

WHAT IS ASSURANCE REPORT?

CoST promotes transparency and accountability through an independent review of the disclosed data on infrastructure projects. The assurance process validates technical data, interprets it into plain language and identifies issues of concern. This helps stakeholders to understand the main issues and acts as a basis for holding decision-makers accountable.

FINDINGS AND RECOMMENDATIONS

Findings	Recommendations	Responsible
Data Disclosure		
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.	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.	GOV
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.		
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.	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.	GOV
Transparency and Assurance		
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.	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.	GOV
	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.	Civil Society Organizations

Findings	Recommendations	Responsible
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. 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. 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.	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.	GOV
	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.	Private Sector
	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.	Multi-Stakeholders Group
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.	In order to achieve Social Accountability, the civil society shall take initiatives in engaging public in delivery of projects and follow up on the recommendations made in this report.	Civil Society Organizations
	Capacity in the Project Preparation phase need to be improved and Supervision Mechanism need to be reviewed.	GOV
	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.	Multi-Stakeholders Group

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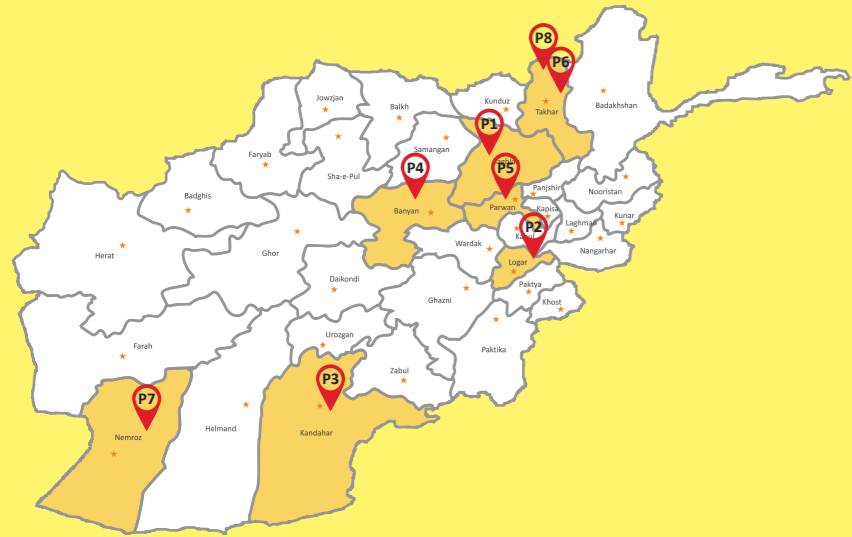


FIRST ASSURANCE REPORT ON PUBLIC INFRASTRUCTURE PROJECTS

OCT 2018



SELECTED PROJECTS FOR ASSURANCE REPORT



P1. Doshi to Pul-e-Khumri asphalt Road /
USD 22,000,000

P2. Kabul to Logar Road /
AFN 597,451,239

P3. Kandahar Airport Road/
AFN 2,737,201,660.63

P4. Waras Rural Tertiary Road /
AFN 44,457,638

P5. Salang Culverts, Retaining Wall and
Tertiary Road /
USD 337,460.00

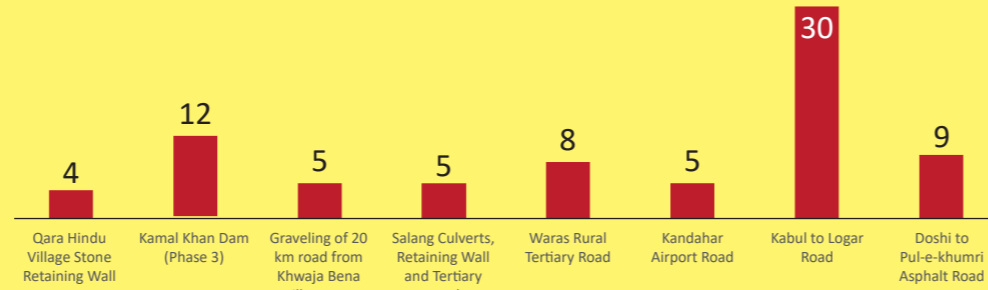
P6. Khawaja Bena Village to Eshan Khalifa
Chal Rural Road /
AFN 157,635,239.1

P7. Kamal Khan Dam (Phase 3) /
USD 78,035,810

P8. Qara Hindu Village Retaining Wall /
USD 419,787.31

TENDER PERIOD

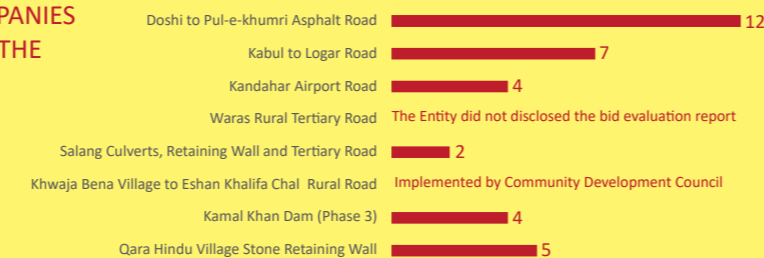
Average tendering period (10 months)



