

EXHIBIT

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Statement of
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Afghanistan: Governance and the Civilian Strategy

Appearance before the Senate Committee on Foreign Relations
July 14, 2010

Chairman Kerry, Ranking Member Lugar: Thank you for this opportunity to provide an update on our efforts in Afghanistan and Pakistan.

Tonight I depart for Islamabad, and then will travel on to Kabul, and New Delhi. This will be my 14th visit to Pakistan in the past 19 months. In addition to meetings with key leaders on a range of topics, I will join Secretary Clinton when she reconvenes the U.S.-Pakistan Strategic Dialogue in Islamabad and leads the U.S. delegation to the Kabul Conference. While the Kabul Conference has attracted more international attention, the Secretary's visit to Islamabad will be equally significant, coming on the heels of 13 successful Strategic Dialogue Working Group meetings in Islamabad over the past two months and the Secretary's highly successful visit to Pakistan in October 2009. These and other upcoming events – including another Afghanistan-Pakistan-United States trilateral meeting later this year – are part of a series of milestones concluding with the Administration's planned assessment of our progress in December 2010.

As President Obama reiterated just a few weeks ago, our Core Goal in Afghanistan and Pakistan is clear: to disrupt, dismantle, and defeat al-Qaeda, and prevent its return to both countries. I participated in the Fall 2009 policy review. And in close consultation with Secretary Clinton, Secretary Gates, Admiral Mullen, General Petraeus, Ambassadors Eikenberry and Patterson, and Dr. Shah, my interagency team has been working tirelessly to help implement the President's strategy. We face huge implementation challenges on the ground. But our political and diplomatic engagement with Afghanistan, Pakistan, and other influential countries has evolved significantly since my first official visit to the region in January 2009, bringing us closer to facilitating a durable and favorable resolution of the conflict.

Nowhere is this more apparent than in Pakistan, where we have seen a steady improvement in our bilateral relationship. As members of this committee have recognized, what happens in Pakistan has tremendous implications not only for our goals in Afghanistan, but also for the stability of South-Central Asia and for U.S. national security. We have been pursuing three objectives simultaneously in Pakistan: (1) enhancing stability (political, economic, and security); (2) supporting Pakistan's offensive against extremists who threaten Pakistan and the United States; and (3) encouraging a closer relationship between Islamabad and Kabul. Through a carefully calibrated approach, we are seeing signs of progress. For the first time in more than a decade, we recognize and are engaging the people of Pakistan on their legitimate interests and priorities, even as we encourage greater collaboration in areas of mutual interest.

Politically, Pakistan's civilian and military leaders have settled into a relatively stable equilibrium as a result of recent constitutional reforms. The upgraded and intensified U.S.-Pakistan Strategic Dialogue, which Secretary Clinton and Foreign Minister Qureshi convened in

March, has provided a framework to engage Pakistan on mutual priorities and assisted the Pakistani government in structuring reforms crucial to long-term stability.

Economically, Pakistan's leaders have made many tough decisions necessary to meet the mutually agreed conditions of the IMF's Stand-by agreement. As a result Pakistan has shifted from economic crisis to a period of economic recovery. Other tough decisions and reforms will be necessary to ensure that Pakistan remains on the path towards economic self sufficiency. Our overhauled assistance programs, made possible by the landmark Enhanced Partnership with Pakistan Act, will help reinforce these reforms in areas such as energy. They also will further improve our relationship with the Pakistani people by signaling our support for addressing Pakistan's most pressing problems.

These programs would not have been possible without this committee's leadership. We have been engaged in a substantive dialogue on how to best structure our assistance to maximize its impact, and I look forward to continued close collaboration as initial Kerry-Lugar-Berman funding comes online. Equally important is passage of Reconstruction Opportunity Zone (ROZ) legislation, which would further bolster our efforts to stabilize Pakistan's border areas by creating licit economic opportunities. ROZs would also support Pakistani reconstruction efforts in the border areas by stimulating economic opportunity.

On counterterrorism issues, Prime Minister Gilani and President Zardari have united the Pakistani people – including the opposition – behind the Pakistani military's offensive in the tribal areas. We cannot forget that the Pakistani people and armed forces have made huge sacrifices as part of this fight. In the past month alone, scores of innocent Pakistanis have been killed or wounded in suicide attacks. Hundreds of thousands of Pakistanis have also had their lives upended.

