

Infrastructure  
Transparency  
Initiative

Afghanistan



# First Assurance Report on Public Infrastructure Projects

October 2018

The CoST Afghanistan - Infrastructure Transparency Initiative



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# **FIRST ASSURANCE REPORT ON PUBLIC INFRASTRUCTURE PROJECTS**

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October 2018

Consultant:

Appleton Consulting Services (ACS)

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## ACRONYMS AND INITIALISMS

ACS	Appleton Consulting Services
ADB	Asian Development Bank
AFN	Afghanis
ARDS	Afghanistan Reconstruction and Development Services (ARDS)
AT	Assurance Team
BoQ	Bill of Quantity
CDC	Community Development Council
CMO	Contract Management Office
CoST	Construction Sector Transparency Initiative
GIROA	Government of Islamic Republic of Afghanistan
JV	Joint Venture
ICB	International Competitive Bidding
IDB	Islamic Development Bank
IDS	Infrastructure Data Standard
IFB	Invitation for Bid
ITB	Invitation to Bid
km	Kilometer
LICB	Limited International Competitive Bidding
m	Meter
MEC	Independent Joint Anti-Corruption Monitoring and Evaluation Committee
MoEW	Ministry of Energy and Water
MoPW	Ministry of Public Works
MoU	Memorandum of Understanding
MRRD	Ministry of Rural Rehabilitation and Development
MSG	Multi-Stakeholder Group
MSWG	Multi-Stakeholder Working Group
MW	Megawatt
NPA	National Procurement Authority
NPC	National Procurement Commission
OCP	Open Contracting Partnership
PE	Procuring Entity
PPU	Procurement Policy Unit
PWD	Public Works Directorate
TOR	Terms of Reference
TI	Transparency International
UN	United Nations
USD	United States Dollar
WB	World Bank

Note:

In this publication, “\$” refers to United States dollar. \$1 is equivalent to 72 Afghanis as of July 2018.

## ACKNOWLEDGMENTS

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## FOREWORD

Infrastructure is recognized as the key factor for the development and stimulus of all sectors, especially agriculture, mining, health, education and trade. But in spite of the large volumes of assistance provided by international community, the condition of all infrastructures, especially highways, roads, hospitals, schools and public utilities in Afghanistan has not improved as required. Therefore, it is necessary to conduct a comprehensive study in this field to evaluate the main factor, which have been contributing in the development of the infrastructure of the country.

This Assurance Report, which is based on eight infrastructure projects related to Ministry of Public Works, Ministry of Rural Rehabilitation and Development, and Ministry of Energy and Water, is prepared on the basis of CoST Afghanistan Standards. The purpose of this report is to evaluate the transparency and accountability in the country's infrastructure projects.

The findings of this report indicate that the level of information disclosure in the procurement entities is very limited compared to CoST Afghanistan disclosure criteria and is only an average of 27%. And it also indicates that infrastructure projects face a 119% time overrun and an 18% cost overrun. In general, the main factors behind delays and cost overrun in selected projects are low quality of design, land acquisition, insecurity, delays in payments, lack of resources or budget, lack of local people support and adverse weather conditions.

The report has made effective suggestions for improving the situation and enhancing the transparency culture in procurement entities, most notably the creation of a national disclosure portal in accordance with the CoST Afghanistan disclosure criteria. The current procurement law does not oblige procurement institutions to publish information in accordance with the CoST Afghanistan disclosure criteria. therefore, in order to increase the transparency in the procurement of infrastructure projects, procurement agencies should disclose more project information until the goal of the Transparency Initiative in Afghanistan is achieved.

Procurement agencies should also improve project preparation processes and build capacity in their departments to provide a sound pre-survey, survey and design process, so that later on, preventing many challenges such as cost overrun and delays in the implementation and operation of the projects.

The Government of Afghanistan is determined to use the CoST Afghanistan global criteria and the findings of this report is to standardize the current information disclosure systems and provide better services to the citizens. Therefore, basic steps should be taken to disclose information on infrastructure projects in this regard. So far, 4 MoUs have been signed with key procurement entities to disclose their project information and these entities are working to modernize their systems accordingly. CoST Afghanistan intends to sign more Memorandum of Understandings with other procurement entities in this regard.

The first assurance report of CoST Afghanistan is an important step towards improving transparency and accountability in Afghanistan's procurement entities and infrastructure projects. Subsequent reports with different findings and further recommendations provide further improvements in the infrastructure sector of the country. And this report recommend all the procurement entities in the country to consider the findings of this report and take action and make efforts to improve the transparency and quality of the infrastructure.

Dr. Mustafa Mastoor

Minister of Economy and CoST Afghanistan MSG chairman

October 2018

## ABOUT THE ASSURANCE TEAM

Appleton Consulting Services (hereinafter may refer to as “ACS” or “the Consultant”) was recruited by CoST Afghanistan for execution of the assurance process on the eight selected infrastructure projects and preparation of this assurance report.

ACS assigned the following team members (hereinafter may refer to as “Assurance Team” or “AT”) for conducting the assurance process and developing the assurance report.

**Mohammad Akbar Mangal** (Team Leader) is an experienced engineer holding a bachelor’s degree in Transportation Engineering from Kabul Polytechnic University. He joined Appleton Consulting in 2012 and since then he has worked in different key positions where he has been productive in the day to day development of the company. Besides extensive experience in providing engineering and technical advisory services, Mr. Mangal has skills in research, proposals, reports writing and project management/coordination. Mr. Mangal is a Fulbright Scholarship 2018-2019 awardee.

**Abdul Wakil Hanifi** (Procurement Specialist) is an experienced governance and public administration expert and author with a Bachelor of Arts in English Literature (Kabul University) and a Bachelor of Business Administration (Alkhair University, Islamabad, Pakistan). Mr. Hanifi has more than 30 years of leadership experience in the fields of procurement, infrastructure, education, and finance within the public sector of Afghanistan. He worked as the Director of Afghanistan Reconstruction and Development Services (ARDS) and has extensive work experience in leadership at the Ministry of Education. In addition, he has authored and translated several books in education, literacy, religious and social studies. Mr. Hanifi has participated in many international conferences where he has actively represented Afghanistan and contributed to the development of the education sector of Afghanistan.

**Khan Mohammad Karyar** (Civil Engineering Specialist) is an experienced civil engineer specialized in the design of civil engineering structures. In his more than 17 years’ experience, Mr. Karyar has delivered numerous design-build projects funded by US Army Corps of Engineers. He has the experience of working in prestigious organizations including UNOPS, UNFAO, WFP, and UNICEF. Mr. Karyar has also worked as a lecturer in the Civil Department, Faculty of Engineering of Kabul University. Throughout this experience, he has gained a wide knowledge of engineering aspects and challenges, while developing skills in research and analysis of civil infrastructure.

**Jawed Mayar** (Site Surveyor) is a civil engineer with more than 5 years’ experience in delivering several projects in remote areas of Afghanistan. Mr. Mayar has experience in managing construction projects, site engineering, and related quality management. Having worked with different construction companies, he has a good appreciation of the construction project on site from a contractor’s project management perspective.

**Ghulam Mujtaba Amiri** (Data Collection Officer) has studied Business Administration at Bakhtar University. Mr. Amiri has more than 5 years’ experience as ACS’s quality control system and submittals officer for several projects funded by US Army Corps of Engineers. Mr. Amiri has specific skills in the review and assessment of both third-party and in-house documentation.



## EXECUTIVE SUMMARY

Afghanistan joined CoST in October 2013 following recommendations made by the Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) on the need for greater transparency in the construction of infrastructure. The CoST Afghanistan program is led by the Ministry of Economy with the process of disclosure and assurance. A Multi-Stakeholder Working Group (MSWG) was formed to lead the development of an implementation plan and establish a National Secretariat and Multi-Stakeholder Group (MSG).

This Assurance Report is the outcome of assurance process (one of the four core features of CoST) that is aimed to assess how successful the PEs and other Government entities were/are in the disclosure of the information to the public and ensuring the construction sector transparency in general. The last and major section of the Assurance Report includes recommendations on the key findings and suggestions for a further review of a sample project. The report is developed using a research-based approach consisting of data collection, observation and desk review and data analysis. Interviews were also conducted to verify the disclosed information and obtain further insights into project-specific issues.

In the course of assurance process, it was found that the PEs' disclosure practice is consistent with the domestic legal requirements; however, the extent of disclosure is considerably low compared to CoST Afghanistan disclosure requirements. The CoST Afghanistan requires 63 data standard items to be disclosed proactively and 27 reactively, while normally the PEs proactively disclose project information at two major steps of procurement announcement and award decision announcement as mandated by law. On average, the PEs had proactively disclosed 27% of the data from the required disclosure standard of CoST Afghanistan. On the other hand, the findings of this report also indicate an improvement on the disclosure in recent projects comparing to the projects procured in the past years. This improvement has roots in the National Procurement Authority (NPA) reform and the developing capacity for transparency within the procuring entities.

Upon review of the disclosed data, some issues of potential concerns were identified in terms of transparency and assurance. A number of issues have been highlighted that affects the transparency and openness in the procurement and tender management in some of the selected projects. These unjustified issues give rise to concerns about tender fairness, open competition, contracts award decisions, contracts monitoring and management.

The findings on time and cost aspects show that seven projects from the eight selected projects have encountered time overrun and three projects have encountered an average cost overrun of 18%. The main causes resulting in cost and time overrun have roots in lack of quality in project preparation stage and lack of capacity in technical and project management functions within the procuring entities organizations.

The management of quality in the selected projects is also a matter of concern with significant apparent shortcomings witnessed on recently handed over projects. The construction in ongoing projects is affected by the inaccurate survey, low-quality design, lack of supervision expertise and selection of contractors that lack the requisite capacity.

In response to the findings, the recommendations are addressed to three different groups of stakeholders: government, private sector, and civil society. The Government of the Islamic Republic of Afghanistan shall take into consideration the findings and concerns highlighted in this Assurance Report and those which will arise in the next versions of the report. In terms of disclosure, the government and procuring entities shall develop a national portal for the disclosure in accordance with

CoST Afghanistan disclosure standards or optimize the existing websites, as a good example, the current NPA's website. The government and procuring entities need to improve the project preparation processes and build capacities within their organizations in order to provide sound project preparation and procurement services that will then prevent occurring the many challenges during implementation and operation phases of the projects.

The private sector also plays a key role in transparency and assurance. The private sector has to concentrate on delivering high-quality services within the contract timeline and budget. This will be possible by developing capacity in the private companies' organizations and recruitment of competent staff through open and fair competition. Moreover, the private sector shall take initiatives in coordination with the Government of Afghanistan to appraise private local companies and encourage them for active participation in biddings in order to promote fair competition.

For civil society, it is recommended that MSG shall take the lead in follow up of the concerns highlighted in this Assurance Report and those arising in the next versions of the report with the government and private sector. The MSG shall include more projects in next versions of Assurance Report to further analyze the context of transparency and accountability in the infrastructure sector of Afghanistan. The MSG shall engage with the PEs to enhance their level on interest in CoST and teach them what CoST really is about, share with them success stories and the potential values CoST Afghanistan can bring to their organizations. A good initiative for the civil society to enrich social accountability will be to launch citizen services using telecommunication and social media for engaging the society and enabling them to give rise to concerns they witness in infrastructure projects.

The Assurance Team recommends Kamal Khan Dam Phase 3 as a sample project for detailed review to the MSG. The main reason for this recommendation is that this project is at the beginning stage and a detailed review will highlight the issues to the public and will benefit the success of the project. In addition, some concerns are observed in the tender stage of the project and the detailed review will assess the competency of the contractor. Study, review and follow up of this project are of high importance considering its national significance status.

## 1. INTRODUCTION

CoST is a global initiative working with governments, the private sector, and civil society to enhance transparency in public infrastructure procurement. It is aimed at improving value for money by facilitating greater accountability.

Following a recommendation from the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC), through the Ministry of Economy, the Islamic Republic of Afghanistan joined the CoST initiative in October 2013. Afterward, a Multi-Stakeholder Working Group (MSWG) was formed to lead the development of an implementation plan and establish a National Secretariat and Multi-Stakeholder Group (MSG).

The aim of CoST is to increase the transparency and accountability of publicly funded infrastructure projects. Core to CoST is the disclosure of data from publicly financed construction projects into the public domain. For enhanced transparency to be effective in achieving better accountability in government, stakeholders need to be able to understand the disclosed data and to identify issues of potential concern. CoST's Assurance Process helps to achieve this by interpreting the disclosed data, presenting it in the form of clear and compelling information that help communicate key messages to all stakeholders, who will then be better equipped to raise pertinent issues with the relevant authorities.

Appleton Consulting Services (ACS) was commissioned by the MSG to conduct the assurance process on 8 infrastructure projects in the Ministry of Public Works, the Ministry of Rural Rehabilitation and Development, the Ministry of Energy and Water and any Procurement Entity (PE) recommended by MSG. As detailed on page VI, the Consultant assigned a team of five experts and assistants to the task.

The assurance process was carried out using a research-based approach consisting of data collection (field work), observation and desk review, data analysis and report preparation. Interviews were conducted with the contractors of the selected projects in order to verify the disclosed information and obtain further insights into project-specific issues. Annexes 2, 3 and 4 respectively provide further details of those interviewed, the Scope of Work, and the study methodology.

### 1.1 OBJECTIVE

This report is aimed to assess how successful the PEs and other Government entities were/are in the disclosure of the information to the public and ensuring the construction sector transparency in general. The last and major section of the Assurance Report will include recommendations on the key findings and suggestions for a further review of the sample project(s).

The objectives of this Assurance Process/Report are as follows:

- To assess the compliance of participating procuring entities with the CoST Afghanistan Disclosure Manual in terms of the completeness and accuracy of the disclosed data.
- To highlight issues of potential concern that is revealed by the disclosed data. This relates to individual projects as well as to broader issues giving rise to concern. If appropriate, to carry out a more detailed review of a sample of projects or refer projects of concern.

## 1.2 SCOPE OF SERVICES

The consultant was responsible for conducting the assurance process, gathering data on the project in accordance with CoST Afghanistan Disclosure Manual, analyzing and interpreting the data, and providing recommendations and suggestions arising from key evidence-based findings.

Tasks undertaken by the Consultant including the following:

- Checking the Government's e-procurement website to see if the procuring entities have disclosed the data required;
- Requesting any additional data that CoST requires for disclosure from the procuring entities;
- Conducting site visits to interview the contractors' staff to verify the disclosed data and observe the physical progress of construction against the specification, program and financial progress.
- Analyzing the disclosed data to identify issues of concern;
- Drafting a report that summarizes the coverage of the disclosure, identifies broad performance issues across the sample of projects and highlights points of interest specific to the individual projects; and
- Identifying whether a more detailed review of a sample of projects is required.

## 2 BACKGROUND

### 2.1 INFRASTRUCTURE TRANSPARENCY IN AFGHANISTAN

Infrastructure is a major sector that requires high-cost investments and is vital to a country's economic growth and improved quality of life. Weak governance, commonly associated with a lack of transparency and a mixture of mismanagement and corruption, can typically lead in varying degrees to a combination of construction of the wrong infrastructure, delays in contract award, unduly expensive contracts, and poor quality construction.

The infrastructure sector typically accounts for between 10-30 percent of public expenditure.<sup>1</sup> In case of Afghanistan, it accounts for about 13 percent from the national budget, making it the top third priority sector after security and education.<sup>2</sup> After 17 years of investment, Afghanistan is still considered to have inadequate and inefficient infrastructure. According to the World Bank Logistics Performance Index 2018, Afghanistan is ranked 160 among 160 countries, scoring the third lowest in quality of trade and transport related infrastructure (i.e. ports, roads, railroads and information technology).<sup>3</sup> Yet much of the infrastructure developed in the recent years are seriously at the risk of deterioration due to corruption, funding issues, insecurity and weak capacity in asset management and inadequate maintenance.<sup>4</sup> By way of illustration, the donor community has invested approximately \$2.8 billion in building an extensive road infrastructure system in Afghanistan; yet many of those roads are already in need of repair.<sup>5</sup>

Internationally, construction or infrastructure consistently ranks in global surveys as one of the most corrupt sectors. The findings of Bribe Payers Index (BPI) of Transparency International in 2008 which was scoped in 22 most economically influential countries according to likelihood of their firms to bribe abroad showed that the construction sector has the greatest propensity to bribe public officials and exert undue influence on government policies and regulations.<sup>6</sup> Likewise, construction has been identified as a vulnerable sector to demand and offer of bribe in Afghanistan. The construction sector generates bribes amounting to hundreds of millions of dollars and benefits a wide range of networks in Afghanistan.<sup>7</sup> Corruption is thus one of the main factors contributing to the failure of infrastructure and its rapid deterioration after hand-over of projects.

It is noteworthy that promising efforts have been made in recent years to address this problem. There is evidence of success and savings made by the National Procurement Commission (NPC) in holding those responsible for public procurement processes and contracts to account during its weekly review of public contracts. The National Procurement Authority (NPA) has successfully implemented a number of key reforms, including recent legislative approval of the National Law on Procurement.<sup>8</sup> The NPA signed an MoU with CoST Afghanistan February 25, 2018, to increase transparency and accountability by disclosing information on publicly funded infrastructure projects based on existing laws, regulations and CoST Afghanistan Data Standard Items. Moreover, in September 2016, the NPA signed an MoU with the Open Contracting Partnership (OCP) and Integrity Watch Afghanistan. The MoU includes commitments to assess current levels of transparency and accountability in Afghanistan's public procurement system, build the capacity for participation and feedback, undertake pilot cooperation on contract implementation monitoring for a major infrastructure project, and

1 P.1, Briefing Note 1, CoST, 2011

2 1397 National Budget, MoF, GfRoa

3 <https://lpi.worldbank.org/international/global/2018?sort=asc&order=Infrastructure#datatable>

4 P.14, Afghanistan's Road Infrastructure Sustainment Challenges and Lack of Repairs Put U.S. Investment at Risk, SIGAR, Oct. 2016

5 P.18, Ibid

6 Transparency International Bribe Payers Index 2008

7 P.12, The Growing challenge of Corruption in Afghanistan, Asia Foundation, 2012

8 P.14, From Promises to Action, Transparency International, 2016



document and disseminate project results and learning.<sup>9</sup> Transparency International has called NPA “one bright spot” in Afghanistan’s procurement operations, saying it has “saved more than \$200 million that might have been lost to corruption.”<sup>10</sup>

The NPA reform is a major step towards improving transparency and reducing the risk of corruption; however, it has not been sufficient as Afghanistan is still known as one of the most corrupt countries.<sup>11</sup> Transparency that facilitates more effective oversight can improve the current situation. Procurement systems – even those with a sound associated legal framework and advanced systems in place – can alone never be enough to ensure value for money. But if transparency can be achieved and the disclosed data analyzed by trusted professionals and presented as objective but compelling information, this will serve to help all parties, including the PE itself, to identify areas of potential mismanagement or corruption. The role of CoST in this is both to provide a recognized standard for the Disclosure of relevant data, and through the Assurance Process commissioned by the MSG to analyze that data and turn it into clear information. This enables stakeholders to work together to bring about improved practices not just on the specific projects being studied but if the CoST recommendations are accepted on a sustainable basis across the sector.

