

Briefing by USAID Administrator and Director of U.S. Foreign Assistance Henrietta H. Fore And U.S. Ambassador to Afghanistan William Wood

The International Conference in Support of Afghanistan

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MR. GALLEGOS: Well, thank you, those of you who are here this afternoon. I'd like to present Henrietta Fore, Administrator of the U.S. Agency for International Development and Director of U.S. Foreign Assistance; and U.S. Ambassador William Wood, who is Ambassador to the Islamic Republic of Afghanistan. They are going to be discussing the recent International Conference in Support of Afghanistan.

Administrator Fore.

ADMINISTRATOR FORE: Thank you very much. We are here to report on the International Conference for Support of Afghanistan. It was held June 12th in Paris, and it was a clear and resounding success. The donors pledged between \$20 and \$21 billion in continued assistance to the rebuilding of Afghanistan. The figures nearly double the amount that was achieved in the London conference in 2006.

The major themes of the conference included aligning international support with the new five-year Afghanistan National Development Strategy, support for the United Nations Special Representative Kai Eide as the lead for donor coordination, increasing aid effectiveness and Afghan ownership of development, and support of the Afghan Government to take concrete steps to fight corruption.

First Lady Laura Bush and Secretary of State Rice reconfirmed the United States' support for Afghanistan in announcing the United States pledge of \$10.2 billion over the next two years for security and reconstruction assistance. Of this amount, 7.1 billion is awaiting congressional approval.

This increase in pledges is evidence of strong international commitment for Afghanistan. This increase also signifies that we, the international community, are succeeding in Afghanistan and that we are determined to achieve our goal of a safe, stable, and prosperous Afghanistan.

The renewed commitment was further complemented by agreement among donors to align our assistance with the priorities identified by the Government of Afghanistan in the recently released five-year Afghanistan National Development Strategy, the ANDS. The international community - we are consciously making a decision to invest in the future of Afghanistan. And in line with these priorities, the United States plans to expand our rural and agricultural development, local governance efforts, and continue our focus on power and on roads.

As part of the United States' continued support to Afghanistan, we were also pleased to announce three new United States activities, including \$60 million in an agricultural voucher program to stimulate cereal production and to increase the 2009 harvests.

As we move forward with a set of agreed priorities and new donor pledges, it is important to remember that Afghanistan has experienced impressive successes in the past six years. Since 2002, GDP per capita growth has increased over 70 percent. The United States and other donors have helped to spur this growth through building and improving more than 8,171 miles of roads and tripling domestic production of electricity between 2002 and 2007.

The Afghan Government and the donor community have also made strong progress in the improvement of education, health, and human rights. Women and girls now have access to health and education services which were denied under the Taliban. Then, about a million children were in school, all boys. Today, girls make up 35 percent of more than 5.7 million children enrolled in schools.

Basic health services are now accessible for 85 percent of Afghans, up from 9 percent in 2003. And 81 percent of health facilities have at least one female doctor, nurse or midwife on staff. The health of children has increased and improved significantly with a decrease in child mortality rate of 26 percent since 2002, saving 80,000 lives a year.

The United States is pleased with the International Conference in Support of Afghanistan's strengthened commitment of the international community to Afghan-led development. We applaud the people of Afghanistan for all that they have accomplished in the past six years; and looking forward, we are honored to have the opportunity to continue to follow their lead and support the development of Afghanistan as a nation in a community of donors.

Thank you. And then I will turn to my friend and colleague, Ambassador Bill Wood, for a statement, and then we'll take questions. Thank you.

AMBASSADOR WOOD: Thank you, Administrator Fore. Thank you all for being here. I just want to echo Administrator Fore's comment that the Paris conference was an enormous success from the U.S. point of view, with more than \$20 billion raised, roughly half of it U.S. and roughly half of it from everyone else. I think that the key comment was made by Javier Solana of the European Union when he said that there were more donors present, they were giving more, and this clearly shows increasing support for Afghanistan.

I'd like to also note that the conference was an operational conference, and I think that that is illustrated most clearly by the concluding document, which is available on websites and which I think that PA here can make available to you also.

