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“Assessing the President’s Strategy in Afghanistan”

**Testimony before the
House Committee on Foreign Affairs,
Subcommittee on Middle East and North Africa**

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Chairman Ros-Lehtinen, Ranking Member Deutch, and members of the Subcommittee, it is an honor to appear before you today to present my views on the current U.S. strategy in Afghanistan. Thank you for this opportunity. The views I express today are my own and not necessarily those of the U.S. Institute of Peace (USIP), which does not take policy positions.

Introduction

I am a Vice President at the U.S. Institute of Peace where I am responsible for managing the Institute's Asia programs, including Afghanistan which is our largest country program in the world today. My testimony today is informed by the thirty years I have spent working in and on Afghanistan and Pakistan. During the 1990s, as a humanitarian aid worker I saw first-hand the tragic and devastating consequences for Afghans – and eventually the U.S. as well – when the international community lost interest in Afghanistan. My main message today, therefore, is that the U.S. should not once again prematurely disengage from Afghanistan. In my view this would almost inevitably push Afghanistan back into full-fledged civil war and anarchy – precisely the same conditions that gave birth to the Taliban in the 1990s, and gave Al Qaeda a sanctuary. But neither can we ignore what we have learned from our past decade of involvement in Afghanistan. In my testimony I will outline what I believe need to be the key elements of a sustained, effective, and informed engagement.

While much of the news emanating from Afghanistan is negative, and the economic, political and security challenges confronting the Afghan government are sobering, it is also important to remember that much has been achieved during the past 14 years. Not in my wildest dreams working as the Save the Children director in Afghanistan under Taliban control in the late 1990s could I have imagined the tremendous gains that would be made over the next 10-15 years in terms of health and education indicators, human rights, economic and political advances for women, the strong role of civil society organizations, the communications revolution and free media, transportation infrastructure, and so much more. Certainly many mistakes were made, and in too many cases achievements fell short of expectations, but it is tremendously important that we protect and build on the very real gains made to date. It is also important to remember that much of this progress was made possible by the brave efforts of our military and civilian personnel who have served in Afghanistan, as well as by generous U.S. financial assistance.

I would like to take this opportunity to note that while many organizations are phasing down or closing their Afghanistan operations, USIP sees this as a critical time in determining whether Afghanistan has a future that is peaceful or conflict-ridden. We are therefore expanding our programs to identify innovative ways to prevent, mitigate and resolve violent conflict. Our team based in Kabul, supported by colleagues in our headquarters in Washington, D.C., implements programs designed to improve understanding of conflict dynamics and peaceful dispute resolution mechanisms, strengthen and support the important work of civil society organizations and the Afghan government to prevent and resolve conflict and promote the rule of law, and advance conflict resolution and peace education in schools, universities and communities. We work closely with colleagues at the State Department, the U.S. Agency for International Development (USAID), the Department of Defense and our NATO allies, and through our research and programs help to inform their work and the work of other organizations and policymakers. USIP also frequently convenes and facilitates dialogues with key actors from across the Afghan political spectrum, and organizes events here in the U.S. to help inform policymakers, practitioners and the public about key issues confronting Afghanistan.

U.S. National Security Interests in Afghanistan

In order to assess the U.S. strategy in Afghanistan it is important first to be clear what the overall U.S. national security interest is that the strategy is intended to promote. In my view, the foremost interest of the U.S. in Afghanistan should be to help ensure a relatively stable Afghanistan that does not slide back into civil war and anarchy, because this would nearly certainly result in Afghanistan once again becoming a safe haven for transnational terrorist groups, and would also risk destabilizing its neighbors (especially nuclear armed Pakistan). This objective is shared by the vast majority of Afghans who have been the main victims of instability, corrupt and predatory governments, and extremist violence. It is also shared by President Ghani's government, which while politically much weaker than its predecessor, is much more committed than President Karzai and his government to a strong partnership with the U.S. And finally, this goal is shared by our allies in NATO and beyond. The objective of a peaceful and stable Afghanistan has been thwarted by the Taliban, Afghanistan's neighbors (most notably Pakistan), and powerful Afghan political elites who have undermined the consolidation of democracy and the rule of law and weakened and delegitimized state institutions through pervasive corruption and other forms of predatory behavior. Unfortunately, uncertainty about the extent to which the U.S. was committed to remaining engaged in Afghanistan has been another factor fueling instability by exacerbating hedging strategies among Afghans and their neighbors.

