

COSTS OF WAR



United States Camp Stronghold Freedom in Uzbekistan. Photo from GlobalSecurity.org

Foreign Assistance Budget

Each year since the war on terror began, Congress has appropriated money for what is termed international assistance, primarily to Iraq, Afghanistan and Pakistan. There are two types of international assistance, security or military assistance, and non-security assistance, typically humanitarian or economic aid.



Army personnel near children's hospital construction project in Basra, Iraq, May 29, 2009. Concerned that the U.S. company Bechtel was mismanaging reconstruction funds in Iraq, government auditors in 2006 found that Bechtel was nearly \$90 million over its original budget of \$50 million and more than a year and a half behind schedule. U.S. Army photo by Sgt. Rodney Foliente

The key agencies involved in administering this aid are the Department of Defense (DOD), the Department of State, and the U.S. Agency for International Development (USAID). Of the assistance *not already* counted as a part of the Pentagon's budget for the military costs of war, the sum is over \$74 billion in inflation-controlled dollars. More than half of the total has gone to Iraq.

What is the money used for? The popular notion of international assistance programs is that these programs deliver immediate needed disaster relief, or enhance the well-being of people through economic development. That does happen.

But, more than half of the international assistance spending related to Afghanistan, Iraq, and Pakistan is for military uses, and

thus, the nature of many State Department and USAID programs is inherently military or war-related. For example, some of the international assistance funds sent to Pakistan have been used to train their Frontier Corp in counterinsurgency. Of the \$18.4 billion appropriated for the Iraq Relief and Reconstruction Fund in fiscal year 2004, more than \$10 billion was administered by the Pentagon.

What has happened to the money sent for Iraq's reconstruction and development? Some \$21 billion has been allocated for Iraq's reconstruction. Some of that money comes back to the U.S. in the form of contracts to private firms. But it became apparent early in the war that some money has been lost or been misspent.

The Special Inspector General for Iraq Reconstruction (SIGIR) conducts audits and has found "anomalies" which include duplicate payments and fictitious contractors. By the fourth quarter of 2010, SIGIR had opened 53 criminal investigations.

USAID was authorized by Congress to build a 50-bed state-of-the-art pediatric facility for \$50 million in Basrah, Iraq. Additional funding for the project was provided by Project HOPE, a nonprofit development organization. After

KEY FINDINGS

- International security and humanitarian assistance of \$74 billion has been spent in Afghanistan, Pakistan and Iraq
- More than half of the total has gone to Iraq
- Significant amounts of that money has gone to US contractors, been lost, or been misspent
- Repressive Uzbekistan was rewarded with a half billion dollars of US aid since 2001 for Afghan war cooperation
- The Special Inspector General for Iraq Reconstruction (SIGIR) had opened 53 criminal investigations by the last quarter of 2010

deliberations with the Iraqi Ministry of Health, the scope of the project expanded to 94 beds, but no additional U.S. government funding was provided. USAID contracted Bechtel to complete the hospital by the end of 2005. In 2006, Bechtel reported that the completion date had slipped to July 2007 and that the cost had increased to \$98 million due to delays and subcontractor problems.^[1] Security posed particular challenges to the project. Bechtel was removed from the project and it was taken over by the U.S. Army Corps of Engineers. The hospital was finally opened in October, 2010 costing \$166 million.

Where else does the International Assistance money for the wars flow? Other countries, such as Poland, Hungary and the Czech Republic, had their costs of involvement in the Iraq war off-set by the U.S.

To take one example, Uzbekistan received funds in order to induce cooperation, in this case for the war in Afghanistan. U.S. relations with Uzbekistan began modestly after the break-up of the Soviet Union with funding for the Cooperative Threat Reduction Program beginning in 1993. In 2001, Uzbekistan agreed to assist the war in Afghanistan by allowing U.S. access to the military base in Karshi-Khanabad. Assistance, particularly military, increased significantly. Assistance to Uzbekistan has slowed at least in part because of its well-documented human rights abuses and slow progress toward institutional reform. Total assistance to Uzbekistan since 2001 totals nearly half a billion dollars.

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^[1] Office of the Special Inspector General for Iraq Reconstruction (SIGIR). "Review of the U.S. Agency for International Development's Management of the Basrah Children's Hospital Project," SIGIR 06-026, July 21, 2006.

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