

The U.S. Spent a Half Billion on Mining in Afghanistan With ‘Limited Progress’

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The U.S. Spent a Half Billion on Mining in Afghanistan With ‘Limited Progress’

The Special Inspector General for Afghanistan Reconstruction has labelled yet another project in danger of failing. This time its U.S. plans to develop the country's oil, gas and minerals industries.

by [Megan McCloskey](#)

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This is part of an ongoing investigation



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ProPublica is investigating how billions of U.S. tax dollars have been spent on questionable or failed projects and how those responsible for this waste are rarely held accountable.

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A coal miner at work in the Karkar Valley coal mines in Puli Khumri, Afghanistan. (Benjamin Lowy/Getty)

The United States has spent nearly half a billion dollars and five years developing Afghanistan's oil, gas and minerals industries — and has little to show for it, a government watchdog reported today.

The project's failings are the result of poorly planned programs, inadequate infrastructure and a challenging partnership with the Afghan government, the Special Inspector General for Afghanistan Reconstruction [wrote](#) in its newest damning assessment of U.S. efforts in the war-torn country. The finding comes after some 200 SIGAR reports have detailed inefficient, unsuccessful or downright wasteful reconstruction projects. A recent ProPublica analysis of the reports found that there has been at least [\\$17 billion in questionable spending](#).

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Here's just what the Special Inspector General for Afghanistan Reconstruction found. See for yourself how that money could have been used at home. [Explore the app.](#)

What the Government Wasted

All	Waste	On the Brink	Budget Busters	You be the Judge
<input type="checkbox"/>		\$661M	Armored vehicles Afghans struggle to maintain	
<input checked="" type="checkbox"/>		\$488M	Mineral extraction programs Afghans can't keep up	
<input checked="" type="checkbox"/>		\$335M	Underused power plant	
<input checked="" type="checkbox"/>		\$159M	Roads that aren't maintained	
<input type="checkbox"/>		\$68M	Roads that aren't maintained	
<input type="checkbox"/>		\$56M	Even more armored vehicles	
<input type="checkbox"/>		\$23M	Judicial training program Afghans uninterested in	

Select All Projects

What We Could Have Gotten

All	Education	Health	Human Services	Misc.
<input type="checkbox"/>		\$6M	Free breakfast	
<input type="checkbox"/>		\$19M	Environmental research	
<input type="checkbox"/>		\$29M	Family planning clinics	
<input type="checkbox"/>		\$74M	Mental health treatment	
<input checked="" type="checkbox"/>		\$88M	Stop teen pregnancy	
<input checked="" type="checkbox"/>		\$111M	Quit smoking	
<input checked="" type="checkbox"/>		\$159M	Treat addicts	

Select All Projects

Health

\$111M

Quit smoking

WHAT: Restore proposed House cuts to tobacco addiction programs that would reduce funding by half, eliminating a national media campaign and quitlines

The United States Agency for International Development and a Pentagon task force were in charge of developing a so-called "extractive" industry in Afghanistan — basically a system for getting precious resources out of the ground and to the commercial market. SIGAR [called out both](#) USAID and the Defense Department last year for their failures to coordinate and to ascertain the ability of Afghans to sustain the project, which unsurprisingly is not promising. In fact, when international aid stopped supporting the Afghan office responsible for oversight of the petroleum and natural gas industries, two-thirds of the staff were fired.

Exploiting these resources, which are estimated to be worth as much as \$1 trillion, is pivotal to Afghanistan's economic future. SIGAR noted that the Afghan government has shown progress under USAID's tutelage in regulating and developing the commercial export of the resources. But the report said the project was still hampered by corruption, structural problems and a lack of infrastructure for the mining industry, such as reliable roads. Many of the mines operate illegally, with some profit going to the insurgency, SIGAR said.

When it came to individual extractive projects, there was little progress made, the IG found.

The controversial Pentagon task force in charge of much of the effort, the Task Force for Business Stability Operations, spent \$215 million on 11 extractive programs, but "after operating in Afghanistan for 5 years, TFBSO left with nearly all of its extractive projects incomplete," SIGAR found. Three of the programs technically met objectives, but one of those is of questionable value at best. The task force built [a gas station for an outrageously inflated cost](#) and in the end it didn't have any customers. So while the objective to create the station was achieved, SIGAR doubted it was a worthwhile venture.



The Karkar Valley coal mines in Puli Khumri, Afghanistan. (Benjamin Lowy/Getty)

The task force, made up of mostly civilian business experts and designed to develop the Afghan economy, has come [under fire from SIGAR and Congress](#) for demanding unusual and [expensive accommodations](#) in the country, allegedly punishing a whistleblower, and lacking overall accountability. The Senate is holding a hearing on the task force next week. In today's report, SIGAR highlighted that the task force spent \$46.5 million to try to convince companies to agree to develop the resources, but not one ended up signing a contract. About \$122 million worth of task force programs had mixed results, SIGAR said. The Defense Department declined SIGAR's request to comment on its findings. In its response, USAID said it has helped Afghanistan "enact investor-friendly extractive legislation, improve the ability to market, negotiate and regulate contracts, and generate geological data to identify areas of interest to attract investors." Any conclusions and criticisms, USAID told SIGAR, "need to be substantially tempered by the reality that mining is a long-term endeavor."

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[Megan McCloskey](#)

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[Google and its partner's at Tesla, Kleiner Perkins, V-Vehicle, Frank Guistra Mining and Draper Fisher were trying to be the exclusive beneficiaries of Afghan War mining profiteering for their driverless and elite electric cars.](#)

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