Losing the "Forgotten War"

The US Strategic Vacuum in Afghanistan, Pakistan, and Central Asia

By Anthony H. Cordesman *September 25*, 2014

Request for comments:

This report is a draft that will be turned into an electronic book. Comments and suggested changes would be greatly appreciated. Please send any comments to Anthony H. Cordsman, Arleigh A. Burke Chair in Strategy, at acordesman@gmail.com.

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President Obama has addressed the need to deal with Ukraine and the Islamic State in speeches and at the NATO Ministerial meeting. Afghanistan, however, has become the forgotten war at a time when the Taliban is making steady gains, civilian casualties are rising, there is still no effective Afghan government, the Afghan economy is in crisis, and there still are no clear plans for any post-2014 aspect of transition.

Afghanistan is also only part of the story. Pakistan is in political chaos, has rising tensions with India, has made uncertain progress in its latest military campaign, and has made no progress in the mix of economic and educational reforms that are critical to a stable future. In Central Asia, while US forces have effectively left, the US still has not announced any strategy to deal with Central Asia in the future and adjust to the growing tension with Russia.

The end result is that United States has failed to define meaningful future strategies for Afghanistan, Pakistan, and Central Asia. It is cutting its presence in Afghanistan so quickly that its Transition efforts may well fail, and it has no clear future strategy for Pakistan or Central Asia.

The US now needs to come to grips with the fact that strategy does not consist of concepts, good intentions, or public statements that will not be implemented in any meaningful form. It consists of the policies and actions that are already in place and practical plans that can be – and are – actually implemented. Today, the US lacks a real world strategy for dealing with Afghanistan, Pakistan, and Central Asia. It has an unworkable and under-resourced Transition plan for Afghanistan, no meaningful public strategy for Pakistan, and little more than statements of good intentions for Central Asia as it withdraws the forces that supported the war in Afghanistan.

This "strategy" of good intentions is not a strategy. Yes, it would be nice to see Afghanistan emerge suddenly in 2015 or 2016 as a unified, peaceful, developing democracy. It would be nice to seek Pakistan put on the same path. It would be nice to resolve the tensions and risk of conflict between India and Pakistan. It would be nice to see Central Asia develop as a region, and do so in ways that are peaceful, and involve the same progress towards democracy.

But, these are not meaningful and practical strategic objectives for the US, its European allies, or NATO. The current realities on the ground strongly indicate that the present US approach to Transition in Afghanistan will fail at the military, political, economic, and governance levels.

As for the broader US approach to Pakistan and the region, the most likely result is that the countries in South Asia will face at least another decade of uncertain development and stability—if not actual conflict—and that the situation in Central Asia will be all too similar. The end result is a near vacuum in US ability to form, resource and implement a strategy that offers a real hope of addressing the key challenges in Afghanistan, Pakistan, and Central Asia.

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The Developing Strategic Vacuum in Afghanistan, Central and South Asia

To the extent that the US has does have a real world strategy for Afghanistan, Pakistan, Central Asia, and South Asia, it has been driven largely by the real world impact of US decisions to leave Afghanistan. As Secretary Gates's memoirs make clear, the Obama Administration's priorities shifted away from Afghanistan even as the President approved a military surge in Afghanistan in 2010. He then assigned a deadline of 2014 for a US combat role over the uncertain objections of several members of his cabinet and senior military advisors.¹

By that time, the US already saw Pakistan as a key center of gravity in the war, and as a source of aid and comfort to an enemy base in part on its soil. It was clear that the Pakistani Army was using its ISI to covertly support the Taliban and other Afghan insurgents, and as providing cover and sanctuary to both Osama Bin Laden and Al Qaeda, and to the Quetta Taliban and Haqqani network – views described in detail in Carlotta Gall's *The Wrong Enemy* – a book broadly endorsed by a number of US officers and experts with actually working experience in Pakistan.²

It was also clear that Afghanistan lacked an effective government, was one of the most corrupt countries in the world, faced a prolonged budget and economic crisis the moment outside aid and military spending was seriously cut, and would be unable to create and sustain effective security forces indefinitely without major outside financial aid, military advisors, and military support.

US Strategy Writes Off Afghanistan Pakistan, and the Region

US *rhetoric* implied continued support for Afghanistan without really addressing either its weaknesses or its failures as a partner, and left the issue of Pakistan largely unaddressed because of its critical role as a route for US supplies and movements. The US *reality* was reflected by in the new Defense Strategic Guidance that it issued in January 2012. This Guidance made it clear that US intended to leave Afghanistan, focus on other regions of the world. It called for the US to only fight where its strategic interests were directly involved and only in proportion to the importance of those interests. It explicitly said the US should avoid fighting wars major like the ones in Iraq and Afghanistan in the future, avoid large-scale land force commitments to limited wars of limited strategic value, and focus on strategic partnerships where the partner would play a major role.

The US repeated key elements of this guidance in every Department of Defense and State Department budget request from FY2013 onwards. This was true of its FY2015 budget submission, of the new Quadrennial Defense Review (QDR 2014) the US issued in March 2014. The executive summary to the 2014 QDR for, example, only provided a token reference to leaving Afghanistan, focused on the Middle East and Asia, and discussed virtually every other region than Central and South Asia – which it effectively did not mention at all: ³

Rebalancing and sustaining our presence and posture abroad to better protect U.S. national security interests. In striving to achieve our three strategic objectives, the Department will also continue to

rebalance and sustain our global posture. We will continue our contributions to the U.S. rebalance to the Asia-Pacific region, seeking to preserve peace and stability in a region that is increasingly central to U.S. political, economic, and security interests.

Faced with North Korea's long-range missiles and WMD programs – particularly its pursuit of nuclear weapons – the United States is committed to maintaining peace and security on the Korean Peninsula. As part of our broader efforts for stability in the Asia-Pacific region, the United States will maintain a robust footprint in Northeast Asia while enhancing our presence in Oceania and Southeast Asia.

As we end combat operations in Afghanistan, we are prepared to transition to a limited mission focused on counterterrorism and training, advising, and assisting Afghan security forces. The United States also has enduring interests in the Middle East, and we will remain fully committed to the security of our partners in the region. We will continue to maintain a strong military posture in the Gulf region – one that can respond swiftly to crisis, deter aggression, and assure our allies and partners – while making sure that our military capabilities evolve to meet new threats.

Given our deep and abiding interests in maintaining and expanding European security and prosperity, we will continue our work with allies and partners to promote regional stability and Euro-Atlantic integration, as well as to improve capacity, interoperability, and strategic access for coalition operations. Across the globe, we will ensure the access needed to surge forces rapidly in the event of a crisis.

The QDR did not mention Central or South Asia at all in the section on regional trends. ⁴ They were only mentioned in a passing, and as a vague priority in the final passages of the section on Building Global Security towards the end of the document – as much because the authors had to say something as because of any serious strategic focus on any state other than India: ⁵

We will continue efforts to help stabilize Central and Southwest Asia and deepen our engagement in the Indian Ocean region to bolster our rebalance to Asia. The stability of Pakistan and peace in South Asia remain critical to this effort. The United States supports India's rise as an increasingly capable actor in the region, and we are deepening our strategic partnership, including through the Defense Trade and Technology Initiative.

It was true of the strategy speech that President Obama gave at West Point speech on May 28, 2014. When President Obama delivered this speech one day after announcing he would maintain a significant US advisory role in Afghanistan only during 2015 and phase that presence out on 2016 – he stated somewhat ingenuously that,⁶

Four and a half years later, as you graduate, the landscape has changed. We have removed our troops from Iraq. We are winding down our war in Afghanistan. Al-Qaida's leadership on the border region between Pakistan and Afghanistan has been decimated, and Osama bin Laden is no more... We need partners to fight terrorists alongside us. And empowering partners is a large part of what we have done and what we are currently doing in Afghanistan. Together with our allies, America struck huge blows against al-Qaida core and pushed back against an insurgency that threatened to overrun the country.

But sustaining this progress depends on the ability of Afghans to do the job. And that's why we trained hundreds of thousands of Afghan soldiers and police. Earlier this spring, those forces -- those Afghan forces -- secured an election in which Afghans voted for the first democratic transfer of power in their history. And at the end of this year, a new Afghan president will be in office, and America's combat mission will be over.

He focused on Europe and Ukraine, the Middle East, and Asia, and touched upon Latin America and Africa, but never mention Central of South Asia at all. ⁷

The situation was no better as of September 2014. Afghanistan had virtually become the forgotten war at a time when the Taliban is making steady gains, civilian casualties are rising, there is still no Afghan government, the Afghan economy is in crisis, and there still are no clear plans for any post-2014 aspect of Transition.

No Clearer Lead from NATO

The most NATO could do was to quietly discuss the fact that the estimated annual cost of providing aid to an undefined level of Afghan forces had rise, from \$4.1 billion to \$5.1 billion, and issue what it called the Wales Declaration on September 4, 2014. This document was yet another exercise in rhetoric with no real details or plans beyond those NATO had repeated since 2012, but that did highlight growing funding challenges and problems in Afghanistan's ability to carry out a Transition after 2014⁸

With the end of ISAF, the nature and scope of our engagement with Afghanistan will change. We envisage three parallel, mutually reinforcing, strands of activity:

...In the short term, the Resolute Support Mission. As decided at the Chicago Summit in 2012, at the invitation of the Government of the Islamic Republic of Afghanistan, and in the context of the broader international effort to help Afghanistan, NATO Allies and partner nations stand ready to continue to train, advise and assist the ANSF after 2014. This will be done through a new, noncombat mission with a sound legal basis. The mission's establishment is contingent on the signing of the U.S.-Afghanistan Bilateral Security Agreement and NATO-Afghanistan Status of Forces Agreement. The Resolute Support Mission should ideally, in consultation with the Government of Afghanistan, be supported by a United Nations Security Council Resolution.

...In the medium term, our contribution to the financial sustainment of the ANSF. At Chicago, NATO allies and ISAF partners decided to provide support to the ANSF, as appropriate, through the Transformation Decade, on the understanding that the Afghan Government will make an increasing financial contribution to this endeavour. Today, nations renewed their financial commitments to support the sustainment of the ANSF, including to the end of 2017. We also urge the wider international community to remain engaged in the financial sustainment of the ANSF. We will maintain and strengthen the transparent, accountable and cost-effective funding mechanisms we have established since Chicago, including the Oversight and Coordination Body, which will ensure donors can confidently commit this support. Realising the full promise of the pledges made at Chicago on the financial sustainment of the ANSF, which we have reaffirmed today, will require transparency, accountability, and cost-effectiveness of the relevant international funding mechanisms. We encourage the Afghan Government to continue and strengthen efforts to fight corruption. We look forward to working with the Afghan authorities to review the force structure and capabilities of the ANSF to achieve a sufficient and sustainable force. We restate the aim, agreed at Chicago, that Afghanistan should assume, no later than 2024, full financial responsibility for its own security forces.

...In the long term, NATO-Afghanistan Enduring Partnership. NATO Allies remain committed to the NATO-Afghanistan Enduring Partnership, agreed at the Lisbon Summit in 2010. The strengthening of this partnership will reflect the changing nature of NATO's relationship with Afghanistan whilst complementing the Resolute Support Mission and continuing beyond it. Both the political and practical elements of this partnership should be jointly owned and strengthened through regular consultation on issues of strategic concern. NATO is ready to work with Afghanistan to develop this partnership in line with NATO's Partnership Policy, possibly including the development of an Individual Partnership Cooperation Program at an appropriate time.

NATO also highlighted the lack of an effective security partner by issuing a press release asking the two rival Afghan Presidential candidates to reach some compromise in their struggle over the outcome of the election that had been held on April 5, 2014:⁹

NATO Leaders at the Wales Summit reaffirmed on Thursday (4 September 2014) their commitment to supporting Afghanistan and called on the two presidential candidates to work together and to conclude the necessary security agreements as soon as possible, as they have said they will. The ISAF Heads of State and Government also asked the two candidates to "swiftly deliver a peaceful outcome of this election, acceptable to the Afghan people," the NATO Secretary General, Anders Fogh Rasmussen said.

Leaders from NATO nations joined by ISAF partner countries reaffirmed their readiness to launch a non-combat mission in Afghanistan after 2014 to help train, advise and assist Afghan security forces, providing necessary legal arrangements are signed without delay. "I cannot stress too strongly how important this is," Mr. Fogh Rasmussen said. "Without a signature, there can be no mission. Our planning is complete but time is short." The post-2014 Resolute Support Mission is one of the three pillars of NATO's long-term engagement in Afghanistan, along with a contribution to the long-term sustainment of the Afghan National Army and the strengthening of long-term political and practical cooperation with Afghanistan. "With the end of ISAF in December, we will change the nature and the scope of our involvement in Afghanistan," said the Secretary General. "But our commitment will endure because stability in Afghanistan also means security for us." This three-pronged engagement is aimed to build on the gains achieved throughout the thirteen-year long ISAF mission, particularly in the development of strong, professional and capable security forces, as well as in the fields of education, health, economic development, human rights and fundamental freedoms, notably women.

