



Highlights of [GAO-09-476T](#), testimony before the House Armed Services Committee

## Why GAO Did This Study

From fiscal year 2001 through July 2008, Congress provided more than \$808 billion to the Department of Defense (DOD) for the Global War on Terrorism, including military operations in Iraq and Afghanistan. Moreover, since fiscal year 2003, about \$49 billion has been provided to U.S. agencies for reconstruction and stabilization in Iraq and \$32 billion for similar efforts in Afghanistan since fiscal year 2002. In February 2009, President Obama announced a new U.S. strategy for Iraq and plans to develop a new comprehensive strategy for Afghanistan.

This statement is based on GAO's extensive body of work—more than 150 products since 2003—examining U.S. efforts in Iraq and Afghanistan.

## What GAO Recommends

Since 2003, GAO has made recommendations to DOD, the Department of State, the U.S. Agency for International Development, and other agencies to improve the effectiveness and efficiency of U.S. efforts in Iraq and Afghanistan. In particular, GAO has recommended that the U.S. government develop detailed and updated strategies and operational plans to guide these efforts. The agencies have efforts under way to implement some of these recommendations.

View [GAO-09-476T](#) or key components. For more information, contact Jacquelyn Williams-Bridgers at (202) 512-3101 or [williamsbridgersj@gao.gov](mailto:williamsbridgersj@gao.gov).

## IRAQ AND AFGHANISTAN

### Security, Economic, and Governance Challenges to Rebuilding Efforts Should Be Addressed in U.S. Strategies

#### What GAO Found

While U.S. efforts face unique circumstances in Iraq and Afghanistan, success in both countries depends on addressing three common challenges: (1) establishing and maintaining a basic level of security, (2) building a sustainable economic foundation, and (3) holding governments accountable for political commitments and building their capacity to govern. These challenges underscore the need for comprehensive U.S. strategies that optimize U.S. strategic interests, host country priorities, and the international community's resources and expertise.

In Iraq, much U.S.-funded reconstruction took place prior to July 2007 in an environment of deteriorating security. Oil, electricity, and water projects were subject to insurgent attacks and threats, which raised costs and caused delays. While violence has declined, security conditions remain fragile, according to DOD. Iraq's oil resources provide a foundation for economic growth. However, Iraq's investment in infrastructure has been limited, despite budget surpluses. The government's limited capacity to deliver services poses a challenge as well. The United States has held the government to commitments to pass key legislation and hold elections, but further progress in reconciliation, such as legislation to share oil and gas revenues and resolve claims over disputed territories, is needed.

In Afghanistan, a lack of security has put U.S.-funded infrastructure projects, development of Afghan security forces, and other efforts at risk. Projects have been delayed and costs increased. The drug trade helps finance the Taliban and other insurgents and contributes to instability. Given Afghanistan's poor economy, the country's development will depend on foreign assistance. The Afghanistan National Development Strategy, established with U.S. and international support, is underfunded and may not be financially viable. The Afghan government's lack of capacity also hinders the country from meeting its development goals. The ministries do not have the personnel with the expertise to maintain U.S. and other donor-financed infrastructure projects, and corruption exacerbates this problem.

As it further defines and develops its strategies for Iraq and Afghanistan, the Administration should incorporate characteristics of an effective national strategy. Both strategies should clearly define the objectives of U.S. efforts and measures to assess progress; identify risks; estimate costs; and integrate U.S., international, and host country efforts. For example, the strategy for Iraq should clarify what conditions the United States expects to achieve to ensure that troops are drawn down responsibly. The U.S. strategy for Afghanistan should estimate the cost of helping the country implement its development strategy. It should also assess the risk to U.S. infrastructure investments if Afghanistan does not obtain the donor assistance and technical capacity to maintain them. Finally, U.S. strategies should guide the development and implementation of interagency operational plans and sector level plans.