



AFGHANISTAN AND PAKISTAN REGIONAL STABILIZATION STRATEGY

Office of the Special Representative for Afghanistan and Pakistan
January 2010

MESSAGE FROM THE SECRETARY OF STATE


I have made it a top priority to elevate the role of diplomacy and development alongside defense in our national security strategy. Nowhere is this more urgent than in our efforts to disrupt, dismantle, and defeat al-Qaeda in Afghanistan and Pakistan. To meet this core goal, President Obama has outlined a strategy that includes supporting the Afghan and Pakistani governments' efforts to defeat the extremist threat. As President Obama made clear at West Point on December 1, our civilian engagement in Afghanistan and Pakistan will endure long after our combat troops come home. While our military mission in Afghanistan is not open-ended, we are committed to building lasting partnerships with Afghanistan and Pakistan.

The challenges in both countries are immense. The Afghan government is under assault from the Taliban and struggling to provide security, jobs, and basic justice to a society devastated by 30 years of war. Across the border, the Pakistani people are victim to regular suicide bombings despite their military's increasingly determined efforts against extremist elements. And while al-Qaeda's safe-haven in the Afghanistan-Pakistan border area is increasingly disrupted, its senior leaders are still planning attacks against our homeland and our Allies.

We shaped our political, economic, and diplomatic efforts in Afghanistan and Pakistan with these realities in mind. Far from an exercise in "nation-building," the programs detailed here aim to achieve realistic progress in critical areas. They are aligned with our security objectives and have been developed in close consultation with the Afghan and Pakistani governments, as well as our international partners. When combined with U.S. combat operations and efforts to build Afghan and Pakistani security capacity, these programs constitute an innovative, whole-of-government strategy to protect our vital interests in this volatile region of the world.

We have no illusions about the challenges ahead of us. Achieving progress will require continued sacrifice not only by our military personnel, but also by the more than 1,500 U.S. government civilians serving in Afghanistan and Pakistan. But for the first time since this conflict began, we have a true whole-of-government approach. The Afghan and Pakistani governments have endorsed this strategy and are committed to achieving our shared objectives. And as I was reminded during recent visits to Afghanistan and Pakistan, our civilian and military personnel are working together as never before.

For these reasons, I believe this strategy offers the best prospect for stabilizing Afghanistan and Pakistan. I look forward to working with Congress to secure the non-military resources needed to achieve our mission and to signal our commitment to Afghanistan and Pakistan. I am committed to doing everything possible to ensure that those resources are well spent advancing our national interests.



Hillary Rodham Clinton
Secretary of State

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OVERVIEW

As President Obama reiterated during his December 1, 2009 speech at West Point, the core U.S. goal remains to disrupt, dismantle, and defeat al-Qaeda and its safe havens in Pakistan, and to prevent their return to Pakistan or Afghanistan.

While our combat mission in Afghanistan is not open-ended, we will remain politically, diplomatically, and economically engaged in Afghanistan and Pakistan for the long-term to protect our enduring interests in the region.

AFGHANISTAN

In Afghanistan, our focus is building the capacity of Afghan institutions to withstand and diminish the threat posed by extremism, and to deliver high-impact economic assistance – especially in the agricultural sector – to create jobs, reduce the funding that the Taliban receives from poppy cultivation, and draw insurgents off of the battlefield.

We are focusing our support at the national level on Afghan ministries that can have the most direct impact on service delivery, particularly in the geographic heart of the insurgency – the South and East. Consistent with the President’s recently completed policy review, we are also adapting our programs to account for local realities, and broadening our support and engagement at the provincial and district levels to enhance the visibility, effectiveness, and accountability of the institutions that impact Afghan lives the most. The provinces and districts are where our most consequential programs will be delivered, where we must help the Afghan government provide economic opportunities that increase stability and reduce the strength of the insurgency – and where we are most visibly expanding our civilian commitment.

President Karzai’s inaugural address set forth an ambitious agenda, focusing on: reintegration; economic development; improving relations with Afghanistan’s regional partners; and steadily increasing the security responsibilities of Afghan security forces. Rapid progress on this agenda is important, and will require international support. Toward this end, we are encouraging the Afghan government to take strong actions to combat corruption and improve governance, and to provide better services for the people of Afghanistan. We will work with the Afghan government to implement a system for evaluating progress and adapting programs as the situation on the ground evolves.

Our focused strategy reflects the urgency President Obama has directed to reverse negative trends in Afghanistan. It consists of the following key elements, which are integrated and synchronized with military activities to achieve short, medium, and long-term objectives. The success of civilian programs depends on an improving security environment in Afghanistan.

Reconstruction and Development: Job creation is critical to undermine extremists’ appeal in the short-term and for sustainable economic growth in the long-term. Our top reconstruction priority is implementing a civilian-military (civ-mil) agriculture redevelopment strategy to restore Afghanistan’s once vibrant agriculture sector. This will help sap the insurgency of fighters and of income from poppy cultivation. Creating links to cross-border trade with

Pakistan will support sustainable long-term economic growth and job creation in the agricultural and other sectors. Simultaneously, we will sustain our successful efforts to build the Afghan government's capacity to provide improved health services and education to the Afghan people. Improving educational opportunities for all Afghans, regardless of gender, is a top priority for the Afghan people. It is also a necessary step for diminishing the influence of extremists, improving the pool of qualified individuals who can serve in Afghanistan's security forces, and improving Afghanistan's long-term economic potential. Improved rural healthcare is both a social benefit and a positive linkage between the Afghan people and their government.

Improving Governance: Our governance efforts will help develop more responsive, visible, and accountable institutions in Kabul, particularly at the provincial, district, and local level, where most Afghans encounter their government. We will increase the number of civilian technical advisers in key central government ministries, as well as in provincial capitals and district centers, to partner with Afghans in this capacity building effort. We will support the Afghan government's reinvigorated plans to fight corruption, with measures of progress toward greater accountability.

Rule of Law: Justice and rule of law programs will focus on creating predictable and fair dispute resolution mechanisms to eliminate the vacuum that the Taliban have exploited with their own brutal form of justice. Our rule of law efforts complement ISAF's expanded emphasis on training capable Afghan National Police and support Afghan-led anti-corruption efforts.

Reintegration: Our new strategy recognizes the political dimensions of the conflict and that only the Afghan people can secure their own country. A key element of our political strategy will be supporting Afghan-led efforts to reintegrate Taliban who renounce al-Qaeda, cease violence, and accept the constitutional system.

Regional Diplomacy: Regional diplomacy will focus on shifting the calculus of Afghanistan's neighbors from competition in Afghanistan to cooperation and economic integration. The Afghanistan-Pakistan-United States Trilateral Dialogue will continue, providing a venue for advancing cooperation on issues such as transit trade, agriculture, interior issues, and intelligence.

Communications: All of our efforts in Afghanistan will be supported by a new communications strategy that will empower Afghans to directly challenge the extremists' narrative and articulate an alternative vision for Afghanistan's future.

Focused Civilian Assistance: The President's resource request for his new strategy will include a sizable amount for civilian assistance to implement our programs. Aligned with our national security objectives, civilian assistance will help build Afghan capacity in key areas and also reassure Afghans that our commitment is long-term. To maximize effectiveness, we have overhauled how we deliver assistance. We are decreasing reliance on large contractors and increasing our direct assistance to select Afghan ministries which we have certified for transparency and accountability. Recognizing that we cannot abandon Afghanistan as we did in 1989 following the Soviet withdrawal, our civilian effort must be sustained beyond our combat mission so that Afghanistan does not become a failed state and safe haven for al-Qaeda.

Expanded Civilian Presence: Accompanying an increase in civilian assistance will be a significant increase in civilian experts – beyond the tripling of deployed U.S. civilians that is underway, from 320 civilians on the ground in Afghanistan in January 2009 to nearly 1,000 on the ground by early 2010. Civilian experts come from a range of U.S. government departments and agencies – including the Department of State, U.S. Agency for International Development (USAID), U.S. Department of Agriculture (USDA), Drug Enforcement Agency (DEA), Department of Justice (DoJ), Federal Bureau of Investigation (FBI), Department of the Treasury, and the Department of Homeland Security (DHS) – and bring specific expertise. They contribute to the mission in the field, especially in the East and South where a majority of U.S. combat forces are operating and where many of the additional 30,000 forces announced by President Obama on December 1 will deploy. Civilians partner with Afghans to enhance the capacity of government institutions and help rehabilitate Afghanistan’s key economic sectors.

PAKISTAN

A major focus of the President’s policy review was the importance of Pakistan to our efforts in Afghanistan, to regional stability, and to our national security and foreign policy interests. There remains mistrust between our two countries, but we see a critical window of opportunity created by the recent transition to democratic, civilian rule and the broad, sustained political support across Pakistan for military operations against extremists. We seek to lead the international community in helping Pakistan overcome the political, economic, and security challenges that threaten its stability, and in turn undermine regional stability. And we seek to build a long-term partnership with Pakistan based on common interests, including a recognition that we cannot tolerate a safe haven for terrorists whose location is known and whose intentions are clear.

