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BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

“MOVING FORWARD IN AFGHANISTAN”
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Mr. Chairman, thank you for the opportunity to address you and the Committee today regarding progress in carrying out U.S. policy toward Afghanistan.

I would like to share a few thoughts with you to help frame our discussion today. The United States, joined by many international partners, toppled the Taliban government after 9/11 because of its tolerance of Al-Qaida and Osama bin Laden. After years of destruction brought about by war, we committed ourselves to rebuilding Afghanistan as a democratic nation to ensure that it would never again serve as a platform for international terrorism. That job is not finished. Indeed, we face a turning point. In the Afghanistan Compact, adopted by the Afghan Government and its international partners last January in London, we made the necessary political and economic commitments, but the security challenge has since increased. This year we must step up our efforts and carry out a comprehensive security, political and economic strategy to make Afghanistan safe ground for us all, and especially for the people of that long-suffering country.

In the five years since Afghanistan's major factions gathered in Bonn to map out a way forward from three decades of war and violence, Afghanistan has made impressive progress. During this period, the United States has provided over \$14.2 billion dollars in security and reconstruction assistance to Afghanistan. The political, economic, and reconstruction milestones Afghanistan has achieved are extraordinary. It has a new Constitution, Presidential and National Assembly elections have been held, and the current parliament is over 20 percent women. About 4.7 million refugees from Pakistan and Iran have returned. Afghanistan's leaders have adopted sound economic policies, and annual GDP growth has averaged nearly 14% since 2002. Over five million boys and girls have returned to school, hundreds of schools and health clinics have been built or rehabilitated, and thousands of kilometers of roads have been constructed. Multi-donor power sector projects are underway to build or upgrade Afghanistan's electricity generation, transmission, and distribution infrastructure so that Afghans themselves can begin to rebuild their struggling economy.

We are far from having overcome every challenge. We must check the Taliban insurgency and continue to assist the Government of Afghanistan in extending its authority into ungoverned spaces. We must ensure that the population sees the practical benefits of good government and do a better job of getting the message out within Afghanistan and abroad. We have the strategic opportunity to help build a moderate, Muslim society that can support democratic development throughout the region. The transformation of Afghanistan from an essentially ungoverned territory into a land bridge linking South and Central Asia will bring unimagined opportunities to the people of the region and contribute to reducing tensions and internal political strife in neighboring countries.

The integrated strategy we are pursuing meshes security, governance, and reconstruction. We have made excellent progress on road-building and intend to continue that as well as extend the availability of electricity. We are supporting honest and competent governors, as well as the training and equipping of new police and military forces. We are re-building the rural infrastructure, enabling agriculture production to take place in vast areas of the country until recently out of bounds because of lack of irrigation or the presence of land mines. And we are intensifying our efforts to end opium poppy growing.

RECONSTRUCTION

The Administration has recently requested an additional \$11.8 billion in assistance for the remainder of 2007 and for Fiscal Year 2008 for Afghanistan, a significant increase in resources for Afghanistan compared to prior years. Accelerating reconstruction efforts is a critical component of our strategy to stabilize the country against the Taliban and other insurgents. The funding request reflects a strategy of extending government and the benefits of government to people throughout the country, especially in the South and East. Specifically, this funding, if approved, will go into training and equipping the police and the military; constructing a district road system, principally in the volatile south and east; increasing the reliability of and capacity for electricity generation throughout the country; extending government through the south and east by building government facilities, training government employees, and providing services to citizens; and fighting narcotics and increasing rural development. There is both an Afghan and international consensus on this approach. We will continue to work with our partners not only within Afghanistan but also in foreign capitals to ensure that this effort is strengthened, broadened, and coordinated.

U.S. assistance programs have already achieved measurable results and brought wide-spread improvements to the lives of average Afghans. Construction is complete on over 5,825 km of highways and provincial roads throughout the country, which has considerably reduced travel times and thus transport costs. The impact is lower prices for consumers. The value of legitimate agriculture production has increased some \$1.75 billion between 2002 and 2006. This increase has largely gone to farmers. In 2006, the government brought in \$440 million in total domestic revenue, largely through improved customs collection. This funding has helped to pay the salaries of newly hired teachers and health workers. A new currency has been established and remains stable; further, the United States helped establish a central bank that now holds more than \$2.5 billion in reserves. A direct result of these macro-economic measures is stability associated with a remarkably low 3.4% inflation rate over the last year, and the trend is further downward. In the social sector, according to the Ministry of Public Health, 82% of people today have access to basic health services, up from just 9% in early 2002. According to Ministry of Education data, 5.8 million students, one-third of them girls, are enrolled in school, versus 900,000 under the Taliban.

