



Briefing on Afghanistan Reconstruction

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MR. ERELI: I guess this is the week for year-end success story briefings. Yesterday we had one on the Bureau of Diplomatic Security's Criminal Prevention Program. Today we have a briefing on success stories in Afghanistan.

Our briefer is Mr. James Kunder, who is the Deputy Assistant Administrator for Asia and the Near East Bureau at the U.S. Agency for International Development. Mr. Kunder will begin by talking a little bit about the recently completed Kabul-to-Kandahar road, and then go on to talk about, really, the overall situation in Afghanistan and what we consider to be, as I said before, a year of success.

So, without further ado, Mr. Kunder.

MR. KUNDER: Thank you. There's a fair amount of briefing material in the packet you've been handed, so I'll just go over some of the highlights of the road. This road, the original highway from Kabul to Kandahar, was built in the 1950s with USAID assistance at that time and is part of the so called "ring road" around the country, essentially the beltway of Afghanistan, a critical link to commerce and communications around the country.

Essentially, over the last 23 years of conflict, before the fall of the Taliban last year, that road had been ground down to powder. There were a few segments where there was still pavement visible that was heavily rutted and potholed, but for large segments of the road, literally, there was nothing but sand and dirt. The entire surface and subsurface had been worn away.

So when we looked last year at what are some of the critical foundations we needed to rebuild the economy in Afghanistan, one of the first things that hit us in the face was the need to rebuild the ring road. We consulted with the Karzai administration, and then in a meeting between President Bush and President Karzai, President Bush pledged that the U.S. would support the reconstruction of the southern half of the ring road, that is to say, from Kabul to Kandahar in the south, and then west to Herat, near the Iranian border.

Subsequent to that, in negotiations with colleagues from Japan and Saudi Arabia, those two governments also made substantial contributions to completing the highway. We initiated construction last year and the project was accelerated, in fact, on direct orders from the President. Because of his recognition of the importance of the road, he directed AID to complete the road by December 31st of this year, that is to say, the first half of the road from Kabul to Kandahar.

We defined completion as getting a hard-surface, paved road from Kabul to Kandahar, and we have accomplished that task, as was announced in Kabul in -- at actually on the road between Kabul and Kandahar yesterday by President Karzai, Ambassador Khalilzad and USAID Administrator Natsios.

We'll be doing more work on that road in the coming year to put another layer of blacktop on top and to actually widen the shoulders. So we'll continue working on the Kabul-to-Kandahar highway in the coming year, and we've already begun the engineering and surveying and demining work west from Kandahar to Herat in anticipation of beginning paving of that portion of the road next year, as well. Our goal is to complete by the end of next year the entire paving of the entire Kabul-to-Kandahar-to-Herat southern half of the ring highway.

The data that you have in the packet and what was announced yesterday in Kabul points out that within 50 kilometers of the Kabul-to-Kandahar highway, you find 35 percent of the population of Afghanistan, so this is a critical communications and transportation link that goes through the heart of the country. Already, even while the paving was going on, the travel time between Kabul to Kandahar was cut dramatically, commerce was increased.

And what we looked for in this highway is multiple impacts: first of all, obviously, increased commerce and transportation between Afghanistan's major cities in the southeast; second, allow farmers to get their crops to market more quickly; third, allow people to get to health care more rapidly. This is something we anticipated.

We've already had anecdotal evidence with the destruction of health facilities in Afghanistan during 23 years of conflict. You've got an awful lot of folks isolated in the countryside who simply can't get to a health clinic or couldn't get to a health clinic or couldn't get to a hospital because the roads were so bad. And with Afghanistan having had among the highest infant mortality and maternal mortality rates in the world, access to health care in the countryside is critical. So that's yet another impact of the road.

The road is a visible "bricks and mortar," if you will, project that's going on. And there are a lot of those kind of projects going on. The President has pledged that we will deliver 1,000 schools for Afghan children over the next three years, that we'll deliver hundreds of health clinics.