In this regard, although I wish the decision had come much earlier, I welcome President Obama's recent announcement that the U.S. would maintain the current level of 9,800 troops in Afghanistan through most of next year to pursue the two main tasks of training the Afghan National Defense and Security Forces (ANDSF) and supporting counterterrorism operations. Perhaps more importantly, President Obama also reversed his earlier plan to close down bases in Afghanistan, and instead to maintain beyond 2016 at least 5,500 troops at bases in Bagram, Jalalabad and Kandahar. Significantly, for the first time since May 2014, the U.S. no longer has a calendar deadline by which to pull out U.S. forces. This not only serves to keep options open for the next U.S. president to then increase or decrease troop levels based on conditions on the ground, but it is also a strong message to the Afghan people, as well as the Taliban, of the U.S. commitment to achieve its objective of a stable Afghanistan. President Obama, in his October 15 statement announcing the change in his troop withdrawal policy, emphasized the commitment of the U.S. to a stable and united Afghanistan:

To the Afghan people, who have suffered so much -- Americans' commitment to you and to a secure, stable and unified Afghanistan, that remains firm. Our two nations have forged a strategic partnership for the long term. And as you defend and build your country, today is a reminder that the United States keeps our commitments.

The Afghan Government's Capacity to Govern and Secure the Country

I have been asked today to testify on the Afghan government's capacity to govern and secure the country, as well as the current status of the Taliban. I will briefly outline what I believe are the toxic mix of political, security and economic challenges confronting the Afghan government, and then touch on prospects for an inclusive peace process with the Taliban. I'll conclude with some recommendations on measures that could help the U.S. achieve our objective of a relatively peaceful and stable Afghanistan.

Political Divisions

The past year was supposed to have demonstrated that Afghanistan's political, economic, and security institutions were now sufficiently strong to justify the near-complete withdrawal of all US forces in 2016,

as announced by President Obama in May of last year. Only several weeks after this announcement, however, the Afghan presidential election of 2014 degenerated into an acrimonious dispute over allegations of fraud, and behind this dispute were implicit and explicit threats of violence. To repair this situation, Secretary Kerry negotiated a power-sharing government with the two electoral contestants, Ashraf Ghani and Abdullah Abdullah. A “National Unity Government” was formed with Ghani as the president and Abdullah as the “Chief Executive Officer”—a position that does not exist in the Afghan constitution but whose powers were enumerated in the political agreement—with “equitable” division of cabinet positions between the two camps. Both sides also agreed that this unusual arrangement would be normalized through a constitutional convention that would be held in two years (i.e., by September 2016). They also agreed that prior to that, electoral reforms would take place to ensure that the delegates to that convention would be elected not only according to the law, but according to a far higher standard of electoral practice to ensure that the fraud alleged in the 2014 election would not take place again.

The National Unity Government was therefore born in crisis. But it has unfortunately never transcended the circumstances of its birth. It was built for political inclusiveness among contending elite groups, not for effectiveness. As a result, its main achievement so far has been to not fall apart. But the price of hanging together has been a great loss of legitimacy among the Afghan public as the government has been extremely slow to complete such basic tasks as forming a cabinet, or filling other key government positions, let alone the far more complex tasks that are required to address Afghanistan’s simultaneously deepening economic, security, and governance crises. In other words, a new government weakened by the post-election National Unity Government agreement has inherited a conflict that has become more volatile and complex than expected. The resulting situation has been sobering.

On November 19, the United States Institute of Peace hosted The Asia Foundation to present the results of its annual survey of the Afghan people. The results, which are available on the Foundation’s website, show a significant drop in confidence regarding Afghanistan’s future. When asked if their country was moving in the right direction, only 36.7% responded positively, down sharply from the 54.7% who responded positively the previous year. Part of this pessimism is caused by the deteriorating security situation and the sharp economic downturn and resulting lack of jobs, which was largely the result of the rapid drawdown of the international military presence and associated large reductions in spending. A very tangible example of this loss of confidence is the sharp increase in the number of Afghans who are trying to escape Afghanistan, and according to UNHCR now comprise the second largest percentage after Syrians of refugees arriving in Europe.

Resolving the political crisis and increasing confidence in the government is first and foremost the responsibility of Afghanistan’s leaders and political elites who have, to date, demonstrated insufficient political will to resolve differences and govern effectively. Afghanistan’s National Unity Government must begin to act more like the unified government of a country facing a national crisis, rather than a government endlessly litigating the past election and bickering over government positions. It has proven incredibly difficult to convince Afghanistan’s political class to act in Afghanistan’s national interests. The problem here is not only between Ghani and Abdullah and their teams, but a number of national and regional powerbrokers who have, in their short-term and often irresponsible actions, created space for the Taliban to expand. The temporary fall of the northern city of Kunduz to Taliban forces in September should have been a clear wake-up call to Afghan leaders that the crisis they are facing is real and requires concerted and united policies.