During the meeting, ISAF leaders underlined the importance of continued support by the international community, and of sustained efforts by the Afghan Government, notably in continuing to increase its financial accountability and contribution, improve governance and rule of law, promote and protect human rights for all. The meeting also provided the opportunity to pay tribute to the men and women from Afghan and international forces who have served in the country and in other NATO operations. "This is the right time to remember what we have sacrificed and what we have achieved", NATO Secretary General said. "Their courage, effort and sacrifice have made all our nations safer and improved global security."

Afghan Defence Minister Bismullah Khan Mohammadi, leaders from Japan, Central Asian states, as well as representatives from key international community partners from the United Nations and the European Union also attended the meeting.

Higher Priorities and Continuing Commitments in US Strategy

It is a grim reflection on the Obama Administration and the US Congress, that there has never been a serious debate over whether the US should play a key role in meeting such challenges from 2015 onwards. It is also unclear what the outcome of an honest and meaningful debate would be. Even if the US focuses properly on the impact of its current actions and the consequences after 2014, and adequately assesses its options and their relative risks and benefits, it might well decide that the best solution to dealing with the complex problems in South Asia and Central Asia should be a minimalist approach.

Uncertain Value at a Time When US "Strategic Triage" is Critical

No vital US national security priorities seem to be involved that require a sustained major US presence or capability to intervene, and strategic triage indicates that other areas and problems have a higher priority for US resources. Such choices, however, should be made on the basis of hard analysis, and made openly and explicitly, and not through silence, neglect, or default.

The US cannot solve every problem or meet every challenge, and any effort to deal with the US strategic vacuum in Afghanistan, Pakistan, and Central Asia must be judged in a broader global context. The US is scarcely reducing its overall strategic and defense commitments. The US may cutting the warfighting or Overseas Contingency Operations (OCO) part of it military expenditures as it ends the war in Afghanistan, but it is reengaging in Iraq and building up its forces in the Gulf. It is changing its force posture in the Pacific and strengthening its security partnerships in the region, and is giving new priority to its commitments in NATO as a result of the Ukraine crisis.

Major Resources, Uncertain Priority

Neither the FY2013-FY2014 actual spending nor the FY2015-FY2019 baseline defense spending plans – the spending not tied to war in Afghanistan– project a further decline. Moreover, the current levels of US national security efforts need to be kept in a global perspective. SIPRI estimates that the United States spent 37% of all world military expenditures in 2013 versus 11% for China, 5% for Russia, 3.5% for France, 3.3% for the UK, and 2.8% for Germany. In contrast, SIPRI estimates that Western and Central Europe cut military expenditures by 6.5% during 2004-2013. 10

The Secretary General's 2013 report for NATO sends the same message. Like the US QDR, it did not foresee any potential risk from Russia – in fact the one minor mention of Russia largely praises Russia for its aid in Afghanistan. At the same time, when the report talks about military spending, it has a graph showing that the US *increased* its share of total NATO military spending from 68% in 2007 to 73% in 2013. In contrast, NATO Europe dropped from 30.2% of the total to 25.5% during that same period. Germany kept spending constant at 4.7% of the total but made massive force cuts and shifted money to pay for the equivalent of an all-professional force. Britain dropped from 7.3% to 6.6%, France from 6.6% to 4.9%, and Italy from 2.9% to 2.0%.

The recent NATO ministerial summit called for all NATO countries to raise their defense spending to 2%. US defense spending is and will remain at nearly twice that level. The US is spending as much on its baseline military expenditures as it did before it began these wars in 2001, and doing so at a time it has a serious budget deficit, a massive federal debt, and faces steady rises in the cost of its domestic entitlement programs.

These fiscal pressures do not mean the US must or should back away from the world, but they do mean the US needs to exercise strategic triage. It must use its resources where they meet the highest priority in terms of American interests and they have the most effect. They must be used where the US has strategic partners that actually do their share, and US commitments and aid must be conditional and dependent on how well its partners actually perform.

The Uncertain Case for Afghanistan

The US also faces the problem that it has made decisions that are likely to lead to some form of major crisis or defeat in Afghanistan and the region almost regardless of what Afghanistan, Pakistan, and its allies in ISAF now do. President Obama has already chosen a course of action in Afghanistan that will limit the US role there, as well as sharply reduce the US role in Pakistan and central Asia – a course of action that matches US and allied

public opinion and the need to focus finite resources on higher strategic priorities in Europe, the Middle East, and Asia.

Uncertain Afghan Leadership and Governance Two Years Too Late?

It is an open contest as to which leader did the most damage to his country in his second term, Karzai or Maliki of Iraq. The fact remains, however, that Karzai led his country though power brokering and corruption, and never seriously focused on the quality of his forces or the security dimension of the war. His failure to reach a security agreement with the US have also delayed many critical aspects of transition planning that originally were supposed to have been completed by the end of 2012 through the present.

It is still unclear that an effective Afghan government will now come into being. Abdullah Abdullah and Ashraf Ghani did not reach even a tentative agreement to share power between until September 21, 2014, and one that divided power by making Ashraf Ghani President and Abdullah Abdullah a kind of Prime Minister. It only came after US Secretary of State Ghani was forced to warn both Abdullah Abdullah and Ghani that, 11

If you don't come to an agreement now, today, the possibilities for Afghanistan will become very difficult, if not dangerous," Kerry told them, according to the partial transcript. "I really need to emphasize to you that if you do not have an agreement, if you do not move to a unity government, the United States will not be able to support Afghanistan.

This agreement also only came after months of wrangling over a disputed election, threats by Abdullah Abdullah to form his own government regardless of the final vote count, and an agreement by Ahmad Yousuf Nuristani, the chairman the UN Independent Election Commission that there were "grave flaws" and its audit could not detect all of it, but said that the commission still had a duty to state that, "The Independent Election Commission of Afghanistan declares Dr. Ashraf Ghani Ahmad as the president of Afghanistan." ¹²

This statement still did not show when – and if – the Afghans could form a new government, what it would be like or whether it could provide reform, effective governance, and effective security forces. It meant that there still was no formal structure for Transition roughly three months before the end of 2014, and nearly two years after a structure was supposed to be in place that could make an effective Transition possible. It said nothing about the future role of Pakistan or NATO's role in Central Asia.

As for the actual vote, the UN Independent Election Commission avoided reporting the results of the UN audit. Ashraf Ghani's office released results that showed just how deeply the nation had divided during the two votes and the extent to which the north polarized around Abdullah Abdullah and the largely Pashtun areas coalesced around Ghani.

These results are shown in **Figure 1**, and while members of the Independent Election Commission are reported to have said that it disguises a far higher level of false ballots than is shown in Figure 1, the results still dramatize the risk that Afghanistan may take months to work out a new form of power sharing – if this proves any more possible than it did in Iraq – and to work out how to manage the budget and appointments in the provinces and district where the struggle against the Taliban, Haqqani Network, and other insurgent movements goes on.¹³

This sets a grim stage for future progress. Even if Afghanistan does eventually get a unified and effective government, and one that signs all of the agreements necessary for the US and NATO to stay, it will not mean that there will be credible plans to keep a meaningful US and allied presence, put an effective government in place and deal with ongoing corruption that reaches from the District and Provincial governor levels to the level of the current Attorney General. It will not mean there will be credible plans to shape, support, and fund the Afghan security forces.

It does not mean that there will be credible plans to deal with the budgetary and economic crisis that has already developed because of cuts in outside aid and military spending and capital flight. It does not mean that Pakistan in more of a security partner than the sanctuary for the threat, and it does not mean the US and NATO has even begun to seriously think about what the tensions over the Ukraine crisis mean for a strategy for Central Asia.

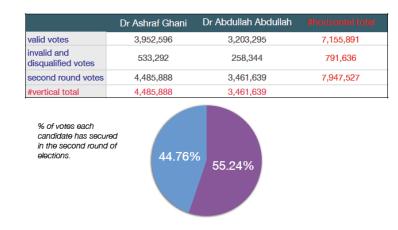
It is also unclear how much the US can or will change this situation during the remainder of the Obama Administration, or how easy it will be for the President's successor to make such changes. Reality can always intervene, but President Obama will remain in office until early 2017, and by that time, the US is scheduled to have removed its forces from Afghanistan, closed its remaining bases, have disposed of its stocks and equipment, and closed all major transit facilities in Pakistan and Central Asia,

It is also far from clear that any new US president will want to make a major ongoing commitment to Afghanistan and the region – or deal with any major new crisis over Transitions, given other US strategic priorities. These include a steady shift in the terrorist threat to the US, Europe, and key US allies to the Middle East and Africa, the security challenge Iran still poses in every area of potential conflict from asymmetric warfare to a nuclear threat, the rising challenge posed by China, and the impact of the Ukraine crisis on US priorities in Europe.

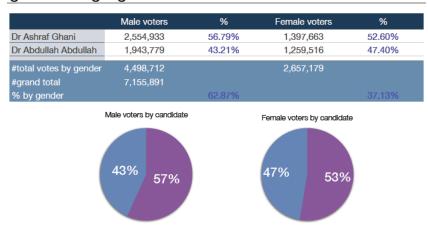
Figure 1: Afghan Power Struggles: The Uncertain Results of the Election elections final result after audit



total votes calculator



gender segregation



Source: Ashraf Ghani campaign office; Tim Craig, "Ghani Named Afghan Victor," *Washington Post*, September 21, 2014, pp. A1, A8.

Creating a US Plan for Military Failure in Afghanistan

On May 27, 2014, the President made a statement at the White House that he would effectively end any major US role in the war by the time he left office, regardless of the conditions that emerged are Transition, and would only provide something approaching the number of post-Transition military advisors, enablers, and counterterrorism officers that the ISAF and CENTCOM commander had requested from a single year:

Now we're finishing the job we started. Over the last several years, we've worked to transition security responsibilities to the Afghans. One year ago, Afghan forces assumed the lead for combat operations. Since then, they've continued to grow in size and in strength, while making huge sacrifices for their country. This transition has allowed us to steadily draw down our own forces -- from a peak of 100,000 U.S. troops, to roughly 32,000 today.

2014, therefore, is a pivotal year. Together with our allies and the Afghan government, we have agreed that this is the year we will conclude our combat mission in Afghanistan. This is also a year of political transition in Afghanistan. Earlier this spring, Afghans turned out in the millions to vote in the first round of their presidential election -- defying threats in order to determine their own destiny. And in just over two weeks, they will vote for their next President, and Afghanistan will see its first democratic transfer of power in history.

In the context of this progress, having consulted with Congress and my national security team, I've determined the nature of the commitment that America is prepared to make beyond 2014. Our objectives are clear: Disrupting threats posed by al Qaeda; supporting Afghan security forces; and giving the Afghan people the opportunity to succeed as they stand on their own.

Here's how we will pursue those objectives. First, America's combat mission will be over by the end of this year. Starting next year, Afghans will be fully responsible for securing their country. American personnel will be in an advisory role. We will no longer patrol Afghan cities or towns, mountains or valleys. That is a task for the Afghan people.

Second, I've made it clear that we're open to cooperating with Afghans on two narrow missions after 2014: training Afghan forces and supporting counterterrorism operations against the remnants of al Qaeda.

Today, I want to be clear about how the United States is prepared to advance those missions. At the beginning of 2015, we will have approximately 98,000 U.S. -- let me start that over, just because I want to make sure we don't get this written wrong. At the beginning of 2015, we will have approximately 9,800 U.S. service members in different parts of the country, together with our NATO allies and other partners. By the end of 2015, we will have reduced that presence by roughly half, and we will have consolidated our troops in Kabul and on Bagram Airfield. One year later, by the end of 2016, our military will draw down to a normal embassy presence in Kabul, with a security assistance component, just as we've done in Iraq.

Now, even as our troops come home, the international community will continue to support Afghans as they build their country for years to come. But our relationship will not be defined by war -- it will be shaped by our financial and development assistance, as well as our diplomatic support. Our commitment to Afghanistan is rooted in the strategic partnership that we agreed to in 2012. And this plan remains consistent with discussions we've had with our NATO allies. Just as our allies have been with us every step of the way in Afghanistan, we expect that our allies will be with us going forward.

Third, we will only sustain this military presence after 2014 if the Afghan government signs the Bilateral Security Agreement that our two governments have already negotiated. This Agreement is essential to give our troops the authorities they need to fulfill their mission, while respecting Afghan sovereignty. The two final Afghan candidates in the run-off election for President have

each indicated that they would sign this agreement promptly after taking office. So I'm hopeful that we can get this done.

The bottom line is, it's time to turn the page on more than a decade in which so much of our foreign policy was focused on the wars in Afghanistan and Iraq. When I took office, we had nearly 180,000 troops in harm's way. By the end of this year, we will have less than 10,000. In addition to bringing our troops home, this new chapter in American foreign policy will allow us to redirect some of the resources saved by ending these wars to respond more nimbly to the changing threat of terrorism, while addressing a broader set of priorities around the globe.

