




Embassy of the United States of America

Kabul, Afghanistan

May 3, 2004

UNCLASSIFIED
MEMORANDUM

TO: USAID - Jim Beaver and Bob Wilson

FROM: Ambassador - Zalmay Khalilzad 

SUBJECT: Strengthening USAID Communications in
Afghanistan

As you know, USAID has a critical role in the reconstruction and development of Afghanistan. The government and the people in the countryside look at the status of AID programs as a benchmark of the U.S. commitment to Afghanistan's recovery.

As you also know, we are experiencing increasing problems here regarding communications between USAID, the U.S. Mission, and the Government and people of Afghanistan regarding the status of AID program schedules and the quality of results. In part, the problem is one of communications and managing expectations; and in part there are questions of program performance that we must be able to respond to accurately and crisply. These problems are now beginning to interfere with the credibility of the U.S. Mission in Afghanistan, and require immediate corrective action.

In order to assure a timely orderly flow of program and project information, I direct that you instruct all contractors, sub-contractors, and implementing partners funded by USAID to provide routine and special reports that are provided to USAID simultaneously to the Embassy Interagency Planning Group (EIPG). The timeliness of unfiltered reporting on program performance and issues is critical to our credibility in dealing with senior officials at the national, provincial, and local levels.

In order to avoid any reoccurrence of the communications problems that occurred regarding the USAID contract limitation on the Louis Berger Group, I am charging you two with the responsibility of reporting to me and the EIPG (or in my absence the DCM) within 24 hours of any change in any project or program status or expectations that will affect the quality of results or completion schedule by more than one month from its original completion schedule and/or any revised completion schedule.

In order to provide a definitive response to questions raised about the schedule and quality performance of USAID programs, I have requested that the U.S. Army Corps of Engineers undertake a program to conduct inspections of USAID projects and programs. At this point we must erase any doubts about the credibility of the U.S. commitment to provide Afghanistan with quality and timely reconstruction and development assistance. I expect USAID to cooperate and to direct their contractors, subcontractors and implementing partners to cooperate fully and in a timely manner with this effort, because it is critical that we respond to the concerns of the Government of Afghanistan regarding the schedule and quality performance of USAID programs in this country.

cc: Col. John Ritchie
Col. Rick Conte

Date: July 14, 2004

DRAFT

To: Mark Ward, USAID

From: Jack Bell

Subj: Assessment of the USAID Program in Afghanistan

As I indicated during your recent visit to Afghanistan, I have been preparing this assessment of the USAID program in Afghanistan. It profiles a program in serious trouble, some say broken in the infrastructure area. While some elements of the program are functioning satisfactorily, the most important programs -- including roads, schools and clinics -- are in serious trouble. Several major factors are contributing to this situation, some based on the management and reporting practices in Afghanistan and others based on policies and overall program management weaknesses in Washington.

The question will inevitably arise about my qualifications for making this assessment, so I will summarize them here. As you may recall, I served as a consultant with McKinsey & Company, Inc. for six years. During that time, I managed major client projects -- with the Peace Corps and with the World Bank Group -- regarding strategies for and management of development assistance programs. In addition, I spent several years managing work with the fourth largest civil construction company in the world (located in Brazil), focusing on strategies and management processes for major infrastructure programs in Brazil, at that time a developing country environment. The last 30 years of my professional career has been in change management in large complex organizations to achieve organizational excellence.

During my tour as Chief of Staff of the Afghanistan Reconstruction Group for the last seven months, I worked closely with the USAID team and identified and discussed with them all of the problems identified in this memo. I have also shared many of these perspectives with you, Jeanne Pryor and Alonzo Fulgram, so the subject matter should be familiar. Documentation is available to support the information provided on the seriousness of the problems discussed in this memo. In some cases, it is provided as attachments to this report.

BACKGROUND

USAID has been tasked with managing a \$2-3 billion a year program for reconstruction and development assistance ("RDA") in Afghanistan (and an even more sizable one in Iraq). This program is vital to political stability and economic development of Afghanistan, and therefore vital to U.S. government ("USG") interests there. However, USAID management processes and management oversight efforts are not organized, staffed or managed to deliver the program benefits on a timely, cost effective basis. Moreover, their reporting of the status of

the schedule and quality of project deliverables often is not timely or accurate on major projects. The result has been that the Ambassador sometimes learns about schedule and quality problems from the Government of Afghanistan ("GOA"), local government officials, and CFC-A representatives.

