

The Reality Beyond Zero and 10,000: Choosing a Meaningful Option in Afghanistan

Anthony H. Cordesman

Revised February 5, 2014

President Obama's State of the Union address did not totally forget Afghanistan. It instead passed quickly over the war with a few seconds worth of rhetorical flourish:

Tonight, because of the extraordinary troops and civilians who risk and lay down their lives to keep us free, the United States is more secure. When I took office, nearly 180,000 Americans were serving in Iraq and Afghanistan. Today, all our troops are out of Iraq. More than 60,000 of our troops have already come home from Afghanistan. With Afghan forces now in the lead for their own security, our troops have moved to a support role. Together with our allies, we will complete our mission there by the end of this year, and America's longest war will finally be over. (Applause.)

After 2014, we will support a unified Afghanistan as it takes responsibility for its own future.

If the Afghan government signs a security agreement that we have negotiated, a small force of Americans could remain in Afghanistan with NATO allies to carry out two narrow missions: training and assisting Afghan forces and counterterrorism operations to pursue any remnants of al-Qaida. For while our relationship with Afghanistan will change, one thing will not: our resolve that terrorists do not launch attacks against our country. (Applause.)

The United States needs to address the war in far more depth, with far more honesty and transparency, and make hard decisions about the cost-benefits of staying in Afghanistan. It also lacks the time to skim over it in a state of Panglossian indifference. The United States must be ready for the time almost all U.S. and allied forces leave Afghanistan at the end of 2014, and ready to deal with the economic consequences of major cuts in military spending and all forms of aid.

This does not mean setting artificial deadlines. The Administration has already had enough problems in this regard. Before the President spoke, the Administration had said since late 2011 that the United States needed quick Afghan agreement to a bilateral security agreement in order to plan for an effective transition in Afghanistan. The day after the State of the Union address, however, the Administration was giving background briefings indicating that the United States planned to keep enough troops in place so that it could still carry out an effective transition plan after the Afghan national election in April 2014.

The fact remains, however, that time is running out to decide on what conditions the United States must set for staying, for shaping an integrated civil military plan that will allow the Administration to make a suitable FY2015 budget request to Congress, decide what facilities and service it needs to keep in Afghanistan, and plan personnel reduction in a way that ensures that the right people are there after most forces leave and Transition becomes a reality.

Equally important, the Obama Administration needs to make its case for staying based on a serious analysis of the cost-benefits and strategic value of its recommended plan –not repeat another round of strategic clichés and empty rhetoric. It needs to determine whether it has the Congressional and public support it needs. It needs to be sure key allies will join it. It needs to clearly communicate its conditions for staying to the Afghans. And, it needs to be ready to decide whether the Afghan election in April justifies the United States staying, and make it clear that the United States either gets the Afghan terms and support it needs or it will leave.

No Transparency, No Meaningful Cost Estimates, and No Credible Plan

So far, the Administration has failed dismally to publically prepare for any of these tasks. It also risks repeating the kind of endless rounds of debate and delay that it went through during the period before the “demi-surge” in 2009. While the Administration has not made any useful public statements, it is all too clear from talking to those involved that the Administration has run through so many possible plans for Transition that one general officer involved called the White House a “random options generator,” constantly tweaking plans for transitions without making real decisions and taking clear actions.

The Administration has never even issued a public estimate of the cost of the war. The most that is available are figures for an Overseas Contingency Operations (OCO) account whose past years include the cost of the Iraq War and War on Terrorism, and where Pentagon officials privately admit that that account has been used to get around budget cuts in the baseline budget.

As for the future cost of U.S. military and civilian support to Afghanistan and the ANSF, the Department of Defense, department of state, and the White House have not made any meaningful public projections for the future. The Administration simply reports meaningless “placeholder” estimates for future OCO spending.

Strategic Momentum and Sunk Costs are Not a Justification or a Strategy

No U.S. official has stated a credible rationale for staying in Afghanistan after 2014, what the U.S. role will be, the size and function of a remaining U.S. presence, and the estimated time and costs involved. The most the Administration has provided is a series of leaks that talk about a zero option, a force of some 10,000 troops, and a possible counterinsurgency option that press reports put at some 1,000 to 3,000.

These numbers are meaningless without an explanation of what the manpower is to do, what conditions will be set for keeping them, what costs are involved, and what the civil side of the U.S. presence is to be. It is meaningless to talk about a “zero option” when “zero” means a massive embassy and consulate effort, dealing with a large backlog of appropriations from past years, hard decisions about the civilian intelligence effort that remains, and keeping a significant military presence in the form of some kind of Office of Military Cooperation.

It is even worse to talk about a round figure like 10,000 totally out of context and occasionally leak figures that seem to have drifted down from around 3,000 to 1,000 for an undefined “counterterrorism” option. These totally involve serious choices about U.S. strategic interests, cost-benefits and risks, and prioritizing resources that are badly needed in other areas.

