



**STATEMENT BY**  
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**BEFORE THE**  
**COMMISSION ON WARTIME CONTRACTING IN IRAQ AND AFGHANISTAN**  
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**Introduction**

Chairman Thibault, Chairman Shays, and members of the Commission:

I am Bruce McCarron, currently Regional Director for North America for the United Nations Office for Project Services (UNOPS) and formerly, from 2008 through December 2010, Director of the UNOPS Operations Centre in Afghanistan. I am honoured to have the opportunity to brief the Commission on UNOPS' work in Afghanistan. Nothing in this written briefing statement or oral responses to subsequent questions should be understood to be a waiver, express or implied, of the privileges and immunities of the United Nations or its subsidiary organs, including UNOPS, under the 1946 Convention on the Privileges and Immunities of the United Nations, acceded to by the United States of America on 29 April 1970.

UNOPS was established by the General Assembly of the United Nations and is a UN entity, with the UNOPS Executive Director reporting directly to the UN Secretary-General. UNOPS mission is to expand the capacity of the UN system and its partners to implement peacebuilding, humanitarian and development operations that matter for people in need. UNOPS takes a results-oriented approach to the services it provides. It launches and implements new operations quickly, transparently and in a fully accountable manner. UNOPS delivers approximately \$1 billion through project implementation annually and spends approximately \$60 million administering it.

UNOPS operates on a fee-for-services basis and receives no other form of revenue for its activities. As an international organization it is motivated only to meet the expectations of partners. During periods of conflict or crisis, UNOPS maintains a physical presence on the ground and promotes the ownership and engagement of governments and local communities. While partners may need a public profile for fundraising or advocacy, UNOPS does not and takes a low-key position as a service provider. UNOPS extensive experience and proven track record in its focus areas allows partners to enjoy the benefits of specialization, shared knowledge and economies of scale. UNOPS transparent, accountable management services meet the highest

international standards. Partners are assured consistent performance to agreed standards of quality, timeliness and cost, and safeguards against implementation risk.

### **UNOPS in Afghanistan**

Turning directly to Afghanistan, UNOPS has had a long and proud involvement in the delivery of over USD 1.2bn in infrastructure and other projects to the Afghan people, funded by the Afghan Government and the international community. Current partners include USAID, the World Bank, the governments of Australia, Italy, Japan and Sweden and other UN agencies, funds and programmes.

The delivery of infrastructure in a conflict environment is not easy, yet UNOPS has made notable progress on behalf of our donors. I would like to highlight some key projects here today:

The Ghazi Boys and Sardar Kabuli Girls High Schools. Presently under construction, the two high schools are funded by the US Government (USAID) and represent some of the best standards of construction in Afghanistan. Designed to meet the strict California Building Code for seismic loading as well as the operational demands of several thousand students, these facilities will be the best in the Afghan Education Ministry's portfolio.

The Women's Dormitory at Kabul University. Completed under UNOPS in 2008 with USAID funding, and inaugurated by Mrs Laura Bush, this vital facility represents the ideal model for infrastructure delivery in Afghanistan. The original dormitory, destroyed during the long war, was refurbished and then populated with female university students and administration and logistics to sustain the facility as well as the students. One key component was the establishment of a security system to protect the women from threats posed by anti-government elements (AGE).

Afghan Customs Department. Presently underway, this two-phase programme is funded by the World Bank and includes the construction of new facilities, capacity building of local staff and the creation of systems aimed at providing a viable customs service. A positive indicator is the achievement of revenue targets for the Afghan Customs Department two months early, of the end of the last financial year. The successful delivery of phase one has led to the recent approval of a further USD 50m second phase under UNOPS project management.

Secondary Roads. UNOPS delivery of the USAID secondary roads project, completed in 2007, has provided 875 km of mainly asphalt roads and substantial economic benefit to the Afghan community.

