

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

SIGAR 21-20 Evaluation Report

**U.S.-Funded Capital Assets in Afghanistan: The
U.S. Government Spent More than \$2.4 Billion on
Capital Assets that Were Unused or Abandoned,
Were Not Used for Their Intended Purposes, Had
Deteriorated, or Were Destroyed**



**FEBRUARY
2021**

SIGAR

Special Inspector General for Afghanistan Reconstruction

WHAT SIGAR REVIEWED

Since publishing its first report in October 2008, SIGAR has assessed nearly \$7.8 billion worth of capital assistance projects—defined as projects that construct or procure capital assets such as buildings or vehicles. The Department of Defense (DOD) funded the majority of these capital assets (\$6.5 billion), followed by the U.S. Agency for International Development (USAID) (\$1.1 billion), the Overseas Private Investment Corporation (\$84.8 million), and the Department of State (State) (\$79 million).

SIGAR's work has repeatedly identified instances of U.S.-funded capital assets going unused, not being used for their intended purposes, deteriorating beyond reasonable wear and tear, or being destroyed. Based on these reports, the Chairman of the House Committee on Oversight and Reform's Subcommittee on National Security requested that SIGAR summarize all capital assets in Afghanistan that the U.S. government constructed, financed, or subsidized, and SIGAR subsequently found to be unused, not used for their intended purposes, deteriorated, or destroyed. The Chairman also requested that SIGAR provide an update on the status of these capital assets, identify common causes explaining why they went unused or fell into disrepair, and recommend how to prevent further waste on capital assets.

Pursuant to the Chairman's request, the objectives of this evaluation were to (1) identify all U.S.-funded capital assets that SIGAR previously identified as completed, constructed, or procured but not used, not used for their intended purposes, deteriorated, or destroyed; (2) determine the status of a selection of these capital assets; and (3) evaluate whether there are common reasons for the lack of use, improper use, deterioration, or destruction of these capital assets.

February 2021

U.S.-Funded Capital Assets in Afghanistan: The U.S. Government Spent More than \$2.4 Billion on Capital Assets that Were Unused or Abandoned, Were Not Used for Their Intended Purposes, Had Deteriorated, or Were Destroyed

SIGAR 21-20 EVALUATION REPORT

WHAT SIGAR FOUND

Of the nearly \$7.8 billion in capital assets reviewed in its prior reports, SIGAR identified about \$2.4 billion in assets that were unused or abandoned, had not been used for their intended purposes, had deteriorated, or were destroyed. By contrast, SIGAR found that more than \$1.2 billion out of the \$7.8 billion in assets were being used as intended, and only \$343.2 million out of the \$7.8 billion in assets were maintained in good condition. However, in its previous reports, SIGAR could not always determine whether assets were used as intended or maintained in good condition because in some cases, SIGAR published the reports before construction or procurement of the assets was completed, or because the reports did not discuss use and maintenance.

SIGAR selected a judgmental, stratified sample of 60 assets, costing \$792.1 million, from a list of all U.S.-funded capital assets evaluated in its prior reports for follow-up inspections to collect more current data about the assets' use and condition. SIGAR found that 37 of the 60 capital assets inspected were being used as intended, including several that were previously unused or abandoned. However, SIGAR also found that 10 were used but not for their intended purposes, 9 were unused or abandoned, 3 were still under construction and not yet ready for use, and the status of 1 is classified. Additionally, 50 of the capital assets had either deteriorated or continued to deteriorate after they were last assessed. Although the follow-up inspections found that most assets were being used as intended, SIGAR found that \$723.8 million, or 91 percent of the total costs of all 60 assets in the sample, went toward assets that were unused or abandoned, were not used as intended, had deteriorated, were destroyed, or had some combination of the above.

SIGAR also found several of the same defects among the assets inspected, including major structural damage. This damage included:

- 37 sites with structural damage to exterior walls, siding, and roofs;
- 34 sites with structural damage to interior walls, ceilings, and floors;
- 37 sites with at least one door or window that was damaged or missing hardware;
- 33 sites with broken or missing lights and other electrical fixtures, or improvised wiring for broken electrical fixtures that created a risk of electrocution or electrical fire;
- 28 sites with broken or missing appliances and heavy machinery;
- 23 sites with water damage, mildew, or mold; and
- 21 sites with broken or leaky pipes, damaged bathroom fixtures, or blocked drains.

Although the reasons for the use and condition of each capital asset were unique, SIGAR identified several problems that led to the assets not being used as intended, deteriorating, or being destroyed. Based on prior reports and the 60 follow-up inspections, SIGAR identified the five most common reasons why capital assets were generally not used.

1. The beneficiary lacked the resources or capabilities to use the asset as intended.
2. Deterioration or destruction prevented the capital asset from being used as intended.
3. The beneficiary did not want the capital asset or the capital asset lacked desired features.
4. The U.S. agency did not ensure that the asset was constructed according to contract requirements, did not complete it in a timely fashion, or did not transfer it to a final user in a usable state.
5. There was limited local demand for the capital asset, or local demand exceeded its capacity.

Similarly, SIGAR identified the three most common reasons why capital assets had generally deteriorated or been destroyed:

1. The beneficiary lacked the resources or capabilities to maintain the asset.
2. The asset was damaged by forces outside the beneficiary's control such as war, theft, blackouts or power surges, fire, earthquake, or flood.
3. The U.S. agency did not ensure that the asset was constructed according to contract requirements.

The most common reason that funds spent on capital assets were wasted was that the Afghan beneficiaries lacked the resources or capabilities they needed to operate and maintain these assets. This suggests that U.S. agencies have generally not built or procured capital assets that the Afghan government and private sector can afford to sustain on their own.

MATTER FOR CONGRESSIONAL CONSIDERATION

To help ensure that U.S.-funded capital assets in Afghanistan are used as intended and maintained, Congress may wish to consider requiring U.S. agencies to develop, implement, and periodically update sustainment plans in coordination with the beneficiaries of future capital assistance projects. These plans should describe the operational need for the capital asset, estimate its operation and maintenance costs, and account for the beneficiary's ability to financially sustain the asset, including, when necessary, any future funding from the U.S. and Afghan governments.

SIGAR provided a draft of this report to State, DOD, and USAID for review and comment. SIGAR received written comments from State's Bureau of International Narcotics and Law Enforcement Affairs; DOD's Acting Deputy Assistant Secretary of Defense for Afghanistan, Pakistan, and Central Asia; and USAID's Afghanistan Mission Director, which are reproduced in appendices VI, VII, and VIII, respectively. We also received technical comments and incorporated them into the report as appropriate. Neither State nor DOD commented on the matter for congressional consideration. USAID expressed concern about the matter for congressional consideration, stating that it would be counterproductive to the goal of reinforcing Afghan government legitimacy and increasing Afghan self-reliance if the U.S. government were to develop or enforce detailed sustainment plans for completed capital projects. However, SIGAR maintains that cooperatively developing sustainment plans prior to constructing a capital asset would increase the self-reliance and project ownership of the beneficiary, as they would understand what is needed and expected of them in the future and could plan accordingly.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

February 24, 2021

The Honorable Stephen F. Lynch
Chairman, House Committee on Oversight and Reform
Subcommittee on National Security

The Honorable Lloyd J. Austin III
Secretary of Defense

The Honorable Antony J. Blinken
Secretary of State

Ms. Gloria D. Steele
Acting Administrator, U.S. Agency for International Development

This report provides the results of SIGAR's evaluation of U.S.-funded capital assets in Afghanistan. Our prior reports evaluated nearly \$7.8 billion in U.S.-funded capital assets, of which \$2.4 billion (31 percent) were unused or abandoned, had not been used for their intended purposes, had deteriorated, or were destroyed. We selected 60 capital assets, which cost \$792.1 million to construct or procure, for follow-up inspections.¹ During these inspections, we found that 37 assets were being used for their intended purposes, 10 were used but not for their intended purposes, 9 were unused or abandoned, 3 were still under construction and not yet ready for use, and the status of 1 asset is classified. We also found that 50 of the assets had some level of deterioration. Overall, we found that \$723.8 million, or 91 percent of the total costs of the 60 assets, went toward assets that were unused or abandoned, were not used as intended, had deteriorated, were destroyed, or had some combination of the above. The most common reason Afghan beneficiaries did not use or maintain these assets was that they lacked the resources or capabilities to do so.

We are raising one matter for congressional consideration. To help ensure that U.S.-funded capital assets in Afghanistan are used as intended and maintained, Congress may wish to consider requiring U.S. agencies to develop, implement, and periodically update sustainment plans in coordination with the beneficiaries of future capital assistance projects. These plans should describe the operational need for the capital asset, estimate its operation and maintenance costs, and account for the beneficiary's ability to financially sustain the asset, including, when necessary, any future funding from the U.S. or Afghan governments.

SIGAR provided a draft of this report to the Department of State (State), Department of Defense (DOD), and the U.S. Agency for International Development (USAID) for review and comment. SIGAR received written comments on a draft of this report from State's Bureau of International Narcotics and Law Enforcement Affairs; DOD's Acting Deputy Assistant Secretary of Defense for Afghanistan, Pakistan, and Central Asia; and USAID's Afghanistan Mission Director, which are reproduced in appendices VI, VII, and VIII, respectively. We also received technical comments and incorporated them into the report as appropriate.

Neither State nor DOD commented on the matter for congressional consideration. USAID expressed concern about the matter for congressional consideration, stating that it would be counterproductive to the goal of reinforcing Afghan government legitimacy and increasing Afghan self-reliance if the U.S. government were to develop or enforce detailed sustainment plans for completed capital projects. However, we maintain that cooperatively developing sustainment plans prior to constructing a capital asset would increase the self-

¹ Our sample was limited to structures, stationary equipment, and facilities. Appendix I has a more detailed discussion of our scope and methodology.



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reliance and project ownership of the beneficiary, as they would understand what is needed and expected of them in the future and could plan accordingly.

SIGAR conducted this work under the authority of Public Law No. 110-181, as amended; the Inspector General Act of 1978, as amended; and in accordance with the *Quality Standards for Inspection and Evaluation* published by the Council of the Inspectors General on Integrity and Efficiency.

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

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ABBREVIATIONS

ANA	Afghan National Army
ANP	Afghan National Police
DOD	Department of Defense
FY	fiscal year
OPIC	Overseas Private Investment Corporation
State	Department of State
USAID	U.S. Agency for International Development

Since we published our first quarterly report to the Congress in October 2008, Congress has appropriated \$109.24 billion for humanitarian, security, and reconstruction assistance in Afghanistan.¹ We have assessed more than \$50 billion of the funds Congress appropriated for projects in Afghanistan, including Department of Defense (DOD), U.S. Agency for International Development (USAID), Department of State (State), and Overseas Private Investment Corporation (OPIC)-funded capital assistance projects valued at nearly \$7.8 billion.² The success of the U.S. reconstruction effort in Afghanistan can be measured, in part, by the extent to which these capital investments are being used and maintained.

Our work has repeatedly identified instances when U.S.-funded capital assets—such as structures, equipment, and intellectual property—in Afghanistan went unused, were not used for their intended purposes, were deteriorating beyond reasonable wear and tear, or were destroyed.³ As a follow up to our work, the Chairman of the House Committee on Oversight and Reform’s Subcommittee on National Security requested that we summarize all capital assets in Afghanistan that the U.S. government constructed, financed, or subsidized, and which we subsequently found to be unused, not used for their intended purposes, deteriorated, or destroyed. The Chairman further requested that we provide an update on the status of these capital assets, identify common causes regarding why they went unused or fell into disrepair, and recommend to the subcommittee how to prevent further waste on capital assets that the Afghans cannot use or maintain.

Pursuant to this request, our objectives were to

1. identify all U.S.-funded capital assets that we previously identified as completed, constructed, or procured but not used, not used for their intended purposes, deteriorated, or destroyed;
2. determine the current status of a selection of these capital assets; and
3. evaluate whether there are common reasons for the lack of use, improper use, deterioration, or destruction of these capital assets.

To accomplish these objectives, we reviewed all of our audits, inspections, evaluations, and special projects completed since 2008. We identified reports that assessed at least one U.S.-funded capital asset and summarized the findings of those reports. Based on those findings, we identified capital assets that we previously determined were not used, not used for their intended purposes, deteriorated, or were destroyed. We analyzed our prior work to identify common problems and deficiencies among the assets. We conducted follow-up inspections of a judgmental, stratified sample of 60 assets and updated their usage and condition information accordingly. We conducted our work in Baghlan, Balkh, Bamyan, Farah, Ghazni, Herat, Jowzjan, Kabul, Kandahar, Kapisa, Khost, Kunduz, Laghman, Nangarhar, Nimruz, Paktika, Paktya, Parwan, and Wardak Provinces, Afghanistan; and Arlington, Virginia, from October 2019 through November 2020, in accordance with the *Quality Standards for Inspection and Evaluation* published by the Council of the Inspectors General on Integrity and Efficiency. Appendix I has a more detailed discussion of our scope and methodology.

¹ When we issued our first quarterly report in October 2008, the U.S. government had provided \$32 billion for Afghanistan since fiscal year (FY) 2002. As of our October 2020 quarterly report, that number had increased to \$141.24 billion.

² Capital assistance projects involve the construction or procurement of capital assets. On January 2, 2020, OPIC was replaced by the U.S. International Development Finance Corporation.

³ “Reasonable wear and tear” refers to any damage caused by a capital asset’s ordinary use and exposure over time.

BACKGROUND

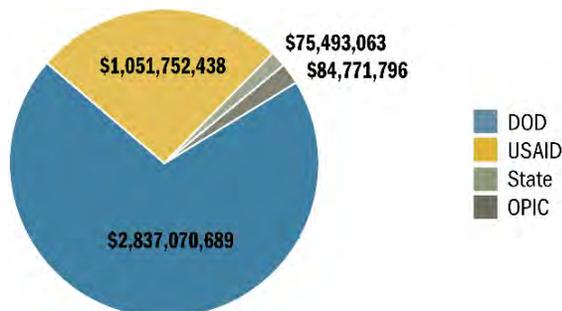
Between January 1, 2009, and September 1, 2019, we issued 394 audit, inspection, evaluation, and special project reports. Of these reports, 147 evaluated at least one capital asset that was fully U.S.-funded.⁴ In most cases, agencies intended to transfer these capital assets to the Afghan government or a private-sector entity upon completion. However, in some cases, agencies built or procured capital assets for their own use and later transferred them to an Afghan beneficiary.⁵ In total, the capital assets we evaluated in the 147 reports were valued at nearly \$7.8 billion when we issued those reports.⁶ DOD funded the majority of these capital assets (\$6.5 billion), followed by USAID (\$1.1 billion), OPIC (\$84.8 million), and State (\$79 million).

According to the Office of Management and Budget,

Capital assets are land (including parklands), structures, equipment (including motor and aircraft fleets), and intellectual property (including software) which are used by the Federal Government and have an estimated life of two years or more. Capital assets exclude items acquired for resale in the ordinary course of operations or held for the purpose of physical consumption, such as operating materials and supplies. The cost of a capital asset is its full life-cycle cost, including all direct and indirect costs for planning, procurement (purchase price and all other costs incurred to bring it to a form and location suitable for its intended use), operations and maintenance (including service contracts), and disposal.⁷

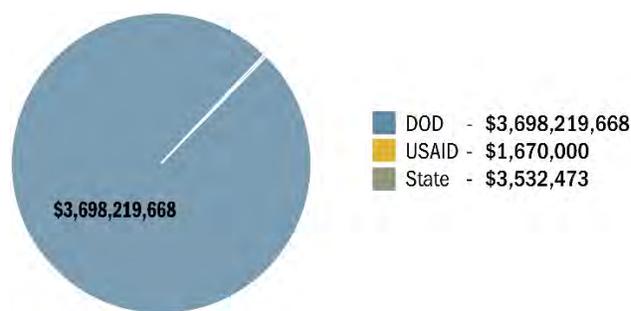
We tailored the Office of Management and Budget’s definition to fit the context of Afghanistan reconstruction, and determined that our reports evaluated about \$4 billion worth of structures and stationary equipment, about \$3.7 billion worth of motor vehicles and aircraft, and about \$14 million worth of information technology. Figures 1 and 2 show the provision of structures, stationary equipment, motor vehicles, and aircraft by agency; figure 2 also shows that DOD procured more than 99 percent of all motor vehicles and aircraft.⁸

Figure 1 - Structures and Stationary Equipment by Agency



Source: SIGAR audits, inspections, evaluations, and special projects (January 2009–September 2019).

Figure 2 - Motor Vehicles and Aircraft by Agency



Source: SIGAR audits, inspections, evaluations, and special projects (January 2009–September 2019).

⁴ Some of our reports discussed capital assets that a public international organization, such as the World Bank, provided to the Afghan government or private sector. Because these organizations typically intermingle U.S. and other donor funds, this report does not include the capital assets they funded.

⁵ For example, one of our special projects discussed DOD’s transfer of capital assets worth an estimated \$266.5 million to the Afghan government after DOD closed a coalition base, Camp Leatherneck, in Helmand Province. See SIGAR, *Transfer of U.S. Bases to ANSF*, SIGAR-15-48-SP, April 17, 2015.

⁶ Some capital assets were evaluated in multiple reports. In these cases, this evaluation used the value given in the most recent report.

⁷ Office of Management and Budget, “Capital Programming Guide, Supplement to Office of Management and Budget Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets,” February 10, 1996.

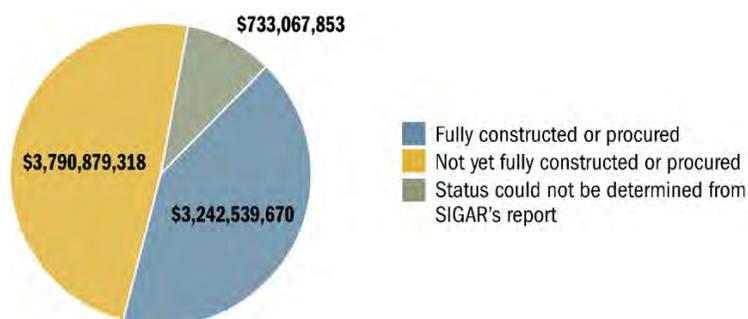
⁸ USAID procured all \$14 million of the information technology. In addition, we did not include items held for the purpose of physical consumption, such as uniforms or ammunition for the Afghan National Defense and Security Forces or fuel for a power plant, unless these costs were included in operation and maintenance contracts and we could not disaggregate them.

Definitions for Use and Deterioration Used in This Report

We determined that a capital asset generally had to be constructed or procured, and ready for use before we could evaluate whether it was used for its intended purpose. Many of our reports ended their reviews before a capital asset was used, because we focused on construction and procurement rather than operation and maintenance.

With few exceptions, U.S.-funded capital assets did not become ready for use until they were fully constructed or procured.⁹ Of the nearly \$7.8 billion in capital assets we reviewed in our previous reports, we found that about \$3.2 billion went toward assets that were fully constructed or procured when our reports were issued (42 percent), and about \$3.8 billion went toward assets that were not yet fully constructed or procured when our reports were issued (49 percent). For the remaining assets, valued at approximately \$733 million (9 percent), we could not determine from the reports whether the assets were fully constructed or procured. Figure 3 provides a summary of where the capital assets were in their construction or procurement cycle at the time of our prior assessments.

Figure 3 - Status of Construction or Procurement Cycle at the Time We Evaluated the Capital Assets



Source: SIGAR audits, inspections, evaluations, and special projects (January 2009–September 2019).

In evaluating each capital asset's use, we generally deferred to the original report's assessment. If the original report did not clearly state whether a capital asset was being used for its intended purpose, we used our professional judgment to make a determination based on statements in the report. We used the following definitions when classifying a capital asset's usage:

- Used as Intended – The beneficiary used the capital asset as originally intended by the U.S. agency that constructed or procured it.
- Used, but Not as Intended – The beneficiary used a capital asset for a purpose other than originally intended, underused it, or used it beyond its intended capacity.
- Unused or Abandoned – The beneficiary did not use the capital asset for any purpose.
- Use Could Not Be Determined – Our report did not discuss whether the capital asset was being used or stated that use could not be determined.

Assets could deteriorate at any point in their life cycles, regardless of whether the beneficiaries had started using them. For example, some vehicles sustained damage while in transit to Afghanistan. In evaluating each

⁹ In eight cases, our prior reports evaluated the use of capital assets that were not yet fully constructed or procured. We did this because the assets had either partially entered operation or could reasonably have been partially used at that stage of the project. These projects were: (1) DOD's construction of the Kabul Military Training Center, (2) State's renovation of Pol-i-Charkhi Prison, (3) DOD's construction of new facilities at Camp Shaheen, (4) DOD's construction of an Afghan National Police (ANP) headquarters building in Kunduz Province, (5) DOD's construction of Camp Monitor, (6) State's procurement of three mobile television production trucks, (7) USAID's electronic payment system to process and collect custom dues, and (8) State's Case Management System.

capital asset's condition, we defined "deterioration" as any damage or loss beyond that caused by a capital asset's ordinary use and exposure over time ("reasonable wear and tear"). Some examples of deteriorated conditions we observed included:

- cracks, fissures, holes, and erosion in structural elements
- "honeycombing" concrete¹⁰
- broken or missing doors and hardware
- broken or missing windows, screens, and hardware
- broken or missing light fixtures
- damaged or nonfunctional electrical equipment and appliances
- improvised wiring that created a risk of electrocution and electrical fire
- water penetration, mildew, and mold
- damage caused by insurgents or terrorist activity (warfighting)

Requirements to Ensure that Afghan Beneficiaries Can Use and Maintain Capital Assets Prior to Initiating a Capital Assistance Project

According to the Commission on Wartime Contracting, "waste" includes ill-conceived projects that do not fit the cultural, political, and economic mores of the society they were meant to serve, or cannot be supported or maintained. In its final report to Congress, the Commission found that wasteful projects can result from:

- inadequate assessment of host-country needs and capabilities;
- overly ambitious or inappropriate plans;
- contractors' inability or willful failure to perform,
- projects selected for political or military impact rather than for long-term feasibility;
- weak interagency coordination;
- poor planning and weak coordination for transition hand-off; and
- inadequate follow-through by federal officials.¹¹

To prevent waste, Congress generally requires agencies to demonstrate that beneficiaries can use and maintain a capital asset before initiating a capital assistance project. For instance, the Foreign Assistance Act of 1961 states that no assistance shall be furnished with respect to any capital assistance project estimated to cost in excess of \$1,000,000 until the head of the agency receives and takes into consideration a certification showing that the benefiting country has the capability, in "both financial and human resources, to effectively use and maintain the project."¹² Similarly, the National Defense Authorization Act for Fiscal Year 2013 requires DOD, USAID, and State to assess whether a benefiting country has the capacity to use and

¹⁰ "Honeycombing" refers to rough or pitted surfaces in concrete resulting from incomplete concrete filling against the formwork, or to voids in the concrete resulting from incomplete filling of the spaces between particles of coarse aggregate material.