We have helped the Government of Afghanistan establish new procedures during the past year to promote the effectiveness of assistance delivery. The Government of Afghanistan has developed a common vision, the Afghan National Development Strategy (ANDS), to ensure that all donors, non-governmental organizations, NATO/ISAF, and the government itself are coordinating and measuring the impacts of their development programs. The ANDS structure is overseen by and receives policy guidance from the Joint Monitoring and Coordination Board (JCMB), co-chaired by the Government of Afghanistan and the UN Secretary General's Special Representative to Afghanistan, and comprised of members of the Afghan Cabinet, Ambassadors of the leading donor nations, and the ISAF Commander. I attended the last JCMB meeting in Berlin at the end of January, and I believe that this mechanism ensures effective coordination in the form of policy formation, prioritization of efforts, and implementation and performance measurement.

To help ensure the effective administration of the additional assistance resources, USAID's FY 2007 supplemental request contains funding necessary for the assignment of 10 additional personnel, ranging from procurement officials to roads engineers, to oversee field work.

If Afghanistan is to succeed, it is crucial that its people see that they are served fairly and effectively by their democratic government that respects human rights as it carries out policies in the interests of all Afghans. The international community is working to strengthen Afghanistan's institutions of governance through capacity-building and support for civil service reform, the parliament, governors, civil society, and provincial bodies, including the elected councils. The international community is helping to equip and strengthen government at the district level so that there is a capable government presence at the sub-national level throughout the country. Provincial Reconstruction Teams are proving effective in supporting local level Afghan Government officials and tribal elders in areas recently cleared of insurgents as well as in more stable parts of the country. In addition, these civilian-military teams are implementing projects such as roads, wells, and clinics that demonstrate the visible advantages and benefits of supporting the central government.

Through these activities we are helping to improve local governance and robbing the insurgency of a prime recruiting tool. Provincial Reconstruction Teams staffed by several NATO Allies and partners are proving effective in serving as a "transmission belt" for policy and services linking provincial capitals with Kabul, helping Afghans get services from their own government even as the Afghan capacity to deliver those services is enhanced.

COUNTERNARCOTICS

The Afghan government and the international community are increasingly alarmed about the rapid growth of opium-poppy cultivation in the country. Afghanistan's poppy production fuels corruption, narcotics addiction, and is a prime source of financing for criminal and insurgent groups. In order to survive and prosper, Afghanistan—as other states before it have—must rid itself of the opium poppy. President Karzai and his top leaders recognize this.

However, just as the insurgency cannot be defeated by force of arms alone, the scourge of narcotics cannot be defeated purely by eradication. The message that poppy cultivation is immoral, illegal, and un-Islamic must be reinforced. Small farmers must be provided with other means to feed and clothe their families—access to alternative crops and other means of livelihood, to roads that will allow them to move their crops to market, to advice concerning markets for their new crops and to legitimate sources of credit so they can operate free of Taliban protection rackets and intimidation. In fact, they need to re-build a rural economy that can render the poppy unnecessary in Afghan life. However, as in

every country dealing with criminal activity, eradication and law enforcement must be credible in order to make the risks of growing poppy unacceptable, compared with the benefits of licit alternatives.

It is precisely such a multi-faceted approach that we launched less than two years ago and that we are intensifying now. We must be patient even as we strengthen our approach for the long term. Insecurity in some provinces—notably Helmand, the largest poppy producer—prevents the program I have described to you from being fully implemented today. But we have seen encouraging results from our efforts in other provinces, some of which are poppy-free and some of which have greatly reduced cultivation, and we are persuaded that this strategy is sound. With the support of the Afghan authorities, we have expanded our strategy of public information, alternative livelihoods, law enforcement interdiction and eradication into additional provinces. Failure to address illegal poppy cultivation and trafficking head-on and in a comprehensive manner is a challenge to the Afghan government's control over its own territory and a victory for the insurgents.

