

THE 2ND ASSURANCE REPORT

INFOGRAPHIC

TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC INFRASTRUCTURE PROJECTS



9. Quality management / Causes of poor quality

- inadequate supervision
- lowest price award decision
- lack of integrity and poor performance by contractors

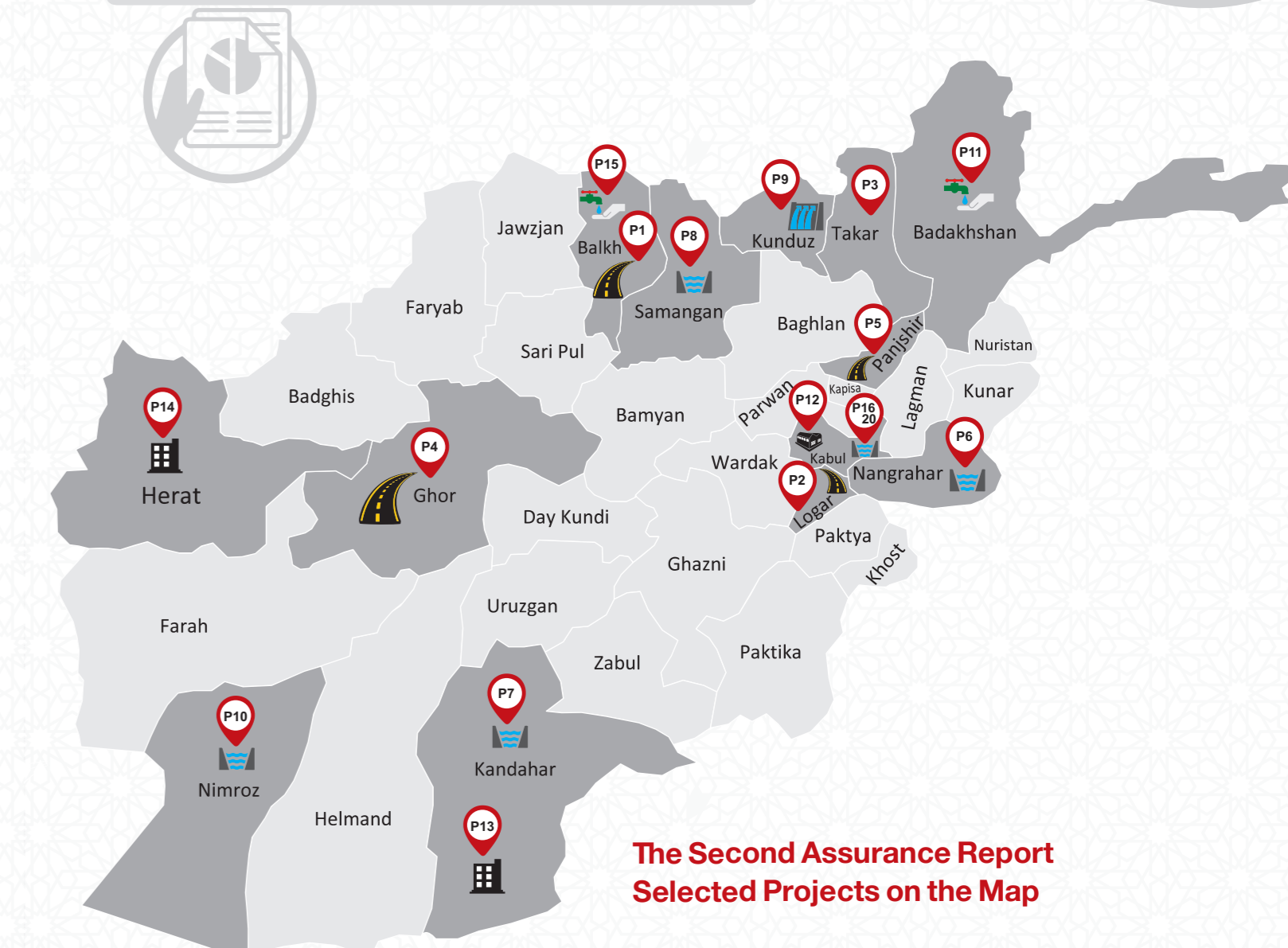
10. Findings and Recommendations

A. Disclosure of Project Information			
	Findings	Recommendations	Responsible
1. Proactive Disclosure	<ul style="list-style-type: none"> • PEs disclose on average 36% of project information. • The project information is disclosed based on a mix of CoST IDS, OCDS standards as well as entity's own requirements. The information is scattered in 4 portals and creates duplication of efforts and resources. Although, the government has officially launched AGEOPS, this portal is not regularly updated by procuring entities or the information entered by procuring entities is incomplete. • No clear definition between the Project Level and Contract Level data. • Special Anti-Corruption Secretariat (SACS) requires those procuring entities which have signed the memorandum of understanding (MoU) with CoST Afghanistan, to disclose project information based on CoST criteria (Entities Anti-corruption Strategy). The assurance team findings show that this strategy has not been fully understood and implemented. 	Upgrading the AGEOPS and building capacity within the NPA to enable them to connect project level data to the contract level data. Using OC4IDS could be a comprehensive tool to achieve this aim. This will help to scale up and modernize the disclosure process.	NPA