¹¹ Commission on Wartime Contracting in Iraq and Afghanistan, *Transforming Wartime Contracting: Controlling Costs, Reducing Risks*, August 2011, p. 102. Our January 2013 quarterly report to Congress presented seven key questions—based on common challenges identified through our body of work—that decision makers, including Congress, should ask as they consider whether and how best to use reconstruction funds. This report applies several of these questions as we answer our objectives and identify common reasons for the misuse, deterioration, or destruction of U.S.-funded capital assistance projects in Afghanistan.

¹² Foreign Assistance Act of 1961, Pub. L. No. 87-195, § 611.

maintain a proposed capital project; if they deem the benefiting country incapable of doing so, agencies must describe how the project will otherwise be sustained following its completion.¹³

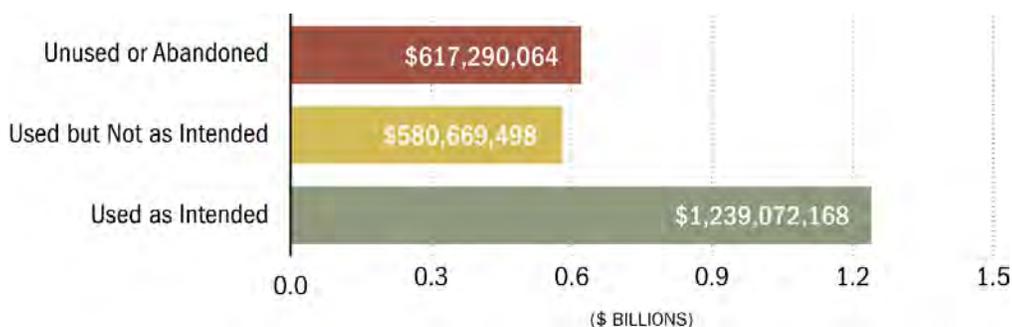
SIGAR'S PRIOR REPORTS FOUND THAT ABOUT \$2.4 BILLION IN CAPITAL ASSETS WERE UNUSED OR ABANDONED, WERE NOT USED FOR THEIR INTENDED PURPOSES, HAD DETERIORATED, OR WERE DESTROYED

Of the nearly \$7.8 billion in capital assets that we reviewed in prior reports, we identified about \$2.4 billion in capital assets (31 percent) that were unused or abandoned, were not used for their intended purposes, had deteriorated, or were destroyed.¹⁴ Our prior reports also found that more than \$1.2 billion worth of capital assets were used as intended. For the remaining capital assets, we often could not determine whether the assets were used as intended or were in good condition because either we published our reports before the assets became ready for use or our reports did not discuss use and maintenance. Appendices II, III, IV, and V have more information about these capital assets, including details related to their previously reported use and condition.

Our Prior Reports Found that Half of Capital Assets with Known Usage Were Used but Not as Intended or Were Unused or Abandoned

Of the nearly \$7.8 billion in capital assets that we reviewed, our prior reports showed that more than \$1.2 billion worth of capital assets were used as intended, about \$580.7 million were used but not as intended, and about \$617.3 million were unused or abandoned. We could not assess the use of assets costing about \$3.6 billion because they were not yet ready for use when we published our reports. Our reports did not explicitly discuss usage for about \$1.7 billion in assets. Figure 5 summarizes our conclusions about capital asset use.

Figure 4 - Use of Capital Assets as Reported in Prior SIGAR Reports



Source: SIGAR audits, inspections, evaluations, and special projects (January 2009–September 2019).

Note: For assets costing \$3.6 billion, we could not assess use because the assets were not yet operational ready for use when we published our reports, and for assets costing \$1.7 billion, our reports did not discuss usage.

¹³ National Defense Authorization Act for FY 2013, Pub. L. No. 112-239, § 1273. The act defines a capital project as “a project involving the construction, expansion, alteration of, or the acquisition of equipment for, a physical facility or physical infrastructure, including related engineering design (concept and detail) and other services, the procurement of equipment (including any related services), and feasibility studies or similar engineering and economic services” (see 22 U.S.C. § 2421e). Although it was outside this evaluation’s scope to determine whether agencies documented these certifications and assessments, this report discusses the extent to which Afghan beneficiaries ultimately used and maintained U.S.-funded capital assets.

¹⁴ These categories were not mutually exclusive. For example, we found that \$510 million of the \$617.3 million in unused or abandoned assets had also deteriorated or were destroyed.

Our Prior Reports Found that Capital Assets Costing More Than \$1.2 Billion Were Used as Intended

We found that more than \$1.2 billion in capital assets were being used as the U.S. government intended.¹⁵ Among these, assets costing \$1.1 billion were completed and ready for use when we issued our reports, and assets costing \$180.9 million were not yet complete but were partially ready for use and being used as intended. DOD, USAID, and State each procured at least one capital asset that the beneficiary subsequently used as intended. For example:

- DOD spent \$98.2 million to construct a campus facility at the National Police Training Center in Wardak Province. We found that Afghan National Police (ANP) officers occupied most of the buildings on the new campus and that DOD and coalition forces occupied an international compound, as intended.¹⁶
- USAID spent \$5.2 million to construct the Bagrami Industrial Park in Kabul Province. USAID designed the park to accommodate up to 32 businesses, and we observed 27 businesses when we visited it in July 2016. However, we noted that these businesses employed approximately 500 people in total, when USAID's goal for the facility was to create about 3,000 jobs.¹⁷
- State spent \$2.1 million to construct a detention center at the Counter Narcotics Justice Center. State designed the buildings to house up to 308 detainees, and we found that they housed between 190 to 210 detainees on average.¹⁸

Our Prior Reports Found that Capital Assets Costing \$617.3 Million Were Unused or Abandoned

We found that \$617.3 million in assets were unused or abandoned. DOD, State, and USAID each procured at least one capital asset that subsequently went unused. For example:

- DOD spent \$6.7 million to construct an ANP women's compound at the Regional Training Command in Jalalabad that was never used. However, Afghanistan's Ministry of Interior placed a moratorium on training women that, unless rescinded, means the compound may never be used.¹⁹
- USAID renovated an educational facility in the Kushk district of Herat Province.²⁰ However, the renovated school had so much structural damage and so many electrical hazards that it was too dangerous for teachers and students to conduct classes inside. We observed classes being taught outside the facility while the buildings remained empty and unused.²¹
- State spent \$7.2 million to construct communications towers in Ghazni, Helmand, and Kandahar Provinces to support cellular phone service and Afghan telecommunications providers for television and radio broadcasting. However, State underestimated the cost of operating, maintaining, and marketing the towers. When State sought a contractor to perform the latter duties, it received bids

¹⁵ Three of these assets, costing \$180.9 million, were not yet complete when we issued our reports, but were ready for use and used as intended. These capital assets were DOD's construction of (1) the Kabul Military Training Center, (2) new facilities at Camp Shaheen, and (3) an ANP headquarters building in Kunduz Province.

¹⁶ SIGAR, *Wardak Province National Police Training Center: Contract Requirements Generally Met, But Deficiencies and Maintenance Issues Need to be Addressed*, SIGAR 13-02-IP, October 30, 2012.

¹⁷ SIGAR, *Bagrami Industrial Park: Lack of Adherence to Contract Requirements Left this \$5.2 Million Park without Adequate Water Supply and Sewer Collection and Treatment Systems*, SIGAR 16-48-IP, July 26, 2016.

¹⁸ SIGAR, *Detention Center at the Counter Narcotics Judicial Center: Project Construction Mostly Met Contract Requirements, But Two Deficiencies Need to Be Addressed*, SIGAR 15-70-IP, July 13, 2015.

¹⁹ SIGAR, *Afghan National Police Women's Compound at Jalalabad Regional Training Center: Construction Generally Met Contract Requirements, But Fire-Related Deficiencies Pose Safety Hazards and the Almost \$6.7 Million Facility Has Never Been Used*, SIGAR 19-48-IP, July 11, 2019.

²⁰ From FY 2002 through FY 2014, USAID spent approximately \$614 million to implement 31 ongoing or completed programs that supported primary and secondary education in Afghanistan. Part of this funding was for the construction and rehabilitation of educational facilities. Our previous reports did not include information on funds allocated to specific construction or rehabilitation of individual facilities.

²¹ SIGAR, *Alert Letter: Structural Damage at Educational Facility S145A*, SIGAR 16-38-SP, May 19, 2016.

that were four to five times higher than the \$2 million limit it budgeted. At the time of our assessment, none of the towers were in use.²²

Of the \$617.3 million in capital assets we determined were unused or abandoned, all but two were complete at the time we issued our reports.²³ The remaining two were partially completed. Specifically:

- DOD spent \$3.7 million to construct a camp near the Turkmenistan border for the Afghan National Army (ANA). Despite being partially ready for use at the time of our assessment, it remained unused with all essential areas—such as the administration building, latrines, and firing ranges—empty. A DOD official said the camp was not used because it lacked a dining facility.²⁴
- State spent \$3.6 million on three mobile television production trucks to support various Afghan television networks. The vehicles arrived 2 years after State procured the trucks, and one was damaged in transit to Afghanistan. When we issued our reports, we found that all three trucks were covered with tarps, indicating that the two functional trucks had not been used for any purpose.²⁵

Our Prior Reports Found that Capital Assets Costing \$580.7 Million Were Used, but Not as Intended

We found that \$580.7 million in assets were in use but not for their intended purposes.²⁶ DOD, State, and USAID each procured at least one capital asset that the beneficiary subsequently used for a different purpose than for which it was originally designed. For example:

- DOD spent \$14.7 million to construct a warehouse facility at Kandahar Airfield for the Defense Logistics Agency, which never used it. A Kandahar Airfield command unit took custody of the facility from the Defense Logistics Agency, and DOD officials said the warehouse remained empty most of the time. A DOD contractor used the facility for a short period as office space. When we inspected it, we observed a small number of generators, tables, and file cabinets in storage.²⁷
- USAID spent \$335 million to construct the diesel-fired Tarakhil Power Plant in Kabul. Although the plant was designed to operate continuously, the Afghan government used it sporadically, averaging less than 1 percent of its installed capacity most of the year we examined in our report (2014–2015). USAID's Office of Inspector General reported that "operating on an intermittent—rather than continuous—basis has resulted in more frequent starts and stops, which place greater wear and tear on the engines and electrical components."²⁸ We reported that the Afghan government operated the

²² SIGAR, *Inquiry Letter: Communication Towers*, SIGAR 14-37-SP, February 25, 2014.

²³ In a third case, we found that an e-payment system for collecting customs revenues was not being used at the pilot locations where USAID had implemented it. However, our report did not disclose the system's cost. SIGAR, *USAID's Afghan Trade and Revenue: Program Has Failed to Achieve Implementation of Goals for Implementation of E-Payment System to Collect Customs Revenues*, SIGAR 17-61-SP, April 17, 2017.

²⁴ SIGAR, *Camp Monitor: Most Construction Appears to Have Met Contract Requirements, But It is Unclear if Facility Is Being Used as Intended*, SIGAR 14-41-IP, March 12, 2014.

²⁵ SIGAR, *Inquiry Letter: Communication Trucks*, SIGAR 15-09-SP, October 15, 2014.

²⁶ In all but one case, the assets that were used but not as intended were complete when we issued our reports. The one exception was Pol-i-Charkhi Prison, which the Afghan government continued to misuse while a State renovation project was ongoing. For this project, State awarded a \$18.5 million contract to reconfigure large, undivided prisoner holding areas into smaller minimum-, medium-, and maximum-security cells, and perform other facilities upgrades. However, we found severe overcrowding during construction with inmates living in the hallways (see SIGAR, *Pol-i-Charkhi Prison: Renovation Work Remains Incomplete More than 7 Years after the Project Began*, SIGAR 17-46-IP, June 7, 2017). Elsewhere, we also found that the partially implemented electronic Case Management System was being used only in seven Afghan provinces, rather than nationally as originally intended. However, our report did not say how much State spent on this system. SIGAR, *Support for Afghanistan's Justice Sector: State Department Programs Need Better Management and Stronger Oversight*, SIGAR 14-26-AR, January 24, 2014.

²⁷ SIGAR, *\$14.7 Million Warehouse Facility at Kandahar Airfield: Construction Delay Prevent the Facility from Being Used as Intended*, SIGAR 15-74-IP, July 15, 2015.

²⁸ USAID Office of Inspector General, *Review of Sustainability of Operations at Afghanistan's Tarakhil Power Plant*, F-306-14-002-S, June 19, 2014.

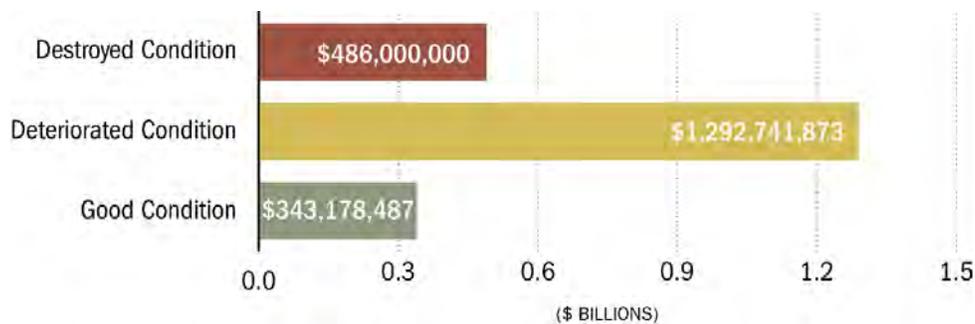
plant at full capacity only during emergencies because fueling it continuously would cost an estimated \$245 million per year, far more than it could afford.²⁹

- State spent \$873,017 to construct a girls’ hostel building at Sheikh Zayed University that we found in poor condition, with standing water from a leaking roof and damage to doors and walls. Although the building appeared to be in use and had staff on-site, the rooms lacked bedding and furniture, indicating that it was not being used as a hostel.³⁰

Our Prior Reports Found that 84 Percent of Capital Assets with Known Condition Had Deteriorated or Were Destroyed

Of the nearly \$7.8 billion in capital assets we reviewed, our prior reports examined the condition of about \$2.1 billion of those assets. Of that \$2.1 billion in assets we found that only \$343.2 million worth were maintained in good condition, whereas assets worth nearly \$1.3 billion had deteriorated and \$486 million had been destroyed. As noted above, examples of deterioration we observed ranged from broken or missing windows to structural damage. Our prior reports did not discuss the condition of assets costing about \$5.6 billion, and two assets costing nearly \$14 million could not physically deteriorate or be destroyed because they were computer software. Figure 5 summarizes our conclusions about capital asset condition.

Figure 5 - Condition of Capital Assets as Reported in Prior SIGAR Reports



Source: SIGAR audits, inspections, evaluations, and special projects (January 2009–September 2019).

Note: For assets costing \$5.6 billion, our prior reports did not discuss condition, and two assets costing \$14 million could not physically deteriorate or be destroyed because they were computer software.

Our Prior Reports Found that Capital Assets Costing \$343.2 Million Were Maintained in Good Condition

Our prior reports found that \$343.2 million in U.S.-funded capital assets were maintained in good condition by the intended beneficiaries. DOD, State, and USAID each procured at least one capital asset that remained in good condition at the time we issued our reports. For example:

- DOD spent \$4.5 million to build and equip a glass manufacturing plant and accompanying power plant for a private company as a part of a planned industrial park in Balkh Province. We found that a private company had maintained both facilities in good condition.³¹

²⁹ SIGAR, *Inquiry Letter: Tarakhil Power Plant*, SIGAR 15-65-SP, June 19, 2015; and SIGAR, *Review: Tarakhil Power Plant*, SIGAR 15-80-SP, August 7, 2015.

³⁰ SIGAR, *Good Performers Initiative: Status of Seven Completed Projects in Khost Province, Afghanistan*, SIGAR 17-37-SP, April 18, 2017.

³¹ SIGAR, *DOD Task Force for Business and Stability Operations: \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, January 4, 2018.

- USAID spent \$7.7 million to construct the Gorimar Industrial Park in Balkh Province. When we visited the park in May 2014, we found that USAID had completed construction of all major infrastructure components and there were no significant issues. As part of this project, USAID funded the installation of power generators and an electrical distribution system. Although this equipment appeared to be in good condition, the official responsible for the industrial park said his agency did not have the necessary funds to purchase fuel for the generators.³²
- State spent \$1.3 million to construct an irrigation system in Ghazni Province. At the time of our site visit, this system appeared structurally sound and in generally good condition. However, the Afghan official responsible for the system's maintenance said the Afghan government did not provide a maintenance budget, and he had no funds to perform necessary repairs moving forward.³³

Our Prior Reports Found that Capital Assets Costing Nearly \$1.3 Billion Had Deteriorated and Assets Costing \$486 Million Were Destroyed

Our prior reports found that nearly \$1.3 billion in U.S.-funded capital assets had deteriorated beyond reasonable wear and tear. DOD, State, and USAID each procured at least one capital asset that later deteriorated this way. For example:

- DOD spent \$59.7 million to construct Northern Electric Power System Phase III transmission lines and substations. However, we found honeycombed concrete and exposed rebar in transmission tower foundations, which reflected poor workmanship and raised concerns about the foundations' structural integrity.³⁴
- USAID spent \$175.7 million to build a 101-km road between Gardez and Khost Provinces. However, we found that five segments were destroyed and portions of two other segments had washed away, even though USAID had finished building the road within a month of our inspection.³⁵
- State spent \$8.2 million to construct two women's dormitories and a cafeteria at Balkh University, but because of poor workmanship, many deficiencies surfaced and contributed to deterioration. For example, we found cracked plaster, peeling paint, and mold when we inspected the facility less than a year after its completion.³⁶

In addition to the almost \$1.3 billion in deteriorated capital assets, we reported as much as \$486 million in destroyed capital assets. Specifically, 16 of 20 G222 military transport airplanes, which DOD procured for the ANA for \$486 million, were disposed of by DOD and reportedly sold for scrap metal, totaling just \$40,257.³⁷ (See photo 1.) DOD moved the other four airplanes to Ramstein Air Base in Germany.³⁸ In a January 21, 2015, letter to us, DOD stated that it would "consider plans for the remaining four aircraft and associated items

³² SIGAR, *Gorimar Industrial Park: Lack of Electricity and Water Have Left This \$7.7 Million U.S.-funded Industrial Park Underutilized by Afghan Businesses*, SIGAR 15-30-IP, January 27, 2015.

³³ SIGAR, *Good Performers Initiative*, SIGAR 17-26-SP.

³⁴ SIGAR, *Afghanistan's North East Power System Phase III: USACE's Mismanagement Resulted in a System that Is Not Permanently Connected to a Power Source, Has Not Been Fully Tested, and May Not Be Safe to Operate*, SIGAR 18-37-IP, March 30, 2018.

³⁵ SIGAR, *Afghanistan's Road Infrastructure: Sustainment Challenges and Lack of Repairs Put U.S. Investment at Risk*, SIGAR 17-11-AR, October 27, 2016.

³⁶ SIGAR, *Balkh University Women's Dormitories: Completion is More than 2 Years Behind Schedule, and Construction and Design Deficiencies Need to be Addressed*, SIGAR 17-41-IP, April 25, 2017.

³⁷ A DOD official said DOD terminated the G222 program in late 2020 following discussions with the Afghan government, the Italian government, and U.S. Congress. According to this official, DOD informed congressional defense committees of issues surrounding the program as early as 2012, and the committees sought to dispose of the aircraft. In the National Defense Authorization Act for FY 2014, Congress gave DOD the authority to dispose of materials procured with Afghanistan Security Force Fund money without needing to transfer ownership to the Afghan government (see Pub. L. No. 113-66, § 1531(d)). The official said DOD disposed of the G222 aircraft after confirming that no one else wanted them.

³⁸ SIGAR, *Inquiry Letter: Scrapping of G222 Fleet at Kabul Airport*, SIGAR 15-02-SP, October 3, 2014.

located in Germany consistent with existing disposition procedures, including screening for outside interest.” The four airplanes remained at Ramstein as of June 2020.

Photo 1 - G222 Military Transport Airplanes Before and After Being Scrapped, August 2014



Source: SIGAR, Inquiry Letter: Scrapping of G222 Fleet at Kabul Airport, SIGAR 15-02-SP, October 3, 2014.

Left: G222 fleet in Kabul, Afghanistan August 2014.

Right: G222 shredded scrap Kabul, Afghanistan August 2014.

FOLLOW-UP INSPECTIONS OF 60 U.S.-FUNDED CAPITAL ASSETS SHOWED THAT 37 WERE USED AS INTENDED AND 50 HAD FALLEN INTO DISREPAIR

Among the U.S.-funded capital assets that we previously evaluated, 486 were structures, stationary equipment, or facilities. From these 486 assets, we selected a judgmental, stratified sample of 60—costing a total of \$792.1 million to construct—for follow-up inspections to collect more current data about use, condition, and ownership.³⁹ We found that 37 of the 60 capital assets we inspected (62 percent) were being used as intended. However, we also found that 50 capital assets had either deteriorated or continued to deteriorate since we last assessed them; 1 asset was destroyed. As noted earlier, examples of deterioration we observed ranged from broken or missing windows to structural damage. Although our follow-up inspections found that most assets were being used as intended, when evaluated by cost, we found that \$723.8 million (or 91 percent of the total costs of all 60 assets in our sample) went toward assets that were unused or abandoned, were not used as intended, had deteriorated, were destroyed, or some combination of the above.⁴⁰ Appendices II, III, IV, and V summarize the results of our follow-up inspections for the capital assets in our sample that DOD, USAID, State, and OPIC funded, respectively.

37 of the 60 Capital Assets We Inspected Were Being Used as Intended

Of the 60 capital assets we inspected, we found that 37 were being used for their intended purposes, 10 were used but not for their intended purposes, 9 were unused or abandoned, 3 were still under construction and not yet ready for use, and the status of 1 is classified. Furthermore, we observed limited change in use among the 42 capital assets, out of the 60 that we inspected that were ready for use at the time of our last assessment.

³⁹ Due to resource constraints, we limited our sample to structures, stationary equipment, and facilities. According to Lexico.com, “A stratified sample is a sample that is drawn from a number of separate strata of the population, rather than at random from the whole population, in order that it should be representative.”

