



Prepared Remarks of
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“Lessons from the Afghanistan Experience: Protecting Future U.S. Assistance for the Afghan People”

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Thank you for that kind introduction. I want to thank Shuja and the Atlantic Council for inviting me to speak today.

I also want to belatedly congratulate the Atlantic Council on celebrating its 60th anniversary. For over half a century, it has led critical discussions and research on some of the most important issues facing the United States and the world.

One can point to many examples of this leadership, including the great work of Shuja over his many years as the first Director of the South Asia Center. A specific example of this can be found in his latest book, *The Battle for Pakistan*, where he highlights the prophetic report of former Atlantic Council Chairman, retired Marine Corps General James L. Jones Jr., that opened with this dire warning:

“Make no mistake, the international community is not winning in Afghanistan. Unless this reality is understood and action is taken promptly, the future of Afghanistan is bleak.”

We all know that Afghanistan faces a horrible humanitarian crisis. But, just as General Jones did in 2008, I am here today to issue a warning. In this case, that the United States must apply the lessons bitterly learned over the past 20 years lest urgent humanitarian aid for the Afghan people be wasted, stolen, or diverted by the Taliban.

Since 2009, my agency, the Special Inspector General for Afghanistan Reconstruction, or SIGAR, has provided independent and objective oversight over all U.S.-funded reconstruction activities in Afghanistan.

We have issued more than 700 reports making recommendations to improve reconstruction efforts. All told, SIGAR's auditors and investigators have saved nearly \$4 billion for American taxpayers.

In this time of crisis, senior officials from the U.S. government and international organizations have sought SIGAR's expertise on how to protect humanitarian aid for the Afghan people without enabling the repressive Taliban regime.

Afghanistan in Crisis

From all accounts, the situation on the ground in Afghanistan is bleak. Like others before them, the Taliban are learning the bitter lesson that winning is not the same as governing.

Since the Taliban's takeover last August, the Afghan economy has cratered. According to the World Food Programme, by the end of November, 98% of Afghans did not have enough to eat – this winter alone, one million children are at risk of starvation – and access to health services has significantly worsened.

The international community has not ignored Afghanistan's dire straits. Aid, though significantly reduced, has continued to flow. The United States continues to be the single largest donor, providing \$782 million in humanitarian aid for Afghanistan and Afghan refugees in the region.

Yet, while this aid flows, neither the United States nor any other Western donor has a diplomatic or military presence on the ground in Afghanistan.

This lack of on-the-ground oversight increases the risk that foreign assistance will be diverted before it reaches the people who need it most.

Let me be blunt: we have seen this movie before. Over the past 20 years, the United States spent more than \$146 billion on reconstruction in Afghanistan. Of the amount we reviewed, SIGAR's conservative estimate is that at least 30% of that was wasted or stolen.

How was this possible? We have highlighted multiple reasons in our work – particularly our 11 lessons learned reports – but insufficient oversight has been a core problem along with an inability to adapt to changing conditions on the ground.

The unvarnished truth is that we can send all the money in the world into Afghanistan, but it will be a tragedy if that money winds up in the hands of the Taliban regime or other bad actors rather than the Afghans who need it most.

So, I offer both a warning – as well as a path forward that includes some common-sense best practices that can be taken to reduce risk and improve the chances of successfully helping the Afghan people.

Best Practices for Protecting U.S. Assistance

As the only U.S. government agency legally tasked with whole-of-government oversight of Afghanistan reconstruction, SIGAR knows well the risks and challenges the United States and other international donors face.

As an independent Inspector General, SIGAR cannot take a position on whether to provide humanitarian or other assistance to Afghanistan. Nor can SIGAR design assistance programs. Those are matters for the Executive Branch and Congress.

But SIGAR's authorizing legislation requires us to make recommendations to promote economy, efficiency, and effectiveness in the administration of agency programs for and operations in Afghanistan.

SIGAR has developed the following 10 best practices, which are based upon our extensive oversight experience in Afghanistan, including the nearly 1,200 recommendations we have made to U.S. agencies over the past 13 years.

I believe that if these suggestions are followed, Congress and the Administration can effectively respond to the humanitarian crisis while lessening opportunities for waste and diversion of funds. SIGAR's 10 best practices are:

First: Establish a clear purpose for the aid. Ensuring that a program's purpose is clearly stated and its objectives and activities are properly aligned is a key condition for effectiveness. The United States should confirm that entities disbursing and managing U.S. funds for assistance to Afghanistan have clear and realistic goals that focus on strategic objectives and facilitate ongoing program evaluation.