New Assistance Program: The United States is making a sizable, long-term commitment of economic assistance, consistent with the landmark Kerry-Lugar-Berman legislation which authorized \$7.5 billion in U.S. civilian assistance over five years, with the following objectives:

- Helping Pakistan address immediate energy, water, and related economic crises, thereby deepening our partnership with the Pakistani people and decreasing the appeal of extremists;
- Supporting broader economic and democratic reforms that are necessary to put Pakistan on a path towards sustainable job creation and economic growth, which is necessary for long-term Pakistani stability and progress; and
- Helping Pakistan build on its success against militants to eliminate extremist sanctuaries that threaten Pakistan, Afghanistan, the wider region, the United States, and people around the world.

Additional U.S. assistance will help Pakistan build a foundation for long-term development, and will also strengthen ties between the American and Pakistani people by demonstrating that the United States is committed to addressing problems that affect the everyday lives of Pakistanis. As in Afghanistan, the security environment, particularly in the Northwest Frontier Province and Federally Administered Tribal Areas, will impact the success of some assistance programs.

Security Assistance: The United States will sustain its counterinsurgency support and other

assistance to Pakistan's military and police to help them fight insurgents, as well as make greater civilian investments to meet the needs of people in areas most affected by militancy.

Communications: This expanded U.S. commitment to Pakistan will be supported by a new communications effort. Innovative programs will empower Pakistanis to discredit extremist propaganda and increase support for the Pakistani government's efforts to roll back the insurgency. We will also work aggressively to alter misperceptions regarding U.S. policy.

Strengthening People-to-People Ties: We are expanding our bilateral relationship beyond military-to-military and government-to-government ties by reaching out directly to the Pakistani people, through more frequent and direct contacts, putting forward an ambitious public diplomacy campaign, addressing the social and economic needs of Pakistani people, and building relationships with a wide array of Pakistani civil society groups. These efforts will foster greater understanding in Pakistan for U.S. policies and reinforce our long-term partnership.

Enhanced Bilateral Engagement: Secretary Clinton will convene a new Strategic Dialogue at the foreign minister level. The dialogue will provide a framework for engaging Pakistan on bilateral security, political, social, and economic issues of mutual interest. The first meeting is anticipated by mid-2010.

MOBILIZING THE INTERNATIONAL COMMUNITY

To achieve our objectives in Afghanistan and Pakistan in support of our core goal, we are working to build the broadest possible global coalition to help Afghanistan and Pakistan become more stable and prosperous so that they can withstand the extremist threat and meet the most important needs of their people. This coalition of nations will contribute increased civilian and military resources, pursue efforts to build legitimate trade and economic activity, curb illicit financial flows, and provide critical political support.

Our objectives are shared by the people and governments of Afghanistan and Pakistan and by people around the world, from Europe to Australia, from Russia to China to India, and across the Middle East where Muslim countries face a common threat from al-Qaeda. There are now 43 ISAF Allies and partners and more than 84,000 U.S. and international troops working together in Afghanistan. Similarly, over 60 countries and international organizations are now providing assistance to Pakistan. Almost 30 Special Representatives for Afghanistan and Pakistan coordinate policies in regular meetings and will be supported by a new international executive secretariat in U.S. Special Representative Richard Holbrooke's office in Washington.

SUMMARY OF KEY INITIATIVES

AFGHANISTAN

- **Increasing significantly the number of civilian technical advisers in key central government ministries and in the provinces and district centers** to help make Afghan government institutions more visible, effective, and accountable. Additional ministries and Afghan institutions will be certified to receive direct U.S. assistance, enhancing ministerial capacity, improving the effectiveness of our assistance, and decreasing reliance on contractors.
- Implementing a new **civilian-military agriculture redevelopment strategy** that will sap the insurgency not only of foot soldiers, but also of income from the narcotics trade.
- **Expanding sub-national capacity building efforts, focused mainly in key population centers in the East and South**, through new civ-mil initiatives, such as the District Development Working Groups and District Support Teams, and supporting programs that give Afghans a greater stake in their own government, such as the National Solidarity Program. A key emphasis will be assisting Afghan efforts to reduce corruption.
- **Creating space for traditional dispute resolution mechanisms to re-emerge** in areas cleared of the Taliban, while also strengthening the formal justice system.
- **Reducing the drug trade by interdicting drug traffickers and disrupting their networks**, instead of targeting poor Afghan farmers through eradication.
- Supporting Afghan government efforts **to re-integrate Taliban who renounce al-Qaeda, cease violence, and accept the constitutional system**.
- Redoubling international efforts to **target illicit financial flows to the Taliban**.
- **Countering al-Qaeda and Taliban propaganda**, while also empowering Afghans to challenge the insurgents' narrative by improving access to mobile phones, radio, and television.
- **Improving coordination of international assistance**. We are consulting with Allies and partners to strengthen the United Nations Assistance Mission in Afghanistan (UNAMA), and to enhance civilian coordination among ISAF partners.

PAKISTAN

- Committing sizable resources – including fully funding the landmark Kerry-Lugar-Berman bill – toward **high-impact projects** addressing the challenges that most affect the Pakistani people (e.g., energy and water). We will increase **direct assistance through Pakistani institutions** to enhance their capacity and to bolster economic and political reform.
- Sustaining and expanding **counterinsurgency assistance** to support Pakistan's military, police, and intelligence operations against militant groups.
- Leading international humanitarian assistance efforts **to help displaced Pakistanis with recovery as they return to their homes and rebuild their lives**
- Expanding **our public diplomacy effort** to build increased people-to-people contacts, convey our policies effectively, and challenge the extremists' narrative.

Overhauling Afghanistan Assistance

Since announcing our strategy in March 2009, we have undertaken an extensive transformation of U.S. civilian assistance activities in Afghanistan. The result is a more focused and effective assistance effort that is fully integrated across civilian agencies, increasingly implemented by Afghans, more tightly bound to our civ-mil strategy in Afghanistan's East and South, and has the dual benefit of helping the Afghan people while also directly contributing to achieving our core goal of defeating al-Qaeda. Short-term assistance aims to deny the insurgency foot soldiers and popular support by focusing on licit job creation, especially in the agriculture sector, and improving basic service delivery and the provision of justice at the national, and provincial, and local level. Long-term reconstruction efforts aim to provide a foundation for sustainable economic growth. The pace and reach of civilian program implementation depends on a security environment permissive enough to allow civilian efforts to proceed.

Key Initiatives

- **Increased Direct Assistance:** We are decreasing our reliance on large international contractors and building Afghan institutional capacity by increasing our direct assistance through Afghan government mechanisms, such as the National Solidarity Program. To receive direct assistance, Afghan ministries must be certified as having improved accountability and transparency. Support to the Afghan Civil Service Commission increases the professional skills and leadership within the Afghan government, enabling Afghans to increasingly assume responsibility for their country's economic development.
- **Improved Accountability:** Recognizing that the substantial international assistance to Afghanistan has the potential to contribute to corruption, we have deployed dozens of additional direct hire personnel to enhance oversight of programs. We have also introduced performance-based implementation mechanisms and significantly decreased the number of multi-year contracts to U.S. entities. The Office of the Special Representative for Afghanistan and Pakistan and Embassy Kabul strongly support the Special Inspector General for Afghan Reconstruction's (SIGAR) expanded role in evaluating implementation of assistance programs, as well as the Regional Inspector General's expanded role in shaping program design and implementation.
- **Decentralization:** USAID officials posted to regional civ-mil platforms bring with them funding and flexible authorities to enhance the responsiveness of programs and better coordinate projects that address local Afghan priorities.
- **Afghan First:** The U.S. Mission's new approach to implementing the President's strategy is to support Afghan leadership, Afghan capacity-building efforts at all levels, Afghan sustainability, and local procurement initiatives. Therefore, we have introduced a civilian-military policy to maximize our hiring of local staff and to procure an increasing percentage of our supplies locally, instead of relying on expensive imports of supplies.
- **True Partnership:** We are engaging Afghans in all aspects of our assistance programs – from design, to procurement, to implementation. More than 55 advisors across core Afghan ministries will work in direct partnership with Afghan counterparts. Programs are aligned with Afghan priorities, including the Afghan National Development Strategy. Programs are implemented by more than 26,000 Afghans working with our implementing partners.

