

THE U.S. COST OF THE AFGHAN WAR: FY2002-FY2013

COST IN MILITARY OPERATING EXPENDITURES AND AID AND PROSPECTS FOR “TRANSITION”

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May 14, 2012

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It is surprisingly difficult to get a meaningful estimate of the total cost of the Afghan conflict, total spending on Afghan forces and total spending on various forms of aid. More data are available on US efforts – which have dominated military and aid spending, but even these data present serious problems in reliability, consistency, and definition. Moreover, it is only since FY2012 that the US provided an integrated request for funding for the war as part of its annual budget request. The data for the period before FY2009 are accurate pictures of the Department of Defense request, but there is only a CRS estimate of total spending the previous years.

This report addresses the cost to the US of the Afghan War from FY2000-FY2013. It provides estimates of total cost, cost to the Department of Defense, and aid costs to State, USAID, and other federal agencies. It also reports on the total cost of international aid when this takes the form of integrated aid to Afghan development and Afghan forces – a fraction of total aid spending. No reliable estimate exists of total international aid to Afghanistan, since so much of this aid has been direct and has not passed through the Afghan Central government.

The resulting figures provide important insights for “transition.” They show the scale of past US efforts, how the aid has been allocated, and the differences between the total aid appropriated during the course of the war, the amount obligated (around 60% of the amount appropriated), and the amount actually disbursed (around 45% of the appropriation).

Several points are clear:

- The vast majority of aid went to the Afghan security forces and not development.
- Most aid was very erratic in annual levels of effort, making it extremely difficult to plan the most effective use of the money and ensuring that program continuity was not possible.
- The bulk of the total spending and aid has been allocated since FY2009, and came after the insurgency had reached high levels. It is a clear case of too much, too late.
- The surge in aid spending creates the irony that the maximum actual cash flow – “disbursements” – is only occurring now that transition is in place and major cuts are coming between 2012 and 2014.
- The data only tell the amount of money made available of a total category basis. They do not tell how much money actually reach Afghanistan, they do not tie spending to any clear objectives, they do not reflect any effective contracting and auditing system, and there are no measures of effectiveness or success.

This latter set of points is critical. No one who has served in government, or observed it, will ever claim that the ability to allocate and spend money is a measure of effectiveness. After more than a decade of war, this is in practice the total limit of Department of Defense, State Department and USAID reporting. The only exceptions are limited audit coverage by the Special Inspector General for Afghanistan (SIGAR), reports by the GAO, and some audits by the inspector generals of given Departments.

Not only did the money come far too late to prevent the rise of a major insurgency, when it did come, it came in areas where there were no effective overall planning,

management, and contacting systems. No adequate fiscal controls, and no real measures of effectiveness. The system virtually invited waste, fraud, and abuse.

It is important to note that reforms have taken place in many areas of contracting, and there is now better auditing. The Afghan government has also promised important reforms in its control of spending and efforts to reduce corruption.

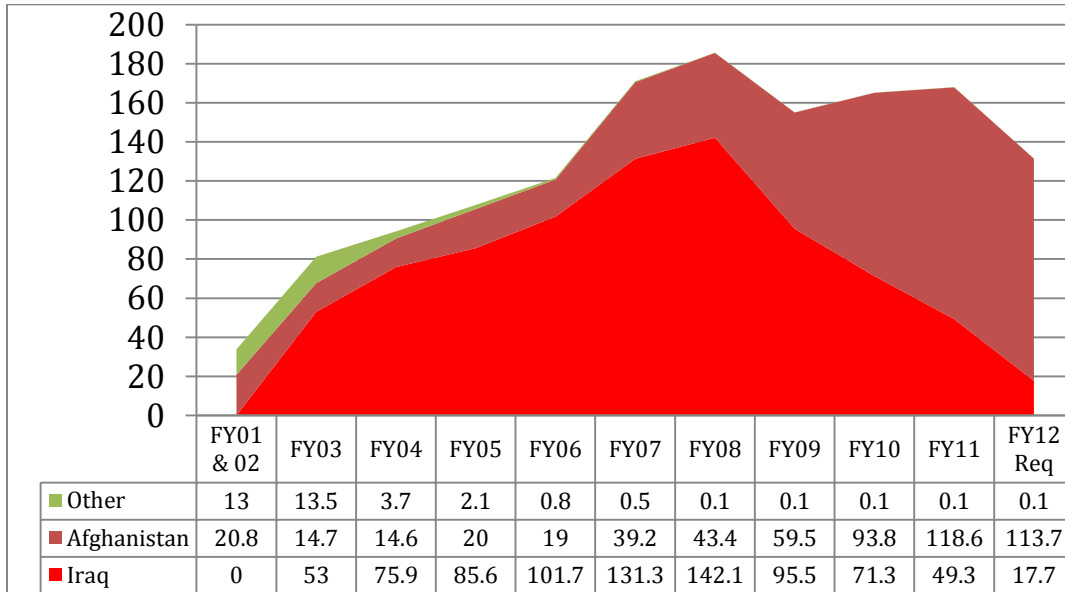
The fact remains, however, that if the CRS and OMB figures for FY2001-FY2013 that follow are totaled for all direct spending on the war, they reach \$641.7 billion, of which \$198.2 billion – or over 30% – will be spent in FY2012 and FY2013. This is an incredible amount of money to have spent with so few controls, so few plans, so little auditing, and almost no credible measures of effectiveness.

It is also clear that the end effect has been to sharply raise the threshold of corruption in Afghanistan, to make transition planning far more difficult, and raise the risk that sudden funding cuts will undermine the Afghan government's ability to maintain a viable economy and effective security forces.