2. Reactive Disclosure	<ul style="list-style-type: none"> • Disclosing project information on a reactive basis is different from entity to entity and scored between 93% to 6% based on CoST IDS. • Procuring entities disclose on average 57% upon request for the Assurance Team. • Inadequate information about ATL and CoST, and the lack of a modern filing/archiving system are the main causes to influence reactive disclosure. 	Capacity building training for procuring entities to understand the importance of disclosure, the CoST programme and the Access to Information law. Capacity building training for Procuring Entities to establish appropriate filing/archiving system	OCAI/CoST
3. Validity/Accuracy of Information	On average, 94% of the information disclosed on the 3 portals are accurate. Data on the websites are entered manually and are not regularly updated.	Capacity building for Procuring Entities to enable them to properly enter data and enhance accuracy and validity of the disclosed information	NPA
B. Transparency in the Procurement process			
4. Tendering process	On average, the tendering process takes 336 days while it should not normally exceed 120 days in National Competitive Bidding and 150 days in International Competitive Bidding. The delay in the tendering process has significantly discouraged the private sector to bid in infrastructure projects. Bureaucracy, inadequate capacity in the procuring entities in terms of knowledge and skills to evaluate the bid documents within the specified timeframe and incomplete bid documents by contractors are the main reasons behind delays in tendering process.	To manage effectively and efficiently the tendering process, the NPA could establish the E-tendering process. This could potentially save time and promote fair competition. Capacity building of private companies so they can submit responsive bids that meet procurement law and procedure requirements.	NPA Private sector

