



Highlights of [GAO-04-403](#), a report to the Senate Committee on Foreign Relations and the House Committee on International Relations

Why GAO Did This Study

In October 2001, in response to the Taliban regime's protection of al Qaeda terrorists who attacked the United States, coalition forces forcibly removed the regime from Afghanistan. In December 2002, Congress passed the Afghanistan Freedom Support Act authorizing assistance funds to help Afghanistan rebuild a stable, democratic society. The act directed GAO to monitor the implementation of U.S. humanitarian and development assistance. This report analyzes, for fiscal years 2002-2003, (1) U.S. obligations and expenditures in Afghanistan, (2) results of assistance projects, (3) the assistance coordination mechanisms and strategy, and (4) major obstacles that affected the achievement of U.S. goals.

What GAO Recommends

To improve oversight, GAO recommends that USAID revise its strategy to delineate goals, resource levels, and a schedule of program evaluations. GAO also recommends that State produce an annual consolidated budget report and semiannual reports on obligations and expenditures. In its comments, USAID committed to preparing a more detailed strategy. State commented that it considers its financial reporting sufficient. We continue to believe improvements are needed.

www.gao.gov/cgi-bin/getrpt?GAO-04-403.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David Gootnick at (202) 512-3149, or GootnickD@gao.gov.

AFGHANISTAN RECONSTRUCTION

Deteriorating Security and Limited Resources Have Impeded Progress; Improvements in U.S. Strategy Needed

What GAO Found

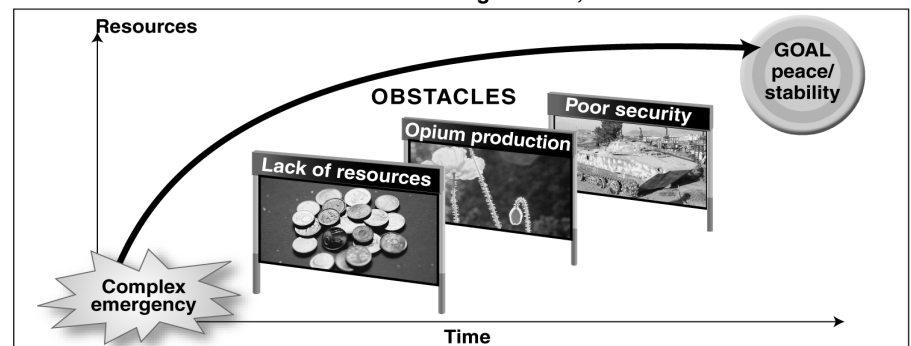
Of the \$900 million that the U.S. government spent on nonsecurity-related assistance in Afghanistan in fiscal years 2002-2003, over 75 percent supported humanitarian efforts, including emergency food and shelter, and over 20 percent supported longer-term reconstruction. USAID, the Department of State, and the Department of Defense spent \$508 million, \$254 million, and \$64 million, respectively, for humanitarian, quick-impact, and some longer-term projects. U.S. funding represented about 38 percent of the \$3.7 billion the international community disbursed over the 2-year period.

U.S. humanitarian and short-term assistance benefited Afghanistan, but longer-term reconstruction efforts achieved limited results by the end of fiscal year 2003 due to late funding. By providing food and shelter to returning refugees and other vulnerable populations, early U.S. assistance helped avert a humanitarian crisis. USAID's and Defense's quick-impact projects also helped rebuild small-scale infrastructure such as schools and bridges. USAID initiated several longer-term reconstruction activities, such as repairing the Kabul-Kandahar road and starting a democracy program. However, because of delays in funding most major assistance contracts were not signed until summer 2003, limiting the results in fiscal years 2002-2003.

U.S. coordination mechanisms for Afghanistan assistance were generally effective, but international assistance was not well coordinated in fiscal years 2002-2003. In addition, the United States lacked a complete and integrated assistance strategy, which hampered the U.S. government's ability to focus available resources and hold itself accountable for measurable results. Further, U.S. officials responsible for coordinating efforts lacked complete financial data, which hindered their ability to oversee the assistance.

In fiscal years 2002-2003, Afghanistan confronted many obstacles that other postconflict nations have faced, such as multiple competing parties. In addition, security deteriorated and opium production increased, thereby jeopardizing U.S. reconstruction efforts. Lack of staff, poor working conditions, and delayed reconstruction funding further impeded U.S. efforts. (See fig. 1.) In September 2003, to expedite progress, the U.S. government announced the "Accelerating Success" initiative, providing \$1.76 billion for reconstruction in 2004.

Obstacles to U.S. Reconstruction Efforts in Afghanistan, Fiscal Years 2002-2003



Sources: Conceptual drawing from GAO analysis; photos left to right: PhotoDisc, Nova Development, GAO.