The United Nations and our own estimates indicate that, despite the expansion of poppy-planting, our manual eradication efforts have shown good results so far this year. As of March 5, we have confirmed 6,754 hectares cleared nationwide, including 2,229 hectares in Helmand Province and 4,525 hectares in the rest of the country. Eradication is proceeding ahead of last year's pace, and all evidence points to significant reductions in planting in the north. Last year we saw six poppy-free provinces, but we have an opportunity this year to double the number of poppy free provinces to twelve and perhaps add as many as eight new poppy-free provinces, to total 14.

The United Nations Office on Drugs and Crime, on March 5, in its *Afghanistan Opium Winter Assessment*, points to increases in the South, but indicates that continued strong eradication efforts throughout that region—coupled with large cultivation reductions in the North—have the potential to hold net national cultivation at last year's level. This would be a remarkable achievement, considering the obstacles presented by the security situation.

Whatever happens this year in terms of eradication and net cultivation, there is no doubt that we, the Afghans, and our international Allies need to do more. In just the first two months of this year, the Border Police in Afghanistan's Herat Province, which shares borders with both Iran and Turkmenistan, seized more than 3,000 kilograms of narcotics and arrested 65 drug traffickers. It is good to see that

law enforcement is improving its capacity to interdict at least some of the illicit production, but we know that too much escapes through other checkpoints, and narcotics proceeds undercut all of our efforts in Afghanistan. As Assistant Secretary of State for International Narcotics and Law Enforcement Affairs Anne Patterson noted the other day, we are increasingly concerned that the Taliban reap the benefit of narcotics production and trafficking, another important reason why we must redouble our efforts to eliminate this scourge.

SECURITY

We face a ruthless and determined enemy in Afghanistan and, as snows melt, the spring fighting is starting up once again. Last summer witnessed heavy fighting in the south and east, where U.S. and NATO forces performed admirably. We expect the Taliban to challenge the Afghan Government and ISAF once again this year. We can anticipate intensified attempts by the Taliban to disrupt government authority and sway the population to their side. Failing last year to take and hold cities, towns, and territory, this year they are likely to turn increasingly to suicide bombings, assassinations and intimidation tactics, often targeting innocent civilians.

The United States, the Government of Afghanistan, and our allies are approaching the expected spring violence with confidence. NATO, U.S. and Afghan forces are more capable this year, better positioned, and poised to follow up quickly and effectively after military operations. We have more troops than last year, and we have an agreed, comprehensive approach. We have thoroughly reviewed our longer-term strategy, a review that resulted in our request to you for additional funding. We are succeeding in extending the writ of the government to more districts. We are putting more Afghan police and Afghan soldiers on the ground, more military, more NATO, more district officials, more reconstruction, more roads, more effective Afghan government than ever before in Afghanistan. Our aim is to ensure that following the removal of Taliban forces from an area, we move rapidly to provide services and infrastructure in collaboration with local elders to help them realize their highest priorities. This is not top-down planning from the capital, but listening and meeting the needs of the people right where they are.

Although Afghan security forces have made tremendous strides, Afghanistan is still almost totally dependent on foreign forces for security, and faces a threat from a determined enemy, well supplied from abroad, that knows how to exploit

the weakness of the security forces inside the country as well as safe havens inside and outside Afghan territory. We are making progress in recruiting and training a competent and reliable Afghan National Army (ANA). We have decided to provide qualitative improvements to training and equipping of the ANA, since the threat on the battlefield is greater than in past years and the leadership exists within the ANA now so they can operate and maintain better equipment. Our review has concluded that we must now work toward increasing the size of the army, due to the changing dynamics of the security situation, though we must not compromise the quality of the ANA in our efforts to boost the quantity. We are also committed to providing combat enablers that will increase the ANA's mobility and develop their ability eventually to defend their nation independent of coalition forces.

LAW AND ORDER

While police are an important component of the Afghan National Security Forces, the police force is underdeveloped and still in transition from a system of militias loyal to local commanders and warlords, to a professionally led, ethnically balanced, national force. In Afghanistan, police play not simply the "cop on the beat" role familiar to all of us; they are also a key component to defeating the insurgency. Once military operations have rid an area of the Taliban, it is the police, trained, equipped and loyal to the national government, who must take over and give local people the security they need to build their lives. We have a sound program in place for developing the Afghan police, and we know that the capacity of the police must be expanded, but this will take time.

