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Report to Congressional Committees

May 2009

MILITARY OPERATIONS

Actions Needed to Improve Oversight and Interagency Coordination for the Commander's Emergency Response Program in Afghanistan

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GAO-09-615

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Highlights

Highlights of GAO-09-615, a report to congressional committees

MILITARY OPERATIONS

Actions Needed to Improve Oversight and Interagency Coordination for the Commander's Emergency Response Program in Afghanistan

Why GAO Did This Study

U.S. government agencies, including the Department of Defense (DOD) and the United States Agency for International Development (USAID) have spent billions of dollars to develop Afghanistan. From fiscal years 2004 to 2008, DOD has reported obligations of about $1 billion for its Commander's Emergency Response Program (CERP), which enables commanders to respond to urgent humanitarian and reconstruction needs. As troop levels increase, DOD officials expect the program to expand.

Under the authority of the Comptroller General, GAO assessed DOD's (1) capacity to manage and oversee the CERP in Afghanistan and (2) coordination of projects with USAID. Accordingly, GAO interviewed DOD and USAID officials, and examined program documents to identify workload, staffing, training, and coordination requirements. In Afghanistan, GAO interviewed key military personnel on the sufficiency of training, and their ability to execute assigned duties.

What GAO Recommends

GAO recommends that DOD evaluate workforce needs, ensure adequate staffing, and establish CERP training requirements, and that DOD and USAID collaborate to create a centralized database of project data, including milestones for completion. DOD concurred or partially concurred with GAO's recommendations, citing recent actions taken. GAO believes its recommendations remain valid.

View GAO-09-615 or key components.
For more information, contact Sharon Pickup at (202)-512-9619 or pickups@gao.gov.

What GAO Found

Although DOD has used CERP to fund projects that it believes significantly benefit the Afghan people, it faces significant challenges in providing adequate management and oversight because of an insufficient number of trained personnel. GAO has frequently reported that inadequate numbers of management and oversight personnel hinders DOD's use of contractors in contingency operations. GAO's work also shows that high-performing organizations use data to make informed decisions about current and future workforce needs. DOD has not conducted an overall workforce assessment to identify how many personnel are needed to effectively execute CERP. Rather, individual commanders determine how many personnel will manage and execute CERP. Personnel at all levels, including headquarters and unit personnel that GAO interviewed after they returned from Afghanistan or who were in Afghanistan in November 2008, expressed a need for more personnel to perform CERP program management and oversight functions. Due to a lack of personnel, key duties such as performing headquarters staff assistance visits to help units improve contracting procedures and visiting sites to monitor project status and contractor performance were either not performed or inconsistently performed. Per DOD policy, DOD personnel should receive timely and effective training to enable performance to standard during operations. However, key CERP personnel at headquarters, units, and provincial reconstruction teams received little or no training prior to deployment which commanders believed made it more difficult to properly execute and oversee the program. Also, most personnel responsible for awarding and overseeing CERP contracts valued at $500,000 or less received little or no training prior to deployment and, once deployed, received a 1-hour briefing, which did not provide detailed information on the individual's duties. As a result, frequent mistakes occurred, such as the omission of key clauses from contracts, which slowed the project approval process. As GAO has reported in the past, poorly written contracts and statements of work can increase DOD's cost risk and could result in payment for projects that do not meet project goals or objectives.

While mechanisms exist to facilitate coordination, DOD and USAID lack information that would provide greater visibility on all U.S. government development projects. DOD and USAID generally coordinate projects at the headquarters and unit level as well as through military-led provincial reconstruction teams which include USAID representatives. In addition, in November 2008, USAID, DOD and the Department of State began participating in an interagency group composed of senior U.S. government civilians and DOD personnel in Afghanistan to enhance planning and coordination of development plans and related projects. However, complete project information is lacking, because DOD and USAID use different databases. USAID has been tasked to develop a common database and is coordinating with DOD to do so, but development is in the early stages and goals and milestones have not been established. Without clear goals and milestones, it is unclear how progress will be measured or when it will be completed.

Contents

Letter 1

Background 4
CERP Program Management and Project Oversight Is Hindered by Insufficient and Inadequately Trained Personnel 7
Availability of Personnel 7
Sufficiency of Training 10
DOD Lacks Visibility of Development Projects Being Undertaken By USAID 13
Conclusions 15
Recommendations for Executive Action 15
Agency Comments and Our Evaluation 16

Appendix I **Scope and Methodology** 19

Appendix II **Comments from the Department of Defense** 21

Appendix III **GAO Contacts and Staff Acknowledgements** 23

Related GAO Products 24

Tables

Table 1: Fiscal Year 2008 CERP Projects in Afghanistan by Approval Authority 5
Table 2: Key CERP Management Activities at the Brigade Level 6

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United States Government Accountability Office
Washington, DC 20548

May 18, 2009

Congressional Committees

U.S. government agencies including the Department of Defense (DOD), the Department of State, and the United States Agency for International Development (USAID) have spent billions of dollars in Afghanistan to encourage economic development, improve governance, increase security, and positively influence the Afghan people. Chief among DOD's programs is the Commander's Emergency Response Program (CERP). CERP is designed to enable local commanders in both Iraq and Afghanistan to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility. U.S. commanders have described CERP as one of their most critical weapons in the fight against the Taliban. Since the program's inception, DOD's funding requests for CERP have steadily increased in response to theater conditions, and reported obligations have grown substantially. Since 2004, DOD has reported total obligations of about $1 billion for CERP in Afghanistan, growing from $40 million in fiscal year 2004 to $486 million in fiscal year 2008. As of April 2009, Congress has authorized about $1.4 billion for fiscal year 2009 for CERP in Iraq and Afghanistan, of which DOD allocated $683 million to fund CERP development projects in Afghanistan. As DOD plans to increase U.S. troop presence in Afghanistan, some DOD officials expect the size and funding of CERP to further expand.

