

Statement for the Record
United States Agency for International Development
Donald L. “Larry” Sampler, Jr.
Assistant to the Administrator and Director
of the Office of Afghanistan and Pakistan Affairs
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“Afghanistan: U.S. Policy and International Commitments”
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Chairman Corker, Ranking Member Cardin, and Members of the Committee, thank you for the opportunity to testify before you today to discuss U.S. policy and international commitments with regard to Afghanistan. It is an honor to appear before you with the U.S. Department of State’s Special Representative for Afghanistan and Pakistan, Ambassador Richard Olson.

As today is my last full day serving as the Assistant to the Administrator for the Office of Afghanistan and Pakistan Affairs at the United States Agency for International Development (USAID), I would like to begin by thanking those Americans who have served in Afghanistan, as well as their families. Whether serving as members of the armed forces, diplomats of the Department of State, aid workers from USAID, or the thousands of men and women who have worked shoulder to shoulder with us as contractors and partners, these brave Americans have helped the Afghan people make their country a better place. To that end, I would also like to recognize the Afghans who continue to work—and sacrifice—to make their country a place that is safe, secure, and a good neighbor in the region. The success of any strategy we discuss here today is predicated upon their continued dedication and our resolute support. These efforts are not without serious risk: since 2003, 454 people working for USAID and partner organizations in Afghanistan have been killed and 817 have been wounded.

Our work in Afghanistan embodies USAID’s mission: We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity. USAID’s civilian assistance programs in Afghanistan are a critical component of our core U.S. national security objective in the region—a stable Afghanistan. We have seen the dire consequences of neglect and disengagement play out in the region before, and that is why USAID’s central goal in Afghanistan is to promote a stable, inclusive, and increasingly prosperous country.

I know that this goal is achievable because I have personally seen how Afghanistan has improved just over the past fifteen years. Remember what it was like in those early days. Within weeks of the horrific attacks of September 11th 2001, the U.S. and our allies had begun action in Afghanistan. Supported by Special Forces teams from my own former unit, 5th Special Forces Group, forces loyal to the Northern Alliance quickly defeated the Taliban. The Bonn Agreement established a path to governance for a new Afghanistan and established the International Security Assistance Force – initially a very small force confined in scope to the city

and Province of Kabul. And the U.S. Embassy was re-opened, with Ambassador Ryan Crocker as Chargé d’Affaires.

I first arrived in Afghanistan early in 2002 to assess the capacity of the truly nascent Afghan government for conducting the Emergency Loya Jirga that was required by the Bonn Agreement. My services were procured by USAID using a “purchase order,” meaning that I would not be an “official American direct hire employee” and would not be subject to the already fairly strict Chief of Mission security restrictions, but would have complete freedom of movement outside of the Embassy Compound. My assessment was, as you might imagine, not particularly optimistic. Bonn had mandated an “interim government of Afghanistan,” which was sworn-in on the 21st of December. But the capacity to actually create the government was nonexistent at the time.

That is a significant point I wish to share with you today: what we call the “reconstruction” of Afghanistan is something of a misnomer. The Soviet occupation, followed by decades of brutal civil war and privation, had robbed Afghanistan of any sense of what governance should be. Their social contracts were, of necessity, renegotiated – sometimes repeatedly – with local power-brokers, drug-traffickers, and warlords. The physical, emotional, intellectual and human infrastructure and capacity of the country were devastated over the course of 30 years, to the point that we were not “reconstructing” Afghanistan: we were helping them build a state from scratch. So our initial estimates of the problems and the requisite solutions may have been too optimistic.

Yet during the past fifteen years, Afghanistan has made remarkable development gains across multiple sectors, thanks to the whole-of-government efforts of the U.S., along with our international partners, the Afghan government, and the Afghan people. The key elements of USAID’s Afghanistan strategy are to make durable the significant achievements in health, education, and opportunities for women; maintain focus on economic growth and fiscal sustainability through the government’s increasing ability to collect revenue, attract investment and expand private sector growth; and support a transparent, effective government that is responsive to the development and democratic needs of its citizens. U.S. efforts to spur investment in Afghan enterprises and expand trade ties in the region all contribute to our efforts to combat terrorism and stabilize the region.

