



# The cost of international military operations

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This note provides a summary of the estimated and actual costs of the international military operations. The outturn cost of operations in Iraq and Afghanistan totalled £21.6bn between 2002/03 and 2010/11. The Government has estimated the costs of maintaining operations in Libya for six months to be £260m.

Comprehensive analysis of policy developments concerning the operations in Afghanistan, Iraq and Libya can be found here:

[Afghanistan topical issues page](#)

[Iraq topical issues page](#)

[Africa topical issues page \(for information on Libya\)](#)

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# 1 Introduction

Prior to the publication of the MoD Annual Report and Accounts 2005/06 there was a distinct lack of information published regarding the costs of operations in Iraq and Afghanistan. The House of Commons Defence Committee reported that the 'MoD's Annual report and Accounts 2004/05 gives the overall outturn for each operation, but disappointingly little detail'. The Committee recommended that future MoD Annual Report and Accounts should contain significantly more detailed information on the cost of operations.<sup>1</sup>

In its response to the Committee's report the Government accepted the recommendation and agreed to provide more detailed information on the costs of operations in the Annual Report and Accounts 2005/06.<sup>2</sup> The 2005/06 accounts were published in July 2006 and contained a breakdown of the costs, for 2004/05 and 2005/06, for the three main operations (Iraq, Afghanistan and Balkans) by area of expenditure.<sup>3</sup> This information was updated in subsequent Annual Report and Accounts. The table in section F of this document reproduces this information.

The MoD identifies the costs of operations in terms of the net additional costs it has incurred. That is those costs which the MoD would have incurred had the operation not been undertaken, for example expenditure on wages and salaries or on conducting training exercises, are deducted from the total costs of the operation.

In 2006/07, for the first time, the MoD presented estimated costs of the operations in its Winter Supplementary Estimates, laid approximately seven months into the financial year, rather than waiting for the Spring Supplementary Estimates, usually laid ten months into the financial year, as had previously been the case. Updated estimates, including further requests for resources if necessary, are then made in the Spring Supplementary Estimate.

Although the move was welcomed by the Defence Committee, they remained dissatisfied with this arrangement:

While we accept that it is difficult for the MoD to provide accurate estimates of the costs of operations at the beginning of the financial year, we cannot see how this can be a sufficient reason for making no forecast at all. We recommend that the MoD reflect the forecast costs of operations in Iraq and Afghanistan in its Main Estimate for 2007/08.<sup>4</sup>

The MoD did not publish estimates for the net additional costs of operations in its Main Estimates, as 'the unpredictable nature of operations makes it difficult to forecast their cost with accuracy at the beginning of the financial year'.<sup>5</sup>

In response to the Committee's Report on the 2007/08 Spring Supplementary Estimates, the Government offered to include a forecast for the cost of operations in Iraq and Afghanistan in the memorandum accompanying the 2008/09 financial year's Main Estimate. The MoD's "initial estimate of operations is that there will be a net additional cost of at least £2bn...[to

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<sup>1</sup> *Costs of peace-keeping in Iraq and Afghanistan: Spring Supplementary Estimate 2005–06*, Defence Select Committee, March 2006, HC 980

<sup>2</sup> *Government Response to the Committee's Fourth Report of Session 2005–06*, May 2006, HC 1136

<sup>3</sup> p238, MoD Annual Report and Accounts 2006/07, HC 697

<sup>4</sup> Para 4, *Cost of military operations: Spring Supplementary Estimate 2006/07*, House of Commons Defence Committee, HC 379, March 2007

<sup>5</sup> *Costs of peace-keeping in Iraq and Afghanistan: Spring Supplementary Estimate 2005–06*, Government response, HC 1136

be] split between Afghanistan and Iraq". Furthermore, the MoD also gave in this memorandum its current estimate for Urgent Operational Requirements (UOR) expenditure within that total, amounting to some £1.065bn.<sup>6</sup> The Committee commended the MoD for these developments, but called for more detail to be given on these figures.

In the 2009/10 Main Estimate the MoD, for the first time, provided a breakdown of the operational costs. In its report on the 2009/10 Main Estimates the Committee welcomed the increasing amounts of information being provided at an earlier stage than before.<sup>7</sup>

A summary of estimates and outturn for the military operations is provided in table 1.