To begin with the strategic case for staying, it is not enough to use buzzwords like “terrorism,” and somehow link the Afghan War to every significant terrorist threat to the United States. It is all too clear that Afghanistan now has marginal strategic interest to the United States. It no longer is a meaningful center of international terrorism. Al Qaeda’s main fighting elements are now in the Middle East and Africa and Al Qaeda central is based in Pakistan.

The United States only has marginal interests in Central Asia – whose geography makes it a natural zone of Russian and Chinese influence. Afghanistan will never be a center of meaningful economic interest to the United States, nor is it a natural U.S. trading partner. Moreover, staying in the region gives the United States marginal influence at best in an area where Russia and China would otherwise have to compete in efforts to serve their own interests and try to bring stability.

As for the role the United States now plays in fighting terrorism from Afghanistan, it is true that there is no other location that makes it easy to use drones to attack terrorists and insurgents in Afghanistan and Pakistan. The problem is that at least some of the intelligence and military experts involved feel that these attacks already are at the point of diminishing returns.

They have become the strategic equivalent of a game of whack-a-mole – every terrorist killed is quickly replaced – often by someone more extreme and increasingly in a way that weakened Al Qaeda central and empower other elements of al Qaeda and other Jihadists groups that are increasingly more independent movements and closer to the United States and its key allies.

It is steadily less clear that there is a credible counterterrorism option in Afghanistan, and it is all too clear that there are higher priorities for using counterterrorism resources in the Gulf, Syria and Iraq, other parts of the Middle East, and North Africa. Every new U.S. attack produces more resistance in Afghanistan and Pakistan. No unclassified estimate of any of the options being put forth for U.S. forces after 2014 shows how that force can affect the problems created by Taliban and Haqqani sanctuaries in Pakistan. It is unclear that the United States will have the freedom of action to continue its drone campaign in either Afghanistan or Pakistan.

Press reports indicate that the US has already virtually ended drone strikes in Pakistan as a result of negotiations between the White House and Prime Minister Nawaz Sharif, who is seeking to negotiate some kind of settlement with the Pakistani Taliban.¹ The Long War Journal reports that such strikes dropped from a peak of 117 in 2010 to 64 in 2011, 46 in 2012, and only 28 in 2013 – almost all before Sharif took office.² While some strikes seem to have hit senior Al Qaeda and Taliban leaders, it is far from clear that this had any lasting effect, or did not end in replacing them with even more hardline leaders and serving as an aid to recruiting and mobilizing anger towards the US.³

It is also striking to see similar trend data on conventional close air support in Afghanistan. The CFAC commander reports that the US flew 34,514 close air support sorties in 2011, 28,768 in 2012, and 21,785 in 2013. However, only a fraction of these ever used a weapon: 2,678 in 2011, 1,9875 in 2012, and 1,407 in 2013; and number dropped per month went from 193 in January 2013, and peak of 337 in June, to only 76 in December 2013.⁴

It is possible that if these talks fail, Sharif may then go back to covertly or overtly seeking US aid in future drone strikes, but it is far from clear that the US should provide such aid unless there is

a far better structured Pakistani military effort than has take place in the past, Pakistan is willing to acknowledge that it is seeking US aid, and US strike capabilities can be located in a place that does not force the US to stay in Afghanistan to achieve a marginal level of tactical success in Pakistan.

This flags a key problem in focusing on the immunity of the U.S. military, and other post-transition personnel that do not have diplomatic immunity. As Ambassador James Dobbins testified to Congress on December 11, 2013, “The bilateral security agreement (BSA) is also the keystone of a much wider international commitment involving over seven countries ready to provide economic and security assistance to Afghanistan beyond 2015.”⁵

The problem with this statement is that it is far from clear what Afghanistan will provide in return by way of guarantees of U.S. and allied ability to carry out counterterrorism with workable rules of engagement, meaningful Afghan commitments to do its share of supporting Afghan forces an effective governance, and meaningful Afghan commitments to carry critical reforms in governance, the economy, and fighting corruption.

Unless the BSA is conditional in ways that clearly define Afghan commitments that serve U.S. strategic interests – as well as Afghan needs for effective Afghan leadership and reform - the United States will probably have to agree not to use any bases in Afghanistan to serve its military interests outside it without Afghan permission. It will also run a serious risk of being asked to escalate its presence if Afghan forces falter, and have to resist Afghan pressure to give it modern conventional land and air forces, and support it against Pakistan.

It is equally unclear that going on with such a campaign will not create more friction with Pakistan and Afghanistan than it is worth, or that its cost outweighs the limited benefits and diminishing returns the United States gains from what has become a game of whack-a-mole in killing key figures in al Qaeda, the Taliban, and Haqqani Network – figures that can always be replaced. Moreover, a continuing U.S. presence in the region may now do more to stimulate terrorist attacks on the United States than prevent them.

As for the Pakistani nuclear issue, this seems to be a screaming red herring. It simply does not seem credible that any current option for a future U.S. presence in Afghanistan is going to allow the United States play a major role in securing Pakistani nuclear weapons, or somehow stabilizing Pakistan. Pakistan has too many weapons, they are too well guarded, dispersed and secure; and it has had years to react in reducing its limited vulnerability to such a contingency.