And the other thing I'd like to emphasize, though, is the institutional rebuilding that's taking place, because while to the outside observer visiting Afghanistan, what hits you in the face is the physical destruction that occurred in 23 years of war, the bridges that are blown, the buildings that are destroyed, but equally critical to the country was the destruction of the institutional infrastructure. The army ceased to exist as an institution. The police ceased to exist. There was no functioning banking system in the country. When we arrived last year, January of last year when we reopened the USAID mission, there simply was not a commercial bank functioning in the entire country. The Afghan Central Bank wasn't functioning. The currency was in disarray. There were several currencies being distributed around the country. There was no telecommunications infrastructure. The ministries were not functioning as modern institutions.

So what we have going on underneath the bricks and mortar projects is a lot of institutional reconstruction as well. Now we have a new Afghan currency that has shown admirable stability since its issuance this past year. We have a new investment law on the books to encourage private investment, Afghan and foreign private investment, without which the country will not rebuild itself.

We are working very closely with the Ministry of Finance to rebuild customs collections around the country so that the Afghans can start paying their own government bills, paying their own salaries. We have recreated the telecommunications architecture so that the Afghan Government in Kabul can speak to its officials in Kandahar, in Zabul and Herat and Jalalabad and around the country. Last year, ministers simply didn't -- had no contact with officials

around the countryside.

So I guess what I would emphasize is that there's a visible bricks and mortar reconstruction effort going on. There's a behind-the-scenes institutional reconstruction effort that's going on, and our planning is to try to have these two things knitted together so that we can jumpstart the Afghan economy and the Afghan polity after 23 years of war and destruction.

And I'll wrap up by saying that, you know, I'm not here to slap a smiley face on everything. There is an awful lot of work yet to be done. The level of both physical and institutional destruction over 23 years of war was profound.

The Afghans, on the other hand, are an inconceivably resilient and resourceful and hardworking people. The foreign donor dollars that have gone in there have been well received. The Afghans have worked hard with us. They have provided many of the laborers and subcontractors for the Kabul-to-Kandahar highways. Besides U.S. forces and coalition forces who provided a security umbrella, it was the Afghan Interior Ministry forces who provided the day-to-day guards along the highway.

So, thus far, while a lot of work remains, we think that the progress in the last year has been phenomenal. When I arrived in Kabul in January of 2002 to reopen the USAID mission, if someone had asked me where we would be in December of 2003, in my most optimistic projections I would not have put us so far along, in terms of physical reconstruction and institutional reconstruction.

And I'll stop there and take any questions you have.

Yes, ma'am.

QUESTION: How long would you estimate the reconstruction will take, you know, bearing in mind the security situation? And, you know, I know there are a lot of variables. But what's a good estimate?

MR. KUNDER: You know, Afghanistan was one of the poorest places in the world before 23 years of war. I mean, there was a U.S. foreign assistance program in Afghanistan before the Soviet invasion. My anticipation is that there would be a long-term development program, a foreign assistance program, if you will, in Afghanistan for some considerable years into the future, just like we have a foreign assistance program in Tanzania or in Bangladesh or in Guatemala, other places around the world.

So I think for us the question is: How long do we anticipate a jumpstart? How long do we anticipate a very substantial infusion of funds along the lines of what the President just proposed, an additional billion dollars to accelerate the reconstruction effort?

And at this point, I mean, we're still doing that kind of planning. I think you're talking about a couple of years of accelerated funding, and then a leveling off of a glide path to a sustainable development program. But the country is going to need assistance for some foreseeable -- for the foreseeable future, as far as I'm concerned.

Yes, sir.

QUESTION: Can you discuss the security dimension? Taliban remnants or supporters are assiduously attacking some of these projects, including the road. What's your assessment?