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US Total Spending on the Afghan War: FY2002-FY2012



Operation and Funding Source	FY01 & FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY2011 CRA P.L. 112-6	FY2012 Request	Cum. Enacted FY2001-FY2011	Cum. Total w/ FY2011 CRA & FY2012 Request
IRAQ													
DOD	0	50.0	56.4	83.4	98.1	127.2	138.5	92.0	66.5	45.7	10.6	757.8	768.8
State/USAID	0	3.0	19.5	2.0	3.2	3.2	2.7	2.2	3.3	2.3	6.2	41.4	47.6
VA Medical	0	0	0	0.2	0.4	0.9	0.9	1.2	1.5	1.3	0.9	6.3	7.2
Total: Iraq	0	53.0	75.9	85.6	101.7	131.3	142.1	95.5	71.3	49.3	17.7	805.5	823.2
AFGHANISTAN													
DOD	20.0	14.0	12.4	17.2	17.9	37.2	40.6	56.1	87.7	113.3	107.3	416.2	523.5
State/USAID	0.8	0.7	2.2	2.8	1.1	1.9	2.7	3.1	5.7	4.1	4.3	25.1	29.4
VA Medical	0	0	0	0	0	0.1	0.1	0.2	0.5	1.1	2.1	2.1	4.2
Total: Afghanistan	20.8	14.7	14.6	20.0	19.0	39.2	43.4	59.5	93.8	118.6	113.7	443.5	557.1
ENHANCED SECURITY													
DOD	13.0	8.0	3.7	2.1	.8	0.5	0.1	0.1	0.1	0.1	0.1	28.6	28.7
Total: Enhanced Security	13.0	8.0	3.7	2.1	.8	0.5	0.1	0.1	0.1	0.1	0.1	28.6	28.7
UNALLOCATED													
Unallocated DOD	0	5.5	0	0	0	0	0	0	0	0	0	5.5	5.5
ALL MISSIONS													
DOD	33.0	77.4	72.4	102.6	116.8	164.9	179.2	148.3	154.3	159.1	118.0	1,208.1	1,326.3
State/USAID	0.8	3.7	21.7	4.8	4.3	5.0	5.4	5.4	9.1	6.5	10.6	66.7	77.4
VA Medical	0	0	0	0.2	0.4	1.0	1.0	1.5	1.9	2.4	3.0	8.4	11.4
Total: All Missions	33.8	81.1	94.1	107.6	121.5	170.9	185.6	155.1	165.3	168.1	131.6	1,283.3	1,414.8

Source: Amy Belasco, The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11, CRS, RL33110, March 29, 2011

US Total Spending on the Afghan War: FY2011-FY2013

Overseas Contingency Operations (OCO) (In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Spending Memorandum:¹			
Discretionary Cap Adjustment: ²			
Department of Defense			
Operation Enduring Freedom.....	113,963	105,737	85,627
Operation New Dawn / Iraq.....	45,044	9,604	2,855
Subtotal, Department of Defense ³	159,007	115,341	88,482
Department of State and U.S. Agency for International Development (USAID) ⁴			
Iraq.....	—	4,802	4,019
Afghanistan.....	—	3,636	3,267
Pakistan and Other.....	297	2,750	959
Subtotal, Department of State and USAID	297	11,188	8,245
Other International Agencies	—	14	—
Subtotal, Department of State, USAID, and Other International Agencies.....	297	11,203	8,245
Department of Justice.....	101	—	—
Total, Discretionary budget authority.....	159,405	126,544	96,727

¹ OCO funding is included in the related agency chapter tables and is presented here as a non-add detail table.

² The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended by the Budget Control Act of 2011, limits—or caps—budget authority available for discretionary programs each year through 2021. Section 251(b)(2) of BBEDCA authorizes certain adjustments to the caps after the enactment of appropriations. Amounts in 2011 are not so designated but are shown for comparability purposes.

³ For comparability purposes, the OCO totals include \$254 million in 2011 and \$258 million in 2012 that were requested in Defense but that Congress appropriated directly to the Department of Homeland Security (DHS), for Coast Guard operating expenses. The Budget requests \$254 million in Defense that may be transferred to DHS for the same purpose in 2013.

⁴ OCO funds were first appropriated to the Department of State, USAID, and Other International Programs in 2012. The 2011 OCO amount reflects a transfer from the Department of Defense to the Department of State.

- Provides \$96.7 billion in unified Defense, State, and USAID funding for Overseas Contingency Operations (OCO), a reduction of 24 percent below the 2012 enacted level. This primarily reflects the savings from the end of military operations in Iraq and the drawdown of forces in Afghanistan.
- Maintains a unified approach to budgeting in conflict areas by continuing to integrate International Affairs resource requirements related to extraordinary and temporary national security needs with Department of Defense budget plans.
- Caps OCO spending through 2021 at \$450 billion, which allows year-by-year flexibility for the Administration to respond effectively to changing circumstances on the ground, and which prevents the use of OCO funding as a way around discretionary caps.
- Addresses the military and civilian costs necessary to achieve U.S. national security goals in Afghanistan, Pakistan, and Iraq, including support for an entirely civilian-led mission in Iraq.
- Supports the security, diplomatic, and development requirements for successful military-to-civilian transitions in Iraq and Afghanistan, including continued support to critical coalition partners.
- Provides \$88.5 billion for the Department of Defense, of which \$85.6 billion is for Operation Enduring Freedom and \$2.9 billion is for activities related to Iraq, primarily the repair and replacement of damaged equipment and the operation of the Office of Security Cooperation-Iraq.

