



Prepared Remarks of
John F. Sopko
Special Inspector General for Afghanistan Reconstruction
“Remarks on 2019 SIGAR High-Risk List”
Center for Strategic and International Studies
Washington, D.C.
March 28, 2019

Thank you for that kind introduction. Let me start by thanking Dr. Cordesman, a longtime friend whose research and insights have been invaluable to me since the 1980’s when we both were on the Hill. At that time, I was running oversight investigations for Senator Nunn down the hall from where Tony was advising Senator McCain on national security issues. Likewise, I also want to thank Dr. Seth Jones, who literally wrote the book on the war in Afghanistan, and who was one of the first experts I sought out after my appointment nearly seven years ago. And, if you haven’t already, you should pick up and read his “Graveyard of Empires” which is just as relevant today as when it was published a decade ago.

I would also like to acknowledge Dr. John Hamre, especially as I stand here in CSIS’s beautiful headquarters facility which I like to call the house that Hamre built. John is also another valued friend and colleague from Senator Nunn’s office and a refugee from the not-as-splendid cramped quarters of the Russell Senate Office building. This edifice stands not only as a monument to the great CSIS scholars who work here but also to John’s foresight and leadership.

But I am here this morning not to just reminisce about valued colleagues, but rather to discuss the latest edition of SIGAR’s High-Risk List for Congress, which identifies serious threats to our nation’s \$132 billion investment in Afghanistan’s reconstruction. A little over two years ago, just before President Trump’s inauguration, I stood here at CSIS to release our last High-Risk Report.¹ SIGAR issues these reports at the beginning of each Congress, and like its predecessors, this report focuses on key areas of the reconstruction effort in Afghanistan that we believe to be at a high risk of waste, fraud, abuse, mismanagement, or more importantly, based upon our prior work, mission failure.

However, today’s report differs from the previous two because, as you all know, the U.S. government is engaged in negotiations with the Taliban that could lead to a peace agreement to end America’s longest war – an outcome we all support. Because SIGAR’s authorizing statute requires me to “make recommendations on policies designed to promote economy, efficiency, and effectiveness in the administration of the programs and operations [of the reconstruction effort],” this High-Risk List addresses not only current risks to the reconstruction effort, but also those that may persist or arise

in the wake of any peace agreement.²

A peace agreement would be welcomed by the long-suffering Afghan people. But it could bring its own set of challenges to sustaining what the United States, its coalition partners, and the Afghan government have achieved over the past 18 years. Likewise, there are risks to the goal of leaving behind a stable Afghanistan at peace with itself and its neighbors, and which respects the rule of law and human rights.

But let me be clear. SIGAR is not taking a position on whether a peace agreement is achievable, imminent, or practicable. Nor are we predicting or speculating in what context or scenarios a deal might emerge or what provisions it would or should include – that we leave to the Administration and Congress.

What this report does do is highlight areas of the reconstruction effort that are currently at serious risk and points out grounds for reasonable concern regarding risks that may persist, be magnified, or emerge despite – or even because of – a peace deal.

As the old adage goes, failing to plan is planning to fail. Policymakers should be planning for what may come in the days, weeks, months, and years after any peace agreement is reached. We hope this report will help inform efforts to prepare for “the day after.”

More than 2,400 members of the U.S. armed forces have lost their lives in Afghanistan, and the United States has obligated more than \$780 billion for total efforts in that country, with about fifteen percent of that going toward reconstruction.³ SIGAR’s job is to protect that investment. Every effort must be taken to ensure that the progress purchased with that sacrifice of blood and treasure is not lost because we failed to think about what lies beyond the immediate horizon.

Continued Financial Support

The first matter that every policymaker should take into consideration, whether or not a peace deal is reached, is simple. Without financial support from international donors, the government of Afghanistan cannot survive. Should peace come, if that peace is to be sustainable, it will come at an additional price that only external donors can afford.

Sluggish economic growth, historically anemic revenue collection, and a general lack of economic opportunity, combined with massive government obligations and rampant public corruption, means that Afghanistan will not have the capability to fully finance its own expenditures for many years to come.

In the next year, the government of Afghanistan anticipates spending

approximately \$5 billion.⁴ Over fifty percent of that amount is expected to be funded by international donors.⁵ The Afghan government plans to contribute twenty percent of its domestic revenue -- \$500 million -- toward its own defense against the insurgency and terrorist groups. The Defense Department estimates security funding requirements for Afghanistan for the year to be about \$6.5 billion, of which the U.S. Congress is providing \$4.9 billion.⁶

It does not take an advanced degree in mathematics to recognize that if donor support is decreased or eliminated -- whether there's a peace agreement or not -- the Afghan government and its military in particular, will be in dire straits.

The current Afghan security forces are designed to combat the Taliban insurgency. But, even if the Taliban lay down their arms, Afghanistan will still need to protect itself from Islamic State-Khorasan, other terrorist groups operating in Afghanistan and Pakistan, narco-criminal organizations, local warlords, and, potentially, Taliban splinter groups.