MR. KUNDER: Yeah, and that's a very fair question. You know, the -- and I've worked in -- I served formerly as Director of the Office of Foreign Disaster Assistance. I worked in a number of conflictive environments where security is an issue, like Somalia or Ethiopia and Bosnia, and so forth. And my assessment of this situation is that security is a significant issue, but it has not dramatically reduced the pace of the reconstruction effort.

I mean, first of all, the security problems, as has been widely reported, are generally regionalized. They are concentrated in the south and east part of the country, along the Pakistani border, and that is, without any question, the most difficult place to do reconstruction but we're doing it even there.

In most of the country, it is relatively stable. There are occasional attacks on Western relief workers, or, I should say, international relief workers. Some of those are motivated by ideology, are done by Taliban remnants or al-Qaida remnants. Some are motivated by criminal activity. But, by and large, my assessment -- and I take this quite seriously because I've got a number of people working for me out there, and a number of NGO colleagues with whom we have a close working relationship, and UN colleagues, and I take their personal security quite seriously.

But, overall, the security incidents have not significantly diminished the pace of reconstruction, and I do not anticipate they will in the future. The road project was a dramatic example because it provides such an obvious target for those who oppose progress in Afghanistan. And the data that Harry just passed out indicates, you know, we had people killed along the highway, we had Turkish engineers kidnapped, we have an Indian engineer still kidnapped, we had a Pakistani worker killed. So we took some casualties along the road.

But the benefit to the Afghan people is so enormous of moving forward. We anticipated security problems. We provided for them. The Afghans had troops along the road. And, by and large, that road is another example of, you know, yes, there are costs, but if we don't pay those costs, we will never have progress for the Afghan people.

Yes, sir.

QUESTION: There was a lot of talk in the summer when this idea of a supplemental for Afghanistan was being discussed, that it was going to show the Afghan people some kind of illustration of why they should vote for Karzai next year. Do you think that, apart from the road, the other work you've been doing is going to -- going to pay a political dividend for the Karzai administration and show Afghans why they should be backing this road instead of, perhaps, you know, leaning backwards towards what some of them saw as more stability in some areas under the Taliban?

MR. KUNDER: Well, first of all, you mentioned supplemental. I should say, I think, in general, this whole reconstruction effort has been an amazing example within the U.S. system of administration and congressional cooperation because we've had enormous support from the Congress, both in the supplemental and then in terms of fiscal year '04 appropriations levels.

We don't have that finalized yet, but what we've seen indicates a willingness on the part of the U.S. Government, both branches of the U.S. Government, to sustain assistance to Afghanistan.

But more directly to your question, I mean, look, the selection of the president of Afghanistan is a matter for the Afghan people, but it is no -- it is no surprise that this government has supported the Karzai government, that President Karzai is a force for unification in his country, a force for stability, and it would be a good thing if the friends of progress, like President Karzai, were reelected, as opposed to the enemies of progress.

So do I expect that Afghans will see some peace dividend, will see some benefits to their lives by the reconstruction that's being done now and in the

coming months? Absolutely.

Do we hope that that will be reflected in support for the Karzai government? Absolutely, there's no question about it.

But, I mean, ultimately, that is -- you know, we've helped facilitate the Constitutional Loya Jirga that's taking place right now. We will help facilitate with our UN colleagues the elections scheduled for next June. We will express the views of our government as to elements in the constitution that we believe are positive, and we will express the views of our government as to how we believe the election should turn out. But, ultimately, these are decisions to be made by the Afghan people.

What we've done is provided technical assistance to the Afghans to give them examples of functioning constitutions around the world, including a number of constitutions from Islamic countries, to help them address complex issues like the inclusion or non-inclusion of Sharia law and references to Islam in the constitution. And so we have tried to facilitate this progress and support it, but we recognize ultimately these are decisions for the Afghan people.

Yes, ma'am.

