Special Briefing
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## USAID Administrator Henrietta Fore and U.S. Ambassador to Afghanistan William Wood

**ADMINISTRATOR FORE:** All right. Let me begin with a few comments. The United States renewed its support for Afghanistan today by pledging \$10.2 billion for security and reconstruction assistance for the International Conference in Support of Afghanistan for two years, 2008 and 2009. \$7.1 billion is still subject to congressional approval, but as Secretary Condoleezza Rice mentioned in her statement, there is strong bipartisan support.

The United States is the leading donor to Afghanistan and has committed increasing amounts of security, reconstruction, governance and humanitarian assistance since 2001. The United States assistance supports priority needs identified in the Afghanistan Compact and in the new Five-Year Afghanistan National Development Strategy. In line with these priorities, we plan to expand agriculture and rural development, as well as local governance efforts, and continue to focus on power and roads.

I would like to reinforce our announcement yesterday concerning our newest commitment to Afghanistan, an agricultural stimulation program valued at up to \$60 million. The Afghanistan Vouchers for Increased Production in Agriculture Program has been designed in close cooperation with Afghanistan's Ministry of Agriculture, Irrigation and Livestock, and is jointly funded by the Government of Afghanistan, USAID, United Kingdom's Department for International Development, and other donors to address the current food crisis. Afghan vouchers is the key component to overall multidonor Afghan Government-led approach to mitigate the impact of food crisis through an agricultural voucher program designed to increase cereal production and 2009 harvests. Under this program, farmers will be able to go into private sector agricultural supply stores and buy bags of seed, fertilizer or other inputs at greatly reduced costs. They will use these inputs quickly to grow more food.

Complementing this effort, food aid programs through the United States Department of Agriculture, the Government of Afghanistan, USAID, the World Food Program will target the most vulnerable rural and urban populations. Together, these programs are expected to proactively address emergency food security issues in Afghanistan brought about by the rising food prices, lower harvests in the country, and worldwide shortages of cereals such as wheat. The implementation of this program will help to stimulate the production of critical food crops, providing increased grain harvests in 2009. In addition, by improving electricity, irrigation, roads and transport services, we help Afghan farmers and markets and build a stronger nation.

I would turn now to Ambassador Bill Wood to say a few overarching words.

AMBASSADOR WOODS: Excellent. Thank you very much, Administrator Fore. I think that speaking on behalf of the entire U.S. delegation here headed by the First Lady Mrs. Bush, Secretary of State Rice and AID Administrator Fore, we'd like to congratulate the three chairmen, President Karzai, and the Afghan Government for putting together not simply a compelling National Development Strategy that virtually all speakers have pledged to use as a roadmap for assistance to Afghanistan over the next five years, but also Secretary General Ban Ki-moon and Special Representative Kai Eide and the UN team for coordinating a joint approach, and of course, our hosts, the French, who are throwing a great party filled with both substance and concrete, practical commitment to help Afghanistan move forward.

I think one of the statements that most struck me was that by Javier Solana, who just noted there are 80 – more than 80 national delegations; they are pledging and expressing their support with a full heart. Clearly, international support for Afghanistan is growing, as he said.

We are, of course, especially pleased that First Lady Laura Bush could lead the delegation, following her very successful trip to Afghanistan a few days ago. It was a good visit. It was a human visit. I think it illustrated both that Afghanistan is facing problems today, but also that things are getting better, that there's a human face to those solutions, and that the human side of Afghanistan – education, health, women's – the very important issue of women's rights – are all moving forward.

There are still lots of problems and I think that the U.S. impression from today's discussions is that the international community is committed in the long term to sustaining and increasing its support. Not all of the speakers have spoken, but by our count – by my count, at any rate – more than \$16 billion had been pledged. In a case like the United States, this would – represented our commitment for the next two years, and there would be a few more years still in the life of the National Development Strategy to run, so we would expect continued assistance in those out years, particularly since, as Secretary Rice says, there's strong support for Afghanistan on both sides of the aisle.

This is a meeting of partners, and of course, that means that as the international community is pledging its support, it continued to support -- to Afghanistan with special emphasis on the National Development Strategy, and within that with a special emphasis on agriculture, energy, and what many delegations mentioned, support for free, fair and secure elections in Afghanistan in 2009 and 2010.