As Secretary Clinton emphasized during her October 2009 visit and again at the March Strategic Dialogue, the American people will continue to stand by the Pakistani people in their time of need. We are proud to be the world's largest provider of assistance to displaced Pakistanis and we will build on that support, as I announced during my June visit to Pakistan. USAID and State are continuing to provide a range of stabilization assistance in post-conflict areas. We appreciate this Committee's support for innovative approaches to ensuring that this assistance reaches Pakistani communities most affected by violence and most in need of our support. Through this assistance and new mobile and radio communications programs, we are helping the Pakistani people to overcome the extremist narrative and end the cycle of extremist violence.

Our focused security assistance and close cooperation with the Pakistani military are, of course, critical tools for building Pakistani counterinsurgency capabilities and shaping Pakistan's counterterrorism operations. Even as we increase our civilian assistance levels, I believe we must maintain our security assistance and adapt it to emerging needs.

Perhaps the most significant Pakistan-related development since January 2009 has been its improved relationship with Afghanistan. Recognizing that Pakistan's and Afghanistan's futures are intertwined, we have consulted closely with both governments on our strategy. Through the trilateral process, we have facilitated a significant thaw in relations between Islamabad and

Kabul and encouraged progress on regional economic integration. There is not yet strategic symmetry on all topics, but the thawing of differences should create additional opportunities as our regional diplomacy and political strategy develops. Significantly, Pakistan's leaders now publicly acknowledge the cross-border nature of the extremist threat and that Afghan stability is in Pakistan's interest. Meanwhile, we have also welcomed the resumption of more frequent high-level dialogue between New Delhi and Islamabad, which should benefit regional stability.

During her upcoming visit to Pakistan, Secretary Clinton will reconvene the Strategic Dialogue with Foreign Minister Qureshi to assess growing cooperation on topics ranging from energy and water, to education and health, to counter-terrorism and defense issues. She will also meet with a range of senior Pakistani officials to encourage closer collaboration in areas of mutual interest.

Across the border, the July 20 Kabul Conference will provide an opportunity for the Afghan government to offer concrete plans to benefit the Afghan people. This is the first major international conference held in Afghanistan since the 1970s and an important step towards greater Afghan ownership and sovereignty. We expect that President Karzai will address commitments he made in his November 2009 inaugural address and at the January 2010 London Conference – including on topics such as on governance and accountability, rule of law, and economic and social development.

Among the most important announcements will be the formal launch of an operational reintegration program, supported by an international trust fund. Additionally, the Department of Defense has been authorized to spend up to \$100 million to support initial Afghan reintegration efforts. Achieving a durable and favorable resolution of the conflict will require the Afghan government to increasingly address the Afghan people's grievances and economic needs. This includes the sizable number of insurgents who are not affiliated with al-Qaeda and have been attracted to the insurgency for non-ideological reasons. President Obama discussed reintegration and reconciliation with President Karzai when he visited Washington in May. We welcomed the Afghan government's plan to host a Consultative Peace Jirga with a representative group of Afghan society to discuss the details of this reintegration plan and broader outreach efforts. We are now supporting the Afghan government's efforts to implement several Jirga outcomes.

During President Karzai's recent visit, President Obama reiterated that our support for Afghan-led reintegration and reconciliation is based on a shared commitment to full transparency and basic principles. Insurgents must: (1) cut ties to al-Qaeda; (2) cease violence against the Afghan state; and (3) accept the Afghan constitution, including its protections for human rights and women's equality. Our position on this last point is unambiguous. Afghan-led peace efforts must not be a vehicle for reversing the progress of Afghan women and girls since 2001. As Secretary Clinton reiterated during President Karzai's visit, "it is essential that women's rights and women's opportunities are not sacrificed or trampled on in the reconciliation process." We will not abandon Afghanistan's women.

Another important outcome of the Kabul Conference will likely be the announcement of a joint NATO-Afghan government provincial transition plan. In April, ISAF partners and Allies endorsed a decision-making framework to discuss with the Afghan government. NATO Senior Civilian Ambassador Mark Sedwill has been coordinating with Afghan ministers to outline a

detailed mechanism. Transition will not be a single event, nor will it represent the end of the international military and civilian assistance to the Afghan government in a particular province. Instead, transition will be a process by which the Afghan government assumes greater responsibility for security. As conditions improve on the ground, the Afghan government will be able to provide improved services in key districts at the sub-national level.