Several examples underscore the seriousness of these problems:

- ***A total of 400 clinics were to be completed in the years 2003-2004. By March of 2004 only one "model" clinic was constructed by The Louis Berger Group (LBG) under a USAID contract in Qandahar near Kabul, as a prototype for the remainder of the clinics to be built around the country. To date July 2004 this is still the only clinic constructed and it is estimated that by the end of 2004 USAID may only complete 30% of the clinics that it has committed to build.*** According to the Minister of Health, the design was imposed on the Ministry of Health by Berger and by ***Ellen Lynch who represented herself to the Minister as a USAID official but in fact was seconded to USAID from IOM, a USAID contractor.*** Upon inspection of the building as it neared completion, the Afghanistan Reconstruction Group ("ARG") Senior Health Advisor advised USAID ***that the workmanship and materials used were substandard and*** the design (see Attachment 2 for the building and property schematic designs) would be unacceptable for several reasons:
 - Architecturally, it would be difficult to erect in many parts of the country, because the roof truss design (reportedly designed by a bridge-building company under a sub-contract from Berger) was too heavy to be put in place by local labor without a crane. In many parts of the country, a crane could not be used because of terrain inaccessibility;

- Even in meeting the earthquake requirements, the cost was over **the approved budget** (more than \$500 per square meter), in part because of the roof truss structure;
- Culturally, it would be unacceptable in many parts of the country, because it had a single door for male and female patients to enter a single waiting room; and
- The **handicap ramps were too steep and unusable, sinks had no P traps installed and the toilet facilities were designed to be located on the boundary of the property, but could only be serviced by entering on the adjacent property.** Despite a claim by USAID that the adjacent property was public property and not a problem, the ARG senior advisor (who speaks fluent Farsi) confirmed with the adjacent property owner that the property was indeed privately owned.

USAID initially resisted a change in design, because LBG had already poured foundations for around 30 other clinics. Only after the Ambassador got involved did USAID **cancel the contract with LBG for the remaining clinics, contract six other companies, and agree to adopt a design for subsequent facilities that is both more cost-effective and is culturally acceptable for the country.**

- A "model" school in West Kabul recently completed by Berger under a USAID contract also suffered from major design and construction problems. According to an official involved, the school design has been altered numerous times as it was being constructed, resulting in significant delays in completion, and in cost overruns that have doubled the original cost estimate for the building.

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DCM: DCHRISTENSON
AID: EMARK
AID: PAJEZEK/PFINE/RWILSON/KWELCH/RJIMENEZ
RSO: SFAKAN; EIPG: BDUTY; ARG: PMANEY
ARG DCM RSO AID EIPG ECON

AMEMBASSY KABUL
SECSTATE WASHDC
NSC WASHDC
CIA WASHDC
SECDEF WASHINGTON DC
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SECDEF WASHINGTON DC/OASD/PA
DIA WASHINGTON DC
CJCS WASHINGTON DC
JOINT STAFF WASHDC//J5/UNMA//J-3//
USMISSION USUN NEW YORK
USCINCENT MACDILL AFB FL//CCJ3/CCJ4/CCJ5/POLAD//
COMCJTF 180 BAGRAM AFG//CG/C3/C9/POLAD
DEPT OF TREASURY WASHDC
DEPARTMENT OF COMMERCE WASHDC

STATE FOR DEPUTY SECRETARY AND SA/A
USDOC FOR DEPUTY SECRETARY AND AFGHAN RECONSTRUCTION TASK
FORCE
STATE PASS USAID FOR JPRYOR, MWARD, AFULGHAM
NSC PASS DEPUTY NATIONAL SECURITY ADVISOR
SECDEF PASS DEPUTY SECRETARY OF DEFENSE AND VICE CHAIRMAN
JOINT CHIEFS OF STAFF
CIA PASS DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE
COMMERCE PASS DEPUTY SECRETARY OF COMMERCE
TREASURY PASS DEPUTY SECRETARY OF TREASURY

E.O. 12958: N/A
TAGS: EAID, ECON, EFIN, AF

SUBJECT: STATUS OF USAID-FUNDED SCHOOLS AND CLINIC
RECONSTRUCTION PROGRAM

1. THIS TELEGRAM CONVEYS THE NEW SCHEDULE FOR CONSTRUCTION
AND REHABILITATION OF SCHOOLS AND CLINICS IN AFGHANISTAN. THE
WORK IS UNDERWAY ACROSS THE COUNTRY AND WILL CONTINUE UNTIL

THE END OF THE CALENDAR YEAR. FINAL COMPLETION IS LATER THAN ANTICIPATED BECAUSE OF GROWING SECURITY THREATS AND DIFFICULTIES GAINING MINISTRIES OF EDUCATION AND HEALTH APPROVALS FOR SCHOOL AND CLINIC DESIGNS AND SITE LOCATIONS.

