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U.S. Agency for International Development
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Chairman Snyder, Ranking Member Akin, distinguished members of the Subcommittee, thank you for inviting me to appear before you today. I am pleased to have the opportunity to meet with you to discuss the United States Agency for International Development's (USAID) views on overcoming challenges in the context of future interagency operations, policy development and guidance as illuminated, at least in part, by the provincial Reconstruction Team (PRT) experience in Afghanistan and Iraq, how to improve and better integrate interagency participation to achieve government-wide "unity of effort" in all aspects of national security policy, planning, and operations.

As you are aware, the President and Secretary of State have endorsed the concept of the Provincial Reconstruction Team as a critical component of the interagency effort to bring civilian and military experts together to help local Iraqi and Afghan communities find reconciliation, moderation and transition to self-reliance. Since the first PRT was created in Gardez in December 2002, it has become clear that the types of success experiences by PRTs in certain locations and under certain conditions cannot be achieved through military efforts alone. These are areas that require a robust partnership across the "Three D's" of the National Security Strategy. Our approach to PRTs continues to evolve as does the USAID over-arching policy on civil-military cooperation, which is currently making its way through the internal vetting process. I would emphasize the following points with regard to this higher policy dimension, one aspect

of the numerous larger national security reform concepts required to achieve whole of government “unity of effort.”

USAID is currently in the process of integrating the foundational documents of the 3-D strategy into agency policy. I would be happy to provide a copy of the final policy document on Civil-Military Cooperation when it makes its way through the USAID internal vetting process in the coming weeks. It addresses many of your questions concerning USAID’s role in interagency coordination with DOD’s efforts on stability operations and USAID’s role in the implementation of NSPD 44 and other higher level efforts to better integrate defense, diplomacy and development to meet national security priorities.

Our Office of Military Affairs is currently in the final phase of coordination and delivery of a three week interagency Afghanistan PRT Pre-Deployment Training being conducted at Fort Bragg, North Carolina. For this reason, I will focus the remainder of my remarks on our experience and planning in Afghanistan. The training program brings active and reserve military members from the Department of Defense together with their peers and counterparts from the Department of State, USAID, and the Department of Agriculture. The training, evolving through the combined dedicated efforts of representatives of these agencies, serves to provide trainees the basic building blocks and skill sets required to form a cohesive team and embark on programs and projects that will bring stability to fragile provinces.

The training begins with an introduction to the USAID organization, followed by sessions explaining USAID’s work in Afghanistan and specifics on working in Afghanistan. It includes sessions on mental health, wills, insurance, contracting, working in conflict situations and the “alphabet soup” that comes with the interagency. Later sessions are designed to introduce civilian PRT members to Stability, Transition and Reconstruction Operations, as well

as counterinsurgency and foundational military structure. The USAID resident expert in the Tactical Conflict Assessment Framework (TCAF) provides an overview of the standardized diagnostic framework for tactically assessing the causes of instability and conflict in an Area of Operation, with emphasis on viewing the environment through culturally sensitive and consistent data collection; understanding how to change the environment by identifying and targeting the causes of instability and conflict, implementing programs that diminish the causes, and finally measuring the effectiveness of the programming.

Trainees are introduced to planning concepts, funding sources, and working partnerships. They receive briefings from Afghan Embassy Representatives, Department of Treasury experts, and Department of State counter-narcotics experts, as well as military medical and veterinary engagement experts. The classroom training culminates with each PRT team working through an exercise designed to sharpen their team skills and test their understanding of the classroom materials. The capstone experience is a field exercise simulating the real life experience they will share over the coming year.

The interagency PRT training continues to evolve with representatives of the Department of State (S/CRS) working to integrate field “lessons learned” into the broader assessment framework. An interagency After Action Review, conducted later this week, will serve as the framework for planning the next round of training scheduled for September-October this year. We continue to integrate lessons learned in the field and in the classroom and are working hand-in-hand with our military counterparts to ensure that our training is current, relevant, and meaningful – designed to produce results on the ground.

Programs and projects designed and developed by the PRT team members as their teams form and as they arrive on station include efforts to ensure adequate supplies of clean water,

functioning utilities, safe recreational facilities, and competent administrators to manage cities, town, and regions. The combined efforts of these interagency teams serve to build provincial capacity, foster economic development, strengthen Rule of Law and promote reconciliation.

