

**Statement for the Record**  
**United States Agency for International Development**  
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**Before the Senate Foreign Relations Committee Hearing:**  
**“The Administration's Strategy in Afghanistan”**  
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Chairman Corker, Ranking Member Cardin and Members of the Committees, thank you for the opportunity to testify before you to discuss the U.S. Agency for International Development (USAID)’s civilian assistance activities in Afghanistan. It is an honor to appear before you with the Department of State’s Special Representative for Afghanistan and Pakistan, Ambassador Richard Olson.

Mr. Chairman and distinguished members of the subcommittee, thank you for the opportunity to appear before you to discuss USAID’s past and future work in Afghanistan. My name is Larry Sampler and I am the Assistant to the Administrator for the Office of Afghanistan & Pakistan Affairs at USAID. I have worked in and on Afghanistan since 2002, in senior positions supporting the U.S. military commander and the Department of State; as the Chief of Staff of the U.N. Mission in Afghanistan; and as the Vice-President for a U.S. corporation working there and in a dozen other countries emerging from conflict.

Let me begin by thanking the individuals who have served in Afghanistan, as well as their families. And I am proud to include among those brave Americans, diplomats of the U.S. Department of State, aid workers from the U.S. Agency for International Development, and the thousands of men and women working shoulder to shoulder with us as contractors in Afghanistan over the past decade.

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 thousands of Afghans working both in and out of government to secure a bright future for themselves and their families matter. And any strategy we discuss here today is predicated upon their continued dedication and our resolute support.

Our work in Afghanistan reflects 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 of a stable Afghanistan that al-Qaeda and other terrorists cannot use as a base to threaten the United States, our interests, or U.S. persons overseas. Afghanistan, and consequently the region as a whole, presents both enormous opportunities and enormous challenges. This region, wracked with conflict for much of the last three decades, remains one of the least economically integrated in the world, with the majority of its human and economic potential untapped.

As we have noted before, this does not have to be the case, but sustainable economic development will require the region’s leaders to make fundamental changes. Our U.S. civilian assistance programs can be a catalyst and incentive for change, and our efforts in Afghanistan today are delivering tangible, measurable results that contribute to this potential transformation. Our efforts to spur investment in small Afghan enterprises and expand trade ties in the region all contribute to our effort to defeat al-Qaeda and stabilize the region.

We remain committed to an assistance program in Afghanistan that is effective, accountable, and sustainable. We also remain committed to ensuring accountability for U.S. taxpayer dollars and program results. Later in my testimony, I will detail the rigorous oversight and monitoring methods that USAID has implemented to safeguard from waste, fraud, and abuse, and ensure that American investments in Afghanistan are making a lasting impact.

This past September, I joined representatives from 41 countries and 11 international organizations at the Senior Officials Meeting in Kabul, where President Ghani and other leaders from the Afghan National Unity Government reiterated their broad strategy for the future, a plan for how to get the highest return on the investments made during these past thirteen years. The U.S. and our donor partners reaffirmed our partnership and recognition of the need for mutual accountability to achieve these returns.

The stability of Afghanistan, amidst the drawdown of U.S. and other Resolute Support combat forces, will require sustained effort to cement the important development gains that have been made over the past thirteen years and mitigate the economic consequences of the reduction in military presence. We have seen the dire consequences of neglect and disengagement play out in this region before, and USAID is in solidarity with our colleagues at the State Department and Department of Defense -- all of us remain committed to a self-reliant Afghanistan.

USAID's central goal in Afghanistan is to promote a stable, inclusive and increasingly prosperous country. During the past decade, Afghanistan has made remarkable development gains across multiple sectors, thanks to the whole-of-government efforts of the United States, along with our international partners, the Afghan government and the Afghan people. The key elements of USAID's Afghanistan strategy going forward call for making durable the significant achievements in health, education, and for women; focusing on economic growth and fiscal sustainability to mitigate the economic impact of the troop drawdown and declining levels of civilian assistance; and supporting legitimate and effective Afghan governance, and in turn promoting stability.

With regard to the issues facing the new Afghan government and the implications of the U.S. troop drawdown, I know from personal experience that the progress made in Afghanistan is remarkable, yet fragile. USAID has been planning and adjusting its programming in anticipation of the transition, to maximize sustainability and ensure oversight and accountability of the resources the American people have provided in support of Afghanistan.

Weaning Afghanistan from unsustainable levels of assistance is necessary for us, and essential for them. To achieve this goal without triggering instability, we believe it is essential to continue to provide assistance in areas critical to Afghan development and stability. To do this with fewer resources, we are making tough decisions and prioritizing investments that have the greatest potential for long term sustainability.