For the US administration, and other members of the international community supporting the Afghan government, it has been difficult to find the right balance between supporting the government while at the same time wanting to withdraw the vast majority of international forces. The sharp reduction in troop levels has clearly contributed to the deteriorating security situation. However, there is also a need to prevent a situation of moral hazard wherein Afghan leaders neglect their collective responsibilities because they believe that the international community will always bail Afghanistan out. Maintaining these lines of effort has required constant calibration and adjustment. The president's decision to extend the current troop presence is an example of that, and was in my view the correct decision. The U.S. and our international partners should follow this decision up with a strong, unified and tough message that our strong commitment to remain engaged militarily and economically must be matched by a much stronger commitment from Afghanistan's political leaders to demonstrate their ability to govern more effectively. If the past 14 years have demonstrated one thing clearly, it is that progress on the battlefield that is not matched by progress in terms of more accountable and effective governance, rarely has sustained impact. In ministries and other key government institutions where little progress or political will is demonstrated to promote more effective government, the U.S. and other major donors should consider making assistance more conditional. For example, donors should consider rewarding high performing ministries and penalizing low performing ones.

Finally, the government's failure to deliver has led to proposals by Afghan political figures for alternative political arrangements. These include calls for an early presidential election or for convening a Loya Jirga, or grand council. These proposals are destabilizing and should not be entertained by the U.S. For now, there is no alternative to the current government sharply improving its performance and President Ghani completing his normal term of office which ends in 2019.

Security Challenges

We are now at a moment when the traditional "fighting season" in Afghanistan slows down due to winter weather. It has been the bloodiest season yet for the ANDSF, with 4,302 killed in action and 8,009 wounded while fighting the Taliban between January 1 and July 31, 2015 – a 36 percent increase over the same seven-month period in 2014. For the most part the ANDSF were successful in holding territory, although the temporary fall of Kunduz to the Taliban in late September was a major setback both militarily as well as politically for the government.

The chronic violence across the country has meant that civilian casualties remain high. According to the United Nations, the nearly 5,000 civilian casualties (of which approximately 1600 were deaths) in the first half of 2015 was higher than for the same period in 2014. Seventy percent of these casualties are caused by actions of anti-government forces. These are nevertheless highly demoralizing and contribute to the perception that the government is unable to deliver security – one of the highest priorities for Afghans.

The ANDSF are in many ways doing a surprisingly effective job given that they are now only backed by approximately 13,000 US and NATO forces operating in a support role, sharply down from the 2010 peak of 140,000 international forces (including 100,000 U.S. troops) fighting in combat roles alongside the ANDSF. Furthermore, the performance of the ANDSF in 2015 must be judged against the fact that this was the first year that the security forces were fighting without the logistical, medevac, and air support (both airstrikes and intelligence, surveillance, and reconnaissance) that they were provided up to the

end of 2014. The lack of close air support and major reductions in U.S. intelligence, surveillance and reconnaissance assets were particularly difficult for the ANDSF to adapt to. However, tactical and logistical weaknesses—in particular problems with relieving and supplying units under attack—were also apparent and need to be addressed.

The government has also had to contend with the ability of the Taliban to effectively fight in the north and northeast, as well as the entrance on the scene of new militant extremist forces fighting the ANDSF (and in some cases the Taliban as well). In 2014, Pakistan's counterterrorism operation in Waziristan had the effect of pushing a number of foreign militant groups into Afghanistan, including the Tehrik-i-Taliban Pakistan (TTP), the Islamic Movement of Uzbekistan, Chechens, and the East Turkestan Independence Movement. There have also been credible reports of groups flying the flag of ISIS, or Da'esh as it is more commonly known in Afghanistan, in eastern Afghanistan's Nangarhar province as well as parts of Helmand. While there are certainly groups that identify themselves as ISIS in Afghanistan, it is less clear that there are strong operational and/or financial connections with ISIS in Iraq and Syria. Last week the head of Afghanistan's intelligence agency, the National Directorate for Security, stated that there are fewer than 10 ISIS-affiliated militants in Afghanistan that had actual links to the main ISIS leadership in Iraq and Syria. To date, ISIS does not seem to have been able to expand significantly its control of territory outside a few Afghan districts, and its anti-Shi'a sectarian Salafi version of Islam does not resonate with the vast majority of Afghans who follow the Hanafi school of Islamic jurisprudence. In several cases those raising the ISIS flag are reportedly disgruntled Taliban commanders who have had a falling out with the Quetta shura leadership, and most reports of fighting have been between ISIS and the Taliban rather than between ISIS and the ANDSF.

President Obama's decision to not withdraw US troops by the end of next year should result in greater confidence among Afghan forces that they will not be abandoned. During the winter months, when there is generally a lull in fighting, Afghanistan's security officials will need to carry out a strategic review of what went right and wrong in 2015. The national unity government will also need to take this issue much more seriously. Divisions among the top leadership are reflected at lower levels of government and divide and undermine the efforts of security forces.