QUESTION: Speaking of the Loya Jirga, there's been quite a bit of grumbling around female delegates that none of them were selected as deputy chairmen, for example, and that they are not, even though they are present at the -- in the parliamentary, since they haven't been given -- given full due in getting positions beyond the general parliamentary level, is that something the U.S. has a view on and has been keeping an eye on, since that -- since helping Afghan women get back into, you know, high positions in civil society has been one of the goals?

MR. KUNDER: Yeah. I shouldn't comment specifically on that because I simply don't know enough of the details of the internal selection process. Naturally, we supported the notion of having a number of women participants in the Loya -- in the Constitutional Loya Jirga, and -- but I simply am not able to comment on that, in general.

Specifically, in general, you know, the first project we did, when USAID reopened the mission last year, was to rebuild the Ministry of Women's Affairs. The Ministry of Women's Affairs had been created by the Karzai government, and obviously there had not had been -- not previously been a Ministry of Women's Affairs under the Taliban government, and they were given a somewhat dilapidated building, but most of the buildings in Kabul, at that point, were dilapidated.

So the first thing we did was to help rebuild the Ministry of Women's Affairs. And, frankly, we did it practically because they needed a place to move into, but also symbolically because literally the first thing we wanted to do with the reopened USAID mission was to show our visible support for women in Afghanistan.

Women in Afghanistan still have it tough. We have tried to do two things: number one, specifically assist women through directly supporting the Ministry of Women's Affairs, by building women's resource centers around the country, by promoting women's participation in the Constitutional Loya Jirga, and other institutions within Afghanistan; but besides that, for the bulk of our foreign assistance money, we have tried to make sure we have integrated women's concerns and women's issues into the design of the programs.

So that when we looked at health care, for example, the bulk of the mothers who die, for example, in childbirth in Afghanistan are rural mothers who simply can't access a health clinic. They simply don't get to a health clinic in time to receive medical attention.

So we designed our program so that for every person in Afghanistan, when we're done with our clinic reconstruction program, every person in Afghanistan will be within four hours walk or drive of a health clinic. And that was specifically designed to assist with these inconceivably awful maternal mortality rates.

In education, we concentrated on village schools and basic primary education because that's the area where you get the least resistance to girls' participation. We wanted to maximize girls' participation. And then we designed a supplemental program for those teenage girls who lost their education during the Taliban years to get accelerated education, so they could catch back up again.

And in our agriculture programs, we're focusing on value-added crops and micro-enterprise loans, so that women can get access to those productive sectors as well.

So, I mean, throughout the whole design of our program, we have tried to pay attention to the awful conditions in which many Afghan women find themselves. Am I surprised that they're dissatisfied with their role in the Loya Jirga? No, I think it's a good thing that they're dissatisfied with their role in the Loya Jirga and speaking out about it.

But in our programs, we have really tried to pay attention to the fact of mobilizing 100 percent of the human assets resources in Afghanistan, not 50 percent.

QUESTION: Hopefully, you guys will be hearing about this then. They're talking at least to the press about it, so that is a good thing.

MR. KUNDER: I'm sorry? Say that --

QUESTION: So you'll probably be hearing about their complaint because they're definitely --

MR. KUNDER: Listen. Both the Minister of Women's Affairs and other women's group in Afghanistan are not shy about coming to talk to us. We meet with them regularly.

Yes, sir.

QUESTION: In your talk you mentioned agriculture and certain crops. Can you talk about the opium poppy crop, which I understand was still very high, despite whatever efforts are going on, and why that is?

MR. KUNDER: Yeah. I don't -- I mean, I think the specific data is available through the Office of White House National Drug Control Policy. I don't have the specific data, but I have certainly read that there are bumper crops this year, very large crops. I think the UN survey and the U.S. survey are somewhat in dispute, in terms of the total acreage and total tonnage produced, but both agree that there is a very substantial crop this year.