Afghanistan, and the region as a whole, present both enormous opportunities and serious challenges. The region, wracked with conflict for much of the last four decades, remains one of the least economically integrated in the world, with much of its real human potential untapped. Sustainable economic development will require the region’s leaders to make fundamental changes. U.S. civilian assistance programs can be a catalyst and incentive for this change, and our efforts in Afghanistan today are delivering tangible, measurable results that contribute to this transformation.

I know from personal experience that the progress made in Afghanistan is remarkable. But it is still fragile. U.S. and international support is needed to shore up the significant investments that have brought the country this far. Now is not the time to walk away from either our partnership or our investment in the people and country of Afghanistan.

CONTINUED INTERNATIONAL COMMITMENT

In just over two weeks, the United States and international donors will gather for the Brussels Conference on Afghanistan co-hosted by the European Union (EU) and the government of Afghanistan. The Brussels Conference will underscore the international community's steadfast support of Afghanistan's development, and will outline joint commitments to reform. Such international commitments and contributions over the past 14 years have enabled momentous achievements across security, education, health, the economy, infrastructure, women's rights and media in Afghanistan.

In a parallel effort, developed in partnership with the international community, the Afghan National Unity Government has committed to a renewed set of reform benchmarks for the future. These steps acknowledge that continued international support is contingent on measurable progress being made by the Afghan government on these mutually-identified reforms. At Brussels, the Afghan Government will present their new Afghan National Peace and Development Framework, outlining priorities over the next five years, as well as five National Priority Programs and the next set of Self-Reliance for Mutual Accountability Framework deliverables. Challenges remain on the road to Afghanistan's progress and development, but the U.S. and the international community have a serious partner in the Unity Government, one that is engaged in reform, increasing transparency, and achieving progress.

RESULTS

Americans should be proud of the lasting impact and legacy of their assistance to Afghanistan. Afghanistan has changed dramatically, and for the better, from 2002 to 2016. USAID programs are implemented in Afghanistan in coordination with the Afghan government. The strong partnership between the two governments ensures development assistance matches Afghan national priorities for progress. The following are examples of successful investments by the U.S. and the international community in Afghanistan.

Economic Growth

Increased economic growth is crucial to Afghanistan's eventual self-reliance. In 2015, Afghanistan's gross domestic product (GDP) of nearly \$20 billion is nearly two-and-a-half times greater than it was in 2002. In 2015, the nation's budgetary revenue increased by nearly 22 percent. This summer the Afghan Parliament ratified the country's accession to the World Trade Organization (WTO). The policy and legislation required to accomplish WTO accession can significantly increase the ability of Afghan businesses to establish and benefit from regional

trade initiatives. The moment marked the culmination of more than a half-decade of the country's intensive efforts to reform its trade environment and will open the doors to international markets, facilitate transit, resolve trade disputes, and pave the way for increased foreign investment. USAID worked closely with the Afghan Government in its journey to WTO membership.

In Afghanistan's dominant economic sector – agriculture – USAID programs are having an important impact. The sector accounts for up to 24 percent of Afghanistan's GDP and is critical to both the country's food security and as a driver of economic growth. Because of USAID programs, over 3.9 million Afghan households have benefitted from agriculture and alternative livelihood interventions and nearly 650,000 new farm or agribusinesses jobs have been created. USAID is also working with business start-ups, entrepreneurs, and established companies to expand their business and employ more Afghans. Since 2011, USAID has helped facilitate \$1.86 million in private-sector loans to 575 businesswomen and provided over 3,500 women with vocational training and 1,200 women in business development. USAID is also working with established businesses like Sarallah Stone Cutting Company in Herat. By providing new marble calibrating and polishing machines, the company is expanding overall production volume and producing higher quality tiles, which are in high demand in domestic and international markets. Afghanistan has one of the largest untapped marble reserves in the world, presenting an enormous opportunity to expand this sector, and enhanced regional trade with Afghanistan's neighbors and beyond will fuel the sustained economic growth vital to the country's future.

Infrastructure and Energy

Through the provision of vital services to Afghans, infrastructure and energy projects are a fundamental base for national stability and a key component for domestic and regional development and connectivity. That is why USAID has helped Afghans increase supplies of reliable, affordable electricity; expand access to potable water; and design, build, and maintain roads.