The Government of Afghanistan has also laid out some of its own goals for itself in the coming year, with very strong presentations by the Minister of Finance, Ahady, the Director for International – the Director for Local Governance Popal, and National Security Advisor Rasoul in the areas of security, better governance for a better connection between the Afghan Government and the Afghan people, and more disciplined and -- more self-reliant is probably a better word – more self-reliant ownership of Afghan's national financial accounts.

I think that as we go through, we'll be seeing that there are a variety of shared objectives to which both the Afghan Government and the international community pledge themselves, and I think we'll see that emerge as a consensus view of the conference at the end. I don't want to preview that since it hasn't happened yet, but I think that there will be a strong mutual commitment of the international community and the Government of Afghanistan to these shared goals.

And with that, I'll just stop and --

MODERATOR: Okay. Can we start here?

QUESTION: (Inaudible) for CNN. Over the past few years, there's been \$25 billion that have been committed, but only \$15 billion have been disbursed. Why ask for more money when there's still so much money that hasn't been disbursed?

**ADMINISTRATOR FORE:** The Government of Afghanistan has a wide variety of projects and programs that need to be undertaken. Some projects are difficult to implement in a single year or in a half a year. Many of the infrastructure projects take many years. It takes sustained interest by both the Government of Afghanistan, but also by the international donor community. There is a free and open competitive bidding process, many of the firms that are carrying out programs within Afghanistan are utilizing Afghan people and talent, and all of that takes time. So the commitment, the ownership that Ambassador Wood spoke about by Afghanistan, is very clear and strong, and by the international donors. This is a very strong conference.

AMBASSADOR WOOD: I would also note that, of course, Afghanistan does face a security threat to development in humanitarian projects which slow things down, which means that money may be committed to projects and it can't be disbursed because certain previous steps are interrupted. And one of the reasons there isn't more light or heat in the south, for instance, is the Taliban's threat to the Kajaki Dam. So many of those purchases to fix the Kajaki Dam, and many other projects, have already been made. It's a question of making sure that there isn't a gap; that there's a smooth predictable flow toward the kind of Afghanistan we're looking for, with particular emphasis on elections, agriculture, energy, and continued work on health, education, and roads.

MODERATOR: Okay, over here.

QUESTION: (Inaudible) Television, Pakistan. Ambassador, maybe this is a story, the biggest story in the Western world, this conference being held here. The biggest story in all the areas of Pakistan and Afghanistan is (inaudible) the American bombardment of (inaudible) where 13 Pakistani soldiers were killed, including a Major. Do you think, until you have some sort of security on the border areas, and sort of cooperation with Pakistan, that without security this talk of reconstruction of Afghanistan is just a dream?

AMBASSADOR WOOD: Well, first, let me say we regret any loss of life to any innocent anywhere in the world and, of course, most particularly in the Afghan-Pakistan area of the world, which is what we're focusing on here today.

Second, I think that there is still some uncertainty as to what happened and we would urge, first, that everyone not rush to judgment; but second, that they – that there be a careful and systematic investigation as to what happened. Because we're not quite sure that the situation is as clear-cut as you described it.

Third, I think that it's safe to say that neither Afghanistan nor Pakistan nor the United States are content with the problems in the border area between the two countries. There is infiltration, clearly. There is — there have been many problems. And the solution to that is more dialogue, more cooperation, more understanding between the two sides — that's certainly the U.S. view — and that cooperation and dialogue should be at the military level and at the political level, and we're strongly in favor of that. Certainly, we know that Afghanistan and the United States and Pakistan are all committed to the right solution. The question is how do we find a way to implement it in a way that's satisfactory to everyone.

MODERATOR: (Inaudible) in the back. Sir, yes.

**QUESTION:** (Inaudible) with Asahi Shimbun, Japanese daily. How do you evaluate the argument that most of the international aid to Afghanistan doesn't go to the Afghan Government but go to the (inaudible)? Some say the (inaudible) the government. How do you see this (inaudible)?

**ADMINISTRATOR FORE:** The aid flows are changing. In the past, there has not been as much aid that has flowed through the government because many of the ministries have not had the capacity to take in the international aid, but that is now changing. And as we have now seen, aid that we have from the United States is going to be flowing directly through the Ministry of Health, through the Ministry of Communications, and International Telecommunications. It is also very close to having the aid that we have for the Ministry of Finance going through directly. And I think that we will see that happening now with many more ministries.

There is a sense on the part of development ministers and other donors that aid should now be coming through the Afghan Government. We are utilizing more of the funds for infrastructure and that we are trying to include as many of the ministries and the ministry officials as possible in our programs.

Anything you'd like to add to that?