2. FOLLOWING A PRESENTATION BY THE USAID ADMINISTRATOR ON THE PROGRESS OF THE SCHOOLS AND CLINICS PROJECT TO THE NSC-LED DEPUTIES COMMITTEE FOR AFGHANISTAN, THE DEPUTIES COMMITTEE CHAIR DIRECTED USAID TO PREPARE AND SUBMIT A NEW SCHEDULE FOR COMPLETING CONSTRUCTION AND REHABILITATION OF THE ORIGINAL GOAL: 517 SCHOOLS AND 360 CLINICS. THE CHAIR ADDED THAT THE NEW AND ORIGINAL SCHEDULES WOULD BE INCLUDED IN THE EXECUTIVE SUMMARY OF THE METRICS CHART TRACKED REGULARLY BY THE DEPUTIES COMMITTEE.

3. FOLLOWING IS THE NEW SCHEDULE FOR CONSTRUCTION AND REHABILITATION OF SCHOOLS AND CLINICS ACROSS AFGHANISTAN.

	SCHOOLS	CLINICS
JULY	13	4
AUGUST	53	32
SEPTEMBER	118	63
OCTOBER	126	82
NOVEMBER	49	44
DECEMBER	49	41
TOTAL	408	266

ADDED TO THE SCHOOLS AND CLINICS ALREADY COMPLETED (203 SCHOOLS AND 141 CLINICS) THE AGREED UPON GOAL: 517 SCHOOLS AND 360 CLINICS. (NOTE: THE ABOVE COMPLETION DATES CANNOT BE ESTABLISHED WITH A SIGNIFICANT DEGREE OF CERTAINTY DUE TO THE PREVAILING CONDITIONS IN AFGHANISTAN AND ARE SUBJECT TO CHANGE. ADDITIONALLY, THE TOTALS ARE CHANGING AS REFURBISHMENTS ARE REPLACED WITH NEW CONSTRUCTION AT AN AGREED RATIO. END NOTE)

4. CONSTRUCTION AND REHABILITATION OF THE SCHOOLS AND CLINICS IS BEING CARRIED OUT BY SIX ORGANIZATIONS: LOUIS BERGER INTERNATIONAL (A FOR PROFIT US FIRM), THE INTERNATIONAL ORGANIZATION FOR MIGRATION (AN INTERNATIONAL ORGANIZATION OPERATING UNDER THE UNITED NATIONS SECURITY UMBRELLA), UNITED NATIONS OFFICE FOR PROJECT SUPPORT (A UN AGENCY), THE UNITED METHODIST COMMITTEE ON RELIEF (A NON PROFIT NGO), SHELTER FOR LIFE (A NON PROFIT NGO) AND COOPERATIVE HOUSING FOUNDATION (A

NON PROFIT NGO). USAID HAS AGREEMENTS WITH ALL SIX ORGANIZATIONS; THE AGREEMENTS CONTAIN INCENTIVES FOR COMPLETING THE SCHOOLS AND CLINICS AHEAD OF SCHEDULE. EACH ORGANIZATION WAS ASSIGNED A PARTICULAR GEOGRAPHIC REGION OF THE COUNTRY FOR MORE EFFICIENT IMPLEMENTATION.