In 2002, only six percent of Afghans had access to reliable electricity. Today, 29 percent are connected to the electricity grid. The Afghan Government, with help from USAID, established the country's electrical utility, Da Afghanistan Breshna Sherkaat (DABS), just six years ago. Today, DABS no longer receives a subsidy from the Afghan government and has posted a profit each year since 2011. USAID is supporting DABS to complete the work required so that by late Fall 2016, the Kajaki Hydropower Station will be fully operational. The additional electricity is vital to stability and economic development in southern Afghanistan, and it will improve the quality of life for residents in Kandahar and Helmand. The full operation of Kajaki fulfills longstanding commitments to southern Afghanistan by both the Afghan and U.S. Governments.

Democracy and Governance

Strengthened democracy and governance is crucial to promoting the rule of law, combatting corruption, and encouraging economic growth. USAID is positioned to continue helping Afghan

electoral institutions move forward on electoral planning and reform efforts, while also preparing to rapidly provide more comprehensive operational assistance once an election timeline and framework have been established by the Unity Government.

USAID democracy and governance programs complement efforts by the U.S. Department of Defense to train and build the capacity of the Afghan National Defense and Security Forces (ANDSF). USAID creates an enabling environment that supports the ANDSF through rule of law programs, judicial reform efforts and capacity and expertise-building within relevant ministries. This whole-of-government approach helps create civilian and security services that are responsive to Afghan citizens, undercutting claims to authority by Taliban, Al-Qaeda and other insurgent groups.

Under the leadership of President Ashraf Ghani and Chief Executive Officer (CEO) Abdullah Abdullah, the Afghan Unity Government is taking measures to reduce corruption and enhance transparency in public sector and parastatal institutions. This summer, with support from USAID, the Afghan Customs Department and Afghanistan Bank implemented the first electronic payment system for customs duties. The e-payment system automates collection of customs duties at border crossings, like Mazar-i-Sharif which is Afghanistan's gateway to trade in Central Asia, and eliminates the need for traders to carry cash, thus reducing opportunities for corruption. Earlier this year, the Minister of Public Health invited the Independent Joint Anti-Corruption Monitoring and Evaluation Committee to review the government ministry under his direction. The thorough, and public, analysis identified opportunities for tackling corruption at the ministry that are now being addressed by the government. Two additional ministries have publicly stated their interest to conduct similar anti-corruption analyses of their ministries.

Health and Education

In 2001, few Afghans had access to trained healthcare providers; today, approximately 57 percent of the population lives within a one-hour walk of a health facility, enabling Afghans to seek medical attention from trained staff and obtain needed medicines. According to the USAID-funded Afghan Demographic and Health Survey, the under-five mortality rate has decreased from 87 per 1,000 live births in 2005 to 55 in 2015. In cooperation with the Afghan Ministry of Public Health, USAID has trained more than 2,000 women in midwifery.

Huge strides have been made in access to education in Afghanistan. According to the Ministry of Education, over nine million students have enrolled in school, including nearly 3.5 million girls. University enrollment increased from 8,000 in 2001 to 174,000 in 2015. USAID supports improving the quality of basic education by helping to train more than 154,000 Ministry of Education teachers, including more than 54,000 women, and by distributing more than 130 million textbooks to schools. USAID has helped over 84,000 Afghan girls attend community-based education classes, eliminating the need for the girls to travel long distances to attend school.

Women and Girls

Women and girls in Afghanistan are integral to ensuring the country's future stability and prosperity. In addition to tremendous improvements for Afghan women and girls' access to education and health, USAID programs continue to implement gender-conscious programming as a cross-cutting priority across all development sectors. USAID is determined to ensure gains for women are sustained and opportunities for their development are enhanced.

In Afghanistan, USAID is implementing "Promote," a program that builds upon the achievements women and girls have made since 2001 by developing a cadre of 75,000 educated Afghan women between the ages of 18 and 30, and empowering them to fully participate in the economic, political, and civil society sectors of their nation. Programming under Promote supports women to establish or expand small- to medium-sized businesses; helps civil society organizations increase their knowledge, skills, and capacity to advocate on women's issues; facilitates fellowships with Afghan ministries to increase the number of women in the civil service; and provides management and leadership training to women in public, private and civil service sectors.

On July 7, USAID announced a commitment of \$25 million to the global Let Girls Learn Initiative. As part of a new partnership with the United Kingdom's Department for International Development Girls Education Challenge, this support will help sustain a teacher apprenticeship program for adolescent girls.