CoST Disclosure and Assurance are thus potentially powerful tools to reduce the risk of mismanagement and corruption in the procurement of public infrastructure, all the way from preliminary planning to eventual handover of the assets.

Transparency and Accountability in the context of Afghanistan have been broadly described in the CoST Afghanistan Scoping Study in terms of framework, initiatives, civil society engagement and perspectives of information users. The Scoping Study concluded that Afghanistan has a legal-institutional base for transparency and accountability. It also points out that most of that formal framework is fairly recent, and so not necessarily fully implemented. The Afghan Access to Information Law only came into effect in 2014 and the procurement legislation reform in 2015. These add to existing laws including the Afghan Constitution of 2004 and the Public Financial Management legislation of 2005 that constitute key elements of the legal framework of disclosure and accountability.

There are significant challenges on both the demand and supply side of access to information and associated accountability, in Afghanistan. On the demand side, most notable is the limited capacity of the media, civil society organizations and citizens to make use of available information to hold the government to account. Associated challenges include the estimated low rate of literacy and the high proportion of rural population in the country. On the supply side, in addition to the time that will inevitably be needed for recent reforms to be reliably implemented, is the fact that some important data may not, in fact, be disclosed in a consistent manner that can readily be scrutinized by local actors. This is because Donors typically follow their own disclosure policies and practices related to their funding flows, which are typically off-budget so not necessarily subject to government-mandated disclosure requirements. Furthermore, the security situation creates not only operational risks but also risks associated with information disclosure.

9 P.29, From Promises to Action, Transparency International, 2016  
 10 P.9, Quarterly Report to the United States Congress, SIGAR, Jan 30, 2017  
 11 Corruption Perception Index, 2017

## 2.2 CURRENT DISCLOSURE OF INFRASTRUCTURE PROJECTS IN AFGHANISTAN

Currently, in Afghanistan, the basis for information disclosure of infrastructure projects is established in three different laws: the access to information law, the procurement law, and the public financial management law. In addition, there are also donors' disclosure and communication policies; these vary from donor to donor.

The procurement law regulates mandatory (proactive) public disclosure of two steps during the procurement process: the procurement announcement and the award decision announcement.<sup>12</sup> This law does not oblige the procuring entities to release information on the process of selection of bidders. Single-sourced contracts are excluded from the disclosure requirement. While the exclusion is explicit for the award decision announcement (Art. 43), the procurement announcement requirement refers only to bids and this implicitly excludes single-sourced contracting (Art. 19).

The findings of CoST Afghanistan Scoping Study show that there is no disposition mandating proactive disclosure in the procurement law at any other stage of the procurement process neither at the early identification of the project, needs assessment or feasibility studies, nor procurement preparation, procurement process of contract implementation stages.

According to Article 14 of the access to information law, all government entities are required to release proactively the following information on an annual basis into the public domain.

1. Contracts
2. National and international protocols and memorandums of understanding
3. Policies, strategies, and work plans, among others

According to Article 6, information subject to reactive disclosure requirements has to be provided within 10 days for ordinary citizens, 3 days for journalists and 1 day in the case of information pertaining to security and freedom of individuals. However, this law requires the use of specific formats to access the information, so potentially constrains access for the high percentage of the population who are currently illiterate.

By requiring the disclosure of budgets once approved by the National Assembly, the public financial management law ensures indirectly that data points such as a project's estimated cost, funding source and project (final) approval dates are publicly available.

Disclosure in Afghanistan is in its initial stages and this practice requires capacity and resources to improve. Though some good practices have been observed by the AT and noted in the Scoping Study, this does not necessarily mean that these fulfill good practice as set out in the CoST Afghanistan Disclosure Manual, which is in turn closely aligned with the international Infrastructure Disclosure Standard (IDS). There are several significant differences between the CoST Afghanistan disclosure standard, the legal framework in Afghanistan and donors' policies. These mostly relate to the information on contract implementation that is made proactively available. One of the major findings of the AT in disclosure practice is that no information is currently disclosed proactively on project/contract implementation; nor are the PEs required by law to disclose such data.

CoST Afghanistan has assessed in the Scoping Study the current status of disclosure in Afghanistan and compatibility of legal frameworks with CoST proactive disclosure requirements. In addition, the CoST Afghanistan Disclosure Manual has been developed to provide detailed guidelines for the PEs on how to disclose the information both proactively and reactively. This manual served the basis for the AT's work in assessment of the extent, and the accuracy, of such disclosure.

## 2.3 AIMS AND OBJECTIVES OF ASSURANCE

CoST is principally about achieving transparency in public infrastructure projects in a manner that serves in the short term to hold decision-makers to account and in the longer term to institutionalize improved procurement practices. Not only do better information flows allow PEs to improve their own performance, but informed citizens and responsive public institutions can lead to the introduction of reforms that will reduce mismanagement, inefficiency, corruption and the risks posed to the public from deficient infrastructure.

There are four core features of CoST Afghanistan which provide a global standard for transparency and accountability in the delivery of public infrastructure projects. This standard is flexible, allowing it to be applied in different political, economic, regulatory and social contexts. The core features of CoST are:

**1. Disclosure:** CoST increases transparency by disclosing data on public infrastructure projects. Forty data points are disclosed at key stages throughout a project cycle, as set out in the CoST Infrastructure Data Standard (IDS). Ultimately, a national program establishes a disclosure process for public infrastructure that is viable, sustainable and appropriate to local conditions and that can achieve a credible and substantial level of compliance.

**2. Assurance:** CoST promotes accountability through an independent review of the disclosed data. Through this assurance process, CoST validates technical data, interprets it in plain language and identifies issues of concern. This information helps all stakeholders to understand the main issues and acts as a basis for holding decision-makers accountable.

**3. Multi-Stakeholder Working:** In each country, CoST is directed by a Multi-Stakeholder Group (MSG) that comprises representatives of government, the private sector, and civil society. By providing a neutral forum, CoST helps these key stakeholders pursue shared objectives to improve the value, efficiency, and effectiveness of investment in public infrastructure.

**4. Social Accountability:** It has always been recognized that social accountability is essential to translate transparency into practical improvements. CoST promotes the tools developed by partner organizations, develop tools where there is a need and provide training to civil society and the media to understand the information disclosed and use it to monitor investments and improve accountability.

Commissioned by the MSG, this report is focused primarily on the assurance process but starts with an assessment of the disclosure process. Where shortcomings in such disclosure are noted, PEs are given the opportunity to provide the AT with additional data for analysis.

## 2.4 SELECTED PROJECTS

At first, twenty infrastructure projects were proposed for the first round of Assurance, but the MSG reduced this number to eight due to financial constraints.<sup>13</sup> From the eight selected projects:

- 3 belong to the Ministry of Public Works;
- 3 to the Ministry of Rural Rehabilitation and Development; and
- 2 are related to the Ministry of Energy and Water.

These projects were selected to ensure diversity in terms of sub-sectors, types of infrastructure, project sizes and sources of funding.

Locations of the eight projects are illustrated in the following map and their details are summarized in Table 1.



Figure 1: Projects Location Map

Table 1: List of Selected Infrastructure Projects for Assurance Process

Ministry of Public Works											
No	Project Code Number	Project Name	Project Feature	Project Location	Total Cost of Project (USD/AFN)	Project Status	Donor	Start Date	Finish Date	Actual Progress	Budget Type
P1	AFG/420011	Rehabilitation of asphalt road from Doshi to Pul-e-Khumri, with the length of 52 km	52 km	Baghlan	\$22 million	Completed	Islamic Development Bank and GfRoA	1-Feb-2013	7-Mar-2016	100%	Non-discretionary
P2	AFG/420335	Construction and asphalt pavement of Kabul to Logar road, Lot one, with the length of 21.209 km	21.209 km	Logar	597,451,239.00 AFN	Ongoing	GfRoA	16-12-1394	19-05-1396	75%	Discretionary
P3	AFG/420337	Construction and asphalt pavement of Kandahar Air Port Road, with the length of 16.5 km	16.5 km	Kandahar	2,737,201,660.63 AFN	Ongoing	GfRoA	01-1-01395	30-09-1396	80%	Discretionary
Ministry of Rural Rehabilitation and Development											
P4	RRD/WB/ARAP/CHL/BMN/036/C2/001	Rehabilitation of rural tertiary road, belonging to National Rural Access Program (NRAP)	20 km	Waras District, Barmyan Province	44,457,638.00 AFN	Completed	Word Bank	21-04-1392	22-07-1394	100%	NA
P5	RRD/WB/ARAP/KBL/PRN/055/C2/001	Rehabilitation of culverts, rehabilitation of retaining walls, rehabilitation of rural tertiary roads and rehabilitation of wash culvert	12 culverts 80 m 5 km 4 Wash Culverts	Salang District, Parwan	\$337,460.00	Completed	World Bank	10-08-1392	19-09-1394	100%	NA
P6	RRD/MOF/NRAP/NRHE/TKR/080/C1/001	Graveling of 20 km road from Khwaja Bena village to Eshan Khalifa Chal district	20 km	Takhar	157,635,239.1 AFN	Ongoing	World Bank	1396		92%	NA
Ministry of Energy and Water											
P7	AFG/410066	Kamal Khan Dam (Phase 3)	Irrigation of 80,000 hectare land and generation of 9 MW Electricity	Char Burjak District, Nimroz Province	\$78,035,810	Ongoing	GfRoA	20-Apr-2017	3.5 years after the start date	10%	Discretionary
P8	AFG/410257	Stone retaining wall project of Qara Hindu village and Talikan City	1.5 km	Takhar	\$419,787.31	Completed	GfRoA	15-3-1395	15-11-1395	100%	Discretionary



### 3. DISCLOSURE OF INFORMATION

#### 3.1 SUMMARY OF INFORMATION DISCLOSED ON EACH OF THE PROJECT

The AT assessed the information disclosed by the PEs on eight selected projects in accordance with the CoST disclosure framework. The CoST disclosure framework includes three distinct processes: Proactive disclosure, interaction with stakeholders and reactive disclosure.

Following the introduction of AT and presentation of its Inception Report to the MSG, the AT started gathering the disclosed information. At first, the AT commenced the process by looking at the PEs websites and online sources to gather the information disclosed proactively. As a result, the AT found that the PEs have not disclosed most of the information required by CoST disclosure provision and even in some cases neglecting the disclosure required by the applicable laws. Specifically, the three PEs of selected projects lacked complete, publicly accessible and user-friendly website for disclosure of project and contractual information and a database for closed projects. The existing websites of PEs are in very poor condition with limited access to key information on projects, procurement, announcements and update reporting. On the other hand, there is NPA website which is active since 2015 and has replaced websites of procurement entities created in the past i.e. Procurement Policy Units (PPU), Contract Management Offices (CMO) and the Afghanistan Reconstruction and Development Services (ARDS). The NPA website is also facing the same issues highlighted in above but its major problem is the exclusion of all the information related to those projects started or closed before NPA's establishment.

The PEs claimed that they have at least disclosed the information on the invitation for bid and award decision notice according to procurement law. But it was very difficult for AT to access this information as it normally disappears from the PE's website once the contract is signed and the tender process is completed. Therefore, the AT had to draw on reactive disclosure so that the PEs make available the existing information for the AT to analyze the disclosure and particularly make a finding on proactive disclosure.

During the assurance process, the AT has accessed approximately 1400 project-related and correspondence documents collectively for all the selected projects disclosed whether proactively or reactively. This number does not necessarily show the relevance and extent of disclosure in concert with CoST Afghanistan Disclosure provision, but it merely indicates the quantity of the documents collected and reviewed by the AT during the assurance process. Access to this number of documents requires a great effort and a long time. The AT was in an exceptional case to have an official letter from the MSG chairman and already signed MoUs among CoST Afghanistan and PEs in place. Even in this case, access to these documents took more than one month on average with each PE.

The following table illustrates the number of documents disclosed on each of the projects and per document means one or more than one paper that is produced for a single purpose such as a one-page bid announcement or a contract including more than one paper.

**Table 2: Number of Documents Disclosed on each of the Project**

Project Title	Project Code Number	Number of Documents Disclosed Proactively	Number of Documents Disclosed Reactively
Doshi to Pul-e-Khumri Road Project	AFG/420011	19	>300
Kabul to Logar Road Project	AFG/420335	11	98
Kandahar Airport Road Project	AFG/420337	9	114
Waras Rural Tertiary Road Project	RRD/WB/ARAP/CHL/BMN/036/C2/001	8	90
Salang Culverts, Retaining Wall and Tertiary Road Project	RRD/WB/ARAP/KBL/PRN/055/C2/001	7	105
Khwaja Bena Village to Eshan Khalifa Chal District Rural Road Project	RRD/MOF/NRAP/NRHE/TKR/080/C1/001	7	200
Kamal Khan Dam Project (Phase 3)	AFG/410066	18	296
Qara Hindu Village Stone Retaining Wall Project	AFG/410257	5	95

The summary of information disclosed by the PEs for all of the selected projects includes the documents categorized in below table.

**Table 3: Summary of Information Disclosed**

Documents Disclosed Proactively	Documents Disclosed Reactively
Tender document i.e. RFP, RFQ & EOI	Technical engineering documents
Contract award notice	Project progress reports
	Payment records
	Project administrative correspondence and documentation

### 3.2 COMPLETENESS OF THE DISCLOSED INFORMATION

The AT's findings show that disclosure of information on the selected projects is not complete and only a limited number of data standard items of CoST Afghanistan Disclosure Manual have been disclosed proactively. Generally, the PEs normally disclose procurement announcement, award decision and bid winner information, which is required by Afghanistan procurement law. w

In order for the AT to validate the information disclosed, reactive disclosure was essential to be conducted and the PEs to make available information to the AT in accordance with signed MoUs in place between MSG and the respective PE. There were some problems associated with reactive disclosure as well. Most of the problems were caused by lack of appropriate information filing and management information systems. The documents and information are not archived in a proper and secure manner. Most of the files and documents are not labeled and tagged properly so that the user can easily find the required information. The organizational memory is rather weak in PEs and records/archival management is completely primitive. Turnover of responsible employees exacerbate mismanagement and makes the access to information difficult and time-consuming.

The CoST Afghanistan Disclosure Manual requires 63 data standard items to be disclosed proactively in contract and project phases. Proactive disclosure covers the information that project owners and procuring entities are required to disclose for all eligible project and contracts at specified stages during the construction project cycle. The information, in a clear and usable format, is disseminated through a public medium that is open and accessible to a wide range of stakeholders.<sup>14</sup> Currently, the PEs disclose only the information related to the procurement and contract award phase.