One can argue whether this is the right course of action, but it mirrors the decision-making behind the strategy to limit the US role on the ground that may hamstring the US effort in dealing with the Islamic State. It sets an arbitrary date for slashing and then ending the US military role in helping Afghan forces regardless of the conditions already emerging on the ground. It puts domestic politics before workable military plans and a capacity to provide a conditions-based response if this go wrong.

Key US commanders initially recommended that the US leave some 16,000 troops after 2014, and stay at conditions-based levels until Afghanistan was secure. This troop level was later dropped to some 9,500-9,800 as a result of political pressure from the White House, but was still supposed to be conditions based and assumed that significant additional manning from German and Italian cadres would be in place and add to the US total.

It means cutting a 9,800 level in half at the end of 2015 – without a clear schedule or plan for how this will be carried out during the first campaign season Afghan forces will really be on their own. It then means leaving by 2016 regardless of the conditions involved – while the US will be in Transition to a new President – and without clear military or civil aid plans or even a clear plan for the future development of Afghan forces – is scarcely a recipe for success. The end result seems highly likely to be premature and poorly planned withdrawal, and Vietnam and Iraq scarcely set a reassuring precedent.

At the same time, the US does need to decide just how important any form of lasting strategic success in Afghanistan really is. The US does have many higher foreign and domestic priorities, and now operates in a world where Afghanistan presents only a relatively marginal threat of terrorism to the US and its ISAF allies relative to other extremist threats.

The Depth of the Security Challenge

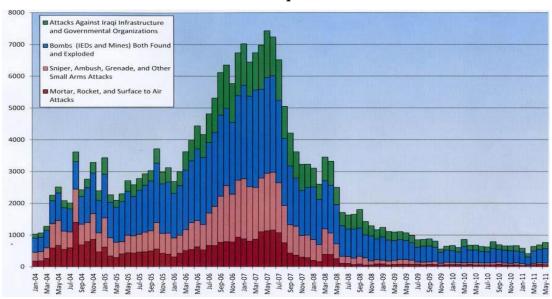
The US also faces the fact that Afghanistan has only limited capability to help itself even with outside aid. Separate CSIS studies shows that the military situation in Afghanistan continues to deteriorate and the Afghan security forces face major challenges even if the country preserves political unity. (The Security Transition in Afghanistan, http://csis.org/files/publication/140708 Security Transition Afghanistan.pdf.)

The so-called surge in Afghanistan had no meaningful impact on Afghan security, contrary to the effectiveness the Iraq surge had on security. Data from ISAF, US Department of Defense, and UN shown in this report make it clear that casualties continued to rise, and violence spread steadily more widely in Afghanistan during 2010-2014. These data are summarized in **Figure 2.**

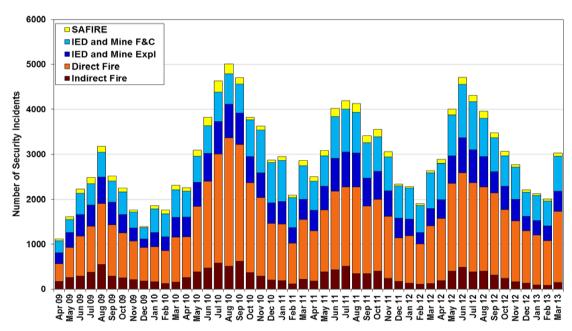
Figure 2: The Afghan Problem: A Failed Surge and Rising and Spreading Violence – Part One

The Surge in Iraq vs. the Surge in Afghanistan

Iraq



Afghanistan

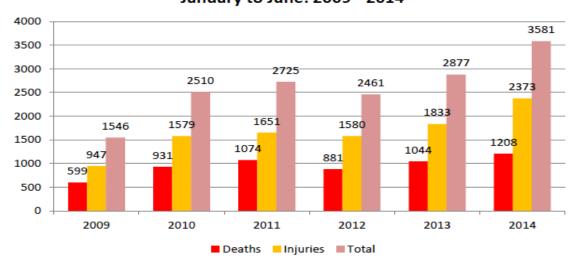


Source: MNSTC-I and Department of Defense, Report on Progress Toward Security and Stability in Afghanistan, p. A-2.

Figure 2: The Afghan Problem: A Failed Surge and Rising and Spreading Violence – Part Two

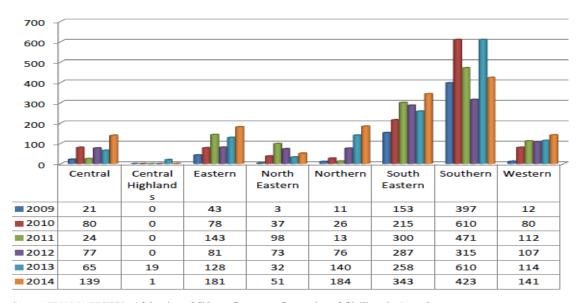
Steady Rise in UN Estimate of Civilian Casualties in Inflicted by Taliban, Haqqani Network, and Other Insurgents

Civilian Deaths and Injuries by Anti-Government Elements January to June: 2009 - 2014



Steady Expansion in UN Estimate of Key Areas of Violence

Civilian Deaths and Injuries: IEDs by region January to June 2009 - 2014

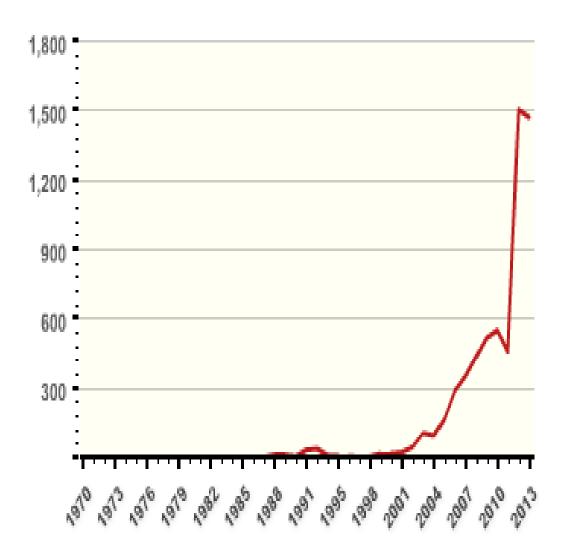


 $Source: UNAMA/UNHCR, \textbf{Afghanistan Midyear Report on Protection of Civilians in Armed} \\ \textbf{Conflict:2014} \\ \text{http://unama.unmissions.org/LinkClick.aspx?fileticket=m_XyrUQDKZg\%3d\&tabid=12254\&mid=15756\&language=en} \\ \text{, US, July 20} \\$

Figure 2: The Afghan Problem: A Failed Surge and Rising and Spreading Violence – Part Three

Rise in State Department Data Base Estimate of Total Terrorist Incidents

Global Terrorism Database: Afghanistan – Incidents Over Time, 1970 – 2013



Source: US State Department, Country Reports on Terrorism, 2013, Statistical Annex, April 2014, http://www.start.umd.edu/gtd/search/Results.aspx?search=afghanistan&sa.x=0&sa.y=0

Equally Important Governance and Economic Challenges

A separate study shows the range of governance and economic challenges. (The Civil Transition in Afghanistan, http://csis.org/files/publication/140630 Gov Econ Transition Afghanistan 0.pdf.) This study highlights the fact that economic and governance challenges are at least as serious as the military challenges. It shows a steady rise in poverty, failure to collect revenues and manage the budget, the lack of realistic goals for economic development, critical problems in governance and corruption, and supports the SIGAR and World Bank conclusion that much of the aid effort has been waste and or distorted the economy.

Transparency International ranks Afghanistan as the third most corrupt country in the world, ¹⁴ and **Figure 3** shows World Bank scale of the problems in Afghan governance. The full report on *The Civil Transition in Afghanistan* shows that World Bank, UN, and IMF estimates provide equally serious warnings about Afghan capability for economic and human development.

The Special Inspector General for Afghan Reconstruction (SIGAR) has found the overall situation in terms of aid, the Afghan budget, corruption, and narcotics to be so bad that John F. Sopko, the Special Inspector General stated in a speech on September 12, 2014 that,

To date, the United States government has provided over \$104 billion for Afghanistan reconstruction which has been intended: to build the Afghan government and its security forces, bolster Afghanistan's economy, build its infrastructure, expand its health and education sectors, and improve Afghanistan's quality of life and rule of law. ... That's an extraordinary amount of money, but in many ways it has gone unnoticed almost hidden in plain sight. When was the last time you heard mention of the massive amount of money being spent on reconstruction in Afghanistan? Or what have we gotten for the investment?

Let's put that figure in some context ...Let's just state this simple fact that's more money than we've spent on reconstruction for any one country in our nation's entire history. For those of you who are historians, at the end of this year we will have committed more funds to reconstruct Afghanistan, in inflation-adjusted terms, than the U.S. spent to rebuild Europe after World War II under the Marshall Plan... In relative terms to current foreign policy hot spots, we're spending more money just this year to rebuild Afghanistan than we will spend for the next four largest countries that receive U.S. foreign assistance, Israel, Egypt, Pakistan, and Iraq combined.

... As you well know, by December of this year, the President plans to leave just 9,800 U.S. troops in Afghanistan, and by the end of 2015 just around 5,000. As a result, many people believe America's involvement in Afghanistan will therefore end. That is wrong. Despite the drawdown, our reconstruction mission is far from over and I would say will continue at a high tempo for some years to come if we want to keep the Afghan military and government afloat and protect our reconstruction successes.

In that regard, right now there is nearly \$16 billion in the pipeline, money that Congress has appropriated, but that U.S. agencies have not yet spent...That's right \$16 billion in the bank waiting to be pushed out the door for Afghan reconstruction projects and programs. Furthermore, it is widely believed the U.S. will continue to fund reconstruction at another \$5 billion to \$8 billion annually for years to come....As an example, just last week at the NATO conference in Wales, the Coalition agreed to fund the Afghan security forces alone at the rate of \$5.1 billion a year through 2017, a \$1 billion commitment increase, with the U.S. shouldering the majority of that cost...It's a tremendous

amount of money. Ensuring it's spent correctly is not only important to American taxpayers it's critical to advancing our foreign policy goals. That is why it's essential that someone is tasked with overseeing these efforts and ensuring that money is being spent appropriately.

.... Reconstruction programs must take into account a recipient country's ability to operate and sustain the assistance provided. If they don't, we put the programs and tax dollars at risk. There's no real benefit in setting up projects or programs that the Afghans cannot or will not sustain once international forces depart and international aid declines. Unfortunately, Afghanistan is a case study in projects and programs set up without considering sustainability.

The sheer size of the U.S. government's reconstruction effort has placed both a financial and operational burden on the Afghan economy and its government that it simply cannot manage by itself. ...For example, last year the Afghan government raised about \$2 billion in revenues. Next year, it hopes to raise \$2.4 billion, although recent reports we have received put this goal in serious doubt. With stated budget needs of approximately \$7.6 billion, unfortunately the Afghan government will not be able to meet its budget without continued and significant donor assistance.

Currently, the United States and other international donors fund more than 60% of the Afghan national budget, as well as countless reconstruction programs and projects that currently operate off-budget. With the troop withdrawal, greater responsibility for those off-budget programs and projects is being given to the Afghan government.

Looking at the Afghan National Security Forces or ANSF it's clear why this problem is so immense. The latest independent assessment, by the Center for Naval Analysis, concludes that the ANSF will require a force of 373,000. This would cost roughly \$5 billion to \$6 billion per year, at a time when the Afghan government struggles to raise \$2 billion a year.

At these levels, if the Afghan government were to dedicate all of its domestic revenue toward sustaining the Afghan army and police, it still could only pay for about a third of the cost. Moreover, all other costs from paying civil servants to maintaining all roads, schools, hospitals and other non-military infrastructure would also have to come from international donors.

While paying for Afghanistan's security forces will be challenging, the cost of ongoing non-military development aid is also a major contributor to the ballooning expenses the Afghan government is responsible for. Each new development project that the U.S. and our allies funds, increases overall operation and maintenance costs that the Afghan government will ultimately be responsible for.

The bottom line: It appears we've created a government that the Afghans simply cannot afford.

Corruption is another enormous inter-agency challenge facing reconstruction in Afghanistan. The consensus among everyone I speak with is that if corruption is allowed to continue unabated it will likely jeopardize every gain we've made so far in Afghanistan....Corruption destroys the populace's confidence in their elected officials, siphons off funds that would be used to combat insurgents or build infrastructure, and ultimately leads to a government that is ineffectual and distrusted.

The threat from unabated corruption is especially exemplified right now in light of the ongoing election crisis. A crisis spawned from corruption, which many fear is putting Afghanistan's entire future in jeopardy. ...However, the problem of corruption isn't new. Experts and SIGAR have been highlighting concerns about corruption for a long time.