Through better training and leadership, improved pay and electronic distribution of salaries, and provision of better equipment, we are working to ensure that the police are ready and motivated to do their jobs. We strongly support efforts by President Karzai and his government to rein in corruption and prosecute dishonest officials. The international community is supporting reform of the justice system, training for judges, and humane conditions for detainees and prisoners.

Police salaries are paid for through the Law and Order Trust Fund (LOTFA). Over the last two years, the international community has provided \$120 million, including \$40 million from the United States. An ongoing reform of the police is gradually tripling the salaries of most patrolmen, and that increase should extend to all police officers and patrolmen within the next year. In addition to low salaries, however, there is also the problem that corrupt officials have been skimming pay before it gets to the individual patrolmen. We are working with the Ministry of

Interior on a new pay distribution system that uses electronic transfers instead of cash and a police I.D. system to reduce opportunities for fraud.

PAKISTAN

Pakistan continues to be a vital partner and ally in our fight against the Taliban and Al Qaeda. It is clear that the Taliban are under pressure from all sides, including Pakistan. Recently, Pakistan has launched attacks on training facilities and armed infiltrators, and has arrested Taliban leadership figures, in particular, according to press reports, Mullah Obaidullah Akhund, the former Taliban Minister of Defense. Pakistani leaders are committed to combating extremism and continuing to move the country toward a moderate course. Pakistan is absolutely key to the success of U.S. strategic goals in region. We have supported the Pakistani authorities and will continue to support them.

During his February visit to Islamabad, Vice President Cheney held positive and serious talks with President Musharraf about how, together, we can take strong measures to eliminate the threats from the Taliban and Al Qaida. While we continue to encourage the Government of Pakistan to take action against violent extremists, we recognize that purely military solutions are unlikely to succeed. We therefore strongly support President Musharraf's efforts to adopt a more comprehensive approach to combating terrorism and eliminating violent extremism in the border regions, which include the Federally Administered Tribal Areas (FATA) and parts of Baluchistan. We are committed to supporting this initiative, to bring economic and social development and governance reform that will render these areas inhospitable to violent extremists.

Additionally, we are working to harness the power of markets. To ensure that people have opportunities for employment and a chance to develop sustained alternative livelihoods, President Bush announced his support for the establishment of Reconstruction Opportunity Zones (ROZs) in Afghanistan and the border regions of Pakistan. By allowing certain goods manufactured in ROZs to enter the United States duty free as part of a comprehensive strategy of support for the Afghan private sector, this initiative can serve as a catalyst for increased trade and economic stability. The Administration will be working this year with Congress, American industry, and the Afghan Government to implement this initiative and to give these people, who need jobs and hope for the future, an opportunity to join the world economy and build sustainable livelihoods.

INTERNATIONAL COMMUNITY

At the NATO Summit in Riga in November, as well as Foreign and Defense Ministerials in January and February, NATO Allies and partners reaffirmed their commitment to the Afghanistan mission. We have continued to press Allies to fill force shortfalls in ISAF, and since last fall Allies have pledged approximately 7,000 new troops to the mission. 3,200 of these are American, but the majority are contributions from other Allies. While some caveats restricting operations remain a concern, Allies have expressed a willingness to come to each others aid, should the need arise. We are also grateful that non-U.S. donors have pledged nearly \$1.3 billion over the last six months in new multi-year assistance. Of course, Afghanistan deserves our full effort and we believe the international community can and should do still more.

We and our Allies must recognize that success in Afghanistan is our only option. We must vanquish the voices of intolerance and extremism that turned Afghanistan into a land of lawlessness and intimidation, where Afghan citizens' rights were severely violated, and that provided a home to Al-Qaida. The people of Afghanistan badly want our assistance and understand all too well the consequences of failure; sadly, some are questioning our commitment to ultimate success. We must together restore their faith by continuing our work until a secure, stable, and more prosperous Afghanistan, based on the rule of law and human rights, is firmly established so that the country will never again fall prey to extremists and terrorists. The Afghan and American people are working collectively towards a future that is secure, prosperous, and free.

We at the Department of State appreciate the Committee members' interest and support of this most important endeavor. Thank you again for this opportunity to appear before this Committee. I look forward to responding to your questions.