



**MEMORANDUM**

**October 18, 2016**

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

**FROM:** Herbert Smith, Mission Director  
USAID/Afghanistan

**SUBJECT:** Mission Response to Draft SIGAR Report titled  
"Afghanistan's Road Infrastructure: Sustainment  
Challenges and Lack of Repairs Put Nearly \$3 Billion  
U.S. Investment at Risk" (SIGAR Report 17-XX  
under Code 107A)

**REF:** SIGAR/GTonsil Transmittal email dated 03/22/2016

USAID thanks SIGAR for the opportunity to comment on this report. Since 2002, USAID has supported the development of Afghanistan's road network, recognizing that roads serve as catalysts for development by connecting communities across Afghanistan to public services and economic opportunity. The long term goal of both USAID and the Afghan government is to establish a self-supporting commercialized transportation system.

As indicated by the USAID assessments in 2012 and 2015 SIGAR cites in the audit, USAID transitioned away from road construction to equip the Afghan Ministry of Public Works (MoPW) with the technical proficiency needed to operate and maintain Afghanistan's roads. Under the National Unity Government, the MoPW has demonstrated a renewed will to take on this responsibility, including formally endorsing USAID's Road Sector Sustainability Project (RSSP) in June 2016. The newly released Afghanistan National Peace and Development Framework (ANPDF) specifically identified road sector reform as a key component of the energy and infrastructure development growth strategy for the country. USAID's RSSP project is designed to assist the Afghan government in taking on ownership of Afghanistan's road network through the establishment of a Road Authority to manage operations and

maintenance activities, a Road Fund to provide funds for these activities, and a Transportation Institute to develop national standards, research new technologies, and provide quality assurance.

### **USAID's Technical Comments**

**SIGAR Draft Report, page 5, para. 1:** "...for the \$366 million Secondary Road Program, USAID provided road locations at the district level but could not provide more precise location data. Therefore, we could not determine the precise location of the roads constructed under the program."

**USAID's Comment:** USAID requests that the sentence be amended to a more accurate, "...for the \$366 million Secondary Road Program, USAID provided road locations at the district level, as specific GPS coordinates were not required at the time of the contract; newer contract provisions now make sure specific location data are a part of the monitoring requirements."

**SIGAR Draft Report, page 2 of the Summary section, page 11-12 of the draft report:** "However, there is no guarantee that Afghan parliament will consider the proposed legislation in the current or future sessions or whether it will enact them."

**USAID's Comment:** USAID found these statements inaccurate. USAID requests that the sentence be deleted since SIGAR has not provided significant justification in the report to support the above statement.

### **SIGAR Recommendation**

*To ensure the remaining activities of the RSSP, as well as any future road programs, address the shortcomings of previous programs and increase the MOPW's capacity to maintain Afghanistan's roads, we recommend that the USAID Administrator link future RSSP and MOPW funding to the successful creation of an independent Road Authority, Road Fund, and Transportation Institute.*

**USAID Comments:** Mission concurs with SIGAR's recommendation.

**Actions Taken/Planned:** This is in line with the mission's current approach, which ensures any future road programs address the shortcomings of previous programs and increase the MOPW's capacity to maintain Afghanistan's roads.

While the RSSP sub-activities 3 and 4 are not strictly conditioned upon the Government of Afghanistan enacting laws to authorize the new Road Authority, Road Fund and Transportation Institute (Activity 2), the Mission believes that the governmental approvals are proceeding and that the Afghan Parliament will enact the necessary laws to implement the road sector sustainability reforms.

The Afghan Government has taken continued steps to sufficiently demonstrate their commitment toward the reform. One noteworthy step was the Third Inter-Ministerial Project Steering Committee (IMPSC), held on June 19, 2016. At this event, the President's Special Representative for Reform and Good Governance in the Office of Presidential Administrative Affairs (OPAA) and chair of the Road Sector Reform project, His Excellency Ahmad Zia Massoud, formally announced the IMPSC's endorsement for the reforms and support for the creation of the three new agencies. The endorsement letter was signed by representatives from:

- Ministry of Public Works
- Ministry of Finance
- Ministry of Justice
- Ministry of Transport and Civil Aviation
- Ministry of Rural Rehabilitation and Development
- Ministry of Urban Development Affairs
- Independent Directorate of Local Government
- Independent Administrative Reform and Civil Service Commission
- H.E. Ahmad Zia Massoud

A formal endorsement letter for the reforms was also issued by Dr. Qayoumi, Chief Advisor to the President on Infrastructure, Human Capital and Technology on July 22<sup>nd</sup>, 2016.

USAID has previously provided SIGAR, in response to the audit Statement of Facts, both documents on the Inter-Ministerial Project Steering Committee, and the Endorsement Letter.

Finally, the newly released Afghanistan National Peace and Development Framework (ANPDF) specifically identified road sector reform as a key component of the energy and infrastructure development growth strategy for the country. The five year strategic plan notes that, "Work is underway to improve transportation authorities by establishing systems that would allow them to harmonize responses to the country's expanding transport needs." This includes the establishment of a Road

Authority, a Road Fund, and a Transport Institute (see Attachment # 1, Section D- page 19: Energy and Infrastructure Development).

**Closure Request:** Based on the above, the Mission believes that the final action has been taken and requests SIGAR concurrence for closure of Recommendation No. 1.

**Attachment:**

Afghanistan National Peace and Development Framework.

cc: U.S. Embassy