligations (\$ Millions)
Large Projects	Projects with an initial obligation greater than or equal to \$500,000	254	\$894.0	51	\$121.0
Medium Projects	Projects with an initial obligation between \$50,000 and \$499,999	2,759	457.4	66	9.9
Small Projects	Projects with an initial obligation less than \$50,000	42,833	182.7	1,312	0.3
Total		45,846	\$1,534.1	1,429	\$131.2

Source: SIGAR analysis of DOD's quarterly CERP reports to Congress from the 1st quarter of fiscal year 2004 through the 2nd quarter of fiscal year 2017.

Note: Numbers have been rounded.

Because we implemented a probability procedure based on random selection, our sample is only one of a large number of samples that might have been drawn. Other samples could have provided different estimates. As a result, we express our confidence in the precision of our particular sample's results as a 90 percent confidence interval with a 10 percent margin of error. The results of our sample are generalizable to the population of projects initiated between fiscal years 2009 and 2013 with a margin of error of plus or minus 10 percentage points.

Finally, we analyzed the Afghan Development Reports—the official project reports required for each activity funded through CERP—and supporting documentation for each project in our sample. We retrieved the final published Afghan Development Report for each project and additional project documentation from CIDNE, including the storyboards, letters of justification, statements of work, and sole-source justifications. Although some project files were missing certain required documentation, we determined that the data contained in the project reports were sufficient for our review when crosschecked against other available project records. In reviewing each Afghan Development Report, we developed and used a data collection instrument to capture reported performance metrics and other fields related to the nomination and closeout phases of each project's lifecycle. Elements of our review included each project's problem statement, compliance with performance reporting requirements, and reporting regarding the achievement of project goals. We also interviewed officials from the Office of the Under Secretary of Defense for Policy, the Office of the Under Secretary of Defense (Comptroller), and the Office of the Assistant Secretary of the Army for Financial Management and Comptroller.

We used computer-processed data from CIDNE to determine whether CERP project files contained the necessary information that would allow DOD to assess project and program effectiveness. We assessed the reliability of initial CERP data by performing electronic testing of required data elements, reviewing existing information about the data and the system that produced them, and interviewing DOD officials knowledgeable about the data. We concluded that although the data had some limitations, reviewing each project report in conjunction with other supporting documentation was sufficiently reliable for our purposes. We also assessed internal controls for CERP and reviewed DOD policies and procedures for tracking and reporting on their efforts supporting CERP in Afghanistan. The results of our assessment are included in the body of the report.

We conducted our audit work in Washington, D.C., from August 2015 to April 2018, 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 performed by SIGAR under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.

APPENDIX II - COMMENTS FROM THE OFFICE OF THE UNDER SECRETARY OF DEFENSE FOR POLICY



ASIAN AND PACIFIC
SECURITY AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
2700 DEFENSE PENTAGON
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The Honorable John Sopko
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, 9th Floor
Arlington, VA 22202

APR 27 2018

Dear Mr. Sopko:

Thank you for the opportunity to review the Special Inspector General for Afghanistan Reconstruction (SIGAR) draft audit report, *“Commander’s Emergency Response Program: DOD Has Not Determined the Full Extent to Which Its Program and Projects Have Achieved Their Objectives and Goals in Afghanistan.”*

The audit focuses on projects funded by the Commander’s Emergency Response Program (CERP) and implemented in Afghanistan from fiscal year 2009 through fiscal year 2013. As noted in the draft report, the Department of Defense (DoD) commissioned the RAND Corporation to assess the effectiveness of CERP in Afghanistan during a similar period.

The RAND report, *“Investing in the Fight: Assessing the Use of the Commander’s Emergency Response Program in Afghanistan.”* published in 2016, assessed the effectiveness of CERP in supporting counterinsurgency-focused operations in Afghanistan from 2010 to 2013. The report assessed that although execution of CERP during those years was not optimal, CERP projects contributed to improved economic conditions and security for Afghans. RAND also reported that CERP was an effective tool for building rapport with Afghans, improving local governance, and decreasing enemy engagements in areas where CERP projects were carried out.

SIGAR Comment 1

I want to thank the SIGAR audit team for working closely with DoD during the development of this report. The enclosure includes additional comments and recommendations.