The United States must use the strategic review as well as our own security assessments to determine which adjustments need to be made to the 2016 military presence to better support the efforts of Afghan security forces. Afghan security officials that I have spoken to recently consistently pointed to the critical need for more close air support as well as intelligence, surveillance and reconnaissance (ISR) capabilities. The U.S. was very late in trying to build up Afghanistan's own air wing, leaving a major capacity gap in this critical area. This has directly contributed to much higher Afghan ANDSF casualties, greater freedom of movement for the Taliban, and less agility for ANDSF forces. Providing the ANDSF with more close air support and ISR capabilities are two top priorities where the U.S. should do more.

The NATO alliance will meet in Warsaw in June 2016. Now that the withdrawal timeline has been removed, this meeting can be used to establish a realistic set of objectives in Afghanistan after 2016, and match resources and force structures to those objectives without abandoning the fundamental principle of the need for Afghans to increasingly take responsibility for the costs and implementation of their own security. The first priority at Warsaw, however, will be to renew the commitments of financial support to the ANDSF beyond 2016, as well as troop commitments of NATO allies. On this issue, the alliance has remained strong and several of our closest allies reacted immediately to President Obama's decision by stating they would extend their own troop presence.

Economic Shocks

Many analyses and discussions of the current situation in Afghanistan focus on the political and security threats and challenges, but too often overlook the very serious economic crisis facing Afghanistan. In my view, the current economic crisis is one of the most serious threats to the stability of the current government and the constitutional order in Afghanistan. It has been frequently noted, but worth repeating, that it was not the withdrawal of Soviet troops that led to the downfall of the Najibullah regime in 1992, and the resulting descent into a bloody civil war, but the end to the Soviet subsidies following the collapse of the Soviet Union. Given the seriousness of the situation, I would like to speak in more detail about the economic situation, and what the Afghan government, the U.S. and our partners can do about it.

The Afghan economy is in dire straits. Economic growth has been very weak—1.3 percent in 2014, compared to averages of around eight or nine percent over the previous decade. Little creation of new jobs has taken place, while job losses due to declining international expenditures and weak investment have been immense. Business and consumer confidence have tanked, and capital and human flight, already significant, appear to have snowballed over the past year. One example of this is that applications for passports in Kabul's passport office increased from approximately 3,000 per month earlier this year to 8,000 per month in September. In contrast to the refugee flows from Afghanistan to neighboring Pakistan and Iran in the 1980s and 1990s, which were primarily from poor rural farming communities, a large number of the Afghans trying to leave today are the educated middle class youth from urban areas whose skills Afghanistan desperately needs in the government, civil society and the private sector.

There are two positive but modest economic trends to note in an otherwise bleak economic situation. First, Afghanistan's own budget revenue has been growing moderately after several years of declines, and is expected by the government to meet the revised IMF target of 114 billion Afghanis (approximately \$1.71 billion) - representing an increase of around 15 percent. While this will still fall well short of the original (unrealistic) budget target of 25 percent revenue growth, the year-end shortfall will be much lower than last year, and demonstrates that the government does have the capability to make basic improvements in a critically important area.

Second, amidst the weak performance of the economy overall, four successive relatively good harvests have meant that agriculture has actually been a stabilizing force in the economy, preventing overall growth from turning negative despite the adverse trends in other sectors. While agriculture in Afghanistan very much depends on the vagaries of the weather, good agricultural performance in recent years may also to some extent reflect the modest investments that have been made in the sector over the past dozen years. Agriculture remains the driver of the Afghan economy and the basis of around 70% of Afghan livelihoods. Good news in this sector is therefore good news across the board. To the extent, however, that such good news is linked to favorable weather rather than favorable policies and investments, these positive developments remain fragile and unpredictable.

Reviving the Afghan economy in the best of times would be challenging. But trying to build an effective private sector in the middle of a war, while working with a dysfunctional coalition government, is extremely difficult indeed, and expectations must be modest. But measures to address the deteriorating economy cannot wait until the conflict abates and deep-seated political issues are fully resolved. There

is a need to think creatively, beyond business-as-usual economic advice, while recognizing the limits to what can be accomplished in what remains a period of civil conflict. Given that the sharp deterioration in the economy is a major cause of the destabilizing lack of confidence and support for the National Unity Government, the U.S. and other major donors should prioritize supporting some politically smart economic initiatives that will help create more breathing space and buy time for President Ghani's government to improve its effectiveness and carry out the reform program it has enunciated. In this regard, USIP has recently published a short paper by economist and Afghan expert Bill Byrd on some measures that might be envisaged, which is available online at our website (www.usip.org).