**Table 1: Net additional costs of operations, £m**

	Main Estimate	Winter Supplementary Estimate	Spring Supplementary Estimate	Net outturn costs
<i>Afgahnistan</i>				
2001/02	n/a	£172	£261	£221
2002/03 <sup>1</sup>	n/a	n/a	n/a	£311
2003/04	n/a	£55	n/a	£46
2004/05	n/a	n/a	£53	£67
2005/06	n/a	n/a	£220	£199
2006/07	n/a	£540	£770	£738
2007/08	n/a	£964	£1,649	£1,504
2008/09	n/a	£2,318	£2,559	£2,623
2009/10 <sup>2</sup>	£3,495	£3,754	£4,187	£3,821
2010/11	£4,436	£4,480	£4,497	£3,774
2011/12	£4,026			
<i>Iraq</i>				
2002/03 <sup>1</sup>	n/a	n/a	£1,000	£847
2003/04	n/a	£1,230	£1,539	£1,311
2004/05	n/a	n/a	£975	£909
2005/06	n/a	n/a	£1,098	£958
2006/07	n/a	£860	£1,002	£956
2007/08	n/a	£955	£1,648	£1,457
2008/09	n/a	£1397	£1,958	£1,381
2009/10 <sup>2</sup>	£877	£388	£358	£342
2010/11	£179	£136	£154	£95
<i>Libya</i>				
2010/11	n/a	n/a	n/a	£22
2011/12	n/a			

1. Estimate includes provision for operations in Afghanistan

2. No formal request for additional funds at 2009-10 WSE, what's shown is a revised forecast sent in the Estimates Memorandum to the House of Commons Defence Committee.

Sources:

Table 1.18, Defence Statistics 2010, DASA

MoD Annual Report and Accounts

Written evidence to House of Commons Defence Committee

<sup>6</sup> Para 14, *Ministry of Defence Main Estimates 2008/09*, House of Commons Defence Committee, HC 885, July 2008.

<sup>7</sup> Para 10, *Ministry of Defence Main Estimates 2009-10*, House of Commons Defence Committee, HC 773, July 2009

## 2 Financing military operations

The additional costs of military operations are funded through the Treasury Reserve which was supplemented by the Special Reserve, created specifically for this purpose in 2002.

The Ministry of Defence's spending review settlement pays for the military to be ready for operations, but the net additional costs of those operations themselves are met from the Reserve.

In a written statement to the Iraq Inquiry the Permanent Secretary to HM Treasury provided the reasoning for the creation of the Special Reserve:

Prior to the invasion the Treasury with MOD produced estimates of the potential cost of military intervention. These included a central case of £3 billion. Based on these estimates the Treasury assessed that its existing Reserve would not be sufficient to cover other Government contingencies while paying for the costs of Iraq.<sup>8</sup>

In Pre-Budget Report 2002 the Chancellor announced he had set aside a provision of £1bn to be drawn on if necessary 'to meet our international defence responsibilities'. By the time of Budget 2003 the military campaign in Iraq had begun and a further £2bn was added to the Special Reserve.

In subsequent Pre-Budget and Budget reports this Special Reserve was increased by a further £4.84bn.

- Pre-Budget 2003    Increase of £800m (£500m for 2003/04; £300m for 2004/05)
- Pre-Budget 2004    Increase of £520m
- Budget 2005        Increase of £740m (£340m for 2004/05; £400m for 2005/06).
- Pre-Budget 2005    Increase of £580m
- Budget 2006        Increase of £800m
- Pre-Budget 2006    Increase of £600m
- Budget 2007        Increase of £400m
- Pre-Budget 2007    Increase of £400m

In total, up to and including the announcement made in the Pre-Budget Report 2007, £7.8bn had been allocated to the Special Reserve. It can therefore be assumed that between 2002/03 and 2010/11 the Treasury Reserve has provided funding of £13.8bn to cover the total cost of operations in Iraq and Afghanistan of £21.bn.

