

THE DEPUTY SECRETARY OF STATE
WASHINGTON

Dear Mr. Chairman:

Thank you for the opportunity to review the Senate Foreign Relations Committee (SFRC) Majority Staff's draft "Evaluating U.S. Foreign Assistance to Afghanistan" report. We look forward to further discussion of the report's conclusions and we appreciate the report's recognition that, despite the many operational challenges that we face, we are seeing progress in achieving our civilian goals in Afghanistan. Enclosed is a letter from Dr. Rajiv Shah, which includes a comprehensive response to the assistance-related elements of the report.

As the report recognizes, while we still have work to do to overcome the operational challenges we face in Afghanistan, we have already made progress in improving our ability to safeguard U.S. government funds. For example, we have developed a Vetting Support Unit in Kabul that will be responsible for vetting all non-U.S. government contractors. This effort feeds into the broader Accountable Assistance for Afghanistan initiative, which focuses on increasing oversight and accountability through two pre-award processes and two post-award processes. We are also committed to working with the Afghan government to improve the transparency and accountability of its ministries, both at the national and sub-national levels. We are encouraged by the steps that President Karzai and his government have taken to follow through on anti-corruption commitments, but also recognize that other key steps, such as the need to pass a firm anti-corruption law to support the Major Crimes Task Force, are slow to develop.

As the report points out, sustainability is an important consideration as we begin the transition process. We are currently working with the Afghan government to streamline and enhance national-level programs, following some of the successful models mentioned in the report, such as the nation-wide Basic Package of Health Services. In cooperation with other donors, we are building Afghan institutional capacity and sustainability of our programming by

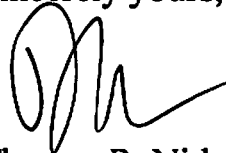
The Honorable
John F. Kerry, Chairman,
Committee on Foreign Relations,
United States Senate.

increasingly channeling our resources through on-budget Afghan government mechanisms. Such mechanisms include proven Afghan programs such as the National Solidarity Program, which is highlighted as a success in your report. To reinforce this effort and building Afghan capacity over the long-term, we also provide support to the Afghan Civil Service Commission to help professionalize the Afghan civil service and enable Afghans to assume greater responsibility for their country's economic development.

One of the recommendations in your report is to develop a multi-year civilian assistance strategy for Afghanistan that compliments the now underway security transition process. This issue is playing an important role in our Strategic Partnership Declaration negotiations with the Afghan government, which will cement our cooperation in a number of critical areas such as security, governance, and development. Parallel to this, the U.S. government is also implementing a number of initiatives to foster private sector development, which will also contribute to the sustainability of our efforts. As we move toward the 2014 transition deadline and beyond, the private sector will be increasingly important as military and international spending gradually decrease.

Please do not hesitate to contact us again if we can be of further assistance.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'Tom Nides', written in a cursive style.

Thomas R. Nides

Enclosure:

As stated.