- Reduces military spending at a rate consistent with the complete withdrawal of U.S. troops from Iraq and a 30 percent decline in the number of troops deployed to Afghanistan.
- Provides \$8.2 billion for Department of State and USAID OCO activities, of which \$3.3 billion is for Afghanistan, \$1.0 billion is for Pakistan, and \$4.0 billion is for Iraq.
- Promotes transparency and efficiency in the Budget by separating the costs of supporting OCO from those that are included in Department of Defense and Department of State and USAID base budgets. The Budget provides \$2.9 billion to support DOD's Iraq-related costs, including repair and replacement of equipment leaving the country, replenishment of munitions previously expended in combat, and the operation of the Office of Security Cooperation-Iraq (OSC-I). This is a reduction of about \$7 billion from the 2012 enacted level for Iraq. Under the aegis of the U.S. diplomatic mission to Iraq, OSC-I is the cornerstone of the U.S.-Iraqi strategic security partnership and serves as the hub of both security assistance and security cooperation activities, including cooperation on counterterrorism, counterproliferation, maritime security, and air defense.
- Provides Department of State and USAID Funding for Civilian-Led Missions.

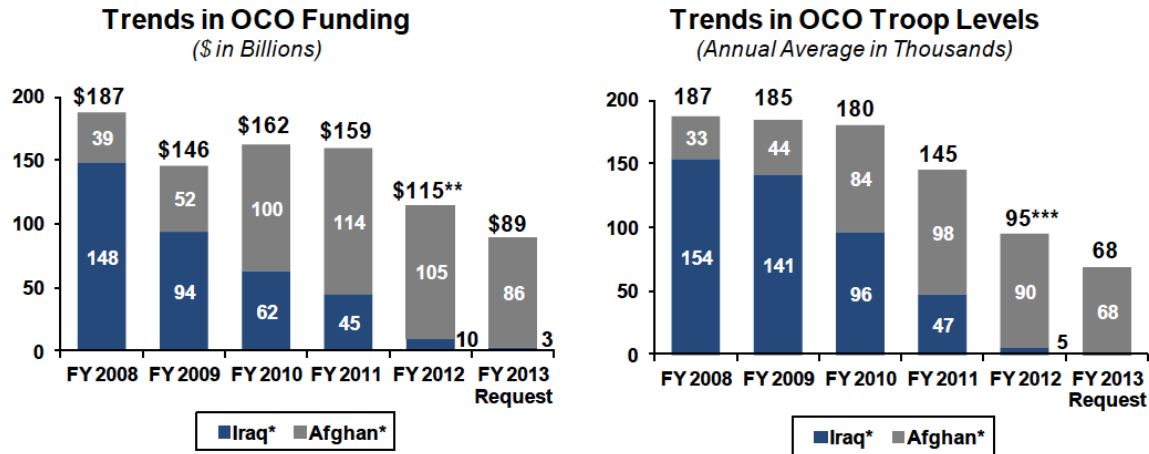
The Budget reflects the OCO costs associated with Department of State and USAID activities in Iraq, Afghanistan, and Pakistan. Overall, the 2013 request for OCO represents a decrease of \$2.9 billion from the 2012 enacted level, and reflects a more conservative OCO definition that avoids the risk of inadequate base funding for enduring activities once OCO funding under the proposed cap is exhausted. These 2013 OCO costs are limited to certain near-term operational, security and development components of assistance programs related to stabilization and counterinsurgency operations, protection of civilian personnel, and oversight activities of the Special Inspector General for Afghanistan.

In Iraq, these temporary operations and assistance programs are necessary to sustain a civilian-led mission; strengthen the capacity of the Iraqi government through police training, criminal justice programs, and military assistance; and ensure the Department and USAID have the necessary resources to support and secure the diplomatic mission. For Afghanistan and Pakistan, unique challenges require near-term stabilization and development assistance to support a responsible security transition in Afghanistan and support Pakistan's counterinsurgency programs. In Afghanistan, OCO funding will provide the initial infrastructure to maintain the diplomatic platform and security posture as Afghan forces take greater responsibility for security operations.

Source: OMB, *Fiscal Year 2013 Budget of the US Government*, "Overseas Contingency Operations (OCO)," pp. 89-92, Budget.gov

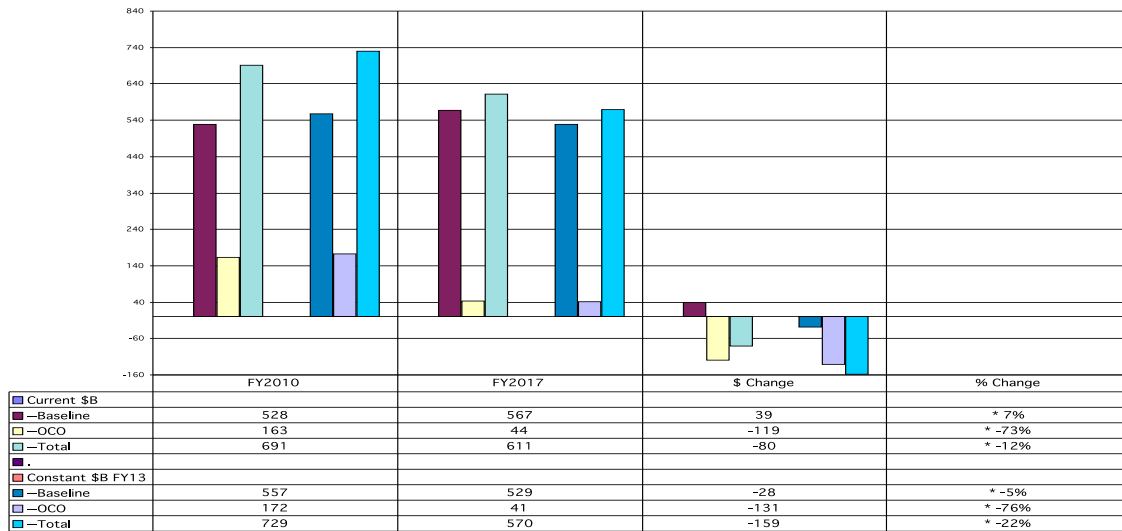
Total US Military Spending on the Afghan War: FY2012-FY2013

Source: OSD Comptroller, February, 2012



* Afghan data is for Operation ENDURING FREEDOM. Iraq data is for Operation IRAQI FREEDOM and Operation NEW DAWN, and Iraq activities.
 ** FY 2012 number (\$115B) includes \$0.6B of rescissions that were applicable to FY 2010 OCO appropriations.
 *** U.S. forces deployed in Iraq only for the first quarter of FY 2012.