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<sup>8</sup> [HIraq Inquiry, Witness statement](#), H15 January 2010

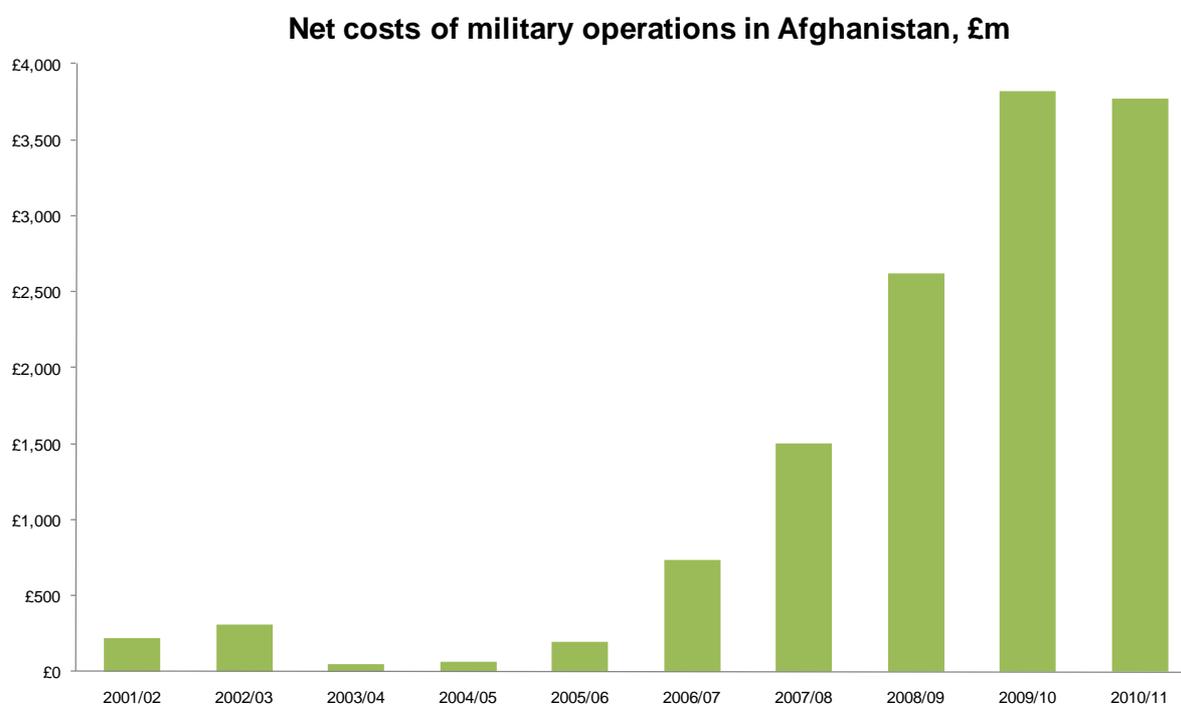
### 3 Afghanistan

#### Summary

Expenditure on operations in Afghanistan totalled £3,774m in 2010/11, marginally lower than it had been in 2009/10 and 16% below the forecast in the MoD's Spring Supplementary Estimate. In most years outturn expenditure has been below the final estimate. Differences between estimates and the final outturn figures are due to the changing operational requirements and associated troop numbers.

The costs of operations are significantly driven by the tempo of operational activity, impacting on equipment support costs, attrition, fuel and ammunition consumption to name major elements. Exchange rates, fuel prices and actual costs incurred with contractors can all also vary during the financial year.<sup>9</sup>

The chart below shows the outturn costs of operations in Afghanistan in each year since 2001/02.



The latest estimate (Main Estimate) suggests that the additional costs of operations in Afghanistan in 2011/12 will be £4.0bn.

#### By area of expenditure

Almost one-half of expenditure in 2010/11 was used on capital costs or stock consumption. Service manpower costs accounted for 6% of the total in 2010/11, similar to the share in 2009/10 but well below the 22% of 2004/05.

Personnel expenditure in 2009/10 was 11% higher than the previous year, far less than the increase of 550% recorded between 2005/06 and 2006/07. As would be expected these

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<sup>9</sup> Para 5.3, Estimates Memorandum Ministry of Defence Spring Supplementary Estimates 2009/10

large increases in service manpower expenditure occurred when there were significant increases in troop levels.