⁴⁰ We were unable to visit 3 of the 60 assets in our sample. We could not visit the Kabul Grand Residences and Kabul Hotel because the U.S. Embassy Kabul condemned the buildings. However, we interviewed the responsible U.S. official to learn about the status of those facilities. We also could not visit the DOD-funded command and control facility at Camp Leatherneck in Helmand Province because of security concerns. Instead, we performed a geospatial analysis of traffic patterns around the building to evaluate its use. The results of that analysis are classified.

Generally, if our previous report found that an asset was being used as intended when we issued the report, then we found that it was still being used as intended during our follow-up inspection. Similarly, if an asset was previously unused or not being used as intended, it was generally still unused or not being used as intended.

However, we observed one asset that had been abandoned after our previous report found it in use as intended: the \$1.6 million Khost City Electrical Power System that DOD funded. We also observed two previously abandoned assets that were now being used as intended: a \$2 million raisin processing plant in Kandahar and a \$194,572 clinic in a village near Kabul, both funded by DOD. Additionally, some assets either started or stopped being used for unintended purposes. We found two DOD-funded assets—a \$14.7 million warehouse facility at Kandahar Airfield and an \$11 million counter narcotics law enforcement compound—that were not being used as intended when we last reported on them, but were being used as intended during our follow-up inspections. Last, we found that the once-unused Judicial Security Compound in Kabul, a \$4.5 million DOD-funded project, was occupied, but the barracks and medical clinic buildings had been converted for administrative use, and other buildings were unusable because of deterioration.

Of the 16 capital assets that were previously incomplete and unused during our last assessment, only 3 remained so at the time of our follow-up inspections. These were the \$57.8 million Kabul Hotel and the \$27 million Kabul Grand Residences, both OPIC-funded, and the State-funded \$8.2 million Balkh University women's dormitories.⁴¹ Among the 16 assets that were previously incomplete, we found 3 assets, valued at a total of \$93 million, remained incomplete and unused; 9 assets, valued at \$61.2 million, were being used as intended; 2 assets, valued at \$1.4 million, were being used but not as intended; and 2 assets, valued at \$2.5 million, were unused or abandoned. Further, we could not determine the usage of 7 other assets from our prior reports; at the time of our follow-up inspections, 6 of the undetermined use assets, valued at \$23.2 million, were being used as intended, and 1 asset, valued at \$89,250, was not being used because it was destroyed.

Of the 60 Capital Assets We Inspected, 51 of Them, Valued at Approximately \$718 Million, Had Deteriorated Since Our Last Inspection

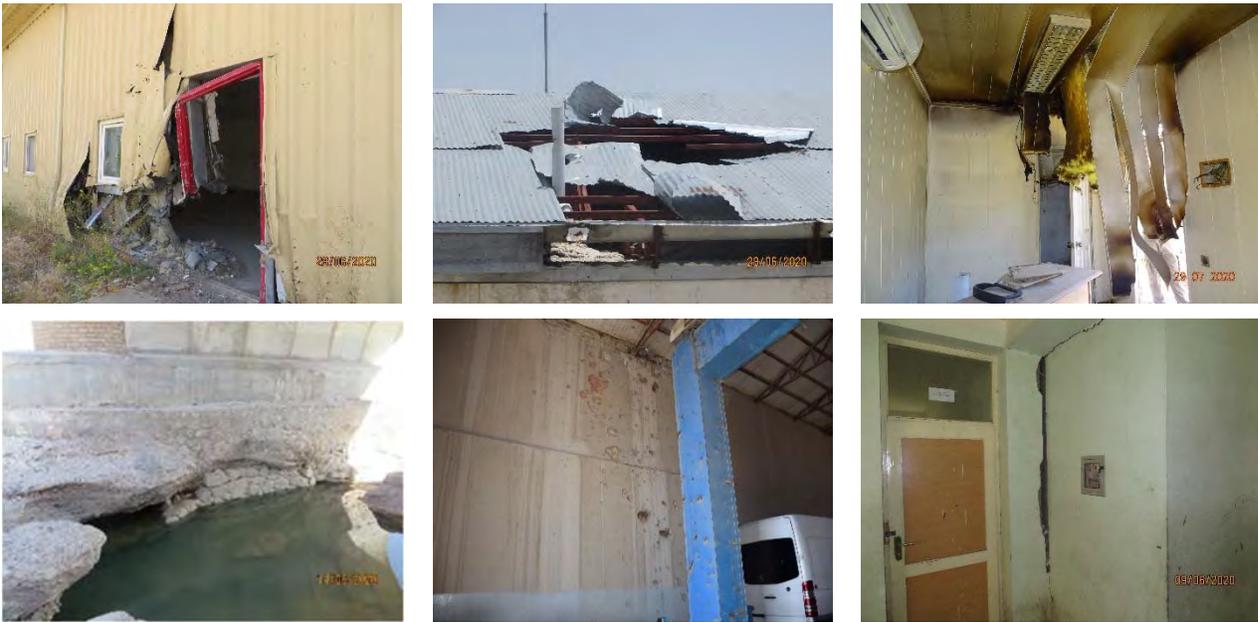
Our follow-up inspections found that 51 capital assets, valued at approximately \$718 million in total, had deteriorated, further deteriorated, or been destroyed. Among the 20 assets that we previously evaluated as being in good condition, 3 assets, valued at \$10.3 million, remained in good condition; and 17 assets, valued at \$24.1 million, had deteriorated. Among the 20 assets that we previously evaluated as deteriorated, only 2, valued at \$15.5 million, improved into good condition; 16 assets, valued at \$273.6 million, were still deteriorated; 1 asset, valued at \$89,250, was destroyed, and 1 asset, valued at \$36 million, is classified. Among the 20 assets whose conditions were unknown in our prior assessments, we found that 4 assets, valued at \$24 million, were in good condition; and 16 assets, valued at \$410.5 million, had deteriorated.

⁴¹ We conducted our follow-up inspection of the Balkh University women's dormitories on March 18, 2020. According to the U.S. Embassy Kabul Public Affairs Section, as of July 1, 2020, construction work was completed on the dormitories and State turned them over to the Afghan Ministry of Higher Education.

Structural Damage Was Common Among Deteriorated Capital Assets

We repeatedly observed the same types of damage in multiple follow-up inspections, including major structural damage. At 34 sites we visited, we found structural damage in interior walls, ceilings, and floors; and at 37 sites, we saw this damage in exterior walls, siding, and roofs (see photo 2). We observed some of the worst structural damage at the National Police Training Center in Wardak Province, which DOD constructed at a cost of \$98.2 million, and the Khogyani Border Police Facility, which DOD constructed at a cost of \$4.8 million. Both facilities suffered damage from warfighting. In another case, we found that the RapiScan Eagle G6000 vehicle scanner at the Torkham Border Crossing, which DOD procured for \$2.8 million, was rendered inoperable by gunfire and explosions during a skirmish with Pakistani border forces.

Photo 2 - Structural Damage Observed During Follow-up Inspections



Source: SIGAR, March–June 2020

Clockwise from top left:

1. Collapsed wall and broken doorframe at the National Police Training Center in Wardak Province.
2. Torn corrugated metal roof panels at the Khogyani Border Police Facility.
3. Burned-out building at the Major Crimes Task Force facilities in Camp Falcon.
4. Fissure in wall at the Sheikh Attar Higher Secondary School.
5. Holes in the Torkham Border Crossing RapiScan Eagle G6000 scanner and nearby wall due to gunfire and explosions.
6. Exposed stonemasonry supporting the Tojg Bridge will accelerate future erosion, and lead to tilting, settling, or both.

In addition to structural damage, some of the most common problems we found were broken doors, windows, door or window frames, and door or window hardware (see photo 3). At 37 sites, we found at least one door or window that was damaged or missing hardware. We also found water damage around windowsills, indicating that the window seals had deteriorated and had not been maintained. In many cases, we found that the Afghan owners had removed broken doors and hardware without replacing them. However, in some cases, the owners appear to have improvised replacements from scrap metal.

Photo 3 - Broken Doors, Windows, Screens, and Hardware Observed During Follow-up Inspections



Source: SIGAR, April–June 2020

Clockwise from top left:

1. Missing door hardware and improvised handle at the men's dormitory at Kabul University.
 2. Broken doorframe and missing strike plate at the Mullah Toor School.
 3. Broken automatic door closer at Khair Khot Hospital.
 4. Water damage near windowsill at the Deh Selah High School for Girls indicating a broken window seal.
 5. Broken window screens at the Sheikh Attar Higher Secondary School.
 6. Broken windowpane at Bagrami Industrial Park.
-

We found broken or missing lights and other electrical fixtures at 33 sites (see photo 4). In many cases, the Afghan owners had removed and not replaced these fixtures. At one site, the Kandahar Raisin Processing Facility, a company representative said because the facility operated only during daytime and had enough natural light, the company elected not to replace light bulbs that had stopped functioning. At other sites, such as Pol-i-Charkhi Prison and the ANP Main Road Security Company, we found that Afghans had improvised haphazard solutions for broken electrical fixtures, creating a potential risk of electrocution or electrical fire. At one abandoned site, the Alingar Community Agriculture Storage Facility, electrical fixtures and wires appear to have been ripped from the walls.

Photo 4 - Broken or Missing Electrical Fixtures Observed During Follow-up Inspections



Source: SIGAR, May–July 2020

Left to Right:

1. Electrical fixtures ripped from the walls at the Alingar Community Agriculture Storage Facility.
2. Improvised wiring at Pol-i-Charkhi Prison.
3. Improvised light fixture at the ANP Main Road Security Company.

We also found water damage, mildew, and mold at 23 sites (see photo 5). In addition, we found peeling paint (17 sites); broken or missing appliances and heavy machinery (28 sites); broken or leaky pipes, damaged bathroom fixtures, and/or blocked drains (21 sites); asphalt surfaces that had deteriorated into gravel (7 sites); and damaged downspouts and gutters (7 sites).

Photo 5 - Water Damage, Mildew, and Mold Observed During Follow-up Inspections



Source: SIGAR, March–May 2020

Left to Right:

1. Water damage on bathroom tile due to blocked drain in Baghlan Provincial Conference Hall.
2. Water damage due to poor maintenance of gutters at Gardez Hospital.
3. Mildew or mold at Mullah Toor School.

As part of our sample, we selected two road projects for follow-up inspection and found both had deteriorated. During one of these inspections, we encountered a road segment that had washed away because of flooding, requiring our inspection team to drive over a riverbed to proceed (see photo 6).

Photo 6 - Washed Away Segment of Shamakat Road



Source: SIGAR, May 2020

BENEFICIARIES UNABLE OR UNWILLING TO USE OR MAINTAIN CAPITAL ASSETS WERE THE MOST COMMON REASONS FOR MISUSE AND DETERIORATION

U.S. agencies providing assistance to Afghanistan are generally required to demonstrate that beneficiaries can use and maintain a capital asset before initiating a capital assistance project. The Foreign Assistance Act of 1961 requires agencies to certify that foreign beneficiaries are capable of using and maintaining U.S.-funded capital assets provided at a cost of more than \$1 million, and the National Defense Authorization Act for Fiscal Year 2013 further requires DOD, USAID, and State to assess whether beneficiaries have requested or expressed a need for these projects.

Nonetheless, more than 30 percent of the costs for capital assets we reviewed in our prior reports and 91 percent of the costs in our follow-up inspection sample went toward capital assets that were unused or abandoned, were not used for their intended purposes, had deteriorated, or were destroyed. Although the reasons for these conditions were unique to each capital assistance project, we identified several problems that led to capital assets not being used for their intended purposes, deteriorating, or being destroyed. The most common reason for Afghan beneficiaries not using or maintaining a capital asset was because they lacked the resources or capabilities to do so.

The Most Common Reason Capital Assets Were Unused, Abandoned, or Not Used as Intended Was that Beneficiaries Lacked Resources or Capabilities

We reviewed the most common reasons leading to a capital asset's lack of use or misuse. First, we reviewed all U.S.-funded capital assets in our prior reports, and then we performed another review of the 60 follow-up inspections. Table 1 shows the five most common reasons capital assets were unused, abandoned, or not used as intended. These top five reasons were the same in both our review of prior reports and our follow-up inspections. The most common reason a capital asset was unused, abandoned, or not used as intended was that the beneficiary lacked the resources or capabilities to use the asset as intended.

Table 1 - Five Most Common Reasons Capital Assets Were Unused, Abandoned, or Not Used as Intended

Issue	Number of Times SIGAR Found Issue ^a		Value of Capital Assets Affected ^a	
	Reports	Follow-Up Inspections	Reports	Follow-Up Inspections
1. The beneficiary lacked the resources or capabilities to use the asset as intended.	30	13	\$417,057,279	\$34,797,167
2. Deterioration or destruction prevented the capital asset from being used as intended.	17	8	\$523,614,984	\$24,589,048
3. The capital asset was not desired by the beneficiary or lacked desired features.	17	6	\$113,999,680	\$21,476,395
4. The U.S. agency did not ensure that the asset was constructed according to contract requirements, did not complete it in a timely fashion, or did not transfer it to a final user in a usable state.	15	3	\$94,167,516	\$7,897,929
5. Local demand was limited for the capital asset, or local demand exceeded its capacity.	9	3	\$493,600,000	\$353,623,700

Source: SIGAR audits, inspections, evaluations, and special projects (January 2009–September 2019), and follow-up inspections (February–July 2020).

^a Some capital assets were affected by overlapping problems.

In 30 cases in our prior reports and 13 additional cases in our follow-up inspections, capital assets were unused, abandoned, or not used as intended because the beneficiaries lacked the necessary resources or capabilities to properly use them. Afghan government officials said they lacked money, personnel, and electricity to operate some capital assets as intended. In some cases, this resulted from the Afghan government’s inability to afford the required resources, and in other cases, it resulted from the Afghan government’s inability to provide them.

For example, the Afghan government ran the Tarakhil Power Plant, a \$335 million facility, seasonally or in emergency situations and at a fraction of its full capacity because the Afghan agency responsible for its operation could not afford the \$245 million it would cost annually to buy diesel fuel to keep it running full-time. In another example, DOD built a \$598,000 hospital in Parwan Province designed to employ 150 people. However, during our April 2020 site visit, we found that the hospital only employed 28 people and did not receive enough electricity to operate at full capacity. In another example, the independently owned Jade Glass Factory could not operate as intended because the Afghan government would not supply the natural gas needed for the manufacturing process.

We also found that an asset’s poor condition commonly prevented the beneficiary from using it as intended. In 17 cases in our prior reports and 8 additional cases in our follow-up inspections, a capital asset was destroyed or had deteriorated past the point of usability. For example, we found that the ANA had never used the 20 G222 transport aircraft that DOD procured for \$486 million, and the aircraft deteriorated because of “extensive cannibalization actions,” lack of maintenance, modifications to the aircraft that increased their risk

of breaking down, and lack of storage space.⁴² DOD reportedly sold most of these aircraft for scrap metal and received \$40,257 from a local construction company.⁴³ In another example, a USAID-funded school in Herat Province could not be used because it had numerous structural and electrical issues. The school's general manager said, "The building constructed by the USAID is in the [sic] very poor physical condition and unusable. If this building is not repaired, it would completely collapse."⁴⁴

We identified 17 cases in our review of prior reports and 6 additional cases in our follow-up inspections when beneficiaries did not use a capital asset because they never wanted it or wanted features that the asset did not have. For example, in March 2020, an Afghan official said the local government never wanted and could not afford to operate the generators DOD repaired and installed at the Mehtar Lam diesel power plant in Laghman Province for \$123,700. As a result, the Afghan government moved some of the generators to other provinces and repurposed the building to use as a welding shop and storage facility. In another example from March 2020, we found that the provincial government had stopped using the \$1.3 million Center of Excellence in Laghman Province as a school, as DOD had originally intended, and used it as a guesthouse instead.⁴⁵ In a third example, in June 2020, we found that the private company that owned the Cashmere Goat Farm and Laboratory in Herat Province had abandoned it, citing insufficient facilities for the laboratory and livestock, and moved the farm's assets to the Guzarah district and the laboratory's assets to Herat City. DOD built, equipped, and provided training for staff at the original farm and laboratory facilities for \$2.3 million.

Another 15 capital assets in our review of prior reports and 3 additional assets in our follow-up inspections were unused, abandoned, or not used as intended because the responsible U.S. agency did not ensure that construction met contract requirements, did not complete them in a timely fashion, or did not transfer them to the final user in a usable state. For example, DOD funded the \$22.5 million construction of two tank truck offload facilities at Forward Operating Bases Sharana and Shank. The facility at Sharana was never used because of equipment problems, and the U.S. military bulldozed it when coalition forces left in October 2013.⁴⁶ In another case, the \$36 million DOD-funded command and control building in Helmand Province was originally intended to be used by coalition personnel during the troop surge between 2009 and 2012, but the contractor did not finish construction until after the surge was over, and DOD never used the facility. Information related to the facility's current usage is classified.

In other cases, Afghan officials could not operate a capital asset because they lacked access information or it was transferred in an inoperable condition. For example, in June 2020, Afghan officials said the \$5.6 million solid waste incinerators at Forward Operating Base Sharana were not working when DOD transferred them to the Afghan government, and the officials did not know how to make the incinerators operable.

We found 9 cases in our review of prior reports and 3 additional instances in our follow-up inspections of a capital asset not being used as intended because of mismatches between demand and supply. For example, we found that Pol-i-Charkhi Prison in Kabul, which State partially renovated at a cost of \$18.5 million, did not have enough supply of prison cells to meet the demand of the prisoner population. The prison was designed to accommodate 5,000 prisoners. However, during our initial inspections in 2016, we found that the prison housed between 9,500 and 10,000 prisoners, with many living in hallways; in June 2020, we found there were still more than 6,700 prisoners at Pol-i-Charkhi. In another example, we found that USAID spent \$7.7 million on an industrial park in Balkh Province that was designed to accommodate up to 22 businesses. However, as of April 2020, the park housed eight businesses.

⁴² DOD, "Department of Defense Response to Questions from the Special Inspector General for Afghanistan Reconstruction on Disposal of G222 Aircraft," January 21, 2015.

⁴³ DOD, "Department of Defense Response...", 2015.

⁴⁴ SIGAR, Alert Letter: Structural Damage..., SIGAR 16-38-SP.

⁴⁵ It is not clear when or why the Laghman provincial government changed the Center of Excellence from a school to a guest house.

⁴⁶ SIGAR, *Referral Letter: Tank Truck Offload Facilities*, SIGAR 15-35-SP, February 19, 2015.

Further, in many cases, we found multiple causes contributed to an asset’s abandonment or misuse. For example, in May 2020, an Afghan government official said the local community was disinclined to use a \$771,463, DOD-constructed community agriculture storage facility in Laghman Province because the local community could not determine who actually owned it. Furthermore, the Afghan government never made anyone responsible for operating the facility or gave the local community the resources to do so, contributing to its continued lack of use. In another example, the \$1.6 million Khost City Electrical Power System, which was in use when we last reported in July 2009, was abandoned when we inspected it in May 2020. In May 2020, an Afghan official said the power system’s generators were damaged after DOD transferred the generators to the Afghan government, and although the agency responsible for operating and maintaining these generators tried to fix and maintain them, ultimately the Afghan government did not give the agency the resources it needed to do so.

The Most Common Reason Capital Assets Deteriorated Was that Beneficiaries Lacked the Resources or Capabilities Needed to Maintain Them

We analyzed the most common reasons leading to a capital asset’s deterioration or destruction by reviewing all U.S.-funded capital assets in our prior reports and then reviewing the 60 follow-up inspections. Table 2 lists the three most common issues based on our prior reports. The most common reason for the deterioration of a capital asset was that the beneficiary lacked the resources or capabilities to maintain the asset.

Table 2 - Three Most Common Reasons Capital Assets Deteriorated Based on SIGAR’s Prior Reports

Issue	Number of Times SIGAR Found Issue ^a	Value of Capital Assets Affected ^a
1. The beneficiary lacked the resources or capabilities to maintain the asset.	47	\$521,816,810
2. The U.S. agency did not ensure that the asset was constructed according to contract requirements.	44	\$655,463,182
3. The asset was damaged by forces outside the beneficiary’s control, such as war, theft, blackout or power surges, fire, earthquake, or flood.	12	\$25,602,141

Source: SIGAR audits, inspections, evaluations, and special projects (January 2009–September 2019).

^a Some capital assets were affected by multiple overlapping problems.

In our 60 follow-up inspections, we again found that the most common reason for capital asset deterioration was that the beneficiary lacked the resources or capabilities to maintain the asset. However, the Afghan beneficiaries we interviewed during these inspections more often blamed the deterioration on outside forces, such as war, theft, blackouts or power surges, fire, earthquakes, and floods, than they blamed U.S. agencies for not building assets according to contract requirements. Table 3 lists the three most common issues leading to a capital asset’s deterioration or destruction based on our 60 follow-up inspections.

Table 3 - Three Most Common Reasons Capital Assets Deteriorated Based on Follow-up Inspections

Issue	Number of Times SIGAR Found Issue ^a	Value of Capital Assets Affected ^a
1. The beneficiary lacked the resources or capabilities to maintain the asset.	41	\$600,125,486
2. The asset was damaged by forces outside the beneficiary's control, such as war, theft, blackouts or power surges, fire, earthquake, or flood.	17	\$151,784,423
3. The U.S. agency did not ensure that the asset was constructed according to contract requirements.	11	\$115,905,657

Source: SIGAR follow-up inspections (February–July 2020).

^a Some capital assets were affected by multiple overlapping problems.

The most common reason capital assets deteriorated—occurring 47 times in our review of prior reports and 41 times in our follow-up inspections—was that the beneficiaries, usually the Afghan government, lacked the resources or capabilities to maintain them. For example, we found that the plant cooling system and fire alarm system at the \$335 million USAID-funded Tarakhil Power Plant were not operational, and Afghan officials said the experts who could fix them were not available in Afghanistan. The officials said they hired a company from outside the country to repair these systems, but the company did not repair them properly. In another example, DOD funded a \$1.3 million project to install two micro-hydroelectric generators and an interconnected power grid in the villages of Tira Koh and Shah Delir.⁴⁷ Although the local communities used the generators, one of the four turbines that power the generators was broken. A local official said the community lacked both the expertise and resources to repair or replace it, resulting in low voltage and poor electrical output for the connected village.