B22-23



Operations	60.2	48.2
Force Protection	6.5	5.1
Improvised Explosive Devices (IED) Defeat	2.4	1.7
Military Intelligence Program (MIP) (Includes ISR)	5.8	4.5
Afghanistan Security Forces Fund (ASFF)	11.2	5.7
Afghanistan Infrastructure Fund (AIF)*	0.4	0.4
Commander's Emergency Response Program (CERP)*	0.4	0.4
Support for Coalition Forces	2.1	2.2
Equipment Reset	13.0	9.3
Military Construction	0.3	--
Temporary End Strength	2.2	6.1
Non-DoD Classified	5.4	4.9
Non-war/Other*	5.8	--
Total	115.7	88.5
Rescissions**	-0.6	--
Total including Rescissions	115.1	88.5

* Reflects base budget amounts transferred by the Congress to OCO, and congressional non-war adds (e.g., \$1B for domestic National Guard and Reserve Equipment).
 **Includes rescissions enacted in FY 2012 for FY 2010 OCO appropriations.

Source: OSD Comptroller, February, 2012

US Aid Spending on the Afghan War: FY2012-FY2013

FY 2012 APPROPRIATIONS AND FY 2013 BUDGET REQUESTS			
	FY 2012 Enacted (\$ Millions)	FY 2013 Request (\$ Millions)	Change (%)
DoD			
ASFF	11,200.0	5,749.2	-48.6
AIF	400.0	400.0	0.0
CERP	400.0	425.0	+6.3
DoD CN	381.5	405.4	+6.3
DoD CN (OCO)	325.3	378.9	
DoD CN (Base)	56.2	26.5	
TFBSO	150.0 ^a	179.0	+19.3
DoS/USAID			
ESF	1,836.8	1,849.3	+0.7
ESF (OCO)	1,836.8	1,037.9	
ESF (Base)	0.0	811.4	
INCLE	324.0	600.0	+85.2
INCLE (OCO)	324.0	200.0	
INCLE (Base)	0.0	400.0	
MRA	81.0	65.0	-19.8
MRA (OCO)	20.0	0.0	
MRA (Base)	61.0	65.0	
ECE	7.4	8.0	+8.1
ECE (OCO)	7.4	0	
ECE (Base)	0.0	8.0	
BBG	18.4	17.6	-4.3
BBG (OCO)	2.2	0.0	
BBG (Base)	16.2	17.6	
Total	14,799.1	9,698.5	-34.5

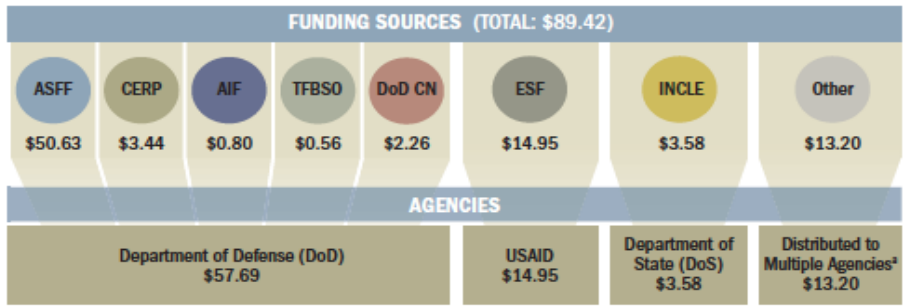
Notes: Numbers affected by rounding. DoD = Department of Defense. ASFF = Afghanistan Security Forces Fund. AIF = Afghanistan Infrastructure Fund. CERP = Commander's Emergency Response Program. DoD CN = Department of Defense Counter-Narcotics. OCO = Overseas Contingency Operations. TFBSO = Task Force for Business and Stability Operations. DoS = Department of State. USAID = U.S. Agency for International Development. ESF = Economic Support Fund. INCLE = International Narcotics Control and Law Enforcement. MRA = Migration and Refugee Assistance. ECE = Education and Cultural Exchange. BBG = Broadcasting Board of Governors.

a. Excludes "Operations and Maintenance, Army" funds, which are included in TFBSO figures in "Status of Funds" and Appendix B.

Source: OMB, response to SIGAR data call, 4/17/2012.

Source: SIGAR, Quarterly Report to the US Congress, April 30, 2012, p. 5.

US Reconstruction Funds for Afghanistan: FY2002-FY2012



ASFF: Afghanistan Security Forces Fund;

CERP: Commander's Emergency Response Program;

AIF: Afghanistan Infrastructure Fund;

TFBSO: Task Force for Business and Stability Operations;