5. Level of Competition	<ul style="list-style-type: none"> • Findings show that there are not enough qualified bidders for capital intensive projects. In 5 out of 20 selected projects only one bidder participated in the tendering process. This led to re-tendering. Findings also show projects that have been announced 4 times to find a qualified bidder. The main reasons for low competition, especially in big projects are: slow decision-making process, lack of trust in the evaluation process and lack of flexibility in the bid evaluation criteria. The level of competition in small projects are satisfactory. 	The Government may consider reevaluating the 'Similar Projects' criteria. An alternative would be to change to a 'similar works' criteria which would assure higher competition. E-tendering and digitalization of bid submission. This will likely avoid manipulation in the bid documents as well as promote fair competition.	NPA NPA
		Dividing mega projects into parts/lots or conduct an assessment of the market before deciding on tendering mega projects.	Procuring entities
		Security is considered as a major risk in implementing projects. To encourage contractors to participate in bids in projects that are located in insecure areas, a specific item could be added in the BoQ for security risk management.	Procuring entities
		Flexibility in the bid evaluation of mega projects such as accepting two projects for similar experience or decreasing the annual turnover. Bid announcement on several websites to assure wider participation and competition.	NPA Procuring entities
C. Project Implementation			
6. Time overruns	The construction projects assessed experienced on average 64%-time overruns. The causes of time overruns are: <ul style="list-style-type: none"> • land acquisition, • inaccurate survey, • Poor design and errors in BOQ, • Poor scheduling by procuring entities • weather, • difficulties in financing project by contractors and payment delays 	To completed infrastructure projects on time, procuring entities need to improve their project preparation stage and scheduling skills. Project documents such as survey, design, BoQs and schedule need to be checked fully for errors before sending for bidding.	Procuring entities
7. Cost overruns	The construction projects assessed experienced on average 3.8% cost overruns. The main reasons for cost overruns in the selected projects are expired Survey and Design documents, Errors in BoQ, Design and Scope changes.	The procuring entities need to improve project preparation stage in order to avoid changes in the project scope and BoQ. Using expired survey and design data will likely lead to unsuccessful projects and must be avoided.	Procuring entities
8. Quality management	Quality is identified as a major concern in most construction projects. The reasons behind poor quality are: inadequate supervision, lowest price award decision, poor performance by contractors.	Supervision mechanism needs to be revised and the capacity should be improved in order to implement quality management in infrastructure projects. Furthermore, lowest price award has to be justified in view of the financial capacity of the contractor and ensure value for money before awarding a contract. Contractors could improve project performance by adopting project management and quality management principles and benefit in the long run by saving resources and avoiding waste in the process.	Procuring entities Private Sector
9. Project Safety	The assurance observation from project sites indicate that project safety has been significantly disregarded by contractors. Project safety issues has not been explicitly mentioned in contracts and even procuring entities do not consider safety issues while they are supervising the projects. In most projects, workers were not equipped with enough PPEs and there were no warning taps to separate the construction site. Safety issues is even noticed in donors funded projects. Due to limited resources, the assurance team were not able to measure the number of accidents per project and thus this issue could be considered in future studies.	The procuring entities need to put the safety of workers on their top priority by explicitly mentioning this in the contract. In addition, this should be added as a separate item during the supervision of projects and to be regularly monitored. Procuring entities should consider the possibility of applying contractual penalties in case of noncompliance with safety matters as a deterrent measure. Contractors should conduct safety training before implementation of a project and ensure that no workers are harmed during project implementation.	Procuring entities Private Sector
10. Social Accountability	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. / CSOs		CSOs

What is Assurance Report?

Assurance Report is a light touch independent review that highlights the accuracy and completeness of the disclosed data on a small sample of projects and identifies issues of concern for the public. Central to this process is the publication of assurance reports which generate interest and help to build demand for reforms.