In partnership with the Italian Development Cooperation, and through the World Health Organization, USAID is supporting work toward a Gender Based Violence protocol that will improve standards of care to survivors. An additional project will build awareness on trafficking and support protection services for victims.

ACCOUNTABILITY

USAID remains committed to programs in Afghanistan that are effective, accountable, and sustainable, and the Agency takes oversight and accountability of its programs and use of U.S. taxpayer dollars very seriously. Afghanistan is a challenging environment, but USAID continues to refine and adapt programs in order to achieve the best possible results in the most efficient and cost effective manner. As it does around the world, in Afghanistan USAID employs rigorous oversight and monitoring to safeguard its programs from waste, fraud and abuse and to ensure that American investments in Afghanistan are achieving their intended impact. USAID adjusts or suspends projects if performance is not on track or oversight standards cannot be met.

Above and beyond the Agency's standard oversight measures, USAID has implemented steps in Afghanistan to prevent funds from being misused or diverted to malign actors. USAID created a multi-tiered monitoring approach that allows it to collect monitoring data from multiple sources, validate findings, and make better programmatic decisions. The levels of monitoring include: (1)

direct observation by U.S. government personnel; (2) implementing partner reporting; (3) feedback from Afghan government officials and other donors; (4) local civil society organizations and beneficiaries; and (5) the use of third-party monitoring agents in the field. USAID has used the last measure – third-party monitors – to conduct nearly 33,000 visits to USAID sites or projects since 2011.

USAID also vets non-U.S. companies and non-U.S. key individuals for prime contractors, sub-contractors, grant recipients and sub-grantees to determine whether or not they are associated with known malign entities or individuals. Since the vetting program began in 2011, USAID has vetted 7,490 people and entities, determining 305 ineligible (a rate of about four percent) and kept approximately \$670 million from being awarded to those who did not meet vetting requirements.

CONCLUSION

Senators, when I first arrived in Kabul I found a city with no infrastructure, but with great hopes and aspirations. A population with very limited capacity, but with great passion and energy to learn. And a country with a bleak and painful past that was hoping for a brighter future. I'm proud of the work that we have been able to do in Afghanistan, with the unwavering support of the US Congress and the American people. Mothers and children are much less likely to die in or immediately after childbirth; more Afghans have access to healthcare, education, electricity, cellphone service and even the internet in their local communities. The Afghan education system – from primary school through university – is producing young Afghan women and men who are capable of contributing to society and to an economy in ways that were not imaginable in 2002. Afghan farmers are being trained and equipped with farming techniques that increase the quality and yield of their produce, and the Afghan Minister of Agriculture, Irrigation and Livestock hopes Afghanistan can be food-secure in 5 years.

As USAID looks to Brussels and beyond, the Agency is committed to sustaining the significant development achievements made in partnership with the government and people of Afghanistan. USAID is determined to make every effort to safeguard taxpayer funds while ensuring development progress is sustained and led by a new generation of Afghans. Remember that development takes time: at fifteen years, our own fledgling country had just authored a Constitution; struggled mightily with debt and generating revenue; had not abolished slavery; nor given women the right to vote. So for the sake of both of our nations, the U.S. should be patient as we help the people of Afghanistan develop their state and their country.

As I complete my service in USAID's Office of Afghanistan and Pakistan Affairs, I want to take this public opportunity to share that it has been an honor and a pleasure to serve in this capacity and work with the women and men of USAID and with the staff of our Missions in Kabul and Islamabad. I also want to thank Members of Congress and Congressional staff, from both sides of the aisle, for their time, commitment, and guidance on USAID's Mission in Afghanistan. This

is especially true regarding those who have traveled to the region and met with USAID workers, including the Afghans and Pakistanis who comprise our Foreign Service National staff.

Tomorrow William Hammink will be sworn in as Assistant to the Administrator for the Office of Afghanistan and Pakistan Affairs. Having served as USAID's Mission Director to Afghanistan from 2013-2015, and in leadership roles throughout the agency and in nine Missions, Bill is exceptionally qualified to take the reins of this dynamic USAID portfolio. I know Bill looks forward to working with you soon after he is sworn into the position, and I am confident that I am leaving my position in good hands.

Thank you and I welcome your questions.