

Testimony
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U.S. Department of State
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“Afghanistan: Right Sizing the Development Footprint”
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Thank you, Senator Cardin and Senator Corker, for your leadership on these issues, and for inviting us to testify before you, today.

Almost exactly a decade after 9/11, all of our military, civilian and diplomatic efforts in Afghanistan remain focused on one core goal: disrupting, dismantling, and defeating al-Qaeda. As Secretary Clinton stated to this committee in June, the administration has a three-pronged strategy to achieve this goal:

First, a military surge, which reversed Taliban momentum and trained 79,000 additional Afghan National Security Forces (ANSF) in 2010 alone, bringing the total Afghan National Security Force to 305,000 which is 100% of the goal for fiscal year 2011, and on track to grow to 350,000 by the end of fiscal year 2012. Even as we begin reducing our combat troop levels and transitioning lead security responsibility to these Afghan forces, we will continue our counter-terrorism activities and training efforts.

Secondly, a civilian surge, to give Afghans a stake in their country's future and provide credible alternatives to extremism and insurgency. Our civilian surge was not nor was it ever designed to solve all of Afghanistan's development challenges. Measured against the goals we set and considering the obstacles we faced, we are and should be encouraged by what we have accomplished. And most important, the civilian surge helped advance our military and political objectives in Afghanistan.

Finally, in February the Secretary launched a “diplomatic surge” to support an Afghan-led political process that aims to shatter the alliance between the Taliban and al-Qaeda, end the insurgency, and help to produce more stability. Our diplomatic surge recognizes the need for Afghanistan's neighbors and the broader international community to be more concrete and specific about the ways in which

they will support Afghanistan through the current challenges of transition and Afghan-led reconciliation.

With Osama bin Laden dead, the Taliban's momentum reversed, and the initial seeds of an Afghan-led reconciliation process planted, we are entering a new phase of our efforts in Afghanistan and Pakistan. I want to briefly discuss how we see our civilian efforts evolving.

As Secretary Clinton noted in June, we have now reached the height of the civilian surge, with roughly 1,150 U.S. experts serving in Kabul, on 28 Provincial Reconstruction Teams and 38 District Stabilization Teams. Our civilians have helped Afghan farmers rebuild irrigation systems and expand into licit high-value crops for export beyond Central Asia – providing economic alternatives to joining the insurgency. Since 2002, our civilians have helped train over 170,000 teachers and ensured that basic health services are available to 85 percent of Afghans within one hour via any mode of transport, building confidence in a vision for a more positive future. Joint U.S.-Afghan counternarcotics efforts are disrupting opium production and drug networks. These results come even as we continue to work in a very challenging security environment.

As the transition process advances, we will be shifting our civilian efforts from short-term stabilization projects, largely as part of the military strategy, to longer-term sustainable development that focuses on spurring growth, building Afghan government capacity in critical areas, and integrating Afghanistan into South Central Asia's economy. This approach is consistent with this Committee's recommendation that we focus on increasingly implementing projects that are, "necessary, achievable, and sustainable," and includes a continued emphasis on maintaining respect for human rights such as freedom of religion and freedom of speech.

But even as we begin transitioning greater responsibility to the Afghan government and focus on increasing Afghan ownership, we have been clear that this transition does not mark the end of the United States' commitment to the people of Afghanistan or the region. An updated Strategic Partnership is currently being negotiated between the United States and Afghanistan. It will reaffirm our shared commitment to a stable, independent Afghanistan that is not a safe-haven for al-Qaeda, as well as U.S. respect for Afghanistan's sovereignty. And it will provide a transparent political framework for long-term cooperation not only on security issues, but also in the areas of economic and social development. Our long-term commitment reflects a belief that we cannot afford to repeat the mistakes we made

in 1989, when our attention shifted from Afghanistan to other challenges.

Indeed, even as we have made great strides over the past decade in laying a foundation for sustainable economic growth in Afghanistan, the World Bank and other financial institutions have warned that the drawdown of the international combat presence in Afghanistan will have significant economic consequences. Spending on goods and services in Afghanistan – now a critical basis of Afghan economic growth – will decrease. The United States, alongside Afghanistan and members of the International Contact Group, is working to implement a strategy for sustainable economic growth that would undergird political stability and the security gains we have achieved, including ensuring equal access to economic opportunities for men and women. Afghanistan will continue to need development support to achieve this goal, but we are acutely aware that the United States cannot bear the full burden. We recognize the financial constraints. Other donors, private investment, and Afghans themselves must carry the majority of the load.

A key challenge in the economic development of Afghanistan is finding a way to integrate the Afghan economy in the broader region. Earlier this year the Secretary of State outlined her vision of a “New Silk Road” to foster Afghan growth and prosperity by promoting stronger economic ties throughout South and Central Asia, so that goods, capital, and people can flow more easily across borders. This vision is meant to act as a guide for Afghanistan’s future development, not a prescriptive menu of projects or a commitment from the United States to fund a particular project or sector. Over time, an economically connected region will generate lasting employment for Afghanistan’s population, raise consistent revenue to pay for government services, and attract international private investment in key sectors, such as licit agriculture and the extractive industries. This vision is built upon existing Afghan development priorities, and especially upon the foundational investments that USAID is already implementing and that Assistant to the USAID Administrator Alex Thier will describe in more detail.

We are working toward this long term vision of a New Silk Road with eyes wide open. We understand the economic and policy constraints and are realistic about what we hope to achieve. Within the US government, we are working with our interagency partners to develop a strategy for U.S. economic assistance for Afghanistan that rationalizes and prioritizes industry sectors and Afghan development goals. Additionally, we are working with our Allies and partners in advance of important foreign ministerial conferences in Istanbul and Bonn later this year to build the framework for a truly international effort. This framework is

not only important in and of itself but as a demonstration that the region and the international community – not just the United States – are sustaining a commitment to a secure, stable, and prosperous Afghanistan that is not used as a base for international terrorism.

We also are well aware of the constraints of doing business in Afghanistan, and are continually trying to mitigate those, particularly with regard to corruption. We have increased our oversight capacity for U.S. assistance projects including through the work of Taskforce 2010 and Taskforce Shaffiyat which identify and address weaknesses in our processes. Even with increased oversight, we are going to encounter challenges similar to those that you would encounter in any developing country destroyed by more than 30 years of war. In these situations, we will work with the international community and the Afghan government to eliminate sources of corruption and strengthen systems of accountability.

Our handling of Kabul Bank is one example of this approach. The United States and the international community have been clear to the Afghan government that the situation must be properly addressed including compliance with IMF conditions to prosecute wrongdoers, re-capitalize the Central Bank and recover assets at Kabul Bank.

As I stated earlier, Afghanistan is of prime importance to our national security and we are committed to a continued effort, working closely with the Afghans, Congress and international partners, to ensure that our development strategy and civilian transition strategy drives the size of our footprint, in direct pursuit of our interests. We recognize the unique fiscal challenges here at home, and will continue to be vigilant when implementing programs to ensure that American development assistance achieve maximal impact for our national security interests. We believe our modest civilian investment – which totals barely more than 3 percent of the overall financial commitment to the mission – is paying important dividends.

Thank you for the opportunity to speak to you today and I welcome your questions.