

## Money Pit: The Monstrous Failure of US Aid to Afghanistan



Joel Brinkley: JANUARY/FEBRUARY 2013

More than half of Afghanistan's population is under twenty-five, which shouldn't be surprising since the average life span there is forty-nine. But the United States Agency for International Development looked at this group and decided it needed help because, it said, these young people are "disenfranchised, unskilled, uneducated, neglected—and most susceptible to joining the insurgency." So the agency chartered a three-year, \$50 million program intended to train members of this generation to become productive members of Afghan society. Two years into it, the agency's inspector general had a look at the work thus far and found "little evidence that the project has made progress toward" its goals.

The full report offered a darker picture than this euphemistic summary, documenting a near-total failure. It also showed that USAID had handed the project over to a contractor and then paid little attention. Unfortunately, the same can be said for almost every foreign-aid project undertaken in Afghanistan since the war began eleven years ago.

In a recent quarterly report, the US special inspector general for Afghanistan reconstruction said that, when security for aid workers is figured in, the total amount of nonmilitary funds Washington has

appropriated since 2002 “is approximately \$100 billion”—more than the US has ever spent to rebuild a country. That estimate came out in July. Since then, Congress has appropriated another \$16.5 billion for “reconstruction.” And all of that has not bought the United States or the Afghans a single sustainable institution or program.

What has all that spending accomplished? “The short answer is not so much,” said Masood Farivar, a senior Afghan journalist. Or, as the International Crisis Group put it, “despite billions of dollars in aid, state institutions remain fragile and unable to provide good governance, deliver basic services to the majority of the population or guarantee human security.”

So, has the United States utterly wasted more than \$100 billion? Karl Eikenberry, former US ambassador and military commander in Afghanistan, notes that the state has more roads and schools than ever before. More people in Kabul have electricity. “There have been impressive gains in education and health,” Eikenberry said. “Transportation in Afghanistan is better than at any time in history.”

All of that is true, although these gains were achieved starting from “an extremely low base,” as the World Bank put it. In fact, when the United States invaded in 2001, the nation was destitute, its population almost totally illiterate, and Kabul, its capital, largely a collection of mud huts. By almost any measure, Afghanistan was—and may still be—the most primitive nation on earth.

After all the money spent, still today, the CIA says, Afghanistan has the world’s highest infant mortality rate; one hundred and twenty-two of every thousand children die before they reach age one. UNICEF reports that fifty-nine percent of the nation’s children grow up “stunted” for lack of nutrition during the early years of life. That’s the world’s second-worst rate, behind Ethiopia. And even after more than a decade of intensive development aid from not only the United States but dozens of other nations, Afghanistan still ranks near the bottom on per capita income, literacy, life expectancy, electricity usage, Internet penetration, and on the World Bank’s broad Human Development Index.

As for all those new schools: The Taliban have attacked, bombed, or blown up hundreds of them—more than one hundred just last year, the UN reported. And for those that remain standing, few have electricity or running water. Teachers are barely educated, often unpaid, “and the text books are mostly outdated,” said Javid Ahmad, an Afghan writer and former aid worker there. “They’re mostly Pakistani, Iranian or Indian, published in the seventies or eighties.”

People love to talk about how many more girls are in school now, he acknowledged. But no one talks about what they’re actually learning.

It would be easy to blame all of this on the Afghans, and of course the state’s corrupt, ineffectual government is playing an important role. But the United States, its aid agencies, and its contractors carry a lion’s share of blame. A few weeks after Hillary Clinton took office as secretary of state in 2009, she was despairing about the effectiveness of aid to Afghanistan: “There is very little credibility for what was invested,” she said. “It’s heartbreaking.” From that day forward, she promised, the government would “look at every single dollar, as to how it’s spent and where it’s going, and trying to track the outcome.”

Well, almost two years later, when Pentagon Inspector General Gordon Heddell was testifying before Congress, Representative John F. Tierney, a Massachusetts Democrat, asked him about still another case when a contractor overbilled the government—by more than \$500 million this time. Heddell

acknowledged: “Obviously this is an example of just about how bad it can get. And, clearly, this happened. It wasn’t a well-designed, well thought out contract.”