We are most proud of the ten major achievements outlined in our Fall 2007 PRT report published through the cooperative effort of the USAID Bureau for Asia and Near East and the Bureau for legislative and Public Affairs. At that time we reported:

- In the area of Economic Growth, PRTs had supported the Iraqi Company for Bank guarantees and helped establish five small business development centers supporting local companies for over 30,000 businesses linked through central and regional registries.
- In the area of Microfinance development, microfinance lending had been established through PRT support in all eighteen provinces. The current loan portfolio then consisted of nearly 55,000 outstanding loans totaling over \$115 dollars with a 96% percent payback rate.
- In the area of Agricultural Production Rehabilitation, nearly 70 veterinary clinics had been established, serving 5 million animals and 135,000 animal breeders. Over 570,000 sheep had been vaccinated against brucellosis.
- Assistance to National and Provincial Governments had included the training of 2,000 council members (15% of whom were women) in our Local Governance Program, 28 governors, 42 deputy governors, 420 directors general, and key staff in 380 Iraqi ministries and departments to increase capacity to manage and execute budgets in a transparent and sustainable manner.

- With regard to Municipal and Local governments, PRTs had helped establish or rebuild 16 governorate councils, 96 district councils; 195 city or sub-district councils and 437 neighborhood councils; elections for governors, mayors, and local councils have been organized.
- The Community Stabilization Program had employed more than 54,000 Iraqis, provided over 7,000 Iraqis with vocational education; and established apprenticeships for 2,000 Iraqis. Over 1,400 community associations had been established in all 18 provinces by the PRTs. More than 2 million days of employment and 33,000 long-term jobs had been created. Additionally, over \$276 million had been made available for 5,930 projects – to which Iraqi communities have contributed more than \$73 million.
- Iraq Government funds had been shifted to the provinces. The Ninewa PRT assisted the provincial government in executing \$241 million of Iraq reconstruction and infrastructure improvement funds. The Baghdad PRT worked with the governor to improve essential services and, with the Provincial reconstruction and Development Committee, to award 42 construction projects valued at \$81 million.
- Embedded PRTs projected governance and rule of law programs to the district level. In Anbar Province, the PRT launched projects worth \$450,000 for university and provincial institutions. They pioneered the “helicopter engagement” initiative which is reconnecting Anbar’s far-flung cities and towns with the provincial government.

Today we can report there are 172 ongoing Local Governance and Community Development (LGCD) projects. One hundred thirty-nine projects are under development, with engineering work being completed, RFAs identifying grantees, sub-contractors being identified. Contracting

Technical Officers are monitoring projects to set up detailed, time-lined plans to move projects into implementation. As of January 31, 2008, in the first 16 months of the program, LGCD's estimated expenditure was over \$33 million out of a total obligated base amount of nearly \$43 million. LGCD expended an estimated 78.5% of base obligated funds as of January 31, 2008, with anticipated increases in monthly expenditures once the construction season begins in March and April. Dozens of projects have been completed including:

- In Kandahar Arghandab, a District Center Upgrade in April 2007 at a cost of \$28,944
- In Kandahar Shah Wali Kot, a Labor-Intensive Shah Wali Kot District Center Rehabilitation in November 2007 at a cost of \$94,499
- In Paktya Gardez, a Province-Based PDC Facilitator in September 2007 at a cost of \$2,395
- In Paktya Jaji, Kharmana and Ali Khil, Labor- Intensive Retention Walls & Dam Rehabilitation in August 2007 at a cost of \$79,000
- In Khost, District Governors Capacity Building Programs in December 2007 at a cost of \$18,165; and
- In Khost Bak, Kuchi EMT Training in November 2007 at a cost of \$25,394.

The main objective of the PRT program is to help the Islamic republic of Afghanistan, in partnership with local communities, develop the capacity to identify and address issues of development, governance, and security in outlying provinces.

Development, governance and security are three different missions with one common objective – a stable and prosperous Afghanistan.