Top U.S. officials are very much aware of Afghan corruption. A report commissioned by General Dunford last year noted that "Corruption directly threatens the viability and legitimacy of the Afghan state." USAID's own assistant administrator for Afghanistan and Pakistan, Larry Sampler, told Congress that Afghanistan is "the most corrupt place I've ever been to." And Retired Marine Gen. John Allen identified corruption as the biggest threat to Afghanistan's future an even bigger threat than the Taliban.

The Afghans are also concerned with corruption. In June, Integrity Watch Afghanistan (an Afghan NGO) issued their latest national corruption survey. It found that corruption tied for second as the greatest challenge facing Afghanistan, after security. While 18% of respondents in the 2012 survey

said they faced corruption within the last 12 months, 21% of respondents said they faced corruption in the 2014 survey.

The survey also noted that Afghans believe corruption in most public sectors undermined their access to services. The same services the U.S. invested billions in establishing....For example, 28% of respondents believed that their households were deprived of access to electricity because of corruption and 18% said corruption blocked their access to higher education. The exact same areas where U.S. agencies commonly claim great success. In fact, the corruption percentages for electricity and education are not only up from 2012 but they are also higher than for justice by the courts and security by the police.

In June, the Carnegie Endowment for International Peace singled out Afghanistan as an example of a state where governing systems have been bent to benefit one or a very few networks. According to the report, President Karzai regularly calls his attorney general to influence cases or personally orders the release of suspects from pre-trial detention, quashing the cases against them.

This is the same Attorney General that recently threw a respected New York Times reporter out of the country because he didn't like his reporting. The DOD and the State Department have repeatedly noted that the Afghan AG has deliberately avoided prosecuting either senior officials or individuals with ties to senior officials and stymied the work of the investigatory arm of his own internal-control and monitoring unit....SIGAR has also had problems with the Attorney General. In one case, SIGAR worked to freeze and seize nearly \$70 million in funds, stolen from the U.S. government, that was sitting in Afghan banks. For months we pressed the Attorney General's Office to freeze the money and begin the legal process to seize the cash. At first, we were told the bank account was frozen and the money protected. Unfortunately, as is too often the case, we later learned that the money was mysteriously unfrozen by some powerful bureaucrat in Kabul.

SIGAR has issued a number of reports on U.S. efforts to combat corruption. These reports have continually pointed out that the United States lacks a unified anti-corruption strategy in Afghanistan. This is astonishing, given that Afghanistan is one of the most corrupt countries in the world, and a country that the United States is spending billions of dollars in....Yet there has been no progress made toward developing a unified anti-corruption strategy. In fact, things could get worse with the drawdown.

We cannot shy away from the challenge of corruption. We need a strategy, and we need to hold the Afghans feet to the fire on this issue. SIGAR will continue to point out how well or poorly not only U.S. officials but also Afghan officials perform in their promises to reduce corruption.

...Directly tied to corruption is the final inter-agency challenge I wanted to talk about today countering the growth of the drug trade. This challenge is no secret to anyone; the U.S. has already spent nearly \$7.6 billion to combat the opium industry. Yet, by every conceivable metric, we've failed...Production and cultivation are up, interdiction and eradication are down, financial support to the insurgency is up, and addiction and abuse are at unprecedented levels in Afghanistan.

During my trips to Afghanistan I've met with U.S., Afghan and international officials involved in implementing and evaluating counternarcotics programs. In the opinion of almost everyone I've met, the counternarcotics situation in Afghanistan is dire, with little prospect for improvement.

As with sustainability and corruption, the expanding cultivation and trafficking of drugs puts the entire Afghan reconstruction effort at risk. ..The narcotics trade poisons the Afghan financial sector and fuels a growing illicit economy. This, in turn, undermines the Afghan state's legitimacy by stoking corruption, nourishing criminal networks and providing significant financial support to the Taliban and other insurgent groups...There are already signs that elements within the Afghan security forces are reaching arrangements with rural communities to allow opium poppy cultivation even encouraging production to build local patronage networks and generate illicit income.

Given the importance of this problem, I was astonished to find that the counternarcotics effort isn't a top priority during this critical transition period and beyond. For example, the latest U.S. Civil-Military Strategic Framework for Afghanistan, which articulates the "vision for pursing U.S. national goals in Afghanistan," barely mentions counternarcotics. It notes that the U.S.

counternarcotics strategy for 2010 "informs" the framework, but for the first time since the U.S. government began outlining its reconstruction goals, it didn't include counternarcotics as a major focus area.

When I've met with Department of Justice, State Department and DOD officials, no one's been able to convincingly explain to me how the U.S. counternarcotics efforts are making a meaningful impact on the narcotics trade or how they'll have a significant impact after the 2014 transition. That's troubling. Without an effective counternarcotics strategy and

A failed election and unstable Afghan politics, an incompetent and corrupt Afghan government, an uncertain mix of Afghan security forces that are nearly half police and with many corrupt and incompetent elements, and an Afghan government that cannot honestly and effectively administrate aid and carry out economic reform or use aid to stabilize the economy add to both the risk and costs involved. So do Pakistan's willingness to offer the Taliban and other extremist forces de facto sanctuary in Pakistan

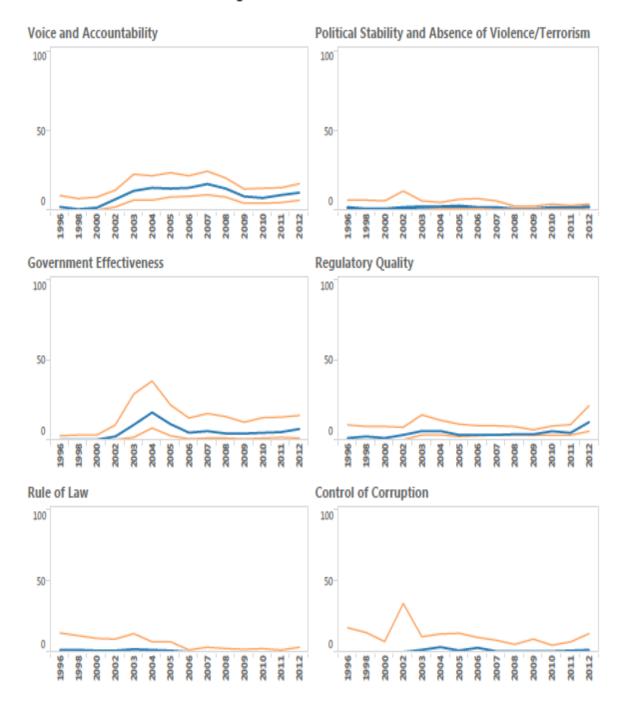
It is also unclear that there is anywhere near the level of US domestic political support necessary to sustain a serious US military and civil aid effort that might well have to last to 2018-2020 in response to the real world conditions on the ground.

President Obama also made his decision at a time when he faced opposition from many members of Congress and a steadily more negative U.S. public opinion. The Administration, the Congress, and the American people would probably like to "win" in Afghanistan in the sense some form of relatively stable Afghanistan free of Taliban and extremist control emerges after 2014. It is unlikely they are willing to spend a great deal to achieve this.

As **Figure 4** shows, US public opinion polls provide a clear warning about the limits to popular support for continued US intervention in Afghanistan – although they do not show any commensurate reduction in support for strong US military forces and American's support the President in taking a strong stand on Iran and there was no popular objection to the US building up its role in Iraq in June 2014:

Figure 3: The Afghan Problem: One of the Most Corrupt and Worst Governed Countries in the World

Income Group, Region, or Country: Afghanistan



Source: World Bank, http://data.worldbank.org/data-catalog/worldwide-governance-indicators.

Figure 4: US Public Opinion on the Afghan War

NBC News/Wall Street Journal Poll conducted by Hart Research Associates (D) and Public Opinion Strategies (R). June 11-15, 2014. N=1,000 adults nationwide. Margin of error ± 3.1.

"When it comes to Afghanistan, do you think the war was worth it or not worth it?"

		Not	Depends	
	Worth it	worth it	(vol.)	Unsure
	%	%	%	%
6/11-15/14	27	65	2	6
1/12-15/13	40	51	2	7

ABC News/Washington Post Poll. May 29-June 1, 2014. N=1,002 adults nationwide. Margin of error \pm 3.5.

"Obama has said he will reduce U.S. troop levels in Afghanistan to 9,800 by the end of this year, half of that next year and near zero by 2016. Do you support or oppose this troop-reduction plan?"

	Support	Oppose	Unsure
	%	%	%
5/29 - 6/1/14	77	19	4

CBS News Poll. March 20-23, 2014. N=1,097 adults nationwide. Margin of error ± 3.

"Most U.S. troops are expected to leave Afghanistan by the end of 2014. From what you know, how likely do you think it is that Afghanistan will be a stable country after U.S. troops leave: very likely, somewhat likely, not very likely or not at all likely?"

	Very likely	Somewhat likely	Not very likely	Not at all likely	Unsure
	%	%	%	%	%
3/20-23/14	5	24	38	30	3

Gallup Poll. Feb. 6-9, 2014. N=1,023 adults nationwide. Margin of error \pm 4.

"Looking back, do you think the United States made a mistake sending troops to fight in Afghanistan in 2001?"

	Yes	No	Unsure
	%	%	%
2/6-9/14	49	48	3
3/7-10/13	44	51	5

CNN/ORC Poll. Sept. 6-8, 2013. N=1,022 adults nationwide. Margin of error ± 3.

"In view of the developments since we first sent our troops to Afghanistan, do you think the United States made a mistake in sending troops to Afghanistan, or not?"

Yes	No	Unsure
0/_	0/_	0/-

Pew Research Center/USA Today. Jan. 15-19, 2014. N=739 adults nationwide. Margin of error \pm 4.2. 5/2/11: Co-sponsored by The Washington Post.

"Do you think the U.S. made the right decision or the wrong decision in using military force in Afghanistan?"

	Right decision	Wrong decision	Unsure
	%	%	%
1/15-19/14	51	41	8
10/30 - 11/6/13	56	37	8

CBS News Poll. March 20-23, 2014. N=1,097 adults nationwide. Margin of error ± 3.

"Most U.S. troops are expected to leave Afghanistan by the end of 2014. From what you know, how likely do you think it is that Afghanistan will be a stable country after U.S. troops leave: very likely, somewhat likely, not very likely or not at all likely?"

	Very likely	Somewhat likely	Not very likely	Not at all likely	Unsure
	%	%	%	%	%
3/20-23/14	5	24	38	30	3

CBS News Poll. March 20-23, 2014. N=1,097 adults nationwide. Margin of error ± 3.

"Most U.S. troops are expected to leave Afghanistan by the end of 2014. From what you know, how likely do you think it is that Afghanistan will be a stable country after U.S. troops leave: very likely, somewhat likely, not very likely or not at all likely?"

	Very likely	Somewhat likely	Not very likely	Not at all likely	Unsure
	%	%	%	%	%
3/20-23/14	5	24	38	30	3

"All in all, considering the costs to the United States versus the benefits to the United States, do you think the war in Afghanistan has been worth fighting, or not?"

10/09: "All in all, considering the costs to the United States versus the benefits to the United States, do you think the war in Afghanistan was / has been worth fighting, or not?" -- "was" and "has been" each asked of half the sample.

9/09 & earlier: "All in all, considering the costs to the United States versus the benefits to the United States, do you think the war in Afghanistan WAS worth fighting, or not?"

	Worth	Not worth		
	fighting	fighting	Unsure	
	%	%	%	
12/12-15/13	30	66	4	

CBS News Poll. March 20-23, 2014. N=1,097 adults nationwide. Margin of error \pm 3.

"Most U.S. troops are expected to leave Afghanistan by the end of 2014. From what you know, how likely do you think it is that Afghanistan will be a stable country after U.S. troops leave: very likely, somewhat likely, not very likely or not at all likely?"

	Very likely	Somewhat likely	Not very likely	Not at all likely	Unsure
	%	%	%	%	%
3/20-23/14	5	24	38	30	3

Gallup Poll. Feb. 6-9, 2014. N=1,023 adults nationwide. Margin of error \pm 4.

"Looking back, do you think the United States made a mistake sending troops to fight in Afghanistan in 2001?"

	Yes	No	Unsure
	%	%	%
2/6-9/14	49	48	3
3/7-10/13	44	51	5

Pew Research Center/USA Today. Jan. 15-19, 2014. N=739 adults nationwide. Margin of error \pm 4.2. 5/2/11: Co-sponsored by The Washington Post.

"Do you think the U.S. made the right decision or the wrong decision in using military force in Afghanistan?"

	Right decision	Wrong decision	Unsure		
	%	%	%		
1/15-19/14	51	41	8		
10/30 - 11/6/13	56	37	8		
6/15-19/11	57	35	8		
8/25 - 9/6/10	52	38	10		
1/7-11/09	64	25	11		
2/20-24/08	65	24	11		
12/6-10/06	61	29	10		
1/4-8/06	69	20	11		

"Overall, do you think the United States has mostly succeeded or mostly failed in achieving its goals in Afghanistan?"