Just to highlight some of the aspects of this three-page document - and for those of you who track diplomatic documents, you know that multilateral three-page documents are a rarity, so they must have been focusing on the things that were important. Throughout the document, you see a shared transactional commitment between the international community and Afghanistan, commitments on the part of the international community to further support targeted support for Afghanistan, and clear statements by Afghanistan of its intention to move forward in a number of key areas.

Just to run through quickly some of the topic headings in that document. Strengthening democracy in Afghanistan, in particular providing support for the presidential elections in 2009 and the parliamentary elections in 2010. To ensure free, fair, and secure elections was a consensus goal of everyone.

To support the National Development Strategy. This is a strategy designed by Afghans for Afghanistan. It has been submitted to the IMF and the World Bank, and we're all going to support it strongly. That was where the money was, for the most part, directed.

To stimulate investment in infrastructure, particularly in agriculture and energy. Agriculture and energy are the two new areas of focus for Afghanistan, in addition to the traditional criteria of roads, energy, and public health.

And to create opportunities for Afghanistan through private sector growth. The world knows something now that it didn't know 20 years ago, and that's how you grow. And the key is through free markets and private sector development. And that's an exciting and important element of the agreement coming out of Paris.

To strengthen Afghan institutions and improve delivery of services to all Afghans. Of course, after 30 years of internal conflict, the rebuilding of old institutions and the creation of new institutions is a central goal for the Afghan Government, the Afghan people, and the international community and we're working hard to do that. And again, I think that was reflected in Paris, to improve aid effectiveness. We're all intending to channel more of our assistance through Afghan Government institutions as they're able to manage those funds effectively. That was a high priority for Afghanistan, it's a high priority for the international community, it was the theme of a conference that Administrator Fore hosted in Kabul two months ago in the run-up to Paris. Combating corruption is another one. There are some agreements, both for improved auditing and -- both national and international flows of funds, but also other decisive steps to combat corruption.

To intensify counter narcotic efforts. Again, this is - there was agreement on intensified efforts to increase the number of poppy-free provinces and to ensure that farmers receive adequate assistance to give them an alternative to poppy growing.

To ensure greater civil society participation in the nation building process. One of the great things about the National Development Strategy was that it was developed through the Community Development Councils, which incorporate a large NGO and civil society component.

To promote respect for human rights of all Afghans. This is an ongoing goal of the Government of Afghanistan and of the United States. And to strengthen regional cooperations, because Afghanistan, traditionally the country in the middle, not only depends on good relations with its neighbors but also recognizes that those neighbors depend on good relations with Afghanistan.

Finally, as Administrator Fore said, the Paris conference which could be - can be seen as a counterpart to the Bucharest/NATO Summit, except in the development and political area, unambiguously endorsed the role of UN SRSG Kai Eide as the key international coordinator to bring a unified international voice and, I might add, a unified international ear for both talking to and listening to the Government of Afghanistan.

Those were the principal conclusions of what, again, was a harmonious conference, was a productive conference, and a conference that produced record levels of contributions.

Thank you very much.

ADMINISTRATOR FORE: All right. Questions.

QUESTION: For **AMBASSADOR WOOD:** Wouldn't it be fair to say that the amount of aid pledged and how much is delivered really depends on how successful you are in combating the corruption?

AMBASSADOR WOOD: Well, the amount of aid pledged is pledged.

QUESTION: But they won't deliver it when they're not sure of how well the battle on corruption is.

AMBASSADOR WOOD: Well, the amount of aid pledged is pledged. It is up to Administrator Fore and the other development and other aid institutions to ensure that every dollar of aid pledged and aid spent delivers 100 cents on the dollar to the Afghan people, as was intended. Certainly, the conclusions in the joint document, in the Chairman's statement from Paris, underlined the need for auditing and things like that. And we are committed to getting 100 cents on the dollar.

ADMINISTRATOR FORE: I might also add that we have now certified two ministries that we think are doing very well in their auditing standards, their internal controls, so that money is being well-utilized. It is the communications, the International Communications Technology Ministry, as well as the Health Ministry. There are two more ministries that we have that we are looking at now for the auditing procedures, but our intention is that to strengthen the institutional capacity of the ministries in Afghanistan so that they can carry effectively their own foreign assistance dollars coming in from all sources.