QIP (Quick Impact Project). UNOPS delivered 108 separate small quick impact projects across Afghanistan providing buildings, clinics, bridges, runway repair and other small but essential initiatives. Funds were provided by the US Government (USAID) and allowed outreach to be extended to the remotest parts of the country.

### **Addressing Problems in Contracting**

The list of US Government funded projects implemented by UNOPS is extensive, and includes many Government buildings (Afghan Geological Survey, Ministry of Commerce and Industry, Kabul University and others).

Other noteworthy infrastructure projects, funded by the international community, include thousands of miles of roads and extensive bridges constructed under UNOPS project management.

Despite the very real security-related limitations, it has been possible to implement substantial infrastructure projects in Afghanistan. Stating this is not meant to downplay the impact of the security risk on the delivery of capital infrastructure programmes. The delivery of infrastructure and other projects by UNOPS has been directly impacted by the deteriorating security conditions. Construction companies willing to operate in Afghanistan are limited and the maturity of the locally-based companies has taken a long time to develop. Further, Afghanistan has been blighted by well-documented corruption issues, adding to the mix of difficulties that must be overcome when undertaking wartime contracting.

Proper Site Preparation: UNOPS project managers and design teams come from a diverse background but all with internationally-accredited qualifications in their specialty areas. Site preparation is key within any construction project but in Afghanistan there is the additional complexity of land ownership, political pressure to develop perhaps less ideal sites, and leftovers from war such as mine fields and unexploded ordnance as well as the threat of new IED's. In one example, UNOPS was tasked by the Government to build a customs facility at a site near Khost. On the first visit to the site the UNOPS convoy was attacked using an IED and it became clear that the site contained internally displaced persons. The choice of a new more appropriate site became a delicate negotiation.

Construction Management: Operating almost without regulation, the Afghan construction industry has a range of vendors from very poor to very good. This situation makes construction management even more essential if the investment made by the international community is to be effective. UNOPS construction management teams operate throughout the country ensuring vendors meet the required standards in time and quality.

Security Challenges: As I mentioned earlier, security in Afghanistan is a major consideration for UNOPS and our staff have been directly impacted by abductions, IED's, threats and intimidation from the various anti-Government and criminal elements operating across the country. This has necessitated special and detailed security risk assessments and plans in order to continue operations. In Thakar Province, for instance, UNOPS is delivering customs and border infrastructure, funded by the Government of Japan, in a security environment that has deteriorated rapidly in the recent past and has led to additional costs in lost materials, inefficient transport and defensive works in addition to delays in works programmes. All partners have been kept abreast of the challenges and the impact on the bottom line. UNOPS has found, through long and sometimes bitter experience, that infrastructure cannot be effectively delivered in Afghanistan without a serious social inclusion effort working in parallel, as well as the provision of security forces. UNOPS does not, at present, use international security providers in Afghanistan. We have found that, when allocated appropriate resources, the Afghan National Security Forces (ANSF) can be effective. The Commission recently visited the Ghazi High School project in Kabul; that site is protected by ANSF on special assignment to UNOPS.

Host Nation Involvement in Project Selection: UNOPS maintains a very close liaison with the Afghan Government through the UN Country Team as well as our direct relationships with the ministries of Finance, Public Works, Rural Rehabilitation and Development, and Agriculture, Irrigation and Livestock. At present, over 80% of our project work is on agreements with the Afghan Government, while the remainder is bilateral with the governments or agencies of Australia, Italy, Japan, Sweden and the USA. The close relationship between UNOPS and the Afghan Government ensures that the host nation is thoroughly involved in project selection, and benefits from capacity building in the ministries concerned.

Cost, Schedule, Quality: UNOPS has invested in the necessary training and systems to ensure that best practice is observed in infrastructure project management. In wartime contracting, operational imperatives can often arise that might pressure implementers to cut corners or take inappropriate management decisions. UNOPS has ensured that it has the procedures in place to respond to project demands in an accountable manner, including special emergency procurement procedures that allow for appropriate risk management while keeping tight control on when the procedures can be implemented. UNOPS also encourages its partners to make appropriate allowance for management team composition and to recognize risk by establishing a project contingency. Unfortunately, many donors choose not to recognize the link between risk and contingency and prefer not to allocate any funding. This will always lead to delays when project managers have no room to manage risk and must either de-scope from the project or seek additional funding. I could expand on this issue and its implications for the Commission if needed.