The second most common reason for deterioration among the capital assets in our review of prior reports, occurring in 44 cases, and the third most common reason in our follow-up inspections, occurring in 11 cases, was that they were poorly constructed. For example, Afghan government officials and hospital staff cited poor construction as the reason for much of the deterioration we found in the exterior of a \$3.5 million hospital building in Paktika Province. This deterioration included crumbled concrete in the building's exterior walls, missing tiles near the foundation, and deteriorating asphalt in the hospital's driveway and parking area. In another example, USAID constructed the \$5.2 million Bagrami Industrial Park without drainage canals, leading wastewater to flow out of the buildings and directly onto the road.

In some cases, we found the structural integrity of capital assets to be at risk because of poor construction combined with further deterioration. In two cases, the \$84.8 million OPIC-funded Kabul Hotel and Kabul Grand Residences, the contractor performed so inadequately that the buildings were never completed and then deteriorated further because the incomplete exteriors left the interior walls exposed to the elements. The U.S. Embassy Kabul, which controls access to these buildings, stated that it condemned them.

We found 12 instances in our review of prior reports and 17 instances in our follow-up inspections of capital assets being damaged by forces outside of the beneficiary's control. Common sources of damage and destruction were bullets and rockets fired by insurgent groups, the Afghan military, and in one case, the Pakistani military. For example, in the summer 2017, the Taliban attacked the area surrounding a \$576,504 State-funded stadium in Baghlan Province. The ANP used the facility as cover when fighting the insurgents, and the facility was damaged in the ensuing battle. Additionally, the \$1.7 million ANP Main Road Security Company

⁴⁷ DOD terminated its contract to install these micro-hydroelectric generators and the interconnected power grid. However, the contractor later returned and finished the project at its own expense.

compound in Kunduz, built with DOD funds, was also attacked multiple times by the Taliban and ultimately abandoned because of damage.

Natural disasters, such as flooding, fires, and earthquakes, were another source of damage and destruction of capital assets. For example, we informed DOD that the \$89,250 Alisheng Oluswali Footbridge was already damaged by flooding when we first inspected it in September 2010. When we visited the site in May 2020, we found that the bridge had completely washed away. In some cases, we observed that damage could have been prevented if the capital asset had been better designed. For example, Afghan officials said that when USAID was building a \$7.7 million industrial park in Balkh Province, it located equipment underground or too low to the ground and did not properly build drainage canals, even though the area was a well-known flood zone. The officials said they do not have the resources to constantly repair the water damage to the industrial park's structures and equipment.

CONCLUSION

The U.S. investment in helping reconstruct Afghanistan has had some notable successes. However, far too often, U.S. agencies—primarily DOD, USAID, and State—have built schools, prisons, hospitals, roads, bridges, and Afghan military facilities that have been unused or abandoned; have been used but not as intended; have deteriorated; or have been destroyed. Most of these conditions are directly related to these agencies not considering whether the Afghans wanted or needed the facilities, or whether the Afghan government had the financial ability and technical means to sustain them.

Since SIGAR's inception in 2008, our reports have shown a clear pattern of nonuse, misuse, deterioration, or destruction of many capital assets that the U.S. government has provided to the Afghan government. The fact that so many capital assets ended up this way should have been a cause for major concern on the part of U.S. agencies funding capital assistance projects in Afghanistan. Nonetheless, the agencies continued with a "business as usual" approach with their reconstruction efforts in Afghanistan, resulting in at least \$2.4 billion in U.S. taxpayer funds being wasted on capital assets. Because we have not inspected all U.S.-funded capital asset projects in Afghanistan, the actual amount of waste is almost certainly higher. Further, this has occurred despite multiple laws stating that U.S. agencies should not construct or procure capital assets until they can show that the benefiting country has the financial and technical resources, and capability to use and maintain those assets effectively.

Many of our previous reports included recommendations to DOD, State, or USAID that directed some action related to the use or deterioration of some of the capital assets discussed in this report, and we are not repeating those recommendations here. Instead, given the systemic issues we identified across the whole of government related to the procurement of capital assets in Afghanistan, we identified one matter that Congress may wish to consider to help ensure that U.S.-funded capital assets in Afghanistan are used as intended and maintained.

MATTER FOR CONGRESSIONAL CONSIDERATION

To help ensure that U.S.-funded capital assets in Afghanistan are used as intended and maintained, Congress may wish to consider requiring U.S. agencies to develop, implement, and periodically update sustainment plans in coordination with the beneficiaries of future capital assistance projects. These plans should describe the operational need for the capital asset, estimate its operation and maintenance costs, and account for the beneficiary's ability to financially sustain the asset, including, when necessary, any future funding from the U.S. and Afghan governments.

AGENCY COMMENTS

We provided a draft of this report to State, DOD, and USAID for review and comment. We received written comments from State's Bureau of International Narcotics and Law Enforcement Affairs; DOD's Acting Deputy Assistant Secretary of Defense for Afghanistan, Pakistan, and Central Asia; and USAID's Afghanistan Mission Director, which are reproduced in appendices VI, VII, and VIII, respectively. We also received technical comments and incorporated them into the report as appropriate.

In its comments, State's Bureau of International Narcotics and Law Enforcement Affairs highlighted three projects that we reported on: the Counternarcotics Justice Center, projects related to State's Good Performers Initiative, and the Pol-i-Charkhi prison. State's response did not challenge our findings. Instead, the response generally highlighted that, following project completion and the expiration of any associated warranty period, the Afghan government assumes responsibility for operating and maintaining capital assets. With regard to the Counternarcotics Justice Center, State's response noted that the operation and maintenance contract was limited to core operation and maintenance areas, and that State is "focused on continuing to devolve O&M [operations and maintenance] responsibilities to CNJC [Counternarcotics Justice Center] leadership." With regard to projects related to State's Good Performers Initiative, State said that the Afghan government is "wholly liable" for projects one year after their completion date, and that State has had no involvement in any Good Performers Initiative projects since 2019. Lastly, with regard to the Pol-i-Charkhi prison, State responded that while it continues to provide training on the prison's maintenance and operation, the Afghan government is responsible for operating and maintaining the facility. State reported that budgetary constraints have limited the Afghan government's ability to respond to overcrowding at the prison; however, prisoner releases in 2020 have provided an opportunity to better manage the Pol-i-Charkhi prison.

In DOD's comments, the DOD's Acting Deputy Assistant Secretary of Defense for Afghanistan, Pakistan, and Central Asia disagreed with our conclusion that

The fact that so many capital assets ended up this way should have been a cause for major concern on the part of U.S. agencies funding capital assistance projects in Afghanistan. Nonetheless, the agencies continued with a 'business as usual' approach with their reconstruction efforts in Afghanistan, resulting in at least \$2.4 billion in U.S. taxpayer funds being wasted on capital assets.

In its response, DOD disagreed that it continued to conduct "business as usual" with regard to capital assistance projects, noting that all but one project we reviewed was constructed or acquired prior to the end of combat operations in 2014, and DOD asserted that its funding for infrastructure in Afghanistan has fallen more than 99 percent in the last decade. DOD's response also stated that it cancelled numerous projects following its own internal reviews and noted that our prior reports praised actions DOD has taken on its own initiative and in response to our reports. Specifically, DOD cited a 2016 inspection where we stated, "DOD has taken steps to improve its processes to ensure control and accountability for its reconstruction projects, including hiring more engineers and changing its guidance to improve planning and oversight." DOD noted that this report also stated, "The large percentage of recommendations closed shows that in response to SIGAR's inspection reports, DOD generally took action to improve efficiency and effectiveness in its reconstruction activities, and correct construction deficiencies." Separately, DOD cited one of our 2017 requests for information where we acknowledged, "DOD took actions to more closely align infrastructure development with project needs." DOD summarized its disagreement with our assertion that it continues to conduct "business as usual" by stating that "SIGAR reports continued to identify weaknesses and issues that needed to be examined, but these examples demonstrate DoD's efforts to improve project execution."

We appreciate the difficulty of planning and executing capital assistance projects in Afghanistan. We also appreciate that DOD has taken actions, both on its own and in response to our reports, as noted in our 2016 inspection report and 2017 request for information. However, DOD's need for continued improvement in the planning and execution in capital assistance projects has been identified both in this report, as well as other recent reports. For example, in our October 2020 report discussing the use of infrastructure DOD constructed

to support women in the ANA and ANP, we concluded, “Unless DOD establishes that the Afghan government has a need for a project and the financial means to sustain it, then building something to meet legislative requirements will not provide meaningful benefit to either the Afghan or U.S. government.”⁴⁸ In addition, while we recognize the unique challenges to working in Afghanistan and improvements made over the years, we continue to encourage DOD to better plan and execute its capital assistance projects in order to safeguard taxpayer funds.

In its comments, DOD also disagreed with our assertion that at least \$2.4 billion in taxpayer funds was wasted on projects that were unused or abandoned, were not used for their intended purposes, had deteriorated, or were destroyed. DOD noted that 20 percent of the \$2.4 billion came from the procurement and subsequent scrapping of 16 G222 transport planes, stating that these planes were disposed of after close consultation with congressional committees. While we agree that the destruction of the planes occurred in consultation with congressional committees, it still resulted in \$486 million in wasted taxpayer funds. DOD’s response also noted that we used a broad definition of deterioration throughout the report, including both major structural damage as well as damage beyond routine wear and tear. While our definition of deterioration did include a range of defects, all the defects we identified could affect the use or lifespan of capital assets.

DOD also noted that some of the projects we discussed had been built for DOD’s use, prior to transfer to the Afghan government, stating that as these projects were built for the DOD, they had served their purpose, even if they were later damaged or not used. We agree that some projects could have assisted in DOD’s mission; however, their deterioration, destruction, or misuse after handover to the Afghan government still reduced their utility toward the reconstruction of Afghanistan. DOD’s response added that it takes reports of projects being misused or unused seriously, and stated the department was working with the Afghan government to establish facility support funds to provide for continued maintenance of capital assets and to use capital projects in beneficial ways.

DOD expressed concern with some of the comments made by Afghan officials in our report. DOD noted that a preliminary draft report provided in August 2020, stated that the Khost city power system generators were damaged “when DOD transferred them to the Afghan government,” but the updated draft report provided in December 2020, stated that the generators were damaged “after DOD transferred” them. DOD stated that this change casts doubt on what the Afghan official told us, and brings into question whether the Afghan official knew the condition of the generators when they were transferred.

We provided the August 2020, draft as a regular part of our audit process to discuss potential findings and any factual concerns. Following that discussion, we re-visited our source material and updated the report for clarity and to ensure accuracy.

DOD also noted that our report cited an Afghan official who said that the local government never wanted and could not afford to operate the Mehtar Lam power plant’s diesel generators. DOD cited our January 2011 report for this same power plant, noting that Provincial Reconstruction Team members reported that the provincial governor was involved in the project and described the project as having a “generally successful outcome” at rehabilitating the existing diesel power plant. DOD concluded that the involvement of Afghan officials in 2010 raises questions about the accuracy of comments made in 2020. DOD also stated that it is unfair to the personnel who executed the project in good faith to have their work challenged by statements made in hindsight by officials who may not have been involved in the decision making process.

Our report is not intended to doubt good faith efforts of those involved in reconstruction projects. Nevertheless, our inspection in March 2020, found that the facility was not being used as a power plant, that some of the generators had reportedly been moved to other provinces, and that the facility was being used as a welding shop and storage facility. In addition, the facility was in poor condition. These facts reinforce our matter for

⁴⁸ SIGAR, *Facilities to Support Women in the Afghan Security Forces: Better Planning and Program Oversight Could Have Helped DOD Ensure Funds Contributed to Recruitment, Retention, and Integration*, SIGAR 21-04-AR, October 15, 2020.

consideration that sustainment plans should be developed in coordination with the beneficiary to ensure that projects are used as intended and maintained.

In its comments, USAID's Afghanistan Mission Director stated that USAID followed relevant guidance, including Section 1273 of the National Defense Authorization Act for Fiscal year 2013 and the applicable portions of its Automated Directives System when selecting and constructing capital assistance projects in Afghanistan. USAID also cited its Fiscal Year 2019–2023 USAID/Afghanistan Country Development Cooperation Strategy, through which it is helping to establish the conditions necessary for Afghan self-reliance by focusing on long-term and broad-based development in Afghanistan and transitioning to a more mature relationship with the Afghan government. According to USAID, this transition will include accountability for performance and enable the Afghan government to take greater ownership of its development. As a result, according to USAID, “Therefore, it would be counterproductive to the USG [U.S. government] goal of reinforcing GOA [government of Afghanistan] legitimacy and increasing Afghan self-reliance if the U.S. government were to develop and/or enforce detailed sustainment plans for completed capital projects that were handed over to the GOA for their use, operation, and maintenance.”

While we appreciate the desire to reinforce Afghan self-reliance and ownership of its development, developing detailed sustainment plans with the Afghan beneficiaries is not counter to this goal. We maintain that cooperatively developing sustainment plans prior to constructing or installing a capital asset would indeed increase the self-reliance and project ownership of the beneficiary, as they would more clearly understand what is needed and expected of them in the future and could plan accordingly.

Lastly, USAID stated in its comments that it will provide a copy of this report to the Afghan government, engage with the Afghan government on the sustainment of current and planned capital assistance projects, and strongly encourage them to take corrective actions on the USAID funded capital assistance projects highlighted in this report. We appreciate these actions, and the future efforts of USAID and the Afghan government to safeguard the U.S. taxpayers' investment.

APPENDIX I - SCOPE AND METHODOLOGY

This report provides the results of SIGAR’s evaluation of the U.S.-funded capital assets that we previously identified as unused or abandoned, not used as intended, deteriorated, or destroyed. It includes information about assets that the Department of Defense (DOD), U.S. Agency for International Development (USAID), Department of State (State), and Overseas Private Investment Corporation (OPIC) funded. We initiated this evaluation in response to a congressional request from the Chairman of the House Committee on Oversight and Reform’s Subcommittee on National Security. Our objectives were to (1) identify all U.S.-funded capital assets that we previously identified as completed, constructed, or procured but not used, not used for their intended purposes, deteriorated, or destroyed; (2) determine the status of a selection of these capital assets; and (3) evaluate whether there are common reasons for the lack of use, improper use, deterioration, or destruction of these capital assets.

For the first objective, we reviewed all of our audits, inspections, evaluations, and special projects issued between January 1, 2009, and September 1, 2019. Using the definition of “capital asset” from the Office of Management and Budget, we identified and analyzed reports that contained at least one U.S.-funded capital asset.⁴⁹ We then created a spreadsheet of standardized information about each identified asset, including the report issuance date, the primary U.S. agency responsible for funding the asset, the type of asset, the total U.S. funding contributed to the asset, whether the asset was completed at the time we issued the report, and the owner of the asset when we issued the report.⁵⁰ We recorded whether the asset was unused, abandoned, or not used as intended, and whether the asset had deteriorated or been destroyed. If any of these conditions applied, we also recorded whether the report explained why the condition existed. When our previous report lacked some of this information, we documented as much data as possible and noted the gaps. When we reviewed the same asset in multiple reports, we included only the most recent and relevant report to eliminate redundancies. We performed a secondary review of all identified capital assets to ensure the accuracy of the spreadsheet entries. Using the complete and standardized spreadsheet, we identified 199 capital assets that we previously determined were not used, not used for their intended purposes, were deteriorated, or destroyed, and summarized data on their costs and conditions.

For the second objective, we selected a judgmental, stratified sample of 65 capital assets for follow-up inspections. To arrive at this sample, we selected structures, equipment, or facilities with costs identified in reports published between January 1, 2009, and December 31, 2018. We found that 237 of the 506 assets in our spreadsheet met these criteria. We then stratified these assets into three tiers based on each asset’s cost: (1) “high-cost” (assets costing more than \$5 million), (2) “mid-cost” (assets costing between \$1 million and \$5 million), and (3) “low-cost” (assets costing less than \$1 million). We created a stratified sample of 65 assets containing approximately one-third high-cost assets, one-third mid-cost assets, and one-third low-cost assets. Each tier included at least one asset that was complete, incomplete, used as intended, used but not as intended, unused or abandoned, of unknown use, in good condition, deteriorated, or in unknown condition.

In December 2014, SIGAR entered into a cooperative agreement with Afghan civil society partners. Under this agreement, our Afghan partners conduct inspections, evaluations, and other analyses on our behalf. We provided our stratified sample of 65 capital assets to our Afghan civil society partners who then conducted a security assessment for each site. They determined that five assets could not be reached because of security

⁴⁹ See page 2 of this report for a definition of capital asset, as defined in: Office of Management and Budget, Capital Programming Guide, Supplement to Office of Management and Budget Circular A-11: Planning, Budgeting, and Acquisition of Capital Assets, February 10, 1996. Some of our reports discussed capital assets provided to the Afghan government or private sector by a public international organization, such as the World Bank. Because these organizations typically intermingle funds provided by the United States and other donors, this report excludes the capital assets they funded.

⁵⁰ The categories for the type of asset were (1) structure or stationary equipment, (2) motor vehicles or aircraft, and (3) software or information technology.

constraints; we inspected one of these assets using geospatial analysis and DOD classified the results.⁵¹ Additionally, the Afghan Ministry of Defense did not respond to our repeated requests to visit one asset, a DOD-funded Afghan National Army medical clinic in Herat Province. As a result, we completed 60 of our 65 planned inspections, and the results of 1 inspection is classified.

We prepared three standardized questionnaires for our Afghan civil society partners to complete during their inspections: (1) a general questionnaire covering most assets in the sample, (2) a questionnaire covering the two scanners selected for our sample; and (3) a questionnaire covering two roads and three bridges selected for our sample. Each questionnaire required the inspection team to collect information about the ownership, completion, use, and condition of the asset being inspected. These questionnaires also had standardized explanations for an asset's misuse or deterioration, and a space for nonstandard explanations.

Our Afghan civil society partners completed at least 1 physical inspection at 57 sites and interviewed, when possible, the local officials who owned, operated, and/or maintained the assets. Following each inspection, our Afghan civil society partners gave us the completed questionnaires and photographs of the facilities. In two cases, the responsible Afghan officials at the sites prevented us from taking photographs.⁵² In two other cases, the U.S. Embassy Kabul condemned the buildings and deemed them unsafe to inspect, so we conducted interviews with the responsible U.S. officials instead.⁵³

We verified the completed questionnaires against the photographs for accuracy and reviewed them both to identify any changes in the status of the assets' completion, use, and condition. We also analyzed the questionnaires and inspection photographs to determine the number of times our civil society partners observed specific types of deterioration, including structural damage; broken doors, windows, screens, and hardware; broken or missing electrical equipment; and water damage and mold. When necessary, we consulted with SIGAR's engineers to determine an asset's structural condition.

For the third objective, we first analyzed and documented the explanations for the misuse, deterioration, or destruction of the assets identified in our prior reports. Using this, we created a list of standardized reasons from all of the available data, then calculated the number of times we observed each of these reasons and the total value of the assets affected. We conducted the same analysis for the 60 follow-up inspections from our second objective. Finally, we provided examples from both our initial reports and our follow-up inspections to illustrate the common reasons for an asset's nonuse, abandonment, misuse, deterioration, or destruction.

We conducted our work in Baghlan, Balkh, Bamyán, Farah, Ghazni, Herat, Jowzjan, Kabul, Kandahar, Kapisa, Khost, Kunduz, Laghman, Nangarhar, Nimruz, Paktika, Paktya, Parwan, and Wardak Provinces in Afghanistan; and Arlington, Virginia, from October 2019 through November 2020. We believe that the evidence obtained provides a sufficient and reasonable basis for our findings and conclusions based on our objectives. We conducted this evaluation under the authority of Public Law No. 110-181, as amended; the Inspector General Act of 1978, as amended; and in accordance with the *Quality Standards for Inspection and Evaluation* published by the Council of the Inspectors General on Integrity and Efficiency.

⁵¹ These five assets were (1) the DOD-funded command and control facility at Camp Leatherneck in Helmand Province, (2) the DOD-funded Gereshk Cold Storage and Distribution Center in Helmand Province, (3) a DOD-funded Afghan National Police (ANP) Station in Ghazni Province, (4) the DOD-funded ANP station district headquarters building in Kandahar Province, and (5) a State-funded 20-bed health clinic in Faryab Province.

⁵² These two assets were the DOD-funded solid waste incinerators at Forward Operating Base Sharana and the State-funded detention center at the Counter Narcotics Justice Center.

⁵³ These two assets were the OPIC-funded Kabul Grand Residences and Marriott Kabul Hotel.

APPENDIX II - RESULTS OF SIGAR'S FOLLOW-UP INSPECTIONS OF DEPARTMENT OF DEFENSE CAPITAL ASSET PROJECTS

This appendix summarizes the findings of our follow-up inspections of U.S. Department of Defense (DOD)-funded capital assets. DOD funded 38 of the 60 capital assets in our sample at a total cost of \$261.4 million. We organized the entries by the dates of our previous assessments, starting with the most recent.

Zarang Border Crossing Point Facilities

Last assessed: *Zarang Border Crossing Point: Facilities Generally Met Contract Requirements, But Construction Deficiencies Pose Safety Concerns*, SIGAR 19-07-IP, December 4, 2018

Responsible Agency: DOD

Cost: \$10,900,000

Province: Nimruz

Owner: Ministry of Defense

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, June 16, 2020

During our August 2017 site visits to the DOD-funded Zarang Border Crossing Point, we found that the Afghan Border Police was using most of the buildings and facilities, including the administration building, dining facility, and vehicle inspection area. However, some buildings were vacant or partially used. For example, we found that one of the senior barracks and a women's barrack were not being used, and only half of two other barracks were being used. According to officials in the facilities and engineering department, there were not enough police personnel to occupy all of the barracks. We also found that three buildings had never been used: the secure storage building; the petroleum, oil, and lubricants storage building; and one of the guard shacks. Additionally, we found that these facilities were not being maintained. Further, we found that after DOD transferred the facilities to the Afghan government and the warranty on the task order expired, the crossing point's sewer line became blocked and was still blocked as of May 2018. This affected multiple facilities, including the toilets and showers in the shower building, the janitor's room, the bathrooms in the border liaison office and administration building, and the bathrooms in two senior barracks.

We revisited the Zarang Border Crossing Point facilities in June 2020, and found that they were still not being fully used and were continuing to deteriorate. For example, we found one building that was mostly empty except for a few pieces of gym equipment. We also found deteriorating conditions, including missing door handles and locks, cracked and missing bathroom tiles, blocked plumbing, damaged kitchen cabinetry, and damaged floor epoxy. According to the facility manager, the Afghan Border Police has not been given the money needed to repair and maintain the facilities at the Zarang Border Crossing Point.