According to DOD's Financial Management Regulation implementing the CERP, there are 20 authorized uses of CERP that include projects and activities to develop Afghanistan's transportation, electricity, and agriculture sectors. In addition, the regulation identifies 11 unauthorized uses of CERP including duplication of services available through municipal governments.[1] This regulation also identifies the roles and responsibilities for managing and executing CERP. For example, the Undersecretary of Defense (Comptroller) establishes principles, policies, and procedures to be followed in connection with CERP and oversees and supervises their execution. The Secretary of the Army serves as the executive agent and is responsible for developing detailed procedures

[1]Department of Defense Financial Management Regulation 7000.14-R, Volume 12, Chapter 27, Commander's Emergency Response Program (CERP) (January 2009). This is an update to previously issued guidance.

necessary for commanders to carry out CERP in a manner that is consistent with applicable laws, regulations, and guidance. The Commander of U.S. Central Command (CENTCOM) is responsible for allocating CERP resources. Additional guidance in the form of standard operating procedures is provided by the Combined Joint Task Force in Afghanistan, which, at the time of our review, was Combined Joint Task Force-101 (CJTF-101).[2] The CJTF-101 standard operating procedures expand upon DOD guidance. CERP duties are performed at the headquarters, Provincial Reconstruction Teams (PRT)[3], brigade and unit levels and include identifying projects, preparing statements of work, awarding contracts, and monitoring projects during and after completion.

We have previously reviewed various aspects of the CERP, including use of CERP funds for condolence payments in Iraq and Afghanistan as well as project selection, coordination, and monitoring in Iraq. In May 2007, we reported that DOD needed to have greater visibility on the use of CERP funds for condolence payments.[4] In June 2008, we reported on DOD's use of CERP funds in Iraq, emphasizing the need for DOD and commanders at all levels to have the information needed to determine whether projects are meeting the intent of the program, to assess program outcomes, and to be better informed about their funding requests.[5] We recommended that DOD require units that execute CERP projects to provide project monitoring to ensure that contractors have met the contract specifications. In addition, we recommended that DOD take steps to gain greater visibility of projects costing less than $500,000, such as obtaining and reviewing summary information on the status of projects, completion rates, and the impact of projects on Iraqi communities. As a result of our reviews, DOD has taken actions to improve the CERP program. In addition, in July 2008, we reported on road reconstruction projects and

[2]CJTF-101, the Afghanistan equivalent to the Multinational Corps-Iraq, was the tactical unit responsible for command and control of operations throughout Afghanistan during our review.

[3]These teams are designed to help improve stability in Afghanistan by increasing the country's capacity to govern. They serve as a means of coordinating interagency diplomatic, economic, reconstruction and counterinsurgency efforts among various U.S. agencies in Afghanistan. The teams are staffed with both military and civilian personnel.

[4]GAO, *Military Operations: The Department of Defense's Use of Solatia and Condolence Payments in Iraq and Afghanistan*, GAO-07-699 (Washington, D.C.: May 23, 2007).

[5]GAO, *Military Operations: Actions Needed to Better Guide Project Selection for Commander's Emergency Response Program and Improve Oversight in Iraq*, GAO-08-736R (Washington, D.C.: June 23, 2008).

recommended that the Secretary of Defense require that data for CERP-funded road projects be reported for inclusion in USAID's database, as required by CERP guidance.[6] Further, we recommended that the Secretary of Defense require impact evaluations of CERP-funded road projects where applicable. DOD concurred with both recommendations and noted that it updated its June 2008 guidance to require that information on projects be included in all required databases.

Due to significant congressional interest in this issue, we conducted a review of the CERP in Afghanistan under the authority of the Comptroller General to conduct evaluations on his own initiative and examined the following questions: To what extent (1) does DOD have the capacity to manage and oversee the CERP in Afghanistan and (2) has DOD established mechanisms to coordinate its CERP projects with USAID?

To address these objectives, we identified and analyzed CERP guidance issued by DOD, CJTF-101, and Combined Joint Task Force-82 (CJTF-82)[7]. We reviewed the guidance to determine if it established roles and responsibilities, as well as staffing and training requirements, for personnel assigned to manage and oversee CERP in Afghanistan. We interviewed officials from the Offices of the Undersecretary of Defense (Comptroller), the Assistant Secretary of the Army (Financial Management and Comptroller), and USAID in Washington, D.C. We traveled to Afghanistan and spoke with officials at CJTF-101, brigade, and PRT levels, as well as officials from USAID and the Army Corps of Engineers. While in Afghanistan, we examined program documents to identify the nature and extent of the workload related to managing and executing the CERP and the training curriculum provided to familiarize personnel with the CERP. We also interviewed personnel at all levels to obtain their perspective on their ability to execute their assigned workload and sufficiency of training they received prior to deployment and upon arrival in Afghanistan. Additionally, we interviewed officials from CJTF-101 and CJTF-82 who had recently returned from Afghanistan to obtain the same type of information. We reviewed and analyzed the reported CERP obligations in the quarterly reports to Congress for fiscal year 2004 to fiscal year 2008

[6]GAO, *Afghanistan Reconstruction: Progress Made in Constructing Roads, but Assessments for Determining Impact and a Sustainable Maintenance Program Are Needed*, GAO-08-689 (Washington, D.C.: July 8, 2008).