1. Selected Projects

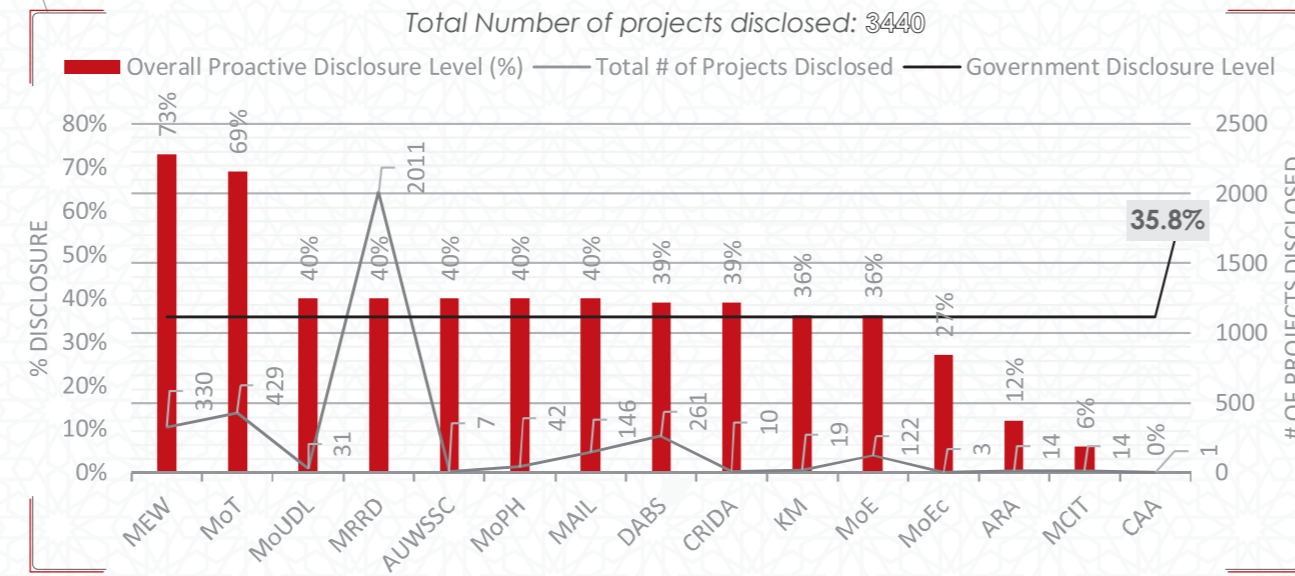
No	Project Name	(AFN) Original Contract cost
Ministry of Transport		
P1	15 km additional work on interior roads in Mazar-e-Sharif city	191,963,602
P2	24.150 Km Road Construction of Kabul-Logar (Second line)	782,565,915.6
P3	Construction of 12-meters Concrete Bridge in Kamando Road of Taloqan	7,074,050
P4	Design and Construction of Herat – Cheghcharan and Cheghcharan – Gardandewall Road, Second Phase	4,463,077,911
P5	Asphalt Paving of Pol-e-Hesar to Khawak districts (first part)	20,339,440
Ministry of Energy and Water		
P6	Weir and Canal Construction project of Nahr-e- Shahi, Bahsod district	8,811,603
P7	Construction of Loy Kareez River Bank Protection Scheme	3,330,523
P8	Tahte Haqan-1 River Bank Protection Scheme	25,147,518
P9	Khanabad Dam 2	1,950,000,000
P10	Rehabilitation and Reconstruction of Chahar Burjak Canal in Nimroz Province	67,000,000
Ministry of Urban Development and Land		
P11	Construction of Water Supply Network at Faiz Aabad	317,393,386
P12	Planning, Design, Installation, Construction and Activation of Industrial Precast Construction Factory	763,655,579
P13	Construction of Kandahar University's Dormitory	102,586,536
P14	Construction of Medical Products and Medicine Quality Lab Building	117,430,444
P15	Water supply and channelization network of Qalin Bafan residential and industrial project in Hairatan Township	143,909,800.90
Kabul Municipality		
P16	Construction of the Wazir Abad Canal	711,754,467
P17	Kart-e-Ariana to Kabul University Road via Gardana-e-Shakhi	38,184,979
P18	Asphalt paving of Silo Road (Part Four)	249,060,192
P19	Construction of Hesar-e-Sewom Khair Khana Roads	151,038,035
P20	Contract Announcement on Detailed Design of Kabul Metro Bus Network	158,985,522