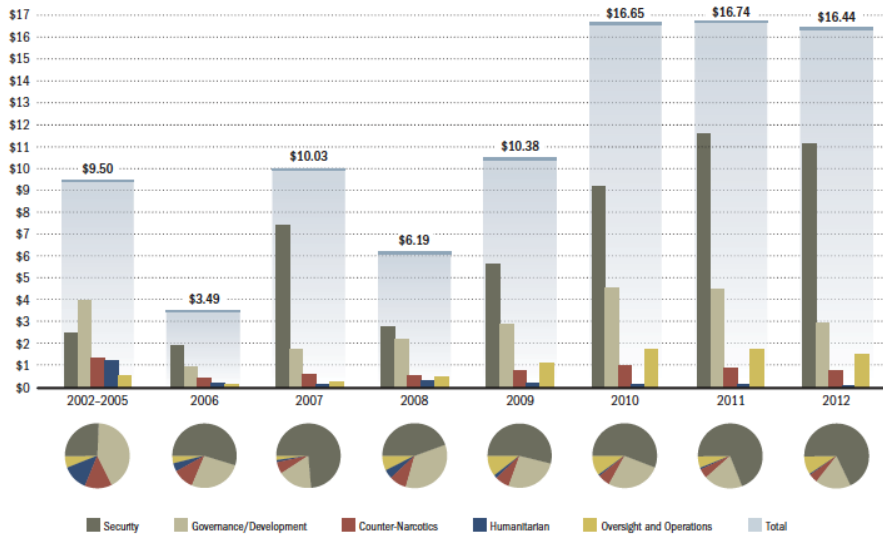
DoD CN: DoD Drug Interdiction and Counter-Drug Activities;

ESF: Economic Support Fund;

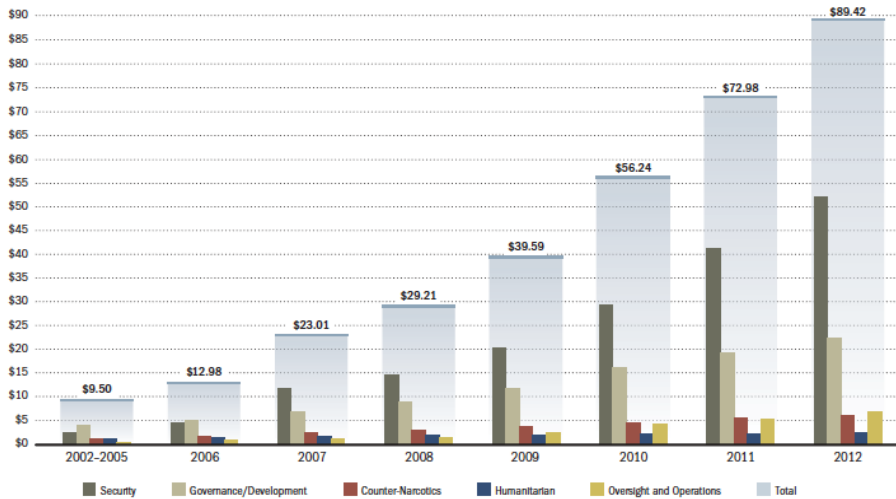
INCLE: International Narcotics Control and Law Enforcement;

Other: Other Funding

APPROPRIATIONS BY FISCAL YEAR AND CATEGORY (\$ BILLIONS AND PERCENT)



CUMULATIVE APPROPRIATIONS BY FUNDING CATEGORY, AS OF MARCH 31, 2012 (\$ BILLIONS)



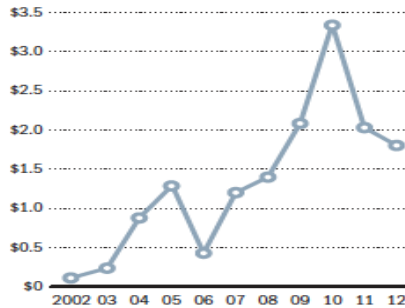
Note: Numbers affected by rounding. Updated data resulted in a lower total for 2009.

Sources: DoD, responses to SIGAR data call, 4/19/2012, 4/18/2012, 4/17/2012, 4/11/2012, 3/30/2012, 10/14/2009, and 10/1/2009; DoS, responses to SIGAR data call, 4/17/2012, 4/6/2012, and 4/14/2011; Treasury, response to SIGAR data call, 4/20/2012; OMB, response to SIGAR data call, 4/17/2012; USAID, responses to SIGAR data call, 4/3/2012, 10/15/2010, 1/15/2010, and 10/9/2009; DoI, response to SIGAR data call, 7/7/2009; USDA, response to SIGAR data call, 4/2009; P.L. 112-74, 12/23/2011; P.L. 112-10, 4/15/2011; P.L. 111-212, 10/29/2010; P.L. 111-118, 12/19/2009; FY 2010 Defense Explanatory Statement.

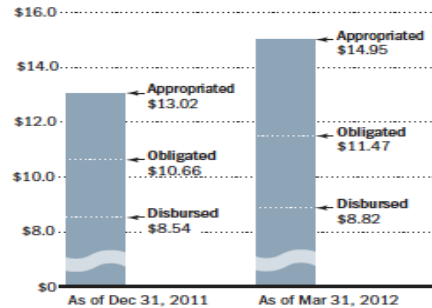
Source: SIGAR, Quarterly Report to the US Congress, April 30, 2012, p. 45-46.

US Economic Aid Funds for Afghanistan: FY2002-FY2012

ESF APPROPRIATIONS BY FISCAL YEAR
(\$ BILLIONS)



ESF FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



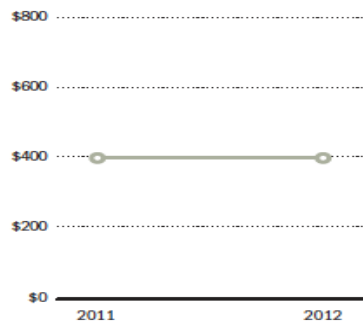
CERP: Commander's Emergency Response Program;

AIF: Afghanistan Infrastructure Fund;

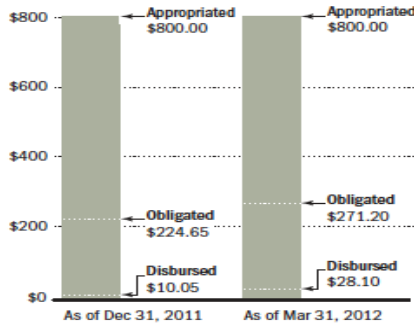
TFBSO: Task Force for Business and Stability Operations;

ESF: Economic Support Fund;