The Need for Strategic Triage

Any decision to stay in Afghanistan has to be based on the fact that the United States has to become far more demanding in applying strategic triage in a world where it commits limited forces and resources, and cannot afford to use force without clear cause. The fact we have spent so much in the past is no reason to spend in the future. The dead are not grateful, and we have no debt to repay to the Afghans – particularly the Afghan elite around Karzai that has profited so much personally and done so little to serve the interests of its people.

In the real world, our choices need to be based on the fact that the case for a continued post-2014 U.S. role in Afghanistan depends on the ability to pay for a marginal benefit at a marginal cost in people and money. It is the ability to help Afghanistan become moderately stable and secure in ways that give the United States added popularity and leverage with no risk of serious escalation, without political struggles with the Afghan government, and do so at a cost of no more than \$10 billion to \$15 billion a year after 2014, and for no more than half a decade.

If the US can get these benefits at this level of cost – and can get the support of Germany, Italy, and the other allies it needs - the not really “zero option” may not be a desirable political option. The cost of keeping an effective presence may well be affordable and cost-effective even given Afghanistan’s marginal strategic value.

Much does depend on the Afghans, and it needs to be made clear to them that the United States has no serious strategic reason to put up with anything like another Karzai, and that something like a near-zero option might actually benefit the United States in decoupling from a country, a region, and associated problems like Pakistan that can be more trouble than they are worth.

This, however, is not a reason to choose a minimal presence at minimal cost if the United States can credibly make Afghanistan become moderately stable and secure by keeping the kind of U.S. military civil presence that the Joint Staff and the commander of ISAF – General Dunford – have recommended. Cutting forces and costs to the point where the end result serves no clear purpose and ensures failure may be the cheapest option, but it is also the worst.

Once again, the so-called counter terrorism option of deploying a few thousand U.S. troops seems to be the perfect example. Really? What Afghan government will accept the function it doesn’t want and reject the function it does? Who will support and protect this small a force and why will it get the rules of engagement that Karzai and Pakistan are doing so much to try to oppose? How can their ability to play whack-a-mole against credible terrorist targets offset the problems of dealing with Afghanistan and Pakistan?

Either we have a credible partner, with a credible change of success at a credible cost, or the best way to win this game is not to play it.

Defining Credible Conditions for Staying

Some aspects of strategic triage do require us to be objective in ways that are not natural to the American character. As Hans Morgenthau warned more than half a century ago, we tend to turn limited wars of limited value into unconstrained morality plays. Diplomatic niceties and the style of American rhetoric lead to a natural tendency to describe marginal strategic efforts into near crusades. The end result is often that we imply a far deeper interest than we really have, a far deeper level of commitment that we make or should make, do not communicate honestly with our partners(s), and fail to make our role clearly upon their behavior.

The last decade has made it brutally clear that the United States cannot possibly get enough strategic benefits out enough out of a credible future commitment to Afghanistan to not make that commitment firmly conditional. In fact, President Karzai seems determined to make that point brutally clear on an almost daily basis.

We must insist that Afghanistan clearly commit to a fully adequate bilateral security agreement, to providing the facilities and services we need, to allowing us to carry out key counterterrorism options if we decide they are necessary, and to accepting clear limits on the future US role in cases like Pakistan

We should make it publically clear that we will not tolerate the corruption and opposition of another Karzai as the outcome of the April 5, 2014 election. We should openly state that we will remove virtually all troops and aid after 2014 if the election produces a follower of Karzai as the next president, is not perceived as legitimate by most of the Afghan people, or produce a leader who cannot effectively lead and govern and win the support of most of the country.

We should not choose a candidate but we should define what we expect from the next Afghan president in return for providing major support, and we need to make it explicitly clear that we will also leave if Afghan corruption and power brokering stay at the point where U.S. troops and aid lose much of their value.

We should not attempt to suddenly transform Afghanistan, but it should be clear we will not support a leader or aid Afghan National Security Forces in power struggles against legitimate protests and rival factions that are not tied to terrorist and extremist factions. We should make it clear we will not pay for armor or a modern air force. We should make it clear we will not work with officials and officers that push corruption beyond the Afghan norm.

We should insist on Afghan compliance with the pledges it made for economic and other reforms at the Tokyo Conference in 2012 both as part of the BSA and in terms of actual action in the years that follow. We should insist that the development of Afghan security forces follows an agreed plan that the Afghan government actually implements.

We should make these conditions clear, along with the fact that we will leave if they are not met, and we should actually leave if they are not. And, we should make it clear that if all of these conditions are not met by the fall of 2014, we will exercise the zero option in terms of both personnel and aid.

Choosing a U.S. Option: U.S. forces, U.S. Military Aid, and the Afghan National Security Forces

That said, we need to be equally realistic about the scale of a U.S. effort that can succeed if the Afghans do their part. If one ignores the reassuring rhetoric coming out of ISAF - and far too many elements of State and the Pentagon - the whole process of transition will involve major risks even if we provide the higher levels of troops, civilian personnel, and money we now seem to be considering.