Table 4: Data Standard Items for Proactive Disclosure of Information<sup>15</sup>

Project Information	
End of Project Identification and Preparation phase	End of Project Completion phase
<ol style="list-style-type: none"> <li>1. Date of disclosure</li> <li>2. Methods of project selection (how has the government come up with the project)</li> <li>3. Sector, subsector</li> <li>4. Project title</li> <li>5. Project Location</li> <li>6. Project Purpose</li> <li>7. Project scope (main output)</li> <li>8. Environmental impact (if applicable)</li> <li>9. Land and settlement impact (if applicable)</li> <li>10. Funding sources</li> <li>11. Project budget approval date</li> <li>12. Project estimated value</li> <li>13. Contact details</li> </ol>	<ol style="list-style-type: none"> <li>1. Date of disclosure</li> <li>2. Project title</li> <li>3. Procuring entity</li> <li>4. Completion cost</li> <li>5. Completion date</li> <li>6. Scope at completion</li> <li>7. Reference to audit and evaluation report</li> <li>8. Safety measures (incidents &amp; death)</li> <li>9. Contact details</li> </ol>
Contract Information	
End of Procurement/Contract Award phase	At every 6 months of Contract Implementation
<ol style="list-style-type: none"> <li>1. Date of disclosure</li> <li>2. Contract title</li> <li>3. Procuring entity</li> <li>4. Procurement proceedings (general steps of procurement)</li> <li>5. Contract type</li> <li>6. Type and amount of bid security</li> <li>7. Number of firms tendering</li> <li>8. Contract Firm (Winner)</li> <li>9. Cost estimate</li> <li>10. Contract Price (AFN)</li> <li>11. Date of procurement/project announcement</li> <li>12. Date of contract award</li> <li>13. Contract Scope of Work</li> <li>14. Contract start date and duration</li> <li>15. Media used for procurement announcement</li> <li>16. Re-tendering: date and cause</li> <li>17. Contact details</li> </ol>	<ol style="list-style-type: none"> <li>1. Date of disclosure</li> <li>2. Contract title</li> <li>3. Procuring entity</li> <li>4. Contractor/Consultant</li> <li>5. Contract start date</li> <li>6. Contract duration</li> <li>7. Original contract price</li> <li>8. Contract physical progress status (%)</li> <li>9. Description of the project component</li> <li>10. Changes to contract scope with reasons</li> <li>11. Total payment effected</li> <li>12. Details of Termination if applied</li> <li>13. Disputed issues &amp; status</li> <li>14. Safety measures (incidents &amp; death)</li> <li>15. Contact details</li> </ol>
	Contract Completion
	<ol style="list-style-type: none"> <li>1. Date of disclosure</li> <li>2. Contract title</li> <li>3. Procuring entity</li> <li>4. Escalation of contract price</li> <li>5. Variation to contract duration</li> <li>6. Variation to contract scope</li> <li>7. Reasons for price changes</li> <li>8. Reasons for scope &amp; duration changes</li> <li>9. Contact details</li> </ol>

The CoST Afghanistan Disclosure Manual requires a further 27 standard items to be disclosed reactively. Reactive disclosure covers the additional information that project owners and procuring entities are permitted to disclose at any time and that they are required to make available to any eligible person or entity upon request. Reactive disclosure involves making the additional information available to the requesting party in a usable form in an accessible place and under a specified set of conditions.<sup>16</sup>

**Table 5: Data Standard Items for Reactive Disclosure of Information<sup>17</sup>**

Project Information	
Identification and Preparation	Project Completion
1. Multi-year program and budget	1. Implementation progress report
2. Project brief or feasibility study	2. Budget amendment decision
3. Environmental impact assessment	3. Project completion report
4. Resettlement and compensation plan	4. Project evaluation report
5. Project officials and roles	5. Technical audit reports
6. Financial agreement	6. Financial audit reports
7. Procurement plan	
8. Project approval decision	
Contract Information	
Procurement	Contract
1. Contract official and roles	1. Contract agreement and conditions
2. Procurement method	2. Registration and ownership of firms
3. Tender documents	3. Specifications and drawings
4. Tender evaluation results	Contract Completion
5. Project design report	1. List of variations, changes, amendments
	2. List of escalation
	3. Quality assurance reports
	4. Disbursement records or payment certificates
	5. Contract amendments

In order to assess the level of disclosure in the selected projects, the AT developed two different checklists for proactive and reactive disclosure based on Data Standard Items of CoST Afghanistan Disclosure Manual, and then checked and analyzed the data disclosed by the PEs against these checklists. The AT determined that none of the PEs has disclosed more than 50% of the data points required by the CoST Afghanistan proactive disclosure provision. The Rural Road Project in Khwaja Bena Village of Takhar Province has gained the highest percentage (48%) in proactive disclosure. This project is implemented through nine different Community Development Councils (CDCs). Therefore, the information was easily accessible to the communities and most of the key information is disclosed at the local level; however, data on such projects do not appear to be disclosed at the national level as well. Doshi to Pul-e-Khumri Road Project and the Stone Retaining Wall Project have earned the lowest percentage in proactive disclosure. The reason behind this low percentage in proactive disclosure is that some key data standard items including cost estimate, number of firms tendering and scope of work of these projects are not publicly disclosed during the procurement and contract award stage as required by the CoST Afghanistan disclosure standard. In comparison to this standard, the percentage of information disclosed proactively and reactively for each of the projects has been illustrated in the following chart.

<sup>16</sup> P.1, Guidance Note: 6  
<sup>17</sup> P.15, CoST Afghanistan Disclosure Manual

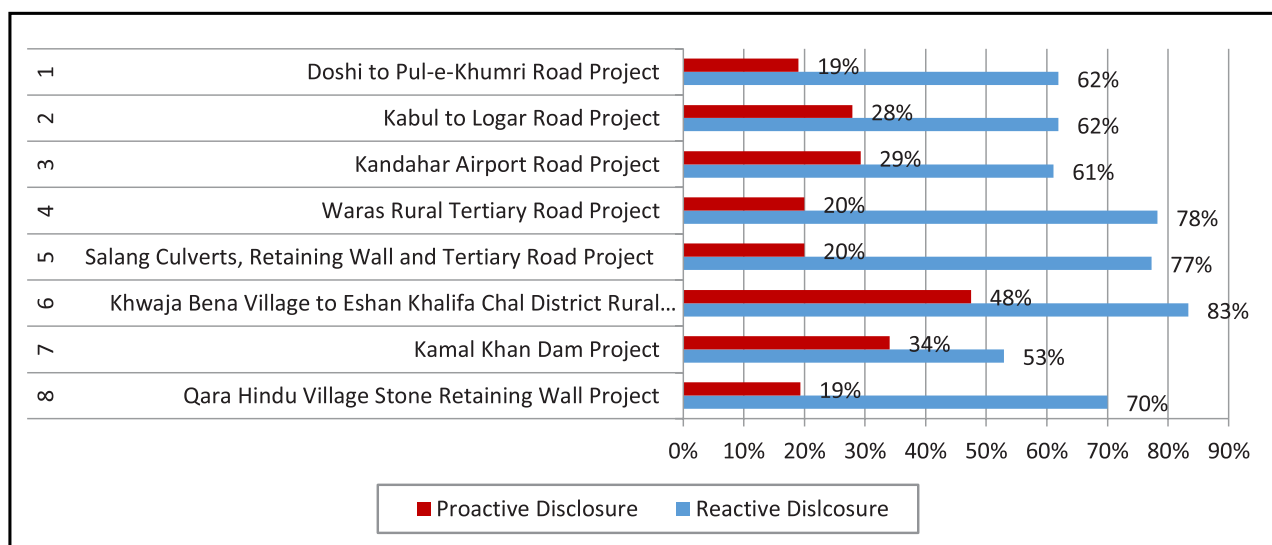


Figure 2: Percentage of Actual Disclosure versus CoST Data Standard Items

Besides the study of disclosure at the project-level, the assessment of disclosure within a PE provides a snapshot of comparative performance. The following chart, therefore, indicates the disclosure practice of each PE, where the percentages are extracted as the average disclosure in all project within a PE as indicated in Figure 2. To compare the PEs and on the basis of data from the eight projects for which data is being analyzed, MRRD is leading by having disclosed 29% of data standard items proactively and 80% of information upon request (reactively). MoPW having disclosed 25% of data standard items proactively and 62% of information upon request and is ranked the third position in disclosure practice.

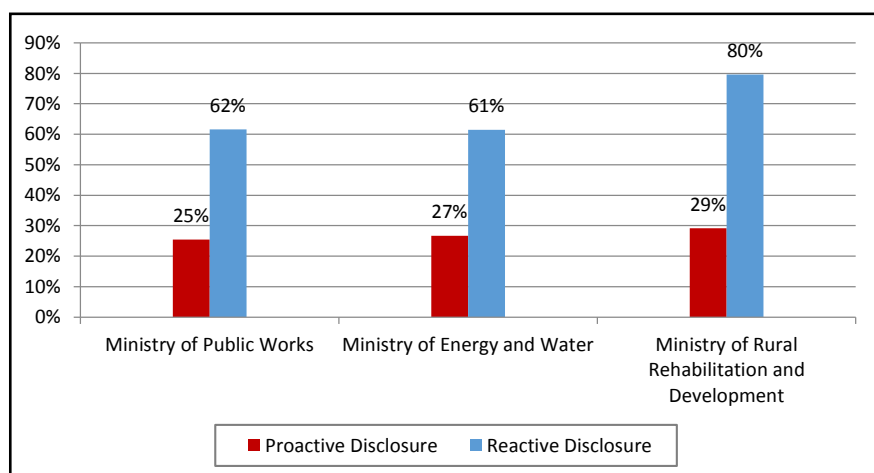


Figure 3: Percentage of Actual Disclosure at Entity-Level based on Selected Projects

The extent of disclosure coverage has been identified as a concern by the AT. Most of the PEs depend on a single media channel for announcements and disclosing of information using their own communication and media tools. The disclosure does not cover different and inclusive media streams. For instance, the rural road project in Chal district of Takhar province was awarded to nine CDCs in nine lots. The disclosure of information on this project is limited to the local communities and pertaining social/religious centers like mosques. By contrast, in Qara Hindu Village Stone Retaining Wall project, the local communities have been widely kept unaware of the project in the initial stage. The representative of Qara Hindu village confirmed to the AT that the community and their village population was not aware of the procurement stage and their views were not asked during the preparation of the project, which then led to a major issue in post construction stage.<sup>18</sup>





Disclosure of Basic Data on a Rural Road Project in Salang District by MRRD

In conjunction with reactive disclosure, it is noted and appreciated that all PEs have been cooperative with AT in providing the requested information. The officials of MoEW were not willing to make available any information as no MoU was signed. This problem was promptly solved when the MoU was signed between MoEW and CoST Afghanistan on February 25, 2018. The MoPW was also cooperative, but the information and documents were not well organized and it was very difficult for the AT to access the required information quickly and easily. The MRRD among all was very cooperative and their management information system and filing organization were rather better.

### 3.3 ACCURACY OF THE DISCLOSED INFORMATION

In general, the disclosed information on the projects is accurate. However, a number of discrepancies or differing issues observed by the AT are described as specific issues or causes of concern in the next section of this report. The AT has verified information provided by the PEs with other sources like the contractors and communities. In addition, further information such as national budget, procurement plan, annual reports, and announcements has been obtained from government entities' websites for verification of the accuracy of the disclosure.

### 3.4 INFORMATION FLOW

The information flow between PEs and their subordinate offices, that is, the transfer of information from central to subnational level governance and local people, has been assessed by the AT. This subject has been broadly studied in the CoST Afghanistan Scoping Study and it is wisely exemplified under perspectives on the need and use of information in four pillars of the public sector, the private sector, donors and UN agencies, and civil society. The information flow is of high concern when it comes to the public sector where the information sharing among government agencies at vertical and horizontal level is needed.<sup>19</sup>

The same instance has also been observed in case of the assurance process on the selected projects. In Doshi to Pol-e-Khumri road project, the role of provincial Public Works Directorate (PWD) has been undermined and the project was directly managed by MoPW headquarter in Kabul. An official of PWD in Baghlan Province told us that their team was not informed by the MoPW during preparation and procurement stage that when and who did survey the project, who was the contractor and who was supervising it. PWD obtained very limited information later when the contractor was mobilized on site and they did not even participate in the inauguration of the construction works. Furthermore, the MoPW is not sharing any technical documentation pertaining to the project and this limits PWD's supervisory role. In this project, the supervision consultant was dealing directly with the ministry.<sup>20</sup> Similar claims have been made by officials of provincial directorates as well regarding other projects.

<sup>19</sup> P.56, CoST Afghanistan Scoping Study  
<sup>20</sup> Interview with a PWD official

## 4. TRANSPARENCY AND ASSURANCE

In this section, the AT assesses the transparency during tender management and contract implementation of the selected projects before moving on to assess these projects in terms of time overrun, cost overrun and then management of construction quality.

### 4.1 TENDER MANAGEMENT

The assessment shows that most of the selected projects have encountered issues of potential concern in terms of tender management. These issues give rise to concerns about tender fairness, open competition, contracts award decisions, contracts monitoring and management that affects the transparency in the procurement of some of the selected projects. Even in some cases, the procurement law and procedures are whether disregarded unintentionally or explicitly ignored.

The tender duration is also a matter of concern. The tender duration is clearly defined for the procurement of works, goods, and services in the procurement procedures, but the tender duration in the selected projects has exceeded its time limit and even in some cases taking more than one year. The following chart indicates the tender duration of the selected projects.

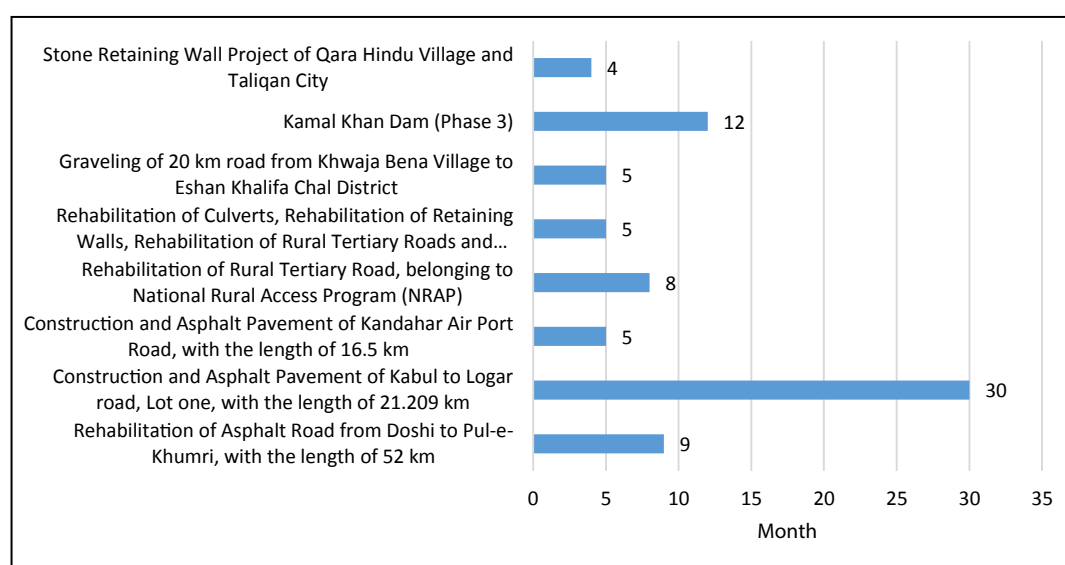


Figure 4: Tender Duration of the Selected Projects

#### 4.1.1 KAMAL KHAN FLOOD CONTROL DAM PHASE III PROJECT PROCUREMENT

The Kamal Khan Dam project was planned on Helmand River in the southwest region of Afghanistan, in Chahar Burjak District of Nimruz Province. The project works were started 35 years ago during the presidency of Mohammad Daoud Khan, but the project was suspended soon after his death in 1978. Work was resumed in 2010 and the first and second phases were completed in 2012 and 2015 respectively. The construction of the third phase of the project was inaugurated in April 2017.<sup>21</sup>

The construction scope of phase 3 of Kamal Khan Dam project includes but is not limited to the site adaptation and building/supply of Kamal Khan dam, control dam, and weir, powerhouse, outlets, irrigation development scheme, and reservoir operation plan. The owner of the project is Ministry of Energy and Water and the project cost is initially estimated at \$78,035,813.28 and the construction period as 42 months. The main objective of this project is to control the risk of catastrophic floods, irrigate 150,500 hectares of agricultural land and generate electricity with a capacity of 9 MW through 4 turbines.

The procurement of the project was carried out under Limited International Competitive Bidding (LICB) which

took almost 10 months starting from June 2016 to March 2017. Many challenges were encountered during the procurement and ambiguities have been identified that give rise to potential concerns. The AT has reviewed and scrutinized all the documents related to procurement of the project which are made available by the PE. A number of issues related to tendering of this project have been identified during the assurance process.

The procurement initiated following a presidential order dated 25-January-2016, nominating four staff members to go to Turkey to find qualified companies to participate in the bidding process. The committee nominated 7 companies. After a review of 7 companies, 5 qualified companies were selected and invited for the bidding and the bidding documents were issued on June 7, 2016. Eventually, 4 companies participated in the bidding process and submitted proposals on June 25, 2016.

**Table 6: List of Nominated Companies for Bidding of Kamal Khan Dam**

No.	Company Name	Country	Bidding Status
1	GOÇAY Construction Company	Turkey	Not shortlisted
2	EREN INSAAT TIC. VE SAN. LTD STİ	Turkey	Participated
3	CEİL OZGUR	Turkey	Not shortlisted
4	PIMTEK Cons. Sarol Project Man and Asia Bana Construction Company, JV	Turkey and Afghanistan	Participated
5	YUKSEL and MMC JV	Turkey and Afghanistan	Participated
6	Duyes Construction Company, Eser Construction Company, and CAN Construction Company	Turkey	Not shortlisted
7	ZHERSU (ZIIC)	Kazakhstan	Participated

During preliminary examination of bids, 3 out of 4 bids were considered acceptable by the evaluation committee for detailed examination. ZHERSU (ZIIC) was excluded from detailed evaluation because their bid was not signed and it was lacking line of credit. The bid evaluation committee concluded the evaluation of bids from 3 bidders by recommending the lowest priced bid, Asia Bana, PIMTEK and SAROL JV for the award of the project.

**Table 7: List of Bidders and Bid Prices on Kamal Khan Dam**

No./Rank	Bidder	Country	Evaluated Bid Price
1	Asia Bana, PIMTEK and SAROL JV	Turkey and Afghanistan	<b>\$78,777,387.13</b>
2	EREN INSAAT & New Paiman JV	Turkey and Afghanistan	\$83,264,569.24
3	YUKSEL	Turkey and Afghanistan	\$94,301,303.00
4	ZHERSU (ZIIC) Group of Companies	Kazakhstan	\$98,972,609.29

In the course of the evaluation, shortcomings on all the bids were found. The bid of YUKSEL was found non-responsive for the following reasons: line of credit was not valid as of bid submission date, the financial position indicated no profitability in last three years, inquiry on audit documents was not responded, no relevant experience and qualification of consultancy personnel was not demonstrated. The bid of EREN & New Paiman JV had the following shortcomings: EREN was qualified as a single firm, while submitted a joint bid with New Paiman Construction Company. There were miscalculations in BoQ that the correction led to increase in bid price and the company did not accept the corrected price. As per article 31.2 of ITB, if the bidder rejects the correction of errors, its bid shall be rejected. The financial position of EREN for the last three years indicated no profitability. Finally, the winning bid, in "Specific Experience" requirement part, the bidder had provided completion certificates of the proposed project, but the internet searching by the committee showed no indication of such completed project.

It should be noted that the above information is extracted from the bid evaluation report, the AT has not reviewed the bids or cross-checked the bids versus evaluation report as the bids (proposal documents) were not disclosed by the PE.

The AT's findings on the tender management process raise some ambiguities and potential concerns explained as follow.

1. Limited International Competitive Bidding (LICB) method was decided for procurement of Kamal Khan Dam

project. The MoEW single-sourced, limited or open international competitive bidding suggested to the National Procurement Commission (NPC). The decision of using LICB procurement method was made during NPC meeting 52<sup>nd</sup>, decision number 1021, May 28, 2016.

According to Clause 1 of Rule Number 21 of Procurement Rules, limited procurement method is allowable in the following two cases: 1) to be identified that procurement can be provided by only limited sources (maximum 5 sources), 2) unanticipated situation or delay in procurement process due to delay, default and lack of appropriate planning of the entity and when the processing of open bidding is not practical.<sup>22</sup>

The NPC decision document does not include the discussions and reasons behind the selection of LICB procurement method and why the NPC has not considered open international competitive bidding (ICB) which increases the level of competition and gives the chance for more companies from every country to bid. The reason for the selection of LICB procurement method is ambiguous.