Sincerely,

Dr. Colin F. Jackson
Deputy Assistant Secretary of Defense
for Afghanistan, Pakistan and Central Asia

Enclosure:
Comments to SIGAR Draft Audit Report



Department of Defense (DoD) Comments on SIGAR's draft audit report, "*Commander's Emergency Response Program: DOD Has Not Determined the Full Extent to Which Its Program and Projects Have Achieved Their Objectives and Goals in Afghanistan.*"

General Comments

The audit, which began in August 2015, focuses on projects funded by the Commander's Emergency Response Program (CERP) in Afghanistan between fiscal years (FY) 2009 and 2013. During this period, the previous Administration authorized a surge in personnel in support of Operation Enduring Freedom – the U.S. mission in Afghanistan which was then focused on counterinsurgency operations. During this time, U.S. Forces-Afghanistan (USFOR-A) disbursed \$1.3 billion in CERP funds – approximately 2 percent of the \$67.3 billion in funding Congress appropriated for Afghanistan reconstruction.

CERP was a tactical tool that U.S. commanders used and adapted to meet the needs of their particular areas of responsibility (AORs) at a given time, in a given place. CERP projects provided an alternative to violence and enhanced USFOR-A's interaction with the local population in support of the civil-military campaign plans of that period. In addition to traditional reconstruction projects, such as repairs to wells, roads, and schools, CERP also funded ex gratia payments, including condolence and battle damage payments, and humanitarian relief projects, such as the provision of food, tents, and blankets. More than 90 percent of CERP projects during this period cost less than \$50,000, and nearly 80 percent cost less than \$5,000.

In 2012, DoD commissioned the RAND Corporation to assess the effectiveness of CERP in Afghanistan. An earlier government-funded study found that CERP spending reduced insurgent violence in Iraq.¹ The RAND study, published in 2016,² covered the period from 2010 to 2013, similar to the period audited in the SIGAR report.

SIGAR Comment 1

The RAND report included a quantitative analysis of the effects of CERP and a qualitative analysis based on interviews with nearly 200 CERP implementers. RAND found that operations in which CERP was a component helped improve economic conditions and security for Afghans in the vicinity of those operations.

Also, although the quantitative estimates of CERP cannot separate the independent effects of the program from the operations in which it was nested, RAND found that CERP was associated with increases in intelligence gathering, coalition freedom of movement, and coalition engagements with the enemy, and that areas with CERP projects saw long-term decreases in enemy engagements.

¹ Berman, Shapiro, Felter, *Can Hearts and Minds Be Bought? The Economics of Counterinsurgency in Iraq*, Journal of Political Economy, Vol. 119, No. 4 (August 2011), available at: <http://create.usc.edu/research/publications/2180>. The study was supported by the Department of Homeland Security's National Center for Risk and Economic Analysis of Terrorism Events and DoD's Minerva Initiative. The study was published in 2011; a draft with the findings was provided to DoD in 2009.

² Egel, et al, *Investing in the Fight: Assessing the Use of the Commander's Emergency Response Program in Afghanistan*, RAND Corporation, 2016, available at: https://www.rand.org/pubs/research_reports/RR1508.html.

According to the RAND study, although most of those interviewed believed the implementation of CERP was not optimal, the majority of ground forces³ had a positive view of CERP and its value in supporting operations. RAND also identified difficult-to-measure “softer” outcomes, including building rapport with local Afghans, improving local governance and security, and increasing freedom of movement for local Afghans and coalition forces. CERP implementers reported such successful outcomes 75-80 percent of the time, and reported that often these softer outcomes were more important than the project itself.

In addition to RAND’s CERP assessment, the Asia Foundation’s annual Survey of the Afghan People provides useful insights into the effect of reconstruction programs, including CERP – a program that enabled U.S. commanders to implement urgent humanitarian relief and reconstruction projects within their AORs that benefitted the local population. According to the survey data, the percentage of Afghans who believed Afghanistan was moving in the right direction grew from 42 percent to 58 percent from 2009 to 2013. Throughout this period, interviewees identified “reconstruction/rebuilding/infrastructure” as a top reason for this belief, in some years rating it higher than improved security.⁴

DoD acknowledges that CERP was an imperfect program, as the current and past inspector general reports attest. However, as the U.S. mission in Afghanistan evolved, so, too, did CERP. In response to the changing needs of the mission, inspector general recommendations, and congressional requirements, DoD made efforts to improve the execution and impact of CERP through numerous changes, including: additional pre-deployment and in-theater training, revisions to theater guidance, enhanced reporting requirements, improved operating procedures, and an integrated oversight structure. These changes resulted in improved project selection criteria, increased emphasis on performance metrics, and the development of new tools that increased the accuracy and timeliness of DoD’s quarterly congressional reports and improved the accountability of funds.