### Troop levels

Although the MoD does not routinely publish deployment figures, an idea of the level of service personnel deployed in Afghanistan can be obtained from a variety of sources. These are summarised below:

- June 2002 400 troops <sup>10</sup>
- August 2003 300 troops <sup>11</sup>
- September 2004 530 troops <sup>12</sup>
- January 2005 497 troops <sup>13</sup>
- October 2005 544 troops <sup>13</sup>
- May-July 2006 The ARRC, led by the UK, assumed command of ISAF in May 2006. The deployment of the Helmand Task Force also began. During this period troop levels peaked at 5,700 troops. <sup>14</sup>
- End of July 2006 4,900 troops. Following the withdrawal of the engineers building the camps in Helmand, 3,600 personnel were deployed as part of the Helmand taskforce in southern Afghanistan, the remainder are part of the ARRC HQ. <sup>14</sup>
- October 2006 A further 900 personnel were expected to arrive in theatre as part of the Helmand Taskforce by the end of September. The roulement of British forces is also scheduled for October 2006. Following the changeover of forces there are expected to be 5,845 British personnel in Afghanistan (4,500 of those personnel deployed as part of the Helmand Taskforce) <sup>15</sup>
- July 2007 6,200 was the approximate number of UK service personnel deployed in Afghanistan as at 9 July 2007. <sup>16</sup>
- Summer 2007 Total UK commitment to Afghanistan expected to rise to 7,700 personnel. The MOD has also indicated that the current planning assumption is for that force level to be maintained until 2009. <sup>17</sup>
- November 2007 7,470 UK troops were on operation in Afghanistan as at 19 November 2007. <sup>18</sup>
- January 2008 Approximately 7,800 British forces deployed in Afghanistan. <sup>19</sup>

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<sup>10</sup> HC Deb 20 June 2002 c407-410

<sup>11</sup> MoD press release, 11 August 2003

<sup>12</sup> HC Deb 8 September 2004, c122-3WS

<sup>13</sup> ISAF contributing nations list

<sup>14</sup> HC Deb 26 January 2006, c1530-32; MOD press release April 2006; HC Deb 15 June 2006, c67WS

<sup>15</sup> HC Deb 10 July 2006, c1131-4

<sup>16</sup> HC Deb 23 July 2007, c677W

<sup>17</sup> HC Deb 26 February 2007, c619-621

<sup>18</sup> HC Deb 5 December 2007 c1223-4W

- June 2008: British forces deployed in Afghanistan numbered around 8,000.<sup>20</sup>
- April 2009 Prime Minister announces a further 700 British personnel would temporarily deploy to Afghanistan for the period of the Presidential election, taking the total number of British personnel deployed in the country to 9,000.<sup>21</sup>
- October 2009 Prime Minister announces that the UK would deploy 9,000 personnel in Afghanistan on “an enduring basis” and would increase, in principle, to 9,500 personnel.<sup>22</sup>
- January 2010 British forces deployed in Afghanistan numbered around 8,000.<sup>23</sup>

The MoD website indicates that since April 2011 force levels in Afghanistan have been approximately 9,500 strong.<sup>24</sup>

## 4 Iraq

The conclusion of the UK/Iraq Training and Maritime Support Agreement on 22 May 2011 marked the end of Operation TELIC – the name for UK operations in Iraq.<sup>25</sup>

The following table shows the levels of UK forces that were serving in Iraq.

**Table 2: UK force levels in Iraq since March 2003**

	Number of troops
March/April 2003	46,000
End May 2003	18,000
End May 2004	8,600
End May 2005	8,500
End May 2006	7,200
End May 2007	5,500
End May 2008	4,100 (in Southern Iraq)
End May 2009	4,100 (in Southern Iraq)
End Jan 2010	150

Source:

Ministry of Defence, Operations in Iraq: Facts and Figures

Between 2002/03 and 2009/10 the outturn additional costs of operations Iraq totalled £8.257bn.

Outturn expenditure on operations in Iraq was £95m in 2010/11, a 72% decrease on the previous year. The outturn cost was 38% lower than the forecast set out in the MoD’s Spring Supplementary Estimate.

Of the £95m spent on operations in Iraq during 2009/10 the majority (62%) has been spent on direct resource costs, such as manpower costs and equipment support, with the remainder spent on capital costs (29%) and indirect resource costs (5%).