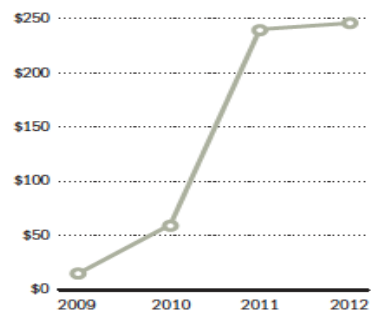
AIF APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



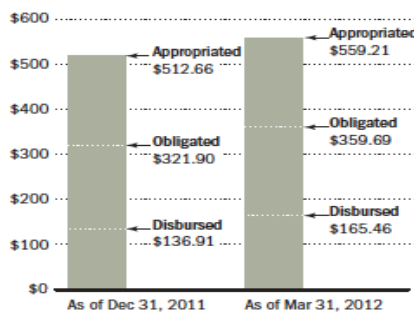
AIF FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



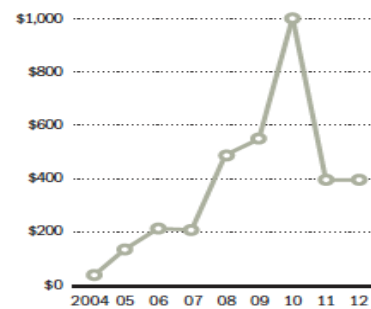
TFBSO APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



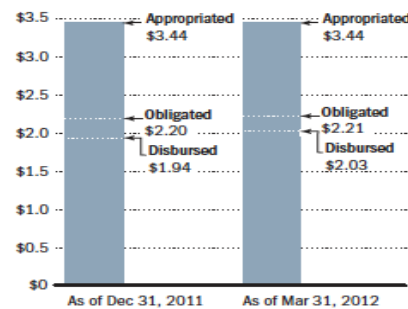
TFBSO FUNDS, CUMULATIVE COMPARISON
(\$ MILLIONS)



CERP APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)



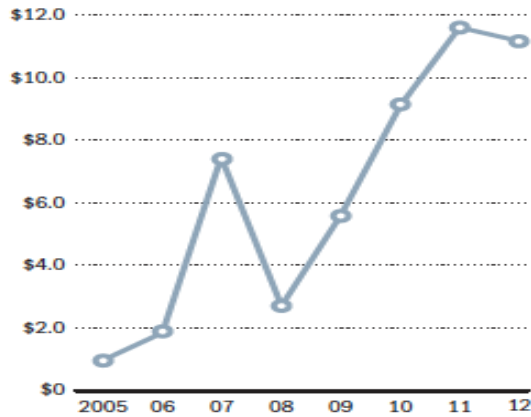
CERP FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



Source: SIGAR, Quarterly Report to the US Congress, April 30, 2012, p. 48-50.

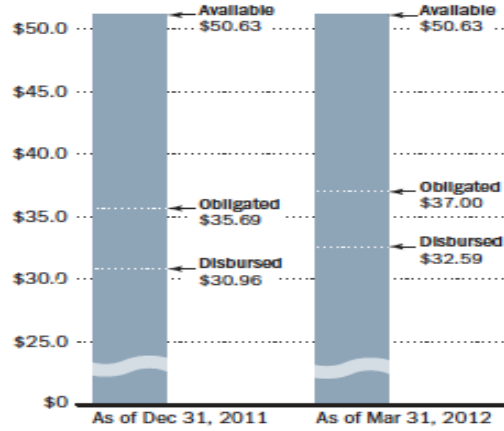
US and UN Spending on Afghan National Security Forces: FY2002-FY2012 – Part One: \$58.6 billion in appropriations and pledges as of March 2012

ASFF AVAILABLE FUNDS BY FISCAL YEAR
(\$ BILLIONS)



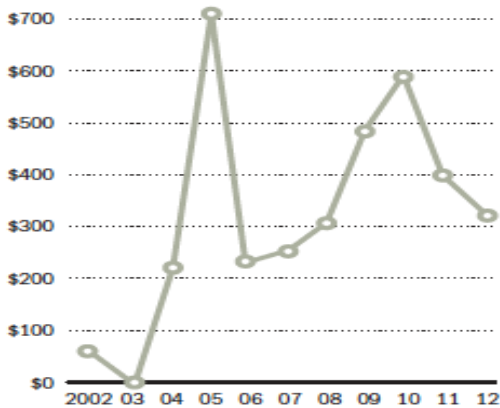
Note: Numbers affected by rounding.
Sources: DoD, response to SIGAR data call, 4/11/2012; P.L. 112-74, 12/23/2011; P.L. 112-10, 4/15/2011.

ASFF FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)

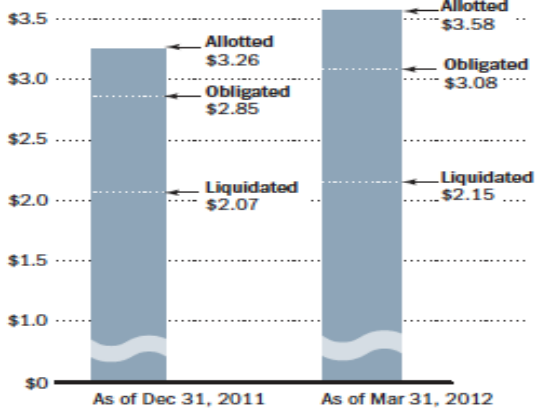


Note: Numbers affected by rounding.
Sources: DoD, responses to SIGAR data call, 4/11/2012 and 1/13/2012; P.L. 112-74, 12/23/2011; P.L. 112-10, 4/15/2011.