Value of Projects assured USD **130.2** Million

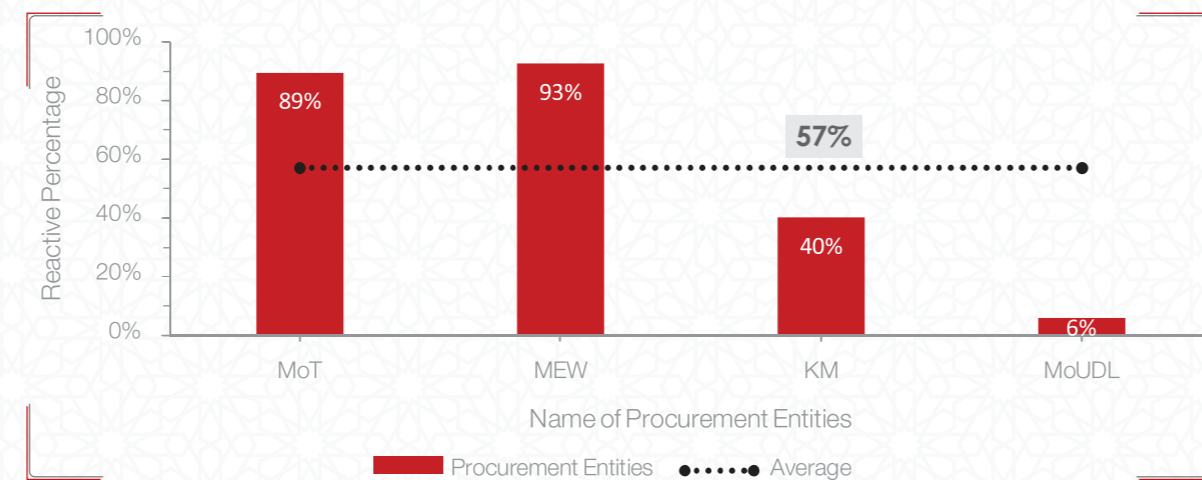
Acronyms

MEW	Ministry of Energy and Water
MoT	Ministry of Transport
MoUDL	Ministry of Urban Development and Land
MRRD	Ministry of Rural Rehabilitation and Development
AUWSSC	Afghanistan Urban Water Supply and Sewerage Corporation
MoPH	Ministry of Public Health
MAIL	Ministry of Agriculture, Irrigation and Livestock
DABS	Da Afghanistan Breshna Shirkat
CRIDA	Capital Region Independent Development Authority
KM	Kabul Municipality
MoE	Ministry of Education
MoEc	Ministry of Economy
ARA	Afghanistan Railway Authority
MCIT	Ministry of Communication and Information Technology
CAA	Civil Aviation Authority
AGEOPS	Afghanistan Government Electronic & Open Procurement System