<sup>19</sup> HC Deb 7 January 2008 c16W

<sup>20</sup> HC Deb 22 July 2008 c1053W

<sup>21</sup> HC Deb 29 April 2009, c871

<sup>22</sup> HC Deb 18 October 2009, c301

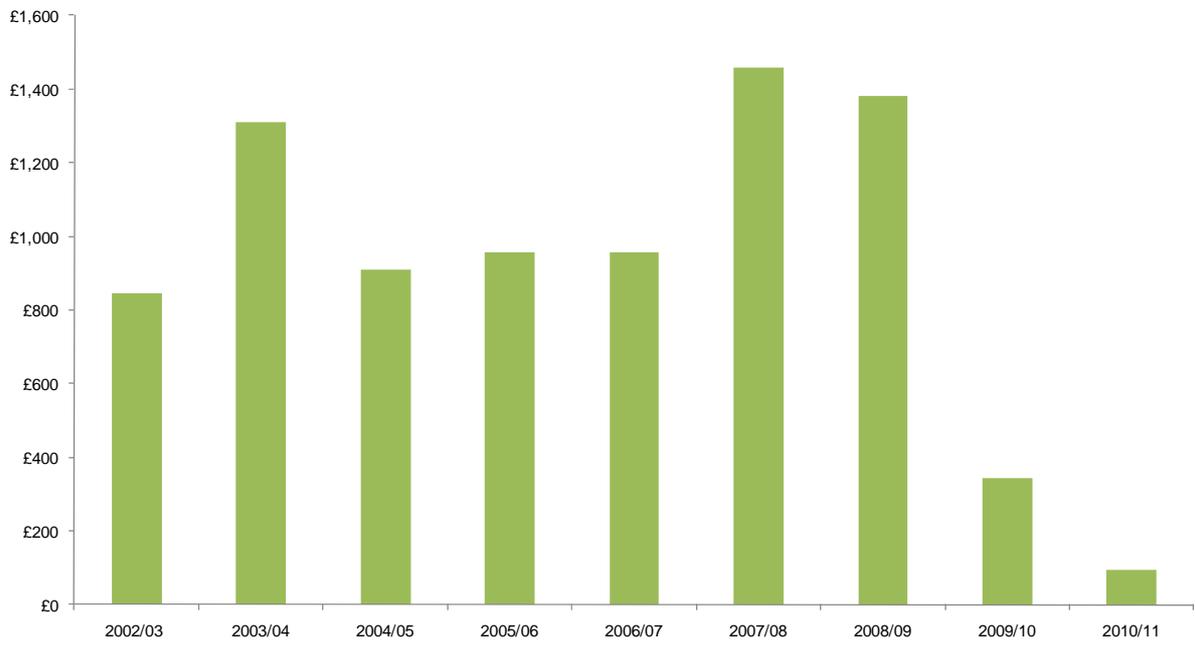
<sup>23</sup> HC Deb 1 February 2010 c37-8W

<sup>24</sup> [www.mod.uk/DefenceInternet/FactSheets/OperationsFactsheets/OperationsInAfghanistanBritishForces.htm](http://www.mod.uk/DefenceInternet/FactSheets/OperationsFactsheets/OperationsInAfghanistanBritishForces.htm)

<sup>25</sup> [HTroops out of Iraq as Royal Navy training mission ends](#), MoD Press Release 060/2011, May 2011

The following chart shows the outturn costs of operations in Iraq in each year since 2002/03.

### Net costs of military operations in Iraq, £m



## 5 Libya

On Saturday 19 March 2011, British Armed Forces, authorised by the UN Security Council Resolution 1973, participated in a co-ordinated strike against Libyan Air Defence systems. The UK, operating under the Operation name ELLAMY, and its international partners are continuing operations in support of the Resolution.

On 22 March, at Treasury questions, the Chancellor was asked about the costs of the operations in Libya.

The MOD's initial view is that they will be in the order of tens of millions of pounds, not hundreds of millions.<sup>26</sup>

The Government was asked numerous Parliamentary Questions regarding the costs of operations in Libya. The following is a typical response:

It is too early to give a robust estimate of the costs of the operations in Libya, but we expect they should be modest compared with other operations such as Afghanistan. As the Chancellor of the Exchequer has made clear the additional costs of operations in Libya will be fully met from the reserve.<sup>27</sup>

On 23 June the Ministry of Defence estimated of the costs of maintaining operations in Libya for six months to be £260m.