Then last September, the special inspector general’s office, widely known as SIGAR, noted that for the 2012 and 2013 fiscal years, the United States has been providing Afghanistan, practically the most corrupt nation on earth, with \$1.1 billion in fuel for the Afghan military—even though the US has made no effort to determine how much fuel the military actually requires.

When SIGAR looked, it found that the Afghan military was counting trailers and other non-motorized conveyances in its list of vehicles needing fuel. What’s more, it had destroyed all records of fuel dispersals between 2007 and 2011, “in violation of DoD and Department of the Army policies,” the report said. Special Inspector General John Sopko told Congress he found this “deeply troubling.”

Anecdotes like these have become so common that congressmen and other government officials, like Hillary Clinton, now have a note of resignation in their voices when they ask why this is so. Thor Halvorssen, president of the Human Rights Foundation, says trying to spend aid money in Afghanistan “is like giving booze and car keys to a teenager.” Or as Eikenberry puts it: It’s like “trying to do development on an outpost on the moon. They’re still stuck in the fourteenth century. It’s just such a depressing thing.”

In all of their nation’s history, Afghans have never seen such wealth or experienced such beneficence as the West is providing now. But instead of creating a model program of nation building, all of that has badly distorted the economy and the people’s expectations.

“Afghanistan in many ways is sort of a perfect case study of how not to give aid,” said Heather Barr, Human Rights Watch’s longtime representative in Afghanistan. “We give money in some very foolish ways.” And Halvorssen sees the problem as “a complete lack of accountability in the way the US government spends money.”

To begin with, nearly a dozen government auditing agencies have been warning for almost a decade about the foolhardy way USAID, the Defense Department, and other agencies hand over multimillion-dollar construction projects to private, for-profit contractors—and then completely neglect to monitor what they’re doing with the money, leading to some amazing failures.

As the Government Accountability Office put it in a damning report just a few months ago: “We reported in July 2004 that DoD did not always have sufficient oversight personnel to manage and oversee” its contracts in Afghanistan. “In December 2006, we noted that without an adequate number of trained oversight personnel, DoD could not be assured that contractors could meet contract requirements efficiently and effectively.”

Then, “in 2007, the Commission on Army Acquisition and Program Management” found that contract managers “had no experience managing contracts” and received inappropriate training. In 2011, the report added, the congressional Commission on Wartime Contracting reported “poor performance by contractors had resulted in wasted resources, missions not being achieved and the loss of lives.”

And then, in that same report, the GAO cited several embarrassing miscarriages:

For \$130,000, Afghan contractors built a large shower/bathroom facility “without holes in the walls or floors for plumbing and drains.” What’s more, the walls were constructed of “crumbling cinder blocks.” The report blamed insufficient oversight. That was most certainly true. But in addition, UNICEF statistics

show that seventy percent of Afghans have no access to a toilet and may in fact never have seen one. How could they know what's involved in installing them?

Defense Department personnel told the GAO about "a dining facility in Afghanistan that was built without a kitchen," once again because of absent oversight.

A guard tower "at a forward operating base was poorly constructed and unsafe to occupy. The staircase was unstable and not strong enough" to climb. As usual, the problem wasn't discovered until the tower was finished. "It had to be torn down."

"In another instance, an entire compound of five buildings was built in the wrong location." It was supposed to be located within the military base's security walls, but the contractors inexplicably built the compound just outside—for \$2.4 million. No one noticed until the project was completed. "The buildings could not be used."

At the heart of these problems and so many others sits the "contracting officer's representative," widely known as the COR. He's "ultimately responsible for insuring that contractors meet the requirements set forth in the contract," the GAO notes.

A COR may or may not be in the military. But all of them share certain qualities, according to several government reports. Few have any background in contracting or oversight. They are woefully under-trained. Most have another job and can oversee contracts only in their spare time. The military and aid agencies hire too few of them; some have a dozen or more contracts in various locations they're supposed to monitor all at the same time.

CORs work in an extremely dangerous environment, so they can't always even get to the contract sites. As a result, multimillion-dollar contracts are often handed over to companies that are left entirely alone to pursue the projects as they see fit. Very often, American officials see or hear nothing about the work until it's finished and the contractor comes by to be paid. How else could an entire compound be built, finished, and made ready to use before anyone noticed it was outside the security wall?

