



Prepared Remarks of
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“Learning From Aid Spending in Afghanistan for other Fragile/Conflict States”
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Thank you for that introduction and I would like to thank RUSI for hosting this discussion. It is an honor to have this opportunity to discuss lessons learned from the reconstruction effort in Afghanistan and their applicability to other conflicts, including Ukraine.

SIGAR 101

Let me briefly explain what SIGAR is and what we do.

The U.S. Congress created SIGAR in 2008 to combat waste, fraud, and abuse in the U.S. reconstruction effort in Afghanistan. They did so because of the immense sums of money that the U.S. was spending at that time. Ultimately, over two decades, the U.S. taxpayer provided \$147 billion for Afghanistan’s reconstruction. I was appointed by President Obama and have continued to serve under Presidents Trump and Biden.

WHOLE OF GOVERNMENT

SIGAR has both auditing and law enforcement responsibilities, and we are not housed within any government agency – we are independent. Our cross-agency jurisdiction is critical as operations like those in Afghanistan – and Ukraine– involve multiple U.S. agencies and multiple nations. To be truly effective, oversight agencies must have “whole of government” and “whole-of-governments” jurisdiction.

SIGAR’s uniquely broad authorities have allowed us to create a lessons learned program designed to recommend solutions to the problems we were identifying on the ground, and many of those lessons we believe are applicable beyond Afghanistan.

SENATE REQUEST/12 LESSONS LEARNED REPORTS

For example, four U.S. Senators recently requested that SIGAR outline the lessons from Afghanistan that are applicable to Ukraine. Our response – some of which I will discuss today – is based on not only our over 700 reports issued over the last 15 years but also our twelve comprehensive lessons learned reports.

LESSONS FROM AFGHANISTAN

Many would like to forget our Afghanistan experience and never discuss it again. However, if we do not learn the truths from that failure, we will repeat them. Afghanistan is unique, and definitely is not Ukraine – and that is good. But the way governments and international organizations address many of the challenges they face in a reconstruction mission tend to be the same from mission to mission. This makes it critical that we learn the lessons from Afghanistan that came at such great cost.

CORRUPTION

Perhaps the single greatest challenge in Afghanistan was corruption. It undermined the international mission by enabling predatory behavior, exacerbating local conflict, and channeling support away from the government.

The coalition did not recognize corruption as a critical threat to its core reconstruction goals until far too late. Anticorruption efforts must be considered “mission critical” from the very start of a reconstruction effort.

CORRUPTION/ABSORPTIVE CAPACITY

Not only did the coalition not address corruption – we contributed to it. The rapid influx of international assistance into Afghanistan overwhelmed the country’s institutions and administrative capacities. At one point, U.S. reconstruction assistance exceeded Afghanistan’s GDP, more than double the estimated absorptive capacity of the Afghan economy. The flood of money, combined with poor oversight and contracting practices by donors, increased opportunities for corruption.

UNREALISTIC TIMELINES DRIVEN BY NEED TO SHOW PROGRESS

Another lesson from Afghanistan is that the pressure to demonstrate progress

led to unrealistic timelines imposed by the US and other donors that ignored conditions on the ground and created perverse incentives to spend quickly and focus on short-term goals. Contracting officers were graded on how much money they put on contract – not on how that contract performed. The difficulties of operating in an active combat environment, which limited the mobility of oversight personnel did not help.

LACK OF COORDINATION WITHIN USG/WITH COALITION

A lack of effective coordination – both within the U.S. government and across the international coalition – was another obstacle to success and resulted in a disjointed patchwork of ineffective efforts, rather than a united and coherent approach.

This was particularly true of the coalition’s attempt to build Afghanistan’s security sector. We found that no single person, agency, military service, or country had ultimate responsibility for all U.S. and international activities to develop the Afghan security services or their governance structures.

PROBLEMS WITH OVERSIGHT COORDINATION AMONG DONORS

International coordination issues also inhibited effective oversight of donor funds, as each country involved conducted its own oversight work. For example, in 2014, SIGAR learned that the European Anti-Fraud Office recommended that the EU withhold half of its contribution to the trust fund in Afghanistan that paid police salaries due to financial mismanagement. But we found that the main U.S. office charged with training the Afghan security forces was unaware of the European concerns.

M&E PROBLEMS/INPUTS & OUTPUTS VS. OUTCOMES

SIGAR also found that government agencies rarely conducted sufficient monitoring and evaluation to understand the impact of their efforts. Most policymakers probably want to know whether the program they’re funding is working or not. But too often, as a government, we had no idea. Money was poured into a fragile environment with no concept of whether those projects achieved their goals, or even where all the money was going.

Agencies measured inputs (the amount of money spent) and outputs (was the clinic built?), but not the outcome (whether the clinic was being used and had trained staff and adequate supplies).

For the agencies, it was easy to put out press releases they were aiding the Afghan people – but often the agencies didn't know whether their money was actually helping.

OVERSIGHT CHALLENGES – MULTILATERAL ORGS AND TRUST FUNDS

The U.S. government – and I suspect our coalition partners – also face significant challenges related to oversight of funds donated through multilateral organizations like the UN and the World Bank. Funds sent through these organizations are subject to fewer oversight controls by their donor governments than money spent by governments directly.

Multilateral funding has the advantage of being more flexible but the disadvantage of having fewer or poorly enforced information-sharing requirements. It may be expedient to hand funds over to the UN and World Bank, but if governments choose to do that, they must insist on access to records and the ability to conduct oversight of the programs they're providing funds for.

PRIVATE SECTOR = NEW ELEMENT

Finally, donor coordination may prove even more challenging in a comparatively wealthy country like Ukraine where the private sector is likely to play a much more significant role in reconstruction financing that it did in Afghanistan, introducing new actors with their own goals and objectives and possibly, resistance to coordination and oversight.

Thank you and I look forward to the discussion.