	Mostly succeeded	Mostly failed	Unsure/ Refused		
	%	%	%		
1/15-19/14	38	52	10		

Source: http://www.pollingreport.com/afghan.htm

As SIGAR John Sopko pointed out in his September 2014 speech, the US has already spent an immense amount of money on trying to secure and reshape Afghanistan. The US government has never issued an official estimate of the cost of the war, but Amy Belasco of the Congressional Research Service has estimated that the U.S. spent \$557.1 billion on the Afghan War as of FY 2011. Later requests for OCO funding totaled \$254 billion between FY2012 the FY2015 budget request, for a total of \$811.1 billion. The cost in blood for *U.S. alone* at the beginning of June 2014 s 2,320 dead plus 19,784 wounded in action.

In the process, the US alone appropriated approximately \$103.2 billion in reconstruction aid through FY2014, and still budgeted \$6.5 billion in civil and military aid in FY2014. The US and its allies funded both the vast majority of Afghan reconstruction and development efforts with what the World Bank has assessed was marginal success in a country it sees as extremely corrupt, badly governed, and still largely reliant on agriculture in areas unaffected by aid and outside spending. ¹⁵

In spite of hopes for reform and improved governance, SIGAR estimates that Afghanistan's domestic revenues for the Afghan FY 1392 (December 21, 2012–December 20, 2013) missed Ministry of Finance budget targets by 11.9%. Domestic revenues paid for only 37% (\$2 billion) of Afghanistan's total budget expenditures (\$5.4 billion) in FY 1392; donor grants covered the remainder."¹⁶

The flow of recent U.S. aid through FY2014 is shown in **Figure 5** below. SIGAR reported at the end of July 2014 that US aid would drop further from a total appropriation of \$6,417 million in FY2014 to \$5,827 in FY2015. The money available to the Afghan security forces was cut from about \$5.2 billion to \$4.4 billion, although economic and governance aid rose from \$852 million to \$1.2 billion. Many other categories of aid were largely eliminated and counternarcotics funding was cut by more than 50%.¹⁷

The US, USAID, and other donors have pledged to keep up a smaller flow of military and civil aid after 2014, but there are no public plans that show the level of aid needed, how aid money would be spent and managed, what measures of effectiveness can be developed and reported, and that explore what would happen if the fighting continued to serious intensity or Afghanistan faced a truly serious economic crisis after 2014-2105, as past aid money and military spending ran out.

This is all too real a prospect. Reporting by the World Bank made this clear in April 2014:¹⁸

Economic growth slowed considerably in 2013 despite robust agricultural production as heightened uncertainty surrounding the political and security transition led to a slump in investor and consumer confidence. Agricultural output reached record levels for a second consecutive year in 2013 due to favorable weather conditions, with cereals production increasing 2.7 percent over the bumper crop of 2012. On the other hand, uncertainty surrounding the political and security transition led to a slump in investor and consumer confidence, thus resulting in a sharp slowdown in private investment and growth in the non-agricultural sectors. Economic growth in 2013 is estimated at 3.6 percent, down sharply from strong growth of 14.4 percent in 2012. Uncertainty remains over the security outlook after most international forces withdraw in 2014 and over whether a cohesive and broadly accepted government will take hold within a reasonable period of time following the April 2014 elections. Growth is projected to remain weak in 2014. A smooth political and security transition would help restore confidence in the economy and enable a pickup in growth in 2015. Revenue collection weakened in 2013, while Afghanistan's large security expenditure obligations and high aid dependence pose the risk of crowding out important civilian operating and development spending. After a decade of strong revenue growth, domestic revenues declined to 9.5 percent of GDP in 2013 from 10.3 percent in 2012 and the peak of 11.6 percent in 2011. In nominal terms,

revenues amounted to Afs 109 billion in 2013, almost level with the pro-rated figure for 2012. The decline in revenue collections is a result of the economic slowdown as well as weaknesses in enforcement in both tax and customs administration. In order to preserve fiscal sustainability, a concerted effort will be required going forward to improve revenue mobilization by strengthening tax and customs enforcement and by expediting introduction and implementation of the planned value-added tax. At the same time, given Afghanistan's extraordinary security expenditure obligations, safeguarding important civilian operating and development expenditures is a priority. As security expenditures have continued to grow, austerity measures in 2013 disproportionately affected civilian expenditures and the 2014 budget projects a considerable further increase in recurrent security expenditures.

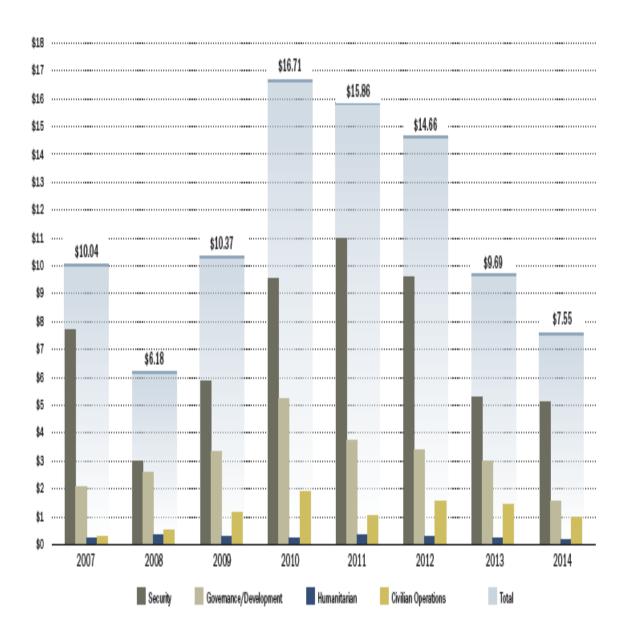
The situation was far worse in September 2014. An Afghan Finance Ministry official gave a press statement indicating that the government needed \$547 million more in aid immediately to meet its expenses. Alhaj M. Aqa, the Finance Ministry's director general of the treasury, said that while the government could cover the September payroll for more than 500,000 national and provincial employees, it lacked the funds to cover the October's payroll obligation, and cited the ongoing political crisis that had slashed foreign investment and cut expected revenues by 25%. While the budget crisis did not threaten most security spending, it did affect money to feed the forces, and came at a time when outside aid was already covering 65% of the Afghan budget. ¹⁹

It was also a time when the *New York Times* had a reporter expelled from the country in August 2014 for pointing out high level corruption, and US experts confirm that corruption by District and Provincial governors in critical Districts and Governors – coupled to poor governance – remains a major security threat.²⁰

Figure 5: US Aid to Afghanistan FY2007-FY2014

APPROPRIATIONS BY FISCAL YEAR, AMOUNT, AND CATEGORY (\$ BILLIONS)

6/26/2014; State, response to SIGAR data call, 4/15/2014, OMB, request to SIGAR data call, 7/16/2014.



Notes: Numbers have been rounded. Updated data for State and USAID Civilian Operations accounts resulted in a higher appropriation figure for FY 2014 than reported last quarter. DOD reprogrammed \$1 billion from FY 2012 ASFF. DOD reprogrammed \$1.01 billion from FY 2012 ASFF. DOD reprogrammed \$1.78 million from FY 2013 ASFF. DOD transferred \$1.01 million from FY 2011 AIF to FY 2011 ESF to fund an infrastructure project to be implemented by USAID.

Source: SIGAR, Report to Congress, July 30, 2014, p. 75.

If there is feasible policy recommendation, it is that the President Obama must act quickly to convince the American people and the Congress that the US advisory presence and US military and civil aid should be sustained at a conditions-based level well beyond 2016, and that Afghanistan has sufficient strategic value to justify this.

This would require a level of objectivity, honesty, transparency, credible planning, and risk-benefit analysis that US has failed to develop since 2001, and failed to provide in Vietnam, the Balkans, and Iraq. It would also require the President to act before the US loses so much basing capability, personnel, and access to Afghan forces and government facilities to make effective US action difficult to impossible.

It would also require a successful resolution of the paralyzing and divisive mess that has emerged out of the Afghan election, a credible degree of national unity, and Afghan leadership that is interested in meaningful leadership rather than power brokering and corruption. No case can be made for reversing current US policy without a shift in the quality of Afghan governance that now seems all too improbable.

Afghan leaders must take responsibility for both success and failure, and do so with the clear understanding that the US commitment to Afghanistan will be steadily more conditional and is of comparatively minor strategic importance to the US and the US has no plans for lasting bases or a major role in Central Asia.

Thus, much depends on the new Afghan President, the future degree of Afghan unity, how well Afghan forces do as US advisors phase down below a critical minimum in 2015, and whether Afghanistan proves able to deal with the economic impact of the coming cuts in aid and military spending. While no US political leader can openly state just how conditional US support is becoming, the risk of some form of Afghan failure is now acceptable to the US in de facto terms.

As noted earlier, Afghanistan has not shown itself to be a meaningful partner in terms of effective leadership and unity. World Bank estimates indicate that it has extremely poor governance even by the low standards of South Asia. It has no clear future force goals for its regular armed forces or police, and no real future budget that reflects the military necessities that will evolve after outside forces depart in 2014-2016, the cost of the forces it needs, and the resources it can both fund and obtain from the outside to support them.

As yet, Afghanistan has not set forth a meaningful plan for future aid needs for either maintaining economic stability or moving towards post-Transition economic stability development that it can show it can implement or fund. It has not shown it can reduce corruption to acceptable levels or provide the quality of governance needed to become the "other half" of an effective counterinsurgency effort.

The US and its allies have not presented a clearly defined, practical and fundable plan for providing the military and civil aid Afghanistan actually needs and can absorb beyond vague pledges of total aid. Worse, no functional organization yet exists for trying to shape and coordinate aid and development. NTM-A and ISAF must be replaced, and the US has chosen a level and duration of its advisory effort that is so limited that it may well be as much of a threat to success as the Taliban and Afghan military incompetence.

The near total failure of UNAMA to ever address aid planning and coordination has not led to any plan for replacement, Afghanistan has made no serious progress in the economic

and governance reforms it pledged at Tokyo in 2012, and has not addressed corruption, waste, capital flight, or the real market impact of the Afghan narco-economy.

So far, the closest thing to a real world plan for dealing with the civil elements of Transition is the World Bank report on *Islamic State of Afghanistan: Pathways to Inclusive Growth*, and this report can only have meaning if the World Bank and Afghan government can find a meaningful path to cooperate and implement it. (See http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/00045628 https://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/00045628 https://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/00045628 https://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/00045628 https://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/00045628 https://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/00045628 https://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/06/18/00045628 <a href="https://www.wds.worldbank.org/external/default/wds.worldbank.org/external/default/wds.worldbank.org/external/default/wds.worldbank.org/external/default/wds.worldbank.org/external/default/wds.worldbank.org/external/default/wds.worldbank.org/external/default/wds.worldbank.org/external/default/wds.worldbank.org/external/defaul

Yet, there are also enough positive trends in Afghan forces, governance, and economics to show that that a still limited but more realistic level of effort might produce a relatively stable Afghanistan. Accordingly, dealing with these critical issues in Transition all represent the clear real world priorities for Afghan, US, and other donor nations. The Afghan forces are making real progress, and a recent study by the World Bank has indicated that there are credible options for improving Afghan governance and stabilizing its economy.²¹

But, they also require Afghanistan to develop a more honest and effective government within the limits imposed by Afghan standards, and the US and other donors and an understanding that that such efforts need to be shaped by the realities that emerges after US and ISAF forces leave.

Dealing with the Façade of Alliance: The Bill Comes Due in US-Pakistani Relations

Ever since 2001, the US and Pakistan have been caught up in the tensions caused by the fact that they have had different objectives in Afghanistan and the region, and the real world tensions between the US and Pakistan over Pakistan's tolerance of Taliban, Haqqani, and al Qaeda sanctuaries in Pakistan. While public opinion polls show that many Pakistanis see the US as more of a threat than India, the private US official view of Pakistan is equally negative.

The US sees Pakistan as a deeply divided and unstable country whose economy and social infrastructure is drifting towards the status of a failed state, and whose military presents a constant threat of taking power. While Pakistan finally made a peaceful transition in a democratic election in May 2013, that election has led to divisive and nearly paralyzing political tensions between Prime Minister Nawaz Sharif and two opposing political leaders seeking to push him out of power -- Imran Khan and Tahir ul-Qadri.

A Rising Tide of Internal Violence

The military and Pakistan's divisive and dysfunctional politics are only part of the problem. The annual US State Department Country Reports on Terrorism issued in April 2014 reported that Pakistan was making efforts to improve its counterterrorism programs but that no progress had been made in reduced the rising level of violence in 2013.²²

In 2013, Pakistan continued to confront terrorist groups, including al-Qa'ida (AQ), Tehrik-e Taliban Pakistan (TTP), the Punjabi Taliban, and Lashkar I Jhangvi (LJ), all of whom mounted attacks against police, military and security forces, or engaged in sectarian violence and criminal activities

against all sectors of society. Pakistan did not confront Lashkare-Tayyiba, however, who continued to operate, rally, and fundraise in Pakistan with its front organizations.