In this context, it is also important to understand the meaning of July 2011. As President Obama, Secretary Clinton, and Secretary Gates have made clear, July 2011 is not a withdrawal date for all U.S. combat forces. In the President's words, we will not "be switching off the lights and closing the door behind us." While in July 2011 we will begin reducing U.S. combat troop levels, the size of and timing of any reduction in forces will be determined after a thorough assessment that will account for the views of the Afghan government, as well as our ISAF Allies and partners. The eventual pace of the reduction in U.S. combat troops will depend on the conditions on the ground. And even then, our partnership with the Afghan government and Afghan people will not end.

As President Obama explained during his joint press conference with President Karzai on May 12, "Even as we begin to transition security responsibility to Afghans over the next year, we will sustain a robust commitment in Afghanistan going forward...will partner with the Afghan people for the long term – toward a future of greater security, prosperity, justice, and progress." The shape of this long-term commitment will be clarified in coming months as we negotiate a new Strategic Partnership with the Afghan government. The Strategic Partnership will provide a framework for transitioning to a more normal bilateral relationship with the Afghan government. Discussions will focus on themes critical to the U.S.-Afghanistan relationship, including our long-term commitment of security and economic assistance. We have committed to consult Afghanistan's neighbors and key partners as part of these deliberations, and will also keep Congress fully informed.

Equally important will be a sustained international commitment to supporting the Afghan government. Parallel to our negotiation of a new U.S.-Afghanistan Strategic Partnership, we will consult with our ISAF Allies and partners, encouraging them to publicly commit to: (1) continued assistance for training and equipping Afghanistan's security forces; and (2) providing long-term development assistance. This long-term commitment is the only way to ensure that our gains are durable and that Afghanistan does not once again become a safe haven from which extremists plot attacks on our homeland.

Prudent planning for the future should not be mistaken for a lack of commitment to our ongoing civ-mil efforts. I outlined our civilian initiatives when I appeared before this committee in January and presented the Afghanistan and Pakistan Regional Stabilization Strategy. Over the past six months, General Petraeus and I have further synchronized our civilian and military plans by continuing a series of civilian-military coordination sessions. In April, we convened for two days in Kabul with the entire civ-mil Embassy-ISAF team, President Karzai, and his senior ministers to review our progress and further refine our programs. We agreed to reconvene in this format again in October. As General Petraeus has now transitioned to a new role as COMISAF, our close collaboration has intensified on a range of issues, including support for Afghan-led reintegration and a sustainable approach to increasing electricity production for Kandahar.

Like many of you, I have traveled outside of Kabul over the past six months to see our civ-mil efforts firsthand. Contrary to some press accounts, our civilians have surged. More than 1,000 USG civilian employees from 10 departments and agencies are now serving in Afghanistan, with a goal of further increasing the civilian presence by as much as 20 percent by the end of 2010. Many of these civilians are deployed on the frontlines, working and living in the same dangerous conditions as our combat troops in places like Kandahar and Marjah. Each civilian in the field often employs up to 10 Afghan partners. They are engaged in a range of activities, from rebuilding Afghanistan's once vibrant agricultural sector, to working with key Afghan ministries to improve provision of health, education, justice, and other services outside of provincial capitals.

We have committed to be providing enhanced levels of oversight and to working with the Afghan government to improve the transparency and accountability of its ministries. Key to these efforts has been a reduction of our reliance on large international contractors and establishment of an accreditation process for Afghan ministries to receive increased direct assistance if they improve transparency, oversight, and accountability. These measures help us manage the risk we assume by working in such a complex environment.

We have also engaged in a clear-eyed discussion with President Karzai on the challenges of corruption – including on the question of how the United States and other international donors can ensure that our contracting practices do not contribute to it. President Karzai identified corruption as a major concern in his inaugural address and we support steps he has taken to begin addressing this problem. These include issuing a Presidential Decree in March 2010 that provided the USAID-supported High Office of Oversight additional investigative powers. It also outlined a process, which we are supporting, for establishing a Monitoring and Evaluation Committee on corruption comprised of Afghan and international experts. Along with other U.S. assistance to the Major Crimes Task Force and Afghanistan's judiciary, we are helping the Afghan government implement additional safeguards aimed at reducing corruption.