Milestones

- Six Afghan ministries certified to receive direct U.S. assistance by December 2010.
- 40 percent of assistance delivered through local entities (Afghan government or local NGO) systems by December 2010.
- Decrease overhead and related costs for assistance programs, increasing the amount per dollar of U.S. assistance directly benefiting the Afghan people and Afghan institutions.
- Deployment of dozens of additional USAID and other personnel by early 2010 to enhance oversight of contracts and improve management of programs.
- Increase by 20 percent local procurement of supplies by July 2011.
- Expand core Afghan ministries' capacity to assume lead responsibility for overseeing and implementing programs, over time (e.g., the Ministry of Agriculture, Irrigation, and Livestock leads all aspects of its programs, to include design, program implementation, and oversight)
- Successful implementation and monitoring of new flexible funding authorities being provided to civilians deployed to the field (e.g., the Performance Based Governors Fund) in 2010.
- Development and implementation of a U.S. Government action plan to mitigate the indirect effects on corruption resulting from a growing U.S. military and civilian presence.

Deploying Additional Civilian Expertise

In March 2009 President Obama announced “a substantial increase in our civilians on the ground...to advance security, opportunity, and justice – not just in Kabul, but from the bottom up in the provinces.” Hundreds of civilian experts have answered that call to service, and we are now in the midst of the most significant deployment of U.S. civilian expertise to a war zone in decades. The increase, coordinated by the Office of the Special Representative for Afghanistan and Pakistan and Deputy Secretary of State Jacob Lew, includes some of the top experts from 10 different U.S. government departments and agencies. Many have previous experience in Afghanistan or other conflict environments. U.S. civilian experts contribute to the mission in field, especially in the East and South where a majority of U.S. combat forces are operating and many of the additional 30,000 forces announced by President Obama will deploy. They partner with Afghans to enhance the capacity of national and sub-national government institutions, and to help rehabilitate Afghanistan’s key economic sectors. When their tours are complete, permanent civilian experts are encouraged to continue service on Afghanistan or Pakistan, in Washington or abroad, as well as to help in training their successors. Our goal is to create a cadre of civilian expertise on Afghanistan and Pakistan.

Key Initiatives

- **Enhanced Civilian Presence:** The vast majority of civilian experts deploy to Afghanistan for a minimum of one year. Under the first phase of this uplift, the civilian footprint in Afghanistan will triple from roughly 300 personnel on the ground in January 2009 to nearly 1,000 on the ground by early 2010. We anticipate further increasing our civilian staffing in 2010 by another 20 to 30 percent, concentrating experts in the field and at key ministries that deliver vital services to the Afghan people. Each U.S. civilian hires or works with an average of 10 Afghans and other implementing partner personnel. Additionally, civilians act as force multipliers for military personnel, helping build relationships with local community leaders and coordinate military civil affairs projects with civilian programs. Civilian personnel will remain deployed in significant numbers even after the security situation improves and our combat troops come home.
- **Expanded Presence in Ministries and Outside of Kabul:** Responding to the Afghan government’s request for targeted technical assistance, we are placing more than 50 additional civilian advisors in core Afghan ministries. Outside of Kabul, we are deploying several hundred additional personnel to more than 50 locations. In addition to staffing PRTs, civilians are living and working alongside forward deployed military units in District Support Teams (DSTs). Civilians will also extend our permanent diplomatic presence outside of Kabul by staffing new consulates in Mazar-e-Sharif and Herat, which will serve as assistance platforms for the North and West and also symbolize our long-term, increasingly normal relationship with Afghanistan.
- **Enhanced Training:** All civilians now complete a minimum standard training curriculum, prior to deploying, including an Afghanistan familiarization course and a personal security course (Foreign Affairs Counter Threat). Personnel deploying outside of Kabul to Provincial Reconstruction Teams (PRTs) and other civ-mil platforms are required to complete a classroom course covering the unique environment in which they will operate. These field-bound personnel then report to Camp Atterbury in Indiana, where they undergo an intensive, week-long field training experience with U.S. military personnel that exposes them to situations which they will encounter in Afghanistan. Many State Department and USAID personnel also undergo intensive language training prior to deploying to Afghanistan.

- **Enhanced Leadership:** All U.S. government civilians report to the U.S. Embassy in Kabul through a unified chain of command with new senior civilian representatives at each Regional Command and at every civ-mil platform. The result is improved civ-mil coordination at all levels of effort. At the embassy, personnel have also been reorganized by function instead of by agency. An Ambassadorial-level Coordinator oversees the whole-of-government civilian assistance program for Civilian Assistance.

Milestones

- Nearly 1,000 civilian experts deployed by early 2010.
- Expansion of civilian footprint throughout 2010 in conjunction with the arrival of additional U.S. military units in key Afghan districts (estimated 20-30 percent increase over early 2010 levels).
- Increased percentage of civilians serving back-to-back tours related to Afghanistan and Pakistan and completing additional relevant language and cultural training.
- Sustainment of increased civilian levels in Afghanistan beyond July 2011, with a continued emphasis on matching expertise to specific missions on the ground.
- Accelerated timeline for responding to Afghan government requests to provide civilian experts in critical ministries.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations: approximately \$400 million.

Rebuilding Afghanistan's Agriculture Sector

Job creation is among our most urgent tasks. It is critical to undermine extremists' appeal in the short-term and for sustainable economic growth in the long-term. Our top reconstruction priority is implementing a civilian-military agriculture development strategy to restore Afghanistan's once vibrant agriculture sector with support from USAID, the U.S. Department of Agriculture (USDA), and the Army National Guard Agri-business Development Teams. Agriculture is the quickest way to create jobs that will help sap the insurgency of fighters as well as income from poppy cultivation. This effort stresses Afghan leadership at all programming levels and was developed in close coordination with the Afghan Ministry of Agriculture, Irrigation, and Livestock (MAIL). Our objectives are:

1. **Increase agricultural sector jobs rapidly and also income from agriculture. Specifically:**
 - **Increase agricultural productivity** by increasing farmers' access to inputs and effective extension services;
 - **Regenerate agribusiness** by increasing linkages between farmers, markets, credit, and trade corridors; and
 - **Rehabilitate watersheds and improve irrigation infrastructure** through labor-intensive erosion control and reforestation activities, irrigation infrastructure repair and rebuilding, and training.
2. **Increase Afghans' confidence in their government** by increasing MAIL's capacity to deliver services, as well as promote the private sector and farmers associations, through technical assistance and direct budget assistance.

Key Initiatives:

- **Deployment of Additional Civilian Experts:** 89 agricultural experts (64 from USDA, 25 from USAID) will be on the ground in Afghanistan by early 2010. They will work in the South and East on Provincial Reconstruction Teams, District Support Teams, Regional Commands and Task Forces, and partner with MAIL staff to build Afghan capacity to deliver extension services.
- **Agriculture Rapid Response:** USAID is issuing vouchers to farmers in 18 provinces, particularly in Helmand and Kandahar, for inputs offering long-term, profitable alternatives to poppy (e.g., fruit and nut saplings, grape vines and trellises). The effort helps tens of thousands of farmers, and provides local employment and grants for value-added enterprises.
- **High Impact Irrigation Initiative:** Enhancing water management is key to increasing licit agricultural output and also helps increase energy production. The United States built significant Afghan irrigation infrastructure in the 1960s, and our new irrigation infrastructure projects will increase the area of arable land, as well as farmers' access to water, through linkages to large irrigation systems. This program will improve quality assurance and monitoring for water engineering projects by building a team of Afghan technical irrigation experts to monitor irrigation projects implemented by quick impact programs, such as Local Governance and Community Development (LGCD) and the Commanders Emergency Response Program (CERP).

- **Agribusiness Development:** This civ-mil effort invigorates agribusiness by increasing linkages between farmers and markets via support to trade corridors and the Afghan private sector and associations. Efforts will focus on: (1) agribusiness market promotion and trans-border facilitation; (2) transportation and storage; (3) food safety; (4) pest risk management; (5) opportunities for contract farming; and (6) packaging, post-harvest handling, and processing for sales. This program will also be facilitated by increased credit availability.
- **Extension services delivery to farmers:** Provide technical assistance for the development of extension policy, procedures, and effective delivery of extension services.
- **Watershed rehabilitation:** Labor-intensive methods to rehabilitate degraded watersheds that will support improved irrigation.

Milestones

- Significantly and rapidly expand employment opportunities in the agricultural sector quarter by quarter.
- Increased numbers of agricultural extension agents deployed to a majority of key districts in the South and East, expanding Afghan farmers' access to technical assistance and agricultural inputs (e.g., seeds, fertilizer).
- Implementation of an agricultural credit system in advance of the 2010 planting season.
- Increased licit crop production, especially in the Helmand River Valley, sustaining the current drop in poppy cultivation beyond July 2011.
- Rehabilitation and expansion of key irrigation infrastructure, especially in the Helmand River Valley, with Afghan MAIL extension agents assuming increased responsibility for maintenance.
- Foundation for high-value crop production solidified, with an increased number of Afghans generating licit income from fruits, nuts, and other high-value food products for export to foreign markets by 2012.
- Expansion of cold storage, food processing, and related infrastructure to support export of food products to neighboring countries.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations: approximately \$300 million. This does not include related counter-narcotics funding discussed on page 17.