USAID posts over 20 Field Program Officers and 8 Development Advisors to Coalition and ISAF PERTs, Task Forces, and Regional Commands around the country. As

USAID's primary representative in the provinces, field officers help assess, plan, implement, and monitor all U.S. reconstruction and development efforts in the PRT's area of responsibility. USAID Field Program Officers work to build relationships with local leaders to identify local needs, and then work with the USAID mission in Kabul and USAID's implementing partners to design and deliver projects. USAID Field Program Officers also help our military colleagues understand the range of civilian reconstruction and development projects in each province, so that military-funded projects and activities can complement and strengthen civilian efforts.

PRTs represent the leading edge in interagency operations. PRT Commanders are trained to listen to what the community leaders need. The teams now in training will be the first units to fully benefit from the Government of Afghanistan's provincial development planning process undertaken throughout 2007. Their predecessors have been working with local village leaders and provincial leaders to determine priority development projects. Given the short rotations of everyone in the PRT, this will save valuable time and ensure that the teams don't reinvent the wheel.

Within PRTs, significant efforts have been made to facilitate the transition to the new rotation and preserve continuity in terms of provincial information, counterparts, and priorities. We stress the importance that development activities be Afghan led. We understand that Afghanistan will never move forward without the Afghans taking the lead and this knowledge serves as the foundation for our investment in time to engage with Afghan communities and local officials to foster their ownership and buy-in of development projects. It is just as important as actually constructing the school or paving the road.

One of the most successful aspects of the PRT program is the interagency cooperation between the military, USAID, the U.S. Department of Agriculture and U.S. Department of State officials co-located in the PRT. For example, at the suggestion of the local community, the full interagency team at the Ghazni PRT worked with local officials to make physical upgrades to the town market (clean up, lighting, etc.) as well as introduce related municipal services like garbage collection. With modest PRT funding (less than \$200k) and equally modest community resources, the project demonstrated local government commitment to making a tangible difference in citizens' lives and livelihoods – helping to advance security, governance and development goals.

Much progress has been made over the past year on putting in place effective mechanisms for fostering effective interagency planning and decision-making. Quarterly conferences between USAID and the U.S. command at Bagram (CJTF-82) have not only increased information sharing, but have also contributed to deconflicting USAID and military programming. Another effective interagency tool has been the assignment of a US military liaison officer housed at USAID in Kabul. There is no denying that civilian and military organizations can be quite different, but there are now proven ways to bridge these two cultures.

Since 2003, the PRT program has moved from a focus on quick-impact programming designed to meet immediate needs to more transitional programming designed to support Afghanistan's longer term development objectives. From 2003-2007, USAID implemented the Quick Impact Project managed through the PRTs. During this period, over 440 projects were completed. Many of these were small infrastructure projects. In 2006, a new PRT-managed Local Governance and Community Development (LGCD) project was inaugurated

and shifted PRT program activities to encourage communities to take an active role in their own development and involve provincial and local government officials in the delivery of services. The overall aim is to build capacity of local governments as well as look at the root causes of instability in a given area. Afghanistan has reached a critical point in its post-conflict development in terms of the ability of its government officials to connect with their constituents and deliver services at the sub-national level. For example, USAID Field Program Officers through the Local Governance and Community Development (LGCD) program helped facilitate the Afghanistan National Development Strategy (ANDS) sub-national consultation process this past summer. The program provided orientation workshops for provincial officials about ANDS, the SNC process, and other government initiatives in 14 provinces, and provided facilitators to assist with SNC implementation in the north and west regions. This assistance was important because the SNC process is how the IRoA is going to determine provincial needs and ensure that plans and strategies developed as part of the ANDS address the needs and priorities of the Afghan populace. As one Afghan participant put it, “The overall process...will rebuild trust and improve the relations between government and the public...because for the first time we are involved in this practice with government officials”.

In conclusion, I would like to stress that we have come to appreciate and understand that the most effective PRTs are those in which the military and civilians from across the interagency focus on joint decision-making and planning in carrying our respective civilian and military missions. We continue to learn and advance our understanding of how these teams can be most effective and transfer responsibility for their activities to Afghans to

guarantee long-term success in our efforts to help local Afghan communities find reconciliation, moderation and transition to self reliance.

I thank you for the opportunity to meet with you and look forward to discussing these topics with you and members of the Committee today. I will be happy to take your questions.