Second: Insist that any organization receiving U.S. funding is fully transparent, so we know where our money went and how it was used. If the United States channels aid through international organizations, NGOs, and other intermediaries, it must insist on complete transparency regarding the use of those

funds. The United States must condition its assistance on independent oversight of books of account, vetting procedures, monitoring and evaluation protocols, and safeguards against corruption.

Third: Set a tolerable level of risk, and be ready to end an activity if that risk becomes too great. SIGAR and other oversight agencies have acknowledged there are risks in any assistance program – poor planning, corruption, deficient monitoring, natural disasters or pandemics, and many more. However, assumptions about risk must be made at the outset and continually tested to determine if risk factors have changed and, if so, how those changes impact the ongoing feasibility of an activity.

Fourth: Keep track of how money is used and regularly reassess to see if activities are actually helping people. Monitoring and evaluating is an essential activity to determine whether data are being collected, procedures followed, schedules met, waste avoided, and objectives attained. This is not a new idea. OMB requires U.S. agencies administering foreign assistance to use evidence-based evaluations based on verifiable data and information. In Afghanistan, unfortunately, it was rarely followed.

Fifth: Determine clear, relevant metrics that measure actual outcomes, not just how much was spent or how many people participated in some program. Measuring outputs like money spent, hospitals built, or vaccines delivered is a fairly straightforward counting exercise. What is more difficult is measuring the actual impact of those outputs. The United States must determine whether implementing partners are attempting to measure outcomes rather than inputs, and have selected realistic and quantifiable measures that are related to actual results.

Sixth: If an activity is going poorly, make course corrections and be prepared to pull the plug. When indications surface that something is going wrong, there can be a temptation to defend one's ideas and efforts and explain away "bad news" and assume more money will solve the problem. We have learned over the last 20 years that this leads to missed opportunities to learn from failure and improve future programming. The United States should seek assurances that entities receiving U.S. funds for Afghanistan has and uses reasonable guidelines for modifying or terminating failing endeavors.

Seventh: Third-party monitors are necessary—but the U.S. government should be diligent in evaluating them and their standards. Aid providers like the UN, the World Bank, and the International Monetary Fund use third-party monitors to report on programs in aid-recipient countries like Afghanistan. Concerns may arise, however, if U.S. oversight officials cannot be reasonably assured of the accuracy and

effective use of third-party monitoring reports. The United States should require all entities directing U.S. aid to Afghanistan adopt means to effectively validate reporting from third-party monitors. Likewise, U.S. agencies cannot abdicate their oversight responsibilities to these entities but must be vigilant in monitoring the monitors.

Eighth: Adapt to the evolving situation on the ground where one size does not fit all situations. Facts on the ground in Afghanistan have changed dramatically. Assistance must reflect this new reality and be flexible and resilient to reach the most Afghans it can in the time available. This may mean assistance must be increased, decreased, or even terminated in a particular district or region if Taliban officials divert or misappropriate assistance. Likewise, success and changes in need may also require the flexibility to increase assistance.

Ninth: Seek smart opportunities to condition aid. The United States should also look for ways to condition aid to help realize our goals for the Afghan people. While this will not be easy, it can be an effective tool. The United States should make strategic, carefully crafted use of conditionality for aid delivered through international organizations, NGOs, and other intermediaries, and be prepared to enforce those conditions when necessary.

Tenth: Look for activities that the Afghans can eventually sustain without outside support. Projects that aid recipients cannot operate, maintain, and support will eventually just waste money and undermine the credibility and perception of both the donors and recipients. The United States should therefore ensure that every entity channeling U.S. funds for Afghan assistance has made a good faith and realistic effort to determine whether its long-term programs can be sustained by the Afghans. Otherwise, Afghanistan will just stagger from one humanitarian disaster to another, locking the United States and other donors into an endless cycle of assistance while inviting the security risks of a failed state.

Conclusion

In conclusion, the new reality in Afghanistan may mean the flow of U.S. aid continues for the foreseeable future. If it does, effective oversight will be essential to ensure that such funding is not wasted and has a chance of having a real and positive impact.

SIGAR remains committed, as it has for more than a decade, to protecting U.S. taxpayer dollars from misuse and promoting better outcomes for assistance to Afghanistan.

Now more than ever, U.S. agencies have the opportunity to put into practice what we should have learned from the problems we identified over the last 20 years and adopt best practices for the new altered political, social, and economic landscape of Afghanistan. If there is one lesson we have learned, it is that we cannot continue to do things like we did in the past in Afghanistan.

Thank you for the opportunity to speak again at the Atlantic Council. I look forward to answering your questions and discussing in more detail our suggestions for protecting further assistance to the Afghan people.