NATO/ISAF and the United States have rushed the development of Afghan forces forward to meet a U.S. deadline of the end of 2014. In the process, they have taken more and more risks while denying their importance and praising the Afghan forces for very limited success. If the United States is to have a meaningful option, it must be honest about the degree to which the Afghan security forces are still weak and marginal in capability.

Although they have never defined its nature, cost, and timing in public, General Dunford and NTM-A have prepared what seems to be a credible a plan for layered defense using a combination of the Afghan Army, police, and Afghan Local Police. At the same time, any decision to keep the level of presence that he and the Joint staff recommend should be based on the open acknowledgement that it is a moderate to high risk plan even if the United States fully staffs and funds the ANSF at the levels recommended by the Joint Chiefs – who may be repeating the errors of Vietnam and Iraq in recommending a force of only 10,000 U.S. troops.

The latest DoD semi-annual report to Congress – issued in November 2013 -- reports that the security forces still have very high levels of attrition and lack the mix of effective command, support, and intelligence elements to operate on their own. It also notes key command and corruption problems in the police and some elements of the armed forces and ministries.⁶

A report by SIGAR – issued in January 2014 – does not fully update the data on total ANSF strength. Its figures show, however, that in August 2013, the Afghan forces were well below the goals sent for Transition:⁷

ANSF Component	Current Target	Status as of 5/2013	Difference Between Current Strength and Target End Strength
Afghan National Army	187,000 personnel by December 2012	176,818	-10,182
Afghan National Police	157,000 personnel by February 2013	153,153	-3,847
Afghan Air Force	8,000 personnel by December 2014	6,616	-1,384
ANSF Total	352,000	336,587	-15,413

More importantly, the SIGAR report also notes that:⁸

This quarter (end 2013), ANSF's assigned force strength was 334,852; according to data provided by CSTC-A....This is short of the goal to have an end strength of 352,000 ANSF personnel by October 2012. That goal had been in the Department of Defense's (DOD) April 2012 *Report on Progress Toward Security and Stability in Afghanistan*....When that end strength was not met, DOD revised the goal to 352,000 ANSF by 2014 (187,000 ANA by December 2012, 157,000 ANP by February 2013, and 8,000 Air Force by December 2014). Neither the ANA nor the ANP met their end-strength goal by the revised deadline.

... For the ANA, the latest RASR report provides assessments of 24 brigades (22 corps brigades and 2 brigades of the 111th Capital Division). Of those, 88% were "fully capable" or "capable" of planning and conducting joint and combined arms operations... According to the latest RASR report, "[equipment] readiness within the ANA Ground Forces Command (GFC) continues to improve." However, attrition continues to be the major challenge for the ANA as 71% of brigades are still considered "developing" which means that attrition in these brigades is 3% or more per month. In other areas, most ANA brigades were rated "fully capable" or "capable," including leadership (96%), command and control (100%), sustainment (88%), and training (83%).

.... According to the latest RASR report, "readiness within the ANP continues to be a point of concern" and "the ANP also struggles with maintaining a manageable level of equipment readiness." In addition, attrition continues to be a challenge for the ANP as 50% of regional components are still considered "developing" which means that monthly attrition in these units is 2% or more. In other areas, the ANP regional components are mostly "fully capable" or "capable": leadership (94%), command and control (94%), sustainment (94%), and training (88%).

As of January 4, 2014, Afghan Local Police (ALP) comprised 25,477 personnel, according to CENTCOM. The current goal is 30,000 personnel by the end of December 2014. The ALP operates in 126 districts in 29 of Afghanistan's 34 provinces...As of December 31, 2013, more than \$190 million of the ASFF had been obligated and more than \$184 million expended to support the ALP. According to CENTCOM, the ALP will cost \$117 million per year to sustain once it reaches its target strength.

The Afghan Public Protection Force (APPF) is a state-owned enterprise under the authority of the MOI that provides facility and convoy security services in Afghanistan...As of December 30, 2013, only three military forward operating bases (FOBs) were secured by APPF personnel; 43 FOBs were still secured by PSCs. As of November 30, 2013, the

APPF comprised 20,005 personnel, according to CSTC-A. This quarter, the APPF had 480 active contracts for their services....

None of the problems that either the DOD report or SIGAR highlight are severe enough to mean that the ANSF cannot succeed if they get adequate outside funding and support, *and adequate Afghan political leadership*. However, a close reading of both documents shows that success is likely to require substantial outside training and enabling assistance, as well as major U.S. funding, through 2016 and probably through 2018.