2. According to Order N. 2155 dated January 25, 2016, of the presidential office, four staff members were nominated to go to Turkey to find qualified companies to participate in the bidding process of Kamal Khan Dam project. As a result, the committee nominated 7 companies, 6 from Turkey and 1 from Kazakhstan, and after review of the prequalification documents of the nominated companies, 5 qualified companies were selected and invited for the bidding process.

According to clause 6, rule number 21 of Procurement Rules, "in the event of carrying out procurement using LICB method, the entity is responsible to shortlist qualified companies from different countries, whereas from one country two bidders cannot be invited to bid."<sup>23</sup>

The question arises that why Turkey was considered the sole source for approaching qualified companies and why most of the nominated companies are Turkish. Moreover, the reason why LICB procurement method was decided for this project is not explicit as this method limits the number of bidders and affects the level of competition.

3. NPC meeting 52<sup>nd</sup>, dated May 28, 2017, decision number 1021 has guided the MoEW to recruit a consultant firm for supervision of Kamal Khan Dam project implementation.

Reference to letter number 9394 issued from Budget Department of Ministry of Finance on May 9, 2017, a budget has been allocated for management and supervision unit for project implementation upon request made by MoEW per letter number 22/39 dated April 15, 2017.

The MoEW appears not to have followed the NPC intention to recruit a consultant firm for supervision on the implementation of the project. The ministry has considered in-house management and supervision unit, while normally a robust supervision consultant firm equipped with international expertise is considered essential for such a challenging project. The reason why MoEW has not followed NPC's guidance is not explicit and the AT could not obtain PE's explanation.

1. Upon dissemination of award decision by MoEW, the second-ranked bidder (EREN INSAAT & New Paiman JV) submitted their protest letter in which they have raised the concern regarding the announcement of the award decision and winner bidder just a day before Eid-ul-Adha national holidays. According to Rule Number 84 of the Procurement Rules, the protest issuance duration starts from the day the award decision is disseminated to 7 'calendar days'.

This action taken by MoEW constrains the time for unsatisfied bidders who intend to protest and this is actually undermining the rights of unsuccessful bidders to protest, while Eid-ul-Adha is normally celebrated for four days as official holidays.



## 4.1.2 DOSHI TO PUL-E-KHUMRI ROAD PROJECT PROCUREMENT

This project is located in Baghlan Province, starting from Doshi and ending in Pol-e-Khumri city (the provincial center of Baghlan). This length of the road is approximately 52 km which is a portion of Afghanistan ring road. The road is also known as transit highway that links the capital of the country to Central Asian countries i.e. Tajikistan, Uzbekistan and Turkmenistan through the Salang Pass.

The Government of the Islamic Republic of Afghanistan received a loan from the Islamic Development Bank (IDB) towards the cost of the rehabilitation of Doshi to Pol-e-Khumri Road Project. The rehabilitation included the following works: removal of defected asphalt surface of the road, construction of the road where the road is damaged by flood, rehabilitation and widening of the road in Pol-e-Khumri city, repair and construction of new road structures such as bridges and culverts, renewal of asphalt pavement, furnishing of road furniture and marking, repairing side drainage.

The Afghanistan Reconstruction and Development Services (ARDS), acting on behalf of the Ministry of Public Works (the employer) carried out the tendering of the project. The tendering for construction works of the project recurred for a few times and the evaluation of bids report was revised many times with tremendous changes in the results. The first time tendering carried out during August 2008 and May 2009. Even during the first term, the construction work was retendered once. The contract was awarded and upon the unsatisfactory performance of the contractor, the contract terminated and the project was tendered again in 2012.

**Table 8: At a glance: Doshi to Pol-e-Khumri Road Construction Works Tendering**

Tendering May-2008	Re-tendering Dec-2011
1 <sup>st</sup> Round of IFB	IFB announce date: 17 December 2011
IFB announce date: 19 May 2008	Estimated cost: \$18,450,256
Estimated cost: \$22,649,379	Estimated contract duration: 15 months
Estimated contract duration: 16 months	Bid submission deadline: 18 February 2012
Bid submission deadline: 02 July 2008	Method of procurement: ICB
Method of procurement: ICB	Number of bidders: 12
Number of bidders: 15	Winning bid: Islam Trading Consortium Ltd. JV Nabi Zada Wardak Construction Company
Winning bid: Ghulam Rasul & Company (Pvt.) Limited (GRC)	
IFB announce date: 14 November 2008	
Estimated cost: \$22,649,379	
Estimated contract duration: 16 months	
Bid submission deadline: 28 December 2008	
Method of procurement: ICB	
Number of bidders: 10	
Winning bid: At first Ghulam Rasul & Company (Pvt.) Limited (GRC) was recommended, then in the revised evaluation report AKMAL-K Limited Liability Company was recommended for the award and the contract was signed with it.	

The AT's observation of the evaluation reports shows critical discrepancies, misevaluation and unjustified changes which are listed as follow.



## BID EVALUATION REPORT AUGUST 2008

- Fifteen (15) bidders participated
- 2 bids were found non-responsive, while 14 bids were accepted for detail examination. One of them was Sadullah Khan & Bros (SKB) which had conflict of interest as the company was involved as a subcontractor for the consultancy service of the project. The reason why this bid was considered for details examination in spite of non-responsiveness is not evident as the conflict of interest issue was not clearly explained.
- Two different bidders are recommended for award in two different sections of the same report. PRO SIMA INT JV Zamrai Ali Ahmadzada Construction Co. is proposed for the award, while in the last section Ghulam Rasul & Company (Pvt) Limited (GRC) is recommended for award.
- Hewadwal Construction Company is found responsive, while its bid does not comply with the Average Annual Turnover criterion that required \$22 million. The annual average turnover of Hewad Construction Company is shown \$14,480,000.
- GRC does not comply with the Average Annual Turnover criterion, but it is found responsive as well as recommended for the award of the contract. The Average Annual Turnover of GRC is shown \$16,716,786.00.
- PRO SIMA has complied with all the criteria, but it was found non-responsive for no clear reason.

Table 9: Bid Prices in Tendering May-2008

No.	Bidder	Country	Evaluated Bid Price
1	Saadullah Khan & Brothers (SKB)	Pakistan	\$23,064,801.66
2	Afghan Tajik Construction Company (ATCC)	Tajikistan	\$17,630,880.09
3	AKMAL K Construction Company	Tajikistan	\$18,821,671.45
4	Hewadwal Construction Company	Afghanistan	\$34,174,949.50
5	Ilyas Wais Construction & Road Company (ICRC)	Afghanistan	\$16,494,798.50
6	Ghulam Rasul & Company (Pvt) Limited (GRC)	Pakistan	\$22,664,790.00
7	Khalil Construction Company JV Afghan-German Construction and Ware House Company (KCC JV AG)	Afghanistan	\$20,600,990.75
8	PRO SIMA INT JV Zamari Ali Ahmadzada Construction Company	Lebanon/Afghanistan	\$21,783,350.00
9	Abad Rahan Pars Construction Company (ARP)	Iran	\$36,763,676.00
10	Shamal Pamir Construction Company	Afghanistan	\$17,243,160.00
11	Unal Yapi JV MNSC Co. JV Kam	Turkey/Afghanistan	\$18,869,515.00
12	Kazitas JV Fayz Construction Company	Afghanistan	\$39,773,235.22
13	Venco Imtiaz Construction Company;	Afghanistan	\$39,773,235.22
14	Arian Asia Construction Company (AACC)	Afghanistan	\$23,489,022.00
15	TSCC JV NCC JV AWCC	Afghanistan	\$21,829,050.00

## Revised Bid Evaluation Report September 2008

The AT's observations on this report are as follows:

- 6 bids were found non-responsive in preliminary examination and 9 bids were accepted for detail examination.
- Evaluated prices for some of the bids are different than that of the Evaluation Report Aug-2008. These changes are due to a further correction made in the revised report.
- The reason for non-responsiveness of PRO SIMA has now indicated noncompliance of experience criteria.
- The Average Annual Turnover of GRC is now changed and is shown \$22,636,884.56 which comply with the criterion. There is no justified reason for this change.

## Bid Evaluation Report January 2009

Following revised bid evaluation report September 2008, the construction works re-tendered on 14 November 2008 and bid submission occurred on 28 December 2008. The reason behind the re-bidding of this project is not clear.<sup>24</sup> Qualification criteria were lowered and 10 bidders have participated in this round.

- 5 bids were found non-responsive in preliminary examination and 5 bids were accepted for detail examination.
- 2 bids are found responsive in detail examination. GRC has been found the lowest responsive bid and recommended for the award of the contract.
- Although the qualification criteria were lowered, the number of bidders participated is less than the first round.

Table 10: Bid Prices in Re-tendering Nov-2008

No.	Bidder	Country	Evaluated Bid Price
1	Pro Sima INT JV ZAAZTC	Lebanon/Afghanistan	\$20,138,950.00
2	AKMAL-K Limited Liability Company	Tajikistan	\$19,969,077.15
3	Korea Afghan Road Construction Company	Afghanistan	\$23,234,573.50
4	Eser Nabizada Construction & Ind. Co. Inc. JV ESSR TAAHHUTR and SANAYI A.S.	Afghanistan/Turkey	\$20,350,553.00
5	Hewadwal Road and Building Construction Co. JV Korpu LLC	Afghanistan/Azerbaijan	\$30,905,725.73
6	Ghulam Rasul & Company (Pvt) Limited (GRC)	Pakistan	\$23,427,679.00
7	Mhd. Naeem Sons Construction & Road Construction Company JV South Kazakhstan Building Mgt. Ltd JV Kam Construction Company	Afghanistan/Kazakhstan	\$25,230,810.00
8	Abad Rahan Pars	Iran	\$30,872,411.00
9	Cinderella Construction Company JV FCEC	Afghanistan	\$27,949,860.00
10	Ferdous Jawad Construction Company JV BBICE	Afghanistan/Ukraine	\$20,910,424.00

The ARDS has reviewed the Bid Evaluation Report and shared their observations via letter dated January 31, 2009. The observations indicate that some deficiencies in the recommended bid (GRC's bid) have been overlooked and the first lowest bidder has been declared non-complaint for weak reasons. From the review and observations of ARDS, it can be inferred that ARDS has requested for reconsideration of evaluation. Therefore, the bid evaluation committee has evaluated the bids again and submitted the revised report in March 2009.

## Revised Bid Evaluation Report March 2009

The AT's observations on this report are as follows:

- The bid of AKMAL-K now complies with the experience criterion as per the letter issued MoF Letter No. 96542 dated 19/12/1387 and attached documents for clarification. "The original documents were submitted to MoF by the bidder which are signed and stamped by Embassy of Tajikistan and are notarized", confirmed by Mr. Nasir Ahmad, Director of ARDS.<sup>25</sup>
- The bid of AKMAL-K reportedly complies with all the qualification criteria in this report; however, in Average Annual Turnover part, the evaluation committee has commented that the bidder meets the AAT criterion by showing \$22,472,108, but the total cost of the projects executed by the bidder and listed in the bid documents show much less than the specified criterion of \$15 million.
- As a result of re-evaluation, AKMAL-K has been found the lowest responsive bid and recommended for the award of the contract.

## Revised Bid Evaluation Report March 2009

<sup>24</sup> The AT did not find any document showing the reason for re-bid of the project.

<sup>25</sup> Minutes of Meeting, March 2, 2009, Meeting at Ministry of Economy, Chaired by H.E. Dr. Jalil Shams, Minister of Economy

Following Bid Evaluation Report March 2009 and recommending AKMAL-K for the contract award, the Islamic Development Bank (IDB), via Fax No. 1232, commented that if the bidder has executed projects of less value than the specified criterion, then how it is considered qualified and recommended for the award of the contract. In response to IDB, the evaluation report has been once again revised as follows.

- The bid evaluation committee's comment on the average annual turnover of AKMAL-K is omitted.
- AKMAL-K has been found the lowest responsive bid and recommended for the award of the contract.

This evaluation report was the last and final revision based on which the contract was finally awarded to AKMAL-K LLC and signed on 09 August 2009. A few months later, discontent and complaints raised within MoPW regarding the delay in the progress of construction works. A meeting was held on 11 February 2010, in MoPW, points out the lack capability of AKMAL-K, violation of contract provisions by the contractor in terms of assigning a subcontractor without official approval of the consultant and the employer, and absence of personnel and machinery the company had introduced in the bid documents as the main reasons and challenges behind the delay in works.<sup>26</sup> The contractor was given a one-month deadline to take prompt action and resolve the challenges. The letter from MoPW to AKMAL-K dated 12 June 2010 states that the work progress is 5% after passing 10 months of the contract and questions the contractor how it is possible to complete the remaining 95% works in 6 months. Per this letter, a final warning is issued to AKMAL-K to take necessary steps within one week to mobilize enough resources required to expedite the works; otherwise, the ministry will consider contract termination alternative.<sup>27</sup>

The problem remained unresolved by the contractor and they could not achieve the consent of the MoPW until the ministry decided to terminate the contract with AKMAL-K and consider awarding the project to another contractor. In the meantime, the MoPW had received complaints from local people on the weak and slow performance of the contractor and the office of Attorney General per order no. 533/522 dated 24/1/1390 requested the termination of the contract and recommended to award the contract to Wahidullah Baktash Construction Company based on their proposal to implement the project \$1 million less than the current contract price, submit performance guarantee, not request advance payment and complete the project as per schedule on due time. The Office of Oversight and Anticorruption has also confirmed the recommendation of Attorney General per letter no. 418 dated 12/2/1390.

The MoPW shared the decision of termination of the contract with AKMAL-K and forwarded the recommendation of Attorney General to IDB per letter no. 130 dated 06 June 2011. In response, IDB has shown no objection in terminating the contract with AKMAL-K LLC, but opposed the recommendation of contract to Wahidullah Baktash Construction Company by stating that the recommendation is not justified as this is not in line with condition of IDB Guidelines on Direct Contracting or Force Account, and moreover the company has not participated in the Bidding Process earlier. IDB suggested to MoPW to approach the second, then the third and next ranked lowest bidders to determine whether they are still interested in this contract. If not, then MoPW should consider the "Force Account" method as described in para 3.6.1 of IDB Guidelines for Procurement of Goods and Works.<sup>28</sup>

In August 2011, IDB received a letter from MoPW,<sup>29</sup> declaring the confirmation of the termination of the contract with AKMAL-K by the Council of Ministers of Islamic Republic of Afghanistan.<sup>30</sup> The letter states that the Council of Ministers for immediate commencement of works and implementation of the project recommended that MoPW in incorporating with Afghan Coordination & Logistics Unit (ACLU) which experience and technical capability in road construction should work together. Accordingly, the ministry received the financial proposal of ACLU proposing \$31,564,249.50 which required additional funding. In response to this request, the IDB found awarding the contract to ACLU unacceptable and stated that the proposed amount is extremely high and the capacity to deliver this work is not evident. IDB commented that no indication has been given by MoPW whether the second, the third and then the next ranked bidders were approached as previously requested by IDB. The IDB emphasized that MoPW should procure the services of a new contractor by approaching the second, the third and then the next ranked lowest bidders and if not, re-tender the remaining works in order to

26 The meeting decision on report of the deputed delegation for the assessment of project progress and challenges

27 Letter No. 59, PIU MoPW, Deputy Minister Noor Gul Mangal, dated 12 June 2010

28 Fax No. 2040100/AFG/1816, Subject: Termination of the Contract, Islamic Development Bank

29 Letter No. 242, MoPW to IDB, dated 16 August 2011

30 Meeting No. 17, Council of Ministers of GIRoA, 08 August 2011

obtain technically acceptable and lowest bid.<sup>31</sup>

Upon IDB's insistence, the MoPW approached the second ranked bidder (Ghulam Rasul & Company "GRC"). GRC submitted a revised financial proposal citing reasons for the increased price (compared with its earlier bid) as including the cost of construction materials and extreme exchange rate changes. The third-ranked bidder with an initial bid price of \$30.9 million was not approached. MoPW referred the matter to the Council of Ministers once again. The Council of Ministers via its endorsement dated 8 August 2011, ordered to MoPW to accept the Force Account proposal, proposed by IDB.<sup>32</sup> In response, IDB shared their opinion that the Force Account method of procurement may not be justified, in the present case, mainly because of a sizable volume of works which remain to be implemented (about 75%). Therefore, IDB advised MoPW to proceed with "Re-Tendering" process for the remaining works.<sup>33</sup> Consequently, the MoPW proceeded with re-tendering on 16 December 2011 and received the bids on 18 February 2012.

**Table 11: Bid Prices in Re-tendering Dec-2011**

No.	Bidder	Country	Evaluated Bid Price
1	Ant Insaat Madan Sanayi JV Massoud Sultani Construction Co. Ltd.	Turkey/Afghanistan	\$29,877,053.50
2	Abad Rahan Pars Co.	Iran	\$38,572,360.00
3	Technologists Inc.	Afghanistan	\$28,196,052.33
4	Islam Trading Consortium Ltd. JV Nabi Zada Wardak Construction Co.	Pakistan/Afghanistan	\$16,859,662.00
5	Kawar Kara Construction Road Making and Produce of Construction Material Co.	Afghanistan	\$19,158,249.52
6	Unique Builders Construction Company	Afghanistan	\$17,406,222.00
7	Mashriq Engineering Construction Co. JV Jahan Construction Co.	Afghanistan	\$28,463,809.00
8	Billal Rafi Construction Co. JV Abdul Raziq Construction Co.	Afghanistan	\$18,301,743.00
9	Yahya Yousufi Land Builder & Engineer Co. JV Eser Nabizada Co.	Afghanistan	\$19,016,613.90
10	Zahir Mohammadi Construction Company JV National Construction Co.	Tajikistan/Afghanistan	\$24,713,347.10
11	JV of Omran Holding Group, Gholghola Group, and BICBU Services LLC	Afghanistan	\$26,686,921.28
12	Mohammad Ajmal Road and Construction Company	Afghanistan	\$19,499,169.80

Twelve bidders participated in this round of tendering. Six bids were found non-responsive in preliminary examination and other 6 bids were accepted for detail examination. The only bid which was submitted by Islam Trading Consortium Ltd. JV Nabi Zada Wardak Construction Company was found responsive in detail examination and the contract was awarded to this company on 26 September 2012. The bid evaluation in this round also took a long time starting April 2012 to June 2012 and three different evaluation reports were submitted; however, no remarkable mistake or change is identified in these reports.

