

Joint Statement of  
Michael Thibault and Christopher Shays, Co-Chairs  
The Commission on Wartime Contracting in Iraq and Afghanistan

Hearing:

# An Urgent Need: Coordinating Reconstruction and Stabilization in Contingency Operations

Room 216, Hart Senate Office Building, Washington, DC  
9:30 a.m., February 22, 2010

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Good morning. I am Christopher Shays, co-chairman of the Commission on Wartime Contracting in Iraq and Afghanistan. This opening statement is made on behalf of Co-Chairman Michael Thibault, my fellow Commissioners, and myself. The other Commissioners at the dais today are — *<introduce>*.

We titled today's hearing, "An Urgent Need: Coordinating Reconstruction and Stabilization in Contingency Operations." That title was carefully chosen. The Commission believes we face an immediate need to improve coordination of the many programs intended to brighten the long-term prospects of the people of Iraq and Afghanistan – and thereby to reduce the ability of extremists and terrorists to find receptive havens in those countries.

For most Americans, military operations and security threats dominate the news from Southwest Asia. The United States has begun adding 30,000 troops to its forces in Afghanistan; coalition allies have pledged thousands more. At the January security conference in London, President Hamid Karzai said Afghan national security forces will grow to 300,000 members by the end of 2011 and will be in control of the entire country within five years. In Iraq, meanwhile, 60,000 U.S. troops are scheduled to leave by the end of August as the hand-off to Iraqi forces proceeds.

The history of the former Republic of Vietnam reminds us, however, that military power does not guarantee political survival. General Stanley McChrystal, the U.S. and NATO commander in Afghanistan, recently told the German newsmagazine *Der Spiegel* that besides military action, "What defeats terrorism is two things: It's the rule of law, and

then it's opportunity for people.”

That wise view is widely shared among U.S. agencies, coalition partners, international organizations, and non-governmental entities. All of them are engaged in reconstruction and stabilization programs in Southwest Asia. Since the start of its current contingency operations, the United States alone has appropriated more than \$53 billion for reconstruction operations in Iraq and another \$51 billion in Afghanistan.

Additional assistance running into billions of dollars has been committed by the United Nations, the European Union, the World Bank, the Asian Development Bank, the International Monetary Fund, and numerous non-governmental organizations. Since the early years of the past decade, international pledges have totaled \$17 billion for Iraq and \$62 billion for Afghanistan, though not all of those sums have been disbursed.

These are very large sums devoted to very important purposes. The financial commitments fund a huge assortment of projects including roads, water-treatment plants, clinics, schools, small-business development, and agricultural programs. They include, of course, initiatives by the U.S. Departments of Defense and State, and the U.S. Agency for International Development. DoD's Commander's Emergency Response Program, similar programs by State, Provincial Reconstruction Teams, and AID projects are the main mechanisms for directing U.S. funds into reconstruction and stabilization efforts.

Less visible to the American public, but also important, are reconstruction efforts led by other coalition members. In Afghanistan, for example, Hungarians have financed a village flood-control dam, a Czech team has helped complete two provincial dairy centers, and an Italian team with EU backing has helped build a press center for the government of Herat Province.

Unfortunately, as in other areas this Commission has studied, there is no central hub to identify and assess — much less coordinate — these important activities. NATO's International Security Assistance Force for Afghanistan is tracking many governance and reconstruction projects, but is just getting started in this work. The U.S. government has no shared visibility among its agencies, and even single-department efforts have problems.

In January, for example, the Special Inspector General for Iraq Reconstruction wrote to the U.S. ambassador to Iraq to point out that no agencies are using the State Department's Iraq Reconstruction Management System as their main reporting tool, that the system has long-standing problems, and that a proposed follow-on system would not be ready until after almost all U.S. reconstruction spending in Iraq has stopped.

Calls for improvement have gone out. In December 2009, Secretary of Defense Gates memoed Secretary of State Clinton to propose establishing joint Defense/State funds for security assistance, conflict prevention, and stabilization. But that idea is still in a nascent stage, and would not by itself improve coordination with U.S. partners, international organizations, and NGOs.

Contractors figure heavily in reconstruction and stabilization efforts in Southwest Asia. Our main concern today, however, is not the process and detail of contingency contracting. It is the strategic concern about the roles and responsibilities, the planning, the visibility, and especially the inter-agency coordination of efforts that rely on contracts. Without good planning, visibility, and coordination among agencies and nations, the risk of waste through unneeded, unwanted, duplicative, or unsustainable projects is high.

We have asked our witnesses to summarize their testimony in 5 minutes to allow adequate time for questions and answers. The full texts of their statements will be entered into the hearing record and posted on the Commission's website. We ask that witnesses submit responses to any questions for the record and any additional information they may offer to provide within 15 business days following this hearing.

We have two witness panels today. The first consists of the government's two Special Inspectors General for Reconstruction, General Arnold Fields for Afghanistan and Mr. Stuart Bowen for Iraq. Their organizations, SIGAR and SIGIR, made new quarterly reports to Congress at the end of January that include many observations bearing on today's hearing.

Many of you will recall that Mr. Bowen was a witness at the Commission's first public hearing just over a year ago, at which time he unveiled SIGIR's highly informative report on five years' experience in Iraq, *Hard Lessons*. We are keen to hear his and General Fields' views on developments in the past year and their portents for the future.

Our second panel has three distinguished witnesses who can offer views from outside the federal agencies directly involved in reconstruction and stabilization work. They will highlight coordination issues between non-governmental organizations and U.S./Coalition agencies, and draw upon their experiences to depict the reality on the ground at a strategic and tactical level. Our witnesses will be:

- Robert M. Perito, a senior program officer with the U.S. Institute of Peace, an independent, non-partisan organization chartered and funded by Congress.
- Mark Schneider, a senior vice president with the International Crisis Group who has also served as Director of the Peace Corps and as Deputy Assistant Secretary of State, and –
- Seth Jones, a political scientist with the RAND Corporation, and adjunct

professor of security studies at Georgetown University. Mr. Jones spent most of last year traveling with Army Special Forces teams in Afghanistan.

Once the witnesses have been sworn, we will hear first from General Fields, the Special Inspector General for Afghanistan Reconstruction. The Commission appreciates the cooperation of our witnesses, and looks forward to an informative session. I will note that the Commission will ask the Departments of Defense and State, and the Agency for International Development, to attend a follow-on hearing to share with us their reactions and intentions relating to the concerns and recommendations that will emerge here today.

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[As prepared for delivery.]