As both the recent Department of Defense and SIGAR reports to Congress show, even the Afghan Army part of the plan will present significant problems in quality and effectiveness. As just one indication of the problems involved, SIGAR's January report notes that estimates that the Afghan Army has a strength of over 178,000 may be deeply misleading, and that actual day-to-day strength may be far lower than that total,⁹

Although limited details were available to account for the 126,658 personnel assigned to the ANA's combat forces this quarter, SIGAR determined that these forces included personnel in the following categories:

- Present for Duty or "Combat Strength": 62,753 (50%)
- Unavailable (including personnel in combat and on leave, but not personnel AWOL): 54,862 (43%)
- Absent without Leave (AWOL): 9,043 (7%)

However, as part of an ongoing audit, SIGAR was provided data on the ANA's strength as of October 21, 2013, that can help put these numbers in perspective. At that time, 72,641 personnel were "unavailable," including the following (partial list):

- In Combat: 39,249
- On leave: 19,570
- AWOL: 8,489
- On temporary assigned duty, inside the Afghan border: 3,541
- Outside TAD, temporary assigned duty, outside the Afghan Border: 2,116
- Course, soldier is currently parading on an authorized course outside the unit: 2,503
- In Hospital, soldier is in a military hospital: 699
- WIA, wounded in action: 645
- Detained, soldier is arrested and in a military jail: 264
- Unit Patient, soldier is in a unit field medical facility: 35
- Detainee in Unit, soldier is in custody of military police: 21
- Unauthorized absence with no weapons: 7
- Unauthorized absence with weapon: 1
- Captured by the enemy:

The Afghan police present far more serious problems. They are not properly organized, manned, and equipped for counterterrorism and counterinsurgency, are broadly corrupt, and report large numbers of personnel or ghost workers that do not actually exist.

The Afghan Local Police are not part of the 352,000 personnel usually referred to as part of the ANSF, but will be even more critical to layered defense than the police. They are still very much an uncertain force that is just coming together. They present serious problems in terms of loyalty and conduct, are critically dependent on post-Transition funding and effective Afghan government support, and so far only seem to be consistently effective while U.S. special forces and other outside advisors are present.

These problems are a clear warning about trying to do too much with too few U.S. forces. If anything, the figure of 10,000 U.S. personnel that is now often attributed to the Joint staff and ISAF may be too low unless personnel are allocated far more efficiently, and given far more freedom of action, than a steadily more bureaucratic U.S. military force allows. The necessary personnel may well be closer to 12,500 to 14,000 and the cost of the necessary military force, contractors, and aid is likely to average at least \$8 billion to \$13 billion a year.

Trying to minimize U.S. force levels and cost below the minimum that NTM-A and the U.S. military have recommended -- and not having enough forces to credibly advise at the Crops level and enable the ANSF where necessary -- is a recipe for failure or having to pay far more later to compensate for under-resourcing now. Trying to implement the fantasy of a 1,000-3,000 personnel counterinsurgency force operating in its own political and military vacuum -- is an almost certain recipe for failure.

The Obama Administration needs to provide a new level of transparency and show it has a credible plan for the military side of Transition -- a challenge it has so far dismally failed to meet with even the slightest credibility. This means ending the constant effort to define new options, stripping away Panglossian exaggeration of progress, honestly stating risk, taking firm decisions, and explaining openly to the Congress, media, American people -- and the American military -- what each element of the U.S. personnel to be left behind will do.

It means providing credible plans and time lines for action, costs for both the U.S. personnel and aid to the ANSF. It means providing a credible plan and credible costs, not a manpower ceiling. It means open and honest progress reporting and risk assessments.

Choosing a U.S. Option: The Civil Side of Transition

Equally important, the U.S. cannot afford to ignore the fact that staying in Afghanistan means having a strong civilian presence, providing adequate aid resources, and the same degree of credible plans and measures of progress and effectiveness as for the Afghan military.

Keeping an effective civil presence in Afghanistan also means dealing with the reality that a newly elected Afghan central government -- in a country that Transparency International ranks as the 3rd most corrupt country in the world and the World Bank ranks as only 164th in the ease of doing business and 189th in protecting investors - is going to have to learn how to compensate for much lower levels of and military spending with remarkable speed.

As the World Bank notes in its April 2013 assessment:¹⁰

Political and security uncertainties are expected to limit private-sector growth in the coming years. Increased public spending, however, will continue to fuel demand for services and construction through 2013. Mining should contribute more noticeably to growth with the increase of oil production in Amu Darya. However, moderate rainfalls are likely, which would reduce this year's harvest to more a regular output and slow GDP growth to 3.1 percent in 2013.

Assuming favorable weather conditions and peaceful elections, growth could pick up in 2014.

The transition process exposes Afghanistan to a number of serious risks such as rising financing for public service provision. Security considerations aside, promoting sources of inclusive economic growth, especially agriculture, and strengthening domestic revenue mobilization will be important to mitigate some of these risks. In particular, a stronger reform effort in areas such as tax policy and customs is required to safeguard past gains in development. Finally, improvements in the legal and regulatory environment of mining could help to secure planned investment.

...The withdrawal of most international military troops as planned is expected to have a profound and lasting impact on the country's economic and development fabric. The drawdown is likely to be accompanied by a decline in international development assistance on which Afghanistan relied heavily since emerging out of conflict in 2001. While Afghanistan's international partners have pledged continued support through 2016, there is a growing sense of uncertainty about Afghanistan's stability and security in the months and years ahead.

