

Design/Build Projects in Afghanistan: Identifying and Mitigating Risks

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About Aziz Azimi

- **Over 30 years of business and management experience in corporate and government contracting**
- **BS, Mechanical Engineering,
*George Washington University***
- **MS, Energy and Power,
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- **MBA studies,
*George Washington University***

About Technologists, Inc.

- **Established in 1999**
- **Very Strong presence and capacity in Afghanistan**
 - 17 Completed projects
 - 16 Ongoing projects
- **Multiple contracts and projects with the U.S. government**
- **Services:**
 - Engineering Services
 - Management Services
 - Operations Support
- **HQ in Rosslyn, Virginia**

Defining Risk Management

risk

Etymology: French *risque*, from Italian *risco* Date: circa 1661

1. Possibility of loss or injury
2. Someone or something that creates or suggests a hazard

manage

Etymology: Italian *maneggiare*, from *mano* hand, from Latin *manus* Date: 1561

1. To handle or direct with a degree of skill
2. To succeed in accomplishing
3. To achieve one's purpose

Identifying Risks

What type of risks does a design and build company operation in not-so-friendly (post-conflict/in-conflict) environment face?

- **Security**
- **Lack of capacity**
- **Institutional**
- **Procurement**
- **Mother Nature**

Security Risks

- **Terrorism (enemy combatants)**
 - Armed Attacks
 - IED (Improvised Explosive Device)
 - Threat against employees
- **Criminal Activities**
 - Abductions
 - Looting/burning
 - Others

Lack of Capacity - Related Risks

- **Lack of knowledge of new technologies, materials & practices**
- **Lack of good middle-management skills**
- **Lack of good sub-contractors (specialists)**
- **Communication problems throughout the chain (from client -customer-contractor-subcontractor)**

Institutional Risks

- **Loss of Corporate Memory by “changing of the guards” too often**
- **New people may not have absorbed the required training about the environment, situations, conditions, & others**
- **New people do not have the expertise, as a result creating undue problems (too bureaucratic)**
- **Design in absentia and in a vacuum (a shoe that fits all syndrome)**
- **Host Government risks (corruption, land issues...)**

Procurement Risks

- **Getting specialty equipment and materials into the country (geopolitical issues, Iran, Pakistan, “North-stans”)**
- **Finding ordinary materials or journeymen in certain parts of the country—resulting in completion delays, or in certain cases, it is the cause for no bid**
- **Price fluctuations (steel, cement ...)**

Mother Nature (on a Tight Schedule)

- **Locations with a long history of flooding**
- **Exceptionally cold winters**
- **Dust storms**