...In 2013, terrorists used remote-controlled improvised explosive devices (IEDs) in bicycles, motorcycles, parked cars, rickshaws, donkey carts, and alongside roads, used vehicle-borne IEDs, suicide bombers (including females), targeted assassinations, rocket-propelled grenades, and other armed combat tactics in attacks on mosques, churches, markets, journalists, aid workers, government institutions and officials. AQ and HQN continued to plot against U.S. interests in the region, including U.S. diplomatic facilities. TTP posed a threat to both U.S. and Pakistani interests, and carried out numerous attacks against Pakistani armed forces, Pakistani civilians, and government institutions.

The May 2013 national elections brought in new civilian leadership, which was reviewing a new counterterrorism strategy at year's end. In the pre-election period, some terrorist groups forged alliances with certain political parties, including religiously-based political parties. Some violent extremists conducted election-related terrorist attacks against political parties, candidates, and government officials. Pakistan's government has pursued negotiations with TTP while also targeting the group militarily. Pakistan continued to support the Afghan peace process.

Karachi continued to suffer from political and ethnic violence inflicted by different groups, including militant organizations, fundamentalist religious groups, and the militant wings of political parties. Some militant groups worked to assert control over political parties and criminal gangs operating in the city and surrounding areas of southern Sindh. The security situation in Karachi was a priority concern for Pakistan's president, prime minister, parliament, Supreme Court, and the military and law enforcement agencies.

...During 2013, terrorist groups targeted the Pakistani government and military, engaged in sectarian violence, and perpetrated attacks against civilians. Terrorists organized armed assaults on police stations, judicial centers, border check posts, military convoys, and polio vaccination teams. Terrorists plotted against and attacked judges, prosecutors, police officers, defense lawyers, anti-TTP peace committee members, intelligence officers, and elected officials. In the months leading up to the May national elections, terrorists attacked and killed political party workers and candidates, bombed political rallies, and, after the elections, killed newly elected and appointed officials. Terrorists mounted an armed attack on a Pakistan military and Inter-Services Intelligence (ISI) office in Sukkur, and days later stormed a major prison, releasing several dozen imprisoned high-profile terrorists.

In separate incidents, terrorists assassinated a high-ranking Army general in the tribal areas, the Karachi Chief of Police, and the president's chief of security. Terrorists targeted Shia and other religious minorities in all areas of Pakistan, especially in Sindh, Khyber Pakhtunkhwa (KP), and Balochistan. Terrorists killed an international team of mountain climbers, including one U.S. citizen, on Pakistan's famed Nanga Parbat Mountain.

As of mid-December, over 1,025 civilians and more than 475 security forces personnel had been killed in terrorist-related incidents in Pakistan during the year. The presence of AQ, TTP, and other militant groups continues to pose a threat to U.S. citizens throughout Pakistan. The TTP claimed responsibility for the majority of the frequent attacks that targeted civilians and security personnel. Terrorist incidents occurred in every province.

The terrorism data base attached to the report showed a sharp rise in in the number of terrorism incidents in Pakistan from 2005 onwards and nearly vertical rise from 2010 to 2013, rising from less than 800 incidents in 2010 to nearly 2,300 in 2014.²³

Changes in the management of the data base, and reporting made it difficult to make some of the comparisons provided in the text of the previous year's report, but Figure 6 also shows that the 2012 report found Pakistan to be the most violent of the ten countries with the highest level of terrorist attacks in the world. Pakistan had 1,404 attacks in 2012, with 1,848 killed, and 3,463 wounded. Other leading countries did have more casualties, but

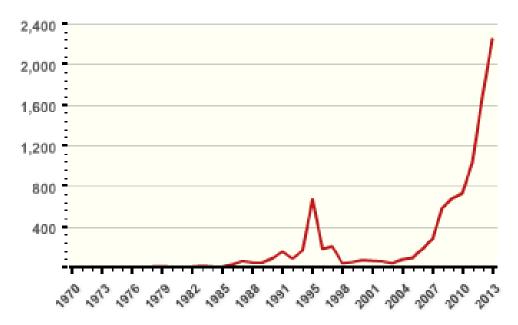
fewer attacks: Iraq had 1,271 attacks, and Afghanistan had 1,023 attacks. No other country exceed 1,000, India was the fourth ranking country and had only 557 attacks. ²⁴

Independent analysts see the same trends. A study by Saira Yamin and Salma Malik of the US Institute for Peace found the patterns of violence that are also shown in **Figure 6**, and concluded that.²⁵

- Over the past decade, Pakistan has experienced a significant rise in violence in terms of frequency, scope, and magnitude. The origins and intensity of violence vary regionally and involve both longstanding conflict actors and new groups.
- Violence is most concentrated along the Afghan border in the Federally Administered Tribal Areas (FATA) and the province of Khyber Pakhtunkhwa (KP). Other regions of Pakistan lying along the border with Afghanistan, including Balochistan and Gilgit Baltistan, have also experienced a significant escalation in violence. This escalation is in part a result of the nexus between sectarian militants and terrorist outfits.
- In Sindh, most of the violence is concentrated in Karachi, which witnessed a tenfold increase in violence between 2006 and 2013. _The security landscape there has become increasingly complex over the years with the addition of many types of actors, including sectarian militant groups, terrorist outfits, political parties, and criminal gangs.
- The scale, scope, and magnitude of violence in Balochistan, the largest province in Pakistan in terms of territory, remain unprecedented and unabated. Sectarian and terrorist activities targeting the Shia Hazara community have compounded the effects of a high intensity conflict between a secessionist insurgency and the military that has been under way in the province since 2006. Balochistan also provides safe haven to the Quetta Shura, a key Afghan Taliban group headed by Mullah Omar.
- For the past decade, Punjab has experienced the least violence of any province in Pakistan.
 However, the province is increasingly a breeding ground for terrorist and militant recruits engaged in violence in other regions.
- Given the diverse and broad spectrum of conflicts affecting Pakistan, it is important to analyze and address each conflict in its own context and plan for comprehensive states stabilization and peace building processes entailing both short and long-term measures.

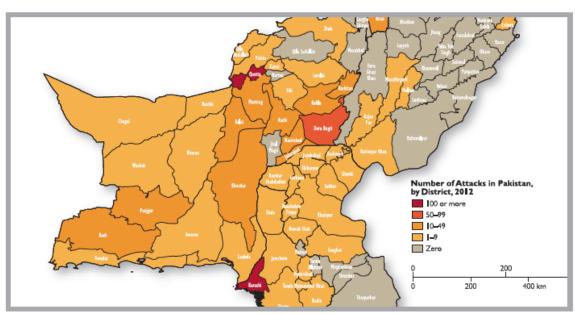
Figure 6: The Broadening Patterns of Internal Violence in Pakistan – Part One

State Department Data Annex Trend Analysis Terrorist Incidents



GTD, Global terrorism Data Base, "Pakistan," http://www.start.umd.edu/gtd/search/Results.aspx?chart=overtime&search=Pakistan.

USIP Map of Terrorist Incidents



http://www.usip.org/sites/default/files/PW93-Mapping_Conflict_Trends_in_Pakistan.pdf

Figure 6: The Broadening Patterns of Internal Violence in Pakistan – Part Two

State Department Estimate of Ten Countries with Most Terrorist Attacks: State Department Statistical Annex for 2012

Country	Total Attacks	Total Killed	Total Wounded	Average Number Killed per Attack	Average Number Wounded per Attack
Pakistan	1404	1848	3643	1.32	2.59
Iraq	1271	2436	6641	1.92	5.23
Afghanistan	1023	2632	3715	2.57	3.63
India	557	231	559	0.41	1.00
Nigeria	546	1386	1019	2.54	1.87
Thailand	222	174	897	0.78	4.04
Yemen	203	365	427	1.80	2.10
Somalia	185	323	397	1.75	2.15
Philippines	141	109	270	0.77	1.91
Syria[2]	133	657	1787	4.94	13.44

Bureau of Counterterrorism, Statistical Annex, *Country Reports on Terrorism 2012*, US State Department, April 2013, pp. 16-17. For trend graph through 2013, see

http://www.start.umd.edu/gtd/search/Results.aspx?chart=overtime&search=Pakistan.

An Ally that is Also a Threat

While US officials, officers, and experts will not say so publically, many also see Pakistan as much as an ally as they do a threat. Many US officials see Pakistan as a country whose military refused to take advantage of US efforts to help it in counterinsurgency warfare, and whose military is still committed to aiding Islamist extremist elements that threaten Afghanistan and Pakistan while increasingly fighting a domestic Islamist threat it has done much to generate. The US has seen Pakistan create a de facto sanctuary for the Taliban and Haqqani Network, somehow fail to detect Bin Laden's presence near a key military base, and be "unable" to find Omar and the headquarters of the Taliban in Quetta.

They do not believe that Pakistan made any serious effort to find Bin Laden, deal with the Al Qaeda presence on its soil, limit the flow of arms and volunteers into Afghanistan, capture or expel the Quetta Taliban, or conduct counterinsurgency campaigns that were not limited to threats against Pakistan.

They have equally little tolerance for Pakistani arguments that the US has illegally attacked targets in Pakistan territory. Nations must either secure their territory and borders or see outside states counter the enemy forces on their soil. At the same time, US officials note that Pakistan has often attacked the US for the UCAV strikes shown in **Figure 7**, even when Pakistan provided some of the targeting data, lacked the capacity to act on its own, and the strikes occurred against extremist elements threatening Afghanistan that the Pakistani government claimed it did not tolerate or support. Pakistan has not secured its borders or denied the Afghan Taliban and Haqqani Network effective sanctuaries on its territory.

Figure 7: US Air and UCAV Strikes in Pakistan, Yemen, and Somalia: 2002-9/2014

Country	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	to 9/2014
Pakistan	-	-	1	2	3	5	35	53	117	64	46	28	7
Yemen	1	-	-	-	-	-	-	2	4	10	41	26	16
Somalia		-	-	-	-	3	2	1	-	1	1	1	2

Source: *The Long War Journal* and *New York Times*, September 12, 2014, http://www.nytimes.com/2014/09/12/world/middleeast/us-pins-hope-on-syrian-rebels-with-loyalties-all-over-the-map.html?smprod=nytcore-ipad&smid=nytcore-ipad-share.

US officials and officers see Pakistan's claims to having fought Islamic extremists and insurgents as having focused almost exclusively on insurgents that threatened Pakistan, while tolerating the presence of Al Qaeda leaders like Bin Laden, and the Afghan leaders, cadres, training camps and bases of Afghan insurgents. They see the ISI as a threat and not as an ally, and still as a major political force in Pakistan. It is also interesting to note that Chinese experts now see the ISIS as a major problem in allowing the training of Islamic extremist from China to take place in Pakistan.²⁶

This helps explain why tensions between the US and Pakistan approached an open break in 2011, when Admiral Mike Mullen, then Chairman of the US Joint Chiefs, publicly described the Haqqani network as "a veritable arm" of the ISI.²⁷ No currently serving US

senior official or official has publically gone so far making such charges, or as as Carlotta Gall has in *The Wrong Enemy*, but several privately make it clear that they do not regard Pakistan as a meaningful ally and see its conduct as having sustained the threat in Afghanistan. It is also interesting to note that Chinese experts now see the ISIS as a major problem in allowing the training of Islamic extremist from China to take place in Pakistan.²⁸

It also helps explain why there is is little – if any – real world US tolerance of Pakistani arguments that the US has somehow failed to support a Pakistan making sacrifices for the US. The US sees Pakistan as serving its own interests in ways that have ended in supporting Islamic extremism and making the war in Afghanistan far worse. A CRS report issued in 2013 reflected the private views of many US officials in noting that, "Pentagon officials have for some time been frustrated by the allegedly feckless counterinsurgency efforts of the internally squabbling Islamabad government.

The election of Sharif as Prime Minister did make some improvement in US-Pakistani relations, and the new Pakistani military campaign in the FATA area in 2014 has had some US intelligence aid and support in the form of drone strikes. However, Pakistan's current campaign in the FATA area has only had a limited impact on US perceptions.

The campaign has had uncertain execution, has displaced Taliban and Haqqani elements rather than really defeated them, and has turned many civilians into IDPs. Several US experts feel the Pakistani military has been far too slow to slow to shift away from a conventional war strategy focused on India, and has focused on a rising nuclear and missile arms race at a time it badly needs United States assistance in reorienting its army for counterinsurgency efforts.²⁹

Many Afghan officials see this campaign as having pushed some insurgents back into Afghanistan, making things worse in Afghanistan's troubled east, and see Pakistan as likely to launch growing efforts to control the region once the US leaves.