Labour-Based Techniques And Community Involvement: UNOPS works hard to ensure that communities are involved in infrastructure projects by providing employment, skills and livelihoods. For example in managing a series of programmes improving over 10,000 km of roads on behalf of the Government of Afghanistan more than 13 million labour days were created, primarily for rural and impoverished groups. Insecure and politically complex environments like Afghanistan require UNOPS staff to develop close and supportive working relationships with local counterparts. Village elders often play a crucial role in helping to explain project goals, objectives, and challenges to communities. Beneficiaries are then better able to understand how our work will impact on their lives and how best to maintain projects and to secure a sense of ownership long after we, as international development actors, have gone.

Culturally Appropriate Construction and Sustainability: UNOPS has observed for some years that the massive international investment in infrastructure in Afghanistan has not included the concept of maintainability. UNOPS design teams, composed of international and local architects and engineers, seek to ensure new infrastructure is maintainable and appropriate. Recent experience has also emphasized the need for safe buildings. The Ghazi Boys High School, which the Commission visited soon after the USAID Administrator, is an example of safe, high quality, maintainable and appropriate construction. Likewise, the Kabul University Women's Dormitory meets those criteria. Unfortunately for Afghanistan there are examples where this has not been the case, mainly as a result of poor project planning and budgeting, de-scoping or simply a lack of user capacity to implement maintenance or operational works. Some examples come to mind where buildings have been handed over without the ability of the user to fuel the power generator, pay for utilities or cleaning services. USAID had the foresight in the case of the Women's Dormitory project to ensure an element was provided to run and maintain the facility until the Afghan Ministry of Higher Education was able to take over fully.

Past Performance: I have mentioned several examples of UNOPS infrastructure projects in Afghanistan. All are funded by the international community and the Government of Afghanistan. Despite the almost exponential rise in security incidents over the past few years, there is an extensive record of achievement in infrastructure as well as other areas such as mine action, electoral logistics support, biodiversity, and demobilization and disarmament projects. UNOPS has not been immune to the difficulties of delivering in a wartime setting; indeed, it was UNOPS initiated control measures that enabled the identification of the issues. UNOPS has responded quickly to resolve any areas of concern with a strong emphasis on financial control and auditing.

Quality Control Issues: I have mentioned the Ghazi High School before and it perhaps represents the pinnacle in quality control in Afghanistan. As a facility that the Commission viewed during its visit to Afghanistan, I hope that it will be readily acknowledged that it is a very well-constructed building with all materials exceeding the specified quality standards. This was not the case at the start of the project. UNOPS was faced with a decision that required the removal of the initial contractor on performance

grounds. Not an ideal situation, but this led to the selection of a new contractor who could meet the required standards on time. UNOPS construction management and quality control personnel operate throughout Afghanistan. In Kabul, there has been a marked increase in the availability of high quality construction materials. Remote operations are more difficult as the number of capable vendors is reduced and the cost of materials is increased. Examples of high quality works include the Thakar Border post in the north, the Tirin Kout Bridge in Uruzgan and many others.

### **Conclusion**

From UNOPS' extensive experience, as I hope my statement has shown, wartime contracting in Afghanistan faces many challenges ranging from generic challenges related to construction, project and contract management, through to location-specific challenges such as security threats. Nonetheless, the international community's ongoing investment in this area indicates the important contribution to peacebuilding, humanitarian and development objectives provided by infrastructure development. It also demonstrates that results can be achieved even in the most challenging environments.

Thank you again for the opportunity to brief the Commission on this important subject and I stand ready to answer any questions.