QUESTION: Maybe I don't understand it very well, but it sounds like the money does flow very slowly through the system, precisely because you can't guarantee that the money will - every cent will be spent the way you want it, or the way the Afghan Government wants it. I mean, how quickly do you think this aid will throw through the pipeline, then? This \$20 billion?

ADMINISTRATOR FORE: Well, let me just back up for a moment on how countries around the world deliver assistance. For some countries, it is budget support directly to the government. For other countries, such as the United States, we send much of our development assistance through non governmental organizations and through projects and programs.

Some of them, when they are infrastructure, such as building a road, take years. Others, a vocational training program for young Afghans to learn plumbing and electricity, can be very short in term and can be done fairly quickly. So they will all have different timelines. You, as a development agency, do not program money that you do not think will be well spent by the organizations that are delivering the assistance as well as well spent by the beneficiaries.

AMBASSADOR WOOD: I would only add that I think, in general terms, the disbursement rate for other donors and the disbursement rate for the United States is quite high, taking all of our assistance together. The fact is, the United States, I think, disburses larger-- more rapidly than many, many donors. And in some cases, the disbursement rate is affected by the kinds of projects that are being taken on.

We-- the United States tends to take on larger, more complex projects than others, which face not simply the kinds of capacity problems that other assistance faces, but, for instance, in the case of the Kajaki dam or others, the security situation impedes the delivery of the service. The reason that there isn't more light at night and more warmth in winter for South Afghanistan is because the Taliban has not let us do everything - work as effectively as we'd like

to on the Kajaki Dam.

QUESTION: I was going to follow up on that, actually, if you don't mind, Ambassador. Can you talk about how the security situation, which, by many accounts, is only getting worse, is going to impede some of the projects you'd like to do in the future, especially now that you've gotten all of these donations and pledges?

AMBASSADOR WOOD: I think our unified assessment in Kabul is that the Taliban is weaker in 2008 than it was at the beginning of the fighting season in 2007. Admittedly, they are shifting from insurgent tactics to terrorist tactics, and that means there are more individual incidents, but they tend to be of smaller scale. There have been many fewer attacks in Kabul, for instance, even at the terrorist level this year than last year.

Obviously, we're coming off of two difficult events in Kandahar province - the break-in to the prison and the Arghandab fighting. I would like to point out that six months ago, there was also fighting in Arghandab and there was lots of headlines then that said Arghandab is about to fall, and that wasn't right then and it's not going to be right now.

The Taliban can raise a lot of dust at any given moment and a given point. They can't stay. They don't have the loyalty of the people. They've lost leaders, they've lost fighters, they've lost territorial dominance, they lost Sayghan and Musa Qala districts last year. And we are getting reliable reports of some divisions inside of the Taliban and some dissatisfaction among the rank and file of the Taliban with their focus on terrorism against innocent civilians.

So I think - this doesn't mean that the fight is won, by any means. I'm not claiming that. But I think that we are - we, the United States; we, the international community; and we, the Government of Afghanistan, are feeling much more confident as we approach the midpoint of the 2008 fighting season than we felt before we - the 2007 fighting season began.

QUESTION: Can I just follow up on that a little bit, actually? Secretary Gates, when he was asked about this, didn't have as quite a positive outlook on it. He actually cited that for the first time, U.S. and coalition deaths in Afghanistan outnumbered those in Iraq for the first time, in May. I'm just curious, you know, where your optimism comes from, given his assessment of the situation.

AMBASSADOR WOOD: Well, I think I just decided - described the reasons for optimism. Obviously, no coalition casualty, no Afghan casualty is a welcome event. No coalition casualty, no Afghan casualty is an accepted event. But we are convinced that the international security presence, which went up dramatically in 2007 and continues to go up in 2008; the U.S. presence; and the growing capability of the Afghan army, which has conducted more than 100 operations in 2008 and led 50 of them, are all moving in the right direction.

MR. GALLEGOS: Charlie?