Strengthening Afghan Governance

Improving the Afghan people's confidence in their government requires improved service delivery, greater accountability, and more protection from predatory government practices, particularly at the district and community level, where the Taliban is providing its own brand of brutal but efficient governance. Recognizing that security is a precondition for governance, our principal objective is to help make local government more visible, accountable, and responsive, focusing on the South and the East. Early progress will most likely be attainable in reform-oriented service delivery ministries and at the sub-national level, where Afghan government officials are in closer contact with, and therefore more responsive to, their constituents. We will continue to work with core ministries in Kabul. But we are also broadening our support and engagement at the provincial and district levels, where our most consequential programs will be delivered. One size does not fit all; consequently, our programs are increasingly aligned with the priorities of the Independent Directorate for Local Governance (IDLG) and other Afghan government entities, while also being tailored to address the circumstances in the particular province, district, or municipality where they are being implemented. A crosscutting element of all governance programs is support for reinvigorated Afghan plans to fight corruption, with concrete measures of progress toward greater accountability.

Key Initiatives

- **Reducing Corruption:** President Karzai's inaugural address highlighted the need to significantly reduce corruption by improving the legitimacy, transparency, and accountability of government officials and institutions. His words must now be matched with action. In partnership with the Afghan government, we will: (1) reduce corruption by strengthening institutions that can provide checks on government power and (2) communicate the Afghan government's anti-corruption gains. Challenges to progress difficult, which our programs aim to address, include: low pay for Afghan government officials, lack of oversight, powerful patronage networks; and untrained bureaucracy. Major efforts will include: improving financial oversight; building judicial capacity to investigate, prosecute and remove corrupt officials; and education and empowerment of the Afghan public to participate in transparent and accountable governance. There will be a renewed international effort to encourage prosecutions for narcotics and corruption-related crimes and also expanded support for the following efforts:
 - **Afghan Independent Anti-Corruption Tribunal:** The Afghan government has already appointed 11 justices to this new body, which is designed to combat abuse of power, while also encouraging and supporting Afghan efforts to remove and prosecute corrupt officials. We will provide technical assistance and related support.
 - **Major Crimes Task Force:** Located in the Afghan Ministry of Interior, the task force is expected to be fully operational in January 2010 and is a partnership between the Afghan government, the United States, and the UK. The task force is already conducting preliminary investigations of Afghan officials' links to illicit activities.
 - **Afghan Attorney General's Anti-Corruption Unit:** We will strengthen the audit and oversight capabilities of the Attorney General's office, which recently announced investigations of several current and former Afghan ministers.

- **High Office of Oversight:** The High Office is the primary Afghan government anti-corruption body, and oversees prevention, planning, implementation, investigations, and prosecutions. We support President Karzai's plans to empower this Afghan entity that is responsible for identifying corrupt and fraudulent activities in the government. The High Office convened a national anti-corruption conference December 15-17, 2009.
- **Expanding Mobile Finance:** A pilot mobile payment program provides Afghan police their full salaries on time and will be extended to five additional provinces, the Afghan National Army, and other key ministries, reducing graft and diversion of funds.
- **Enhancing Sub-National Governance:** We are sharpening our focus on sub-national actors and institutions, with the goal of making local government more visible, accountable, and capable. We will motivate service delivery ministries to increase their official presence in targeted Provinces and Districts through insertion of ministry representatives. Significant challenges to improving sub-national governance include: local officials' lack of education, experience, and limited resources; and obstruction from local powerbrokers. While encouraging immediate passage and implementation of the Afghan Sub-national Governance Policy, which will clarify and strengthen roles of sub-national institutions and actors, we are also expanding support for Afghan programs and launching several new programs with the Afghan government:
 - **District Development Working Groups.** This new program partners Afghan officials from critical service delivery ministries (e.g., the Ministries of Finance, Public Health, Education, Agriculture, and Rural Rehabilitation and Development) with U.S. civilian experts and ISAF to deliver an integrated package of basic services in areas recently cleared by ISAF. It is being piloted in six districts in the East and South, with an eye towards expansion in 2010 dependent on performance.
 - **Local Governance and Community Development:** Similar to the National Solidarity Program, this effort provides community cash grants to provincial-level and district-level shuras in less secure provinces in Afghanistan's South, East, and West.
 - **Afghanistan Social Outreach Program:** We are expanding our support for this Afghan initiative which bridges the gap between communities and district authorities through the creation of temporary district-level shuras, the establishment of local community councils, and performance-based funds for governors.
 - **Afghan Municipality Support Program:** Mayors of 42 municipalities, including Kabul, will be provided block grants to improve service delivery.
 - **Performance-Based Governors Fund:** Provincial governors will be provided a monthly budget to strengthen contact with their population and more quickly respond to their needs.
- **Enhancing Afghan Capacity:** We have launched targeted capacity development programs and are supporting Afghan government initiatives (e.g., the Afghan Civilian Technical Assistance Plan and the Afghan Civil Service Commission Support Program) to build stronger, more transparent, and accountable institutions. The Civil Service Commission has established an

ambitious goal of training 16,000 civil servants, most of whom work in provincial and district centers, within the next 12 months.

- **Encouraging Merit-Based Appointments:** Ministers and governors can help or hinder reform. We will work closely with the Senior Appointments Board, IDLG, and the Civil Service Commission to enforce merit-based appointments in the critical ministries, provinces, and districts. We will also encourage institutions to remove incompetent officials.
- **Leveraging Our Assistance:** We will use our assistance not only to empower sub-national government, but also to incentivize improved performance, accountability, and transparency.
- **Ensuring Effective Representation:** We are working with the United Nations in support of Afghan efforts to reform Afghanistan's electoral system and nascent democratic machinery.

Milestones

- **Service Delivery and Capacity Building:**
 - Improved service delivery at the sub-national level in the critical areas of health, education, and security (e.g., expanded access to basic healthcare and schooling at the district level; expanded vocational training opportunities at the provincial level). (See page 12 for milestones related to provision of justice.)
 - Key service delivery programs in core ministries increasingly Afghan-led, with sustained but decreasing levels of international support over the long-term.
- **Sub-national Governance:**
 - Afghan Sub-national Governance Policy approved and implemented, including provision of additional resources to provincial officials.
 - Critical ministries actively strengthening provincial and local capacity by linking to and supporting key local bodies (e.g., MAIL extension offices).
 - Expanded presence of core ministries (e.g., Education, Health, MAIL, Interior) in key provinces and districts in the South and East in the form of increased numbers of permanently fielded official personnel and increased visits by government ministers.
 - Governors viewed as more visible and responsive in the provinces as a result of the Performance-Based Governors Fund.
 - Afghanistan Social Outreach Program-funded councils begin to close the gap between formal local government institutions and community elders on a range of issues, including reintegration of former Taliban and the informal justice system.

- **Corruption:**

- Appointment of competent, reform-minded individuals to lead critical ministries (e.g., Finance, MAIL, Health, Education, Rural Rehabilitation and Development, Defense, and Interior), and also to key provincial and district positions in the South and East.
- Concrete action by the Afghan government against corrupt officials and known criminals (e.g., increased investigations by the Major Crimes Task Force resulting in criminal charges; public prosecutions of corrupt officials).
- Enhanced oversight of ministries, especially police (e.g., creation and strengthening of inspector general functions in core ministries; increased audits of major programs).
- Expansion of mobile banking pay system to the Afghan National Army, all Afghan National Police units, and other government ministries no later than December 2010.
- Decreased evidence of political interference with Afghanistan's Chief Prosecutor and other Afghan law enforcement bodies, and more generally in anticorruption enforcement.

- **Democratic Representation:**

- Political agreement on the way forward for elections scheduled for 2010 and beyond.
- Implementation of agreed reforms to elections and related laws.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations: approximately \$1.8 billion.

Enhancing Afghan Rule of Law

Alongside efforts to train more capable police, we are also focusing our rule of law effort on helping the Afghan government and local communities develop responsive and predictable dispute resolution mechanisms that offer an alternative to the brutal Taliban justice. Those dispute resolution systems must be linked to a more efficient corrections system that offers offenders rehabilitative opportunities instead of a path towards radicalization. The limited, unresponsive, and unreliable nature of the Afghan justice system is a central source of Afghans' grievances with their government and has opened the door to Taliban "shadow governance." As long as the population views the government as weak or predatory, Taliban approaches to security and justice will continue to be accepted. We are committed to helping the Afghan government reverse this trend.