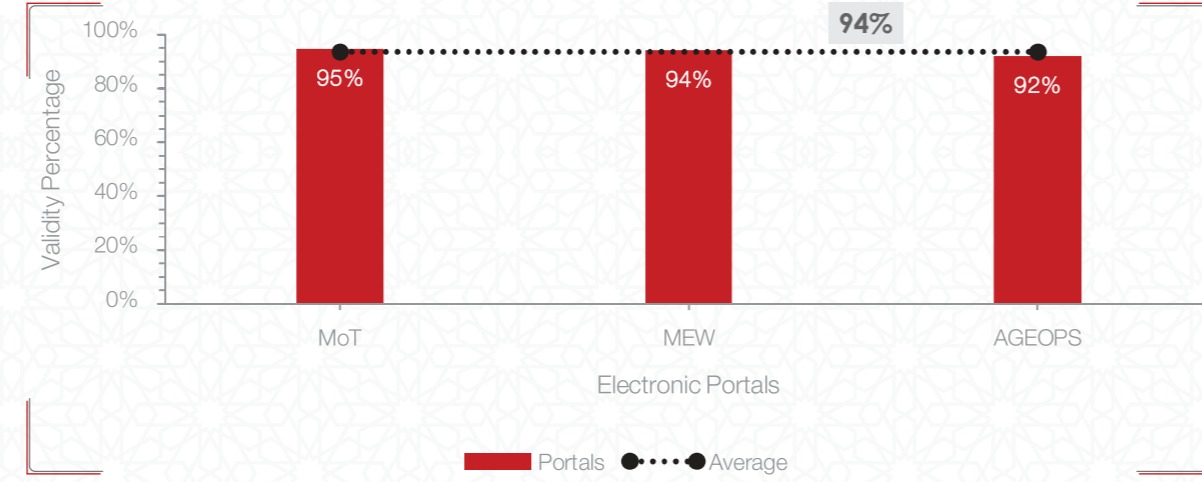
2. Proactive Disclosure / Average 35.8%



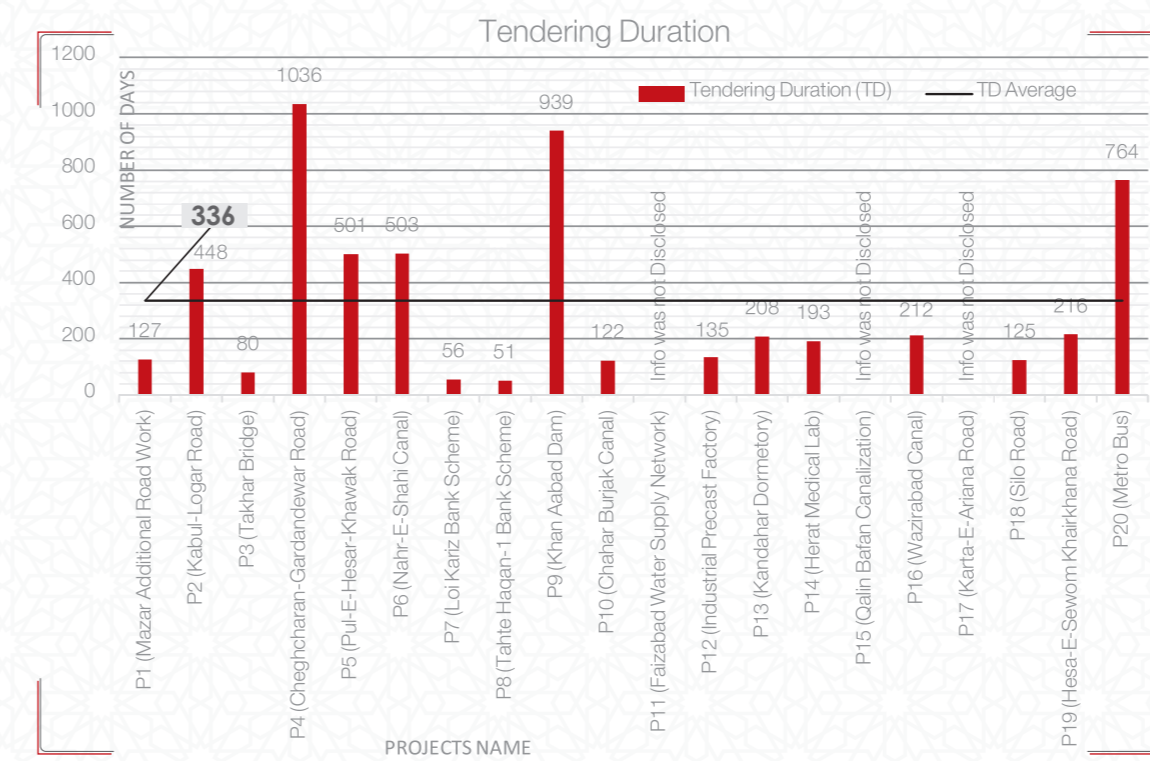
3. Reactive Disclosure for the 20 selected projects / Average 57%