[7]Combined Joint Task Force-82 (CJTF-82) was the tactical unit responsible for command and control of operations throughout Afghanistan prior to CJTF-101.

and interviewed officials about the data. We determined that the data are sufficiently reliable for the purposes of this report. A more detailed discussion of our scope and methodology is included in appendix I. We conducted this performance audit from July 2008 to April 2009 in accordance with generally accepted government accounting standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Afghanistan is a unique country with different development, security, and infrastructure issues and needs than Iraq. As a result, CERP efforts in Afghanistan are frequently focused on development and construction whereas in Iraq the focus of CERP is reconstruction of neglected or damaged infrastructure. The program has evolved over time in terms of the cost and complexity of projects, and the number of projects costing more than $500,000 in Afghanistan has reportedly increased from 9 in fiscal year 2004 to 129 in fiscal year 2008. As the program has matured, projects have become more complex, evolving from building small-scale projects such as wells that cost several thousand dollars to a boys' dormitory construction project that cost several hundred thousand dollars to building roads that cost several million dollars. For example, of the $486 million that DOD obligated on CERP projects in fiscal year 2008, about $281 million was for transportation, which was largely for roads.

CJTF-101 guidance identifies the individuals authorized to approve CERP projects based on the estimated cost of the project (see table 1). As shown in the table, 90 percent of the CERP projects executed in Afghanistan in fiscal year 2008 cost $200,000 or less.

Table 1: Fiscal Year 2008 CERP Projects in Afghanistan by Approval Authority

CERP project amount	Approval authority	Number of Projects	Percent of Total Projects
Over $2 million	CENTCOM Commander or delegated representative	49	2
Over $200,000 to $2 million	CJTF-101 Commanding General	203	8
Over $25,000 to $200,000	Brigade Commander	1,134	45
$25,000 or less	Battalion or PRT Commander	1,111	45
Total		**2,497**	**100**

Source: DOD and GAO analysis.

Note: Data are from CJTF-101 September 2008 Guidance and GAO analysis of DOD reports to Congress.

Management and execution of the CERP program is the responsibility of officials at CJTF-101 headquarters, the brigades and the PRTs. CJTF-101 personnel include the CERP manager who has the primary day-to-day responsibility for the program, a staff attorney responsible for reviewing all projects with a value of $200,000 or more, and a resource manager responsible for, among other things, maintaining CERP training records and tracking CERP obligations and expenditures. In addition, CJTF-101 guidance assigns responsibilities to the various staff sections such as engineering, medical, and contracting when specific projects require it. For example, the command engineering section is tasked with reviewing construction projects over $200,000, including reviewing plans for construction and project quality-assurance plans, and with participating in the CERP review boards. Similarly, the command's surgeon general is responsible for coordinating all plans for construction, refurbishment, or equipping of health facilities with the Afghanistan Minister of Health and evaluating all project nominations over $200,000 that relate directly to healthcare or the healthcare field.

Brigade commanders are responsible for the overall execution of CERP in their areas of responsibilities and are tasked with a number of responsibilities including identifying and approving CERP projects, appointing project purchasing officers, and paying agents and ensuring that proper management, reporting, and fiscal controls are established to account for CERP funds. In addition, the brigade commander is responsible for ensuring that project purchasing officers and paying agents receive training and ensuring that all personnel comply with CERP guidance. Additional personnel in the brigade are tasked with specific day-to-day management of the CERP program for the brigade commander.

Table 2 details the activities of key individuals tasked with executing and managing CERP at the brigade level.

Table 2: Key CERP Management Activities at the Brigade Level

Position	Activity
Project Purchasing Officer (PPO)	Develops government cost estimate
	Develops statement of work
	Solicits bids and negotiates contracts including terms and costs
	Signs contracts (if delegated that authority) for projects costing less than $500,000
	Provides project oversight and verifies terms of contract have been met
	Authorizes release of payment and closes out the contract
	Maintains project files and required documents and obtains required signature/approvals during the project approval process
Paying Agent (PA)	Draws funds from finance
	Makes payments to vendors
	Accounts for paid vouchers
	Clears funds and vouchers with finance
	Transports and safeguards CERP funds
Unit CERP Manager	Manages the day-to-day activities of CERP, PPOs and PAs
	Coordinates projects with other U.S. government activities within the brigade's area of responsibility
	Provides oversight of all projects

Source: DOD.

Note: Data are from CJTF-101 standard operating procedures and Army CERP Smartcard for Leaders.

In addition to those tasked with day-to-day responsibility, others at the brigade have a role in the CERP process. For example, the brigade attorney is responsible for reviewing project nominations to ensure that they are legally sufficient and in compliance with CERP guidelines, and the brigade engineer is tasked with providing engineering expertise, including reviewing projects and assisting with oversight.

DOD is statutorily required to provide Congress with quarterly reports on the source, allocation and use of CERP funds.[8] The reports are compiled based on information about the projects that is entered by unit officials into the Combined Information Data Network Exchange, a classified DOD database that not only captures operations and intelligence information, but also tracks information on CERP projects such as project status, project start and completion date, and dollars committed, obligated, and disbursed. This database is the third database that DOD has used since 2006 to track CERP projects in Afghanistan. According to a military official, some historical data on past projects were lost during the transfer of this information from previous database systems. CERP information is now available in an unclassified format to members of PRTs and others who have access to a network that can be used to share sensitive but unclassified information.

CERP Program Management and Project Oversight Is Hindered by Insufficient and Inadequately Trained Personnel

U. S. efforts to enhance Afghanistan's development is costly and requires some complex projects, underscoring the need to effectively manage and oversee the CERP program, including effectively managing and overseeing contracting as well as contractor efforts. During our review, we identified problems with the availability of personnel to manage and oversee CERP, as well as the sufficiency of training on CERP.