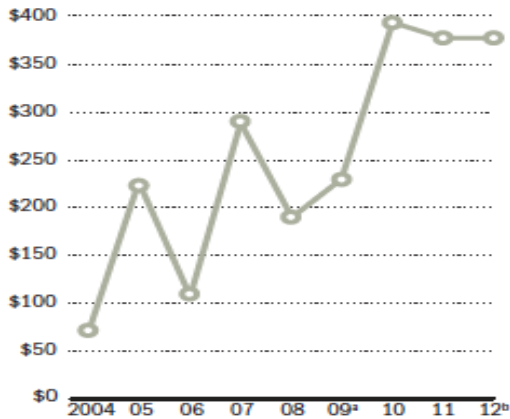
INCLE ALLOTMENTS BY FISCAL YEAR
(\$ MILLIONS)



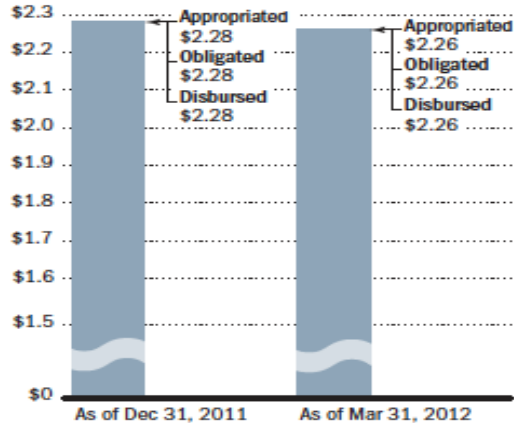
INCLE FUND, CUMULATIVE COMPARISON
(\$ BILLIONS)



DoD CN APPROPRIATIONS BY FISCAL YEAR
(\$ MILLIONS)

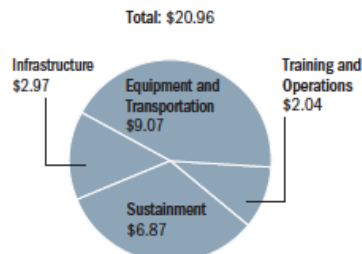


DoD CN FUNDS, CUMULATIVE COMPARISON
(\$ BILLIONS)



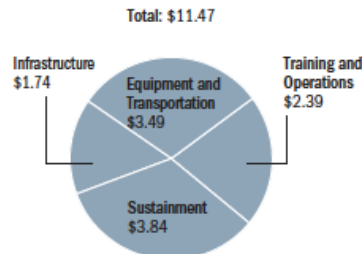
US and UN Spending on Afghan National Security Forces: FY2002-FY2012 – Part Two: \$58.6 billion in appropriations and pledges as of March 2012

ASFF DISBURSEMENTS FOR THE ANA
By Sub-Activity Group,
FY 2005–March 31, 2012 (\$ BILLIONS)



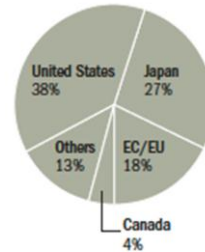
Note: Numbers affected by rounding.
Source: DoD, response to SIGAR data call, 4/11/2012.

ASFF DISBURSEMENTS FOR THE ANP
By Sub-Activity Group,
FY 2005–March 31, 2012 (\$ BILLIONS)



Note: Numbers affected by rounding.
Source: DoD, response to SIGAR data call, 4/11/2012.

DONORS' CONTRIBUTIONS TO THE LOTFA
SINCE 2002, AS OF SEPTEMBER 30, 2011
(PERCENT)



Notes: Numbers affected by rounding. EC/EU = European Commission/European Union.
Source: UNDP, "LOTFA Phase VI Quarterly Progress Report Q3/2011," 10/27/2011; SIGAR analysis of UNDP's quarterly and annual LOTFA reports, 1/20/2012.

Four sets of funds are involved with a total value of \$58.6 billion in appropriations and pledges as of March 2012. The largest is the US Afghanistan Security Forces Fund (ASFF) that provides the ANSF with equipment, supplies, services, and training, as well as facility and infrastructure repair, renovation, and construction. As of March 31, 2012, DoD had disbursed more than \$32.59 billion for ANSF initiatives. Of this amount, nearly \$20.96 billion was disbursed for the ANA, and nearly \$11.47 billion was disbursed for the ANP; the remaining nearly \$0.17 billion was directed to related activities. The largest portion of the funds disbursed for the ANA—nearly \$9.07 billion—supported Equipment and Transportation. Of the funds disbursed for the ANP, the largest portion—more than \$3.84 billion—supported Sustainment.

The Second is DoD's Drug Interdiction and Counter-Drug Activities fund (DoD CN) supports efforts to stabilize Afghanistan by combating the drug trade and related activities. DoD uses the DoD CN to provide assistance to the counter-narcotics effort by supporting military operations against drug traffickers; expanding Afghan interdiction operations; and building the capacity of Afghan law enforcement bodies—including the Afghan Border Police—with specialized training, equipment, and facilities. As of March 31, 2012, DoD reported that DoD CN received more than \$376.37 million for Afghanistan for FY 2012, bringing the total cumulative funding to more than \$2.26 billion since FY 2004.