The U.S. Rule of Law Strategy for Afghanistan, through USAID's new Rule of Law Stabilization Program (RLS) and State INL's Administration of Justice programs (AOJ), supports Afghan efforts to strengthen their justice sector by focusing on: the formal state justice system; traditional dispute resolution; and the civilian corrections system. Our objectives are to:

1. Assist Afghan efforts to rapidly stabilize the traditional justice system, with an emphasis on informal dispute resolution councils, and facilitate operation of the formal state court system;
2. Build the overall capacity of the judiciary and the faculties of traditional law at the regional/district levels and at the national level;
3. Partner with the Afghan government to build a safe, secure, and humane corrections system; and
4. Strengthen public legal outreach and awareness through strategic communications;

Key Initiatives

- **Strengthening Traditional Justice:** We will help create space for traditional dispute resolution mechanisms to re-emerge in areas cleared of the Taliban. It is neither necessary nor effective to replace traditional justice mechanism with formal institutions. A USAID pilot project will focus on re-establishing dispute resolution mechanisms through *shuras* and *jirgas* in cleared areas initially focused on the South. The program will be assessed after six months to determine if it should be expanded. We will also continue to fund NGO efforts to assist the Ministry of Justice with establishing a national policy on traditional dispute resolution and will support expansion of traditional justice mechanisms as a top priority. This is based on the recognition that at the sub-national level Afghans predominantly resolve their disputes through traditional means. We will start by selecting NGO-implemented traditional dispute resolution programs from two new areas, for a total of six pilot projects. Over time, traditional justice mechanisms will be increasingly linked to the evolving formal justice sector.
- **Capacity Building for Formal Justice Sector:**
 - **Courts:** Provide professional training to judges and strengthen the capacity of the courts in management and budgeting. We are increasing capacity and reducing corruption in the courts through the Justice Sector Support Program (JSSP), and also including training on women's rights and the laws that protect women.

- **Attorney General's Office (AGO):** Technical and advisory support to strengthen capacity and provide training to all prosecutors and criminal investigative police.
- **Anti-Corruption Unit (ACU)/Major Crimes Task Force (MCTF):** Maintain and enhance technical, material and advisory support to the ACU and assist establishment of the special prosecutorial unit of the MCTF. New activities include support to the attorney general's publications department to develop an anti-corruption awareness campaign.
- **Ministry of Justice (MOJ):** Sustain technical, material and advisory support, focusing on training Legal Aid attorneys and legislative drafting support. Assistance will help establish a Public Affairs Office as required by the National Justice Plan.
- **Afghan Court Administration System (ACAS) and National Case Management System:** Continue USAID-developed computerized system for tracking cases within the court system. Judges and administrators throughout the country have been trained on the system, improving caseload management. Support the Afghan Government's commitment through a signed memorandum of understanding to implement nationally the Case Management System developed by INL and piloted in Kabul.
- **Corrections Sector Support:** We are helping the Afghan government expand the reach of its corrections system, with a focus on the South and East. New efforts include a de-radicalization team, reintegration efforts, and rehabilitation programming for prisoners. We will continue training officials in Afghanistan's Central Prison Directorate, construct and renovate Afghan corrections facilities, and support the Corrections System Support Program.
- **Enhanced Access to Formal Justice:** We will dedicate additional resources to improving Afghans' access to formal justice at the district and provincial levels, with an emphasis on legal aid, gender and juvenile justice issues. We will also continue to host provincial justice conferences and training, which bring national and local justice professionals together.
- **Enhanced and Focused Outreach:** Activities will highlight alternatives to the Taliban shadow justice system by publishing and distributing legal-awareness print publications, broadcasting new radio and television legal-awareness-programs, and developing the capacity of the Supreme Court, Ministry of Justice (MOJ) and the Afghanistan Independent Human Rights Commission to conduct their own public legal outreach programs.

Milestones

- Increased appropriate use of the traditional justice system (e.g., land dispute cases handled through traditional structures; serious criminal cases, like murder, through the formal system) in key districts in the South and East
- Enhanced capacity of Afghan courts to process criminal cases – especially anticorruption— including increased case load and a decreased, more normalized processing timeline for cases.
- Measurable reduction in the Taliban recruitment in Afghanistan's prisons, as well as Taliban command and control from prisons.

- Transition of U.S. detainee operations to Afghan control, when appropriate conditions are met.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations:
approximately \$400 million.

Supporting Afghan-led Reintegration

Reintegration is the absorption back into Afghan society of the local insurgent commanders and their followers, most of whom have no links to al-Qaeda or any extremist political agenda. President Karzai's inaugural address discussed reintegration, and we have reiterated our support for Afghan-led efforts to reintegrate Taliban who renounce al-Qaeda, cease violence, and agree to participate in the constitutional process. Many districts are under neither Taliban nor government control. Others, while nominally influenced by the Taliban, are animated largely by local disputes. Consequently, our aim is to enhance security by supporting political arrangements that prevent al-Qaeda's return and that allow the Afghan government to expand service delivery and establish non-violent politics.

President Karzai intends to appoint a committee of Afghanistan's National Security Council to develop an Afghan government reintegration program. It will reach out to communities, individuals and groups, coordinate protection, amnesty, and support (such as employment) to those who reintegrate and disarm, and support monitoring and de-radicalization mechanisms.

This committee, with support from our Embassy team, will provide the political lead for ISAF's military efforts. A joint ISAF-Embassy cell will establish principles and mechanisms for military commanders and civilians in the field to follow for approaches to and by insurgents.

We expect the Afghan government's reintegration program will be shaped by these principles:

- The Afghan government will take a strong political lead on the process, with ISAF and commanders in the field in a supporting role.
- Groups as well as individuals will be identified for reintegration.
- Adequate resources will be provided for the livelihood of former combatants and their families; the availability of funds for this purpose is essential.
- Commanders contemplating reintegration will receive credible security guarantees so that they need not fear that while they negotiate with one entity (e.g. the Afghan government) they will be detained or killed by another (e.g. counter-terrorist operatives).

Enabling factors will vary depending on local conditions and draw on civilian programs, including:

- Targeted economic development and licit job creation (emphasis on agriculture) funneled through USAID and CERP funds, as well as international contributions;
- Political arrangements between Kabul and local political actors; and
- Improved local governance and provision of basic justice.

Milestones

- Afghan government reintegration plan approved and launched, with close international coordination by mid-2010.
- Limited numbers of groups and individuals reintegrated by December 2010, reducing the size of the security problem.
- Number of key Afghan districts under Taliban control/influence decreases by July 2011.
- Senior Afghan Taliban leadership increasingly isolated.
- Reintegration efforts are gaining traction in areas clear of Taliban control for more than six months.

Resource Requirements

- Funding requirements will likely exceed \$100 million per year for several years. Congress recently authorized the use of the Department of Defense's CERP funds for reintegration. Japan, the U.K., the Netherlands, and other partners have also expressed interest in funding Afghan-led reintegration efforts.

Combating the Afghan Narcotics Trade

The narcotics trade has a corrosive effect on Afghan governance, contributing to official corruption and also providing an important source of funding to the Taliban. For years, the United States supported eradication efforts which did not sizably reduce the size of the regional narcotics trade. U.S. supported eradication also undermined the counterinsurgency effort by targeting Afghan farmers instead of the narco-traffickers. Our new whole-of-government approach emphasizes interdiction, instead of eradication, and has two core goals: (1) to counter the insurgency-narcotics nexus and reduce funding to the Taliban and other anti-Afghan government forces; and (2) to alleviate the corruption-narcotics nexus and strengthen ties between the Afghan people and their government. We are using our military, diplomatic, intelligence, and law enforcement assets to target insurgents and those who undermine the legitimate government and economy of Afghanistan. We are also assisting Afghan government efforts to target individuals involved in the drug trade, including government officials and criminal networks. This includes utilizing all available legal extradition vehicles, including multilateral conventions. Complementing focused efforts are demand reduction activities, public information campaigns, and our new civ-mil agriculture strategy, which creates licit jobs and income and provides farmers with sustainable alternatives to poppy cultivation.