...In spite of the relatively optimistic growth prospects, Afghanistan's economy is exposed to some serious risks which need to be carefully managed. First and foremost, there is a lot of uncertainty attached to the upcoming elections in 2014 and the impact of the transition process on Afghanistan's security situation. The fragile security environment has been the single most binding constraint to private-sector investment and private-sector-led growth. Continued violence, economic crime and systemic corruption also have often undermined progress in Afghanistan's governance and state-building agenda. Much will depend, therefore, on Afghanistan's success in achieving peace, stability and reconciliation. Without it, the above-mentioned growth prospects will not materialize.

...Substantial risks lie in rising fiscal financing needs. Ongoing analysis projects revenues to reach more than 16 percent of GDP by fiscal 2022 (from current levels of 11 percent).

However, expenditures are expected to grow much faster. Total government spending could rise to 39 percent of GDP over the next ten years and potentially even higher in many of the intervening years).

The increase in expenditure is largely a result of rising security spending for both operations and maintenance (O&M) and wages for the army and police, which are currently funded by donors outside of the budget. But it will also be driven by non-security spending, which will increase due to additional O&M liabilities associated with the handover of donor-built assets and with a rising government payroll, as the pay and grading (P&G) reform is completed and some additional expenditure is taken on to develop a senior civil service cadre at higher wages. Security spending is projected to be more than 15.2 percent of GDP in fiscal 2022 (about as much as total projected domestic revenue in that year), the civilian wage bill 4.8percent, and the civilian nonwage O&M bill 7.2 percent.

Moreover, risks lie in the uneven distribution of aid impact. Aid has not been evenly spread across the country. Because of the choices made by donors, and the predominant role of stabilization and military spending, the conflict-affected provinces have had significantly higher per-capita aid than the more peaceful (and often poorer) provinces. As a result, the slowdown in aid is likely to be felt more acutely in the conflict-affected areas and in urban centers, most likely through a loss of wage-labor opportunities as military bases and provincial reconstruction teams (PRTs) close. In urban centers, such as Kabul, wage levels of higher-qualified people might decline due to fewer opportunities in donor-financed projects. At

present, with seven out of 30 PRTs closed, the available analysis and data do not suggest any significant impact, or it might be too small to influence (available) economic aggregates. Nevertheless, there are considerable political economy risks that deserve constant attention

There has been some reporting about Afghan progress that implies that Afghan stability is tied to a 12% increase in the Afghan GDP, and that this growth came out of aid activities. The World Bank estimate on which such figures are based was for growth between 2011 and 2012, and the World Bank made it clear that almost all of this increase came from Afghanistan's agricultural sector and was a product of the fact that Afghanistan had one year of good rains after one year of bad rains.

In a far more relevant estimate, the International Monetary Fund (IMF) estimates that Afghanistan's GDP growth rate fell from 12 percent in 2012 to 3.1 percent in 2013. It forecasts 4 to 6 percent growth in 2014 and beyond, largely because of reduced ISAF spending.

The fact is that most Afghans live and work outside the sectors most affected by aid and military spending, but they are not the groups critical to stability, staffing the government and ANSF, and holding off the Taliban and Haqqani Network. The key civil risk the United States faces in terms of the Afghan economy is that the more modern, market driven sector of Afghanistan may well go into a serious recession as this money dries up, although as the World Bank suggests, poor urban and rural Afghans have gotten so few benefits from the aid and military spending that their sectors of the Afghan economy will be less vulnerable.

This *may* require a significant financial bail out in terms of economic aid. The United States needs to be ready to provide this if it is needed. Beyond that, it needs to support the kind of aid problem that will stimulate Afghan growth and reform, and give Afghanistan incentives to make good on its pledges at Tokyo.

Transition also presents special problems on the civilian side because aid personnel have to leave the field before troops do. So far, the Afghan government has shown little capacity to manage aid funds effectively on its own, and it is far from clear that most current aid activity has solved the problems created by Afghan and contractor corruption.

There is no magic red line or deadline at which the US has to decide whether and how to stay. It already, however, faces major problems in ensuring it has the right mix of personnel, facilities, and financial resources to help Afghanistan through a political transition after the April 2014 election, help it through the fall and winter months of 2014 as US and allied forces virtually all depart, and help it through the critical period in 2015-2016 when the full effects of manpower and funding cuts kick in.

Nothing is done quickly and efficiently in Afghanistan, American concepts of efficiency mean serious underresourcing and impossible deadlines, and the American people and the Congress need to be prepared to support meaningful FY2015 and outyear budget requests, and to accept the levels of uncertainty, risk, and unavoidable levels of waste and corruption that are involved in a decision to stay.

It is also critical that the United States and all aspects of civilian aid in governance and the economy be far more transparent, be linked to a public plan and be justified in terms of their cost

benefits and impact on Afghan stability. It is not enough to have good intentions and do random good works, or justify aid on a given project or program basis. The State Department and USAID need to show they have a real plan, make it transparent, and show it can survive outside review and criticism. They need to be ready to make real-world progress reports, and flag Afghan faults and failures to make necessary reforms.