#### **4.1.2.1 PROCUREMENT OF CONSULTANCY SERVICES FOR DOSHI TO POL-E-KHUMRI ROAD PROJECT**

The procurement for consultancy services for detailed engineering design, project management, and construction supervision commenced with a prequalification stage whereby 8 consulting firms were shortlisted. Five firms submitted their proposals (including technical and financial) on 18 October 2006.

31 Fax No. 2040100/AFG/2088, Subject: New Contract, Islamic Development Bank

32 Letter No. 258, MoPW to IDB, dated 06 September 2011

33 Fax No. 2040100/AFG/2841, Subject: Re-Tendering, Islamic Development Bank

**Table 12: List of Shortlisted Firms for Consultancy Services of Doshi to Pol-e-Khumri Road**

No.	Firm	Country	Bidding Status
1	Associated Consultancy Center Pvt. Ltd.	Pakistan	Participated
2	Development Design Consultants Ltd.	Bangladesh	Participated
3	Hi-Tech International Engineering PC	Afghanistan	Participated
4	Sepehr Bastar Consulting Co.	Iran	Participated
5	PSF & Hohenstein Engineering and Consulting	Afghanistan & Germany	Participated
6	ESER Consulting Engineering Inc.	Turkey	Not participated
7	UBM International United Consultants Inc.	Turkey	Not participated
8	Indus Associated Consultants Pvt. Ltd.	Pakistan	Not participated

Three firms found responsive by gaining the minimum passing score of 60 and their financial proposals were considered for evaluation. As a result, based on applying 70% and 30% weight for the technical and financial scores respectively Hi-Tech International Engineering PC gained the highest combined score and recommended for the award of the contract for consultancy services.

**Table 13: Consultancy Services Proposal Evaluation Result**

No./ Rank	Firm	Proposed Price	Technical Score	Financial Score	Final Score
1	Hi-Tech International Engineering PC (Afghanistan) & BETS and SARM (Bangladesh)	\$792,690	92.53	100	94.77
2	Development Design Consultants Ltd. (Bangladesh) & ICT Pvt.	\$1,439,350	91.16	55.07	80.33
3	Associated Consultancy Center Pvt. Ltd. (Pakistan) & DAINICHI (Japan)	\$1,902,990	89.64	41.65	75.25

### 4.1.3 STONE RETAINING WALL PROJECT OF QARA HINDU VILLAGE IN TALIQAN CITY

This stone retaining wall project is located in Qara Hindu Village, Taliqan District in Takhar Province. The estimated length of this wall is 1500 m and the estimated cost 34,701,750 AFN. Bids submitted for the construction works of this project were opened on 9 January 2016. Out of 10 companies who had received the tender document, the following 5 companies participated in the bidding.

**Table 14: List of Bidders Participated in Tendering**

No.	Bidder	Province/Country	Evaluated Bid Price
1	Sultan Afghan Construction Company	Kabul, Afghanistan	28,125,750 AFN
2	Brand Super Construction Company	Kabul, Afghanistan	35,800,950 AFN
3	Spin Dara Construction Company	Kabul, Afghanistan	38,136,750 AFN
4	Abdullah Qurban Construction and Material Production Company	Kabul, Afghanistan	40,948,650 AFN
5	Anbar Koh Building and Road Construction Company	Kabul, Afghanistan	40,991,100 AFN

Sultan Afghan Construction Company and Spin Dara Construction Company were identified non-responsive in the preliminary examination of the bids. Sultan Afghan fulfilled all of the qualification criteria except the annual average turnover in the past five years which was required to be 30 million AFN each year but the bidder's maximum average annual turnover is 26 million AFN, and the bidder has one similar experience in the past five years with value of 14.4 million AFN, but the required similar experience value criterion is 25 million AFN. The reason for non-responsiveness of Spin Dara is that the company has shown less 10 million AFN in financial capability in their bank statement and has not provided the list of key personnel and equipment. These two companies are found non-responsive, however, their bids have been considered for detailed examination and cost comparison. The lowest price responsive bid as per the evaluation report is Brand Super and Sultan Afghan Construction Company is the lowest price bid among all regardless of non-responsiveness.



After evaluation of the bids, the evaluation committee was not able to independently recommend only one bid for the award and therefore the decision for award of the contract was delegated to the Minister of Energy and Water. In response, the Minister ordered, “since the work of this project is not complicated; therefore, considering the national interests, the project to be contracted with the lowest bidder according to the procurement law.” Accordingly, Sultan Afghan Construction Company is recommended for the award of the contract. The second lowest price bidder (Brand Super) protested on the result of evaluation and the Minister ordered for a re-evaluation of the bids. A new evaluation committee was assigned and the result of the evaluation was the same as the first evaluation report. The second committee was again unable to independently recommend only one bid for the award and delegated the decision to the Minister. The Minister, vide Order Number 614 dated 12/2/1395, advised that legal actions be taken according to the previous order. Finally, based on this order, the contract was awarded to and signed with Sultan Afghan Construction Company.

The main issue of concern in the procurement of this project is that the contract was awarded to a non-responsive bidder only taking in consideration the lowest quoted price aspect, while “lowest evaluated responsive bid” selection method is adopted for the evaluation of the bids. Moreover, the bid evaluation committees have failed to explicitly recommend the lowest evaluated responsive bid for the award of the contract to the Minister, even though, it was identified as a result of the evaluation.

#### 4.1.4 KANDAHAR AIRPORT ROAD PROJECT

The Ministry of Public Works (MoPW) received financing from Ministry of Finance (MoF) for the cost of the procurement of works for construction of the 16 km Kandahar Airport Road connecting the Airport to Kandahar city. The procurement unit of ARDS, acting on behalf of the MoPW carried out the procurement of the project. The procurement was conducted using an open International Competitive Bidding (ICB) in accordance with the Single Stage Two Envelop bidding procedure.

Bids were opened on 17 August 2013, with four companies participating.

**Table 15: List of Bidders Participated in Tendering**

No.	Bidder	Country	Evaluated Bid Price
1	Unique Builders Construction Company	Afghanistan	Technically non-responsive <sup>1</sup>
2	ASCC-BACC (JV)	Afghanistan	2,329,874,490.09 AFN
3	Barak-Bakhter (JV)	Afghanistan	2,280,617,938.63 AFN
4	Saita Afghanistan Construction Company	Afghanistan	Technically non-responsive

The bid evaluation carried out in two distinct stages of technical and financial. The ARDS reviewed the technical bid evaluation report. This review concluded that all of the bidders are non-responsive and they requested for revision of the bid evaluation report.<sup>34</sup> However, in the revised bid evaluation report, the bids of Barak-Bakhter JV and ASCC-BACC JV were found substantially responsive. Proceeding to the financial bid evaluation, Barak-Bakhter JV quoting 2,280,617,938.63 AFN was declared lowest evaluated bidder and recommended for the award of the contract.

On the basis of documentation seen by the AT, the procurement of this project does not raise any obvious issue of concern. However, the original bid evaluation report was not disclosed, so only the revised bid evaluation report was available to the AT.

#### 4.1.5 KABUL TO LOGAR ROAD PROJECT

The Ministry of Public Works (MoPW) received financing from Ministry of Finance (MoF) for the cost of the procurement of works for construction of second road lane of Kabul to Logar Highway over a length of 21 km. The new road lane starts from Nawneyaz Village of Kabul and ends to Mohammad Agha District of Logar province. The procurement unit of ARDS, acting on behalf of the MoPW carried out the procurement of the project. The procurement was carried out using an open International Competitive Bidding (ICB).

The bidding documents were distributed to 13 interested bidders, 7 of which participated in the bidding process.

<sup>34</sup> Letter Number 862 dated 161392/7/ and Letter Number 919 dated 61392/8/



Only the bid of Unique Builders Construction Company was found responsive and that company was duly recommended for the contract award.

**Table 16: List of Bidders Participated in Tendering**

No.	Bidder	Evaluated Bid Price
1	NNBCC & WAZ JV	Technically non-responsive
2	ITCL-NZCC-GZCC JV	Technically non-responsive
3	Faizi Masroor Construction Company	Technically non-responsive
4	HTCC and WINDECON JV	Technically non-responsive
5	Unique Builders Construction Company	567,451,239.00 AFN
6	Afghan Builder Construction Company	Technically non-responsive
7	Hashmat Khalil Rezai Road & Construction Company	Technically non-responsive

The PE did not disclose the complete set of bid evaluation report and bidding process documents. The AT is therefore not in a position to assess and comment on the transparency of this process and its compliance or otherwise with applicable regulations.

#### **4.1.6 WARAS RURAL TERTIARY ROAD PROJECT**

This tertiary road project is located in Waras District of Bamyan province, including construction, 20 km gravel surfaced road and drainage structures from Sare Jiska Village to Ghorzalab Village. The procurement of this project carried out by the Procurement Unit (PIU) of NRAP-MRRD. This project was awarded to Build Tech Engineering and Construction Company and Shams Afghan Construction Company JV on 08 June 2013. The original contract amount was 44,457,638.00 Afghanis.

The PE did not disclose the complete set of bid evaluation report and bidding process documents. The AT is therefore not in a position to assess and comment on the transparency of this process and its compliance or otherwise with applicable regulations.

#### **4.1.7 SALANG CULVERTS, RETAINING WALL AND TERTIARY ROAD PROJECT**

The project consisted of rehabilitation of 5 Km gravel surfaced road and drainage structures from Kabul-Doshi Highway to Nawach Village of Salang District in Parwan Province. The procurement of this project was conducted by Procurement Unit (PIU) of NRAP-MRRD based on National Competitive Bidding (NCB) procedures.

**Table 17: List of Bidders Participated in Tendering**

No.	Bidder	Evaluated Bid Price
1	Buildtech Engineering and Construction Company	20,439,650.00 AFN
2	Ramin Makhtar Construction, Production of Construction Materials and Road Building Company	17,510,930.00 AFN

#### **4.1.8 KHWAJA BENA VILLAGE TO ESHAN KHALIFA CHAL DISTRICT RURAL ROAD PROJECT**

This project has been awarded to 9 Community Development Councils (CDCs) in 9 lots. The procurement works has been conducted through Ministry of Rural Rehabilitation and Development and it is funded by the World Bank. The total amount estimated for the construction works of this project is 157,635,239 AFN.

Table 18: List of CDCs

No.	CDC	Lot	Contract Amount
1	Bazarak	19m RCC Girder Bridge	17,166,595.50 AFN
2	Ishan Khalifa	0+000 to 2+300	16,402,413.60 AFN
3	Dahan Bazarak	2+300 to 4+500	16,329,235.00 AFN
4	Raies Toghan	4+500 to 5+700	18,650,266.30 AFN
5	Khwaja Bina Sufla	5+700 to 7+520	17,278,938.10 AFN
6	Khwaja Bina Aulia	7+520 to 10+300	16,544,692.10 AFN
7	Deh Sayad	10+300 to 13+000	17,795,261.70 AFN
8	Punbak	13+000 to 15+300	18,486,298.40 AFN
9	Pacha Dara	15+300 to 17+140	18,981,539.00 AFN

The project is awarded to 9 local CDCs to implement the project in 9 lots. On the basis of documentation seen by the AT, the procurement of this project does not raise any obvious and remarkable issue of concern.

## 4.2 COST OVERRUN

Cost overrun is a major problem in the construction industry worldwide, but it is a significant challenge in developing countries. In Afghanistan, this challenge is dominant in almost all construction projects, involving all parties including clients, contractors, subcontractors, and consultants. A research conducted for the 7<sup>th</sup> International Conference on Engineering, Project, and Production Management (EPPM2016) studies the significant factors causing cost overruns in the construction industry in Afghanistan. The findings of this study have shown that the key critical causes which potentially result in construction cost overruns in Afghanistan are: corruption, delay in progress payment by owner, difficulties in financing project by contractors, security, change the order by the owner during construction and market inflation.<sup>35</sup>

The findings of the assurance process on 8 select projects accord with the mentioned causes, moreover, lack of capacity in clients or PEs organization is also another key critical cause, meaning that the projects are not estimated precisely during preparation and planning phase which lead to cost overruns. The cost overrun of 8 selected projects is illustrated in the following chart.

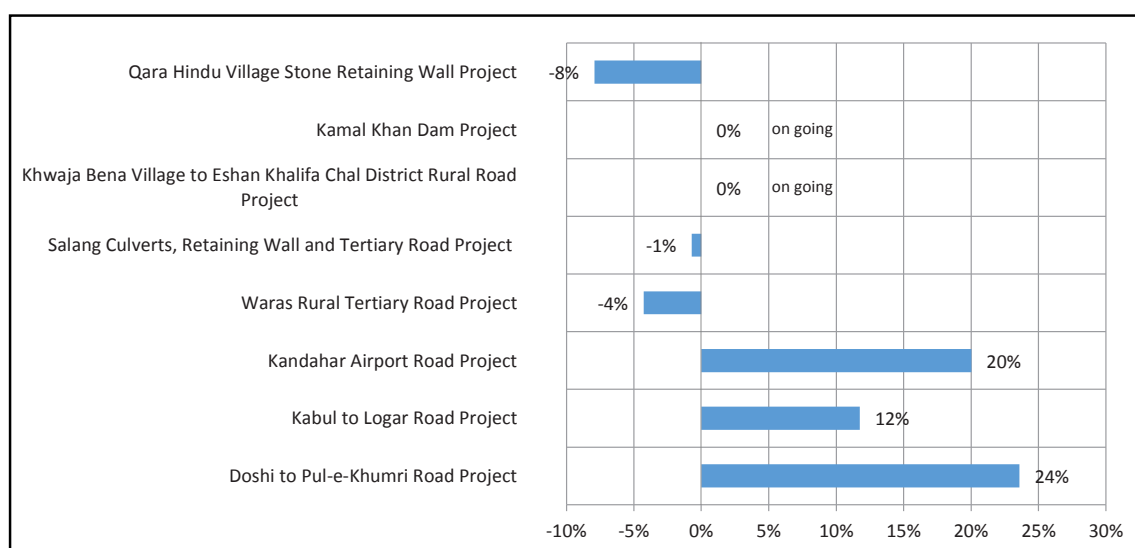


Figure 4: Cost Overrun of Selected Projects

Only three projects have encountered cost overrun. Qara Hindu Village Stone Retaining Wall Project has cost overrun because the length of retaining wall was initially estimated 1500 meters but the required length of wall was 1392 meters that was actually constructed on the site. The same as this retaining wall project, the projects in Salang and Waras of Bamyan indicates cost overrun and the reason is an overestimation of the project during the preparation of the project. The rural road project in Chal District of Takhar province is not

<sup>35</sup> Significant Factors Causing Cost Overruns in the Construction Industry in Afghanistan, by Ghulam Abbas Niazi & Noel Painting, 7th International Conference on Engineering, Project, and Production Management

completed yet and no variation order has been approved to date. Similarly, Kamal Khan Dam project is now at the beginning stage and no cost variation has been approved to date, therefore, the cost overrun shows 0%.

The projects with cost overrun are all belong to MoPW. Doshi to Pul-e-Khumri Road project has the highest cost overrun percentage. The main cause for this high percentage of cost overrun is the inaccurate survey and inconsistent design of the project. Some key structures like retaining walls, culverts and bridges were not whether considered in the design or were not applicable to the site. In consequence, two variation orders of additional cost to the initial contract price were approved, incorporating a cost overrun of 24%.

The Kandahar Airport Road has the second highest cost overrun percentage. The bill of quantities as a part of bidding documents was underestimated and the actual quantities of most items show an increase than the initial BoQ. The design of the project was not applicable to the site which was then revised and the BoQ has changed accordingly. The revision of the design took almost one year and this time the exchange rate of the United States dollar increase from 57.27 to 67 Afghanis, which affected the original contract price. In addition, the contractor performed additional work that was not included in the original contract agreement. All these factors caused in 20% cost overrun in this project.