Key Initiatives:

- **Interdicting Drug Traffickers, Precursor Chemicals, and Financial Flows:** We have shifted from ineffective, large-scale poppy eradication to: disrupting (1) the flow of drugs out of Afghanistan, and (2) the flow of precursor chemicals and illicit funds necessary for the production of those drugs into the country. We are also targeting narco-insurgency networks and shutting down drug bazaars – an approach that is already showing results. Local Afghan officials will continue their independent eradication efforts, as appropriate, and we will reinforce progress in reducing opium cultivation through successful programs like the Good Performers Initiative (GPI) which rewards poppy free provinces with additional agricultural and economic support.
- **Additional Personnel and Enhanced Civ-Mil Coordination:** We have significantly increased DEA personnel in Afghanistan, from 13 positions in January 2009 to 81 permanent positions by December 31, 2009, plus additional temporary personnel. New coordination structures, including the Joint Narcotics Analysis Center (JNAC) in London, the Interagency Operations and Coordination Center (IOCC) in Kabul, and the Combined Joint Inter-Agency Task Force (CJIATF) in Kandahar, enhance civ-mil coordination.
- **Increased Agricultural Assistance for Farmers:** We are enhancing assistance to farmers through: agricultural voucher programs like the Afghanistan Vouchers for Increased Productive Agriculture (AVIPA)-Plus; extension services; technical advice on critical sectors including irrigation, watershed and rangeland management; and efforts across agricultural value chains (e.g., from planting to harvest, to transport and storage, to marketing inside and outside Afghanistan). Promotion of high-value licit crops such as fruits and nuts to move farmers away from growing poppy and other illicit crops is an equal priority.
- **Supporting Afghan Counternarcotics Institutions:** We are enhancing our capacity building and support for Afghan institutions at the center of the counternarcotics effort. DEA has expanded efforts to train the Afghan Counternarcotics Police's (CNP-A) specialized units. We

are also helping build the counternarcotics capacity of the: Afghan Ministry of Counternarcotics; the Ministry of Interior; the Counternarcotics Judicial Task Force; the Major Crimes Task Force; and the Counternarcotics Tribunal, which is responsible for prosecuting narco-traffickers.

- **Regional Outreach:** The Afghan drug trade has negative repercussions for regional security, and several of Afghanistan's neighbors have a stated interest in helping the Afghan government's counter narcotics efforts. A significant new initiative is our work with Russia, through the Bilateral Presidential Commission and its working groups, to stem regional drug flows, promote information exchange on threat finance, and reduce demand for heroin that sustains the Afghanistan drug trade. More generally, we will enhance regional and international community support by: (1) coordinating our counternarcotics assistance to Pakistan so that it reinforces U.S. efforts in Afghanistan; (2) expanding our counternarcotics engagement with Afghanistan's neighbors and regional actors including the UN Office on Drugs and Crime; (3) strengthening cross-border cooperation between Afghanistan and neighboring countries; and (4) working with Gulf States to enhance their international threat finance capabilities.

Milestones

- Increased interdiction and prosecution of narco-traffickers cooperating with the insurgency, as well as destruction of precursor chemicals and drug bazaars.
- Increased number of GPI-recipient provinces, demonstrating an overall reduction in poppy cultivation and a sustainable shift by farmers to licit agriculture.
- Increased capacity on the part of Afghan counternarcotics institutions to carry out operations, and to treat and rehabilitate addicts, with decreasing foreign operational assistance over time.
- Increased coordinated action by Afghanistan's neighbors to stop drug and related flows.
- Increased licit crop production, especially in the Helmand River Valley, sustaining the current drop in poppy cultivation beyond July 2011.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations: approximately \$1 billion.

Building an Economic Foundation for Afghanistan's Future

As President Obama stated in his December 1 address, the United States is committed to “a lasting partnership” with Afghanistan. Though our military mission is time limited, our civilian assistance effort will continue long after the security situation improves and our combat troops come home. In short: the United States will not abandon the Afghan people.

More than 30 years of war have left Afghanistan's economic and social sectors devastated. Recognizing “nation-building” is best left to the Afghan people, our stabilization and economic development programs are narrowly focused on helping Afghans begin to repair this damage, rebuild critical infrastructure, and provide a foundation for sustainable economic growth. Our objectives are to: (1) create sustainable jobs in the private sector; (2) increase the Afghan government's capacity to deliver public services to support sustainable growth and development, especially health and education; (3) expand and improve energy and infrastructure sectors, including telecommunications, large-scale water and power projects and continue work on provincial road projects; and (4) pursue Afghan government fiscal sustainability. Alongside ISAF's population-focused security strategy, we are focusing primarily on population centers and key economics corridors while reinforcing and supplementing the efforts of our agricultural strategy. Support for regional economic integration will help accelerate economic renewal. Over the long-term, we will help the Afghan government diversify Afghanistan's private sector, improve infrastructure, and improve fiscal sustainability.

Key Initiatives

- **Enhancing Health Services and Educational Opportunities:** Since 2001, significant improvements have been made in the availability of basic health services and reducing the spread of infectious disease. Equally significant gains have been made in training teachers, building schools, and ensuring educational opportunities for all Afghans, regardless of gender. We will sustain our efforts to build the Afghan government's health and education systems. Not only is education a top priority for the Afghan people, but it also diminishes extremist influence. Alongside further advances in healthcare, U.S. social sector programs will build Afghanistan's human capital, and long-term economic potential, while connecting Afghans to their government.
- **Enhancement of Core Value Chains:** Support to entrepreneurs in five value chains – rugs, grapes, gems, marble, and cashmere – will create licit jobs and economic opportunity. Our programs promote increased market information and access to domestic and international markets, build organizational capacity, and further develop Afghanistan's workforce. One area of emphasis is the mining sector which has the potential to generate significant additional jobs and government revenue in the mid- to long-term. Programs will support the “mines to market” value chain for marble and gemstones through mining safety, cutting and testing trainings on-site, equipment supply, public-private partnerships, market linkages, and industry infrastructure strengthening. An initial assessment of the mining sector conducted by US Geological Services shows promise in the areas of oil and gas, coal and mineral exploration as well. We have begun conversations with the Afghan government on how to further explore these sectors that are key to Afghanistan's future economy. We have identified five advisors to provide expert technical assistance to the Ministry of Mines and are supporting development of the Afghan government's new mining regulations.

- **Financial Sector Development:** We are working with Afghan organizations to extend lending to non-permissive areas and vulnerable groups through support to credit unions, commercial banking systems, and non-bank financial systems. This includes credit initiatives to promote the rural economy through agro-processors, distributors, buyers, agricultural cooperatives, traditional lending, and mobile banking.
- **Infrastructure development:** Increased access to power will enable job creation and economic growth. Our emphasis is on major energy infrastructure rehabilitation (e.g., the Kajaki Dam, Darunta Dam, and Sheberghan gas generation plant) and expanding use of renewable energy systems for over 300 communities. District and provincial road construction projects in the East and South will connect farmers and entrepreneurs to internal and external markets.

Milestones

- Significantly enhanced full-time employment opportunities in focus sectors by December 2011.
- 200,000 farmers and entrepreneurs have access to credit.
- Approximately 1,500 MW of additional electricity generation and transmission capacity online by 2013 (from 389 MW in April 2009).
- Channel at least 40 percent of the USG's development assistance budget through Afghan government and local Afghan NGOs.
- Afghanistan qualifies for \$1 billion in debt relief by July 2011 as a result of meeting IMF and World Bank requirements.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations: approximately \$2.5 billion.

An Enhanced Partnership with Pakistan

President Obama declared on December 1 that “in the past, we too often defined our relationship with Pakistan narrowly. Those days are over.” Today, it is clearer than ever before that we must expand our relationship with Pakistan beyond security issues, and lead the international community in helping the Pakistani people overcome political, economic, and security challenges that threaten Pakistan’s stability, and in turn undermine regional stability. Consistent with the President’s pledge of a long-term partnership with Pakistan, we are making a sizable, long-term commitment of non-military assistance and redirecting it towards priorities identified by Pakistan’s democratically elected government and people. Assistance will:

- Help address immediate energy, water, and related economic crises, thereby deepening our partnership with the Pakistani people and decreasing the appeal of extremists;
- Support broader economic and political reforms that are necessary to put Pakistan on a path towards sustainable job creation and economic growth, which is necessary for long-term Pakistani stability and progress; and
- Help Pakistan build on its success against militants to eliminate extremist sanctuaries that threaten Pakistan, Afghanistan, the wider region, and people around the world.

High-impact projects – identified through an extensive consultation process with the Pakistani government – will underscore the partnership between our countries, and demonstrate U.S. commitment to Pakistan in a concrete, public way. Short-term humanitarian assistance will help Pakistanis affected by extremism. Over time, U.S. assistance will strengthen ties between the American and Pakistani people by demonstrating that the United States is committed to addressing problems that most affect the everyday lives of Pakistanis. Development objectives will reflect the Administration’s core development principles. They will be achieved in partnership with Pakistani institutions and help build a foundation for sustainable growth and economic prosperity, enabling the great potential of Pakistan’s people to be unleashed. Full funding of the landmark Kerry-Lugar-Berman authorizing legislation over the next five years is crucial. The State Department and USAID will consult closely with Congress on the expenditure of these funds, providing regular updates on the evolution and implementation of the new assistance program. USAID will more clearly elaborate an implementation strategy, in close coordination with the State Department.