The US also sees a nation where Pakistan now has growing political chaos, rising tensions with India, and has made little progress in the mix of economic and educational reforms that are critical to a stable future. As a result, tensions are still at a point the point where "strategic partnership" is still hollow rhetoric. Some US officials and officers still hope that Pakistan will turn upon the Afghan Taliban and Haqqani Network as part of its fight against its own terrorists, but others believe that Pakistan will keep up its ties to the insurgents and increasingly try to shape an Afghanistan that serves its own interests.

Bribery Rather than Alliance

US aid to Pakistan has increasingly been seen in the US as a necessary bribe to keep overflight and land transit rights – a more than \$26 billion bribe. The US also privately recognizes that far too much of this aid has actually been used to build up Pakistani conventional warfare capabilities against India at a time when the steady increase in the nuclear armed missile forces on both sides, and steady increases in the number of Pakistani tactical nuclear weapons are sharply increasing the risks and costs of any future war.

As a Congressional Research Service report notes,³⁰

The Defense Department has characterized F-16 fighters, P-3C patrol aircraft, and anti-armor missiles as having significant anti-terrorism applications. The State Department has claimed that,

since 2005, FMF funds have been "solely for counterterrorism efforts, broadly defined."54 Such claims elicit skepticism from some observers, and analysts who emphasize the importance of strengthening the U.S.-India strategic partnership have called U.S. military aid to Pakistan incompatible with U.S. strategic goals in the region.

Moreover, U.S. officials are concerned that Pakistan has altered some conventional U.S.-supplied weapons in ways that could violate the Arms Export Control Act. Such alleged modifications include expanding the capability of both Harpoon anti-ship missiles and P-3C naval aircraft for land-attack missions. The Islamabad government categorically rejects the allegations.55 Indian observers were unsurprised by the claims; New Delhi's leaders continuously complain that Pakistan diverts most forms of U.S. defense assistance toward India. Some more suspicious analysts even see purpose in such a dynamic: a U.S. wish to maintain Pakistan's viability as a regional balancer to Indian hegemony

The report also lists aid and EDA related arms transfers, plus Pakistani arms purchases, whose value in counterinsurgency and counterterrorism is questionable at best:³¹

- Eight P-3C Orion maritime patrol aircraft and their refurbishment (valued at \$474 million; four delivered, but three of these were destroyed in a 2011 Islamist militant attack on Pakistan Naval Station Mehran);
- 2,007 TOW anti-armor missiles (\$186 million);
- Six AN/TPS-77 surveillance radars (\$100 million);
- Six C-130E transport aircraft and their refurbishment (\$76 million);
- the *USS McInerney*, an ex-Perry class missile frigate (via EDA, \$65 million for refurbishment, delivered and now the *PNS Alamgir*);
- Up to 60 Mid-Life Update kits for F-16A/B combat aircraft (valued at \$891 million, with \$477 million of this in FMF; Pakistan's plans are to purchase 45 such kits, 8 have been delivered); and
- 115 M-109 self-propelled howitzers (\$87 million, with \$53 million in FMF).
- 18 new F-16C/D Block 52 combat aircraft (valued at \$1.43 billion);
- F-16 armaments including 500 AMRAAM air-to-air missiles; 1,450 2,000-pound bombs; 500 JDAM bomb tail kits for gravity bombs; and 1,600 Enhanced Paveway laser-guided bomb kits, also for gravity bombs (\$629 million);
- 100 Harpoon anti-ship missiles (\$298 million);
- 500 Sidewinder air-to-air missiles (\$95 million);
- six Phalanx Close-In Weapons System naval guns (\$80 million).
- 14 F-16A/B combat aircraft;
- 59 T-37 military trainer jets.

The US recognizes that significant portions of its aid has been wasted or effectively stolen by a government and military that rival Afghanistan in terms of corruption and a failure to meet the needs of its people. Once again, World Bank, IMF, and UN reporting raise deep concerns about the degree to which Pakistan is becoming a failed state.

The key trends and conclusions involved are summarized in a report called **Pakistan and Afghanistan:** International Indicators of Progress (http://csis.org/files/publication/140820_afghan_pakistan_indicators.pdf.).

It is important to note that Pakistan does have considerable potential. Pakistan is better off in many metrics of human development than India and Bangladesh, and far better off than

Afghanistan, but as **Figure 8** still shows, it desperately needs economic growth, jobs, and social infrastructure, rather than arms. It is all too clear that even if US military aid was focused on Pakistan's need to fight terrorism and fully secure its FATA and other troubled areas, this could not bring stability or security.

Moreover, these can only come with fundamental improvements in governance and security. Transparency International ranks Pakistan as the 127th most corrupt country in the world, and **Figure 9** shows that the World Bank ranks it only marginally higher than Afghanistan in the overall quality of governance.

To put it bluntly, US tolerance of -- and interest in -- Pakistan has become steadily more tenuous beyond the limited number of diplomats and military that actively deal with Pakistanis, and they are increasingly divided. There is little belief that Pakistan is a meaningful partner in counterterrorism, that the US can really change Pakistani behavior in Afghanistan or dealing with terrorism, that US aid will be used where Pakistan really needs it, or that Pakistan will be a meaningful strategic partner in the future. Actions like Pakistan's offensive against its own Islamist extremists are not seen as any substitute for ISI and other efforts that have been a constant source of problems since 2002.

In spite of some reporting to the contrary, there is little belief among senior US military planners that US ties to Pakistan affect the security of Pakistan's nuclear weapons, or that bases and forces in Afghanistan can play any role in the unlikely event that Islamist extremists somehow acquire control of some weapons.³² There is equally little belief that any form of US civil or military aid – or aid from any other power – will materially affect Pakistan's tensions with India, ties to China, or ongoing dance on the edge of becoming a failed state.

Figure 8: Pakistan and the Human Development Challenge – Part One

Trends in Key Elements of Pakistan' HDI: 1980-2012

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value	
1980	57.9	3.6	1.8	1,320	0.337	
1985	59.4	4.2	2.1	1,543	0.367	
1990	60.7	4.4	2.3	1,689	0.383	
1995	62	4.4	2.8	1,795	0.403	
2000	63.1	4.4	3.3	1,826	0.419	
2005	64.1	6.5	4.5	2,190	0.485	
2010	65.2	7.3	4.9	2,505	0.512	
2011	65.4	7.3	4.9	2,526	0.513	
2012	65.7	7.3	4.9	2,566	0.515	

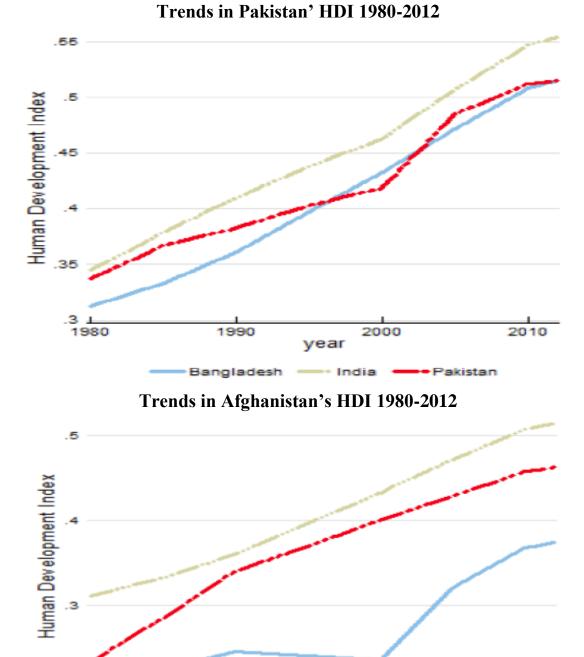
	Survey MPI	Headcou	Intensity of	Population			Contribution to overall poverty of deprivations in			
	year	value	nt (%)	deprivati on (%)	Vulnera ble to poverty (%)	in severe poverty (%)	Below income poverty line (%)	Health	Education	Living Standards
Pakistan	2006/2007	0.264	49.4	53.4	11	27.4	21	37.9	30.8	31.2
India	2005/2006	0.283	53.7	52.7	16.4	28.6	32.7	3 5.7	21.8	42.5
Bangladesh	2007	0.292	57.8	50.4	21.2	26.2	43.3	34.5	18.7	46.8

Trends in Key Elements of Afghanistan's HDI: 1980-2012

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	39.2	2.3	8.0	1,002	0.209
1985	40.8	1.7	1.2	1,271	0.225
1990	42.3	2.5	1.5	0,948	0.246
1995	43.8	2.5	1.8	0,589	0.241
2000	45.3	2.5	2.1	0,435	0.236
2005	46.6	6.6	2.5	0,750	0.322
2010	48.3	8.1	3.1	0,953	0.368
2011	48.7	8.1	3.1	0,979	0.371
2012	49.1	8.1	3.1	1,000	0.374

 $Source: UN \ Human \ Development \ Reports, \ \underline{http://hdr.undp.org/sites/default/files/Country-Profiles/PAK.pdf, \ and \ \underline{http://hdr.undp.org/sites/default/files/Country-Profiles/AFG.pdf} \ .$

Figure 8: Pakistan and the Human Development Challenge – Part Two



 $Source: UN \ Human \ Development \ Reports, \ \underline{http://hdr.undp.org/sites/default/files/Country-Profiles/PAK.pdf}, and \ \underline{http://hdr.undp.org/sites/default/files/Country-Profiles/AFG.pdf} \ .$

year

2000

Bangladesh

2010

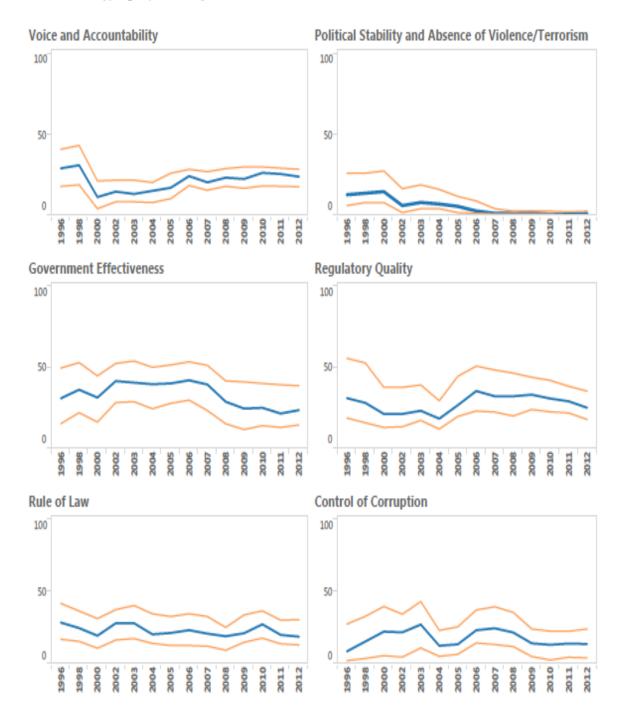
1990

Afghanistan

1980

Figure 9: The World Bank Assessment of Pakistan: One of the Most Corrupt and Worst Governed Countries in the World

Income Group, Region, or Country: Pakistan



Source: World Bank, http://data.worldbank.org/data-catalog/worldwide-governance-indicators.

Transition in Afghanistan Means Transition in Pakistan

Pakistani anger at the US is matched by more quiet US anger with Pakistan, and by a near total lack of real world tolerance for Pakistani rhetoric about its role in counterterrorism, sacrifices, and the lack of continued US support. **Figure 10** shows a sharp decline in US aid is already taking place, and seems likely that US relations with Pakistan will be reduced to little more that diplomatic norms by the end of 2016. Barring radical shifts in Pakistan's conduct, the US will not be see it as a real strategic partner, and Pakistan's failures to develop and tensions with India will be seen as unfortunate but fully acceptable risks. Put bluntly, the US is a fed up with Pakistan as Pakistan is with the US, and the US will have ceased to have major strategic interests in the country.

This does not mean the US will totally write off Pakistan, cancel all aid, give up on diplomatic efforts to bring an end to the India-Pakistan conflict, cease cooperation of some kinds in counterterrorism and military aid. Pakistan will continue to play a critical role in shaping the success of Transition in Afghanistan given the critical role that Pakistan plays as a trade route, giving the United States and NATO air-sea-land access to Pakistan, and in providing a sanctuary to the Taliban and other Afghan rebels.

It is hard to see how this situation will change once the US phases out its presence in Afghanistan unless Pakistan directly takes on the Afghan Taliban, the Haqqani Network, and the elements of Al Qaeda that still remain in Afghanistan, and establishes good relations with the new President and government of Afghanistan. Any major flow of US aid would also require Pakistan to serious deal with its overall extremist and terrorist threats, and see its government actually make good on decades of promises regarding reform. The Sharif government may make a start in such efforts, but unless it does, the US has no particular reason to help a Pakistan that will not help itself.