Availability of Personnel

Although DOD has used CERP funds to construct roads, schools, and other projects that commanders believe have provided benefits to the Afghan people, DOD faces significant challenges in providing adequate management and oversight of CERP because of an insufficient number of trained personnel to execute and manage the program. We have frequently reported on several long-standing problems facing DOD as it uses contractors in contingency operations including inadequate numbers of

[8]Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, Pub. L. No. 110-417, §1214 (2008).

trained management and oversight personnel.[9] Our previous work has shown that high-performing organizations routinely use current, valid, and reliable data to make informed decisions about current and future workforce needs, including data on the appropriate number of employees, key competencies, and skill mix needed for mission accomplishment, and appropriate deployment of staff across the organization.[10] DOD has not conducted a workforce assessment of CERP to identify how many military personnel are needed to effectively and efficiently execute and oversee the program. Rather, commanders determine how many personnel will manage and execute CERP. Personnel at all levels, including headquarters and unit personnel that we interviewed after they returned from Afghanistan or were in Afghanistan in November 2008, expressed a need for more personnel to perform CERP program management and oversight functions. Due to a lack of personnel, key duties such as performing headquarters staff assistance visits to help units to improve contracting procedures and site visits to monitor project status and contractor performance were either not performed or not consistently performed.

At the headquarters level, at the time of our review, CJTF-101 had designated one person to manage the day-to-day operations of CERP. Among many other tasks outlined in the CJTF-101 CERP guidance, the CJTF-101 CERP manager was responsible for conducting training for PPOs and PAs, providing oversight of all projects, ensuring proper coordination for all projects with the government of Afghanistan, validating performance metrics, ensuring that all project information is updated monthly in the command's electronic database and conducting staff assistance visits semiannually or as requested by brigades. Staff assistance visits are conducted to assist units by identifying any additional training or guidance that may be required to ensure consistency in program execution. According to documents we reviewed, staff assistance

[9]GAO, *Defense Logistics: The Army Needs to Implement Effective Management and Oversight Plan for the Equipment Maintenance Contract in Kuwait*, GAO-08-316R (Washington, D.C.: Jan. 22, 2008);GAO, *Stabilizing and Rebuilding Iraq: Actions Needed to Address Inadequate Accountability over U.S. Efforts and Investments*, GAO-08-568T (Washington, D.C: Mar. 11, 2008); GAO, *Military Operations*: *DOD Needs to Address Contract Oversight and Quality Assurance Issues for Contracts Used to Support Contingency Operations*, GAO-08-1087 (Washington, D.C.: Sept. 26, 2008); GAO, *Military Operations: High-Level DOD Action Needed to Address Long-standing Problems with Management and Oversight of Contractors Supporting Deployed Forces*, GAO-07-145 (Washington, D.C: Dec. 18, 2006).

[10]GAO, *Exposure Draft: A Model of Strategic Human Capital Management*, GAO-02-373SP, (Washington, D.C.: Mar. 2002).

visits conducted in the past have uncovered problems with project documentation, adhering to project guidelines, and project tracking, among others. The CJTF-101 CERP manager we interviewed during our visit to Afghanistan stated that he spent most of his time managing the headquarters review process of projects costing more than $200,000 and was unable to carry out his full spectrum of responsibilities, including conducting staff assistance visits. After our November 2008 visit to Afghanistan, CJTF-101 added additional personnel to manage CERP on a full-time basis.

Headquarters and brigade level personnel responsible for CERP also expressed a need for additional personnel at brigades to perform essential functions from program management to project execution. For example:

- CJTF-101 guidance assigns a number of responsibilities for executing CERP, including project monitoring and oversight, to military personnel; however, according to unit officials we spoke with, tasks such as completing project oversight and collecting metrics on completed projects are often not accomplished due to a lack of personnel. In a July 2008 memorandum to CENTCOM, the CJTF-101 commanding general noted that in some provinces, units have repositioned or are unable to do quality-assurance and quality-control checks due to competing missions and security risks. Furthermore, according to military officials from units that had deployed to Afghanistan, project oversight is frequently not provided because units lack the personnel needed to conduct site visits and ensure compliance with CERP contracts. For example, according to one CERP manager we spoke with, his unit was not able to provide oversight of 20 of the 27 CERP projects because it was often difficult to put together a team to conduct site visits due to competing demands for forces. Similarly, the competing demands for forces made it difficult for units to visit completed projects and determine the effectiveness of the projects as required by CERP guidance.

- CJTF-101 guidance also requires units to consult subject-matter experts, such as engineers, when required. However, military officials stated that there is a lack of subject-matter experts to consult on some projects. For example, military personnel stated that agriculture experts are needed to assist on agriculture projects. Moreover, more public health officials are needed. A commander from one task force stated that his soldiers were not qualified to monitor and assess clinics because they did not have the proper training. Furthermore, several officials we spoke with, including officials at the CJTF-101 headquarters, noted that they needed additional civil/military affairs personnel to do project assessments both before projects are selected to determine which projects would be most

appropriate and after projects are completed to measure the effectiveness of those projects. We recently reported that the lack of subject-matter experts puts DOD at risk of being unable to identify and correct poor contractor performance, which could affect the cost, completion, and sustainability of CERP projects.[11]

Sufficiency of Training

According to DOD policy, members of the Department of Defense shall receive, to the maximum extent possible, timely and effective, individual, collective, and staff training, conducted in a safe manner, to enable performance to standard during operations.[12] CERP familiarization training may be provided to Army personnel before deployment; however, according to several Army officials, units frequently do not know who will be responsible for managing the CERP program until after they arrive in Afghanistan so task-specific training is generally not included in predeployment training. Others, such as PPOs, receive training after they arrived in Afghanistan. However, personnel assigned to manage and execute CERP had little or no training on their duties and responsibilities, and personnel we spoke with in Afghanistan and those who had recently returned from Afghanistan believed they needed more quality training in order to perform their missions effectively. For example:

- One of the attorneys responsible for reviewing and approving CERP projects received no CERP training before deploying. Unsure of how to interpret the guidance, the attorney sought clarification from higher headquarters, which delayed project approval.
- Personnel from a U.S. Marine Corps unit that deployed to Afghanistan reported that they received no training on CERP prior to deployment and believed that such training would have been helpful to ensure that projects they selected would provide long-term benefits to the population in their area of operation.
- Army training on CERP consisted of briefing slides that focused on the authorized and unauthorized uses of CERP but did not discuss how to complete specific CERP responsibilities such as project selection, developing a statement of work, selecting the appropriate contract type, or providing the appropriate types and levels of contract oversight. Additionally, according to officials from brigades we spoke with in

[11]GAO-08-736R

[12]Department of Defense Directive 1322.18, *Military Training* (Jan. 13, 2009).