The current estimate of the net additional costs of military operations for six months in support of Operation ELLAMY - the United Kingdom's contribution to Coalition operations in support of United Nations Security Council Resolution 1973 - is in the region of £120 million. This excludes costs associated with capital munitions expended.

Based upon current consumption rates we estimate the cost of replenishing munitions may be up to £140 million.

The Treasury has agreed to meet these costs from the Reserve.<sup>28</sup>

According to the Ministry of Defence Annual Report and Accounts the net additional cost of military operations in Libya in 2010/11 was £21.6M. This expenditure covers the period up to 31 March 2011. Estimates of the costs in 2011/12 are due to be included in the Department's Spring Supplementary Estimates in January 2012.<sup>29</sup>

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<sup>26</sup> HC Deb 22 March 2011 c850

<sup>27</sup> HL Deb 15 June 2011 c188-9WA

<sup>28</sup> HC Deb 23 June 2011 c24WS

<sup>29</sup> [HMinistry of Defence, Annual Report and Accounts 2010-11](#)

## 6 Urgent Operational Requirements

An Urgent Operation Requirement (UOR) is 'an equipment capability which is required urgently for military operations, and which the MOD endeavours to deliver as quickly as possible. Where the requirement is new and unforeseen, and specific to a particular operational theatre, it meets the criteria to draw on funding from the Government Reserve.'<sup>30</sup> The costs of UORs approved in each financial year since 2002/03 to support operations in Iraq and Afghanistan are given in the table below.

**Table 3: Approval cost of Urgent Operational Requirements**

	£m
2002/03	500
2003/04	180
2004/05	130
2005/06	260
2006/07	790
2007/08	1,550
2008/09	1,400
2009/10	840
2010/11	1,130
<b>Total</b>	<b>6,780</b>

Note: Full figures for UORs approved in 2001-02 are not held centrally

Sources:

HL Deb, 24 March 2009, c107-8WA

HC Deb 30 March 2011, c392-3W

On 22 November 2007, Baroness Taylor announced a change in the funding of UORs. She acknowledged that when UK Armed Forces were deployed on operations, they faced challenges that 'could not have been anticipated in the initial planning' and in those situations it was necessary to procure equipment quickly, utilising the UOR process, to counter those challenges. However, she said that:

Much of the new equipment that we have developed because of problems in the theatre will be incorporated into mainstream planning. That is normal and right.... The new approach with the Treasury means that, in the three years of the Comprehensive Spending Review, the reserve will continue to pay all additional costs of operations up front and will pay outright for UORs up to a mutually agreed total. Beyond that, the MoD and the Treasury will split the cost 50:50, with the MoD having to repay its share two years later, by which time there could have been adjustments in the programme. The Treasury will give an extra £200 million in 2010-11 to ensure that the new arrangements are cost-neutral to defence.<sup>31</sup>

The criteria for what qualifies as a UOR remain unchanged. The new funding arrangements are as follows:

- 'The MoD and the Treasury will agree a forecast of UOR expenditure for the following year (e.g. for 2008/09, decided in 2007/08).

<sup>30</sup> p109, *Annual Report and Accounts 2008-2009, Volume One*, Ministry of Defence

<sup>31</sup> HL Deb 22 November 2007 c997

- The Reserve will continue to pay for all UORs when the procurement costs are incurred.
- The Treasury will pay 100% of an agreed proportion of these costs; the MoD and the Treasury will share the costs of the remaining amount 50/50 and the MoD will repay the Reserve its 50% share two years later. For example, any costs incurred in 2008/09 will be repaid in 2010-11.
- HM Treasury has added £200 million to the Defence Budget in 2010/11 to mitigate the effect of the repayments.<sup>32</sup>

Despite the fact that the arrangements are designed to be cost-neutral to defence over the three year CSR period, the Defence Committee has expressed concern that this is a complicated arrangement and has sought greater clarity on how this will affect future MoD budgets. In response to the Committee's concerns that the new funding arrangement may undermine the success of the UOR process seen to date, the MoD replied:

Support to current operations remains our highest priority, and the revised funding arrangement will not affect the speed and agility of the UOR process. We remain committed to ensuring that it continues to deliver theatre-specific, battle-winning capabilities to the Armed Forces at the front line.<sup>33</sup>

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<sup>32</sup> House of Commons Defence Committee *Report on Ministry of Defence Annual Report and Accounts 2006–07*, HC 61, 28 January 2008.