Key Initiatives

- **Energy:** U.S. engagement in the energy sector will respond to the urgent need for more power that is essential to business activity, job creation, and political stability. Secretary Clinton announced the first phase of the high impact energy program with a contribution of \$125 million aimed at increasing electricity output and conserving wasted energy and money. The funding will be aimed at repairing generation facilities, improving overall effectiveness of local utilities, replacing inefficient tube well pumps, and promoting energy efficiency.
- **Agriculture:** High impact investments in agriculture will likely include rehabilitation and/or expansion of irrigation and cold storage infrastructure, as well as expansion of links to markets to help make Pakistan’s agricultural industry more stable and profitable.

- **Water:** High impact projects for improvements in agriculture watersheds and potable drinking water will be implemented across several sectors.
- **Health and Education:** High impact projects, such as a state of the art trauma center in a vulnerable area or a center of excellence in a major university will serve acute needs, reduce popular support for extremists, and demonstrate long-term U.S. commitment to help improve the lives of the Pakistani people.
- **Assistance to Displaced Pakistanis:** The United States is the largest international supporter for Pakistanis displaced by fighting. We will also continue to help displaced persons with recovery as they return to their homes and rebuild their lives.
- **Strengthening Pakistan's Democratic Institutions:** Assistance to build capacity in Pakistani government institutions at the national, provincial and local level will reinforce the government's ability to provide security and economic opportunities for the Pakistani people, particularly in vulnerable areas. U.S. assistance and policy engagement also will help the Pakistani government address some of its most vexing social and macro-economic policy issues, such as the need for greater revenue collection, so that the tangible benefits of U.S. assistance efforts can be sustained. Governance programs will build local government capacity in vulnerable districts, support civil society including for women and minorities, help national and provincial Parliaments build oversight capacity of the executive branch, and strengthen the electoral system and political parties. U.S. assistance will be supported by bilateral and multilateral diplomacy aimed at encouraging appropriate reforms.

Milestones

- **General:**
 - Improvements in key economic indicators over the next two to three years, which will reinforce Pakistani economic and political stability.
 - Pakistan continues implementation of its IMF Stand-By Arrangement and increasingly invests in its future development.
 - Certification process for national and provincial Pakistani government institutions implemented to enhance transparency and accountability.
 - Increased percentage of U.S. assistance delivered through Pakistani entities (Pakistani government or local NGO) systems by December 2010.
 - Decreased overhead and related costs for assistance programs, increasing the amount per dollar of U.S. assistance directly benefiting the Pakistani people and Pakistani institutions.
 - Deployment of dozens of additional USAID and other personnel by the end of 2010 to enhance oversight of contracts and improve management of programs.

- **Energy:** Implementation planning has begun for six energy projects announced by Secretary Clinton, which include:
 - **Replacing or repairing 11,000 agricultural irrigation tube well pumps,** a major component of electricity consumption used by many farmers across Pakistan.
 - **Rehabilitating, refurbishing, and upgrading targeted components of the Jamshoro, Muzaffargarh, and Guddu Thermal Power Stations, as well as the Tarbela Dam,** to recapture significant amounts of their lost capacity and reduce the incidence of daily power outages.
 - **Electricity Distribution Company Performance Improvement:** The United States will work closely with four of the nine public electricity distribution companies over the next three years, aiming to lower levels of electricity loss so they are comparable to those of well-run distribution companies in developed countries. Every one percent of system-wide loss reduction represents \$97 million in savings to Pakistani consumers and additional power for economic development.

Milestones for additional focus areas will be developed as new high-impact projects are announced.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations: approximately \$2.3 billion. The cost of high impact projects is estimated to be at least \$3.5 billion over the next five years to support effort in energy, agriculture, water, transport, health, and education.

Enhancing Pakistan's Counterinsurgency Capabilities

Consistent with President Obama's commitment to strengthen Pakistan's capacity to target extremist groups that threaten our countries, we will sustain and focus our security assistance, with the aim of assisting Pakistan's efforts to eliminate safe-havens for terrorists that threaten Pakistan, Afghanistan, the region, and the world. Pakistan's military operations in 2009 helped reverse insurgent momentum. Pakistan's military and police require significant additional training and support to build on improvements made over the past year. U.S. security assistance programs will improve Pakistan's counterinsurgency and counterterrorism operational capacities, enhance the two militaries' interoperability, deepen our bilateral relations, and reduce the trust deficit between the United States and Pakistan. Our robust mil-to-mil relationship with Pakistan also underscores our long-term commitment to remain engaged in the region, as well as our commitment to regional stability.

Key Initiatives

- **Foreign Military Financing (FMF) and the Pakistan Counterinsurgency Fund/Pakistan Counterinsurgency Capabilities Fund (PCF/PCCF):** FMF and PCCF help Pakistan improve its counterinsurgency capabilities and modernize equipment. Specifically, FMF builds our long-term security relationship with Pakistan, including its will to fight violent extremism, while PCCF provides Pakistan with focused capabilities to support immediate counterinsurgency operations along the Afghanistan-Pakistan border. FMF has provided Pakistani security forces with air mobility and enhanced communication capabilities, and increased border security capacity.
- **International Military Education and Training (IMET):** IMET enhances the quality and professionalism of officers and enlisted Pakistani military personnel and helps restore contacts between the U.S. and Pakistani officer corps that collapsed as a result of sanctions imposed from 1990-2001. Pakistan is one of the largest recipients of International Military Education and Training funding. Some 100 Pakistani military officers receive training in the U.S. each year. The Administration's 2010 IMET request is a significant increase over previous years and would be one of the largest IMET accounts globally.
- **International Narcotics Control and Law Enforcement (INCLE):** Administered by the State Department, these funds build the capacity of Pakistan's civilian law enforcement officers. Since 2003, the United States has trained more than 8,000 Pakistani police officers, including the North-West Frontier Province's Police Elite Force and other law enforcement entities.
- **Anti-Terrorism Assistance (ATA):** The Anti-Terrorism Assistance program manages police assistance efforts and in-country training programs. Recent ATA programs focus on building the North West Frontier Province and Balochistan police forces' counterinsurgency capabilities.
- **Coalition Support Funds (CSF):** Pakistan is the largest recipient of the Department of Defense's Coalition Support Funds, which provide reimbursement for expenses in support of U.S. troops engaged in counterterrorism operations.

Milestones

- The number of Pakistani police trained with U.S. funded assistance is doubled by December 2012.
- The Pakistani military sustains current operations against extremists, increasingly implementing counterinsurgency principles including “holding” and “building” in areas cleared of insurgents.
- The U.S.-Pakistan mil-mil relationship is deepened through more frequent exchanges and Pakistan taking advantage of expanded professional training opportunities.
- The State Department assumes full responsibility for administration of PCF/PCCF by FY 2011.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations: approximately \$455 million. This does not include Coalition Support Funds, which are administered by the Department of Defense and determined based on actual costs incurred throughout the year by the Pakistani military in support of Operation Enduring Freedom. In addition to this level, Congress appropriated \$700 million in the FY 2009 Supplemental for the Pakistan Counterinsurgency Capability Fund that was available on October 1, 2009.

Disrupting Illicit Financial Flows to Extremists

Al-Qaeda, the Taliban, and other extremist groups receive significant income from both the regional narcotics trade and outside funding sources. To weaken the extremist threat, we are redoubling efforts to reduce illicit financial flows and disrupt support networks by pursuing a whole-of-government, three-pronged counter threat finance strategy:

1. Engaging countries that are sources of external funding for terrorist and insurgent groups;
2. Using targeted sanctions against terrorist financiers and facilitators; and
3. Providing technical assistance to strengthen Pakistan and Afghanistan's counter-terrorist financing, legal, regulatory, and enforcement capacity.

This strategy emphasizes the role of international partners in disrupting illicit financial flows, as well as stronger partnership with the Afghan and Pakistani authorities.

Key Initiatives

- **Illicit Finance Task Force (IFTF):** The Office of the Special Representative for Afghanistan and Pakistan recently launched an interagency Illicit Finance Task Force chaired by the Treasury Department to coordinate the whole-of-government threat finance effort. The task force is divided into several working groups that each focus on specific objectives:
 - The **Enhanced Bilateral Engagement Working Group's** mission is to partner more effectively with allies in combating illicit finance.
 - The **Capacity Building Working Group** aims to build Afghanistan's and Pakistan's ability to detect, disrupt, and deter illicit finance.
 - The **Financial Services Working Group** is assisting Afghan and Pakistani efforts to expand mobile banking and develop a licensing and regulation strategy for hawalas in order to create an environment less conducive to illicit financing.
 - The **U.S.-Russia Counternarcotics/Financial Intelligence Working Group's** mission is to disrupt illicit financial flows relating to Afghan/Taliban heroin trafficking by increasing the exchange of information between the United States and Russia. An initial meeting was convened in Moscow in early December 2009 and steps are underway to implement the Joint Statement agreed by President Obama and President Medvedev in July 2009.
- **Afghanistan Threat Finance Cell (AFTC):** This interagency, civ-mil cell is working to identify and disrupt Taliban, al-Qaeda, and other insurgent financial networks in Afghanistan utilizing the full spectrum of U.S. tools and authorities – including diplomatic, law enforcement, military, and targeted financial measures/actions.