For sure, we face many other challenges to achieving our civilian goals in Afghanistan, including a resilient insurgency and limited, albeit increasing Afghan government capacity. But we are beginning to see initial results from our new strategy in several areas. We plan to provide a more detailed overview of these results later this year, but let me cite a few brief examples:

- USAID's agriculture voucher program, launched in September 2009, has distributed wheat seed to more than 366,000 farmers, trained 80,000 Afghan farmers in best practices, and employed over 70,000 Afghans on short-term rural infrastructure projects. In many places throughout the Afghanistan's south, these programs are increasingly being administered under the auspices of the Afghan Ministry of Agriculture, whose extension agents receive training from forward-deployed USDA and USAID agriculture advisors.
- In 2009, we shifted our counternarcotics strategy away from eradication, which did little to reduce poppy cultivation and pushed poor farmers into the Taliban's hands. Our new counternarcotics strategy is comprehensive, combining: law enforcement; intelligence; interdiction; demand reduction; regional coordination; and alternative livelihoods programs. Since implementing it, we have seen significant increases in: the number of drug labs

destroyed; the numbers of drug traffickers arrested; the amounts of opium, poppy, heroin, and morphine base seized; and the number of joint operations with Afghan forces. Civilian DEA agents are helping to train Afghan Counternarcotics Police, and working with Afghan personnel to identify and destroy narcotrafficking networks. In the first quarter of 2010, international and Afghan forces conducted 56 military and law-enforcement interdiction operations in Afghanistan, largely in the South. These operations destroyed 16.3 Metric Tons (MT) of opium, 195 kilograms of morphine, 1.2 MT of heroin, 9.8 MT of hashish and, 10.1 MT of precursor chemicals.

- A joint ISAF-Embassy Kabul effort has been restoring cellular service in areas where the Taliban has destroyed or deactivated towers. Over 20 cell towers have been reactivated in Helmand and Kandahar, with significant benefits for local communities. One of our civilians embedded with the Marines in Nawa, Helmand Province reported that soon after a local cell tower resumed operation “three cell phone shops opened in the district bazaar and SIM cards were available in the whole of the district – without involvement from the Marines or U.S. civilians. Farmers now call their relatives in the district and provincial capitals to see if prices make it worthwhile to transport their goods. Families can warn each other about influxes of Taliban or mines on the road.” Cell service has recently been extended to Marjah and Garmsir, with similar economic and security benefits. In the coming months, ISAF and our Embassy will work to create a backup network in areas where the Taliban shuts down private carriers. This will provide uninterrupted access for Afghans, improving security for communities as well as our own civilian and military personnel.

Indeed, Afghans in areas previously dominated by the Taliban are slowly supporting the Afghan government. They are appreciative of the improvements that our civilian programs are bringing to their communities. When I met with a group of elders during my recent visit to Marjah, they expressed gratitude for our agricultural support. They also underscored the great personal risks they were undertaking to stand-up against the Taliban.

Ultimately, our goal is to empower the Afghan government so that it is in the strongest possible position as Afghan-led political and economic efforts move forward. This will require continued progress by the Afghan government and continued international support. It is important to remember that we are not alone in this endeavor. Since President Obama spoke at West Point on December 1, ISAF Allies and partners have provided roughly 10,000 additional troops and several hundred additional trainers to support security efforts. More than 60 countries are providing civilian assistance to Afghanistan. Under the highly capable leadership of UN Special Representative Staffan de Mistura and Ambassador Sedwill, members of the international community are increasing their coordination on the ground and in the implementation of their programs. They are focusing on Afghan priorities and implementing them in a way that builds Afghan government capacity.

Simultaneously, we are engaging India, Russia, China, and the Central Asian republics to discuss ways that they can support regional stability while ensuring their legitimate interests. And building on President Obama’s June 2009 speech in Cairo, my team has made it a top priority to increase Muslim countries’ support for Afghanistan. Their contributions carry political weight beyond providing positive effects on the ground. To cite only a few of many examples:

- The UAE, Egypt, and Saudi Arabia have posted their first resident Ambassadors to Kabul. Seven Organization of Islamic Conference (OIC) countries participate in the international SRAP support group.
- Turkey has greatly expanded its training of the Afghan National Security Forces.
- The UAE has expanded financial assistance and is funding several innovative initiatives.
- Malaysia and Egypt have committed important medical resources. It is hard to overstate the practical and symbolic influence of Muslim women doctors treating Afghan patients.

As President Obama, Secretary Clinton, and General Petraeus have emphasized, our civilian mission is crucial to the progress of our overall strategy in Afghanistan. Additionally, our civilian programs provide a foundation for our long-term commitment to helping the Afghan people rebuild from 30 years of endless war. While our military mission in Afghanistan is not open-ended, our civilian commitment will endure long after our combat troops come home. It is essential that we remain focused on our objectives and adapt our strategy to conditions on the ground, while also allowing time for our new programs to demonstrate progress.

Thank you again for the opportunity to appear before you today. I look forward to a continued dialogue on these issues and am pleased to take your questions.