Afghanistan, they received little or no training on their CERP responsibilities after arriving in-theater.

- Military officials from PRTs also noted that they received little training on CERP prior to deploying to Afghanistan and felt that additional training was needed so that they could more easily perform their CERP duties.

- In some cases, personnel told us that working with their predecessors during unit rotations provided them with sufficient training. However not all personnel have that opportunity.

Our reports as well as recent reports from others have highlighted the difficulties associated with contracting in contingency operations particularly for those personnel with little contracting experience.[13] DOD's Financial Management Regulation allows contracting officers to delegate the authority to PPOs to obligate funds for CERP contracts for projects valued at less than $500,000.[14] Additionally, PPOs are involved in other activities such as writing the statement of work for each project, ensuring that the project is completed to contract specifications, and completing contract close out. During our visit to Afghanistan, we observed PPO training provided by the principal assistant responsible for contracting in Afghanistan. The training consisted of a 1-hour briefing, which included a detailed discussion of CERP guidance but did not provide detailed information on the duties of the PPO. For example, according to CJTF-101 guidance, contracts are to be supported by accurate cost estimates; however, the PPO briefing does not provide training on how to develop these estimates. All of the contracting officers we spoke with believe that the training brief provided is insufficient and noted that unlike PPOs, who have less training but more authority under CERP, warranted contracting

[13]GAO, *Military Operations: Implementation of Existing Guidance and Other Actions Needed to Improve DOD's Oversight and Management of Contractors in Future Operations*, GAO-08-436T (Washington, D.C.: Jan. 2008); GAO, *Rebuilding Iraq: DOD and State Department Have Improved Oversight and Coordination of Private Security Contractors in Iraq, but Further Actions Are Needed to Sustain Improvements*, GAO-08-966 (Washington, D.C.: July 31, 2008); Commission on Army Acquisition and Program Management in Expeditionary Operations, *Urgent Reform Required: Army Expeditionary Contracting* (Oct. 31, 2007); Congressional Research Service, *Defense Contracting in Iraq: Issues and Options for Congress* (Washington, D.C.: May 21, 2008).

[14]According to section 270313 of DOD Financial Management Regulation, PPO's can, upon completion of training and receipt of written delegation from a warranted contracting officer, obligate funds for CERP projects costing less than $500,000. The regulation is not specific on the type of training PPOs must receive.

officers have at least 1 year of experience and are required to take a significant amount of classroom training before they are allowed to award any contracts. Moreover, some PPOs we spoke with stated that they needed more training. Military officials at both the brigade and CJTF-101 level told us that inadequate training has led to some common mistakes in CERP contracts and CERP project files. For example, officials from PRTs, brigades, and the CJTF-101 level noted that statements of work often are missing key contract clauses or include clauses that are not appropriate and require revision. A training document provided by the principal assistant responsible for contracting identified several important clauses that are commonly omitted by PPOs including termination clauses, progress schedule clauses, and supervision and quality control clauses. As we have reported in the past, poorly written contracts and statements of work can increase the department's cost risk and could result in the department paying for projects that do not meet project goals or objectives. Additionally, several officials at CJTF-101 with responsibilities for CERP also noted that project packages sent to the headquarters for review were often incomplete or incorrect, thereby, slowing down the CERP project approval process and increasing the workload of the CERP staff at both the headquarters and unit level. For example, the CJTF-101 official responsible for reviewing all projects valued at $200,000 or more noted that most of the project packets he reviewed had to be returned to the brigades because the packets lacked key documents, signatures, or other required information. Finally, the lack of training affects the quality of the oversight provided and can increase the risk of fraud. To illustrate, the Principal Deputy Inspector General Department of Defense testified in February 2009, that contingency contracting, specifically the Commander's Emergency Response Program, is highly vulnerable to fraud and corruption due to a lack of oversight. He went on to state "it would appear that even a small amount of contract training provided through command channels and some basic ground-level oversight that does not impinge on the CERP's objective would lower the risk in this susceptible area."[15]

[15]Thomas F. Gimble, Principal Deputy Inspector General, Department of Defense, before the Commission on Wartime Contracting, *Oversight of Wartime Contracting in Iraq and Afghanistan*: (Feb. 2, 2009. The Commission was established by Congress to assess a number of factors related to wartime contracting, including the extent of waste, fraud, abuse, and mismanagement of wartime contracts.