In Kabul to Logar Road project, the 12% cost overrun is mainly because of the incorrect geotechnical investigation executed during the design stage. Upon a recommendation of Laboratory Directorate of MoPW to avoid seepage of water into the road embankment and to enhance the stability of road embankment against the growth of plants roots, 70 cm increase in height of road profile and increase in BoQ items has been approved by Nation Procurement Commission which constitutes approximately 12% cost overrun.<sup>36</sup>

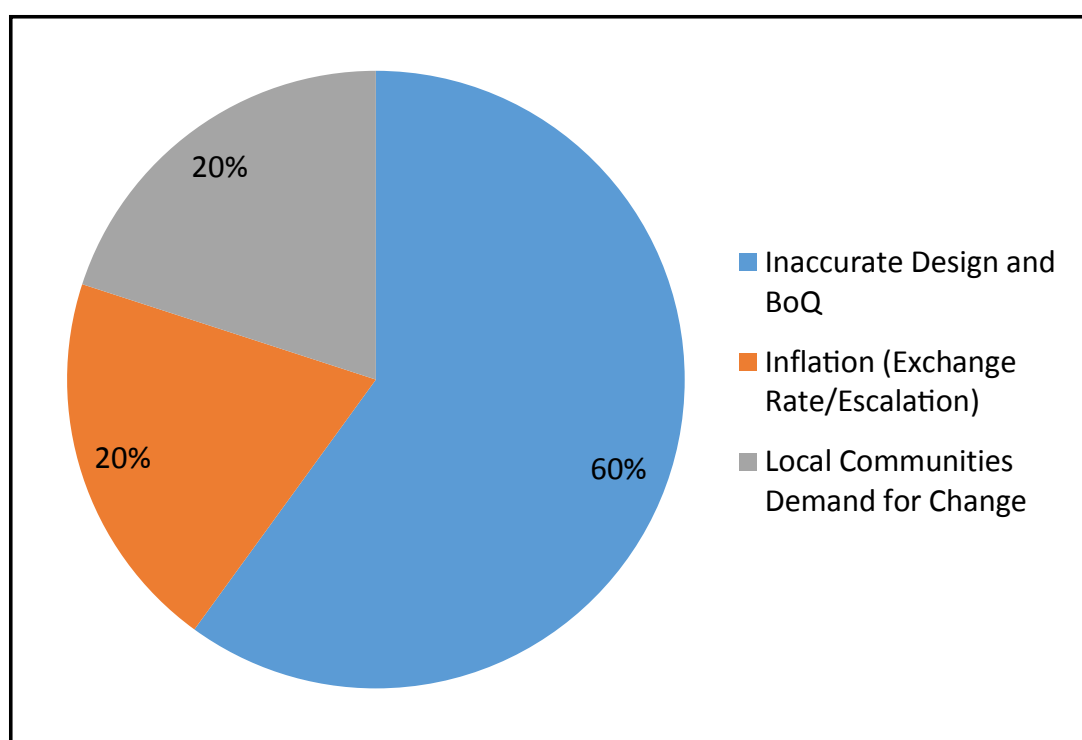


Figure 5: Contribution of Causes in Cost Overrun of the Selected Projects

The AT's findings show that the major cause for cost overrun in selected projects is the lack of capacity in the PEs organization to develop adaptable and practical designs based on accurate site surveys and geotechnical investigation reports. Before the design stage, the PEs are required to execute the surveys, geotechnical investigation and other necessary studies on the projects. But this practice is rather not managed well as the surveyors commit too many mistakes and the accuracy of the survey is not acceptable, geotechnical investigations are whether not performed or overlooked, there is no coordination between designer, the survey teams and the contractor and more importantly lack of technical capacity within the PEs organizations lead to such critical issues during the construction stage.

### 4.3 TIME OVERRUN

The same as cost overrun, time overrun is also considered as a major problem in the construction industry. The success of a project is measured if it is delivered within the scheduled timeline. Unfortunately, a large number of construction projects are delayed in Afghanistan because of several reasons. According to a research conducted by Ghulam Abbas Niazi and Kassim Gidado, the main critical factors that cause construction delays in Afghanistan are: security, corruption, poor qualification of the contractor's technical staff, payment delays by clients, and poor site management and supervision by the contractor.<sup>37</sup>

In case of the selected projects, 7 out of 8 of them have faced critical time overruns. In some of the select projects, the delay exceeds the total duration of the original contract. For instance, the duration of Doshi to Pol-e-Khumri was 15 months in the original contract agreement, but the project handed over within 44 months that show 29 months delay much more than the initial contract duration.

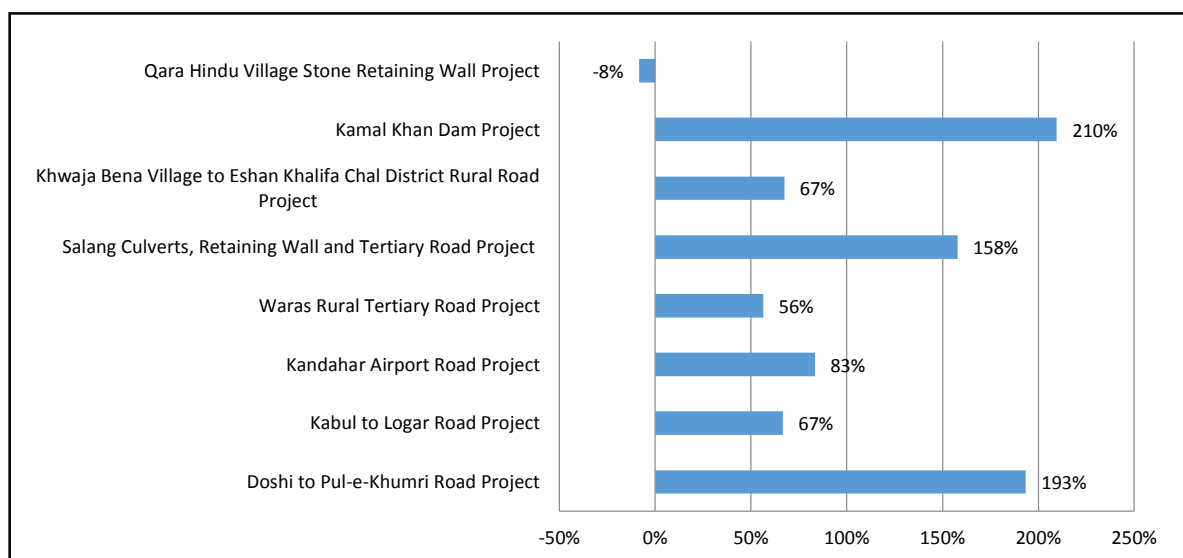


Figure 6: Time Overrun of Selected Projects

The Kamal Khan Dam project is shown to have the highest time overrun percentage. However, it is important to note that this project is still in progress, at an early stage, and that this percentage could potentially be significantly reduced if the contractor and the client have a realistic recovery plan to expedite the construction works. The contract duration of this project is 42 months (3.5 years). In more than one year, 10% progress has been reported by the PE to the AT. It will be very challenging for the contractor and the PE to complete the 90% remaining works in 2.5 years. It would, therefore, be better to assess the time overrun of the project in later stages of the project. On the basis of current assessments, Doshi to Pul-e-Khumri Road project has encountered the highest actual time overrun among the selected projects.

Table 17: Causes of Time Overrun in Selected Projects

Project	Time Overrun Causes
Doshi to Pul-e-Khumri Road Project	<p>The contract duration was extended twice in this project. The project has 29 months' time overrun. 12 months are justified based on available documents. No document has been seen that shows the approval of any further extension, so 17 months of delay does not appear to be justified.</p> <p>First time extension for 8 months</p> <ol style="list-style-type: none"> <li>1. Approval of additional works by the donor and the government: The additional works included the construction of 8 km 4 lane road in Pul-e-Khumri City and stabilization of retaining wall against floods water. As a result, 8 months duration was extended for the project.</li> </ol> <p>Second time extension for 4 months</p> <ol style="list-style-type: none"> <li>2. Completion remaining works.</li> </ol>
Kabul to Logar Road Project	<p>The contract duration was extended twice in this project.</p> <p>First time extension for 8 months</p> <ol style="list-style-type: none"> <li>1. The design was not applicable on the site because the geotechnical report was not prepared based on actual conditions of the site. Therefore, the design was revised and MoPW provided the design document in different packages/submittal to the contractor. The revision of the design took approximately one year.</li> </ol> <p>Second time extension for 4 months</p> <ol style="list-style-type: none"> <li>2. The contractor faced problems in terms of land acquisition as some residential and commercial areas, agricultural land and government facilities along the road and local people were creating problems which caused delays for several days.</li> <li>3. There were a number of electricity poles along the road that needed to be moved from the road alignment. The contractor informed the MoPW and the DABS (national power utility government-owned company) of the issue. Unfortunately, the contractor did not receive any response from these entities after two months and the contractor inevitably moved the electricity poles by their own that cause two months delay.</li> <li>4. There were security issues during the construction works and the contractor was not able to stockpile the construction machinery for a long period of time. Therefore, the pace of construction works was very slow.</li> <li>5. Two winter season fall into the project timeline. In order to maintain a good quality of works, the contractor suspended the works during the cold days of the winter, which resulted in 3 months delay.</li> </ol>
Kandahar Airport Road Project	<p>Since the initial design was not applicable on the site, the design was revised by MoPW and as a result, some extra items and qualities were added to the BoQ that caused 83% time overrun in this project.</p>
Waras Rural Tertiary Road Project	<p>This project is located in a remote area in Bamyān Province and access to the project site is very troublesome especially during the winter season. The following are causes for the overrun in the project.</p> <ol style="list-style-type: none"> <li>1. The access road the project site was not secure at the startup of the project and the contractor was mobilized on the site 70 days late.</li> <li>2. The accessibility to the project site is very stringent and supply of construction material to the site is time-consuming.</li> <li>3. Lack of laborer in the project site during the harvest season.</li> <li>4. The problem created by the local people in terms of changing the road alignment.</li> </ol>

Salang Culverts, Retaining Wall and Tertiary Road Project	<ol style="list-style-type: none"> <li>1. The construction works were suspended for 342 days due to land acquisition issues. The local communities were against acquiring their land for the project and creating problems through the course of project duration.</li> <li>2. The construction works suspended on winter seasons resulted in 3 months delay.</li> </ol>
Khwaja Bena Village to Eshan Khalifa Chal District Rural Road Project	The project is awarded to 9 different community development councils (CDCs). The project requires hard cutting in some of the sections, while the CDCs do not have adequate machinery for excavations and hard cutting.
Kamal Khan Dam Project	The design of the project is not finalized and approved yet. Therefore, the major construction works have not been commenced yet.
Qara Hindu Village Stone Retaining Wall Project	This project has been delivered within the scheduled timeline.

A number of causes have been identified for time overrun of each project. In general, the main factors behind the delays in the selected projects are poor design quality, land acquisition, insecurity, payment delays, lack of resources, lack of support from local communities, and adverse weather conditions.

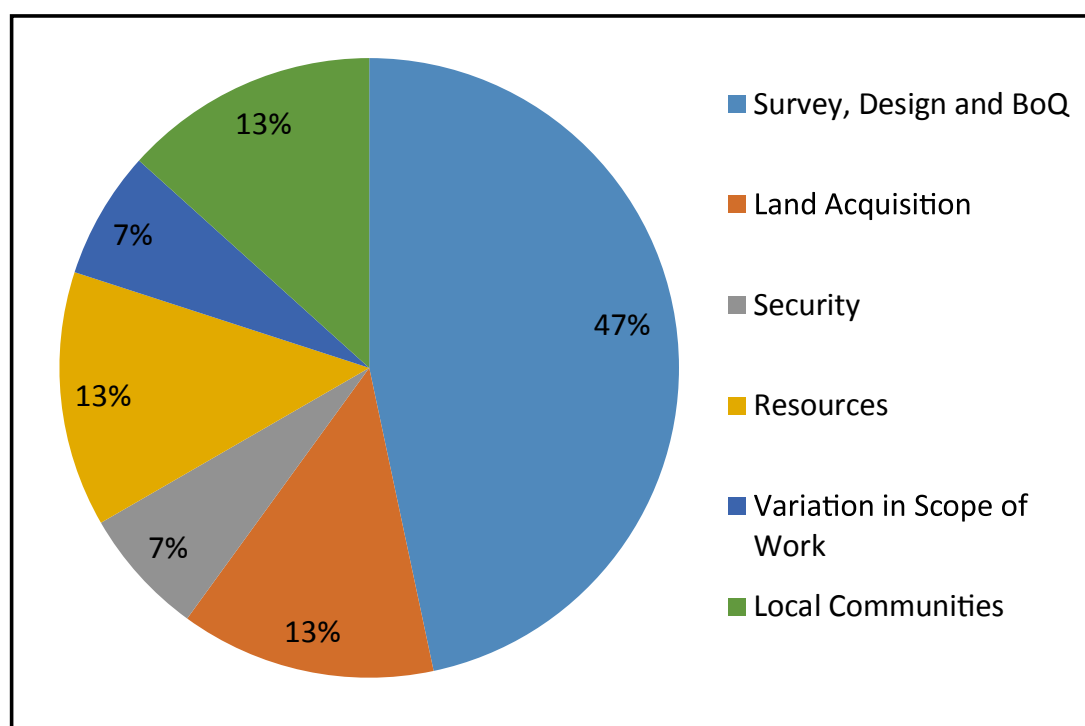


Figure 7: Contribution of Causes in Time Overrun of the Selected Projects

Poor quality design issues prevail in time overrun likewise in cost overrun. Almost all of the selected projects have somehow encountered a design issue as the contractor raised it and the PEs revised their design, consuming a long time during the implementation of the project.



## 4.4 MANAGEMENT OF CONSTRUCTION QUALITY

Quality of the construction is another key measure for the success of a project. Poor quality in construction projects is a common phenomenon around the world, which results in a waste of time, money and resources, both human and material because of inefficient quality management.

Afghanistan is no exception. Since 2001, a huge amount of money has been invested in the country's infrastructure. Currently, a major part of the newly constructed infrastructure is subject to deterioration seemingly as a result of a combination of lack of well-thought-out planning and project preparation, poor design and quality management, lack of maintenance plans, insecurity, corruption and lack of capacities.

Study of the construction quality in the selected projects constitutes the core subject of the assurance process. Therefore, the AT conducted brief site visit missions to all of the select project sites for inspection purpose. Almost all of the eight selected projects have faced quality related issues during and after construction phases. The quality issues are summarized in each project separately in the following table.

**Table 18: Observations on Quality of the Construction in Selected Projects**

Project	Construction Quality Issues
Doshi to Pul-e-Khumri Road Project	<ul style="list-style-type: none"> <li>• Critical cracks are visible along the whole length of the road.</li> <li>• Slight pavement ruts have occurred in some of the section of the road</li> <li>• The edge of the road has ruptured in some sections</li> <li>• A number of culvert parapet walls are already damaged</li> </ul>
Kabul to Logar Road Project	The AT did not observe any critical issue.
Kandahar Airport Road Project	The AT did not observe any critical issue.
Waras Rural Tertiary Road Project	The AT did not observe any critical issue.
Salang Culverts, Retaining Wall and Tertiary Road Project	The AT did not observe any critical issue.
Khwaja Bena Village to Eshan Khalifa Rural Road Project in Chal District of Takhar	<ul style="list-style-type: none"> <li>• Due to lack of drainage, the road surface in some sections has been washed out already and even in some parts of the roadbed has ruptured.</li> <li>• Rockfall protection structures and consolidation measures are not considered. Hence, the risk of landslide, slope failure, and debris flow is very high.</li> </ul>
Kamal Khan Dam Project	Actual construction works have not been started on the project site yet. Hence, the AT has not recorded any critical issue during the site visit.
Qara Hindu Village Stone Retaining Wall Project	<ul style="list-style-type: none"> <li>• The retaining wall, in some areas, is subject to critical scour. The risk of collapse of the retaining wall is very high.</li> <li>• The backside of the retaining wall is not backfilled. The rainwater is ponding in the backside of the wall during the rainy season.</li> </ul>

The quality of the construction is critical in the three out of eight selected projects. The AT's observations on these three projects show that there are many causes behind low quality of construction works like poor performance of the contractor, low-quality survey and design, use of low-quality construction material and lack of vigorous supervision and oversight by the client.

In Doshi to Pul-e-Khumri Road Project, just two years from the handover, very critical cracks on the pavement surface of the road. These cracks can be seen along the whole length of the road. In addition, pavement ruts have also been observed in some sections along the road. These deficiencies are as critical if prompt remedial action is not taken by MoPW, this road will soon need additional funding for repair and even rehabilitation intervention.



Cracks on Surface of the Road



Rutting of the Pavement Surface

The rural road project from Khwaja Bena Village to Eshan Khalifa in Chal District of Takhar Province also has a lot of quality related issues to be highlighted. Adequate drainage and runoff structures are not considered in the design, therefore, some parts of the graveled surface have been washed out. In some sections of the road, retaining structures are constructed, the roadbed is not compacted appropriately and loose material has been used and all these cause in settlement of the roadbed, failure of slopes, landslide, and rupture.



Lack of Drainage



Slope Collapse

The construction quality of stone retaining wall project in Qara Hindo Village of Takhar province is also a matter of concern. The wall structure is subject to scour in some areas and this increases the risk of collapse and settlement. In some locations, the back side of the retaining is not backfilled and drainage pipes are not provided causing large water ponding during rainy seasons. This issue very critical and it brings severe damage to the foundation and embankment behind the wall.



Water Ponding Behind the Retaining Wall

It is worth mentioning that the findings and observations indicate the quality of rural road project in Waras District of Bamyān province has been very good compared to the rest of selected projects. This project provides high serviceability throughout all seasons and no major defect has appeared despite passing two years from the handover. The local communities expressed a high level of satisfaction and positively appraising the contractor and the Ministry of Rural Rehabilitation and Development for successful delivery of this project.