LEVEL OF COMPETITION

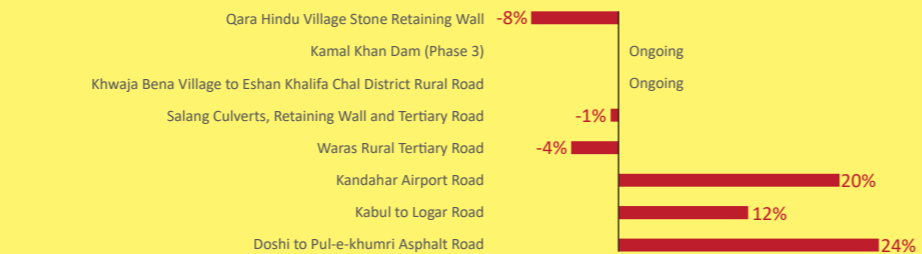
Average competition level: 5.67 bid per project

NUMBER OF COMPANIES PARTICIPATING IN THE BIDDING PROCESS

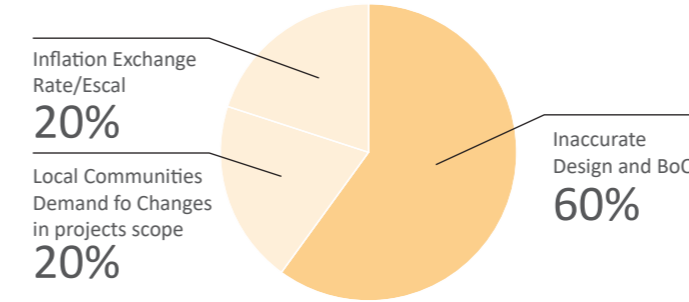


COST OVERRUN

Average cost overrun: 18.7 %

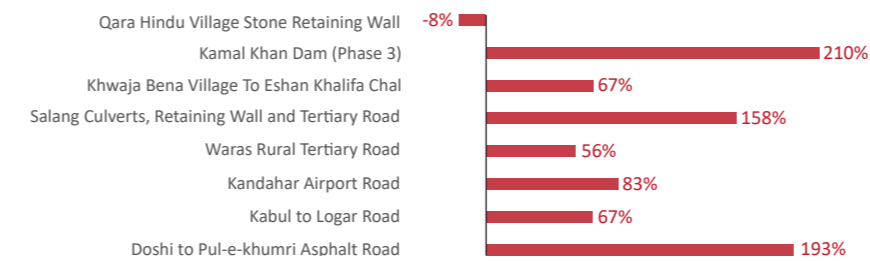


Causes of Cost Overrun of the Selected Projects

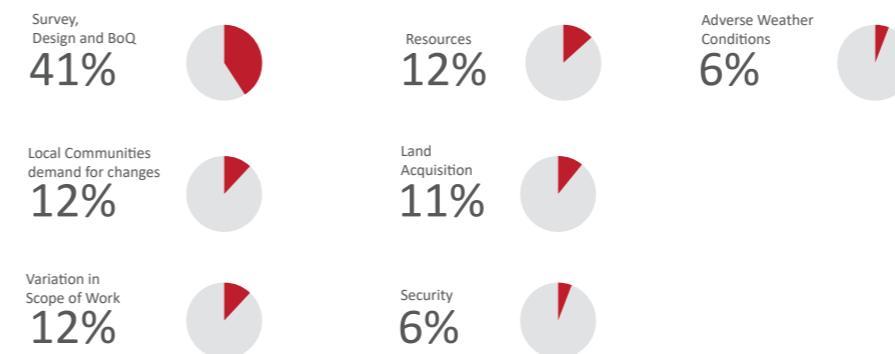


TIME OVERRUN

Average time overrun 119%



Causes of Time Overrun



DISCLOSURE LEVEL IN COMPARISON WITH CoST INFRASTRUCTURE DATA STANDARDS (IDS)

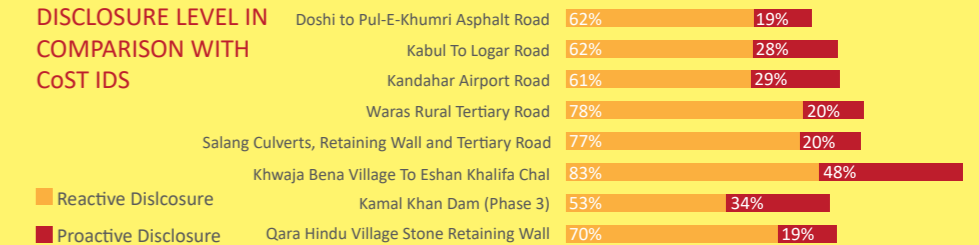
Proactive Disclosure Level:

27% (procurement announcement and award decision)

Reactive Disclosure Level:

68% (conditional)

DISCLOSURE LEVEL IN COMPARISON WITH CoST IDS



DISCLOSURE AT ENTITY LEVEL