5. THE NEW SCHEDULE SPREADS THE PROJECT OVER THE REMAINING MONTHS OF CY 2004. THIS IS SIX MONTHS MORE THAN ORIGINALLY ENVISAGED. WHILE USAID ALWAYS HAD DOUBTS ABOUT THE ABILITY OF THE SINGLE ORIGINAL CONTRACTOR – LOUIS BERGER INTERNATIONAL – TO COMPLETE ALL THE SCHOOLS AND CLINICS ON THE FORMER SCHEDULE, THREE FACTORS CONTRIBUTE TO THE EXPANDED TIMEFRAME: INCREASED SECURITY CONCERNS, AND DELAYS GAINING APPROVALS FROM THE MINISTRIES OF EDUCATION AND HEALTH FOR SCHOOL AND CLINIC DESIGNS AND LOCATIONS.
6. SECURITY. SECURITY PROBLEMS ARE INCREASING AND SEEM TO CHANGE EVERY WEEK, CAUSING UNFORSEEN DELAYS WHILE THE CONSTRUCTION CONTRACTORS ASSESS THE SITUATION AND REDEPLOY FOR EXAMPLE, AS OF TODAY, SECURITY CONCERNS ARE DELAYING PROGRESS ON SCHOOLS UNDER THE LOUIS BERGER CONTRACT: ALL NINE SCHOOLS UNDER CONSTRUCTION IN URUZGAN PROVINCE ON HOLD; CONSTRUCTION ON FOUR SCHOOLS IN HELMAND AND TWO SCHOOLS IN GHAZNI SLOWED. SECURITY CONCERNS ALSO MEANS THAT NEITHER LOUIS BERGER'S NOR USAID'S QUALITY CONTROL ENGINEERS CAN VISIT THE SITES TO MONITOR THE QUALITY OF THE WORK, WHICH IS REQUIRED BEFORE PAYMENT CAN BE MADE AND EVENTUALLY BEFORE THE COMPLETED PROJECT CAN BE ACCEPTED BY USAID AND TRANSFERRED TO THE MINISTRIES. LOUIS BERGER'S CONSTRUCTION CONTRACTOR AFGHAN ASIA CONSTRUCTION COMPANY LIMITED (ACL) IS ALSO HAVING TROUBLE RECRUITING EXPERIENCED CONSTRUCTION WORKERS FOR THE CLINICS IT IS SUPPOSED TO CONSTRUCT IN BADAKSHAN DUE TO FEARS ABOUT TRAVELING THE LONG DISTANCE FROM KABUL ON DANGEROUS ROADS. SECURITY DELAYS ARE ALSO EXPECTED FOR SCHOOLS AND CLINICS IN GHAZNI, PAKTIYA, KANDAHAR AND HELMAND PROVINCES.
7. MINISTRY APPROVALS FOR SCHOOL AND CLINIC DESIGNS. SEVERAL BUILDING DESIGNS HAVE BEEN PREPARED BY THE SIX ORGANIZATIONS IDENTIFIED ABOVE AND SUBMITTED TO THE MINISTRIES OF EDUCATION AND HEALTH FOR THEIR APPROVAL. ALL DESIGNS HAVE SEISMIC RESISTANT FEATURES, TO ENSURE THAT US-FINANCED SCHOOLS AND CLINICS WILL WITHSTAND MODERATE SEISMIC ACTIVITY. THE MINISTRIES HAVE APPROVED MOST DESIGNS, BUT NOT ALL, AS OF THIS DATE. (NOTE: THE NEED TO BUILD

EARTHQUAKE RESISTANT BUILDINGS HAS ADDED CONSIDERABLY TO THE TIME NEEDED TO DESIGN AND BUILD SCHOOLS AND, ALONG WITH SECURITY EXPENDITURES, HAS GREATLY INCREASED COSTS.)