Retaining Structure along Waras Rural Road



View of the Waras Rural Road

## 5. FINDINGS AND RECOMMENDATIONS

Findings	Recommendations	Responsible
Data Disclosure		
<p>1. On average, the PEs had proactively disclosed 27% of the data from the required disclosure standard of CoST Afghanistan, which is considered very low.</p> <p>2. The reactive discloser was good for the research team but it was highly dependent to the letter issued by MSG chairman and also existing CoST MoUs with PEs. Considering this situation, the reactive disclosure was on average 68% of the information required by CoST and this does not exactly reflect the situation of reactive disclosure.</p>	<p>The Procurement entities shall develop a national portal for disclosing project information in accordance with CoST disclosure standards or rather to optimize the existing websites, as a good example, the current NPA's website.</p>	GOV
<p>3. The PEs normally disclose Procurement Announcement and Contract Award Decision that are obliged by the Public Procurement Law. There is no disclosure on the implementation and completion of contract and project, except for some projects disclosed by NPA.</p>	<p>The existing procurement law does not oblige the PEs to disclose information as per CoST Afghanistan Disclosure Manual nor does it prevent them from disclosing further information. Therefore, in order to enhance transparency in the procurement of infrastructure projects, the Procurement law need to be amended that require all the PEs to disclose more project information. The PEs also could take initiative in disclosing more key information on projects.</p>	GOV
Transparency and Assurance		
<p>1. A number of issues of potential concern have been raised that affects the transparency and openness in the procurement of projects. These unjustified issues give rise to concerns on tender fairness, open competition, contracts award, contracts monitoring and management. During the process, the Procurement Law and Procedures are whether disregarded unintentionally or explicitly ignored in some cases. For instance, the tendering period for Kabul to Logar Asphalt road takes 30 months and only two bidders bid in the tendering of Salang Tertiary Road project.</p>	<p>To enhance transparency in the procurement process of infrastructure projects, the procurement entities should adopt global standards such as CoST IDS and OCP, and improve accountability through engaging CSOs and communities in the decision making process.</p>	GOV
	<p>The civil society and Media organizations should follow up on the reform agenda suggested in this report and ensure that the PEs spending the public budget on a transparent way.</p>	CSOs

<p>2. Cost and time overrun remains as the most important problem in the delivery of infrastructure projects. In the selected projects an average of 18% cost overrun and around 119% time overrun is observed. This finding is also supported by CoST Afghanistan Scoping Study, where the study marked time and cost overrun as the major challenge in the delivery of infrastructure projects.</p> <p>The main causes of cost and time overrun are related to the Project Preparation stage such as incomplete survey, design as well as incomplete tender document. This is obvious in Doshi to Pul-e-Khumri, Kandahar Airport Road and Kabul to Logar Road projects.</p> <p>In addition, lack of coordination between designer, the survey team and the contractor and more importantly lack of technical capacity within the PEs and contractors are also attributes to time and cost overruns.</p>	<p>The PEs are required to improve the Project Preparation processes and build capacities within their organizations in order to provide sound pre-feasibility, feasibility, design and tender documentation. This will then prevent occurring the many challenges and problems during implementation and operation phases of the project.</p>	GOV
	<p>The private sector has to concentrate on delivering high-quality services within the contract timeline and budget. This improvement can be made by developing capacity in their organization and recruiting competent project staff through open and fair competition.</p>	Private Sector
	<p>The MSG shall engage with the PEs to enhance their level of interest in CoST and teach them what CoST really is about, share international best practices and success stories in construction transparency and disclosure and the potential values CoST Afghanistan can bring to their organizations. It be should more a collaborative and learning process, not merely an assessment and instructive process.</p>	MSG
	<p>InordertoachieveSocialAccountability, the civil society shall take initiatives in engaging public in delivery of projects and follow up on the recommendations made in this report.</p>	CSOs
<p>3. The management of quality in the selected projects are a matter of concern with significant apparent shortcomings witnessed on recently handed over projects. The construction in ongoing projects is affected by the inaccurate survey, low-quality design, lack of supervision expertise and selection of contractors that lack the required capacity.</p>	<p>Capacity in the Project Preparation phase need to be improved and Supervision Mechanism need to be reviewed.</p>	GOV
	<p>The MSG shall take the lead to follow up on quality concerns highlighted in this Report. To further analyze the context, it is recommended to include more projects in next versions of Assurance Reports with attention to new and ongoing contracts.</p>	MSG



## 6. ANNEXES

### 6.1 ANNEX 1: DETAILED INFORMATION DISCLOSED

#### 6.2 PROJECTS OF MINISTRY OF PUBLIC WORKS

No	Project Information	Rehabilitation of Asphalt Road from Doshi to Pul-e-Khumri, with the Length of 52 km	Construction and Asphalt Pavement of Kabul to Logar Road, Lot one, with the Length of 21.209 km	Construction and Asphalt Pavement of Kandahar Airport Road, with the Length of 16.5 km
At the End of Recognition Stage for Project Preparation				
1	Date of disclosure	29 April 2018	29 April 2018	29 April 2018
2	Method of project selection (how has the government come up with the project)	Not Disclosed	Not Disclosed	Not Disclosed
3	Sector, Sub sector	Infrastructure, Highway	Infrastructure, Highway	Infrastructure, Highway
4	Project title	Rehabilitation of Asphalt Road from Doshi to Pul-e-Khumri, with the Length of 52 km	Construction and Asphalt Pavement of Kabul to Logar Road, Lot one, with the Length of 21.21 km	Construction and Asphalt Pavement of Kandahar Airport Road, with the Length of 16.5 km
5	Project location	Doshi District, Baghlan Province, Afghanistan	Naw Neyaz to Mohammad Agha District, Logar Province, Afghanistan	Kandahar City to Kandahar Airport, Afghanistan
6	Project purpose	Increase of traffic access, business expansion and travel time deduction from Pul-e-Khumri to Kabul with the length of 52 km	Increase of traffic access, business expansion and travel time deduction from Kabul to Logar with the length of 21.209 km	Providing sufficient access and deduction of travel time from Kandahar city to Kandahar airport and excess of business efficiency
7	Project scope (main output)	Rehabilitation of Asphalt Road from Doshi to Pul-e-Khumri, with the Length of 52 km	Construction and asphalt pavement of Kabul to Logar road, lot one, with the length of 21.209 km and width of 7m with 1m shoulder and drainage structure along the road	Construction and asphalt pavement of Kandahar airport road, with the length of 16.5 km, 4 lane road with a total width of 42m, drainage trenches, walkways, culvert and lighting system for road
8	Environmental consequences (if applicable)	NA	NA	NA
9	Land and settlement impact (if applicable)	NA	NA	NA
10	Funding sources	Islamic Development Bank and GfRoa	GfRoa	GfRoa
11	Project budget approval date	Not Disclosed	Not Disclosed	Not Disclosed
12	Project estimated value	\$18,450,256.00	\$10,576,204	\$37,023,039
13	Contact details	Procurement Directorate, Ministry of Public Works	Procurement Directorate, Ministry of Public Works	Procurement Directorate, Ministry of Public Works
End of Procurement/Contract Award Phase				
1	Date of disclosure	29 April 2018	29 April 2018	29 April 2018
2	Contract title	Rehabilitation of Asphalt Road from Doshi to Pul-e-Khumri, with the Length of 52 km	Construction and Asphalt Pavement of Kabul to Logar Road, Lot one, with the Length of 21.21 km	Construction and Asphalt Pavement of Kandahar Airport Road, with the Length of 16.5 km
3	Procuring entity	Procurement Directorate, Ministry of Public Works	Procurement Directorate, Ministry of Public Works	Procurement Directorate, Ministry of Public Works
4	Procurement proceedings (general steps of procurement)	Invitation for bids and contract award announcement	Invitation for bids and contract award announcement	Invitation for bids and contract award announcement
5	Contract type	Unit Rate Price	Unit Rate Price	Unit Rate Price
6	Type and amount of bid security	Bank guarantee, \$650,000.00	Bank guarantee, \$289,980.00	Bank guarantee, \$1,140,691.00
7	Number of firms tendering	12 companies	13 companies	4 companies



8	Contract firm (winner)	Islam Trading Construction Ltd. JV Nabi Zada Wardak Construction Company	Unique Builders Construction Company	Barak Bakhtar Construction Company
9	Cost estimate	\$18,450,256.00	\$10,576,204	\$37,023,039
10	Contract price	Original contract amount: \$17,807,645.1  Amended contract amount:  \$22,006,843.15	Original contract amount:  AFN 597,451,239.00  Amended contract amount:  AFN 667,665,637.63	Original contract amount:  AFN 2,280,617,938.63  Amended contract amount:  AFN 2,737,201,660.63
11	Date of procurement/project announcement	14-Dec-2011	30-Jun-2013	Pre-bid meeting held on 7/22/2013 but Invitation for Bid has no issue date
12	Date of contract award	01-Jan-2014	02-Dec-2015	01-Jan-2014
13	Contract scope of work	Rehabilitation of Asphalt Road from Doshi to Pul-e-Khumri, with the Length of 52 km	Construction and asphalt pavement of Kabul to Logar road, lot one, with the length of 21.209 km and width of 7m with 1 m shoulder and drainage structure along the road	Construction and asphalt pavement of Kandahar Air Port Road, with the length of 16.5 km and 4 lane road with a total width of 42m including drainage trenches, walkways, and culvert, a lighting system for road
14	Contract start date and duration	2/1/2013 - for 15 months	2/14/2014 for 18 months	1/1/2014 for 24 months
15	Media used for procurement	Anis newspaper and ARDS website	Anis newspaper and ARDS website	Anis newspaper and ARDS website
16	Re-tendering: date and cause	Re-tendered, but the reason is not disclosed	NA	
17	Contact details	Ministry of Public Works and Afghanistan Reconstruction and Development Services (ARDS), Ministry of Economy Building, 4th and 5th Floor, Malik Asghar Square, Kabul, Afghanistan, ards.procurement@ards. org.af	Ministry of Public Works and Afghanistan Reconstruction and Development Services (ARDS), Ministry of Economy Building, 4th and 5th Floor, Malik Asghar Square, Kabul, Afghanistan, ards. procurement@ards.org.af	Ministry of Public Works and Afghanistan Reconstruction and Development Services (ARDS), Ministry of economy Building, 4th and 5th Floor, Malik Asghar Square, Kabul, Afghanistan, ards. procurement@ards.org.af, Khayal. mohammad@ards.org.af - tanka. prasad@ards.org.af
At Every 6 Months of Contract Implementation				
1	Data of disclosure	Not Disclosed	Not Disclosed	Not Disclosed
2	Contract title			
3	Procuring entity			
4	Contractor/Consultant			
5	Contract start date			
6	Contract duration			
7	Original contract price			
8	Contract physical progress status (%)			
9	Description of the project component			
10	Changes to contract scope with reasons			
11	Total payment effected			
12	Details of termination if applied			
13	Disputed issues & status			
14	Safety measures (incidents & death)			
15	Contact details			

1	Date of disclosure	29 April 2018	29 April 2018	29 April 2018
2	Project title	Rehabilitation of Asphalt Road from Doshi to Pul-e-Khumri, with the Length of 52 km	Construction and Asphalt Pavement of Kabul to Logar Road, Lot one, with the Length of 21.21 km	Construction and Asphalt Pavement of Kandahar Airport Road, with the Length of 16.5 km
3	Procuring entity	Project Management Directorate, Ministry of Public Works	Project Management Directorate, Ministry of Public Works	Project Management Directorate, Ministry of Public Works
4	Completion cost	Original contract amount: \$17,807,645.1  Amended contract amount: \$22,006,843.15	Original contract amount: AFN 597,451,239.00  Amended contract amount: AFN 667,665,637.63	Project is about 90% complete
5	Completion date	28-Jul-2016	NA	90% completed at the time of the site visit
6	Scope at completion	Not Disclosed	NA	Design and BoQ are changed, due to inefficient design during the preparation of the road work
7	Reference to audit and evaluation report	Not Disclosed	NA	NA
8	Safety measures (incidents & death)	Not Disclosed	NA	NA
9	Contact details	Project Management Directorate, Ministry of Public Works	Project Management Directorate, Ministry of Public Works	Project Management Directorate, Ministry of Public Works
Contract Completion				
1	Date of disclosure	29 April 2018	29 April 2018	29 April 2018
2	Contract title	Rehabilitation of Asphalt Road from Doshi to Pul-e-Khumri, with the Length of 52 km	Construction and Asphalt Pavement of Kabul to Logar Road, Lot one, with the Length of 21.21 km	Construction and Asphalt Pavement of Kandahar Airport Road, with the Length of 16.5 km
3	Procuring entity	Project Management Directorate, Ministry of Public Works	Project Management Directorate, Ministry of Public Works	Project Management Directorate, Ministry of Public Works
4	Escalation of the contract price	Not Disclosed	NA	The contractor claimed for currency fluctuation
5	Variation to contract duration	Yes, it had 2 variations:  1- Extension of 8 months with the value of (\$4, 347,384.10) for the 8 km road of Pul-e-Khumri city  2- Extension of 4 months with the value of (\$899,198.15), as per BoQ change, protection wall, culverts, stone masonry, concrete work, shoulders, trenches, excavation and demolition of existing features increased	12 months	20 months
6	Variation to contract scope	As per BoQ change, protection wall, culverts, stone masonry, concrete work, shoulders, trenches, excavation and demolition of existing features increased	70 cm increased in the profile of the road	Design Change
7	Reasons for price changes	Change in Scope of Work	70 cm increased in the profile of the road	Design Change
8	Reasons for scope & duration changes	As per BoQ change, protection wall, culverts, stone masonry, concrete work, shoulders, trenches, excavation and demolition of existing features increased	70 cm increased in the profile of the road	Design Change
9	Contact details	Project Management Directorate, Ministry of Public Works	Project Management Directorate, Ministry of Public Works	Project Management Directorate, Ministry of Public Works

## 6.1.2 PROJECTS OF THE MINISTRY OF RURAL REHABILITATION AND DEVELOPMENT

No	Project Information	Rehabilitation of Rural Tertiary Road, Belonging to National Rural Access Program (NRAP)	Rehabilitation of Culverts, Rehabilitation of Retaining Walls, Restoration of Rural Tertiary Roads, Rehabilitation of Wash Culvert	Graveling of 20 km Road from Khwaja Bena Village to Ehsan Khalifa Chal District
At the End of Recognition Stage for Project Preparation				
1	Date of disclosure	29 April 2018	29 April 2018	29 April 2018
2	Method of project selection (how has the government come up with the project)	Not Disclosed	Not Disclosed	Not Disclosed
3	Sector, Sub sector	Infrastructure, Tertiary Road	Infrastructure, Tertiary Road	Infrastructure, Tertiary Road
4	Project title	Rehabilitation of Rural Tertiary Road, Belonging to National Rural Access Program (NRAP)	Rehabilitation of Culverts, Rehabilitation of Retaining Walls, Restoration of Rural Tertiary Roads, Rehabilitation of Wash Culvert	Graveling of 20 km Road from Khwaja Bena Village to Ehsan Khalifa Chal District
5	Project location	Waras district, Bamyan province, Afghanistan	Parwan and Salang Districts, Afghanistan	Chal District, Takhar province, Afghanistan
6	Project purpose	Construction of 20 km gravel surface road is designed, in order to provide access to 14 villages to local markets, clinics and etc...	Construction of 5 km gravel surface new road is designed, in order to provide access to 7 villages to local markets, clinics and etc...	Construction of 20 km gravel surface new road is designed, in order to provide access to 7 villages to local markets, clinics and etc...
7	Project scope (main output)	20 km road work, road alignment improvement, subgrade preparation, consisting of roadside cutting, filling slope correction and other features specified in drawing and BoQ. Gravel wearing course with thickness of 150mm for carriageway where identified and project drawings, construction of 96 drainage structures including culverts, gabion retaining wall with various dimension and locations	5 km road work, road alignment improvement, subgrade preparation, each works, consisting of roadside cutting, filling slope correction and other specified in drawing and BoQ, gravel wearing course with thickness of 150mm for carriageway where identified and project drawings, construction of 12 culverts, wash and retaining wall with various dimension and locations	Construction 15cm thick gravel surface roads, with 20km length and 3.5m carriageway and 0.5m shoulder on both side with drainage structure including small bridges and culverts
8	Environmental consequences (if applicable)	NA	NA	Disclosed at the local level
9	Land and settlement impact (if applicable)	7 places land settlement issue have resolved and locals provided land for road	NA	Disclosed at the local level
10	Funding sources	World Bank	World Bank	Ministry of Rural Rehabilitation and Development
11	Project budget approval date	NA	NA	NA
12	Project estimated value	NA	AFN 21,219,030.00	AFN 157,635,239.1
13	Contact details	Procurement Directorate, Ministry of Rural Rehabilitation and Development	Procurement Directorate, Ministry of Rural Rehabilitation and Development	Procurement Directorate, Ministry of Rural Rehabilitation and Development
1	Date of disclosure	29 April 2018	29 April 2018	29 April 2018
2	Contract title	Rehabilitation of Rural Tertiary Road, Belonging to National Rural Access Program (NRAP)	Rehabilitation of Culverts, Rehabilitation of Retaining Walls, Restoration of Rural Tertiary Roads, Rehabilitation of Wash Culvert	Graveling of 20 km Road from Khwaja Bena Village to Ehsan Khalifa Chal District
3	Procuring entity	Procurement Directorate, Ministry of Rural Rehabilitation and Development	Procurement Directorate, Ministry of Rural Rehabilitation and Development	Procurement Directorate, Ministry of Rural Rehabilitation and Development
4	Procurement proceedings (general steps of procurement)	Invitation for bids and contract award announcement	Invitation for bids and contract award announcement	Invitation for bids and contract award announcement

5	Contract type	Unit Rate Price	Unit Rate Price	Locally disclosed at village level only (Unit rates price)
6	Type and amount of bid security	Bank guarantee, AFN 2,222,882	Bank guarantee, AFN 960,412	NA
7	Number of firms tendering	2 companies	2 companies	NA
8	Contract firm (winner)	Build Tech Engineering & Construction Company JV Shams Afghan Construction Company	Ramin Mukhtar Construction Company	Awarded to nine community development councils
9	Cost estimate	Not Disclosed	AFN 21,219,030.00	Locally disclosed at village level only
10	Contract price	AFN 44,457,638.00	AFN 19,208,203.00	AFN 157,635,239.1
11	Date of procurement/ project announcement	4-Oct-12	15-May-13	Locally disclosed at village level only- 6/15/2016
12	Date of contract award	6/29/2013	10-Feb-13	2-Nov-16
13	Contract scope of work	20 km Road work , road alignment improvement , subgrade preparation , each works, consisting of roadside cutting, filling slope correction and other specified in drawing and BoQ, Gravel wearing course with thickness of 150mm for carriageway where identified and project drawings, Construction of 96 drainage structures including culverts, gabion retaining wall with various dimension and locations	5 km Road work, road alignment improvement, subgrade preparation , each works, consisting of roadside cutting, filling slope correction and other specified in drawing and BoQ, Gravel wearing course with thickness of 150mm for carriageway where identified and project drawings, Construction of 12 culverts, wash and retaining wall with various dimension and locations	Construction 15cm thick gravel surface roads, with 20 km length and 3.5 m carriageway and 0.5m shoulder on both side with drainage structure including small bridges and culverts
14	Contract start date and duration	29-Jun-2013 for 535 days	2/10/2013 for 310 days	11/2/2016 (270 days)
15	Media used for procurement	Public announcement at village level	Arman-e-Mili newspaper & public announcement at village level	Public announcement at village level
16	Re-tendering: date and cause			NA
17	Contact details	Procurement Directorate, Ministry of Rural Rehabilitation and Development	Procurement Directorate, Ministry of Rural Rehabilitation and Development	Procurement Directorate, Ministry of Rural Rehabilitation and Development
At Every 6 Months of Contract Implementation				
1	Data of disclosure	Not Disclosed	Not Disclosed	Not Disclosed
2	Contract title			
3	Procuring entity			
4	Contractor/Consultant			
5	Contract start date			
6	Contract duration			
7	Original contract price			
8	Contract physical progress status (%)			
9	Description of project component			
10	Changes to contract scope with reasons			
11	Total payment effected			
12	Details of termination if applied			
13	Disputed issues & status			
14	Safety measures (incidents & death)			
15	Contact details			
End of Project Completion Phase				
1	Date of disclosure	29 April 2018	29 April 2018	29 April 2018
2	Project title	Rehabilitation of Rural Tertiary Road, Belonging to National Rural Access Program (NRAP)	Rehabilitation of Culverts, Rehabilitation of Retaining Walls, Restoration of Rural Tertiary Roads, Rehabilitation of Wash Culvert	Graveling of 20 km Road from Khwaja Bena Village to Ehsan Khalifa Chal District