Durumbarak Bridge

Last assessed: *Bridges in Baghlan Province, Afghanistan: Six of Eight Bridges Constructed or Rehabilitated by DOD Remain in Generally Good, Usable Condition; Two Appeared to Have Structural Issues Needing Attention*, SIGAR 18-70-SP, September 7, 2018

Responsible Agency: DOD

Cost: \$124,629

Province: Baghlan

Owner: Durumbarak Village

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, May 16, 2020

In 2012, DOD completed construction of this 100-meter suspension-style footbridge. When we inspected the bridge in December 2017, we found it was in use and remained in good condition. We did not observe any significant structural concerns on the bridge, the embankment walls, or the bridge cables and their housing blocks. We re-inspected the footbridge in May 2020 and found that its condition had deteriorated. Specifically, we found that some of the support cables were damaged, several wooden foot planks were damaged or missing, and the concrete and stonemasonry had crumbled in places. We concluded that the bridge was not being actively maintained and that parts of the retaining wall had been damaged by flooding. Despite these issues, we found that local villagers were still using the footbridge.

Kandahar Medical Storage Facility

Last assessed: *Health Facilities in Kandahar Province, Afghanistan: Observations from Visits to Three Facilities*, SIGAR 18-30-SP, February 5, 2018

Responsible Agency: DOD

Cost: \$204,196

Province: Kandahar

Owner: Ministry of Public Health

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, June 3, 2020

When we inspected this medical storage facility in June 2016, we found it in use and noted that the section of the facility that stores medicine was climate-controlled. Additionally, we found the facility had access to electricity and clean water, and we did not find any structural deficiencies. In June 2020, we revisited the facility and found that it was still being used to store medical supplies. However, we found broken windows, a nonstandard uninsulated storage door, and a nonfunctioning air conditioning system. As a result, the medical supplies stored in this facility were not being

kept at a consistent temperature, creating a risk of spoilage. An Afghan government official said these problems stemmed from construction flaws and the irregular supply of electricity to the building.

Herat Agricultural College and Instructional Irrigation System

Last assessed: *DOD Task Force for Business and Stability Operations: \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, January 4, 2018

Responsible Agency: DOD

Cost: \$7,314,836

Province: Herat

Owner: Ministry of Higher Education

Completion: Complete

Current Use: Used as intended

Current Condition: Good



Source: SIGAR, June 10, 2020

When we originally visited Herat University in March 2017, we confirmed that the new Agricultural College building was used, and the instructional irrigation system was in place but not functioning because the university lacked the resources to maintain it. We revisited the Agricultural College building in June 2020 and found that the university had continued to use it as intended and maintained it in good condition. According to a university official, the instructional irrigation system had also been repaired and was used. However, the official said the irrigation system was not presently being used for instruction because of the COVID-19 virus.

Jade Glass Factory and Mazar-e-Sharif West Industrial Park

Last assessed: *DOD Task Force for Business and Stability Operations: \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, January 4, 2018

Responsible Agency: DOD

Cost: \$4,500,000

Province: Balkh

Owner: Yasmin Laboratory Services

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Good



Source: SIGAR, March 7, 2020

When we assessed this facility in January 2018, we found that the power plant was nonfunctional, and the glass plant could not operate as intended because the Afghan government could not or would not provide the natural gas needed to generate power and manufacture glass. No other businesses had set up operations

inside the industrial park because of the lack of power. We revisited the facility in March 2020 and found the situation unchanged. The glass plant's laboratory and surrounding land were now being used for agricultural rather than industrial purposes. However, we found that the facility's owner, Yasmin Laboratory Services, had kept the glass plant and the facility's grounds in good condition.

Cashmere Goat Farm and Laboratory

Last assessed: *DOD Task Force for Business and Stability Operations: \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects*, SIGAR 18-19-AR, January 4, 2018

Responsible Agency: DOD

Cost: \$2,299,798

Province: Herat

Owner: Noor Agro Group

Completion: Complete

Current Use: Unused or abandoned

Current Condition: Deteriorated



Source: SIGAR, June 9, 2020

When we inspected this cashmere goat farm and laboratory in April 2017, we found that both facilities had been abandoned and stripped of their equipment. At the time, DOD had planned to transfer ownership of these facilities to a private company, the Noor Agro Group, but was unable to facilitate an agreement between Noor Agro and the Afghan government. We revisited the farm and laboratory in June 2020, and found that both facilities remained abandoned and stripped of equipment.

Local officials said Noor Agro eventually took ownership of the farm and laboratory, but decided to move the farm's assets to the Guzara district and the laboratory's assets to Herat City, leaving the DOD project site unused. Noor Agro officials said they made this decision after determining that the DOD project site did not have sufficient space. Previously, DOD's contractor for the project arrived at a similar conclusion, reporting that the site lacked sufficient grazing space for the goatherd, which meant buying food for the goats.

Since we last visited it in 2017, we also found that the DOD project site has deteriorated with cracks appearing in the walls and broken or missing doors, windows, electrical equipment, and plumbing. Noor Agro officials said no one was maintaining the site because it was not in use. We visited Noor Agro's goat farm in the Guzara district and its laboratory in Herat City, and found that both were used.

Kandahar Raisin Processing Facility

Last assessed: DOD Task Force for Business and Stability Operations: \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects, SIGAR 18-19-AR, January 4, 2018

Responsible Agency: DOD

Cost: \$1,959,794

Province: Kandahar

Owner: Maher Hamzeh and Novi Yaghoubi Company

Completion: Complete

Current Use: Used as intended

Current Condition: Good



Source: SIGAR, June 5, 2020

In April 2017, we found this raisin processing facility unoccupied and unused. We revisited it in June 2020, and learned that the facility had changed ownership and was now operating as intended, although work had temporarily stopped because of the COVID-19 virus. We found that the new owners had maintained the facility in good condition.

Micro-Hydroelectric Generators and Interconnected Power Grid at Tira Koh and Shah Delir

Last assessed: DOD Task Force for Business and Stability Operations: \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects, SIGAR 18-19-AR, January 4, 2018

Responsible Agency: DOD

Cost: \$1,349,075

Province: Parwan

Owner: Local community

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Deteriorated



Source: SIGAR, May 11, 2020

In a January 2018 audit report, we said DOD terminated its contract to rehabilitate two micro-hydroelectric electrical generators—one each in the villages of Tira Koh and Shah Delir—and unify the villages' two separate power grids into one interconnected grid. However, the contractor later returned and finished the project at its own expense. We found that the generators were supplying power for several hundred households, but the two villages had disconnected their networks from the interconnected power grid because they could not agree on who would pay for the grid's upkeep.

During a follow-up inspection in May 2020, we found that the local community continued to use the generators, but they remained disconnected from the interconnected power grid. One generator turbine had broken, resulting in low voltage and poor electrical output for Tira Koh. A local official said the community lacked both the expertise and the resources to repair or replace this generator. We also found broken windows in one of the generator buildings and large cracks in the concrete wall near the sluice gate of the canal feeding

water into the generators. If left unrepaired, these cracks could cause the walls to collapse and interrupt the supply of power.

Herat Carpet Facility

Last assessed: DOD Task Force for Business and Stability Operations: \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects, SIGAR 18-19-AR, January 4, 2018

Responsible Agency: DOD

Cost: \$498,060

Province: Herat

Owner: Afghanistan-Herat Carpet Union

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

In March 2017, we observed that a private collective, the Afghanistan-Herat Carpet Union, was operating and maintaining this carpet facility, which local artisans used to cut and wash carpets. We revisited the facility in June 2020 and found that local artisans were continuing to use it as intended. However, we found broken or missing doors, windows, and plumbing, as well as crumbling concrete near the downspouts and a broken electrical fixture. A carpet union representative said no one has been assigned responsibility for maintaining the facility or given the resources to do so.



Source: SIGAR, June 12, 2020

Bamyan Potato Pack House

Last assessed: DOD Task Force for Business and Stability Operations: \$675 Million in Spending Led to Mixed Results, Waste, and Unsustained Projects, SIGAR 18-19-AR, January 4, 2018

Responsible Agency: DOD

Cost: \$323,793

Province: Bamyan

Owner: Hojati Nawin Cooperative

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

DOD built and equipped this potato packing facility to help local farmers bring potatoes to market at international standards for export. When we first visited the pack house in March 2017, its management team said it hired 10 people for 7 months each year to assist with storing, processing, and selling potatoes. It also provided training programs and seeds to local farmers. An international donor organization was supporting the



Source: SIGAR, July 2, 2020

pack house's operational budget through the end of 2017, and the facility's management team expressed concern that they would be unable to continue operations without further donor support.

We revisited the potato pack house in July 2020. We found that the machines were intact and appeared to be operational, but we could not verify they were working properly because no technical staff were on site. Officials from the cooperative said the pack house is used only during the harvest season, which runs from September to October. We confirmed from internal documents that DOD officials did not expect the potato pack house to be used outside of the harvest season, though they considered the possibility of installing storage units to supply produce during the off-season.

We also found that the potato pack house had deteriorated, with cracks in interior and exterior concrete walls, broken windows, a damaged concrete drainage channel, broken bathroom fixtures, and water damage. Officials from the cooperative said no one had been made responsible for maintaining the pack house or given the resources to do so.

RapiScan Eagle G6000 at Shir Khan Bandar Border Crossing

Last assessed: DOD Procured Non-Intrusive Inspection Equipment: \$9.48 Million Worth of Equipment Sits Unused at Borders in Afghanistan, SIGAR 18-14-SP, November 27, 2017

Responsible Agency: DOD

Cost: \$2,800,000

Province: Kunduz

Owner: Ministry of Defense

Completion: Complete

Current Use: Unused or abandoned

Current Condition: Deteriorated

DOD purchased this vehicle scanner in 2006 and turned it over to the Afghan government in 2013 for use at a border crossing point. When we inspected the scanner in April 2017, we found that it had not been used for at least 2 years and had fallen into disrepair almost immediately after U.S. advisors left the border crossing point and turned the scanner over to the Afghan government. Afghan officials said they could not operate the scanner because of technical and software problems, maintenance issues, broken parts, and a lack of capable operators.

We re-inspected the scanner in May 2020 and learned that it had not been used since we last inspected it 3 years ago. During this visit, Afghan government officials said no one had been given the responsibility or resources to operate and maintain the scanner. They also said they could not operate the scanner and did not know how to get it into working order.



Source: SIGAR, May 14, 2020

RapiScan Eagle G6000 at Torkham Border Crossing

Last assessed: *DOD Procured Non-Intrusive Inspection Equipment: \$9.48 Million Worth of Equipment Sits Unused at Borders in Afghanistan*, SIGAR 18-14-SP, November 27, 2017

Responsible Agency: DOD

Cost: \$2,800,000

Province: Nangarhar

Owner: Ministry of Finance

Completion: Complete

Current Use: Unused

Current Condition: Deteriorated



Source: SIGAR, March 19, 2020

DOD purchased this vehicle scanner in 2006 and turned it over to the Afghan government in 2013 for use at a border crossing point. When we inspected the scanner in April 2017, we reported that it had been inoperable and unused for more than 2 years, and we found that it was “riddled with bullet holes.” We re-inspected the scanner in March 2020 and found that the situation had not changed. An Afghan government official said a Pakistani Army rocket had further damaged the scanner and rendered it inoperable, and no one has been made responsible for repairing it or given the resources to do so.

20-Bed Salang Hospital

Last assessed: *Salang Hospital: Unaddressed Construction Deficiencies, Along with Staffing and Equipment Shortages, Continue to Limit Patient Services*, SIGAR 17-09-IP, October 26, 2016

Responsible Agency: DOD

Cost: \$597,929

Province: Parwan

Owner: Ministry of Public Health

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Deteriorated



Source: SIGAR, April 20, 2020

In our October 2016 report, we found that although this hospital provided health services to its community, it lacked the staff, furniture, and equipment needed to operate as intended. In particular, the hospital employed only 19 people, although it had been designed for a staff of 150. At the time, a senior Ministry of Public Health official said the ministry would like to increase the hospital’s staff, but had difficulties finding enough qualified workers, even with salary incentives and the fact that the hospital was considered better than most others in Afghanistan. During our April 2020 follow-up inspection, we found that the number of staff had grown to 28, indicating that the hospital was still operating well below the capacity for which DOD designed it.

Our October 2016 report also cited numerous construction flaws with the hospital, including a water storage tank located in the attic that lacked overflow pipes, resulting in leaks and mold on the lower floors.⁵⁴ Our April 2020 follow-up inspection found that these problems had not been resolved and continued to result in damage to the building. In addition, we found broken or missing doors, windows, light fixtures, and toilets, as well as cracked and crumbling concrete in the building's exterior and foundation. We also found that most of the hospital's water heaters and heating, ventilation, and air conditioning units were nonfunctional because the contractor did not provide electricity, as required. An Afghan official said the deterioration resulted from poor construction and lack of funding for maintenance.

Herat University Women's Dormitory

Last assessed: *Herat University Women's Dormitory: Generally Well Constructed, but Instances of Contract Non-Compliance Should Be Addressed*, SIGAR 17-08-IP, October 25, 2016

Responsible Agency: DOD

Cost: \$5,590,000

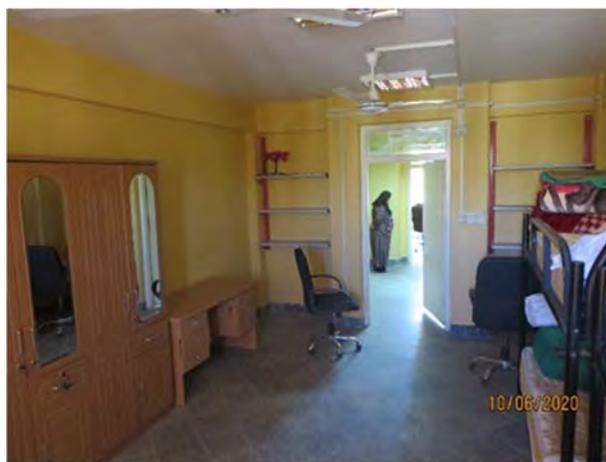
Province: Herat

Owner: Ministry of Higher Education

Completion: Complete

Current Use: Used as intended

Current Condition: Good



Source: SIGAR, June 10, 2020

During our first site visit in September 2015, we found that this women's dormitory was in use but not fully occupied. According to university and U.S. Embassy officials, there were approximately 136 female students and 2 female staff living in the dormitory, which was built to accommodate 372 female students. University officials said students were generally satisfied with these facilities, but these officials expressed concerns about the university's ability to keep the dormitory in good condition after the U.S.-funded \$1.08 million operations and maintenance contract expired in August 2017. In June 2020, we revisited the dormitory and found that it was not occupied because of the COVID-19 virus. We found that the university had generally maintained the facilities in good condition. However, we found evidence of water damage on the tiles around one of the bathroom drains. A university official said DOD's contractor installed pipes too small in diameter, and as a result, water drains too slowly. During peak usage hours, the toilets and sinks frequently overflow onto the floors in the kitchen and bathrooms.

⁵⁴ DOD said it attempted to address these deficiencies before the project was transferred, including withholding contractor funds to ensure repairs were made. According to DOD, the Parwan provincial government was responsible for enforcing warranty issues and should have enforced shortcomings with the contractor after accepting the facility in 2012. DOD said it did not know whether Parwan officials attempted to address warranty issues with the contractor or whether the contractor was responsive. Records show that DOD personnel were frustrated with the contractor and recommended that DOD not use the contractor again.

Special Mission Wing Facilities at Kandahar Airfield

Last assessed: *Special Mission Wing Facilities at Kandahar Airfield: Construction Generally Met Contract Requirements, But Problems with Noncompliance, Maintenance, and Quality Assurance Need to be Addressed*, SIGAR 17-03-IP, October 14, 2016

Responsible Agency: DOD

Cost: \$23,800,000

Province: Kandahar

Owner: Ministry of Defense

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, June 21, 2020

When we inspected this facility in June and August 2015 and February 2016, we found it complete and generally well built. We observed that the buildings were in use, although they were not all being used to their full capacity. For example, we found that some offices in the administration building had never been used, and a U.S. training official said only about 45 percent of the barracks' beds were occupied. We also found that most of the buildings were reasonably well maintained. The floors were clean, the paint looked fresh, no windows were broken, and the lights worked.

However, we observed that one of two treatment tanks at the wastewater treatment plant was not functioning because it was not properly maintained, and the functioning tank was overflowing, creating an environmental hazard. We also found that the maintenance hangar's heating system was generating smoke for unknown reasons, and poor air circulation in the building caused this smoke to accumulate. Afghan officials were leaving the hangar door open to improve the circulation, but the open door allowed more dust to enter the hangar, dirtying the equipment and aircraft, and resulting in additional maintenance issues.

When we revisited this facility in June 2020, we found that the Special Mission Wing continued to use it as intended. We found that the issue with the smoke-emitting heating system was resolved, but the nonfunctional wastewater treatment tank was still broken. Additionally, we found several new maintenance issues, including a large hole in the ceiling of the command headquarters building and some damaged plaster on the walls in the maintenance hangar. Special Mission Wing officials said they have not been given the resources needed to fix these problems.

Warehouse Facility at Kandahar Airfield

Last assessed: \$14.7 Million Warehouse Facility at Kandahar Airfield: Construction Delays Prevented the Facility from Being Used as Intended, SIGAR 15-74-IP, July 15, 2015

Responsible Agency: DOD

Cost: \$14,700,000

Province: Kandahar

Owner: Ministry of Defense

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, June 21, 2020

DOD intended for the U.S. Defense Logistics Agency to use this warehouse facility, but instead transferred it to the Afghan Ministry of Defense. When we inspected the facility in November 2014 and February 2015, we found it complete and generally well built. However, DOD's contractor finished the facility more than 2 years later than originally planned and for \$1.2 million more than originally budgeted, and the contractor continued to work on construction even after DOD decided that the Defense Logistics Agency would be leaving Kandahar Airfield and not using the facility. As a result, the facility sat largely unused. A DOD contractor used office space in the administration building for several months in 2014, and we observed a small number of items stored in several of the warehouse buildings at the facility, including generators, tables, and file cabinets.

In June 2020, we revisited the facility and found that the Ministry of Defense was using it as intended. However, we found that the ministry was not maintaining the buildings in good condition; we found some damaged equipment, including nonfunctioning lights and a broken loading bay door. An Afghan government official said the Ministry of Defense lacks the resources to maintain this facility.

Camp Leatherneck Command and Control Facility

Last assessed: \$36 Million Command and Control Facility at Camp Leatherneck, Afghanistan: Unwanted, Unneeded, and Unused, SIGAR 15-57-SP, May 20, 2015

Responsible Agency: DOD

Cost: \$36,000,000

Province: Helmand

Owner: Classified

Completion: Complete

Current Use: Classified

Current Condition: Classified



Source: SIGAR, May 8, 2013

In May 2015, we reported that DOD wasted \$36 million to construct a 64,000-square-foot command and control facility in Helmand Province that it had no operational need for and never used. After DOD transferred

this facility and the remainder of Camp Leatherneck to the Afghan National Army (ANA) in October 2014, we issued a letter to DOD expressing concerns about how ANA personnel reportedly began removing military and nonmilitary equipment from the camp the day after it was transferred.⁵⁵ We could not conduct a follow-up visual inspection of the facility because of security constraints. Instead, we performed a geospatial analysis of traffic patterns around it to evaluate its use. The results of this analysis are classified.

Afghan-Operated Solid Waste Incinerators at Shindand Airbase

Last assessed: *Shindand Airbase: Use of Open-Air Burn Pit Violated Department of Defense Requirements*, SIGAR 14-81-IP, July 14, 2014

Responsible Agency: DOD

Cost: \$755,000

Province: Herat

Owner: Ministry of Defense

Completion: Complete

Current Use: Unused or abandoned

Current Condition: Deteriorated



Source: SIGAR, June 13, 2020

During a February 2014 inspection of Shindand Airbase, we found that the Afghan military never used two incinerators that DOD provided in August 2012, despite having the necessary training and equipment. Base officials said the Afghan military chose to use open-air burn pits instead of the incinerators because the pits cost less to operate. We revisited Shindand Airbase in June 2020 and learned that the Afghan military was still not using the incinerators. Further, we found that they had not been maintained and that the pipes supplying fuel and water were damaged. An Afghan government official said no one had been assigned responsibility for operating and maintaining the incinerators and no resources were provided to do so. The official also said the incinerators were not in good condition when DOD handed them over to the Afghan government and that they did not get a regular supply of power.

Solid Waste Incinerators at Forward Operating Base Sharana

Last assessed: *Forward Operating Base Sharana: Poor Planning and Construction Resulted in \$5.4 Million Spent for Inoperable Incinerators and Continued Use of Open-Air Burn Pits*, SIGAR 14-13-IP, December 26, 2013

Responsible Agency: DOD

Cost: \$5,600,000

Province: Paktika

Owner: Ministry of Interior Affairs

Completion: Complete

Current Use: Unused or abandoned

Current Condition: Deteriorated

⁵⁵ SIGAR, *Transfer of U.S. Bases to ANSF*, SIGAR 15-48-SP, April 17, 2015.

During our first site inspection of Forward Operating Base Sharana in May 2013, we found two solid waste incinerators that had never been used. DOD officials said they decided not to operate these incinerators after the base contractor's inspection revealed several electrical hazards that would cost approximately \$1 million to fix. Our inspection also found that even if the incinerators were operable, they were installed in such a way that the loading area was too narrow for trash haulers and forklifts, meaning that solid waste would need to be loaded manually. We estimated that because of these loading problems the incinerators could be operated only at a maximum of 80 percent capacity if the electrical issues were resolved. In October 2013, DOD closed the base and transferred all fixed assets, including the incinerators, to the Afghan Ministry of Defense. At the time, DOD officials said the incinerators may "have already been deconstructed by the Afghans, presumably for scrap."

When we visited this former DOD outpost in June 2020, we found that the incinerators remained in place but continued to be unused and inoperable. Officials from the Ministry of Interior Affairs, which now controlled the side of the base where the incinerators are located, said the incinerators were not working when DOD transferred them to the Afghan government, they were damaged beyond repair, and the ministry has not made anyone responsible for operating or maintaining them. The officials explained that they did not know how to fix the incinerators and had not been given the resources needed to do so, adding that even repaired incinerators would lack a regular supply of power. The Ministry of Interior Affairs did not allow us to inspect or photograph the incinerators.