Milestones

- Afghan Threat Finance Cell becomes fully operational during the first half of 2010.
- The flow of illicit funds to al-Qaeda and the Taliban from third parties outside of the region is notably reduced by July 2011.
- The flow of illicit funds from the narcotics trade to al-Qaeda and the Taliban is further reduced on a quarter by quarter basis.
- International cooperation – particularly with Russia – is strengthened (e.g., increased information sharing and coordination of related law enforcement efforts), leading to enhanced success in reducing illicit finance.
- Use of mobile banking systems is expanded and oversight of traditional systems improved, leading to a 10 percent or more reduction in illicit financing in Afghanistan and Pakistan.

Resource Requirements

The Department of State and Department of Treasury are coordinating a whole-of-government action plan to significantly expand U.S. government efforts. This plan is expected to be completed in January 2010.

Countering Extremist Voices

The Taliban and al-Qaeda use information as a weapon, dominating the information space. While our previous strategy focused largely on traditional public diplomacy and communications tools, we are now elevating our communications efforts in importance and innovation. New programs will empower Afghans and Pakistanis to challenge the extremist narrative and offer their own vision for Afghanistan and Pakistan's future. A sustained media and outreach strategy will set the record straight, highlight key civilian efforts, and explain our larger strategic rationale for the fight in Afghanistan, as well as our strategic support for Pakistan, to the Afghan and Pakistani peoples.

Key Initiatives

- **Expanded Media Outreach:** We will respond more quickly to misinformation, serve as a source of credible information for journalists, conduct polls on key issues, and expand training of Afghan and Pakistani journalists in the United States. We will actively build our partnerships with all parts of Afghan and Pakistani society, including youth, civil society and nongovernmental organizations, and political actors and institutions at all levels.
- **Building Communications Capacity:** Our support will help the Afghan and Pakistani governments communicate effectively with their people, and help people better communicate with one another. We will also leverage new technologies to support people with SMS services, mobile banking, telemedicine, and mobile micro-finance. And we will help build media infrastructure (radio, television, and cell towers) to carry communications into underserved areas dominated by extremist voices.
 - In Afghanistan, we are supporting the expansion of the Government Media Information Center in Kabul and an additional 16 provincial satellite offices. We will also enhance communications capabilities in core ministries by providing mentoring, public affairs training, and exchange opportunities for communications personnel.
 - In Pakistan we have helped launch *Humari Awaz, Our Voice*, the first mobile based social network empowering Pakistan's 95 million mobile users with a voice. *Our Voice* mobile users harness mobile phones to instantly share news and information with a network of friends and followers via SMS messages. In five weeks, 20 million messages were sent and over 150,000 people enrolled, with an average of 3,000 new followers joining daily.
- **Taking Back the Airwaves:** We are empowering indigenous voices to drown out extremist propaganda. We will expand local radio coverage and support creation of public, private and university radio stations. Using local partners, we will support distribution of content on all media, and use cell technology to help people build communities and get critical information.
- **Strengthening People to People Ties:** Strengthening ties between all aspects of American, Afghan, and Pakistani society will deepen our long-term partnership. In Afghanistan and Pakistan, we are enhancing educational opportunities, including teacher training and English language training. Secretary Clinton's three-day visit to Pakistan in October 2009, much of which was covered live on Pakistani television, underscored our new approach by engaging broad segments of Pakistani society in honest dialogue. This approach will be reinforced with a new public diplomacy and communications effort that will feature: greater engagement with Pakistani media; increased academic and business exchanges; and more robust outreach to the Pakistani-

American community through the American Pakistan Foundation and similar organizations. We are also increasing professional, educational, and cultural exchanges.

Milestones

- 24-hour cell coverage is restored in areas of the South and East of Afghanistan.
- Afghans and Pakistanis utilize radio and other media platforms to criticize extremists and hold government officials accountable.
- Enemy propaganda is significantly decreased – in quantity and effectiveness – by July 2011.
- The number of people-to-people exchanges is doubled by 2012.
- U.S. disapproval ratings in Pakistan decrease, with Pakistanis' increasingly convinced that the United States is committed to a long-term partnership on an array of issues, not just counterterrorism.

Resource Requirements

Resources available to meet requirements from FY 2010 and prior year appropriations: approximately \$250 million.

Mobilizing International Support

As President Obama said, the future stability of Afghanistan and Pakistan affects “the security of our allies, and the common security of the world.” We are building the broadest possible global coalition in support of these efforts. Our objectives are shared not only by our ISAF Allies and partners, but also by Russia, China, India, and Muslim countries across the Middle East which all face a common threat from al-Qaeda. There are now 43 ISAF Allies and partners and more than 84,000 U.S. and international troops working together in Afghanistan. Since 2001, our international partners have pledged \$24 billion to Afghanistan and international financial organizations, including the World Bank, have committed an additional \$2 billion in grants and credits for more than 30 significant development and reconstruction projects. Similarly, over 60 countries and international organizations are now providing assistance to Pakistan, with the United States and other countries pledging over \$5.6 billion in 2009 for relief and development in Pakistan and supporting the International Monetary Fund’s provision of an \$11.35 billion Stand-By Arrangement. We are working to expand and better coordinate this international support in several important ways.

Key Initiatives

- **Reinvigorated Regional Diplomacy:** All of Afghanistan’s and Pakistan’s neighbors have a stated interest in stabilizing Afghanistan and Pakistan. Our regional diplomacy is expanding, with a sharpened focus on shifting the calculus of Afghanistan’s neighbors from competition in Afghanistan to cooperation and economic integration. In 2010, we will build on bilateral discussions with Russia, China, India, and Afghanistan’s neighbors. The Afghanistan-Pakistan-United States Trilateral Dialogue is a proven framework for advancing cooperation on issues such as transit trade, agriculture, interior issues, and intelligence. Bilateral dialogues with Afghanistan and Pakistan will provide an opportunity to reduce challenges and strengthen our long-term partnerships.
- **Contact Group of Special Representatives:** 28 countries and international organizations, including the most active diplomatic, financial, and military actors in the region, have appointed Special Representatives for Afghanistan and Pakistan. They meet regularly to coordinate the international community’s financial and political support to Afghanistan and Pakistan. A new Washington-based executive secretariat, staffed by international diplomats detailed to the U.S. Office of the Special Representative for Afghanistan and Pakistan, will facilitate real-time coordination as the international community increases its support.
- **Enhanced Civilian Coordination:** Maximizing the effectiveness of international assistance to Afghanistan requires enhanced coordination of assistance on the ground. The Office of the Special Representative for Afghanistan and Pakistan, in conjunction with the U.S. Embassy in Kabul, is engaging the more than 50 nations contributing assistance to Afghanistan to focus their efforts in priority areas. We are working with our international partners to strengthen the role of the United Nations Assistance Mission to Afghanistan (UNAMA), including by supporting the request from the United Nations Special Representative to the Secretary General (SRSG) that the international community supply his office with additional experts in priority areas. Additionally, we are working closely with NATO to enhance civilian coordination among International Security Assistance Force (ISAF) Allies and partners’ non-security programs, including Provincial Reconstruction Teams.

- **Muslim Outreach:** Building on the vision for cooperation that President Obama outlined in his June 2009 speech in Cairo, we are engaging several Muslim countries to coordinate assistance and political support to Afghanistan and Pakistan.
- **Marshaling Support for Pakistan:** The United States has played a key role organizing forums to support the democratically elected Pakistani government. We will sustain our leadership role in the Friends of Democratic Pakistan, which provides a forum for Pakistan to present strategic development plans to supporting countries. We will also support the United Nations expanded role in Pakistan, especially its new Special Envoy for Assistance to Pakistan.

Milestones

- ISAF Allies and partners deliver on recent commitments of troops, trainers, and contributions to trust funds – and in some cases, expand their sizable contributions in 2010.
- Afghanistan’s neighbors begin to shift their policies to reinforce increased cooperation, over time.
- International assistance to Pakistan increases sizably by July 2011 – at least matching U.S. assistance levels – and is increasingly coordinated (e.g., decreased overlap in projects; assistance projects are mutually reinforcing maximizing aid effectiveness).
- International assistance to Afghanistan is better managed and coordinated, with overlap in projects increasingly eliminated and corruption resulting from the international presence reduced.
- The United Nations’ role in both Afghanistan and Pakistan is strengthened.