<sup>33</sup> Ministry of Defence Annual Report and Accounts 2006–07: Government Response to the Committee's Fifth Report of Session 2007–08, HC 468.

## 7 Detailed expenditure

Table 4: Out-turn cost of international operations by area of expenditure, £000

	Iraq						Afghanistan							
	2004/05	2005/06	2006/07	2007/08	2008/09 <sup>1</sup>	2009/10 <sup>1</sup>	2010/11 <sup>1</sup>	2004/05	2005/06	2006/07	2007/08	2008/09 <sup>1</sup>	2009/10 <sup>1</sup>	2010/11 <sup>1</sup>
<b>Resource Cost</b>														
<b>Direct costs</b>														
Service manpower	115,590	80,237	99,779	98,211	115,000	35,000	8,000	14,898	7,575	49,487	84,782	73,000	174,000	220,000
Civilian manpower	13,889	14,213	14,733	13,597	21,000	7,000		996	1,627	4,340	8,829	15,000	26,000	
Infrastructure costs	87,550	81,407	83,136	130,351	133,000	53,000	10,000	7,197	10,522	100,928	148,808	162,000	236,000	336,000
Equipment support	198,273	220,232	206,065	278,166	306,000	101,000	21,000	6,488	24,399	111,739	199,745	384,000	551,000	605,000
Other costs and services	110,169	111,186	137,273	161,985	153,000	53,000	10,000	19,863	37,595	89,215	160,286	312,000	437,000	503,000
Income	2,110	10,054	4,720	4,198		-16,000	-1,000	-2,054	7,792	-2,008	11,255	-24,000	-55,000	-24,000
Stock consumption	156,280	218,920	218,010	236,856	207,000	13,000	4,000	10,178	57,171	164,205	301,341	527,000	570,000	784,000
Non nuclear provision charge against provision						6,000	7,000						1,000	4,000
<b>Indirect costs</b>														
Stock write-off	1,559	51	238	200	1,000			9	-2		3,727		16,000	
Provisions	6,192	1,560	5,547	4,579		5,000				18	71		2,000	
Depreciation and amortisation (inc UORs) <sup>2</sup>	41,270	33,611	14,443	119,177	164,000	35,000		177	1,255	39,113	143,345	187,000	331,000	
Fixed asset write-off <sup>3</sup>	8,000	21,848					5,000							292,000
Cost of capital	6,186	4,441	2,771	7,505	24,000	10,000		185	183	2,500	8,825	18,000	45,000	
Net foreign currency surplus/deficit						2,000							-2,000	
Non nuclear provision charge against provision						-6,000							-1,000	
<b>Total resource cost</b>	<b>747,068</b>	<b>797,760</b>	<b>786,715</b>	<b>1,054,825</b>	<b>1,124,000</b>	<b>299,000</b>	<b>64,000</b>	<b>57,937</b>	<b>148,117</b>	<b>559,537</b>	<b>1,071,014</b>	<b>1,655,000</b>	<b>2,330,000</b>	<b>2,720,000</b>
<b>Capital Cost</b>														
Capital addition including UORs and Recuperation	162,862	159,838	169,447	402,658	257,000	44,000	28,000	9,097	51,231	178,208	433,089	968,000	1,491,000	1,054,000
<b>Total capital cost</b>	<b>162,862</b>	<b>159,838</b>	<b>169,447</b>	<b>402,658</b>	<b>257,000</b>	<b>44,000</b>	<b>28,000</b>	<b>9,097</b>	<b>51,231</b>	<b>178,208</b>	<b>433,089</b>	<b>968,000</b>	<b>1,491,000</b>	<b>1,054,000</b>
<b>Total by Operation</b>	<b>909,930</b>	<b>957,598</b>	<b>956,162</b>	<b>1,457,483</b>	<b>1,381,000</b>	<b>342,000</b>	<b>95,000</b>	<b>67,034</b>	<b>199,348</b>	<b>737,745</b>	<b>1,504,103</b>	<b>2,623,000</b>	<b>3,821,000</b>	<b>3,774,000</b>

Notes:

1. Data for 2008/09 - 2010/11 published to nearest £m. Totals may not add due to rounding
2. UOR - Urgent Operational Requirements
3. From 2006-07 onwards, fixed asset write off costs are included in depreciation and amortisation line