There could be no better example of what ails the effort to build Afghanistan than USAID's absurdly named IDEA-NEW program. The purpose of this five-year, \$150 million endeavor was to create new economic opportunities for the nation's opium-poppy farmers that would dissuade them from the illicit trade that has made Afghanistan the world's largest supplier of opium, used to make heroin.

As soon as the first tranche of money from Washington arrived in Afghanistan, the program administrators, without telling anyone, decided they just didn't like this idea. So they began spending millions of dollars to provide local economic opportunities—without any regard to the drug trade. Even at that they did a poor job. For example, they hired workers to build or repair three hundred and seventy-seven kilometers of irrigation. The workers managed only forty.

Typically, of course, USAID staff "did not make sufficient site visits to properly monitor the program and did not analyze progress reports or confirm their accuracy," the agency's inspector general later said.

During the course of this program intended to turn farmers away from poppy cultivation, the UN said Afghanistan's opium crop actually surged by sixty-one percent. The nation still produces 90 percent of the world's opium.

The problems are not limited to development contracts like this one. The United States has spent at least an additional \$51 billion to train the Afghan military since 2002, and in its most recent semi-annual report to Congress on the war, the Pentagon offered ebullient enthusiasm for the Afghan defense minister's battle against "widespread corruption" in his department.

Military chief Abdul Rahim Wardak, the report boasted, "has personally taken ownership of anti-corruption reforms within the Ministry of Defense and is fighting to make" his ministry "an example for the rest of Afghanistan."

A few weeks later, in an event that could stand as a parable for the entire training mission, Wardak was forced to resign after the Afghan Parliament voted to dismiss him because of widespread corruption in his ministry. (Almost right away, President Hamid Karzai gave Wardak a prestigious medal and appointed him as his "senior security advisor.")

After ten years of training, Afghan security forces remain totally incapable of operating on their own, as the US military quietly acknowledges. And the Afghan government remains so corrupt and ineffectual that, as the Army said in that report to Congress, it "bolsters insurgent messaging." In other words, great PR for the Taliban.

The US military budgeted \$11.2 billion more for military training during 2012 and has requested another \$5.8 billion for 2013. Meanwhile, military trainers, almost on the sly, changed the rules for judging their success. Since training began, they had measured their progress by counting the number of newly trained Afghan units capable of fighting independently, without any assistance from NATO forces. Now the training mission acknowledges that none of the Afghan forces are ready to fight on their own. The highest rating for trained Afghan forces today is "independent—with advisers." In other words, Afghan units that can fight effectively only if US or other NATO troops come along. And the military reports that only fourteen percent of Afghan army units are capable even of that. Of course, the larger problem is that, soon enough, they will have no coalition forces to call upon.

Another big problem is illiteracy. Almost three years ago, when Lieutenant General William B. Caldwell IV took command of the NATO training mission, he noted that "overall literacy" among Afghan military and police stood "at about fourteen percent."

How can an illiterate policeman read a license plate, the general asked. How can a soldier fill out a form, read an equipment manual, or "calculate trajectory for field artillery?"

Now, even though these concerns have been on the table for years, the special inspector general for Afghan reconstruction said in last summer's report: "The literacy rate of" Afghan security forces "as a whole is 11 percent."

In almost every measurable way, the training mission is losing ground. In a 2010 status report, the mission said it lacked trained, competent men to serve as noncommissioned officers—an essential need for any military. The report cited "a shortage of approximately" ten thousand five hundred noncoms. Two years later, after huge expenditures, the military told Congress, the Afghan army is now short by ten thousand six hundred.

And then there's the so-called attrition problem, soldiers who simply don't show up. Most are deserters. That has forced NATO trainers to change the rules once again. Previously, if eighty-five percent of a unit's

personnel showed up for duty, that was deemed sufficient. Now, the military says, it's willing to accept "not less than seventy-five percent" of authorized levels. The military has to replace one-third of the force each year because of desertions and low re-enlistment. In its most recent report, SIGAR had even more bad news. As Western forces begin drawing down, they are turning over more and more of their forward bases and equipment to Afghan security forces. But the special inspector general found that they "do not have the capability to operate and maintain garrisons and training centers built for them." As a result, "billions of dollars of US taxpayer funds will be at risk of going to waste."