Walayatti Medical Clinic

Last assessed: *Walayatti Medical Clinic: Facility Was Not Constructed According to Design Specifications and Has Never Been Used*, SIGAR 14-10-IP, October 30, 2013

Responsible Agency: DOD

Cost: \$194,572

Province: Kabul

Owner: Ministry of Public Health

Completion: Complete

Current Use: Used as intended

Current Condition: Good



Source: SIGAR, April 13, 2020

In October 2013, we reported that none of the three structures comprising the Walayatti Medical Clinic were constructed to contract requirements. For example, the contractor built one large bathroom rather than two separate bathrooms, resulting in only one gender being able to use the bathroom at a time. Furthermore, we found that the clinic had never been used, staffed, or equipped.

We revisited the clinic in April 2020 and found that it was operating as intended and appeared to be maintained in good condition. However, a clinic official said the number of patients visiting the clinic now exceeded its capacity, and that it needed a new facility for maternity services, as well as a new generator room.

Afghan National Police Main Road Security Company Compound

Last assessed: *Afghan National Police Main Road Security Company, Kunduz Province, Is Behind Schedule and May Not Be Sustainable*, SIGAR Inspection 13-6, April 17, 2013

Responsible Agency: DOD

Cost: \$1,700,000

Province: Kunduz

Owner: Ministry of Interior Affairs

Completion: Complete

Current Use: Unused or abandoned

Current Condition: Deteriorated



Source: SIGAR, May 17, 2020

At the time of our April 2013 report on this Afghan National Police (ANP) compound, DOD's contractor had completed only 15 percent of its construction, even though 54 percent of the performance period had elapsed. We found that DOD's contractor was using a soil compaction process that put the buildings at risk of soil settlement and structural failure. Additionally, the compound's design documents did not include a backup generator or connection to the local power grid, putting it at risk of power failure. Further, no plans existed regarding who would be responsible for operating and maintaining the compound after DOD finished it.

We revisited this compound in May 2020 and found that it had been completed. However, the ANP had abandoned the compound after it sustained heavy damage from Taliban attacks. We also found broken or missing doors, windows, and electrical fixtures as well as structural cracks, water damage, and mold. An Afghan government official said this damage resulted both from warfighting activities and looting.

Qala-i-Muslim Medical Clinic

Last assessed: *Qala-i-Muslim Medical Clinic: Serving the Community Well, But Construction Quality Could Not Be Fully Assessed*, SIGAR Inspection 13-7, April 17, 2013

Responsible Agency: DOD

Cost: \$160,000

Province: Kabul

Owner: Ministry of Public Health

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, March 26, 2020

When we first inspected this medical clinic in January 2013, we called it a success story because it was being used for its intended purposes, serving between 200 and 300 patients per month. During our inspection, we found the clinic in good condition; the light switches worked, the floors were clean, bedding was plentiful and

well kept, the heating systems worked, the windows and doors were operable, and the pharmacy was well stocked.

During our March 2020 inspection, we found that the clinic was still used, but some rooms were not being used as intended. For example, one bathroom had been converted into a treatment room, and a guardroom had been turned into a staff kitchen. Additionally, we found that one room in the main building was being used to store fuel tanks, putting the facility at risk of fire. We also found that the clinic had deteriorated. For example, we found that some doors, windows, electrical equipment, and plumbing were broken or missing, and none of the water heaters worked. An Afghan government official said the government lacked the resources to fix these maintenance issues.

Campus Facility at the National Police Training Center

Last assessed: Wardak Province National Police Training Center: Contract Requirements Generally Met, but Deficiencies and Maintenance Issues Need to be Addressed, SIGAR Inspection 13-2, October 30, 2012

Responsible Agency: DOD

Cost: \$98,202,285

Province: Wardak

Owner: Ministry of Interior Affairs

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

When we first inspected this facility at the National Police Training Center in April 2012, we found that it was generally used as intended and constructed in accordance with contract requirements. However, we observed several maintenance issues, including one building that had roof leaks around the pipes carrying vehicle exhaust outside, storm ditches that had been blocked by debris and sediment, and a missing stormwater grate.

We revisited this facility in June 2020 and found that the Ministry of Interior Affairs continued to use the center to train police officers. However, the facility's condition had deteriorated. For example, we found a heavily damaged wall and window in one barrack; missing sheet metal walls on the exterior of another building; large fissures and holes in several walls and ceilings; cracked and crumbling concrete walls; doors with broken or missing hardware; broken windows and window frames; and broken or missing plumbing and electrical equipment. Afghan government officials said the facility was in poor condition because no one has been made responsible for maintaining it or given the resources to do so. The officials also said the facility sustained damage from warfighting activities.



Source: SIGAR, June 28, 2020

Khogyani Border Police Facility

Last assessed: *Construction Deficiencies at Afghan Border Police Bases Put \$19 Million Investment at Risk*, SIGAR Inspection 12-1, July 30, 2012

Responsible Agency: DOD

Cost: \$4,813,720

Province: Nangarhar

Owner: Ministry of Defense

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, June 28, 2020

In our July 2012 report on four Afghan Border Police bases, we reported that we could not inspect the Khogyani Border Police Facility because of poor weather conditions, so we did not assess its use or condition. When we visited the facility in June 2020, we found it being used as intended. However, we observed damage and deterioration, including cracks and holes in several walls; large tears and crumpling in the sheet metal roofs; broken or missing door handles, locks, hinges, strike plates, and sweeps; broken or missing windows; damaged, missing, and improvised electronics and wiring; broken pipes and plumbing; and broken or missing ceiling and bathroom tiles. An Afghan government official said the facility was in poor condition because no one has been made responsible for maintaining it or given the resources to do so. The official also said it sustained significant damage from warfighting activities.

Major Crimes Task Force Facilities at Camp Falcon

Last assessed: *U.S. Agencies Have Provided Training and Support to Afghanistan's Major Crimes Task Force, but Reporting and Reimbursement Issues Need to be Addressed*, SIGAR Audit-11-12, July 19, 2011

Responsible Agency: DOD

Cost: \$1,900,000

Province: Kabul

Owner: Ministry of Interior Affairs

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, July 29, 2020

In 2009, the Afghan government established the Major Crimes Task Force as its principal agency responsible for investigating and processing major anti-corruption, kidnapping, and organized crime cases. In April 2010, the task force moved to Camp Falcon, a U.S.-funded compound located near Kabul International Airport, and DOD provided \$1.9 million to refurbish facilities for the task force's use. At the time of our audit, DOD was also funding a \$6.2 million operations and maintenance contract managed by the Department of State (State). However, State did not account for how these funds were spent, and DOD suspended funding to

the contract until State provided documentation to account for its expenditures at the task force facilities. In its June 2011 responses to our audit recommendations, State said it provided this documentation to DOD, and DOD informed us that State would take responsibility for funding operations and maintenance of the task force facilities going forward.

In July 2020, we visited Camp Falcon and found that the Major Crimes Task Force was still using these facilities as intended, and that the Afghan Ministry of Interior Affairs had assumed responsibility for operations and maintenance. However, we found that the ministry had not maintained the facilities in good condition. We found a large fissure and exposed insulation in one office building where a wall had been ripped out; a building that had been burned out by a fire; improvised and exposed electrical wiring that created risks of fire and electrocution; broken or missing doors, windows, hardware, and light fixtures; broken and unused furniture; nonfunctional air conditioning units; and other problems. The facilities manager said he was not given the resources to fix these maintenance issues, and, in some cases, he did not know how to fix them.

Shamakat Road

Last assessed: *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

Responsible Agency: DOD

Cost: \$4,162,877

Province: Laghman

Owner: Ministry of Transport and Civil Aviation

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, May 3, 2020

The Shamakat Road is an 11.9-km asphalt highway in the Alisheng district of Laghman Province that links the villages of Shamakat, Qalatak, and Mehtar Lam. In a 2011 audit, we reported that the road was at risk of deteriorating because a sustainment plan was not in place and Laghman government officials did not have resources to maintain the road after it was completed.

When we re-inspected this road in May 2020, we found that it had many defects and was not in good physical condition, but was still being used. Defects included cracks, potholes, and stretches of road that had deteriorated into gravel. One section of the road had completely washed away because of flooding, effectively bisecting the road and requiring drivers to cross a riverbed to continue. Additionally, portions of the road were partially blocked by large stones; in some cases, these appear to have resulted from rockslides, and in other cases they appear to have been manually placed to control traffic. We concluded from the damage and obstructions that this road was not being actively maintained.

Laghman Province Center of Excellence

Last assessed: *Commander's Emergency Response Program in Laghman Province Provided Some Benefits, but Oversight Weaknesses and Sustainment Concern Led to Questionable Outcomes and Potential Waste*, SIGAR Audit-11-7, January 27, 2011

Responsible Agency: DOD

Cost: \$1,252,897

Province: Laghman

Owner: Municipal Government of Laghman

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Good

When DOD built the Laghman Province Center of Excellence, it intended for the facility to provide post-secondary education for boys. The center included a two-story classroom building, a three-story dormitory building, and a dining facility. At the time of our September 2010 inspection, this facility was not yet complete and ready for use, but according to a subsequent DOD report, a ribbon-cutting ceremony was held in December 2010 and students moved into the building shortly thereafter. This DOD report stated that the Afghan government had not provided the fuel needed to run the center's waste systems, and as a result, students were living in unsanitary conditions. We revisited the center in March 2020 and found that it was being used as a guesthouse for government officials traveling to Laghman Province. We also found the facility to be maintained in good condition.



Source: SIGAR, March 17, 2020

Alingar Community Agriculture Storage Facility

Last assessed: *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

Responsible Agency: DOD

Cost: \$771,463

Province: Laghman

Owner: Ministry of Agriculture, Irrigation, and Livestock

Completion: Complete

Current Use: Unused or abandoned

Current Condition: Deteriorated



Source: SIGAR, May 5, 2020

This community agriculture storage facility included a dry storage building, cold storage building, grain silo, flour mill, generator building, an electric tie to the municipal power grid, and other items such as a security fence, office furniture, and equipment required to run the complex. At the time of our 2011 audit, construction was not yet complete, but we concluded that the project was at risk because no sustainability plan was in place. At the time we issued our report, DOD officials told us that the Afghan Director for Agriculture, Irrigation, and Livestock had not developed an operating agreement for maintaining the facility, and it would not be used until an agreement was reached.

In May 2020, we revisited the facility and found that the community had abandoned it and had no intention of using it in the future. Several buildings had structural damage, such as large cracks and holes in the concrete, and most of the equipment appeared broken beyond repair and stripped for parts. We also found that light fixtures and wiring had been ripped from the walls and ceilings, creating further damage. A local official said the Afghan government never assigned responsibility for operating and maintaining the facility, and that the local community does not know how to operate and maintain it, or have the resources to do so.

Mehtar Lam Power Plant

Last assessed: *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

Responsible Agency: DOD

Cost: \$123,700

Province: Laghman

Owner: Da Afghanistan Breshna Sherkat

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Deteriorated



Source: SIGAR, March 17, 2020

When we first inspected this diesel power plant in September 2010, we found that it was not yet complete. Despite this, the plant was reportedly supplying power to 1,068 customers whose bill payments covered most of the fuel costs. We re-inspected the facility in March 2020 and found that it was complete, but not being used as a power plant. The Ministry of Finance had reportedly moved some of the generators to other provinces, and the building was now being used as a welding shop and storage facility. Additionally, we found the building was in poor condition, with broken or missing doors, windows, and equipment, and large holes and cracks in the concrete walls. An Afghan government official said the Afghans never wanted this power plant, and that local demand exceeded its ability to supply electricity. The official also said no one was assigned responsibility or given the resources to operate and maintain the plant.

Alisheng Oluswali Footbridge

Last assessed: *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

Responsible Agency: DOD

Cost: \$89,250

Province: Laghman

Owner: Not applicable because the bridge was destroyed

Completion: Complete

Current Use: Unused or abandoned

Current Condition: Destroyed

The Alisheng Oluswali Footbridge was a 100-meter footbridge over the Alisheng River that linked the villages of Alisheng-Oluswali and Dareshabad in Laghman Province. When we first inspected the project site in September 2010, the bridge appeared to be damaged by flooding. We concluded that it was a safety hazard and susceptible to collapse. In May 2020, we revisited the project site and learned that the bridge had been washed away by flooding. Only the foundations and some wooden debris remained.

Alisheng Oluswali Footbridge in 2010



Source: SIGAR, September 27, 2010

No footbridge in 2020



Source: SIGAR, May 4, 2020

Nomad Affairs Conference Building in Laghman Province

Last assessed: *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

Responsible Agency: DOD

Cost: \$47,931

Province: Laghman

Owner: Nomad Affairs Directorate

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, March 17, 2020

When we first assessed this conference building in September 2010, it was not complete. In March 2020, we re-inspected the building and found it complete and used as intended. However, we found broken windows and damaged switches for the lights and ceiling fans. The damage to the windows resulted from a rocket striking the perimeter wall outside the building. An Afghan government official said the government does not have the resources to repair this damage.

Tojg Bridge

Last assessed: *The Tojg Bridge Construction Is Nearly Complete, But Several Contract Issues Need to Be Addressed*, SIGAR Audit-10-7, March 1, 2010

Responsible Agency: DOD

Cost: \$1,745,000

Province: Farah

Owner: Ministry of Public Works

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, June 14, 2020

In June 2009, we inspected the Tojg Bridge while it was still under construction. We found that the contractor was not submitting weekly engineering reports, as the contract required, to document the results of material testing, the quality of the stone being used, and the proper positioning of concrete reinforcement bars. We also found that DOD was not documenting its quality assurance activities adequately because it had not given sufficient resources to its quality assurance team. Furthermore, we raised concerns about the bridge's sustainability. According to a DOD official, although officials from the Farah District Public Works Department had been present on every site visit since October 2009, the Afghan government was struggling to provide engineering support to the district because of lack of funding, equipment, and personnel.

When we revisited the Tojg Bridge in June 2020, we found it complete and in use. However, we found erosion around the piers and in the riverbed. This erosion had exposed the stonemasonry that supports the concrete arches, which will accelerate future erosion. We also found a loss of the soil that was supporting the piers and helping them stay in position. Without corrective action, the piers on the south end will likely tilt, settle, or both. Our team concluded that no one was maintaining the bridge because the Taliban controlled the area.

Judicial Security Unit Compound

Last assessed: *Actions Needed for a More Strategic Approach to U.S. Judicial Security Assistance*, SIGAR Audit-10-3S, December 18, 2009

Responsible Agency: DOD

Cost: \$4,500,000

Province: Kabul

Owner: Ministry of Interior Affairs

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Deteriorated



Source: SIGAR, April 21, 2020

In our December 2009 report, we found that while DOD had completed construction of a new compound for the Afghan government's Judicial Security Unit, the compound had remained unused for more than 6 months because of delays in funding its operations and maintenance, and in purchasing furniture, fixtures, and equipment.

We re-inspected the compound in April 2020 and found that it was in use, but the medical clinic building and half of the barrack had been repurposed as administrative offices. An Afghan government official said the compound did not include enough administrative offices in its original design, and the Judicial Security Unit cannot use the medical clinic because it lacks a health-care department. We also found evidence of deteriorating conditions. For example, more than 70 percent of the door lock mechanisms had been damaged or removed, many light fixtures were burned out, and most of the bathroom toilet and shower stalls were damaged and unusable. An Afghan government official said the Judicial Security Unit lacked the resources needed to maintain the compound.

Habib Rahman Secondary School

Last assessed: *Inspection of Habib Rahman Secondary School Construction Project in Kapisa Province: Design and Safety Issues Require Attention, SIGAR Inspection 10-3, October 26, 2009*

Responsible Agency: DOD

Cost: \$312,000

Province: Kapisa

Owner: Ministry of Education

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

When we first inspected the Habib Rahman Secondary School in October 2009, construction was halfway complete and the building was not yet ready for use. In May 2020, we revisited the school and found that it was complete and used as intended, although classes were out of session due to the COVID-19 virus. However, we found evidence of deterioration, including broken or missing doors, windows, and electrical equipment; large cracks in the walls and ceilings; and water damage to the ceilings. An Afghan government official said the school lacked the resources to repair this damage.



Source: SIGAR, May 3, 2020

Farukh Shah School

Last assessed: *Inspection of Farukh Shah School Construction Project in Kapisa Province: Project Completion Approved Before All Contract Requirements Met, SIGAR Inspection-10-1, October 26, 2009*

Responsible Agency: DOD

Cost: \$150,000

Province: Kapisa

Owner: Ministry of Education

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, May 3, 2020

In our October 2009 inspection, we found that DOD had declared construction of the Farukh Shah School complete, but had done so prematurely because significant work remained, including on the school building, latrine, guard house, generator building, walkways, water well, and site cleanup. DOD officials said they had to close out the project early because it was approved in fiscal year (FY) 2008 and work needed to be finished by the end of FY 2009. The officials also said they were under pressure from local Afghan authorities, who needed the school in its “as-is” condition because students and teachers were using an inadequate outdoor area for instruction.

In May 2020, we re-inspected this school and found that it was being used as intended, although classes were out of session due to the COVID-19 virus. However, we found evidence of deteriorating conditions, including broken or missing doors, windows, and electrical equipment; approximately 120 broken chairs and desks; large cracks and broken gutters on the roof of the school building; and broken doors in the outdoor latrine. An Afghan government official said the school lacked the resources to repair this damage.

Mahmood Raqi to Nijrab Road

Last assessed: *Inspection of Mahmood Raqi to Nijrab Road Project in Kapisa Province: Contract Requirements Met; But Sustainability Concerns Exist*, SIGAR Inspection-09-02, October 2, 2009

Responsible Agency: DOD

Cost: \$6,600,000

Province: Kapisa

Owner: Ministry of Transport and Civil Aviation

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

This 28.5-km asphalt road links Kapisa's provincial capital, Mahmood Raqi, to the remote Nijrab district. At the time of our 2009 inspection, DOD's construction of the road was approximately 60 percent complete. When we re-inspected this road in May 2020, it was completed and in relatively good condition. However, portions had begun to form cracks and potholes, and one bridge's retaining walls had collapsed because of flooding.



Source: SIGAR, May 3, 2020

Counter Narcotics Justice Center

Last assessed: *SIGAR, Documenting Detention Procedures Will Help Ensure Counter Narcotics Justice Center Is Utilized as Intended*, SIGAR Audit-09-7, September 30, 2009

Responsible Agency: DOD

Cost: \$11,000,000

Province: Kabul

Owner: General Directorate of Prisons and Detention Centers

Completion: Complete

Current Use: Used as intended

Current Condition: Good



Source: SIGAR, July 29, 2020

The Counter Narcotics Justice Center is a dedicated, secure compound that provides a central location for the Afghan government to detain and prosecute alleged major narcotics offenders. It consists of a detention building designed to accommodate up to 56 detainees, a courthouse, offices for judges and prosecutors, and

related support facilities. When we first visited the center in July 2009, we found it in use. However, we expressed concern that the Afghan government was not using the compound as the U.S. government intended because many detention cells were occupied by low-level drug carriers, leaving few available detention cells available to hold the high-profile drug traffickers for whom the Center was designed.⁵⁶ In July 2020, we revisited the Center and found it used as intended and maintained in good condition.

Khost City Electrical Power System

Last assessed: *Inspection of Improvements to the Khowst City Electrical Power System: Safety and Sustainability Issues Were Not Adequately Addressed*, SIGAR Inspection-09-1, July 28, 2009

Responsible Agency: DOD

Cost: \$1,600,000

Province: Khost

Owner: Da Afghanistan Breshna Sherkat

Completion: Complete

Current Use: Unused or abandoned

Current Condition: Deteriorated



Source: SIGAR, May 7, 2020

We first inspected this electrical power system in July 2009, and found only two of three new 562 kW generators and one of two new 400 kW generators were operational. One of the 562 kW generators was inoperative pending receipt of parts, and the unused 400 kW generator was exposed to the elements, putting it at risk of deterioration. We also found that only 1 of the 20 people working at the power plant had received training to operate and maintain the generators, and the generators' user manuals were in English, making them unreadable by local officials. Furthermore, we found that the plant's new galvanized steel roof was not properly secured, allowing moisture to seep through and accumulate under the ceiling plaster, causing sections of the interior ceiling to crack and break off.

In May 2020, we revisited the power plant and found that it had been abandoned and continued to deteriorate beyond repair. An Afghan government official said the government lacks the funds to operate and maintain the power plant, does not know how to operate and maintain it, and has not made anyone responsible for it.

⁵⁶ State finished constructing a separate detention center for the Counter Narcotics Justice Center in December 2013. This facility added space for 308 additional detainees and housed between 190 and 210 on average, resolving our concerns about the space constraints in the main building. We inspected the separate detention center in January 2015 and revisited it in June 2020 for this report. See SIGAR, *Detention Center at the Counter Narcotics Judicial Center: Project Construction Mostly Met Contract Requirements, But Two Deficiencies Need to Be Addressed*, SIGAR 15-70-IP, July 13, 2015.

APPENDIX III - RESULTS OF SIGAR'S FOLLOW-UP INSPECTIONS OF U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT CAPITAL ASSET PROJECTS

This appendix summarizes the findings of our follow-up inspections of U.S. Agency for International Development (USAID)-funded capital assets. USAID funded 9 of the 60 capital assets in our sample at a total cost of \$414.2 million. We organized the entries in this section by the dates of our previous assessments starting with the most recent.

Sheberghan Teacher Training Facility

Last assessed: *Sheberghan Teacher Training Facility: Electrical System Deficiencies Were Corrected, But Water Quality and Funding for Generator Fuel Remain Concerns*, SIGAR 17-19-IP, December 30, 2016

Responsible Agency: USAID/Department of Defense (DOD)⁵⁷

Cost: \$3,400,000

Province: Jowzjan

Owner: Ministry of Higher Education

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, March 3, 2020

USAID and DOD designed the Sheberghan Teacher Training Facility for 422 students. It consists of a two-story main building with 10 classrooms, 4 laboratories, several administration rooms, a library, a director's office, a reception room, a water well house, a room for an electrical transformer, a canopy for a power generator, and a fuel tank. When we first inspected this facility in April 2015, it was being used and maintained in good condition. However, the Afghan government had not secured funding to purchase fuel for the facility's backup generator, putting the power supply at risk if electricity from Sheberghan's power grid became unavailable.

In March 2020, we re-inspected this facility and found that it remained in use as intended. However, all exterior door locks, approximately 50 percent of the interior door locks, and 70 percent of the ceiling light fixtures did not work. Additionally, the plumbing in all four laboratories did not work, and there were drainage blockages in each bathroom. Afghan officials said they did not have the money to fuel the backup generator or maintain the facility.