There are also over 300,000 Afghans currently serving in the security forces, most of whom are armed.⁷ If, because of a loss of financial support, their paychecks were to stop coming, this could pose a serious threat to Afghanistan's stability.

The Afghan government also needs to pay for health clinics, schools, water and power infrastructure, roads, and all the other services that provide it with legitimacy. Donors will have to continue to provide assistance for those functions as well until the government is able to do so on its own.

And, if a peace agreement is reached and U.S. and coalition forces leave, policymakers should not forget that the Soviet-installed Afghan government did not collapse upon the withdrawal of Soviet troops, but only later, after financial support ended.⁸

Reintegration

Another area of concern will be the long-term, peaceful reintegration of as many as 60,000 heavily armed Taliban fighters and their families back into Afghan society.⁹

Those fighters and their families will face challenges from the weak Afghan economy, few employment prospects, political uncertainty, ongoing insecurity, and distrust from a population traumatized by over four decades of conflict. While SIGAR is currently working on a report looking at lessons from past reintegration efforts in Afghanistan, successful reintegration efforts following other conflicts have generally required extensive government involvement -- including data collection and analysis, information management, vetting, monitoring and evaluation, capacity building of

government institutions, and significant resource mobilization.¹⁰

Unfortunately, Afghan government capacity generally remains weak and any reintegration efforts may suffer from the government's inability to properly fund them. Again, international donors would be called upon to foot the bill. And they should, because a failure to successfully reintegrate Taliban fighters would threaten any peace agreement as disaffected former Taliban who may have been expecting a peace dividend may return to violent and predatory behavior.

Protecting the Gains of Afghan Women

Everyone is aware of how Afghan women suffered at the hands of the former Taliban regime. Unsurprisingly, many Afghans are concerned that any return of the Taliban to the halls of power would set back the progress that has been made by Afghan women over the past 18 years.

Since 2001, millions of Afghan women have voted. Of 320 parliamentary seats, 63 are held by women; Sixty-eight thousand Afghan women are school and university instructors; Another 6,000 serve as judges, prosecutors, defense attorneys, police, and soldiers. And 10,000 women are doctors, nurses, or other health care professionals. All of this would have been unthinkable during the Taliban's reign.¹¹

Yet, let me be very clear, Afghanistan continues to be one of the most challenging places in the world to be a woman. Last year, the United Nations ranked Afghanistan 153rd lowest out of 160 countries for gender equality.¹² Many Afghan women and girls still face significant barriers to obtaining an education and working outside the home. Vast numbers face threats to their own physical safety – often from their own family members. Problems are particularly acute in rural areas, where 75 percent of Afghan women live.¹³

While the U.S. and other donors have prioritized improving the situation of Afghan women, much more remains to be done, which is why SIGAR plans to produce a lessons learned report on gender issues in Afghanistan later this year. There are also misconceptions about how much progress actually has been made – particularly for women living outside of Kabul. Nevertheless, previous Taliban behavior indicates that an attempt to reverse the gains that have been made is certainly a high risk.

Any effort to roll back those gains would almost certainly trigger negative consequences. The United States alone has spent over \$1 billion for gender-related programs in Afghanistan, and improving the status and rights of women in Afghanistan has been a top American priority since the beginning of the reconstruction effort.¹⁴

A return to systematic repression of Afghan women would quickly diminish

Congressional and coalition support for continued assistance to Afghanistan and, in the process, threaten any government reliant on that support. Policymakers should be aware, therefore, that the viability of a post-agreement Afghan state may well depend upon whether women's rights are protected in both word and practice.

Oversight

It is evident that any Afghan government – with or without a peace agreement in hand – cannot currently sustain itself without external donor support. And certainly, the U.S. and other donors want a peaceful, prosperous, sustainable future for Afghanistan. But, as an Inspector General, I cannot countenance throwing taxpayer money blindly in any direction, no matter how righteous the cause. SIGAR was created by Congress to protect the U.S. taxpayer and, in the process, maximize the return on our investment in Afghanistan's reconstruction.

There is no question that conducting oversight in Afghanistan has grown more challenging in recent years as the security situation has deteriorated. But no matter how difficult, oversight remains critical to the success of our mission in Afghanistan, whether there is peace or not.

Of particular concern to me in the oversight field is the suggestion that if the United States reduces its military and civilian presence in Afghanistan, an even greater proportion of our financial support will be provided as on-budget assistance. On-budget assistance is money provided directly to the Afghan government, and where they – rather than the donor – are responsible for managing, overseeing, and monitoring the funds.

On-budget assistance is provided either bilaterally from the donor to the Afghan government; or through a multilateral trust fund, such as the World Bank's Afghanistan Reconstruction Trust Fund, or the UN's Law and Order Trust Fund – Afghanistan, to name a few.