DOD Lacks Visibility of Development Projects Being Undertaken By USAID

DOD and USAID participate in various mechanisms to facilitate coordination, but lack information that would provide greater visibility on all U.S. government development projects in Afghanistan. Teams have been formed in Afghanistan that integrate U.S. government civilians and military personnel to enhance coordination among U.S. agencies executing development projects in Afghanistan. For example, for projects involving roads, DOD and USAID officials have set up working groups to coordinate road construction and both agencies agreed that coordination on roads was generally occurring. Additionally, a USAID member is part of the PRT and sits regularly with military colleagues to coordinate and plan programming, according to USAID officials. Those same officials stated that this has resulted in joint programming and unity of effort, marrying CERP and USAID resources. Military officials we spoke with from several brigades also stated that coordination with the PRTs was good. Further, a USAID representative is located at the CJTF-101 headquarters and acts as a liaison to help coordinate projects costing $200,000 or more. Also, in November 2008, the Integrated Civilian-Military Action Group which consists of representatives from the Department of State, USAID, and U.S. Forces-Afghanistan was established at the U.S. Embassy in Kabul, to help unify U.S. efforts in Afghanistan through coordinated planning and execution, according to a document provided by USAID. The role of the Integrated Civilian-Military Action Group, which is expected to meet every 3 weeks, is to establish priorities and identify roles and responsibilities for both long-term and short-term development. Any decisions made by this group are then presented to the Executive Working Group-a group of senior military, State Department, and USAID officials-for approval. According to USAID officials, the Executive Working Group is empowered by the participating organizations to engage in coordinated planning and execution, provide guidance that synchronizes civilian and military efforts, convene interagency groups as appropriate, monitor and assess implementation and impact of integrated efforts, and recommend course changes to achieve U.S. government goals in support of the Government of the Islamic Republic of Afghanistan and of achieving stability in Afghanistan.

Despite these interagency teams, military and USAID officials lack a common database that would promote information sharing and facilitate greater visibility of all development projects in Afghanistan. At the time of our review, development projects in Afghanistan were not tracked in a single database that was accessible by all parties conducting development in the country. For example, the military uses a classified database—Combined Information Data Network Exchange—to track CERP projects and other information. In early 2009, USAID officials were granted access

to an unclassified portion of this database, providing them with information on the military's CERP projects including project title, project location, project description, and name of the unit executing the project, among other information. On the other hand, USAID officials use a database called GEOBASE to track their development projects, and there are a myriad of other databases used to track individual development efforts. USAID officials stated that they did not believe military officials had access to GEOBASE. However, in our 2008 review of Afghanistan road projects, we reported that there was a DOD requirement to provide CERP project information to USAID via the GEOBASE system to provide a common operating picture of reconstruction projects for U.S. funded efforts.[16] We found that this was not being done for the CERP-funded road projects and recommended that DOD do so, to which DOD concurred. At the time of our review, the requirement to input CERP project information into that database was not included in the most recent version of the CJTF-101 standard operating procedure. In a memorandum to CENTCOM, the commanding general of CJTF-101 noted that data on various development projects in Afghanistan are maintained in a wide range of formats making CERP data the only reliable data for the PRTs. In January 2009, USAID initiated a project to develop a unified database to capture reliable and verified data for all development projects in Afghanistan and make it accessible to all agencies engaging in development activities in the country. The goal for the database is to create visibility of development projects for all entities executing projects in Afghanistan in a single place. However, plans are preliminary and a number of questions remain including how the database will be populated and how the database development will be funded. USAID officials told us that they have been coordinating with CJTF-101 civil affairs officials about the development of the database and plan to hold a meeting in April 2009 to discuss recommendations for its development and to obtain input about the database from other U.S. government agencies. While USAID officials have conducted some assessments for the development of the centralized database, as of yet no specific milestones have been established for when that database will be complete. Without clear goals and a method to judge the progress of this initiative it is unclear how long this project might take or if it will ever be completed.

[16] GAO-08-689.

Conclusions

The expected surge in troops and expected increase in funding for Afghanistan heightens the need for an adequate number of trained personnel to execute and oversee CERP. With about $1 billion worth of CERP funds already spent to develop Afghanistan, it is crucial that individuals administering and executing the program are properly trained to manage all aspects of the program including management and oversight of the contractors used. If effective oversight is not conducted, DOD is at risk of being unable to verify the quality of contractor performance, track project status, or ensure that the program is being conducted in a manner consistent with guidance. Without such assurances, DOD runs the risk of wasting taxpayer dollars, squandering opportunities to positively influence the Afghan population and diminishing the effectiveness of a key program in the battle against extremist groups including the Taliban.

Although coordination mechanisms are in place to help increase visibility, eliminate project redundancy, and maximize the return on U.S. investments, the U.S. government lacks an easily accessible mechanism to identify previous and ongoing development projects. Without a mechanism to improve the visibility of individual development projects, the U.S. government may not be in a position to fully leverage the resources available to develop Afghanistan and risks duplicating efforts and wasting taxpayer dollars.

Recommendations for Executive Action

We recommend that the Secretary of Defense direct the commander of U.S. Central Command to

- evaluate workforce requirements and ensure adequate staff to administer the CERP and
- establish training requirements for CERP personnel administering the program, to include specific information on how to complete their duties and responsibilities .

We further recommend that the Secretary of Defense and Administrator of USAID;

- collaborate to create a centralized project-development database for use by U.S. government agencies in Afghanistan, including establishing specific milestones for its development and implementation.

Agency Comments and Our Evaluation

In written comments to a draft of this report, DOD partially concurred with two of our recommendations and concurred with one. These comments are reprinted in appendix II.

DOD partially concurred with our recommendation to require U.S. Central Command to evaluate workforce requirements and ensure adequate staff to administer the Commander's Emergency Response Program (CERP). DOD acknowledged the need to ensure adequate staff to administer CERP and noted that since our visit, U.S. Forces-Afghanistan had added personnel to manage the program on a full-time basis. Because of the actions already being taken, DOD believed that no further action is warranted at this time, but stated it would monitor the situation and respond as required. Although steps have been taken to improve management and oversight of CERP in Afghanistan, we still believe that CENTCOM should conduct a workforce assessment to identify the number of personnel needed to effectively manage and oversee the program. As we described in the report, in the absence of such an assessment, commanders determine how many personnel will manage and execute CERP. As commanders rotate in and out of Afghanistan, the number of people they assign to administer and oversee CERP could vary. Therefore, to ensure consistency, we continue to believe that CENTCOM, rather than individual commanders, should assess and determine the workforce needs for the program.