It will be impossible to fully offset demand shock from declining international military spending and aid. Large amounts of Afghan private capital held outside the country—probably tens of billions of dollars—could be repatriated and invested productively in Afghanistan, but this cannot be expected to happen unless there is greater confidence in the future, a more effective National Unity Government, some credible efforts to combat corruption, and prospects for reduction of violence. Within a broader context where improvements are taking place in at least some of these broader areas, a few specific measures to promote confidence and modestly stimulate overall demand could take place. These are described in greater detail in USIP's paper, but they include starting a few sizable infrastructure projects, implementing urban income support and jobs programs to address the rapid urbanization that has taken place in the past decade, and regularizing the many informal settlements in urban areas to provide the households living on them with security of tenure and greater confidence and sense of security. Here are some examples of policy measures that could be considered to stimulate national production and incomes:

- **Spending programs that target the poor** would increase domestic demand since the poor tend to spend a larger part of their budgets on domestic goods and services.
- **Increasing local procurement** through greater preference for Afghan companies in government tenders, as well as domestic content requirements incorporated in contracts.
- **Imposing moderate import duties on agricultural cash crops**—this is a more radical option, but it addresses the fact that agriculture is one of Afghanistan's only areas of comparative advantage, but its potential is threatened by low-cost competing imports of many agricultural products that flood the Afghan market. A modest, broad-based, and undifferentiated import tariff would help contain imports of vegetables and fruits that can be and are grown in Afghanistan, stimulating domestic production of these goods.
- **Introducing "contract farming"** where businesses in developed countries (grocery chains and the like) contract with farmers in developing countries to grow agricultural products, working closely with them to meet importing countries' standards. The Afghan government could, with donor funding, provide competitively tendered export promotion grants that offset the extra costs of doing business in Afghanistan and make it attractive, or at least feasible, for foreign businesses to engage in this way.
- **Considering modest government borrowing** to create fiscal space, alongside increasing revenues and lowering and restructuring expenditures. In a stagnant economy with low inflation and no near-term balance of payments problems, tight fiscal policy can be a harmful contractionary force, but to date there has been no consideration given to borrowing. In the current situation, modest government borrowing and associated fiscal deficits could moderately stimulate the economy, and at least would not make the situation worse.

A modest economic revival in Afghanistan will come about only through a combination of actions that, taken together, achieve a critical mass that may be able to break through the severe headwinds the economy faces. Restoring confidence will be critical to raising demand and, over time, unlocking the large amounts of Afghan money potentially available for private investment. In this regard, President Obama's decision not to withdraw troops by the end of 2016 and to remain engaged will help boost confidence. A meeting of NATO allies and other Afghan partners in Brussels in 2016, at which international donors are expected to renew and expand upon their non-military assistance commitments to Afghanistan and update the Tokyo Mutual Accountability Framework agreed to in 2012, will provide another opportunity to send confidence-building signals on the economy. If the Afghan government does its part to take serious actions to revive the economy—including not least through greater political effectiveness—donors should respond proactively, and with funding decisions based on a clear assessment of what has worked and not worked in the past.

I'd like to make a few observations specifically about development assistance to Afghanistan rather than economic issues writ large. I used to be a strong critic of the amount of money that the U.S. was spending on civilian assistance programs in Afghanistan. I argued that trying to spend too much money too quickly in insecure environments with weak government institutions was having a destabilizing rather than a stabilizing effect. A two-year research project I led in Afghanistan from 2008-2010 found that the vast amount of military and civilian resources the U.S. and others pumped into insecure areas helped fuel the corruption that delegitimized the government, which in turn strengthened the insurgency. One of my main concerns now, however, is that we risk going from the extreme of giving too much to the opposite extreme of giving too little, within a dangerously short timeframe. There is no doubt that the large war and aid economy that developed since 2002 created an unsustainable economic bubble. However, the best way to address the bubble economy in Afghanistan is not to pop it, which will (and is already) having a politically destabilizing effect, but to let the air out slowly over a period of time.

I am actually quite optimistic that reductions in assistance levels, if not done too drastically over too short a period of time, will lead to significant improvements in the quality of assistance programs in Afghanistan. Budget reductions will require much greater prioritization so that limited resources can be used to support the most critical needs. Reduced budgets also create an opportunity to shift the compulsion to spend money quickly to maintain 'burn rates' based on perverse 'use it or lose it' budget incentive structures, to instead prioritize the quality rather than the quantity of programming. As I noted in my opening remarks, it would be tragic to lose sight of the tremendous development gains that have been made in the past 14 years, and to instead focus only on the problems and mistakes as an excuse to withdraw aid too quickly.

Peace Process Obstacles and Opportunities

I would like to conclude by saying a few words about the prospects for substantive political negotiations between the Afghan government and the Taliban to reduce violence levels, and ultimately reach a political settlement that ends the Taliban-led insurgency. In the first half of this year there were some hopes that a possible dialogue between the Afghan government and the Taliban might have resulted at least in a temporary ceasefire, although probably not a more comprehensive political settlement. These talks were the result of a concerted policy by President Ghani in which he made significant and sustained concessions to Pakistan in exchange for Pakistan using its leverage over the Taliban to bring them to the negotiating table. Ghani's conciliatory approach to Pakistan came at considerable domestic

political cost, as he was widely criticized by many Afghans who could see no tangible evidence that Pakistan was giving anything in return for his concessions. Instead, the intensity and scale of Taliban attacks steadily increased throughout most of the year, along with reports of increased rather than reduced Pakistani support for the Taliban.