To date, the U.S. has provided about \$9.2 billion directly to Afghan government ministries and institutions, and about \$5.35 billion to multilateral trust funds, which then often provide funds directly to the Afghan government.¹⁵

However, as numerous SIGAR audits and investigations have shown, the Afghan government often lacks the necessary internal controls to ensure that funds are spent on what the donor intended; are protected from waste, fraud, and abuse; and do not contribute to Afghanistan's already sizable corruption problems.

Should U.S. military and civilian personnel levels decrease, the ability to track on-budget assistance will inevitably suffer. There will also be a temptation to provide more

money directly to the Afghan government as our in-country capacity to oversee and manage contracts declines.

One might think that funneling money through multilateral trust funds managed by the World Bank and United Nations might address some of these concerns, but SIGAR has found that the World Bank and UN have had serious problems monitoring the funds they disburse.¹⁶ Further, U.S. agencies have shown very little inclination to monitor into what the funds' financial agents are doing.

If the U.S. reduces its presence in Afghanistan but feels compelled to provide significant financial support for reconstruction, there may be little choice but to provide a greater proportion of funding as on-budget assistance. But if that road is taken, assistance should be conditioned on an independent finding that adequate monitoring mechanisms and internal controls for the Afghan ministry or multilateral trust fund in question are in place.

If those conditions are lacking and assistance is provided anyway, we may as well set the cash ablaze on the streets of Kabul for all the good it will do.

I urge Congress to not just think about how much money should be given, but also to think about how that money will be provided and monitored. If the need for oversight is ignored or sidelined, both the American taxpayer and the Afghan people will suffer, even with a successful peace agreement.

Conclusion

Predicting the future is often a fool's errand, doubly so in Afghanistan. Eighteen years' worth of assumptions that often turned out to be false have left us where we are – with a dependent Afghan government facing a stalemate on the battlefield. While the winds of optimism about peace wax and wane, bombs continue to go off in Afghanistan, killing soldiers and civilians alike. Nevertheless, we must anticipate the problems of tomorrow and hope that by finding the answers, policymakers will be able to avoid the roadblocks that would inhibit the sustainability of any peace agreement that may be reached.

Much has been gained in Afghanistan over the past 18 years, but at a steep cost. We must all be clear-eyed about what peace may mean for reconstruction and the risks we may be forced to address. Neglecting to ask the right questions, failing to plan, and assuming 18 years' worth of challenges will evaporate the day after any agreement is signed will only imperil all that we have spent and the lives that have been sacrificed. That is why we have issued today's report – to encourage policymakers to vigorously think about the "day after."

Thank you very much.

¹ SIGAR, *High-Risk List*, SIGAR 17-25-HRL, 1/17.

² Pub. L. No. 110-181, Section 1229.

³ SIGAR, *Quarterly Report to the United States Congress*, 1/30/2019, pp. 48, 45, 78. SIGAR analysis.

⁴ IMF, *Country Report No. 18/359*, 12/2018, p. 25. SIGAR analysis.

⁵ IMF, *Country Report No. 18/359*, p. 25. SIGAR analysis.

⁶ DOD, Department of Defense Budget Justification for FY 2019 Overseas Contingency Operations (OCO), Afghanistan Security Forces Fund (ASFF), 2/2018, p. 118; SIGAR, *Quarterly Report to the United States Congress*, 1/30/2019, p. 219.

⁷ CSTC-A, response to SIGAR data call, 12/20/2018.

⁸ Shane Smith, "No more '92s: Lessons for U.S. Afghanistan Policy from the Post-Soviet Withdrawal and the Najibullah Regime it Left Behind," Air Force Fellow, Air University, 3/2013, pp. 4, 9.

⁹ DOD, "Advance Policy Questions for Lieutenant General Kenneth F. McKenzie Jr., USMC, Nominee for Commander, United States Central Command," 12/4/2018, p. 9.

¹⁰ UN, *The Integrated Disarmament, Demobilization, and Reintegration Standards (IDDRS): Module 4.30 Reintegration*, 2006, pp. 11-30, 56.

¹¹ USIP, *Afghanistan Talks: No Women, No Peace*, 3/1/2019.

¹² UNDP, "Gender Inequality Index (GII)," n.d., <http://hdr.undp.org/wn/content/gender-inequality-index-gii>, accessed 3/4/2019.

¹³ SIGAR analysis of National Statistics and Information Authority, Islamic Republic of Afghanistan, Estimated Population of Afghanistan 2018-19, 6/27/2018, p. 1.

¹⁴ SIGAR, *Quarterly Report to the United States Congress*, 10/30/2016, p. 3.

¹⁵ SIGAR, *Quarterly Report to the United States Congress*, 1/30/2019, p. 47; SIGAR, *Quarterly Report to the United States Congress*, 1/30/2018, p. 65.

¹⁶ SIGAR, *Afghanistan Reconstruction Trust Fund: The World Bank Needs to Improve How it Monitors Implementation, Shares Information, and Determines the Impact of Donor Contributions*, SIGAR 18-42-AR, 4/19/18; SIGAR, *Inquiry Letter: UNDP Oversight of LOTFA Program to Fund the Afghan National Police*, SIGAR 14-99-SP, 10/6/14.