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AACC Congressional Forum Addresses Priorities for U.S. Funding to Afghanistan

WASHINGTON – On Wednesday, April 18th, the Afghan-American Chamber of Commerce (AACC) conducted the first forum by an outside organization held on Capitol Hill assessing priorities and mechanisms for improving effectiveness of U.S. funding for Afghanistan. The event at the Dirksen Building was held as Congress deliberates on a \$11.8 billion Supplemental Appropriations bill for Afghanistan. Over 150 representatives of U.S. government agencies, corporations, nonprofit organizations, think tanks and individuals attended.

Panelists included high ranking U.S. and Afghan government officials, AACC leadership and well-known American experts on Afghanistan.

The moderator, AACC's Chairman of the Board Ajmal Ghani A., provided context for the event. He called Afghanistan a post-devastated country and stated that "Afghanistan and Iraq put together in the budget requests in the past has been a disadvantage for Afghanistan, which has been getting a 1 to 19 ratio of the development aid. The budget Supplemental is needed and the security sector must be reinforced, but the money designated for economic development, considering that Afghanistan's infrastructure and economy were completely destroyed, is simply not enough."

Undersecretary of State for Political Affairs R. Nicholas Burns, reiterated the Administration's long-term support for Afghanistan, and also participated in a question and answer session. U/S Burns noted that there is bipartisan support in Congress for Afghanistan and that the supplemental included a greater amount of funding than what had been allocated in the past four years. He said that the majority of money for economic development funding was for priorities identified by the Government of Afghanistan, which he stated "On the whole had taken the right approach and we will hopefully be successful in showing Congress that the money is deserved."

Dr. Anwar-ul-Haq Ahadi, Afghanistan's Minister of Finance said "We are addressing many needs simultaneously that countries normally develop over decades." He opined that state-building and security were the top priorities, followed by infrastructure and education. He thanked the U.S. government and the American people for their generosity and support, noting that it was "by far the largest donor, providing over half of the donor support for Afghanistan thus far." Minister Ahadi noted that of the \$30 billion pledged by all donors, only \$15 billion had been committed and \$12.8 billion actually disbursed. Of that, he related "only \$3.7 billion had been provided to the Afghan government to spend on national programs."

Deputy Assistant Secretary of State for South and Central Asia John A. Gastright, Jr. stated, "Afghanistan is still a top priority for the Administration." He noted that the \$11.8 billion supplemental would be used over the next two years, with \$8.5 billion requested for the security sector.

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Dr. Barnett Rubin stated that priorities depended on objectives. In highlighting the issue of effectiveness he stated, “In Afghanistan, most of the assistance is disbursed in a way that is not accountable to the Afghan people. This is because there is a parallel system by donors. U.S. foreign assistance is mainly done through big US contractors, whose costs of security and other expenses are much higher than costs of Afghans doing the job.” Dr. Rubin further stated that the U.S. is providing four times more for security than for economic support, which is unfortunate as, “The number one security threat is unemployment.”

AACC’s President Atiq Panjshiri stated, “We need to have available capital for business people so they can provide employment.” He stated that Congress should provide funding for a revolving loan fund for the Afghan private sector, commenting that, as Enterprise Funds, the concept had been successfully implemented in other countries. He stated, “Afghanistan needs assistance, but availability of credit and the capacity to qualify for credit for people to grow their business and employ Afghans should be one of the most important priorities.”

Dr. Marvin Weinbaum of the Middle East Institute stated, “If I had to choose one area, I would choose improvement of governance at all levels,” as progress cannot be made in any of the other areas without such capacity. Dr. Weinbaum also commented that the expectations of the Afghan people were raised by initial international community engagement after the fall of the Taliban and, “It has been the failure of sufficiently meeting these expectations that has made it more difficult for us to secure the country.”

Congressman Dana Rorhabacher (R-CA) showed his support for Afghanistan stating, “I have carried an admiration for the courage and integrity of the Afghan people who have in times of great peril survived and managed to hand the Soviet Union a crippling defeat.” He talked about a “Grand Deal” where the Afghans themselves would stop poppy cultivation if the U.S. would provide the resources equivalent to the crop value for alternative farming and other private and public employment enterprises. The concept was strongly supported by the Finance Minister.

In sum, AACC, serving as a voice for policies that promote economic growth and representing the U.S.-Afghan trade and investment community sees the Forum as a first step in a continuing dialogue about aid priorities and effectiveness as Congress assesses appropriations for Afghanistan.

For more information on the event or on AACC, contact info@a-acc.org or (703) 442-5005.