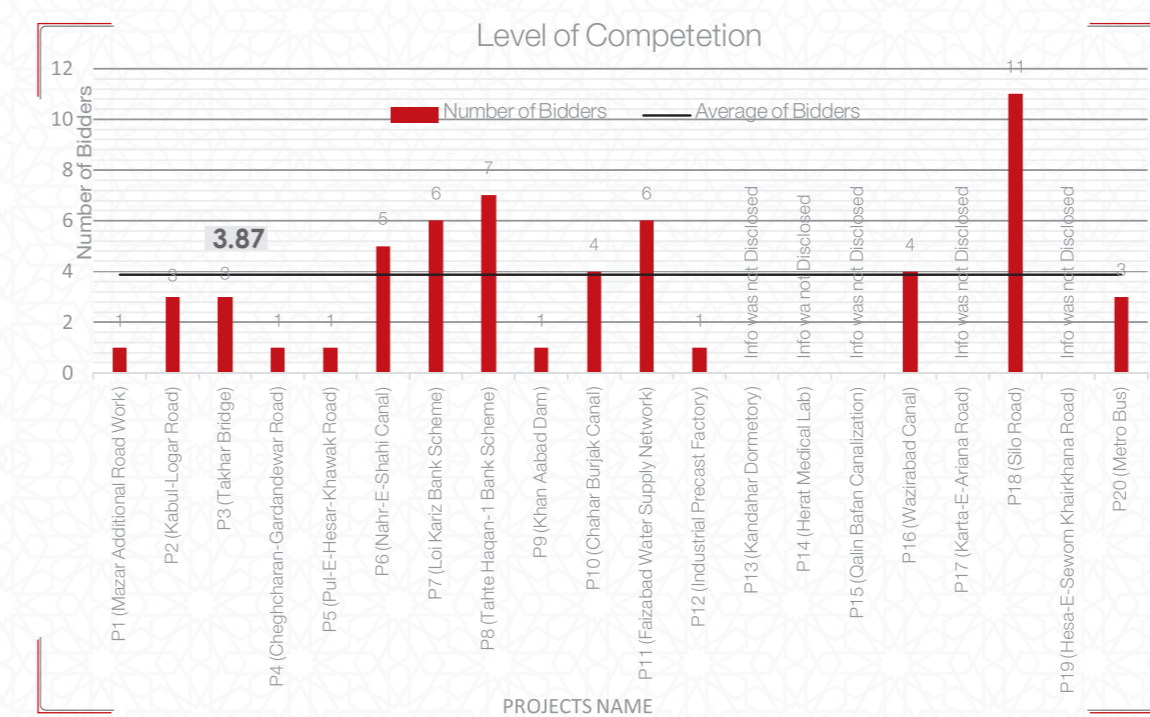
4. Validity / Accurateness of Information / average 94%