The military at least seem to have a plan -- although one that is not public and may have many flaws. The most recent SIGAR Quarterly report indicates that total U.S. military and civilian aid will total more \$102 billion by the end of 2014. Much of past and current governance and economic aid seems to have gone to projects that may have been individually desirable because the individual projects seemed to be good. It is rarely clear that they were necessary on the basis of a credible assessment of Afghan needs. There are almost no public data showing that aid is serving a clear strategic purpose in giving Afghanistan security and stability

Worse, it is not clear that an effective Afghan structure exists to develop a meaningful plan for using aid, to honestly administer and allocate funds in many cases, or to assess the effectiveness of such aid. Most outside government, PRT, NGO and other facilities will close, and it is already clear that Afghan officials and contract efforts often leave the scene or cease to function effectively.

If most U.S. and other aid personnel are to leave the field, and the Afghan government is administering aid within in structure and budget, aid to governance and the economy will require a credible plan, meaningful international support and coordination, and effective Afghan implementation. It will also require a common focus on goals and measures of effectiveness that tie aid to ensuring national stability and dealing with the fact Afghanistan and is still at war.

Far too many reports warn of the problems to come. A recent article by Kevin Sief in the *Washington Post*—“A crumbling investment” – provides a case study that makes it clear that the very foundation of aid the Afghanistan – the roads that were supposed to open up its economy and make it a major route through Central Asia – have begun to crumble before the United States leaves.

What some called the “New Silk Road” seems to already have lost critical links in terms of safely, the Afghan government has failed to maintain it, and the end result seems to be the failure of a \$4 billion keystone project— and the article does not address key additional problems like the Salang tunnel.

Other work by the Special Inspector General for Afghan Reconstruction focuses on fraud and waste in the aid process. Some of this criticism focuses on the wrong criteria and uses the wrong metrics. Fraud and waste are to some extent, the inevitable price of operating in high risk and extraordinarily corrupt country. The key issue is whether the benefits in terms of stability, warfighting, and future development offset these costs.

The key problem in past aid and in shaping plans for the future is that the United States spent a total of over \$96 billion in various forms of aid – including military programs like CERP – and \$13.3 billion in USAID funds – and does not seem to have any credible public measures of

effectiveness or to have had any consistent plans and analytic basis for allocating aid and coordinating it with other national, NGO, and UN efforts.

What may be even more critical, however, is the lack of a credible assessment of just how much of a risk Afghanistan faces in 2015-2016 as the aid money now in the pipeline runs out or cannot be spent, as the full impact of U.S. and allied military spending is cut to a fraction of the past, and as richer Afghans rush their money (and themselves) outside the country.

The Administration and the Congress have already agreed to cut military and civil aid in FY2014 – largely because of budget pressures but also because members of Congress felt that neither the Department of Defense nor the State Department/USAID could justify the use of past funds, spending rates of existing funds, and new requests – problems raised at length by SIGAR, the GAO, and in press reports.¹¹ The Department of Defense aid request was cut by roughly 40% from \$2.6 billion to \$1.04 billion. Economic and governance aid were cut from \$2.1 billion to less than \$1.1 billion.¹²

There is no question that far too much money has been spent with extraordinarily waste, fraud, and abuse by both Afghans and outsiders, and that the Afghan government now badly lacks the ability to take over the task of managing aid and then either supporting projects with effective funding and maintenance or helping them grow as mature programs. But, if the United States and its allies are to stay, they have to plan to stay in “Afghan as it is,” not “Afghan as it should be,” or even “Afghan good enough.” This means being ready to bail out the market sector of the Afghan economy to cushion the impact of aid and military spending cuts – *if this proves necessary*.

Time for Clear Plans, Clear Cost Estimates, Clear Conditions for Staying and an Honest Debate About the Cost-Benefits of Staying

In summary, the United States should not continue to stay in Afghanistan without a clear and public debate over the cost-benefits of staying in a limited war of limited value. That does not mean, however, it should leave, or try to stay on the cheap.

It means that the Obama Administration needs to make hard choices about these issues, choose a plan and estimate budget, and present it to the public and the Congress. There is no excuse for delay or secrecy and an overwhelming ethical case against both when decisions affect other critical strategic priorities, the lives of those who serve, and our allies.

President Obama’s discussion of Afghanistan in the State of the Union address was political rubbish. It is time for real leadership, real transparency, real honesty, and hard decisions. It is also time to stop talking about essentially mindless punch-line numbers like “zero to 10,000,” and focus on real plans and real costs.

Anthony H. Cordesman holds the Arleigh A. Burke Chair in Strategy at the Center for Strategic and International Studies in Washington, D.C.