DOD partially concurred with our recommendation to establish training requirements for CERP personnel administering the program to include specific information on how to complete their duties and responsibilities. DOD acknowledged the need for training for CERP personnel administering the program and stated that since our visit, U.S. Forces-Afghanistan has begun work on implementing instructions to enhance selection processes and training programs for personnel administering the program and handling funding. Based on these efforts, DOD believed that no further action is warranted at this time but said it would monitor the situation and respond as required. However, the efforts outlined by DOD appear to be focused on training after personnel arrive in Afghanistan. Because our work also identified limitations in training prior to deployment, we believe that additional action is required, on the part of CENTCOM, to fully implement our recommendation.

DOD concurred with our recommendation to collaborate with USAID to create a centralized project-development database for use by U.S. government agencies in Afghanistan, including establishing specific milestones for its development and implementation.

USAID officials were given an opportunity to comment on the draft report. However, officials stated that they had no comments on the draft.

We are sending copies of this report to other interested congressional committees and the Secretary of Defense and Administrator of USAID. In addition, this report will be available at no charge on GAO's Web site at http://www.gao.gov.

If you or your staff have any questions on the matters discussed in this report, please contact me at (202) 512-9619 or at pickups@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix III.

Sharon L. Pickup, Director
Defense Capabilities and Management

List of Committees

The Honorable Carl Levin
Chairman
The Honorable John McCain
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Daniel K. Inouye
Chairman
The Honorable Thad Cochran
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Ike Skelton
Chairman
The Honorable John M. McHugh
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable John P. Murtha
Chairman
The Honorable C.W. Bill Young
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Appendix I: Scope and Methodology

To determine the extent to which the Department of Defense (DOD) has the capacity to provide adequate management and oversight of the CERP in Afghanistan, we reviewed guidance from DOD, Combined Joint Task Force-101 (CJTF-101), and Combined Joint Task Force-82 (CJTF-82) to identify roles and responsibilities of CERP personnel, how personnel are assigned to the CERP, the nature and extent of the workload related to managing and executing the CERP, and the training curriculum provided to familiarize personnel with the CERP. We traveled to Afghanistan and interviewed officials at higher command, including those responsible for the overall management of CERP at CJTF-101, as well as commanders, staff judge advocates, project purchasing officers, engineers, and CERP managers about how they administered, monitored, and provided oversight to the program, what training they received, and how personnel assigned to administer and manage the program were chosen. We also interviewed personnel at all levels to obtain their perspective on their ability to execute their assigned workload and sufficiency of training they received prior to deployment and upon arrival in Afghanistan and attended a training session that was provided to Project Purchasing Officers (PPO). Additionally, we interviewed officials at the Office of the Secretary of Defense (Comptroller) and the Office of the Assistant Secretary of the Army (Financial Management and Comptroller), as well as Marine Corps and Army units that had returned from Afghanistan about the type of management and oversight that exists for CERP and the quality of that oversight. We selected these units (1) based on Afghanistan deployment and redeployment dates; (2) to ensure that we obtained information from officials at the division, brigade, and Provincial Reconstruction Team (PRT) levels who had direct experience with CERP; and (3) because unit officials had not yet been transferred to other locations within the United States or abroad.

In order to determine the extent to which commanders coordinate CERP projects with USAID, we reviewed and analyzed DOD, CJTF-101, and CJTF-82 guidance to determine what coordination, if any, was required. We also interviewed military officials at the headquarters, brigade, and PRT levels that had redeployed from Afghanistan between July 2008 and April 2009 to determine the extent of their coordination with USAID officials. We also met with USAID officials in Washington, D.C., as well as traveled to Afghanistan and interviewed officials at the CJTF-101 headquarters, brigade, PRT, as well as, USAID about their coordination efforts.

We spoke with military officials about the database they use to track CERP projects-Combined Information Data Network Exchange (CIDNE)—and learned that some historical data on past projects was lost during the transfer of information from a previous database to CIDNE. However, the information is in the project files and had already been included in the quarterly reports to Congress. Therefore, we analyzed the reported obligations in the quarterly CERP reports to Congress for fiscal year 2004 to fiscal year 2008 and interviewed officials about information contained in the reports. Based on interviews with officials, we determined that these data are sufficiently reliable for the purpose of this report.

We visited or contacted the following organizations during our review:

Department of Defense

Office of the Undersecretary of Defense (Comptroller), Pentagon, Virginia
United States Central Command, Tampa, FL

Department of the Army

Assistant Secretary of the Army (Financial Management and Comptroller)
United States Army Forces Command, Fort McPherson, Georgia
United States Army Central Command, Fort McPherson, Georgia
Combined Joint Task Force-101, Bagram and Jalalabad, Afghanistan
Combined Joint Task Force-82, Fort Bragg, North Carolina
173rd Airborne Battalion Combat Team, Vicenza, Italy and Bamberg, Germany

Department of the Navy

24th Marine Expeditionary Unit, Camp Lejeune, North Carolina

Other government agencies

United States Agency for International Development, Washington, D.C.
United States Agency for International Development, Kabul, Afghanistan
Department of State, Washington, D.C.

We conducted this performance audit from July 2008 to April 2009 in accordance with generally accepted government accounting standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Defense

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

MAY 13 2009

Sharon L. Pickup
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Ms. Pickup:

This is the Department of Defense response to the Government Accountability Office (GAO) draft Report, GAO-09-615, "MILITARY OPERATIONS: Actions Needed to Improve Oversight and Interagency Coordination for Commander's Emergency Response Program in Afghanistan" (GAO Code 351244), dated April 17, 2009.

The Department appreciates the opportunity to comment on this draft report. In our enclosed response, we cite actions planned and already underway to address the GAO recommendations. We also would like to highlight that the report does not cite any negative outcome on specific projects or categories of projects caused by the issues raised as findings in the report. The Department will continue to monitor the issues raised and respond as required. Thank you for the opportunity to respond to this proposed report.