Ghani's outreach to Pakistan, however, did eventually contribute to Pakistan using its influence to pressure the Taliban to participate in the first round of officially acknowledged direct talks between the Afghan government and the Afghan Taliban. These Pakistan-facilitated talks were held in early July in Murree, Pakistan, with officials from China and the U.S. participating as observers. A second and more promising round of Murree talks was scheduled for late July, but a few days before the talks they were indefinitely postponed following media reports that Mullah Omar had died two years earlier. The news of Mullah Omar's death created a power struggle within the Taliban that has not yet been fully settled, but which ultimately led to the appointment of Mullah Akhtar Mansoor to succeed Mullah Omar as the head of the main Taliban faction. The internal Taliban power struggle was accompanied by a sharp increase in Taliban attacks in August, including a number of attacks in Kabul attributed to the Haqqani Network, followed by the temporary fall of Kunduz to the Taliban in late September.

The Taliban leadership struggle and the upsurge in violence halted what little momentum there may have been to get a peace process on track. During the past month there have been significant diplomatic efforts by the U.S., China and Pakistan to restart the talks between the Afghan government and the Taliban. During the visit to the U.S. by Pakistani Prime Minister Nawaz Sharif in October, followed by the November visit by Chief of Army Staff General Raheel Sharif, Afghanistan was reportedly the top agenda item. These visits, along with visits by senior U.S. government officials to Pakistan and Afghanistan in November, and the recent appointment by Mullah Mansour of former Taliban health minister Sher Mohammad Abbas Stanekzai to lead the Taliban's "political office" in Qatar, have renewed hopes that another round of direct talks between the Afghan government and the Taliban may soon be held. Recent media reports suggest that the Paris Climate Change Conference this week, and the "Heart of Asia" Istanbul-process conference involving Afghanistan and its neighbors that is being held next week in Islamabad, which both President Ghani and Prime Minister Nawaz Sharif are likely to attend, could provide an opportunity for mending the badly damaged relationship between Afghanistan and Pakistan. This, in turn, could pave the way for the resumption of another round of talks between the Afghan government and the Taliban.

While another round of talks may be agreed upon, there are still major obstacles in the path of the talks leading to agreements that would reduce levels of violence in Afghanistan. One of the biggest obstacles is that there are currently few incentives for the Taliban to engage in substantive peace talks, especially when they feel they have the upper hand on the battlefield. Peace talks are also a contentious and divisive issue within Taliban ranks, and Mullah Mansoor is therefore likely to try to use battlefield gains to boost his own legitimacy and control over various Taliban factions, and to try to unify the Taliban ranks around fighting a common enemy. This is not to say that he and other Taliban leaders will not want to engage in peace negotiations at some point in the future. Some Taliban leaders reportedly recognize that they cannot decisively defeat the ANDSF and retake control of all of Afghanistan, and that at some point they will need to negotiate a political settlement. Furthermore, the Taliban themselves are suffering heavy casualties, disunity among the leadership, and growing unpopularity as Afghan civilian and military casualty rates resulting from Taliban violence increases, and those of foreign forces shrink to close to zero. But it seems unlikely that at this point in time Mullah Mansoor will want to risk further internal conflict and fragmentation by making significant concessions in a peace process.

It will also be politically difficult for President Ghani to appear to be making more concessions to Pakistan given the intense domestic criticism he received when violence levels increased following the previous concessions he made. During the past few months the already difficult Afghanistan-Pakistan bilateral relationship has turned even more acrimonious, with senior Afghan officials publicly accusing the Pakistani ISI of involvement in the upsurge in Taliban-led violence, including the fall of Kunduz. Despite pressure from the U.S. and Chinese to reengage with Pakistan and resume talks with the Taliban, it will be difficult for President Ghani to do so unless he is convinced that the talks will lead to significant reductions in violence, which in turn would help to legitimize his outreach efforts. President Ghani is reportedly demanding evidence of concrete measures by Pakistan to pressure the Taliban and restrict their activities and freedom of movement in Pakistan.

President Ghani's political capital for negotiations is limited not only due to his concessions to Pakistan not being reciprocated, but also because of the poor performance of the National Unity Government. There is an urgent need for the Afghan government and political class to demonstrate their commitment to make the government more effective, and to win back the confidence and support of the Afghan people. This, in turn, would greatly strengthen the hand of the government in any negotiation process with the Taliban. It would also create additional policy options, incentives, points of leverage, and diplomatic and military support that could help shift the balance of power inside Afghanistan, and the calculus of Afghanistan's various neighbors. Until then, the options of the U.S. and other major donors are limited by the government's disunity and weakness.