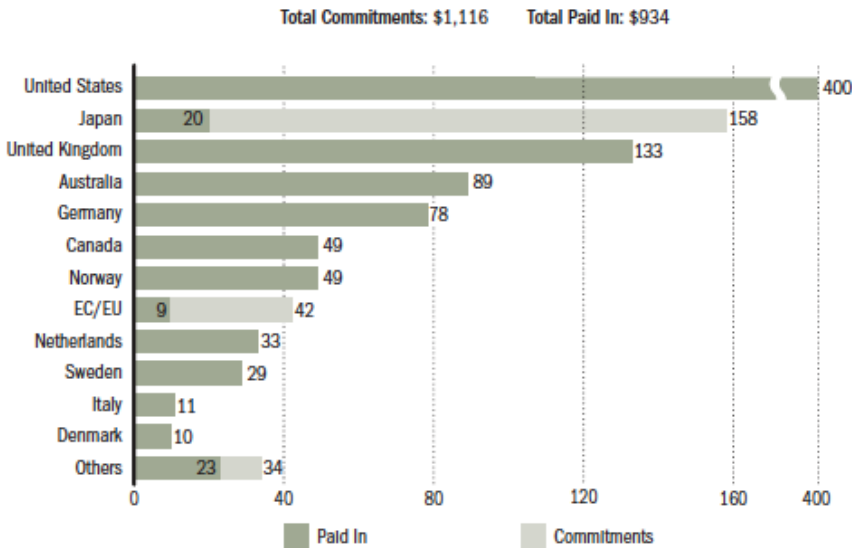
The third is the U.S. Bureau of International Narcotics and Law Enforcement Affairs (INL) manages an account for advancing rule of law and combating narcotics production and trafficking—the International Narcotics Control and Law Enforcement (INCLE) account. INCLE supports several INL program groups, including police, counter-narcotics, and rule of law and justice. As of March 31, 2012, DoS reported that the total cumulative funding for INCLE amounted to nearly \$3.58 billion. Figure 3.18 displays INCLE allotments by fiscal year. Of this amount, nearly \$3.08 billion had been obligated, of which nearly \$2.15 billion had been liquidated. DoS reported that cumulative obligations as of March 31, 2012, increased by more than \$228.23 million over cumulative obligations as of December 31, 2011. Cumulative liquidations as of March 31, 2012, increased by more than \$78.37 million over cumulative liquidations as of December 31, 2011. Figure 3.19 provides a cumulative comparison of amounts allotted, obligated, and liquidated for INCLE.

The Fourth is Law and Order Trust Fund for Afghanistan. The United Nations Development Programme administers the LOTFA to pay ANP salaries and build the capacity of the Ministry of Interior. Since 2002, donors have pledged nearly \$2.13 billion to the LOTFA, of which more than \$2.12 billion had been paid in as of September 30, 2011. The LOTFA's sixth support phase started on January 1, 2011, and runs through March 31, 2013. In the first nine months of 2011, the LOTFA had transferred more than \$356.35 million to the Afghan government to cover ANP salaries, nearly \$11.60 million for Central Prisons Directorate staff remunerations, and an additional \$6.67 million for capacity development and other LOTFA initiatives. As of September 30, 2011, donors had committed more than \$598.35 million to the LOTFA for Phase VI. Of that amount, the United States had committed more than \$257.07 million, and Japan had committed \$240.00 million. Their combined commitments make up more than 83% of LOTFA Phase VI commitments as of September 30, 2011. The United States had contributed nearly \$812.74 million to the LOTFA since the fund's inception.

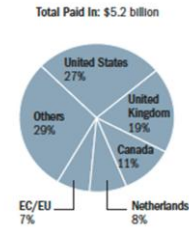
Source: SIGAR, Quarterly Report to the US Congress, April 30, 2012, p. 49-57.

Contributions to the Afghanistan Reconstruction Trust Fund

ARTF CONTRIBUTIONS FOR SY 1390 BY DONOR (\$ MILLIONS)
As of March 19, 2012



ARTF CONTRIBUTIONS PAID IN BY DONORS, SY 1381-MARCH 19, 2012 (PERCENT)



Notes: Numbers affected by rounding. SY = solar year. SY 1390 ran from 3/21/2011 to 3/20/2012. "Others" includes eight donors.
Source: World Bank, "ARTF: Administrator's Report on Financial Status as of March 19, 2012," p. 1.

In addition to assistance provided by the United States, the international community provides funding to support Afghanistan relief and reconstruction efforts...most of the international funding provided is administered through trust funds. Contributions provided through trust funds are pooled and then distributed for reconstruction activities. The two main trust funds are the Afghanistan Reconstruction Trust Fund (ARTF) and the Law and Order Trust Fund for Afghanistan (LOTFA).

The largest share of international contributions to the Afghan operational and development budgets comes through the ARTF. From 2002 to March 19, 2012, the World Bank reported that 33 donors had pledged more than \$5.35 billion, of which more than \$5.17 billion had been paid in. According to the World Bank, donors have pledged \$1.12 billion to the ARTF for the past Afghan fiscal year— solar year 1390—which ran from March 21, 2011, to March 20, 2012.

As of March 19, 2012, the United States had paid in its entire ARTF commitment through solar year 1390—more than \$1.37 billion. Bringing its total economic aid commitments to \$ 21.6 billion, including some \$1,915.3 billion in ARTF, \$14.95 billion in ESF, \$559.21 million in TFBSO, \$3.44 billion in CERP, and \$800 million in AIF. The United States and the United Kingdom are the two biggest donors to the ARTF, together contributing nearly 46% of its total funding. Contributions to the ARTF are divided into two funding channels—the Recurrent Cost (RC) Window and the Investment Window.

As of March 19, 2012, according to the World Bank, nearly \$2.45 billion of ARTF funds had been disbursed to the Afghan government through the RC Window to assist with recurrent costs such as salaries of civil servants. The RC Window supports the operating costs of the Afghan government because the government's domestic revenues continue to be insufficient to support its recurring costs. To ensure that the RC Window receives sufficient funding, donors to the ARTF may not "preference" (earmark) more than half of their annual contributions for desired projects.

The Investment Window supports the costs of development programs. As of March 19, 2012, according to the World Bank, more than \$2.15 billion had been committed for projects funded through the Investment Window, of which more than \$1.61 billion had been disbursed. The World Bank reported 23 active projects with a combined commitment value of nearly \$1.15 billion, of which approximately \$607.67 million had been disbursed.

Source: SIGAR, Quarterly Report to the US Congress, April 30, 2012, p. 56-57.