Sources:

Table 1.18, UK Defence Statistics, DASA  
 Table 8.2, MoD Annual Report and Accounts 2010-11, HC 992  
 Table 3.19, MoD Annual Report and Accounts 2008-09, HC 467-1  
 p292, MoD Annual Report and Accounts 2007-08, HC 850  
 p238, MoD Annual Report and Accounts 2006-07, HC 697  
 p201, MoD Annual Report and Accounts 2005-06, HC 1394

Description of 'Area of expenditure' cost headings<sup>34</sup>

Cost heading	Description
Manpower (Service-Civilian)	Cost of Service allowances, and employing Reservists, locally employed or contract staff. The Department has identified the cost of operations on the basis of net additional costs. Expenditure such as wages and salaries for permanently employed personnel are not included, as these costs would have been incurred in the normal course of business.
Infrastructure	Costs include estates and facilities management services, building rental or maintenance, provision of IT and Communications.
Equipment Support	Costs for equipment repair and maintenance.
Other Costs & Services	Charges include utility costs, personnel and freight movements, hire of transport, staff training, medical treatment, welfare services, food and administration costs.
Income	Income generated from other Government Departments/Nations or income foregone from messing or accommodation costs.
Stock Consumption	Consumption of oil, fuel, medical, clothing, armament, general, engineering and technical stores.
Stock Write-off	Stock that has been scrapped, destroyed or lost
Provisions	Provisions for legal claims. (See para 1.35 and 1.36 to Note 1 to the accounts – Statement of Accounting Policies.)
Depreciation and Amortisation	Depreciation costs of equipment used
Fixed Asset Write-off	Write off costs of assets damaged, destroyed or lost.
Cost of Capital	A charge reflecting the cost of capital utilised by the Department. This will relate to capital spares and stock.
Net Book Value of Fixed Asset Disposals	The value of a fixed asset that is being disposed of.

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<sup>34</sup> Source: MoD Official

## 8 US expenditure

### Iraq/Afghanistan

The Congressional Research Service (CRS) provides estimates of the cost of Operation Iraqi Freedom (OIF). The US Administration has not provided Congress with details of the costs of OIF.

Detailed information is available in the CRS report *The Cost of Operations in Iraq, Afghanistan and other Global War on Terror Operations since 9/11*,<sup>35</sup>

With enactment of the sixth FY2011<sup>36</sup> Continuing Resolution on 18 March 2011, Congress has approved a total of around \$1.283 trillion for military operations, base security, reconstruction, foreign aid, embassy costs, and veterans' health care for the three operations initiated since the 9/11 attacks:

- Operation Enduring Freedom (OEF) covering Afghanistan and other counter terror operations
- Operation Noble Eagle (ONE) providing enhanced security at military bases
- Operation Iraqi Freedom (OIF)

Of the total approved so far, CRS estimates that OIF will have received \$806bn (63%), OEF \$444bn (35%), ONE \$29bn (2%) with about \$5bn (0.5%) that CRS cannot allocate. A further \$132bn has been requested for FY 2012, taking the total to \$1.4 trillion.

About 94% of the funds are for the Department of Defense (DOD), 5% for foreign aid programmes and embassy operations, and less than 1% for medical care for veterans.

### Libya

Information relating to the costs of the US military operations in Libya (Operation Odyssey Dawn) has been published in a White House report to Congress.<sup>37</sup>

The cost through June 3, 2011, for DoD military operations and humanitarian assistance efforts in Libya is \$715.9 million.

Of this amount, \$713.6 million was used to fund military personnel pay costs, travel and sustainment of personnel, operating (flying hours), expended munitions, supplies, airlift, and a small amount for lift and sustainment costs for coalition partners supporting operations in Libya.

[...]

The total projected cost for DoD operations through September 30, 2011, which is the end of the second 90-day authorization by NATO, is about \$1.1 billion. This estimate assumes the current tempo of support operations continues through September 30.

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<sup>35</sup> [HThe Cost of Iraq, Afghanistan and Other Global War on Terror Operations Since 9/11](#)H, Congressional Research Service, 29 March 2011

<sup>36</sup> US financial year runs from October to September

<sup>37</sup> [HUnited States Activities in Libya](#)H, White House report to Congress, 15 June 2011