AMBASSADOR WOOD: Well, I can only – I'd only like to add that I think that you're being too modest. Because Administrator Fore hosted a donors coordination meeting in Kabul more than a month ago and improved aid effectiveness, and channeling more international assistance through the Government of Afghanistan institutions as their capacity permitted. And lastly, focusing on local procurement and local employment were all hallmarks of not only her statement but of the conference that she conceived of. So I think that you're talking to somebody who is ahead of the pack rather than with the pack on this issue.

MODERATOR: Okay, on the second front (inaudible).

QUESTION: Just a point of clarification on the money. The First Lady talked about the U.S. pledge covering a five-year span. You and other State Department officials have talked about it being a two-year span. Can you tell us what that means? And then just to follow on what you were saying a moment ago about the way the money is spent, is the goal of having greater Afghan Government involvement in the spending of the money at all at odds with the goal of making sure that the money is not diverted to corruption?

**ADMINISTRATOR FORE:** Well, let me begin with the First Lady's statement. She referred to the Five-Year Afghan National Development Strategy, which is a very important part of this support conference. It is that all of us are lining up behind the Afghan national strategy so that we can support the Afghans, their strong ownership of the strategy by the Afghans, and we in the donor community – in the international donor community are contributing to that. The United States's pledge is for just two years out of those five years. And as Ambassador Wood foreshadowed, we'll anticipate future funding from future congresses and administrations.

The fact that we have looked at the ministries within Afghanistan and certified that they are able to take international funding and that they will spend it well, means that their oversight in internal controls systems, their accountability systems, are strong and can take international donor money, because all of us look after our funds very carefully that they must be well spent and appropriately spent.

MODERATOR: In the back.

QUESTION: Well, my question is about -- it seems that you have put a strong emphasis on developing agriculture in Afghanistan. Is it only to counter food crisis or does it have to do with offering an alternative to poppy (inaudible)?

**ADMINISTRATOR FORE:** Well, I will begin with three points, and the Ambassador may want to add to this. The number of people in Afghanistan who are currently earning their livelihood in agriculture is between 70 and 80 percent. So to increase incomes, to reduce poverty, to allow for livelihoods to be encouraged in Afghanistan, focusing on agriculture is an immediate, clear step.

In addition, we have an international food crisis, so that the growing of agricultural crops and especially staples will benefit the Afghan people, but can also help, in time, the ability for the country to have export earnings. And third, it is important to have legal licit crops.

So alternatives to growing poppy, to have an alternative that allows you to grow wheat or pomegranates or vegetables, is important for the Afghan farmer and for the economy.

AMBASSADOR WOOD: I completely agree. I would only note that our emphasis on agriculture reflects, in fact, what is the emphasis of the Afghan Government on agriculture as they made clear in their presentations today. Second, regarding alternative livelihood, certainly we think that it would be a good thing if Afghanistan were producing food in all of its arable land as opposed to poison in one portion of its arable land.

We, the United States, has contributed more than \$600 million to alternative development programs strictly targeted at inducing or allowing farmers to move away from opium poppy production, in addition to our more than \$7 billion in development and humanitarian assistance in general, all of which is designed to provide people with

development opportunities and, therefore, alternative livelihoods,

So certainly, there is a relationship to the opium-poppy cultivation problem. But the emphasis on agriculture is as Administrator Fore said, aimed primarily at helping the -- Afghanistan and its national structure which is – national economic structure, which is overwhelmingly based on agriculture, to do more and do better and do it faster.

MODERATOR: Sir.

QUESTION: Arshad Mohammed. I cover the State Department for Reuters. I have a question on numbers. Can you give us, Administrator Fore, the aggregate numbers for U.S. assistance to Afghanistan for FYO7, '08 and '09? The reason I ask is that the State Department issued a fact sheet Tuesday, saying that total assistance appropriated for '07 was more than \$10 billion. And if that is the case, then the 10.2 that you announced today which, as I understand, comes all from FY08 and '09 accounts that (inaudible) in the supplemental, would appear to be basically equal to what we appropriated in the '07 (inaudible). And I would love – and I've been trying for a couple months now to get someone to give me a clearer aggregate breakdown of just what was it in '07, what was it in '08, what was it in '09, so that we can see what the trajectory (inaudible).

ADMINISTRATOR FORE: Good. We'll come back to you after this on that.

QUESTION: Again, I'llhave afollow up on that.