⁵⁷ USAID funded the contract and the U.S. Department of Defense (DOD) managed the construction.

100-Bed Gardez Hospital

Last assessed: *Gardez Hospital: \$14.6 Million and Over 5 Years to Complete, Yet Construction Deficiencies Still Need to be Addressed*, SIGAR 16-56-IP, August 29, 2016

Responsible Agency: USAID

Cost: \$14,600,000

Province: Paktia

Owner: Ministry of Public Health

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, May 6, 2020

In our August 2016, inspection report on Gardez Hospital, we highlighted several instances of poor workmanship that resulted in deteriorating conditions, including cracks in the roadways and parking areas, crumbling sidewalk curbing, leaking roofs, cracked exterior plaster and peeling paint, and rusted hardware and hinges on the entry and exit gate. We also expressed concern that the Afghan government would not be able to operate the hospital at full capacity because it would cost an estimated \$2.3 million annually, almost four times the annual \$600,000 cost of operating the hospital it replaced.

In May 2020, we revisited the hospital and found that it was fully operational and staffed. However, we found instances of deterioration, including broken or missing doors, windows, and electrical equipment; holes or large cracks in interior walls and ceilings; and water damage to interior walls and ceilings resulting from leaks in the roof. The parking area, which was starting to crack in 2016, had fully deteriorated into gravel in some places. Hospital officials said much of the damage resulted from a July 2019 explosion near the hospital. The officials added that some damage had been repaired at a cost of approximately 500,000 afghanis (approximately \$6,550), and they planned to repair the rest with donor funding after COVID-19-related restrictions were lifted.

Bagrami Industrial Park

Last assessed: *Bagrami Industrial Park: Lack of Adherence to Contract Requirements Left this \$5.2 Million Park without Adequate Water Supply and Sewer Collection and Treatment Systems*, SIGAR 16-48-IP, July 26, 2016

Responsible Agency: USAID

Cost: \$5,200,000

Province: Kabul

Owner: Collectively owned by park residents

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, April 12, 2020

In July 2016, we reported that Bagrami Industrial Park was occupied by 27 out of a possible 32 businesses, but that USAID's contractor did not build the park to contract requirements, resulting in a lack of adequate water and sewer collection systems. During our follow-up inspection in April 2020, we found that the park was still being used as intended and was nearly full, with 31 resident businesses. However, businesses were drawing water independently from a well within the park, instead of using the centralized distribution system, and wastewater was flowing out of industrial park buildings into the road. We also found cracks in the road and that the industrial park's powerhouse was not being well maintained. Park officials said these maintenance issues resulted from poor construction, specifically the lack of drainage canals.

Tarakhil Power Plant

Last assessed: *Inquiry Letter: Tarakhil Power Plant*, SIGAR 15-65-SP, June 29, 2015

Responsible Agency: USAID

Cost: \$335,000,000

Province: Kabul

Owner: Da Afghanistan Breshna Sherkat

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Deteriorated

Tarakhil Power Plant was intended to bolster the power available on Afghanistan's national power grid through the continuous operation of 18 diesel engines generating power. However, in our June and August 2015 reports, we said the Afghan government operated the power plant only during peak hours in the winter, instead of year-round as originally intended. Between July 2010 and December 2013, the plant produced about 63,000 MWh of power, or 2.2 percent of its capacity, and between February 2014 and April 2015, it produced 8,846 MWh, or less than 1 percent of its capacity.



Source: SIGAR, February 27, 2020

During our follow-up inspection in February 2020, we found that the power plant's output had improved, but it remained underutilized. According to both Afghan government officials and USAID, Tarakhil Power Plant operated at up to 77 percent of its de-rated capacity during the winter of 2019–2020, providing supplementary power in the event of load shedding, blackouts, and reductions of imported power from Tajikistan.⁵⁸ USAID stated that the Tarakhil Power Plant operated at between 46 and 71 percent of its de-rated capacity from April through December 2019, and between 67 to 77 percent of its de-rated capacity from January through August 2020. However, Afghan officials said they only operated the power plant at higher levels during the winter months.

Additionally, we found signs of deterioration throughout the premises, including nonfunctional cooling systems, a nonfunctional fire alarm panel and sprinkler system, cracks in the exterior pavement, nonfunctional display monitors, and a nonfunctional automated control system for the 110-kV switchyard area. According to USAID, the fire detection systems were malfunctioning because of a fault in the fire control panels. Afghan officials said they did not know how to fix these issues themselves, and the experts who could fix them were not available in Afghanistan. The officials said they hired a company from outside the country to repair the systems, but that the company did not repair them properly.

Gorimar Industrial Park

Last assessed: *Gorimar Industrial Park: Lack of Electricity and Water Have Left This \$7.7 Million U.S.-funded Industrial Park Underutilized by Afghan Businesses*, SIGAR 15-30-IP, January 27, 2015

Responsible Agency: USAID

Cost: \$7,700,000

Province: Balkh

Owner: Ministry of Commerce and Industry

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Deteriorated



Source: SIGAR, March 4, 2020

Gorimar Industrial Park was designed to accommodate up to 22 businesses. When we first visited the park in May 2014, it housed four businesses. In April 2020, we revisited and found that it housed eight businesses. Although the increase in tenants was an improvement, more than two-thirds of the industrial park remained unused. We also found that the power plant, water system, generators, fuel tanks, and electrical rooms that USAID provided for the industrial park were not being used. Furthermore, we found evidence of deterioration, including broken doors and windows, water damage, and holes or large cracks in the concrete perimeter wall and floor of the generator building. Afghan officials said this damage and lack of use resulted from seasonal flooding, and that USAID located equipment underground or too low to the ground and did not properly build drainage canals. The officials said they do not have the resources to repair the damage to the industrial park's structures and equipment.

⁵⁸ According to USAID officials, a power plant's nominal capacity needs to be de-rated for ambient temperature and height from sea level depending on where it is installed. The Afghan officials we interviewed said the Tarakhil Power Plant's nominal capacity should be de-rated by approximately 10 percent because of these factors.

20-Bed Khair Khot Hospital

Last assessed: *Health Services in Afghanistan: Two New USAID-Funded Hospitals May Not Be Sustainable and Existing Hospitals Are Facing Shortages in Some Key Medical Positions*, SIGAR Audit 13-09, April 29, 2013

Responsible Agency: USAID

Cost: \$3,500,000

Province: Paktika

Owner: Ministry of Public Health

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, June 17, 2020

In April 2013, when we released our report on health services in Afghanistan, this new, 20-bed hospital in the town of Khair Khot was still under construction. We inspected the hospital in June 2020 and found it complete and operational. The hospital's interior was in relatively good condition with most damage being superficial and attributable to wear and tear. However, we found cracked and crumbled concrete in the building's exterior envelope, missing tiles near the foundation, and deteriorating asphalt in the driveway and parking area. We also found a missing door lock, a damaged hinge, and several missing hydraulic door closers. According to Afghan government and hospital officials, this damage resulted from the USAID contractor's poor construction.

Men's Dormitory at Kabul University

Last assessed: *Afghan First Initiative Has Placed Work with Afghan Companies, But Is Affected by Inconsistent Contract Solicitation and Vetting, and Employment Data Is Limited*, SIGAR Audit-12-6, January 31, 2012

Responsible Agency: USAID

Cost: \$6,890,771

Province: Kabul

Owner: Kabul University

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, April 16, 2020

At the time of our January 2012 audit report, USAID had not yet completed its renovation of the men's dormitory at Kabul University. In April 2020, we re-inspected the dormitory and found that it was complete and used as intended. However, we found evidence of deteriorating conditions, including broken or missing doors, windows, light fixtures, and plumbing; water damage; and exposed wires leading into the laundry building. A Kabul University official said the damage to the laundry building resulted from USAID's water heating system

being too complex to maintain, which in turn led the university to retrofit a simpler system. This official also said the university has not allocated any money for maintaining the dormitory in the past 2 years.

National Load Control Center

Last assessed: *Afghanistan Energy Supply Has Increased but an Updated Master Plan Is Needed and Delays and Sustainability Concerns Remain*, SIGAR Audit-10-4, January 15, 2010

Responsible Agency: USAID

Cost: \$28,100,000

Province: Kabul

Owner: Da Afghanistan Breshna Sherkat

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

The National Load Control Center monitors the distribution of power supplied by imports and domestic generation from hydropower, thermal, wind, and solar plants across Afghanistan. When we first assessed this facility in January 2010, we reported that it was incomplete and behind schedule. In February 2020, we revisited the Center and found that it was complete and being used as intended. However, the wall board in the main control room has two nonfunctioning screens, and Afghan officials said its operating system was out of date, causing it to lock up once a month and require a full system reboot. USAID said the issue with these screens was not the operating system, but the lack of steady climate control in the room. According to USAID, the Afghan government had temporarily resolved this issue and was working on a permanent solution.



Source: SIGAR, February 27, 2020

Darunta Hydroelectric Power Plant

Last assessed: *Afghanistan Energy Supply Has Increased but an Updated Master Plan Is Needed and Delays and Sustainability Concerns Remain*, SIGAR Audit-10-4, January 15, 2010

Responsible Agency: USAID

Cost: \$9,800,000

Province: Nangarhar

Owner: Da Afghanistan Breshna Sherkat

Completion: Incomplete

Current Use: Used as intended

Current Condition: Good

Darunta Hydroelectric Power Plant is Jalalabad's main source of power. When we first assessed this facility in 2010, we observed that USAID's rehabilitation project was incomplete but on schedule. In March 2020, we revisited the facility and learned that USAID terminated the project after rehabilitating one turbine, rather than



Source: SIGAR, March 18, 2020

rehabilitating three as originally planned. USAID left the equipment needed to rehabilitate the other two turbines, and the Afghan government used it to rehabilitate the second turbine but not the third. The two rehabilitated turbines and related equipment were being used as intended. We did not find deterioration in the rehabilitated generators, but we noted that the power plant's fire alarm system was not working.

APPENDIX IV - RESULTS OF SIGAR'S FOLLOW-UP INSPECTIONS OF DEPARTMENT OF STATE CAPITAL ASSET PROJECTS

This appendix summarizes the findings of our follow-up inspections of capital assets funded by the Department of State (State). It funded 11 of the 60 capital assets in our sample at a total cost of \$33.7 million. We organized the entries in this section by the dates of our previous assessments starting with the most recent.

Deh Salah High School for Girls

Last assessed: State Department's Good Performers Initiative: Status of Seven Completed Projects in Baghlan Province, SIGAR 18-59-SP, July 16, 2018

Responsible Agency: State

Cost: \$330,678

Province: Baghlan

Owner: Ministry of Education

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, May 16, 2020

When we visited this 12-classroom school in December 2017, it was used but not in session because the students were on winter break. The school appeared structurally sound and we did not find any major concerns with the foundation, roof, walls, doors, or windows. However, the school did not have access to clean drinking water or reliable electricity, both of which State's construction contract required. Additionally, we found that the contractor had built a "staircase to nowhere" leading directly into the ceiling.

In May 2020, we revisited the school and found that it was used as intended, although classes were not in session because of the COVID-19 virus. However, we found numerous maintenance issues, including cracked and crumbling concrete; water damage and bubbling paint; and broken or missing doors, windows, window screens, and electrical fixtures. Additionally, the water well and hand pump were damaged, and the building remained without electricity. A school official said the building had deteriorated because of its poor construction and damage from local flooding, and the school did not have the resources to fix the damage.

Baghlan Provincial Conference Hall

Last assessed: State Department's Good Performers Initiative: Status of Seven Completed Projects in Baghlan Province, SIGAR 18-59-SP, July 16, 2018

Responsible Agency: State

Cost: \$326,145

Province: Baghlan

Owner: Baghlan Provincial Office of Finance and Administration

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

When we first inspected this conference hall in December 2017, we found that it was being used for official ceremonies and appeared to be in good, usable condition. In March 2020, we revisited the hall and found that it continued to be used as intended, but had deteriorated. For example, we found broken or missing doors, windows, and electrical equipment; water damage and mold; and large cracks in the concrete and plaster. Afghan government officials said some of the damage occurred because of an explosion at the police headquarters building next door. The officials said they were able to repair some of the damage, but lacked the resources needed to repair everything. They added that the building had also deteriorated because too many events were held there.



Source: SIGAR, March 28, 2020

Mullah Toor Primary School

Last assessed: State Department's Good Performers Initiative: Status of Seven Completed Projects in Baghlan Province, SIGAR 18-59-SP, July 16, 2018

Responsible Agency: State

Cost: \$276,622

Province: Baghlan

Owner: Ministry of Education

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

When we first visited this 12-classroom school in December 2017, it was used but not in session because the students were on winter break. The building appeared structurally sound, and we did not find any major issues with the foundation, walls, roof, windows, or doors. The school also had clean drinking water and functional toilets. However, the construction contractor had not hooked the school up to a reliable source of electricity, as State's contract required. Additionally, we found that the contractor had built a "staircase to nowhere" leading directly into the ceiling.



Source: SIGAR, May 16, 2020

In May 2020, we revisited the school and found that it was used as intended, but classes were not in session because of the COVID-19 virus. However, we found numerous maintenance issues, including cracked and crumbling concrete; water damage and mold; and broken or missing doors, windows, window screens, and electrical fixtures. Additionally, the well and hand pump were damaged, and the school remained without a reliable source of electricity. School officials said the building had deteriorated because of its poor construction, and no one had been assigned responsibility for repairing the damage or given the resources to do so.

Renovation of Pol-i-Charkhi Prison

Last assessed: *Pol-i-Charkhi Prison: Renovation Work Remains Incomplete More than 7 Years After the Project Began*, SIGAR 17-46-IP, June 7, 2017

Responsible Agency: State

Cost: \$18,500,000

Province: Kabul

Owner: General Directorate of Prisons and Detention Centers

Completion: Incomplete

Current Use: Used, but not as intended

Current Condition: Deteriorated



Source: SIGAR, June 25, 2020

State began its renovation of the Pol-i-Charkhi Prison in June 2009 with the primary goal of reconfiguring large, undivided prisoner holding areas into smaller minimum-, medium-, and maximum-security cells, each with a sink and toilet. The contract also called for other facility improvements, such as six water well houses, three transformer buildings, and two septic/leach field systems.

In November 2010, State terminated its original contract for convenience because of the contractor's poor performance and failure to complete the project on time. When we inspected the prison in March and April 2016, we found that State had not issued a new contract to restart the renovation project because security concerns prevented State officials from travelling to the worksite and conducting oversight. We observed significant overcrowding in the prison, with many inmates living in the hallways. An Afghan government official said the prison housed between 9,500 and 10,000 inmates—nearly twice its maximum capacity of 5,000 inmates.

We also found nine maintenance issues, including broken, inoperable, or missing electrical fixtures throughout the prison; poorly maintained electrical panels; and broken and inoperable plumbing fixtures, such as toilets, sinks, showerheads, floor drains, and water/sewer pipes. In response to our inspection report, State said it was still planning to move forward with a new wastewater treatment facility, but would otherwise support the Afghan General Directorate of Prisons and Detention Centers in addressing the remaining deficiencies. State said the Afghan government would pay for further renovations to the prison out of its own budget.

In June 2020, we revisited Pol-i-Charkhi Prison and found that the wastewater treatment facility renovations undertaken by State had been completed.⁵⁹ However, the other renovations that were the Afghan government's responsibility remained incomplete, and there was no indication that it had started work. The

⁵⁹ SIGAR, *Pol-i-Charkhi Prison Wastewater Treatment Facility: Project Was Generally Completed According to Requirements, But the Contractor Made Improper Product Substitutions and Other Construction and Maintenance Issues Exist*, SIGAR 21-06-IP, October 21, 2020.

Afghan government had reduced the inmate population to 6,738 because of the COVID-19 virus—an improvement from April 2016 but still above the prison’s maximum capacity. We found many of the same maintenance problems that we found in April 2016, as well as broken doors and windows, water damage, and mold. The prison’s facilities manager said these issues resulted from the original contractor’s poor construction, and the prison lacks the resources needed to make repairs.

Balkh University Women’s Dormitories

Last assessed: *Balkh University Women’s Dormitories: Completion Is More than 2 Years Behind Schedule, and Construction and Design Deficiencies Need to Be Addressed*, SIGAR 17-41-IP, April 25, 2017

Responsible Agency: State

Cost: \$8,230,000

Province: Balkh

Owner: Ministry of Higher Education

Completion: Incomplete

Current Use: Not applicable because the building was not ready for use

Current Condition: Good



Source: SIGAR, March 18, 2020

When we first inspected these dormitories in April 2017, we found that construction was more than 2 years behind schedule and had a revised completion date of December 21, 2017. In March 2020, we conducted a follow-up visit and found that the buildings remained incomplete. As a result, construction was now more than 4 years behind schedule. In our April 2017 report, we observed several maintenance issues, including cracked plaster, peeling paint, and mold. However, in our follow-up visit, we observed no signs of deteriorating conditions, indicating that the earlier problems had been resolved during construction. According to the U.S. Embassy Kabul Public Affairs Section, as of July 1, 2020, construction work was completed on the dormitories and State turned them over to the Afghan Ministry of Higher Education.

Sheikh Zayed University Girls' Hostel

Last assessed: *Good Performers Initiative: Status of Seven Completed Projects in Khost Province, Afghanistan, SIGAR 17-37-SP, April 18, 2017*

Responsible Agency: State

Cost: \$873,017

Province: Khost

Owner: Ministry of Higher Education

Completion: Complete

Current Use: Used, but not as intended

Current Condition: Deteriorated

When we first visited this girls' hostel in March 2016, it appeared to be in use, but not for its intended purpose. We found that nearly all of the rooms were empty, with no bedding or other furniture that one would expect to see at a functional university hostel. We also found the hostel was poorly maintained, with standing water from a leaky roof and damage to doors and walls throughout the building.

In May 2020, we revisited the hostel and found more damage, including broken or missing doors, windows, plumbing, and electrical equipment; clogged drains in the bathrooms; and broken and discarded dormitory furniture. We could not determine the causes of this damage since all the building's staff were quarantined because of the COVID-19 virus. However, the university was still not using the building to house female students, and at the time of our visit, the Afghan government was preparing the facility to serve as a ward for COVID-19 patients.



Source: SIGAR, May 7, 2020

Sheikh Zayed University Library at Khost University

Last assessed: *Good Performers Initiative: Status of Seven Completed Projects in Khost Province, Afghanistan, SIGAR 17-37-SP, April 18, 2017*

Responsible Agency: State

Cost: \$224,638

Province: Khost

Owner: Ministry of Higher Education

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

When we first visited this library in March 2016, it was open and used, but parts of it had deteriorated.

Specifically, the roof was leaking, walls were failing, there was no water access, and power availability was unreliable. In May 2020, we revisited the library and found that it was still in use as intended, but had continued to deteriorate. For example, we found broken or missing doors, windows, plumbing, and electrical equipment; cracks in the interior plaster; water damage to the interior walls; and peeling paint on the exterior



Source: SIGAR, May 7, 2020

walls. A university official said some of this damage resulted from poor construction, and the university lacked the resources to repair it.

Sheikh Attar Higher Secondary School

Last assessed: *Good Performers Initiative: Status of Six Completed Projects in Ghazni Province, Afghanistan, SIGAR 17-26-SP, February 2, 2017*

Responsible Agency: State

Cost: \$270,174

Province: Ghazni

Owner: Ministry of Education

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

When we first visited the school in April 2016, it was open and used, and we observed approximately 300 students attending classes. We reported that the school was in generally usable condition, but its roof was leaking and it lacked electricity and lavatories. In June 2020, we revisited the school and found that it was still used, but classes were out of session due to the COVID-19 virus. However, we found maintenance issues, including broken or missing door handles and locks; missing light fixtures; rough and uneven concrete floors; large cracks and fissures in the interior walls; concrete crumbling from the exterior walls; broken windows and window screens; and a damaged downspout. An Afghan government official said the school lacks the resources to fix these issues.



Source: SIGAR, June 9, 2020

Ghazni Provincial Center Irrigation System

Last assessed: *Good Performers Initiative: Status of Six Completed Projects in Ghazni Province, Afghanistan, SIGAR 17-26-SP, February 2, 2017*

Responsible Agency: State

Cost: \$1,269,198

Province: Ghazni

Owner: Ministry of Agriculture, Irrigation, and Livestock

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated

In our February 2017 report on State's Good Performers Initiative projects in Ghazni Province, we said this irrigation system, which was completed in May 2012, appeared structurally sound and in good condition. However, the Afghan official responsible for maintaining the system said the government was not providing a maintenance budget and he had no funds to



Source: SIGAR, June 9, 2020

perform necessary repairs. In June 2020, we revisited the project site and found that the system was still in use, but its retaining wall had deteriorated and fully collapsed in several areas. A local official said flooding had damaged the system, and no one had been made responsible for repairing it or given the resources to do so.

Power Grid Connections at the Counter Narcotics Strip Mall

Last assessed: *Power Grid Project at the Counter Narcotics Strip Mall in Kabul: Construction Met Contract Requirements but Electrical System Was Not Deemed Operable Until More Than 18 Months After Project Completion*, SIGAR 15-78-IP, August 3, 2015

Responsible Agency: State

Cost: \$1,300,000

Province: Kabul

Owner: Da Afghanistan Breshna Sherkat

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, July 26, 2020

The Counter Narcotics Strip Mall in Kabul houses eight compounds, one for the U.S. Drug Enforcement Administration and seven for Afghan government law enforcement entities. State funded a contract to connect this facility to Kabul's power grid by constructing and installing transformer substations and control panels, building a 15/20 kV overhead power line, and connecting this new power infrastructure to the Kabul North Electric Substation.

When we first inspected these assets in January 2015, we found them in good condition and with no signs of rust. We could not determine whether the electrical system was operational because no commercial power was being supplied to the system at the time. However, State officials said a system test conducted on January 14, 2015, showed that all electrical components functioned properly, and they expected commercial power would be flowing to the system by the end of that year.

In July 2020, we revisited the Counter Narcotics Strip Mall and found that the new system was supplying commercial power to the eight law enforcement compounds as intended. However, we found that the transformer substations were not being well maintained, as evidenced by widespread rust, and we also noted an improvised wiring connection to nearby light fixtures, creating a risk of electrocution and electrical fires. Additionally, we found honeycombing in the concrete base of one of the utility poles, reflecting poor workmanship that could eventually threaten the pole's stability. An Afghan government official said the government lacked the resources to repair and maintain the new power infrastructure at the mall.