The CERP program today is significantly smaller than what it was during the period audited in the report. In FY 2011, Congress appropriated \$400 million for CERP in Afghanistan and USFOR-A implemented more than 23,000 projects. In FY 2018, Congress appropriated \$5 million for CERP and USFOR has implemented less than 100 projects, most of which are condolence and hero payments. However, we are committed to building on the improvements described above to ensure the most effective use of CERP.

SIGAR Comment 2

A note on strategic objectives: The draft report frequently refers to how CERP advanced strategic objectives in Afghanistan and lists the objectives as supporting the Afghan government, improving economic development, protecting the Afghan people, and containing the insurgency. As DoD discussed with the audit team, U.S. strategic objectives during the period covered by this report included: disrupting, dismantling, and defeating al Qaeda and its affiliates; preventing terrorists from again using Afghanistan as a safe-haven for launching attacks against the U.S.

SIGAR Comment 3

³ Of those interviewed by RAND, 90 percent of U.S. Army soldiers, 80 percent of U.S. Special Operations Forces, and 60 percent of U.S. Marines had the views stated.

⁴ More information on the Asia Foundation studies is available at: <https://asiafoundation.org/where-we-work/afghanistan/survey/data/>.

homeland, our partners, or our forces; and denying the Taliban the ability to overthrow the Afghan government. Therefore, to be consistent with CERP guidance and CERP's role a tactical tool, we recommend the report refer to how CERP assisted the United States in carrying out its strategy in Afghanistan.

Recommendations

Recommendation 1: *Develop and implement procedures for assessing CERP and CERP-funded projects to determine the extent to which they are achieving their intended goals and assisting the United States in carrying out its strategy in Afghanistan.*

Concur: The mission conducted during the 2009-2013 period, which included a large, U.S.-led counterinsurgency mission and annual CERP appropriations in excess of \$400 million, is over. Since FY 2016, Congress has appropriated \$5 million per year for CERP, which USFOR-A uses for condolence and battle damage payments and a limited number of small-scale projects in key areas. As discussed above, researchers have documented the challenge of isolating and aggregating the local effects of a tactical-level tool like CERP, but we agree we should strive to improve assessment procedures.

Recommendation 2: *Complete and submit to Congress, as soon as possible, the CERP report on lessons learned and best practices, and ensure that it includes all of the elements prescribed in the National Defense Authorization Act for Fiscal Year 2014.*

Concur: As described above, RAND's DoD-funded assessment of CERP addressed many of the themes outlined in the reporting requirement. However, we continue to make progress on the report, which was delayed, in part, by the departure of the original author and researcher. DoD intends to submit the report to Congress by the end of FY 2018.

SIGAR's Response to Comments from the Office of the Under Secretary of Defense for Policy (OUSD-P)

SIGAR Comment 1: In its comments, OUSD-P cites multiple studies, including two that the Department of Defense funded, that cited the beneficial impacts CERP has had in Iraq and Afghanistan. We do not suggest that CERP has not had a positive impact in areas where projects have been implemented. As we discuss in the report, we found a lack of performance information on the large and medium sized projects in our sample. Because of this, DOD cannot fully assess CERP's achievements in Afghanistan. Even though the RAND report found that if used correctly, CERP projects were a useful tool for USFOR-A to improve rapport between U.S. military units and the local population, and cited successes on "softer outcomes," the report also states that "the study's design did not allow it to provide any clear insights on CERP's contribution to U.S. strategic goals."⁴² Furthermore, DOD did not consistently report on CERP's impacts during the period our audit covered through the quarterly USFOR-A Commander's Narratives.

SIGAR Comment 2: We acknowledge that CERP's focus has changed since 2013, as reflected in the reduced amount of funds appropriated by Congress each year. To provide additional context, we added language to the background noting this change.

SIGAR Comment 3: We have revised this report to refer to the U.S. strategy in Afghanistan instead of strategic objectives.

⁴² Daniel Egel et al, *Investing in the Fight: Assessing the Use of the Commander's Emergency Response Program in Afghanistan*, 2016, p. 213.

APPENDIX III - ACKNOWLEDGMENTS

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This performance audit was conducted
under project code SIGAR-110A.

SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

- improve effectiveness of the overall reconstruction strategy and its component programs;
- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
- prevent fraud, waste, and abuse; and
- advance U.S. interests in reconstructing Afghanistan.

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