QUESTION: I'd like to continue on the security (inaudible) thing. You talked about Afghan's concern about its neighbors and its place in the neighborhood. How do you - that being said, what do you - how do you interpret President Karzai's statements over the last weekend related to the possibility of Afghan troops going into Pakistan? Is that saber-rattling or is that political talk or--

AMBASSADOR WOOD: Well, first, this really is a briefing on the Paris conference. But I think President Karzai himself has interpreted his own remarks. And I would urge you to go to his comments in which he made clear that he believes that he has good relations with the Pakistani Government. He is in regular communication with the Pakistani Government. He - his remarks were aimed at the bad guys who are a common threat to both the Pakistani Government and to the people and Government of Afghanistan.

I think that he was addressing a problem. There is a threat in the tribal areas that is a problem for both Pakistan and Afghanistan, and was reacting to the statement of some extremists there that they felt free to cross into Afghanistan.

MR. GALLEGOS: Okay. Anybody else?

QUESTION: I'll go again. (Laughter.)

QUESTION: (Inaudible) fast question about poppy prevention. I read a article about the expansion of the production of poppy, especially in the area of southeastern district of Afghanistan. Would you give us the latest situation of poppy production?

AMBASSADOR WOOD: Well, 2007 was a very bad year, in that poppy production reached record levels. The numbers for 2008 are not in yet. It is possible that they will go down, in particular, because of sharp reductions in cultivation in Nandahar and elsewhere. Those numbers are not final. We're not sure yet. And I'd rather not speculate as to where they're going to come out at the end of the year. It is a source of concern for everyone. That's one of the reasons that there is a separate paragraph in the Paris document about poppy cultivation and trafficking. We have - but I wouldn't begin to say that we've solved the problem yet.

ADMINISTRATOR FORE: I might add that one reason that we are focused on agriculture is threefold. One is that between 70 and 80 percent of the populous in Afghanistan is involved with rural agriculture. Therefore, it's bringing livelihoods to people and it reduces poverty. The second is that we have a world food crisis in which the availability of food staples is very important worldwide, so that the growing of cereal crops in Afghanistan can be very positive.

And third is that it becomes an alternative, it is a licit production to poppies. So the backing of agriculture can be very positive for the long term for Afghanistan.

QUESTION: Can - I'd like to go back to the security situation in the south, which again you mentioned, and acknowledged problems. Can you talk about the Afghan police, when they will be better armed and able to take care of the situation? And what does it say about the fact that the U.S. and even Britain has signaled sending more troops there? How long - I mean, can you give us a timeline, maybe, about when the south might be able to be brought under control?

AMBASSADOR WOOD: I can't give you a timeline, but I can say that the police are getting better, but they're not where they need to be yet. In 2007 and continuing into 2008, there was something called the wage and rank reform in the police that raised police wages to a rough equivalent of the military wages. And in the process of wage - raising wages imposed certain standards of - for qualifications, and in that process, dismissed a number of police and demoted a number of police.

In addition to that process, which continues to go on, this year, we are focusing on something called the Focus District Development Initiative. 70 percent of the violence in Afghanistan takes place in 10 percent of the districts. There are 398 districts and 70 percent of the violence takes place in 40 of those districts. So we are working this year with those key districts and some other important districts to pull all of the police out, retrain and reequip them. For the first time, they will be fully equipped. When I arrived, it was commonplace to have a deployment of 40 police, having perhaps 11 guns and one cell phone among them and no vehicle.

So all of that's going to be improved. While they are out being retrained in about a six-week process, the Civil Order Police, the most experienced police in Afghanistan are put into that district. One of the things that that complete substitution does is it breaks all corrupt connections. So you can imagine lots of corrupt plugs looking for sockets. And we're able to cut those wires. Then, in the key development, the police, after they've been trained with their leadership, are moved back into the district with international mentors.

And so far, the results, which has only been in about 12 districts so far, had been very satisfactory. The police have responded to their training. They do seem to be operating in a more professional way and a more aggressive way. As a result, they're earning the support of the local populous, which leads all of them to cooperate better against the bad guys. I might add that as part of this Focus District Development effort, we are also targeting high impact, quick disbursement economic assistance so that people in the district feel the benefits in civil society of improved policing. And ISAF and the international military community are also focusing on these districts to make sure that the retrained and reequipped police are not faced with a challenge that may be too much for them.

MR. GALLEGOS: All right. With that, I want to thank you all.

ADMINISTRATOR FORE: Thank you.

AMBASSADOR WOOD: Thank you all.

QUESTION: Thank you.