

# THE FISCAL TIMES

## \$100 Billion in Aid Squandered in Afghanistan

By **DAVID FRANCIS**, The Fiscal Times March 6, 2013

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The decision by the United States Agency for International Development to scrap the completion of a **dam project** meant to supply electricity to Kandahar, the spiritual home of the Taliban in Afghanistan, is the latest and perhaps largest failure of the United States to use development dollars to create stability by building Afghan infrastructure.

USAID had planned to spend \$266 million to repair the Kajaki Dam, located in Helmand province, and to install turbines that would provide electricity to Kandahar City. More than 50 American soldiers were killed taking the area around the dam. USAID now plans to pass responsibility for installation of the turbines to the Afghan national power company, despite the widespread lack of confidence in Afghan government bodies.

The abandonment of the Kajaki project is the latest in a string of failures that were once thought to be essential to the long-term success of the NATO mission in southern Afghanistan. But as the war draws to a close, these projects lie incomplete, and America and its allies seem content to abandon them.

### Bottom of Form

“Honestly, it’s a tragic waste of blood and treasure,” said Malou Innocent, a foreign policy analyst at CATO. “There’s been so much that’s been invested in Afghanistan. Now we’re recognizing that it’s come at a very steep cost.”

### **DEVELOPMENT FAILURES ACROSS SOUTHERN AFGHANISTAN**

The United States originally built the Kajaki dam in the 1950s. As part of the 2010 surge, USAID and the Pentagon planned to upgrade the dam to make it able to provide electricity to Kandahar. But the effort was stymied from the start. The Taliban refused to yield the land without a fight, causing multiple American casualties.

Now that USAID has access to the site, it has found the work not to be worth the costs. Instead, it’s giving the Afghan national electricity company \$70 million to install the turbine, despite the fact that the company has a less-than-stellar performance record.

A similar situation is developing in the Arghandab valley, east of Helmand in Kandahar. USAID and the Canadian development authority had committed more than \$50 million to improve irrigation canals running from the Dahla dam in northern Kandahar to the valley. The hope was that better irrigation systems would encourage farmers in the valley to stop growing poppy and start growing pomegranate.

I visited the valley in the fall of 2010 with Gen. Ben Hodges, then the highest-ranking American officer in Kandahar, and Gen. Jeffrey Bannister, the man who replaced Hodges soon after my visit. As we rode over the serrated peaks that lined the road down into valley, Hodges explained that new irrigation systems would

allow farmers to **make a living growing legal plants**. At the time, farmers grew poppy, hid it on trucks and smuggled it out of the country through Pakistan. Pomegranate would ultimately be **Kandahar's salvation**, he said.

But even then, the task of building the canals was difficult. A USAID official tried to explain to Bannister that U.S. contractors did not have the expertise to dig canals into the valley's rocky soil. Bannister screamed that USAID needed to get some "Texas Aggies" to dig or agricultural engineers from Texas A&M University who had experience digging irrigation systems in the compact **east Texas dirt**. As they spoke, gunshots and rockets exploded behind them. It was not an encouraging scene.

But the incident was foretelling. More than two years after my visit, the Dahla dam project has ground to a halt. According to reports in the **Canadian media**, the project has been a complete waste. Farmers in the Arghandab have begun to accept cash handouts instead of results. Corrupt local warlords siphon off project money. The canals still have not been built.

### **DAMS INDICATIVE OF WIDER FAILURES**

According to Anthony Cordesman, an Afghan expert at the Center for Strategic and International Studies, the failure of the dam project reflects a wider failure of the United States and its allies to track development money in a way that can determine the effectiveness of the projects as well as the level of corruption preventing them from succeeding.

"Because we didn't control the expenditures correctly, we have no control of the contracting or where the money went. We overspent, by a factor of two or three. There was a very broad level of corruption and waste," Cordesman said.

According to recent testimony by John Sopko, special inspector general for Afghan reconstruction (SIGAR), the United States has spent nearly \$100 billion to **rebuild Afghanistan** in the last decade. In 2010, SIGAR accountants told *The Fiscal Times* that they could account for **less than 10 percent of this money**.

The United States is also expected to pay tens of billions of dollars in the coming years to **support failing Afghan institutions**. Cordesman said this money is likely to be lost as well.

"The United States has never had a coherent plan for a new Afghanistan," he said. "There won't be a plan through the upcoming transition and we'll go on dealing with projects, good or bad, that aren't related to an overall plan, have no justification, no effective monitoring and no levels to determine their effectiveness."