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# Highlights

Highlights of [GAO-05-742](#), a report to congressional committees

## Why GAO Did This Study

In October 2001, coalition forces forcibly removed the Taliban regime from Afghanistan, responding to their protection of al Qaeda terrorists who attacked the United States. Congress subsequently passed the Afghanistan Freedom Support Act of 2002 authorizing funds to help Afghanistan rebuild a stable, democratic society. The act directed GAO to monitor the implementation of U.S. humanitarian, development, and counternarcotics assistance. This report analyzes, for fiscal year 2004, (1) U.S. obligations and expenditures, (2) progress and results of assistance efforts, (3) assistance management and coordination, and (4) major obstacles that affected the achievement of U.S. goals.

## What GAO Recommends

To better assess progress toward achieving U.S. policy goals, and to provide a basis for planning future reconstruction, GAO recommends that the Administrator of USAID (1) establish a performance management plan complying with USAID directives, (2) require future contractors to develop performance plans, and (3) more completely communicate performance information to decision-makers in Washington. In its comments, USAID generally concurred with our recommendations and stated that improvements to its performance measurement process were underway.

[www.gao.gov/cgi-bin/getrpt?GAO-05-742](http://www.gao.gov/cgi-bin/getrpt?GAO-05-742).

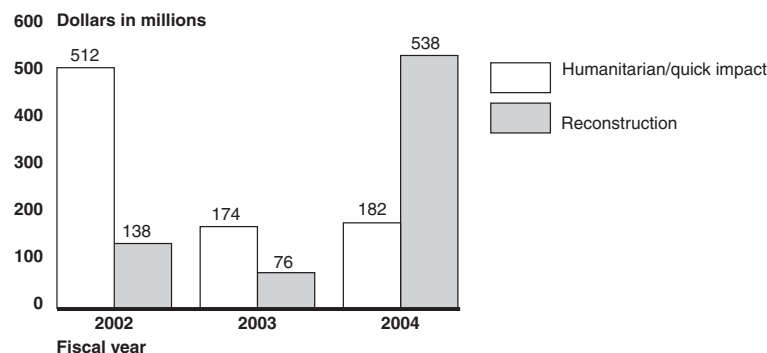
To view the full product, including the scope and methodology, click on the link above. For more information, contact David Gootnick at (202) 512-3149 or [Gootnickd@gao.gov](mailto:Gootnickd@gao.gov).

## AFGHANISTAN RECONSTRUCTION

### Despite Some Progress, Deteriorating Security and Other Obstacles Continue to Threaten Achievement of U.S. Goals

#### What GAO Found

The United States spent \$720 million on nonsecurity-related assistance to Afghanistan in fiscal year 2004. Approximately 75 percent paid for reconstruction activities, with the remainder supporting humanitarian and quick-impact projects. Conversely, in 2002-2003, humanitarian and quick-impact assistance accounted for more than three-fourths of U.S. spending. The United States continued to be the largest donor, contributing about 38 percent of the \$3.6 billion pledged by the international community.



Source: GAO analysis of agency data.

U.S. humanitarian assistance benefited vulnerable populations in fiscal year 2004. Further, the United States increased reconstruction assistance to Afghanistan and made notable progress in several sectors through its “Accelerating Success Initiative”. Although progress varied among sectors, the United States did not meet all of its targets due to security and other obstacles. For example, USAID intended to rehabilitate or build 286 schools by the end of 2004. However, owing to poor contractor performance and security problems, by September 2004 it had completed only 8.

As in 2002-2003, complete financial information was not readily available, and USAID lacked a comprehensive strategy to direct its efforts. Further, USAID did not consistently require contractors to fulfill contract provisions needed to ensure accountability and oversight. USAID also did not systematically collect information needed to assess the progress of its major projects. Moreover, measures provided by the embassy to decision-makers in Washington did not comprehensively portray progress in each sector or the overall U.S. program.

Deteriorating security, increased opium production, and delayed funding continued to obstruct U.S. reconstruction efforts in fiscal year 2004 and threatened the achievement of U.S. goals. Deteriorating security rendered large areas inaccessible to the assistance community, and the continued rise in opium production undermined legitimate economic activity. In addition, most assistance funds were not available until nearly 6 months into the fiscal year, preventing USAID from accelerating reconstruction efforts.