8. MINISTRY APPROVALS FOR LOCATIONS. SITE VERIFICATION BY THE MINISTRIES OF EDUCATION AND HEALTH IS A CRITICAL TIME CONSUMING STEP. SITE VERIFICATION AND LAND PROCUREMENT IS PROGRESSING, BUT TAKING LONGER THAN PLANNED. SEVERAL OF THE ORGANIZATIONS HIRED BY USAID FOR THIS PROJECT REPORT FINDING NEWLY BUILT SCHOOLS OR CLINICS ON SITES DESIGNATED BY THE COGNIZANT MINISTRY FOR A NEW SCHOOL OR CLINIC. MOREOVER, SOME OF THE ORGANIZATIONS REPORT THAT SCHOOLS DESIGNATED FOR REHABILITATION (NOT NEW CONSTRUCTION) ARE NOT STRUCTURALLY SOUND AND WOULD HAVE TO BE REBUILT FROM THE GROUND UP TO MEET SEISMIC STANDARDS. FINALLY, SOME COMMUNITIES HAVE REJECTED SITES DESIGNATED BY THE MINISTRIES, IN FAVOR OF ALTERNATIVE SITES. UNDER CURRENT PROCEDURES, THIS REQUIRES RESUBMITTING THE SITE FOR APPROVAL TO THE MINISTRY IN KABUL. USAID IS ADDING TO THE CAPACITY OF THE TWO MINISTRIES TO EXPEDITE THE SITE APPROVAL PROCESS AS MUCH AS POSSIBLE.
9. THE TWO CONCERNED MINISTRIES HAVE CAUSED ADDITIONAL DELAYS RECENTLY BY CHANGING THEIR INSTRUCTIONS ON THE MIX OF NEW VERSUS REHABILITATED SCHOOLS -- ASKING FOR NEW CONSTRUCTION OF ALL CLINICS AND REPLACEMENT OF SOME SCHOOLS TO BE REHABILITATED WITH NEW SCHOOLS AND THE SUBSTITUTION OF THREE NEW HIGH SCHOOLS FOR NINE PREVIOUSLY PLANNED ELEMENTARY SCHOOLS.
10. USAID/AFGHANISTAN HAS INCREASED ITS IN-HOUSE CAPACITY TO MONITOR BOTH PROGRESS ON THE PROJECT SCHEDULE AND QUALITY OF THE CONSTRUCTION AND REHABILITATION. THE INFRASTRUCTURE OFFICE AT USAID IN KABUL NOW INCLUDES TWO WELL QUALIFIED STAFF DEDICATED TO THE SCHOOLS AND CLINICS PROGRAM AND THEY ARE WORKING ONE HALF OF EACH WORKING DAY, ONE AT MINISTRY OF HEALTH AND ONE AT MINISTRY OF EDUCATION TO IMPROVE COORDINATION AND ACCELERATE IMPLEMENTATION USAID ALSO CONTRACTED WITH THE INTERNATIONAL RELIEF AND DEVELOPMENT, INC. (IRD, NON PROFIT NGO) TO SIGNIFICANTLY INCREASE THE NUMBER OF EXPERIENCED PERSONNEL (IRD RETAINED ONE EXPATRIATE AND 28 AFGHANS) TO MONITOR THE WORK AND IMPROVE THE CAPACITY OF THE MINISTRIES OF EDUCATION AND HEALTH TO OVERSEE SCHOOL AND CLINIC CONSTRUCTION AND REHABILITATION.

11. POST BELIEVES THE SCHEDULE PRESENTED ABOVE IS REASONABLE AND PRACTICABLE IN THE PREVAILING CIRCUMSTANCES INSIDE AFGHANISTAN. USAID'S STEPS TO SPREAD THE WORK AMONG SIX ORGANIZATIONS (IN PLACE OF THE ORIGINAL ONE), DIVIDE THE WORK GEOGRAPHICALLY, INCREASE ITS OWN MONITORING CAPABILITY AND ENHANCE THE CAPACITY OF THE TWO AFGHAN MINISTRIES SHOULD ENSURE SUCCESS. OF COURSE ESCALATING SECURITY INCIDENTS OR BREAKS IN THE SUPPLY CHAIN FOR CERTAIN KEY MATERIALS COULD IMPACT THE NEW SCHEDULE. POST WILL REPORT REGULARLY ON SUCH FACTORS WHEN IT UPDATES PROGRESS AGAINST THE NEW SCHEDULE.

From: Patrick Fine, USAID Director
Date: October 10, 2004
Subject: Schools and Clinics Construction Program

Issue: USAID's schools and clinics program is behind schedule, over budget and has been plagued by quality and reporting problems. It is time to cut our losses and put in place an alternative strategy and implementation mechanism that 1) builds capacity in the MOE/MOH to manage facilities construction; 2) utilizes a more cost effective business model; and 3) creates local ownership of the facilities.

Background: The schools and clinic program was launched in summer 2003. This was expanded in January-February 2004 with the accelerating reconstruction program that set a target of building 314 schools and 219 clinics by June 2004. The total cost of the program, including A&E services, nation-wide supervision, and building construction was \$68,314,605. Costs were increased by requirements to build to US seismic resistant standards and by the large size and modern finishing included in the design specifications.

To avoid any delay in contracting services, a sole source award was made to increase a Louis Berger Group (LBG) contract already in place. However, by late February, concerns raised by the Congress about large sole source awards led USAID to pull 428 of the facilities out of the LBG contract and award them to five US organizations working in Afghanistan, also on a sole source basis. This action was completed in May.

The completion schedule was revised first to September 2004 and then, in July, to December 31. However, by the end of September only 81 schools and 12 clinics had been reported as completed. Another 160 schools and 182 clinics were under construction, at least half with an expected delivery date beyond December 31. Another 73 schools and 27 clinics had not even been started.