For detailed analyses of these issues, see:

- **Afghanistan: Meeting the Real World Challenges of Transition;** <http://csis.org/files/publication/Afghan-Meeting%20Challenges%20NEW.pdf>
- **The War in Afghanistan in 2013: Meeting the Challenges of Transition: Volume I, The Challenges of Leadership and Governance,** http://csis.org/files/publication/130506_Cordesman_AfghanWar2013_VolumeI_Web.pdf
- **The Afghan War in 2013: Meeting the Challenges of Transition--Volume II: Afghan Economics and Outside Aid,** <http://csis.org/publication/afghan-war-2013-meeting-challenges-transition-volume-2>.
- **The Afghan War in 2013: Meeting the Challenges of Transition--Volume III: Security and the ANSF,** <http://csis.org/publication/afghan-war-2013-meeting-challenges-transition-volume-3>

Commentary is produced by the Center for Strategic and International Studies (CSIS), a private, tax-exempt institution focusing on international public policy issues. Its research is nonpartisan and nonproprietary. CSIS does not take specific policy positions. Accordingly, all views, positions, and conclusions expressed in this publication should be understood to be solely those of the author(s).

© 2014 by the Center for Strategic and International Studies. All rights reserved.

¹ By Karen DeYoung and Greg Miller, "U.S. said to curtail drone strikes in Pakistan as officials there seek peace talks with Taliban," *Washington Post*, February 4, 2014, http://www.washingtonpost.com/world/national-security/us-curtails-drone-strikes-in-pakistan-as-officials-there-seek-peace-talks-with-taliban/2014/02/04/1d63f52a-8dd8-11e3-833c-33098f9e5267_story.html.

² Bill Roggio and Alexander Mayer, "Charting the data for US Airstrikes in Pakistan, 2004 – 2014," *Long War Journal*, <http://www.longwarjournal.org/pakistan-strikes.php>, accessed January 4, 2014.

³ See the unclassified list of those killed on Bill Roggio and Alexander Mayer, "Senior al Qaeda and Taliban leaders killed in US airstrikes in Pakistan, 2004 – 2013," *Long War Journal*, <http://www.longwarjournal.org/pakistan-strikes-hvts.php>, accessed January 4, 2014

⁴ See AFCENT web page: "Combined Forces Air Component Commander 2008-2013 Airpower Statistics," <http://www.afcent.af.mil/shared/media/document/AFD-131223-016.pdf>.

⁵ U.S.-Afghanistan Bilateral Security Agreement, Testimony, James F. Dobbins, Special Representative for Afghanistan and Pakistan, Opening Statement Before the House Foreign Affairs Committee, Washington, DC, December 11, 2013, <http://www.state.gov/p/sca/rls/rmks/2013/218660.htm>.

⁶ Department of Defense, *Report on Progress Toward Security and Stability in Afghanistan, November 2013*, pp. 3, 7-8, 21-23, 33-34, 36-38, 40, 44-47, 48, 52-54, 58-59, 61-62, 63-65, 66- 68, 69, 73, 88-90.

⁷ Special Inspector General for Afghanistan Reconstruction (SIGAR), *Quarterly Report to Congress*, January 30, 2014, p. 85.

⁸ Special Inspector General for Afghanistan Reconstruction (SIGAR), *Quarterly Report to Congress*, January 30, 2014, pp. 85-87, 90

⁹ Special Inspector General for Afghanistan Reconstruction (SIGAR), *Quarterly Report to Congress*, January 30, 2014, p. 92, <http://www.sigar.mil/pdf/quarterlyreports/2014Jan30QR.pdf>.

¹⁰ World Bank, *Afghanistan Economic Update, April 2013*, Pp. 2-3, 17-18, http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/05/02/000333037_20130502161223/Rendered/PDF/770830REVISED0box377289B00PUBLIC00.pdf.

¹¹ For the full list of SIGAR reports, see <http://www.sigar.mil/AllReports/>. GAO effectively ceased to report on the Afghan War in February 2013, but its past reporting can be found by going to the GAO web site or using <http://www.gao.gov/search?q=Afghanistan&Submit=Search>. Two useful reports highlighting past challenges include [Key](#) [Oversight](#) [Issues](#) GAO-13-218SP, Feb 11, 2013; and [USAID Oversight of Assistance Funds and Programs](#) GAO-12-802T, Jun 6, 2012.

¹² Ernesto Londoño and [Karen DeYoung](#), “Congress cuts U.S. military and development aid for Afghanistan,” *Washington Post*, January 24, 2014, http://www.washingtonpost.com/world/national-security/congress-cuts-us-military-and-development-aid-for-afghanistan/2014/01/24/3d4cb818-8531-11e3-bbe5-6a2a3141e3a9_story.html; Matthew Roseberg and Azam Ahmed, “U.S. Aid to Afghans Flows On Despite Warnings of Misuse,” *New York Times*, January 30, 2014; www.nytimes.com/2014/01/30/world/asia/report-says-afghanistan-cant-be-trusted-to-prevent-misuse-of-us-aid.html?hpw&rref=world&_r=0; Missy Ryan, “U.S. eyes options for Afghanistan after Congress cuts aid,” *Reuters*, Tue Jan 21, 2014 8:12pm EST, <http://www.reuters.com/article/2014/01/22/us-usa-afghanistan-aid-idUSBREAOL02320140122>.