### **USAID Contributions**

In Afghanistan, USAID— along with other donors —has helped Afghans achieve extraordinary gains for a country that in 2002 had virtually no access to reliable electricity, roads or modern telecommunications, and disadvantaged almost half of its population -- women and girls -- by prohibiting them from contributing fully to Afghan society. Specific examples include:

- **Health**: Life expectancy has increased from 42 years to over 62 years between 2002 and 2012; the maternal mortality rate has declined by 75 percent; and child mortality decreased by 62 percent.
- **Education**: In 2002, there were approximately 900,000 Afghan children in school, and virtually no girls. Today, millions of children are enrolled in school and more than one-third of them are girls.
- **Mobile Technology**: In 2002, there were few fixed telephone lines and making calls outside of Afghanistan required a satellite phone. Today, the combined phone network covers 88 percent of the Afghan population. The telecommunications sector is Afghanistan's greatest source of foreign direct investment, largest remitter of taxes to the government, and biggest licit employer, providing jobs for over 138,500 Afghans.
- **Energy**: In 2002, only 6 percent of Afghans had access to reliable electricity. Today, more than 30 percent are connected to the electricity grid. The Afghan government, with support from USAID, established Afghanistan's electrical utility, 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 third turbine at Kajaki and to handle the procurement of construction contracts to build more than 500 kilometers of transmission lines and seven substations to connect power from Kabul to Kandahar. When

complete, the transmission line will provide sustainable power to roughly 1.1 million Afghans in Kandahar and areas along the Highway 1 economic corridor.

### **Supporting Women and Girls**

Women and girls in Afghanistan are integral to ensuring the country's future stability and economic prosperity. USAID is implementing gender-focused programming and ensuring that gender is a cross-cutting priority across all program areas.

In Afghanistan, USAID is implementing the Agency's largest gender program in the world, known as "Promote." A five-year program, Promote builds on 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, empowering them to fully participate in the economic, political, and civil society sectors of Afghan society. It will help women establish or expand small-to medium-sized businesses; help civil society organizations increase their knowledge and skills so they can better support women's rights, outreach and advocacy campaigns; facilitate fellowships with relevant Afghan government ministries and agencies with a goal of achieving a critical mass of women in the civil service; and train women in the public, private and civil service sectors in management and leadership.

### **Afghanistan Programming Moving Forward**

In Afghanistan over the past three years, USAID has shifted the focus of its programs from a focus on stabilization and infrastructure to a focus on creating the basis for sustainable, long-term development. As noted above, USAID's strategy in Afghanistan is threefold:

- Maintaining and making durable the gains made in health, education, and for women;
- Supporting continued economic growth and employment through a focus on agriculture and private sector development, operations and maintenance of infrastructure investments, and responsibly developing the extractives industry, all key to ensuring future fiscal sustainability; and

- Fostering legitimate and effective Afghan governance, the rule of law, and a robust civil society.

Operationally, USAID has adjusted its implementation model to improve sustainability and meet the challenges presented by the transition. Key adjustments include:

- Developing a multi-tiered monitoring approach to address reduced mobility and decreased field staff that, along with other monitoring and evaluation efforts, will continue to ensure appropriate oversight of projects;
- Transforming USAID's approach in Afghanistan to one of mutual accountability that incentivizes government performance by conditioning assistance on the Afghan Government's achievement of policy reforms and service delivery that improves government involvement and ownership of development results; and
- Focusing on long-term sustainability through implementing three key principles: (1) increasing Afghan ownership and capacity; (2) contributing to community stability and public confidence in the Government of Afghanistan; and (3) implementing effective and cost-efficient programming.

### **The United States' Enduring Partnership with Afghanistan**

The United States is committed to strengthening its partnership with Afghanistan over the coming years to ensure that development assistance from the United States continues to support Afghanistan's path to self-reliance.

During President Ghani's first official visit to the U.S. this past March, President Obama announced the establishment of USAID's New Development Partnership with the National Unity Government. This four-year initiative reinforces our commitment to results and accountability by linking up to \$800 million of our development assistance to specific benchmark reforms focused on ensuring fiscal sustainability, governance and anti-corruption, reducing poverty and enhancing inclusive growth.

The U.S. Government committed at the 2010 London Conference on Afghanistan, and reaffirmed in subsequent international conferences, to provide 50% of civilian assistance on-budget in return for progress on measurable reform benchmarks in various areas including elections, sub-national governance, public finance, human rights, and economic growth. USAID provides on-budget funding through multi-donor trusts funds like the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF) and through direct government-to-government assistance.

Direct assistance to the Afghan government is used to build the Afghan government's ability to sustain the investments and gains made over the last decade and to reduce its dependence on donors. Afghanistan must continue to build its their capacity to govern and provide services to its people. Providing direct assistance is an important mechanism for accomplishing this goal.