AMBASSADOR WOOD: Well, there – and, of course, it's impossible to speak about what is – with precision about what is '08 because that hasn't been voted by the Congress. And it's impossible to speak about what is '09 because that hasn't been voted by the Congress.

QUESTION: But can you speak about your requests?

AMBASSADOR WOOD: We certainly can speak about the request levels.

QUESTION: Yes, yes. Thank you.

MODERATOR: Okay. Over here, ma'am.

**QUESTION:** (Inaudible) from Bloomberg. Actually, again, this – about the 10.2 billion, will you be – you said security and reconstruction. Can you break those down, security, reconstruction? And is that somehow different from, say, the portions of the previous years?

And secondly, just – you know, in terms of what's been committed in the past, in London, as I understand it, U.S. gave 7 billion. So this is 3 billion more. And if you look at the record and the reports that have come out in the London compact, what's – what went well, what – there were – here it says, problems with security, problems with corruption were increasingly bad. And therefore, my question is: Why now are we increasing the aid? And is the idea that this is to get over some critical period, or is it that this is the moment when you can be sure the money will be well spent?

**ADMINISTRATOR FORE:** Well, let me begin, and I know Ambassador Wood would like to add in a few things on this. But there has been a great deal accomplished in the past few years in Afghanistan, and Secretary Rice, First Lady Bush outlined them in their speeches. But the Afghan Government also very strongly spoke about the gains that have been made in terms of income, health, education, infrastructure, roads.

But there is so much more to do. This is a good time to be investing in Afghanistan. There is a sense that the government has a good development plan. We want to put our funds, which are being invested on behalf of the American people, to good use. And you want to do that when you feel that the government is able to handle it, that municipalities are able to handle it, the sectors and the private sector.

So we are feeling that this is a good time for the investment in Afghanistan's future, which is hopeful. And I think that that sense is echoed by many of the international donors here today.

AMBASSADOR WOOD: I would just add, I think it's difficult to predict exactly how the balance of members for FY08 are going to come out, because that's still in the hands of the Congress. My best understanding is that it was – we were in the order -- our request was on the order of 47 percent security assistance and about 45 percent development assistance and the remainder counterdrug assistance. But it's impossible to speak about the balance.

I would also like to note that the question about the pledge this – at this time to support the National Development Strategy and the Paris conference, compared to 2007, it's important to remember that 2007, was also a surge year. And in 2007, not only did we provide more development and reconstruction and humanitarian assistance than in any previous year, but we provided more assistance, more training and equipment assistance to the Afghan army than in all previous years combined, and more training and equipment assistance to the Afghan national police than in all previous years combined.

So when you're comparing the numbers pledged today to 2007, you should realize that you're comparing a very strong commitment expressed today with a surge commitment in 2007. The years before 2007 were about half that level, and I think – suggest you try to put the trend line in perspective.

MODERATOR: We have time for a couple more questions. I think we're doing this side. Sir? Yes?

QUESTION: A follow-up on (inaudible) numbers. Can you give any estimates when it comes to how much you – how (inaudible) money (inaudible) to Afghan Government's hands (inaudible)?

**ADMINISTRATOR FORE:** Well, we don't really have those numbers yet, but it will certainly be larger than it has ever been before, and I think it will be a good proportion of it. But we wouldn't have those numbers yet because we don't yet have the money appropriated by our Congress.

MODERATOR: Okay. On this side. Sir.

**QUESTION:** Yes, (inaudible) French TV (inaudible). Two questions in one. How do two aid agencies of different nations cooperate? I mean, if (inaudible) says that (inaudible) is doing something and you're doing the same thing, do you meet them and plot out something, or is the Afghans have to do this? And second of all, are there, like, rating agencies involved in checking what's going on in Afghanistan?

ADMINISTRATOR FORE: Well, let me begin outside and I know that the Ambassador will want to leap in as to how integration is done. At the international development ministers level, we all discuss with each other where and how our contributions or investments – how they can be coordinated. What Ambassador Wood spoke about as an aid effectiveness conference as well as an aid effectiveness effort, that is, strong and clear and new; I gathered a group from the international donor community and we visited Kabul. We also went out to Jalalabad for this very purpose; to look at best practices, to look at how we can integrate our programs.

And our very strong sense after our trip was that we needed to coordinate and to focus. And we wanted to do it with the Afghan National Development Strategy. So, the Afghans have laid out a strategy and we, the donor community, are to integrate and collaborate around that strategy and support it. You will see a number of us that will

be co-funding programs and projects together. We have done that with roads, with Japanese and Saudis and Americans. We are doing it in this food program, the voucher program that I mentioned with the Afghan Ministry of Agriculture and the United Kingdom.