Last February, for example, American soldiers turned over a forward operating base west of Kabul to their Afghan counterparts. When the Americans returned in August, they found what they described as a "dismal scene." The Afghan soldiers hadn't kept up the generator and were down to three hours of electricity a day. Nearly all of their vehicles had broken down. They had no working night-vision goggles, so they were largely defenseless after dark.

The problem isn't just their barracks. The US tried to install anesthesia, X-ray, ventilator, and defibrillator devices worth \$1.75 billion in Afghan military hospitals, but SIGAR found that Afghan staffers were completely incapable of maintaining the equipment because they did not have "the requisite technical expertise." US officials issued a "stop work" order.

During the early 1980s, when the Soviet Union occupied Afghanistan, "significant Soviet funding" went to train Afghan soldiers and police fighting anti-government forces, the International Crisis Group reported. Just like today, however, Russians "were unable to stem desertions in the military," forcing Moscow to send in one hundred and five thousand more of its own troops. Eventually, of course, the Soviet Union was forced to withdraw, and the Afghan military immediately began to dissolve.

Eikenberry and others place part of the blame for all of these problems on the foundations of the modern state, settled during the Bonn Conference in 2002, when Afghan officials, along with American and other Western leaders, devised the country's post-Taliban form of government.

"The state that was constructed in 2002 wasn't in accord with realities on the ground," Eikenberry said. The participants settled on a unitary national government, even though "Afghanistan has never had a strong unitary state. That was an error of the international community and an error of the Afghans." Actually, it seemed to be another case of wishful thinking. Western leaders wanted to build an Afghan state that looked just like their own. But as Human Rights Foundation President Thor Halvorssen put it, that couldn't work because "everything is impacted by the culture of the place where you are working."

Even now, more than ten years later, James Hoge, chairman of the board for Human Rights Watch, said: "The government remains all but invisible in much of the countryside." The provincial and local governments the West has tried to strengthen, he added, "have not responded very well. There's a government vacuum."

Incredibly, since 2003 USAID has spent \$1.1 billion on promoting "local governance and community development." Once again, it failed to monitor the ongoing work, the special inspector general reported, and continues spending money on it despite "indications that, at best, the program had mixed results"—a generous assessment.

Today, local warlords and almost non-existent local government officers are the only people available to backstop the CORs. But locals regard foreign contractors, NGOs, and human-rights organizations with

suspicion, Masood Farivar, the Afghan journalist, said. "They view them as another arm of the American-led occupation pursuing their own vested interests."

As for the contractors, the rules require US aid officials to hire Afghans first, if qualified people are available. Whether the workers are Afghan or foreign, Afghan writer Javid Ahmad is despairing of the system in play now.

"I've been through this; I've watched them," he said. "They forge reports. They say: 'We've done this or that.' I'm very skeptical about how millions more dollars are going to help."

But that's what the world is planning to do. At a summit in Tokyo last summer, American and other world leaders pledged \$16 billion more in nonmilitary aid to be spent through 2015, the year after Western forces are supposed to leave. In their formal declaration, the conferees said they wanted to emphasize "the importance of the delivery of assistance through adhering to the principles of aid effectiveness, that they cannot continue 'business as usual' and must move from promise to practice." After all, it added, "good governance is essential for strong economic development and improved livelihoods of the Afghan people." So a "paradigm shift" is required going forward.

Hardly anyone seems optimistic about that after a decade of failure.

Ahmad, now with the German Marshall Fund in Washington, talks about what he calls his country's "donor-drunk economy." And Heather Barr, the Human Rights Watch Afghan representative, is one of many who believe Western aid helped create many of the problems aid agencies are trying to solve: "We, the international community, helped create an environment for corruption to take off the way it has. And we set some pretty good examples for the Afghans in that regard."

As former ambassador Eikenberry put it, "We know we have created a distorted, wartime economy." And Barr believes "we have conditioned every Afghan to believe that donor money is the solution to every problem." The World Bank describes this deep, endemic aid dependency as "almost unique" in the world. Governance, it added, "has worsened in recent years."

When aid officers and others look at the mess America will soon be leaving behind, often they are left with cold solace. As Human Rights Watch's James Hoge says, "If we weren't doing what we're doing there, the question is, would things be better, or worse there?"

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