3	Procuring entity	Project Management Directorate, Ministry of Rural Rehabilitation and Development	Project Management Directorate, Ministry of Rural Rehabilitation and Development	Project Management Directorate, Ministry of Rural Rehabilitation and Development
4	Completion cost	AFN 42,555,920.67	AFN 19,071,682.70	AFN 157,635,239.1
5	Completion date	14-Oct-15	10-Dec-15	30-Nov-17
6	Scope at completion	Change in design and BoQ	Out of 15 items of BoQ 4 items are not constructed and were some changes in rest of the items	NA
7	Reference to audit and evaluation report	The audit is not done for this project and NRAP does not audit any single project, they audit whole NRAPs' project in general	NRAP is evaluated the project and contractor reported as satisfactory but audit is not done for this project and NRAP does not audit any single project, they audit whole NRAPs' project in general	NA
8	Safety measures (incidents & death)	Not Disclosed	Not Disclosed	NA
9	Contact details	Project Management Directorate, Ministry of Rural Rehabilitation and Development	Project Management Directorate, Ministry of Rural Rehabilitation and Development	Project Management Directorate, Ministry of Rural Rehabilitation and Development
Contract Completion				
1	Date of disclosure	29 April 2018	29 April 2018	29 April 2018
2	Contract title	Rehabilitation of Rural Tertiary Road, Belonging to National Rural Access Program (NRAP)	Rehabilitation of Culverts, Rehabilitation of Retaining Walls, Restoration of Rural Tertiary Roads, Rehabilitation of Wash Culvert	Graveling of 20 km Road from Khwaja Bena Village to Ehsan Khalifa Chal District
3	Procuring entity	Project Management Directorate, Ministry of Rural Rehabilitation and Development	Project Management Directorate, Ministry of Rural Rehabilitation and Development	Project Management Directorate, Ministry of Rural Rehabilitation and Development
4	Escalation of the contract price	NA	NA	NA
5	Variation to contract duration	227 days	489	NA
6	Variation to contract scope	Change in design and BoQ	Change in design and BoQ at site	NA
7	Reasons for price changes	Certified work as per BoQ	Certified Work as Per BoQ	NA
8	Reasons for scope & duration changes	Final certified amount decreased from contracted price	Design and BoQ change at the site and due to community and weather issues the contract duration increased	NA
9	Contact details	Project Management Directorate, Ministry of Rural Rehabilitation and Development	Project Management Directorate, Ministry of Rural Rehabilitation and Development	Project Management Directorate, Ministry of Rural Rehabilitation and Development



## 6.1.3 PROJECTS OF THE MINISTRY OF ENERGY AND WATER

No	Project Information	Kamal Khan Dam Project	Stone Retaining Wall Project of Qara Hindu Village and Taliqan City
At the End of Recognition Stage for Project Preparation			
1	Date of disclosure	29 April 2018	29 April 2018
2	Method of project selection (how has the government come up with the project)	Implicitly	Not Disclosed
3	Sector, Sub sector	Dam	Infrastructure, Retaining Wall
4	Project title	Kamal Khan Dam	Stone Retaining Wall Project of Qara Hindu Village and Taliqan City
5	Project location	Char Burjak, Nimroz province	Takhar
6	Project purpose	Flood control dam, production of 9MW power and expansion of irrigation land	Protection of Qara Hindu village and cultivated land
7	Project scope (main output)	Flood control dam, production of 9MW power and expansion of irrigation of 1400000 Hect land	Stonewall construction in Takhar province, Taliqan village of Qara Hindu
8	Environmental consequences (if applicable)	Not Disclosed	There is no any document showing the environmental study with adjacent villages
9	Land and settlement impact (if applicable)	Not Disclosed	NA
10	Funding sources	GIROA	GIROA
11	Project budget approval date	2016, 2017 and 2018	23-Jan-17
12	Project estimated value	\$78,035,813.28	AFN 34,701,750.00
13	Contact details	Procurement Directorate, Ministry of Energy and Water	Procurement Directorate, Ministry of Energy and Water
1	Date of disclosure	29 April 2018	29 April 2018
2	Contract title	Kamal Khan Dam	Stone Retaining Wall Project of Qara Hindu Village and Taliqan City
3	Procuring entity	Procurement Directorate, Ministry of Energy and Water	Procurement Directorate, Ministry of Energy and Water
4	Procurement proceedings (general steps of procurement)	Invitation for bids and contract award announcement	Invitation for bids and contract award announcement
5	Contract type	Fixed Price	Unit Rate Price
6	Type and amount of bid security	Bank guarantee, \$7,877,738.713	Bank guarantee, AFN 700,000
7	Number of firms tendering	4 Companies	5 Companies
8	Contract firm (winner)	Asia Bana Construction Company JV with SAROL Turkey Design and Consultancy Company & PEMTIC Turkey Dam and Road Construction Company	Sultan Afghan Construction Company
9	Cost estimate	\$78,035,813.28	AFN 34,701,750.00
10	Contract price	\$78,777,387.13	AFN 28,125,750.00
11	Date of procurement/project announcement	29-May-16	9-Jan-16
12	Date of contract award	25-Jun-16	24-May-16
13	Contract scope of work	Flood control dam, production of 9MW power and expansion of irrigation of 1400000-hectare land	Stonewall construction in Takhar province, Taliqan village of Qara Hindu
14	Contract start date and duration	4/20/2017 for 42 months	6/4/2016 FOR 8 months
15	Media used for procurement	Islah newspaper	Anis newspaper
16	Re-tendering: date and cause	NA	NA
17	Contact details	Procurement Directorate, Ministry of Energy and Water	Procurement Directorate, Ministry of Energy and Water

1	Data of disclosure	Not Disclosed	Not Disclosed
2	Contract title		
3	Procuring entity		
4	Contractor/Consultant		
5	Contract start date		
6	Contract duration		
7	Original contract price		
8	Contract physical progress status (%)		
9	Description of the project component		
10	Changes to contract scope with reasons		
11	Total payment effected		
12	Details of termination if applied		
13	Disputed issues & status		
14	Safety measures (incidents & death)		
15	Contact details		
End of Project Completion Phase			
1	Date of disclosure	NA	29 April 2018
2	Project title	NA	Stone Retaining Wall Project of Qara Hindu Village and Taliqan City
3	Procuring entity	NA	Project Management Directorate, Ministry of Energy and Water
4	Completion cost	NA	25,900,812.30 AFN
5	Completion date	NA	18-Jan-17
6	Scope at completion	NA	Not Disclosed
7	Reference to audit and evaluation report	NA	Not Disclosed
8	Safety measures (incidents & death)	NA	Not Disclosed
9	Contact details	NA	Project Management Directorate, Ministry of Energy and Water
Contract Completion			
1	Date of disclosure	NA	29 April 2018
2	Contract title	NA	Stone Retaining Wall Project of Qara Hindu Village and Taliqan City
3	Procuring entity	NA	Project Management Directorate, Ministry of Energy and Water
4	Escalation of the contract price	NA	NA
5	Variation to contract duration	NA	NA
6	Variation to contract scope	NA	Length of wall reduced from 1500m to 1392m
7	Reasons for price changes	NA	Decrease in scope
8	Reasons for scope & duration changes	NA	Length of wall reduced from 1500m to 1392m
9	Contact details	NA	Project Management Directorate, Ministry of Energy and Water

## 6.2 ANNEX 2: LIST OF CONDUCTED INTERVIEWS

Organized alphabetically by the first name. The dates refer to the interview date.

- Abasin Samadi, Director of Project Management, Project Management Directorate, Ministry of Public Works, dated 19 Feb 2018
- Abdul Baqi, Supervision Team Leader, Ministry of Public Works, Kandahar Airport Project Site Office, dated 15 Mar 2018
- Abdul Momin Sayeed, Regional Manager, NRAP-MRRD-North East Region, Kunduz, dated 26 Mar 2018
- Abdul Qader Matin, Procurement Director, Procurement Department of Ministry of Rural Rehabilitation and Development, dated 22 Jan 2018
- Abdul Wali, Director of Publication, Publication Department, Ministry of Energy and Water, dated 13 Feb 2018
- Ahmadullah Hilali, Project Manager, Barak Bakhtar Construction Company, Kandahar Airport Project Site Office, dated 15 Mar 2018
- Bashir Hanif, Engineer, Public Works Department, Takhar Province, dated 12 Mar 2018
- Burhanuddin, QA Engineer, ABCC and Pimtek JV, Kamal Khan Dam Project Site Office, dated 13 Apr 2018
- Engineer Ghani, Head of Public Works Department, Takhar Province, dated 17 Mar 2018
- Faisal Farjad, Project Coordinator for Kamal Khan Dam Project, Ministry of Energy and Water, dated 24-30 Mar 2018
- Farid Hashimi, Head of NRAP-MRRD in Parwan Province, dated 11 Mar 2018
- Ghaws, Director of Project Implementation, Ministry of Energy and Water, dated 23 Mar and 1 Apr 2018
- Hakimullah, Leader of Nawach Paeen Village, Salang District, Parwan Province, dated 11 Mar 2018
- Hamayoon Rahmani, Regional Manager, NRAP-MRRD, dated 6 Mar 2018
- Hayatullah, Vice President of Sultan Afghan Construction Company (contractor of Qara Hindo Village Retaining Wall Project), dated 26 Mar 2018
- Hekmat Wali, Construction Manager, ABCC and Pimtek JV, Kamal Khan Dam Project Site Office, dated 14 Apr 2018
- Jafar Asar, Acting Project Manager, ABCC and Pimtek JV, Kamal Khan Dam Project Site Office, dated 14 Apr 2018
- Khan Mohammad, Representative of Qara Hindo Village, Takhar Province, dated 14 Mar 2018
- Khatira Yousufi, Contracts Manager, Procurement Department, Ministry of Energy and Water, 20-21 Feb 2018
- Mohammad Amin, Representative of Kalan Zamin Village in Waras, Bamyan, dated 23 Apr 2018
- Mohammad Anwar, Contract Management Specialist, Procurement Directorate, Ministry of Public Works, dated 12-16 Feb 2018
- Mohammad Arif, MIS Engineer, Ministry of Public Works, dated 12-16 Feb 2018
- Mohammad Asif Ghafari, Chief of Staff, Ministry of Energy and Water, dated 6 Feb 2018
- Mohammad Daad, Representative of Oltak Village, Waras, Bamyan, dated 23 Apr 2018
- Mohammad Nadir Mahbloop, Director of Contract Management, Ministry of Rural Rehabilitation and Development, dated 29 Apr 2018
- Mohammad Rafiq, Deputy of District Development Assembly, Logar Province, dated 5 Mar 2018
- Mohammad Reza, QA Engineer, Ministry of Energy and Water, Nimruz Site Office, dated 13 Apr 2018
- Mohammad Sadiq, Representative of Sokhta Qol Village, Waras, Bamyan, dated 23 Apr 2018
- Mohammad Salim Akbar, Director of Taloqan Water Basin, Energy and Water Department, dated 14 Mar 2018
- Mohammad Shefa, Topography Engineer, Ministry of Energy and Water, Nimruz Site Office, dated 13 Apr 2018
- Mohammad Shirin Alokozai, Procurement Specialist, Procurement Department, Ministry of Rural Rehabilitation and Development, dated 5 Mar 2018
- Mohammad Yaqoub, Director of Planning and Design, Ministry of Public Works, 28 Mar and 1 Apr 2018
- Qiyamuddin Sultani, Head of Taloqan Water Basin, Energy and Water Department, Takhar Province, 15 Mar 2018

- Rafiullah Lodin, CoST Focal Point in Ministry of Energy and Water, dated 15 Jan 2018
- Rafiullah, Assistant Surveyor, Ministry of Energy and Water, Nimruz Site Office, dated 13 Apr 2018
- Safiullah, Team Leader, Kabul-Logar Road Site Office, dated 5 Mar 2018
- Shah Agha Fazil, MIS Manager, Project Management Directorate, Ministry of Public Works, dated 19 Feb 2018
- Sharif Alizai, CoST Focal Point, Ministry of Rural Rehabilitation and Development, dated 22 Jan 2018
- Shila Zia, Project Manager of Doshi to Pol-e-Khumri Road Project, Project Management Directorate, dated 23 Feb 2018
- Waliullah Jabarkhil, General Procurement Director, Procurement Department, Ministry of Energy and Water, 17 and 25 Feb 2018
- Zabiullah Zahid, Project Manager of Kabul-Logar Project, Unique Builders Construction Company, dated 1 Apr 2018
- Zahir, Chairman of District Development Assembly, Pol-e-Khumri, Baghlan, dated 12 Mar 2018

### 6.3 ANNEX 3: SCOPE OF WORK

The consultant will be responsible to conduct the assurance process, gather information on the project in accordance with Disclosure Manual, study the information, and provide recommendations and suggestion on the key findings to MSG.

The consultant responsibilities are as follow as stipulated in the TOR of RFQ.

- Check the Government's e-procurement website to see if the procuring entities have disclosed the information required.
- Request the additional information CoST requires for disclosure from the procuring entities.
- Carry out a site visit to interview the contractors' staff to verify the disclosed information and observe the physical progress of construction against the specification, program and financial progress.
- Analyze the disclosed information to identify issues of concern for the public.
- Draft a report that summarizes the coverage of the disclosure, identifies broad performance issues across the sample of projects and highlights points of interest specific to the individual projects.
- Identify whether a detailed review of a sample of projects is required
- Carrying out any other related activities and task assigned by the Program Manager

#### 6.3.1 DELIVERABLES

Followings are the main deliverables of this assignment.

- a) Inception Report
- b) Draft Assurance Report
- c) Final Assurance Report

### 6.4 ANNEX 4: RESEARCH METHODOLOGY

The section explains the assurance process approach, including methodological overview, methods of data collection and information disclosure, analysis plan, report development and engagement with the CoST National Secretariat, MSG and PEs.

### 6.4.1 INFORMATION DISCLOSURE AND DATA COLLECTION

The Consultant's assurance team in close collaboration with CoST Afghanistan National Secretariat (CoST Afghanistan) collected all the disclosed information in accordance with the CoST Afghanistan Disclosure Manual. This task performed using the following methods.

1. Checking PEs' Websites: In this way, we ensured if the procurement entity has disclosed the information required.
2. Request for Additional Information: Based on Access to Information Law<sup>38</sup> and Afghanistan Disclosure Manual, we requested for additional information which was required for the CoST assurance process. The assurance process team was officially introduced by CoST Afghanistan to the relevant entity in order to avoid any kind of misunderstanding.

### 6.4.2 DESK REVIEW

The purpose of desk review is to ensure the disclosed information is complete, relevant and accurate. Other assessments like verification, scrutiny of the documents and inquiry on ambiguities took place at this stage. Desk review was a continued process internally and as well with CoST Afghanistan team. A complete referenced list of all documents and information reviewed for the assurance process is included in the Assurance Report. The disclosed information on procurement was reviewed against procurement law and procurement instructions/guidelines.

During the initial desk review after collection of the disclosed information, the following activities were executed.

1. Review of the disclosed information;
2. Review of relevant documents prepared and provided by CoST Afghanistan; and
3. Identification of projects key informant interviewees for the verification of the disclosed information;
4. Developing questionnaires for the interviews and observation forms for site visits, their review, and approval by CoST Afghanistan.

### 6.4.3 VERIFICATION OF THE DISCLOSED INFORMATION

This activity was key for the validation and authentication of the Assurance Process/Report. We envisaged the following methods for the verification of the disclosed information.

1. Carry out site visits: Using the observation forms previously prepared by Assurance Team and approved by CoST Afghanistan, the physical progress and performance of the projects will be observed against the specification, program and financial requirements for ongoing and completed projects respectively.
2. Conducting interview: The interviews will be conducted with contractors' staff in order to verify the disclosed information using the approved questionnaire(s).

## 6.4.4 ANALYSIS

The Assurance Team employed analytical methods appropriate to the type of data and information. The main purpose of the analysis was to identify issues of concern for the public in the following areas of concern.

- Procurement and competition
- Project cost overrun
- Time overrun
- Quality of the construction

The analysis triangulated the qualitative with the quantitative data to produce an in-depth understanding and verification of outputs and outcomes of the information and assess the strengths and weaknesses of the PEs and other stakeholders in the disclosure of information.

For the qualitative analysis, the team used a structured approach based on identifying key observations and themes. Frequencies and cross-tabulations of the disclosed information, interviewees' responses and observations provided additional depth to the findings. The qualitative data provided additional depth, answering the questions of how and why infrastructure project activities influenced intended outcomes.

## 6.4.5 PREPARATION OF THE ASSURANCE REPORT

Following the analysis, the Assurance Team prepared a first draft of the Assurance Report taking into consideration the CoST Afghanistan reports guideline and standard template (including CoST branding and marking). This will be followed by debriefing and presentation to CoST Afghanistan and MSG to capture the relevant comments, in particular in relation to the assurance process. After the team received the review comments from CoST Afghanistan, a second draft of the report was submitted. The final report was released following CoST Afghanistan second review.



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### • (Footnotes)

- 1 - Since the Bid Evaluation Committee conducted the evaluation in two stages, the financial proposal of non-responsive bidders remained closed.



## AFGHANISTAN

Address: National Secretariat  
Ministry of Economy, Malek Asghar Square,  
Kabul, Afghanistan  
Phone: +93792021616  
Email: [info@cost.af](mailto:info@cost.af)