Now our view is, first of all, USAID is not directly involved in law enforcement activities, but we are involved in "alternative livelihoods," is, you know, the technical term. The economic reality in Afghanistan is that you've got a very impoverished country with limited agricultural options because of limited rainfall.

We're trying to rebuild much of the irrigation infrastructure in the country that was destroyed during the 23 years of conflict so that farmers have more choices. And the entire design of our agricultural and rural reconstruction program is targeted at value-added crops, crops for which farmers can receive a decent return, and the marketing and export of those crops. Because the fundamental economic computation is that the primary grain crop in Afghanistan, wheat -- an earning to the farmer for opium, for poppies, as opposed to wheat, depending on the area, can be a multiple of 15 to 1, to 50 to 1.

So the economics for desperately poor farmers are that absent strict law enforcement and absent interdiction of drug -- the drug trade, it is going to be awhile until other crops are going to compete with poppy at the farmstead.

There are crops that will compete -- almonds, spices, cotton -- and we're working to generate those crops again. But our view at USAID is the common sense view based on our experience in Colombia, Bolivia, Peru and other places, that anti-drug efforts work only when the full three-legged stool is in place, which is good alternative livelihoods, one; number two, law enforcement throughout the countryside; and three, targeted interdiction efforts at the drug trade.

And clearly what's happened is we don't have all those things in place yet. Now, we're working at them, and others here at State, INL Bureau, International Narcotics and Law Enforcement, can give more detailed briefings. But there is a, as I think the briefing material says, there is a -- this is what I'm talking about, you know, we're doing the visible stuff but then we're building the foundation underneath.

There is a very substantial effort underway, led by the Germans but also supported substantially by the U.S. Government, to rebuild the police forces in Afghanistan, to train the -- to retrain the existing forces and then to establish a police academy so that you have a professional force in the future.

And so the pieces are being put in place to rebuild the three-legged stool. But at this point, because of 23 years of warfare, all parts, all three legs, are broken. The border control is not there; hence, we're working on rebuilding the customs security, customs and border police. The policing isn't there. And the agriculture, while we've had dramatic positive numbers, a 82 percent increase in wheat production the first year of peace in Afghanistan, the system isn't in place yet. And so you have the result that you have, which is that farmers are growing opium.

QUESTION: Just a follow-up. Is it against U.S. law to take a different tack and pay farmers not to grow it?

MR. KUNDER: Last year, the first year after the Taliban, the British -- by the way, in the international allocation of assignments or jobs here, the British Government, UK Government, has the lead on counternarcotics. The British Government led an effort, in which the United States participated, negotiated with the Karzai government to do a compensated eradication program, that is to say, they computed what it costs farmers, in terms of inputs, seeds, fertilizer, to grow poppy.

They went to the farmstead, offered the farmer that much per hectare, per acre, to destroy his crops. The farmer had two choices: take the money and get his crops destroyed or get his crops destroyed. Most took the money and got their crops destroyed. The program had some limited success.

But based on experience elsewhere in the world, by doing that kind of compensated program, you insert all sorts of other complex economics. There is some empirical evidence from other cases that, if you have a compensated program, some people will plant the crop that others desire to eradicate simply to get the compensation. So, in some ways, you stimulate production by doing a compensated eradication program.

Others around the country who are planting legitimate crops feel disadvantaged, so you create political problems in the country if you compensate the opium growers, the poppy growers.

So I think upon reflection by the British and us and others, we decided that wasn't the right thing to do in Afghanistan.

This year President Karzai issued a proclamation banning poppy production. He mandated his governors to destroy as much of the crop as possible. And again, there are those in this building and at the White House who have the data better than I, but certainly there was some indication of success in that eradication effort. Some of the governors took dramatic steps to eradicate poppy, or the crop would be larger than it is.

But, as I say before, after 23 years of destruction of the law enforcement institutions and other economic institutions, you have the result that we have, which is an increase in poppy production.

Thank you very much.
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