Figure 10: US Aid to Pakistan: FY2002 to FY2014

Direct Overt U.S. Aid and Military Reimbursements to Pakistan, FY2001-FY2012 (available funds via appropriations, with disbursements in parentheses, rounded to the nearest millions of dollars)

	FY2002								FY2002	
Program or Account	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013 (est.)	FY2013 Total	FY2014 (req.)
1206	28	14	131	139	_	•	_	n/a	312	_
CN	32 (25)	49 (37)	54 (72)	47 ^d (25)	43 (n/a)	39* (n/a)	1	n/a	265 (159)	•
FMF	971 (971)	297 (297)	298 (298)	300 (300)	294h (83)	295 (148)	296	n/a	2,751 (2,097)	300
IMET	7 (7)	2 (2)	2 (2)	2 (2)	5 (5)	4 (0.4)	5	n/a	27 (18)	5
INCLE	224 (140)	24 (10)	22 (33)	88a (35)	170h (16)	114 (29)	75	n/a	717 (263)	74
NADR	33 (28)	10 (6)	10 (1)	13¢ (5)	24 (3)	25 (14)	20	n/a	135 (57)	18
PCF/PCCF	_	_	_	400 (125)	700 (160)	800 (376)	452	n/a	2,352 (661)	0
Security Aid Total	1,295	396	517	9892	1,236	1,277	849	n/a	6,559	397
CSH/GHCS	105 (43)	22 (25)	30 (18)	34 (31)	30 (21)	28 (19)	_	n/a	249 (157)	_
DA	161 (93)	95 (29)	30 (32)	_	(45)	(19)	_	n/a	286 (218)	_
ESF	1,639c (1,419)	394d (269)	347 (86)	1,114 (209)	1,292h (672)	919 (658)	905	n/a	6,610 (3,313)	766
Food Aid	133 (133)	-	50 (50)	55 (55)	124 (124)	51 (51)	96 (96)	63 (63)	572 (572)	_
HRDF	6	11 (1)	_	_	(1)	(1)	-	n/a	17 (3)	-
IDA	70 (53)	50 (9)	50 (6)	103 (27)	232 (245)	145 (127)	54 (54)	n/a	704 (521)	_
MRA/ERMA	38 (38)	4 (4)	(10)	60 (61)	91 (49)	43 (45)			248 (219)	
Economic Aid Total	2,152	576	507	1,366	1,769	1,186	1,067	63	8,686	766
CSF4	4,947	731	1,019	685*	1,499	1,118	688	n/a	10,687	,
Grand Total	8,394	1,703	2,043	3,040ε	4,504	3,581	2,604	63	25,932	1,163

Sources: Susan B. Epstein and K. Alan Kronstadt, *Pakistan: U.S. Foreign Assistance*, CRS R41856, July 1, 2013, and U.S. Departments of State, Defense, and Agriculture; U.S. Agency for International Development

A Different US Focus on India

The US has no strategic interest in tilting towards India at the expense of Pakistan, and will not give up on diplomatic efforts to bring an end to the India-Pakistan conflict. It is important to note, however, that such efforts will only become a major US diplomatic effort if India and Pakistan reach a point of confrontation that now seems unlikely, then US has a real opportunity in which to act, and the US can do so while avoiding avoid any serious strategic risks or military involvement

The US also is unlikely to become actively involved in any continuing Indian and Pakistani struggle for influence in Afghanistan if this accelerates after 2014. The US expects Afghanistan's neighbors to take a more active role, and sometimes to compete with each other and the government in Kabul.

The US has higher priorities than India-Pakistani relations or their role in Afghanistan. It will support efforts at "regional solutions" and development in the abstract, but do little above the level of working diplomacy unless the chance of real progress is far greater than it seems today. It will be more than happy to leave "bright ideas" that do not have such support in the inbox of conference building measures and diplomatic indifference.

The fundamental difference between US interests in India and Pakistan is that India may emerge as a major counterweight to China, and will be a growing air and sea power in the Indian Ocean. It is unclear that US policymakers still hope for any close strategic relationship of this kind, but it is clear that they feel India will pursue its own strategic interests in ways the US can directly and indirectly support that will make it at least a tacit strategic partner in dealing with China.

Here, however, there is a serious debate in the US about the extent to which the US can and should try to form a direct and meaningful strategic partnership with India. A report by the US Congressional Research Service puts the issue as follows:³³

...although considerable enthusiasm for deepened security engagement is found in both capitals—and not least in the U.S. Congress—there is also a persistent sense that this aspect of the bilateral relationship lacks purpose and focus. Some observers argue that the potential of the relationship has been oversold, and that the benefits either hoped for or expected may not materialize in the near future. While Obama Administration officials variously contend that India is now or will be a net provider of security in its region, many independent analysts are skeptical that this aspiration can be realized, at least in the near-term.

Nongovernmental analyses of the course and pace of U.S.-India security relations are oftentimes incompatible or even conflicting in their assumptions and recommendations. Such incompatibility is frequently the result of the differing conclusions rooted in short-term versus long-term perspectives. The Obama Administration—along with numerous pro-India analysts in Washington—has tended to emphasize the anticipated benefits of long-term engagement as opposed to a short-term approach that seeks gains derived through more narrow transactions. This latter tack can have the effect of raising and then thwarting expectations in Washington, as was the case with the ultimate failure of U.S. defense firms to secure the multi-billion-dollar contracts to supply new combat aircraft to India. At the same time, frustrations among many in the United States have arisen from the sense that India's enthusiasm for further deepening bilateral security cooperation is limited, and that New Delhi's reciprocity has been insufficient.

Looking ahead, there is widespread concurrence among many officials and analysts that the security relationship would benefit from undergirding ambitious rhetoric with more concrete action in areas

of mutual agreement. In their view, defining which actions will provide meaningful gains, even on a modest scale, appears to be the central task facing U.S. and Indian policy makers in coming years.

At a different level, there is a case to be made for close diplomatic US relations with India, but avoiding policies that appear to try to create an alliance with India that will seek to contain China rather than simply letting India's development act as natural counterbalance to the emergence of China. The key issues are (a) whether the US can ever create a strategic partnership with India as distinguished from being one more outside power that India seeks to exploit for its own strategic interests, and (b) whether such a partnership would simply act to provide more tension between China and the US without increasing regional stability.

Much may depend, however, on how Narendra Modi and the Bharatiya Janata party approach Indian strategy in the future. The US might well respond to Indian initiatives to create a stronger strategic partnership, but now may be more content to support India without trying to implement a formal relationship on the level the US sought when President Obama came to office.

Modi made it clear it he wanted strong strategic relations during his May 2014 campaign, and for all the near silence on India in the 2014 QDR and the President's West Point speech, the US clearly sees India as a critical power in Asia and the Indian Ocean Region in ways that go far beyond its limited strategic interest in Afghanistan, Central Asia, and South Asia per se.

Strategic Minimalism in Central Asia

US forces have effectively left Central Asia, but the US has not announced any strategy to deal with Central Asia in the future and adjust to the growing tension with Russia.

As for US strategic and economic interests in Central Asia, the near vacuum in current US strategic statements seems to reflect the fact that the US increasingly sees Central Asia as of marginal interest to the US. The US will not maintain a military presence in Central Asia, and limited interest in regional trade. It has even less to gain in the real world from US investment in pipelines and mines, developing the region's natural resources, or from encouraging the now largely discredited myth of a "New Silk Road."

In practical terms, the US should see Central Asia as a region with uncertain authoritarian leaders and that is primarily of interest to China and Russia. It can virtually count on Russia and China to intervene in dealing with extremism and terrorism, to compete to some extent in terms of trade and influence, and have each state in the region try to play Russia, China, and other states off against each other in an effort to serve its own interests.

Once again, this does not mean the US should write off the region, or fail to encourage development and democracy. It does mean that Central Asia is a region where a limited US role seems suitable and where the US can best serve its interests by shifting as much of the strategic burden as possible to other states and the Shanghai Cooperation Organization.

Is the Best Strategy to Openly Limit The US Role and Level of Commitments?

The US now seems all too likely to fill the present strategic vacuum in its policies towards Afghanistan, Pakistan, and Central Asia by default. It will end most of its combat presence in the region by the end of 2014, and end virtually all of its military commitments in the region by the end of 2016. It will then focus on a set of limited strategic goals – using diplomacy and sharply cut levels of aid -- with the possible exception of encouraging India's emergence as a major regional power and counterweight to China.

Is Strategy by Default a Good Strategy?

There are reasons to limit the US role in the region. The US does needs to use its resources far more carefully, it must apply strategic triage to its military commitments, and the region seems to offer limited opportunity and limited cost-benefits. As the current US involvement in Yemen and Iraq makes all too clear, the legacy of 9/11 has shifted to other threats in other areas and countries.

The case for minimal involvement seems strongest in Central Asia. Central Asia is a marginal US strategic interest at best, and one that may well be left to the internal competition between Central Asian states as well as the competition for influence and bring some form of stability and security between Russia, China, and its other neighbors. To paraphrase the US film "Wargames," the best way for the US to win any new Great Game in Central Asia is not to play it.

Pakistan is not an ally today and is far less useful or necessary as the US withdraws from Afghanistan. It is unclear what the US has to gain from more than correct diplomatic relations until –and if – Pakistan achieves effective political stability, focuses on its rising internal violence, creates meaningful reasons to provide military and economic aid, and shows it will secure its border with Afghanistan.

The US does see India as a potential counterweight to China, but has not seen its efforts to build closer strategic relations produce major results or benefits. Accordingly, the US is focusing on "rebalancing to Asia" on Pacific states, and less on the Indian Ocean. It is unclear that the US has a role to play beyond encouraging India military and economic development and better Indian and Pakistani relations – a role that is largely diplomatic and where the US seems unlikely to have more impact than in the past. Hope lies with the choices made by regional actors, not in some dramatic US intervention

While the US does want to see peaceful and stable relations between India and Pakistan, it has little reason to maintain a major role military or aid role in the region beyond its maritime and air presence in the Indian Ocean or to make further major expenditures in aid.

These are not the choices desired by US and European area specialists. Area experts and diplomats inevitably focus on their own areas of interest. But if the US is to make different choices, they need to make a much better and more realistic case for different options. They also need to take full account of the challenges the US faces in strategic triage given Russian actions in the Ukraine, and challenges in the Middle East because of events in Iraq, Syria, Iran and other states.

The Afghan Dilemma

Afghanistan -- and the related role of the Taliban, Haqqani Network and other insurgent sanctuaries in Pakistan present more meaningful challenges, but past involvement is not a reason for future commitment. Afghanistan and Pakistan are no longer the key centers of terrorist threats to the US. The US has already said it will not maintain bases in Afghanistan, and US planners have never seriously believed that a forward US presence could somehow effectively secure Pakistani nuclear weapons against internal upheavals in Afghanistan.

At the same time, there are critical weaknesses in the US approach to Afghanistan and key uncertainties in what will actually happen in Afghanistan once US and allied combat forces are gone. While the US is formally committed to maintaining a military presence in Afghanistan through 2016 that presence is probably going to be too small and to short to help Afghanistan through Transition. The lack of clear plans to ensure the effective use of US military and civil aid present equal problems, as do the prospects for Afghan unity and ability to make the necessary reforms.

There is a need for an honest debate over the current US approach to Transition and what may be unacceptable risks. Some US policymakers argue strongly for a more serious involvement in Afghanistan. They feel the new Afghan government needs a fair chance, that far more cost-effective levels of aid would be enough, and that the US must avoid the embarrassment of being defeated in two wars. This case should not be ignored.

Events could also strengthen the case for the US to stay longer and provide more support. This would, however, requires the new Afghan government to remain unified, and be proactive in both reform and making Afghan forces effective. It would require fundamental adjustments in the Afghan economy to far lower levels of outside spending, effective governance and economic planning, and progress in reform.

It would also require the Obama Administration to be willing to make a fundamental shift in US plans and to provide adequate advisors and enablers for as long as it takes on a conditions-based timetable.

Such a shift is questionable unless the new Afghan government moves remarkably quickly to make the necessary changes. Many other US policymakers do tacitly support ending US involvement rather than oppose the President's plan to cut advisors and leave by 2016.

The American people also seem to agree. There is little US or allied public support for the war. As for the political cost of a "defeat" in Afghanistan, other voices note that the world already effectively sees the US as having lost in Afghanistan and argue that the world is far more concerned with US involved in Iraq and other regions. They argue that ending the conflict will cost the US little and will free it to better pursue its interests in other areas. Barring a major reversal in leadership from the White House, the US seems determined to ease its way out of Afghanistan by doing too little and ending even that too soon.

It is still far from clear that a more objective analysis and policy debate would be so sanguine in estimating both the cost-benefits and risks involved, but it would take major progress on the part of the Afghan government to make such a debate possible before the US has effectively reduce its presence to unworkable levels at the end of 2015.

America's European allies face the same challenges, and no one now seems to give much credence to the idea that Afghanistan is a critical test of NATO. Once NATO ministers have papered over NATO's departure with suitable rhetoric and vague promises, it is increasingly unclear that that the last NATO country will even bother to shut the door on the way out.

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