Detention Center at the Counter Narcotics Justice Center

Last assessed: *Detention Center at the Counter Narcotics Judicial Center: Project Construction Mostly Met Contract Requirements, But Two Deficiencies Need to Be Addressed*, SIGAR 15-70-IP, July 13, 2015

Responsible Agency: State

Cost: \$2,100,000

Province: Kabul

Owner: General Directorate of Prisons and Detention Centers

Completion: Complete

Current Use: Used as intended

Current Condition: Deteriorated



Source: SIGAR, June 14, 2020

When we inspected this detention center in January 2015, we found that the Afghan government was using it as intended and keeping it well maintained. According to State officials, the detention center was designed to hold up to 308 detainees, and housed between 190 and 210 on average. We found no instances of poor maintenance, aside from some degraded silicone seals on the roof's gutter system.

In June 2020, we revisited the detention center and found that the Afghan government continued to use it as intended, but had not maintained the facilities in good condition. We found holes and large cracks in the interior construction, damaged and inoperable water heaters, several nonfunctional exhaust fans, damaged epoxy coating on the floors, and peeling paint on some walls. Detention center officials denied the existence of these maintenance issues, so we did not learn what had caused them. The officials did not let our inspection team photograph evidence of the maintenance issues and said we could not inspect the boiler room because they did not have the keys.

APPENDIX V - RESULTS OF FOLLOW-UP INSPECTIONS INVOLVING OVERSEAS PRIVATE INVESTMENT CORPORATION CAPITAL ASSET PROJECTS

This appendix summarizes the findings of our follow-up inspections of the Overseas Private Investment Corporation's (OPIC) projects. OPIC funded 2 of the 60 sites in our sample at a total cost of \$84.8 million.

Kabul Hotel

Last assessed: Review Letter: Abandonment of OPIC Projects in Kabul, SIGAR 17-13-SP, November 14, 2016

Responsible Agency: OPIC

Cost: \$57,771,796

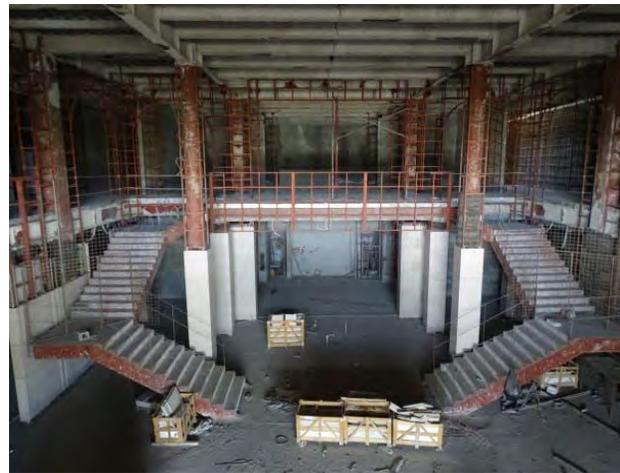
Province: Kabul

Owner: Afghan government

Completion: Incomplete

Current Use: Not applicable, building was never used

Current Condition: Deteriorated



Source: SIGAR, August 1, 2016

In August and October 2016, we inspected the Kabul Hotel, which is adjacent to the U.S. Embassy in Afghanistan. We found that the hotel was never finished and had been abandoned. Additionally, we found structural cracks in the walls and roof; damaged fireproofing on steel beams and columns; demolished wall sections; incomplete electrical, elevator, communications, fire prevention and suppression, sewer, heating, ventilation, and air conditioning systems; unfinished concrete masonry units; uninstalled doors and windows; and other issues.

When we asked to visit the site in April 2020, officials at the U.S. Embassy in Afghanistan, which controls access to the building, said the Embassy had condemned the site and declared it unsafe to enter. As a result, we were not able to conduct a follow-up inspection of the hotel. However, an Embassy official told us that the hotel remains abandoned, and that it has further deteriorated. The official further stated that the building was not seismically sound or blast resistant, and could not be salvaged.

Kabul Grand Residences

Last assessed: Review Letter: Abandonment of OPIC Projects in Kabul, SIGAR 17-13-SP, November 14, 2016

Responsible Agency: OPIC

Cost: \$27,000,000

Province: Kabul

Owner: Afghan government

Completion: Incomplete

Current Use: Not applicable, building was never used

Current Condition: Deteriorated

In August and October 2016, we inspected the Kabul Grand Residences, an apartment building adjacent to the U.S. Embassy in Afghanistan. We found that it was never finished and had been abandoned. Additionally, we found structural cracks in the walls; incomplete electrical, elevator, communications, fire prevention/suppression, sewer, heating, ventilation, and air conditioning systems; uninstalled doors and windows; and other issues.

When we asked visit the site in April 2020, officials at the Embassy, which controls access to the building, said the Embassy had condemned the building and declared it unsafe to enter. As a result, we were not able to conduct a follow-up inspection. However, an Embassy official told us that the building remained abandoned, and had deteriorated further. The official also stated that the building was not seismically sound or blast resistant, and could not be salvaged.



Source: SIGAR, August 1, 2016

APPENDIX VI - COMMENTS FROM THE DEPARTMENT OF STATE



United States Department of State

Washington, D.C. 20520

January 14, 2021

[REDACTED]
Deputy Assistant Inspector General for Audits and Inspections
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, Suite 900
Arlington, VA 22202

Dear [REDACTED]

The Department of State welcomes the opportunity to comment on this draft Special Inspector General for Afghanistan Reconstruction (SIGAR) report entitled, “U.S.-Funded Capital Assets in Afghanistan: The U.S. Government Spent More than \$2.4 Billion on Capital Assets that Were Unused or Abandoned, Were Not Used for Their Intended Purposes, Had Deteriorated, or Were Destroyed” (dated January 2021). The Department respects SIGAR’s role in safeguarding U.S. taxpayer investment, and we share your goals of implementing programs free from waste, fraud, and abuse.

SIGAR highlighted a number of counternarcotics projects and programs, the Counternarcotics Strip Mall, Counternarcotics Justice Center (CNJC) in Kabul, and Good Performers Initiative (GPI). SIGAR’s report highlights maintenance deficiencies observed at a June 2020 visit to the CNJC, commenting that “the Afghan government continued to use [the CNJC facility] as intended, but had not maintained the facilities in good condition.” The report notes “holes and large cracks in the interior construction, damaged and inoperable water heaters, several nonfunctional exhaust fans, damaged epoxy coating on the floors, and peeling paint on some walls.” The Department of State supports Operations and Maintenance efforts at the CNJC, under the Security and Support Services (SaSS) contract. Effective with the 2018 SaSS recompetes, the contract focuses on a reduced number of core O&M areas including rebuilding the well system, maintaining the wastewater treatment system, using city power while maintaining generator backup, meal service for staff and inmates, and HVAC, with other areas including paint and vehicle maintenance being the responsibility of CNJC staff. (Note: In general, corrections facilities experience high levels of wear.) INL is focused on continuing to devolve O&M responsibilities to CNJC leadership.

Additionally, SIGAR's report cites INL's neglect and poor maintenance of GPI's assets. However, as per INL's GPI agreement with the Ministry of Counter Narcotics, the Government of Afghanistan is wholly liable for GPI projects beginning one year after their completion and will hold harmless the United States government, its entities, and all United States government employees and contractors related to GPI's effort for any issues with personnel, buildings, or other resources. INL's involvement in any GPI related issues ended in 2019.

SIGAR also flagged INL's Renovation of Pol-i-Charkhi Prison, noting maintenance issues and overcrowding. The Afghan government is ultimately responsible for the operations and maintenance of their facilities and INL has and will continue to assist them in that endeavor. Significant and consistent training on facilities maintenance has been provided to the Afghan corrections directorate personnel and staff. Moreover, INL has provided consistent advising on overall responsible prison management. The number of prisoners at each corrections facility is the purview of the Afghan government. INL has advised the Afghan government that overcrowding undermines their ability to ensure a safe, secure, and humane corrections system. However, their budgetary constraints limit their ability to respond to major challenges in a timely manner. The 2020 prisoner releases, in response to the pandemic, had a significant impact on overcrowding and have provided an opportunity for the corrections directorate to better manage Pol-i-Charkhi prison.

The Department of State appreciates SIGAR's thorough examination of U.S. foreign assistance programming in Afghanistan's corrections and counternarcotics sectors. INL looks forward to continuing to work with SIGAR and other relevant authorities on these issues.

Sincerely,



Executive Director
Bureau of International Narcotics and Law
Enforcement Affairs



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
2700 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2200

The Honorable John Sopko
Special Inspector General for Afghanistan Reconstruction
1550 Crystal Drive, 9th Floor
Arlington, VA 22202

Dear Mr. Sopko:

Thank you for the opportunity to review the draft SIGAR 21-XX Evaluation Report, also referred to as SIGAR Report E-003, regarding U.S.-funded capital assets in Afghanistan.

The report focuses primarily on U.S.-funded infrastructure projects in Afghanistan, including more than 40 projects implemented by the Department of Defense (DoD). According to the report, SIGAR reviewed all of its reports issued between January 2008 and September 2019 that included capital assets and concluded that many showed signs of deterioration, some were not being used by Afghan beneficiaries as originally intended or not at all, and, in two instances, were destroyed. The report then concludes with a statement that is misleading and draws improper conclusions: “The fact that so many capital assets ended up this way should have been a cause for major concern on the part of U.S. agencies funding capital assistance projects in Afghanistan. Nonetheless, the agencies continued with a ‘business as usual’ approach with their reconstruction efforts in Afghanistan, resulting in at least \$2.4 billion in U.S. taxpayer funds being wasted on capital assets.”

SIGAR Claim: *“Agencies continued with a ‘business as usual’ approach”*

DoD Response: The report leaves readers with the impression that DoD has ignored SIGAR’s reporting and continues to implement projects in Afghanistan without concern for project sustainability. The report fails, however, to inform readers that DoD spending on infrastructure in Afghanistan has decreased by more than ninety-nine percent over the last ten years. With one exception, the DoD projects discussed in the report were initiated between 2007 and 2013 – an era characterized by counterinsurgency and stability operations with an emphasis on reconstructing infrastructure. That era largely concluded with the end of our former combat mission in December 2014. In fact, the majority of the projects described in the report were funded through DoD programs that ended years ago or are no longer used by U.S. Forces-Afghanistan (USFOR-A) to construct infrastructure. For example, as DoD reported to SIGAR in a previous audit, USFOR-A once used the Commander’s Emergency Response Program to fund large-scale road improvement projects, in part to help address the threat posed by improvised

explosive devices. Funding for these projects peaked during 2008-09 and fell dramatically afterwards, with the last project occurring in 2013.

Since the start of DoD's follow-on mission, Operation Freedom's Sentinel, in 2015, DoD sharply reduced funding requests for infrastructure, particularly as USFOR-A transitioned from establishing the Afghan National Defense and Security Forces (ANDSF) to sustaining them. When the number of U.S. forces peaked in Afghanistan in 2011, the Combined Security Transition Command-Afghanistan (CSTC-A) reported to SIGAR that it had more than 700 ongoing and planned infrastructure projects supporting the ANDSF, including training facilities, barracks, police headquarters, etc. Many planned projects were never initiated following subsequent CSTC-A reviews, and relatively few new infrastructure projects have been initiated in recent years. In December 2020, CSTC-A reported it was in the process of completing just 12 projects and was not accepting new construction proposals.

This shift away from infrastructure may be one reason why SIGAR issued approximately one-half as many recommendations to DoD from 2015-2019 (excluding recommendations from financial audits) as it did from 2009-2014.

Although the report repeats many of the findings from past SIGAR reports, it excludes a discussion of DoD's official responses that SIGAR published in appendices of those reports, including instances where DoD refuted the findings. It also excludes instances of DoD concurring in SIGAR recommendations and taking actions to improve outcomes. In a 2016 report that similarly summarized previous SIGAR inspections, SIGAR noted that "DoD has taken steps to improve its processes to ensure control and accountability for its reconstruction projects, including hiring more engineers and changing its guidance to improve planning and oversight." The report also stated: "The large percentage of recommendations closed shows that in response to SIGAR's inspection reports, DoD generally took action to improve efficiency and effectiveness in its reconstruction activities, and to correct construction deficiencies." Separately, in a 2017 request for information on DoD infrastructure projects, SIGAR acknowledged that "DoD took actions to more closely align infrastructure development with projected needs." SIGAR reports continued to identify weaknesses and issues that needed to be examined, but these examples demonstrate DoD's efforts to improve project execution.

DoD routinely assesses its activities and makes adjustments based on mission needs and lessons learned, including those gained from first-hand experience and from outside assessments such as SIGAR and DoD Inspector General (DoDIG) reports. As a result, in many instances, DoD elected to cancel, re-scope, or not pursue projects due to concerns about a project's necessity or sustainability, or changes to mission requirements. For example, as CSTC-A reported to SIGAR at the time, it canceled more than 20 planned projects in mid-2020, in part to focus on maintaining existing infrastructure. It is not "business as usual." It is a continuous effort to balance the protection of U.S. resources with reconstruction efforts that have the potential to increase security and stability in Afghanistan.

SIGAR Claim: "...resulting in at least \$2.4 billion in U.S. taxpayer funds being wasted on capital assets."

DoD Response: According to the report, projects that are not currently being used as originally intended or show signs of deterioration are considered a waste of taxpayer funds. It is difficult to determine from the report how much of the amount SIGAR claims was wasted is associated with DoD projects, but we note that more than 20% of the total amount refers to a single activity – the G-222 aircraft program, which was terminated in 2013 and resulted in 16 aircraft being sold for scrap. DoD worked closely with the congressional defense committees at the end of the program to obtain authority to dispose of aircraft; the committees were aware of the details and circumstances that led to the program's termination before SIGAR decided to examine it nearly a year later.

Beyond this, we note that throughout the report, SIGAR uses a broad definition of deterioration to assess the projects in the report. The definition includes potentially serious issues, such as problems with structural elements of facilities, and also less significant issues such as missing window screens. The definition also includes damage caused by insurgents or terrorist activity. However, a project that was damaged or destroyed, while unfortunate, likely provided value while it was in usable condition. Further, some projects were facilities that DoD constructed for its own use, but later transferred to the Afghan Government as we withdrew forces, particularly in the years prior to the end of our combat mission in 2014. Such facilities, even if later damaged or not used, fulfilled their original purpose and were not wasted.

Regarding facilities built for Afghan beneficiaries, particularly the ANDSF, signs of deterioration are often an indication that the ANDSF need to improve maintenance capabilities – an area USFOR-A continues to address with our Afghan partners. In fact, CSTC-A is currently working with the facility directorates of the Ministry of Defense (MOD) and Ministry of Interior (MOI) to establish Facility Sustainment Funds (FSFs). These funds will help ANDSF facility engineers to conduct preventative maintenance and simple repairs, and enable local commanders at the installation level to more easily procure services and fund repairs that are above the skill set of organic facility engineers. Although poor maintenance does have the potential to degrade the usefulness and effectiveness of infrastructure, it does not mean the facilities should automatically be considered a waste of taxpayer resources.

Regarding the issue of some projects not being used as intended or at all, DoD takes this matter seriously. Some instances were the result of circumstances that were outside of our control. Others were the result of changes to the mission or the security situation that could not easily be predicted. Regardless, we continue to work with the MOD and MOI to ensure DoD-funded infrastructure is used in beneficial ways. We were pleased to read that SIGAR found four DoD-funded projects that previously were not used as intended or at all, were now being used by Afghan beneficiaries as intended – further evidence of the dynamic situation in Afghanistan.

Finally, the report includes comments from a small number of Afghan officials that SIGAR interviewed in 2020, which may not accurately reflect the events of previous years.

An early draft version of the 21-XX report that SIGAR provided to DoD included the following statement about a generator project implemented by a Provincial Reconstruction Team (PRT) in 2008: “An Afghan official told us that the power system’s generators were damaged when DoD transferred them to the Afghan government.” After reviewing the report, DoD informed SIGAR that SIGAR’s original July 2009 inspection of the same project did not mention this damage. SIGAR then amended the report to say: “In May 2020, an Afghan official said the power system’s generators were damaged after DOD transferred them to the Afghan government.” This casts doubt on what the official actually told SIGAR and, more specifically, raises questions about whether the official had first-hand knowledge of the state of the generators when Afghan officials accepted them more than a decade ago. There were no contextual statements as to how the Afghan official had knowledge of the transfer or the state of the equipment.

In another instance involving a separate PRT power project, the report states: “An Afghan Government official said the Afghans never wanted this power plant.” However, SIGAR’s original report from January 2011, which described the project as having a “generally successful outcome,” noted that the purpose of the project was to rehabilitate “the existing diesel general power plant that provides power to the city of Mehtar Lam.” The report also noted that PRT officials said the provincial governor was involved with the project. The involvement of Afghan officials at the time the project began in 2010 and the fact that the power plant already existed, similarly raises questions about whether comments made in 2020 accurately reflect the events of 10 years ago. It is unfair to the personnel who executed these projects in good faith to be colored by statements of hindsight made by officials who may not have been involved in the decision-making process.

We appreciate your continued efforts to ensure the Department is a good steward of Federal resources as we execute our current mission in Afghanistan.

Sincerely,

A large black rectangular redaction box covering the signature of the Deputy Assistant Secretary of Defense.

Deputy Assistant Secretary of Defense (Acting)
for Afghanistan, Pakistan, and Central Asia

APPENDIX VIII - COMMENTS FROM THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT



MEMORANDUM

TO: The Honorable John F. Sopko
The Special Inspector General for Afghanistan
Reconstruction (SIGAR)

FROM: [REDACTED] Mission Director [REDACTED]

DATE: January 21, 2021

SUBJECT: Management Comments to Respond to the Draft Performance Evaluation Report Produced by the SIGAR titled, "U.S.-Funded Capital Assets in Afghanistan: The U.S. Government Spent More than \$2.4 Billion on Capital Assets that Were Unused or Abandoned, Were Not Used for Their Intended Purposes, Had Deteriorated, or Were Destroyed" (SIGAR 21-XX Evaluation Report/SIGAR E-003).

The U.S. Agency for International Development (USAID) thanks SIGAR for the opportunity to provide comments on the subject draft report, which does not contain recommendations for the Agency.

The Agency follows the Automated Directives System (ADS) Chapter 201, including the design of all construction activities. Pursuant to Section 611(e) of the Foreign Assistance Act (FAA) of 1961, as amended, the Agency's ADS Chapter 201 in a mandatory reference on Management of Construction Risk requires the "USAID's Mission Directors, Country Representatives, or other Principal Officers in country must certify, for any capital assistance construction activity estimated to cost in excess of \$1,000,000, the financial and human resources capability in the host-country government or recipient organization to effectively maintain and use that activity." The mandatory reference also requires the identification of construction activities, assessing construction risk, and mitigating and monitoring the risk. Additionally, Section 1273 of the FY13 National Defence Authorization Act (NDAA) requires that the USAID Administrator, in consultation with the Mission Director and the Chief of Mission in the country in which the project will be

carried out, complete an assessment of the necessity and sustainability of a capital project.

For the USAID-funded capital projects identified in the draft report, USAID conducted sustainability assessments under 611(e) of the FAA prior to issuance of contracts to certify the host country or recipient organization's financial and human resources capability for operations and maintenance of capital projects, and completed the necessity and sustainability assessments required under Section 1273(a)(2) of the NDAA. The Mission also complied fully with Agency policy during the design and construction of the capital projects.

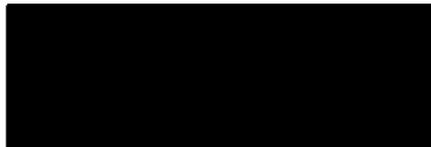
After construction completion, the contracts for the USAID-funded projects include a one-year defect liability (warranty) period during which the contractor is responsible for providing operation and maintenance and for rectifying any design and construction deficiencies. Thereafter, the capital projects are transferred to the Government of Afghanistan (GoA), which takes over the responsibility for operating and maintaining the capital projects. This was the case for all the capital projects highlighted in the SIGAR's draft report.

Through implementation of the FY 2019-2023 USAID/Afghanistan Country Development Cooperation Strategy (CDCS), USAID is helping to establish the conditions necessary for self-reliance by focusing on long-term, broad-based development in Afghanistan and by transitioning to a more mature relationship with the GoA. This relationship is driven by accountability for performance and enables the GoA to take greater ownership of its country's development. Regional plans, project and activity designs; monitoring and evaluation plans; and, collaborating, learning, and adapting activities are all being re-oriented to reinforce the concept of self-reliance. The GoA recognizes this as well and is committed to achieving self-reliance. The CDCS is fully aligned with the Afghanistan National Peace and Development Framework (ANPDF), and in its National Priority Programs (NPPs), through which the strategy is being implemented.

Therefore, it would be counterproductive to the USG goal of reinforcing GoA legitimacy and increasing Afghan self-reliance if the U.S. government were to develop and/or enforce detailed sustainment plans for completed capital projects that were handed over to the GoA for their use, operation, and maintenance.

Note that the CDCS intentionally incorporates a shift in approach to development assistance from USAID-generated development objectives and fixed programming to conditions-based, collaborative objectives formed in partnership with the GoA. In addition, the CDCS requires a strong pivot towards private-sector investment and operations that will help increase Afghanistan's self-reliance.

Finally, given that the capital projects evaluated by SIGAR were completed and handed over to the GoA for the use, operations, and maintenance, USAID will share the final SIGAR report with GoA and strongly encourage them to take corrective measures on the USAID-funded capital projects highlighted in the report. Further, USAID will use the findings of the evaluation to engage more substantively with the GoA on the sustainment of all planned and current capital projects.



APPENDIX IX - ACKNOWLEDGMENTS

Christopher Borgeson, Senior Program Manager

Zachary Rosenfeld, Analyst-in-Charge

Elaine Jennings, Senior Auditor

Alyssa Teddy, Senior Program Analyst

This evaluation was conducted
under project code SIGAR E-003.

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.

Obtaining Copies of SIGAR Reports and Testimonies

To obtain copies of SIGAR documents at no cost, go to SIGAR's Web site (www.sigar.mil). SIGAR posts all publicly released reports, testimonies, and correspondence on its Web site.

To Report Fraud, Waste, and Abuse in Afghanistan Reconstruction Programs

To help prevent fraud, waste, and abuse by reporting allegations of fraud, waste, abuse, mismanagement, and reprisal, contact SIGAR's hotline:

- Web: www.sigar.mil/fraud
- Email: sigar.pentagon.inv.mbx.hotline@mail.mil
- Phone Afghanistan: +93 (0) 700-10-7300
- Phone DSN Afghanistan: 318-237-3912 ext. 7303
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