

GAO Highlights

Highlights of [GAO-14-448T](#), a testimony before the Subcommittee on National Security, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The U.S. government has been engaged in efforts in Afghanistan since declaring a global war on terrorism that targeted al Qaeda, its affiliates, and other violent extremists. The U.S. effort has involved a whole of government approach to disrupt, dismantle, and defeat al Qaeda and its affiliates and strengthen Afghanistan so that it can never again be a haven for terrorists. This approach includes USAID's development assistance and reconstruction efforts, which to date have invested over \$15 billion in Afghanistan since 2002.

To assist Congress in its oversight, GAO has issued over 50 products in the past 5 years focusing on U.S. efforts in Afghanistan. This testimony summarizes the findings from those products related to USAID efforts in Afghanistan and discusses: (1) levels of U.S. direct assistance and need for continued oversight, (2) the importance of routine monitoring and evaluation of USAID projects in Afghanistan, and (3) the need for mitigation planning for how USAID will continue to operate in Afghanistan after the withdrawal of U.S. combat troops.

What GAO Recommends

GAO is not making new recommendations but has made numerous recommendations in prior reports aimed at improving USAID's oversight and accountability of U.S. assistance to Afghanistan. USAID has generally concurred with these recommendations and has taken or plans to take steps to address them.

View [GAO-14-448T](#). For more information, contact Charles Michael Johnson, Jr., at (202) 512-7331 or johnsoncm@gao.gov

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AFGHANISTAN

Key Oversight Issues for USAID Development Efforts

What GAO Found

In 2010, the United States pledged to provide at least 50 percent of its development aid directly through the Afghan government budget within 2 years. This direct assistance is intended to help develop the capacity of Afghan government ministries to manage programs and funds. Using bilateral agreements and multilateral trust funds, the United States more than tripled its direct assistance awards to Afghanistan in the first year of the pledge, going from over \$470 million in fiscal year 2009 to over \$1.4 billion in fiscal year 2010. The U.S. Agency for International Development's (USAID) most current reporting shows that for fiscal year 2012 the agency provided over \$800 million in mission funds through direct assistance. In 2013, GAO reported that while USAID had established and generally complied with various financial and other controls in its direct assistance agreements, it had not always assessed the risks in providing direct assistance before awarding funds. USAID has taken steps in response to GAO's recommendations to help ensure the accountability of direct assistance funds provided to the Afghan government. Recently, the Special Inspector General for Afghanistan Reconstruction (SIGAR) reported that USAID determined that seven ministries were unable to manage direct assistance funds without a risk mitigation strategy in place. However, SIGAR reported that USAID approved assistance for the ministries, but did not mitigate for all identified risks.

GAO has previously reported on systemic weaknesses in USAID's monitoring and evaluation of programs carried out by its implementing partners in Afghanistan. For example, although USAID collected progress reports from implementing partners for agriculture and water projects, it did not always analyze and interpret data to, among other things, inform future decisions. USAID has undertaken some efforts to improve its monitoring and evaluation of the billions of dollars invested towards development projects in Afghanistan. GAO and other oversight agencies, however, have highlighted gaps that show USAID continued to inconsistently apply performance management procedures, falls short in maintaining institutional knowledge, and needs to improve oversight of contractors.

USAID's ability to conduct its mission and the challenges it has faced in providing oversight and monitoring of its development projects in Afghanistan are likely to be exacerbated by the planned withdrawal of U.S. and coalition combat troops from Afghanistan at the end of 2014. The United States is currently transitioning from counterinsurgency and stability operations toward more traditional diplomatic and development activities. As U.S. combat troops withdraw from Afghanistan, provincial reconstruction teams will continue to decline in number, thus challenging USAID's opportunities to directly monitor and evaluate programs in certain parts of Afghanistan. To prepare for the possible lack of USAID personnel in the field, USAID has undertaken various planning efforts to mitigate against potential challenges. For example, USAID is planning to implement a remote monitoring program that will use contractors to verify activities that implementing partners have completed. As the United States plans for the withdrawal of its combat troops and the transition from an integrated civilian and military effort to a civilian-led presence, GAO believes it is important to have safeguards in place to help ensure sustainment of the gains made by U.S. and coalition investments.