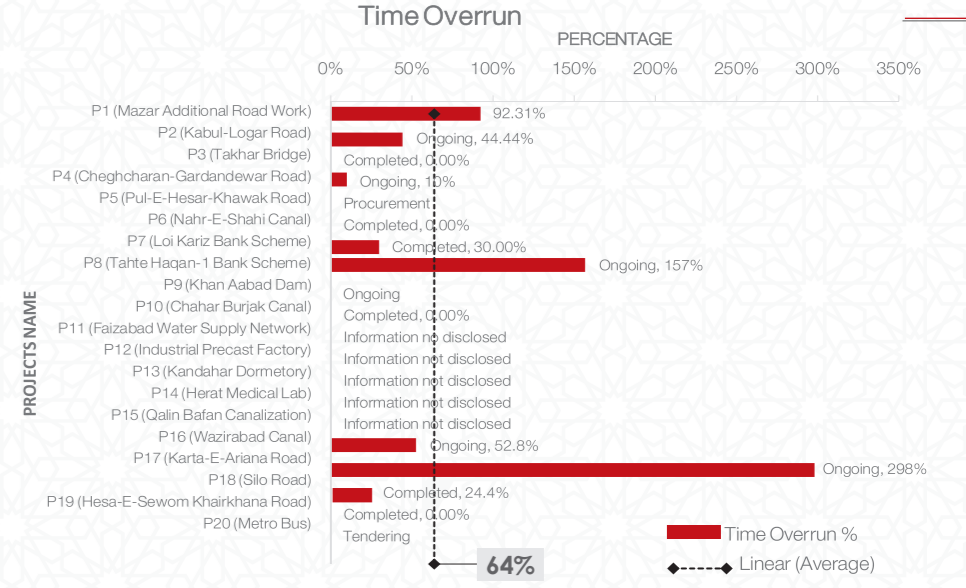
5. Tendering Process / Average 336 days



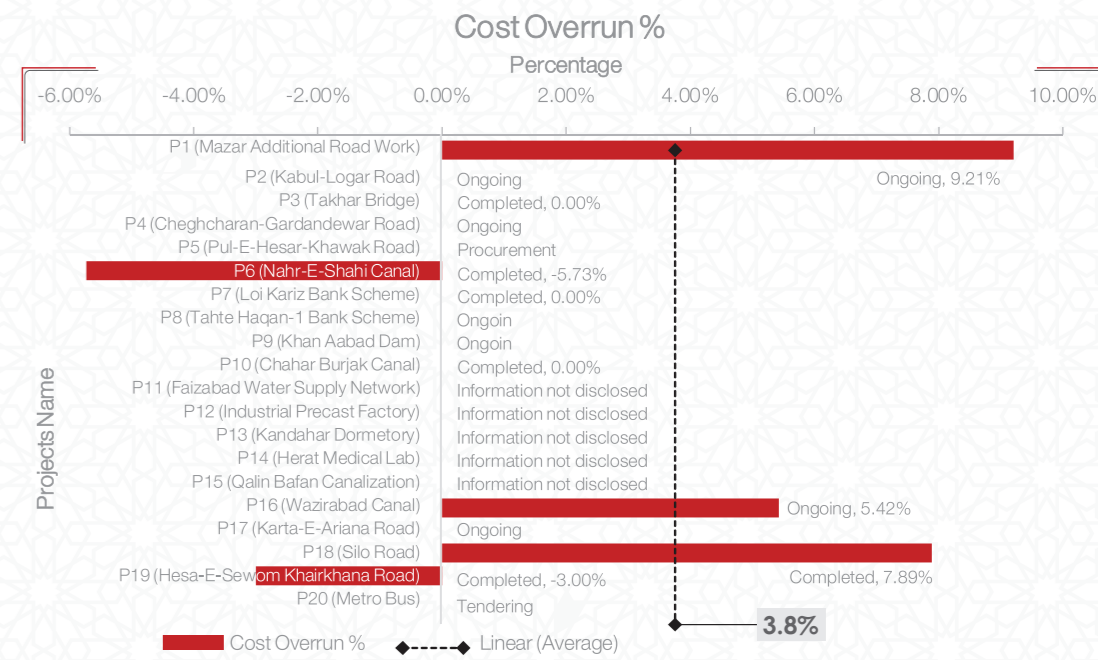
6. Level of Competition / Average 3.87 bids per project



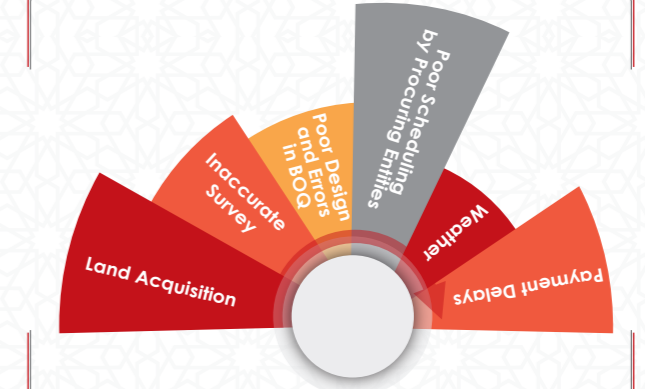
7. Time Overruns / average time overruns 64%



8. Cost overruns / average 3.8%



Causes of time overrun



Causes of time overrun