Sincerely,

Robert F. Hale

Robert F. Hale

Enclosure:
As stated

GAO DRAFT REPORT – DATED APRIL 17, 2009
GAO CODE 351244 /GAO-09-615

"MILITARY OPERATIONS: Actions Needed to Improve Oversight and Interagency Coordination for Commander's Emergency Response Program in Afghanistan"

DEPARTMENT OF DEFENSE COMMENTS TO THE RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommends that the Secretary of Defense direct the Commander, U.S. Central Command to evaluate workforce requirements and ensure adequate staff to administer the Commander's Emergency Response Program.

DOD RESPONSE: Partially Concur: The Department acknowledges the need to ensure adequate staff to administer the Commander's Emergency Response Program. Given the anticipated increase in demand for projects in Afghanistan, U.S. Forces-Afghanistan recognized the need for additional personnel and, as cited in the report (page 9), personnel have been added to manage the program on a full-time basis since the GAO visit. Based on the actions already being taken, the Department does not believe direction to the Commander, U.S. Central Command for further action is warranted at this time, but will monitor the situation and respond, as required.

RECOMMENDATION 2: The GAO recommends that the Secretary of Defense direct the Commander, U.S. Central Command to establish training requirements for the Commander's Emergency Response Program personnel administering the program to include specific information on how to complete their duties and responsibilities.

DOD RESPONSE: Partially Concur: The Department acknowledges the need for training for the Commander's Emergency Response Program personnel administering the program. Personnel receive training in country as acknowledged in the report (page 11). Since the GAO visit, however, U.S. Forces-Afghanistan has begun work on implementing instructions to enhance selection processes and training programs for personnel administering the program and handling funding. Based on the actions already being taken, the Department does not believe direction to the Commander, U.S. Central Command for further action is warranted at this time, but will monitor the situation and respond, as required.

RECOMMENDATION 3: The GAO recommends that the Secretary of Defense and the Administrator, U.S. Agency for International Development collaborate to create a centralized project development database for use by U.S. Government agencies in Afghanistan, including establishing specific milestones for its development and implementation.

DOD RESPONSE: Concur: The Department will work with the U.S. Agency for International Development to collaborate to create a centralized project database for use by U.S. Government agencies in Afghanistan, including establishing specific milestones for its development and implementation.

Appendix III: GAO Contacts and Staff Acknowledgements

GAO Contact

Sharon Pickup, (202) 512-9619 or pickups@gao.gov

Acknowledgements

In addition to the contact named above, Carole Coffey, Assistant Director; Susan Ditto, Rodney Fair, Karen Nicole Harms, Ron La Due Lake, Marcus Oliver, and Sonja Ware made key contributions to this report.

Related GAO Products

Defense Management: Actions Needed to Overcome Long-standing Challenges with Weapon Systems Acquisition and Service Contract Management. GAO-09-362T. Washington, D.C: February 12, 2009.

Iraq and Afghanistan: Availability of Forces, Equipment, and Infrastructure Should Be Considered in Developing U.S. Strategy and Plans. GAO-09-380T. Washington, D.C: February 11, 2009.

Provincial Reconstruction Teams in Afghanistan and Iraq. GAO-09-86R. Washington, D.C.: October 1, 2008.

Military Operations: DOD Needs to Address Contract Oversight and Quality Assurance Issues for Contracts Used to Support Contingency Operations. GAO-08-1087. Washington, D.C.: September 26, 2008.

Afghanistan Reconstruction: Progress Made in Constructing Roads, but Assessments for Determining Impact and a Sustainable Maintenance Program Are Needed. GAO-08-689. Washington, D.C.: July 8, 2008.

Securing, Stabilizing, and Rebuilding Iraq: Progress Report: Some Gains Made, Updated Strategy Needed. GAO-08-1021T. Washington, D.C: July 23, 2008.

Military Operations: Actions Needed to Better Guide Project Selection for Commander's Emergency Response Program and Improve Oversight in Iraq. GAO-08-736R. Washington, D.C.: June 23, 2008.

Stabilizing and Rebuilding Iraq: Actions Needed to Address Inadequate Accountability over U.S. Efforts and Investments. GAO-08-568T. Washington, D.C.: March 11, 2008.

Defense Logistics: The Army Needs to Implement Effective Management and Oversight Plan for the Equipment Maintenance Contract in Kuwait. GAO-08-316R. Washington, D.C.: January 22, 2008.

Stabilization and Reconstruction: Actions Needed to Improve Governmentwide Planning and Capabilities for Future Operations. GAO-08-228T. Washington, D.C.: October 30, 2007.

Securing, Stabilizing, and Reconstructing Afghanistan. GAO-07-801SP. Washington, D.C.: May 24, 2007.

Military Operations: The Department of Defense's Use of Solatia and Condolence Payments in Iraq and Afghanistan. GAO-07-699. Washington, D.C: May 23, 2007.

Military Operations: High-Level DOD Action Needed to Address Long-standing Problems with Management and Oversight of Contractors Supporting Deployed Forces. GAO-07-145. Washington, D.C: December 18, 2006.

Rebuilding Iraq: More Comprehensive National Strategy Needed to Help Achieve U.S. Goals. GAO-06-788. Washington, D.C.: July 2006.

Afghanistan Reconstruction: Despite Some Progress, Deteriorating Security and Other Obstacles Continue to Threaten Achievement of U.S. Goals. GAO-05-742. Washington, D.C.: July 28, 2005.

Afghanistan Reconstruction: Deteriorating Security and Limited Resources Have Impeded Progress; Improvements in U.S. Strategy Needed. GAO-04-403. Washington, D.C.: June 2, 2004.

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