In addition to the obstacles to peace created by Afghan actors, regional actors – most notably Pakistan – have played a major role in fueling conflict in Afghanistan. The Pakistan military's main strategic objective in Afghanistan is to ensure minimal Indian influence. For more than two decades the Afghan Taliban/Haqqani Network have been a central component of Pakistan's strategy to achieve this objective. After more than a decade of unsuccessful efforts by the U.S. and its NATO allies to convince Pakistan to alter its strategic calculus and stop providing safe havens for the Afghan Taliban/Haqqani Network in Pakistan, it seems unlikely that Pakistan will suddenly decide to fundamentally alter this policy now. While Ghani is still perceived by Pakistani officials to be a much better partner than his predecessor, he is increasingly viewed in Pakistan as too politically weak to deliver on any agreements that are reached. Ultimately, the combination of deteriorating security in Afghanistan along with a government that is getting politically weaker will only further strengthen the hand of those in Pakistan who believe that now is not the time to burn bridges with the Taliban.

At an event at USIP during Prime Minister Nawaz Sharif's October visit to Washington he said that Pakistan "cannot bring them [the Taliban] to the table and kill them at the same time." This was a clear indication that Pakistan, while willing to pressure some of the Taliban factions over which it has influence to return to the negotiating table, is not willing to forcefully crackdown on Taliban sanctuaries in Pakistan. It is also not at all clear that Pakistan is willing, or indeed able, to force the Taliban to make the necessary compromises that would enable the peace negotiations to ultimately lead to a significant reduction in violence and/or a comprehensive peace agreement.

What does the U.S. need to do to support peace in Afghanistan? The last 14 years have made clear that there is not a military solution alone to ending the conflict in Afghanistan, and the U.S. therefore must continue to look for opportunities to support inclusive political processes that could help lead to a durable settlement to end the conflict. This will require patience and a long-term commitment to

remain engaged in Afghanistan, as progress towards reducing violence levels is much more likely to come in a number of smaller steps and agreements rather than as the result of one large grand bargain. It will therefore be important to remain realistic about the very significant obstacles in the path of peace, and to not pin too many hopes on a grand bargain as our quick fix exit strategy from Afghanistan. At the same time, the regional situation is not static, and the U.S. should be ready to take advantage of changing dynamics and interests that could create new opportunities incentivize and support a peace process. Of particular note is China's growing concerns about the impact of instability in Afghanistan and Pakistan on its restive Xinjiang region, and the resulting increased interest it has shown in helping to support and facilitate Afghanistan peace talks. Overall, however, the single most important thing the U.S. can do now to support an inclusive peace process is to help ensure that the Afghan state does not collapse and that there is a legitimate Afghan government that can participate in peace negotiations.

The top political demand of the Taliban has been the complete withdrawal of foreign forces from Afghanistan before engaging substantively in a peace process. It might therefore seem at first glance that President Obama's decision to keep troops in Afghanistan beyond 2016 could be a setback for a politically negotiated end to the conflict. In my view, however, it would not have made sense from a negotiating point of view to give the Taliban their number one demand without extracting any concession in return. Furthermore, the decision to keep U.S. troops in Afghanistan will help strengthen the hand of the Afghan government by enabling it to negotiate from a position of greater strength. If the Taliban thought all foreign troops were leaving, and that their prospects for gaining more ground militarily and bringing about the downfall of the government had improved, there would be very little incentive for them to negotiate. If the Taliban ever do get serious about engaging in a process that could lead to a politically negotiated end to the conflict, then the presence of foreign troops could be one of the trump cards in that negotiation. President Obama essentially stated this in his October 15 press statement:

By now it should be clear to the Taliban and all who oppose Afghanistan's progress the only real way to achieve the full drawdown of U.S. and foreign troops from Afghanistan is through a lasting political settlement with the Afghan government. Likewise, sanctuaries for the Taliban and other terrorists must end.

Recommendations

As noted at the outset, it is in the U.S. national security interests to help ensure a relatively peaceful and stable Afghanistan that does not slide back into civil war and anarchy, destabilize its neighbors, or once again become a safe haven for transnational terrorist groups. The most effective way for the U.S. to achieve this objective is to not prematurely disengage from Afghanistan. President Obama's decision to maintain current U.S. troop levels through 2016, and to maintain a force of 5,500 beyond 2016, sends a very strong message that America's commitment to "a secure, stable and unified Afghanistan" remains firm.