At the same time, USAID has put in place stringent measures to safeguard taxpayer funds, and only partners with ministries that responsibly mitigate risk. This is in keeping with commitments made by both the previous and current U.S. Administrations to increase our work through local governments and organizations. Such work is crucial for fulfilling the ultimate goal of assistance, namely helping Afghanistan become self-sufficient. While the process of providing direct assistance needs to be done in accordance with strict oversight and accountability that can often slow implementation of programs, the results promise to create a more sustainable development outcome.

### **Central and South Asia Regional Connectivity Programming**

USAID is also working in coordination with the Department of State to encourage regional connectivity and to develop Afghanistan as a trading and energy hub for the region. By doing this, we can play an important role in bringing greater prosperity and stability to one of the least economically integrated regions in the world. I just returned over the weekend from Islamabad, where I attended the Heart of Asia conference with Deputy Secretary of State Tony Blinken and SRAP Olson. President Ghani attended, alongside foreign ministers from Pakistan, China, India

and regional neighbors, and renewed his commitment to investing in regional partnership and collaboration.

USAID is playing our part. Our Afghanistan Trade and Revenue (ATAR) project has been instrumental in providing the technical assistance essential to Afghanistan's accession into the World Trade Organization, which we anticipate will be approved at the ministerial in Kenya this week. WTO membership will further connect Afghanistan with the international economy and expand opportunities for business.

USAID is also laying the groundwork for a more economically connected region by facilitating trade and providing technical assistance for regional energy projects, such as the World Bank's Central Asia and South Asia Electricity Transmission and Trade (CASA-1000) project, which sees Tajikistan and the Kyrgyz Republic exporting surplus hydropower to Afghanistan. This will help alleviate the country's chronic power shortages which are a powerful brake of economic development and affect the poorest worst of all. We are promoting business-to-business networking and helping to address cross-border trade barriers, so that it is easier for Afghanistan to do business with its neighbors.

We are working with millers in Kazakhstan to ensure that flour exported to Afghanistan is fortified in an effort to tackle the appalling rates of malnutrition and stunting that affect children under five in Afghanistan and in the wider region. And in a region that is already facing water shortages and is forecast to be badly affected by climate change, we are helping Central Asian countries, including Afghanistan, to better manage trans-boundary water resources so that future needs can be better managed. These interventions are already having an impact. In 2002, only six percent of Afghans had access to electricity. Today, over 30 percent have access. Our efforts to help the Afghan government reform its customs systems and mitigate corruption resulted in a pilot program for custom duties introduced earlier this year in Kabul and is being expanded to additional locations in the north this month. So, while many challenges remain, it is important to remember that progress is being made.



Afghanistan will continue to depend on the international community for support. USAID will continue to work with other donors to help the Government grow its economy so that it meets key reform targets and becomes less dependent on external assistance over time.

### **Oversight and Accountability**

USAID has learned important lessons over the course of its engagement in Afghanistan, and has drawn on experiences in other challenging environments – including Iraq, Pakistan, Yemen, Sudan, and Colombia – to put in place strong oversight of U.S. assistance funds.

In addition to standard USAID oversight measures implemented worldwide, in Afghanistan USAID has implemented additional measures designed to prevent funds from being diverted from the development purpose to malign actors. For example, the USAID Mission established a Vetting Support Unit in February 2011. The unit conducts checks on 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. USAID has kept approximately \$650 million from being awarded to those who did not meet our vetting requirements.

To ensure our projects are being implemented properly, USAID is implementing a multi-tiered monitoring approach that allows us to triangulate monitoring data from multiple sources, validate findings, and make better programmatic decisions. The levels of monitoring include: (1) direct observation by USG 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 independent monitoring agents in the field.

Building on past monitoring experience in Afghanistan, USAID recently awarded the new Monitoring Support Project. This project utilizes a variety of monitoring methods to verify project data, including site visits, GPS and time/date stamped photos, interviews, and crowdsourcing. Independent monitoring, however, is not the only source of monitoring data.

Rather, it is one of the five tiers in the multi-tiered monitoring approach that USAID uses to validate monitoring data from multiple sources.

Although there are inherent risks in doing business in a country like Afghanistan, USAID prioritizes the effective and accountable use of taxpayer dollars and does not assume that there is any level of acceptable fraud, waste, or abuse in our programs. This means that oversight must be a process of continual re-examination of ongoing efforts, and that there must be flexibility to adjust to new security and operational environments as they arise.

### **Conclusion**

USAID knows well the risks and the sacrifices that Americans, our troops, diplomats, and their families take every day to serve in Afghanistan, whether in a military capacity, as a government civilian, or as an implementing partner. Since 2001, 451 people working for USAID partner organizations in Afghanistan have been killed and another 809 wounded.

As USAID looks to 2016 and beyond, the agency is committed to making every effort to safeguard taxpayer funds and ensure that development progress in Afghanistan is maintained and made durable, in order to secure our overall national security objectives. It is an honor to be able to share with you today a small glimpse of what USAID is doing in that regard. I look forward to answering any questions that you may have.