We have just heard, in the donors conference, of several other multi-donor collaborations that are occurring and I think will continue to occur. In addition, we have on the ground in Afghanistan some very strong coordination and cooperation that I know the Ambassador would like to talk about.

AMBASSADOR WOOD: Well, the only thing I'd like to say is it's not infrequent, for instance, for one country to be working on electrical generation, while another country is working on the transmission lines, while another country is working on local distribution, while another country is working on a scheme to collect revenues and fees for the electricity that's being generated. I mean, that's just the kind of thing that happens frequently. And that kind of thing occurs in the agricultural sector or in the mineral sector or — it occurs across the board as we each do what we can do and what we can do together.

And of course, coordination is not simply between cooperation agencies. It's also, crucially, with the Afghan Government, so that coordination is not an exception to the rule; it is sort of the core. And lastly, it was precisely because we thought that additional coordination would be a good idea, that Administrator Fore hosted her conference, but also that the international community worked so hard to expand and enrich the role of the UN SRSG and his coordination role. It was precisely because the situation in Afghanistan is so complex that it needed a traffic cop for assistance and policies and other things. And that's what Kai Eide is.

MODERATOR: We have time for one last question.

QUESTION: (inaudible) agencies (inaudible)?

MODERATOR: You mean audit agencies or --

QUESTION: Yeah, yeah, sorry. Audit -

MODERATOR: Audit agencies, yeah, who audits our programs.

**ADMINISTRATOR FORE:** Yes. All of us have audits of our programs: independent audits, audits that are done periodically, audits that are done continuously, audits that are done afterward with best lessons learned and best practices. It's very important for all of us to keep track and accountability of our funds. It's also important that these systems work within the government so that all of us can trust the systems for future aid assistance.

MODERATOR: One last question in the back.

QUESTION: Thank you, sir. My name is Fred Harris, I'm independent and I work in the zone of educating people in Afghanistan and in my home country, Canada, on the subject of human rights. First of all, I'd like to begin by applauding what is happening with where the money is going in terms of – I've seen the concrete results myself. I was at the opening of a new road in a province where formerly, there was just, like, camel tracks. And now, there's a road and people are actually going to be able to make money.

And one of the benefits from that, that spun off from that, is opinion leaders in the community were standing up, saying we got to defend this road from the Taliban. And you saw that motion starting to happen where, hey, look at what we got, let's protect and let's build on it. So I applaud the actual concrete things that are occurring.

My question is, in the zone of human rights, what, from your perspective, is being done in terms of educating the public? There's a big, wide rift between the ideologies, if you like, between – well, I don't want to go into the specific details, but there's a difference, a disparity between what is considered, like, the education of women and so on and so forth. What is, from your perspective, being done or should be done or needs to be increased in the realm of human rights? I personally submitted a proposal to USAID, by the way, on this, I'm waiting to hear back. But I'd like to know what is being done in this area.

**ADMINISTRATOR FORE:** Well, let me begin with a few programs and let me just speak a bit about women. I think it's a very important sector for Afghanistan and for Afghanistan's future. The number of girls that are now going to school is remarkable. And it is something that you see along the roads of Afghanistan; girls with books under their arms heading to school. And as the villages and the elders take real ownership of sending their girls to school, it changes the society; it changes a way of thinking.

We also have a number of microenterprise and livelihoods programs that encourage women farmers, that encourage women to take out loans, to take hold of their own future, begin shops and little businesses, all of which begin to get that sense of equality in a society. I think it's a very, very important area for Afghanistan, for the future. You are seeing it from ministers in government to girls going to school.

**AMBASSADOR WOOD:** Just to say, first, Administrator Fore is absolutely right. There is no better sight to see in Afghanistan, and you can see it in Kabul and you can see it in other cities and you can see it in the countryside, and that's kids heading off to school in the morning or coming back from school in midday or in the afternoon. They look just like kids everywhere else and having a great time.

The real answer, of course, is information flow, education, and the growth of radio stations, the growth of TV stations, just the increased circulation of news. ISAF, the military coalition, routinely gives away to people radios that are hand-crank radios, like (inaudible) and that's because you're not sure they're going to be able to get the batteries, but you want them to be able to get the news. Personal values are always the hardest things to change in any society, precisely because they're so personal. And it's not up to us to change them. It is up to us to bring them to reach conclusions on their own, and I think that's what's happening.

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