What Went Wrong: The schools and clinics program has been marked by a series of missteps and miscalculations that resulted in a flawed business model, inadequate supervision, and poor execution by implementing agencies.

Poor program design lay at the heart of the problems that have dogged this program. As a result of intense pressure to get work underway immediately and to deliver finished schools prior to the scheduled June Presidential election, awards were made without having design specifications, without agreed sites selected or surveyed or a process to do this, and without adequate consultation with either the MOE/MOH or the beneficiary communities.

Also, the numbers of schools and clinics to be constructed were not determined through careful analysis. Instead, they were based on back-of-the-envelope calculations outside USAID (e.g. total estimated population divided by 25,000 persons per health clinic = target for clinics) that led to unrealistically high initial target numbers. These target numbers gained traction in Washington and soon became the number that USAID was

required to build. Because the Ministries did not participate in the process of setting targets, they had not done sufficient planning for the problems they might later encounter. By this time, however, the numbers had gained a life of their own and were driving USAID to continue to rush the process.

Lack of competition in awarding contracts and cooperative agreements was a second factor that has contributed to poor program results. LBG had no track record for this kind of work and while some of the five NGOs did have construction experience, none was asked to demonstrate that they could carry out work on the scale, or under the conditions, required by the program.

Poor contractor performance is a third major factor explaining the program's failure, which can be explained, at least in part, as a result of a faulty procurement process. For example, grants were given instead of contracts, and as a result no penalty clauses or other performance criteria were built into the instruments. Contractor performance has also been affected by the lack of local building firms capable of building facilities, especially in remote rural areas. No thought was given to building the skill level or management capacity of the local builders. The assumption that local builders could construct to an acceptable quality standard has proved to be incorrect.

To compound this flawed assumption, USAID did not, at the outset, have a quality assurance plan or adequate staff to monitor performance. As a result, several months passed before the full scope of the quality and contractor performance problems were known. USAID did, eventually put in place an effective monitoring mechanism, but by that time the program was behind schedule.

Information about building progress has been exacerbated by the remote location of many schools, deteriorating security conditions in a majority of areas where work is being done, difficulty in obtaining good quality building materials, and by the NGOs own lack of monitoring which has resulted in weekly revisions of progress reports, making it impossible to trust what is being said about construction progress.

In the rush to get schools and clinics built to demonstrate that reconstruction was delivering the goods to the people, no time was allowed for consultations with the communities to get buy-in and ownership of the schools and clinics in their areas. Consequently, the program has faced long delays as a result of disputes over site selection, and security problems have probably been aggravated by a lack of community involvement. This also led to strained relations with the MOE/MOH who felt, correctly, that they had been excluded from managing a program.

Finally, the business model of making awards to Kabul-based US NGOs who then contracted with mostly small local construction firms added an expensive layer of administration that raised the per unit costs. The US NGOs charged high overheads for expatriate staff and Kabul facilities that ultimately have not delivered the required results. This model of contracting for management has proved to be expensive and ineffective. Cost over-runs are also attributable to increases in the price of building materials and

labor and increased security costs and work stoppages due to a deteriorating security situation.

Going Forward From Here

It is time to cut our losses. To do so, I propose a 3 part strategy.

First, the six existing implementers will be required to complete all facilities that are currently under construction. Stopping them with facilities already partially built would compound our problems. They will be required to finish what they started with the money that is currently in the grant. In some cases work could carry on through August 2005.

Second, to address the need for improved building skills, a winter builders' clinic of special vocational training in building skills will be offered to the programs 59 local construction companies at no cost. Each company will be encouraged to send staff for training in building fundamentals and site supervision. We are exploring a link with the Afghanistan Builders Association as a way of further strengthening the local construction industry.

Third, the 73 schools and 27 clinics that have not yet been started will be completed using a new model that transfers overall responsibility for the construction to the Corps of Engineers and emphasizes building capacity in the MOE/MOH to manage future facilities construction programs.

Under the supervision of the USACE, the MOE/MOH will be coached to manage programmatic decisions, with the Corps serving as the procurement and fiduciary agent until the ministries can demonstrate capacity to manage public funds at an international standard. Under this model, we expect that the Corps along with the MOE/MOH will prepare and oversee contracts with local builders, cutting out the NGO middleman. We also expect the MOE/MOH to work with local communities to provide local contributions to the project in order to ensure local ownership of the facilities.