At the same time, this commitment represents a necessary condition for our Afghan strategy, not an endpoint. Troop commitments, while significant, form only one element of our larger engagement with Afghanistan. Achieving our interest in securing Afghanistan's stability requires further steps from both U.S., international, and Afghan policymakers that tackle the security, political, and economic roots of the conflict.

In summary, my recommendations are focused in four areas: political, security, economic and peace negotiations with the Taliban.

Political Divisions

- Resolving the political crisis, and increasing confidence in the government, is first and foremost the responsibility of Afghanistan's leaders and political elites who have, to date, demonstrated insufficient political will to resolve differences and govern effectively. Afghanistan's national unity government must begin to act more like the unified government of a country facing a national crisis. The U.S. and our international partners should clearly convey that our strong commitment to remain engaged militarily and economically must be matched by a much stronger commitment from Afghanistan's political leaders to govern more effectively. In ministries and other key government institutions where little progress or political will is demonstrated to promote more effective government, the U.S. and other major donors should consider making assistance more conditional by rewarding high performing ministries and penalizing low performing ones.
- The U.S. should not support destabilizing calls by Afghan political opposition leaders for early presidential elections or for any unconstitutional measures to prematurely end the tenure of the current government. For now, there is no alternative to the current government improving its performance and serving out its term.

Security Challenges

- NATO allies meeting in Warsaw next year must renew their commitments to fund and support the ANDSF and to provide international troops as part of a continuing Train, Advise and Assist mission past 2016. Strong signaling of continued financial support to the Afghan security forces at current levels is essential to maintaining the cohesiveness of the ANDSF.
- Afghan forces are suffering greatly without adequate Close Air Support (CAS). The United States needs to help Afghanistan develop a creative, simple, interim solution to this problem to give the Afghans CAS capability that they can deploy themselves now. This is a key operational priority and a crucial psychological one for the ANDSF.

Economic Shocks

- The U.S. should play a strong leadership role at the international donor conference on Afghanistan taking place in Brussels in October 2016, to ensure that major donor countries renew their commitments to maintaining robust levels of civilian assistance to Afghanistan.
- To help reduce the possibility of civil unrest due to economic discontent, and to buy the Ghani administration some political space and time to get a reform agenda and a peace process on track, the U.S. and other friends of Afghanistan should provide more flexible financial resources to the Afghan government that can be used to help stimulate the economy and create jobs. Several possible initiatives have been proposed by Ghani's team, USIP and others.
- Although Afghanistan's security threats and political divisions are the primary determining factors, reforms focused on instilling greater levels of investor confidence can potentially help to modestly stimulate overall economic demand. Some priority steps include a few sizable infrastructure projects, urban income support and jobs programs, and the regularization of informal urban settlements to increase household tenure security.

Peace Process

- The last 14 years have made clear that there is not a military solution alone to ending the conflict in Afghanistan. The U.S. must therefore continue to look for opportunities to support inclusive political processes that could help reduce violence and/or end the conflict. This will require patience and a long-term commitment to remain engaged in Afghanistan, as progress towards reducing violence levels is much more likely to come through a number of smaller steps and agreements rather than as the result of one large grand bargain.
- Overall, the single most important thing the U.S. can do now to support an inclusive peace process is to help ensure that the Afghan state does not collapse and that there is a legitimate Afghan government that can participate in peace negotiations.
- The decision to keep U.S. troops in Afghanistan will help strengthen the hand of the government by enabling it to participate in any future negotiations from a position of greater strength. But the Afghan government and political class must also demonstrate a unity of purpose through which to clearly signal to the Taliban, Pakistan, and other relevant actors that Afghanistan's government will be an enduring presence for stability in the country.
- An inclusive peace process requires bottom-up peacebuilding efforts to complement top-down efforts. The U.S. should continue to support a wide range of civil society actors, including organizations working to defend and promote the gains in terms of women's rights, human rights, the rule of law, the delivery of social services, a free and independent media, etc., and ensure that the voices of civil society actors are heard in peace negotiations.

Failure to take these kinds of actions in my view would deal a nearly mortal blow to the National Unity Government. It would virtually ensure that the reconciliation process fails, and will enhance the terrorist threat to our friends and allies in the region and to the United States. It will also present President Obama's successor with a strategic failure and a serious security crisis in the opening days of the next administration.

However, these measures, taken together, offer the possibility of a significant American foreign policy success story in a very troubled region of the world. If these measures can help produce a sustainable peace between Pakistan, Afghanistan, and even a significant portion of the Taliban, and help prevent Afghanistan from once again becoming a safe haven for transnational terrorist groups, it will be a major contribution to regional and global stability. It will also help redeem the commitment of blood and treasure that the United States, the coalition, and the Afghan people have made over more than a decade of effort.

Thank you, Chairman Ros-Lehtinen, and I am happy to take questions.

The views expressed in this testimony are those of the author and not the U.S. Institute of Peace, which does not take policy positions.