

INTERNATIONAL SECURITY / MIDDLE EAST UPDATE
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1. [Secretary Clinton at the International Conference on Afghanistan](#) (01-28-2010)
Clinton answers questions on Afghanistan, Haiti, Iran and China

Secretary of State Hillary Rodham Clinton at the International Conference on Afghanistan
January 28, 2010, London, UK

SECRETARY CLINTON: Well, good afternoon, everyone. I think we have just wrapped up a very productive conference and we have seen the results of cooperation in the international community on a number of very important issues. I want to thank Prime Minister Brown and Foreign Secretary Miliband, the Government of Afghanistan, and the United Nations for bringing us all together and sponsoring this important meeting.

And I think that what we have seen is a global challenge that is being met with a global response. I especially thank the countries that have committed additional troops, leading with our host country, the United Kingdom, but including Italy, Germany, Romania. We also are grateful to all those who made their contributions known today. There are other countries such as Russia, Kazakhstan, Uzbekistan, who are providing air space rights and other transit assistance.

But as important as our military mission is, we know that force alone cannot achieve our goals. Last week, I released the U.S. Afghanistan and Pakistan Regional Stabilization Strategy. Its goal is to support Afghan-led efforts to transform and strengthen their own society and ensure their own

security. As we heard a lot today, starting with Prime Minister Brown and President Karzai and many others, the goal is to have an Afghan-led and Afghan-owned strategy, and we are seeing that translated into reality every day.

President Karzai laid out an ambitious agenda for reform at his inauguration last year. There have been a number of plans put forth and Afghanistan has moved forward on preparation for a conditions-based transition to take responsibility for its own security and an agenda for development and governance, which is critical to the future. Among the decisions made today was to establish a Peace and Reintegration Trust Fund to support the Government of Afghanistan's efforts to draw disaffected Taliban back into society so long as they renounce violence, renounce al-Qaida, agree to abide by the laws and constitution of Afghanistan.

Japan has shown an extraordinary commitment with its announcement of \$50 million for the fund. And in parallel, the United States military has been authorized to use substantial funds to support the effort, enabling our commanders on the ground to support Afghan Government-led initiatives to take insurgents off the battlefield.

We've agreed to support NATO's plan to work with the Afghan Government on the conditions-based, province-by-province security transition. As President Obama has made clear, our efforts will allow us to begin to transition our own troops out of Afghanistan in July of 2011. But as I said this morning and would underscore this afternoon, this is not an exit strategy. It is about assisting and partnering with the Afghans.

Now, the kinds of reforms that President Karzai and the Afghan Government have announced are important, and we're going to watch them carefully and make clear our expectations that they be fulfilled. Among them are their efforts to combat corruption, provide more public services to people, effectively manage international aid. We also had very constructive conversations last night at dinner, hosted by Secretary Miliband this morning at breakfast, hosted by Prime Minister Brown and during the conference, about how the international community can support these reforms more effectively, including significant progress toward Afghanistan's benchmarks for debt relief from the Paris Club and international financial institutions.

I also believe very strongly, as is apparent in what I say about this issue, that women have to be involved at every step of the way in this process. To that end, I unveiled our Women's Action Plan. It includes initiatives focused on women's security, women's leadership in the public and private sector; women's access to judicial institutions, education, and health services; women's ability to take advantage of economic opportunities, especially in the agricultural sector. This is a comprehensive, forward-looking agenda that stands in stark contrast to al-Qaida's recently announced agenda for Afghanistan's women, attempting to send female suicide bombers to the West.

So the agreement reached today brings us closer to the goal of a stable Afghanistan and advances our efforts to combat the violent extremists who threaten all of our citizens. In addition to this important work on Afghanistan, I had the opportunity to meet one-on-one with a number of my counterparts on the sidelines of this meeting. We discussed a wide range of common concerns, including relief efforts in Haiti. And I thank the British Government for its significant assistance support for the people of Haiti.

I also had a chance to discuss Iran's refusal to engage with the international community on its nuclear program. They continue to violate IAEA and Security Council requirements. We were disappointed by the Iranian Government's rejection of an offer that would have built confidence by

trading some of Iran's stockpile of low-enriched uranium for reactor fuel to meet the legitimate medical needs of the Iranian people.

The revelation of Iran's secret nuclear facility at Qom has raised further questions about Iran's intentions. And in response to these questions, the Iranian Government has provided a continuous stream of threats to intensify its violation of international nuclear norms. Iran's approach leaves us with little choice but to work with our partners to apply greater pressure in the hopes that it will cause Iran to reconsider its rejection of diplomatic efforts with respect to its nuclear ambitions.

Tomorrow, I will travel on to Paris where I will continue many of these discussions with President Sarkozy and Foreign Minister Kouchner. I look forward to our close consultations with respect to the challenges facing us. And I'm delighted that we had an opportunity to get a lot of work done on many matters in one place, a particularly favorite place of mine. So again, I thank the British Government for their partnership and hospitality, and I'd be glad to take your questions.

MODERATOR: This question is from Duncan Gardham of the Daily Telegraph.

QUESTION: Hi.

SECRETARY CLINTON: Hi.

QUESTION: I'd like to ask about the general tenor of the conference seems to be changing the pace of what's been going on in Afghanistan, and to some extent, looking towards the time when troops can leave. A time scale has been mentioned this morning by President Karzai of around 15 years. And I wondered whether you thought that was a practical time limit to start pulling troops out, and also to have the Taliban lay down their arms in that – within that sort of time period?

SECRETARY CLINTON: No, and I don't think that's what President Karzai meant. First of all, we have increased the numbers of our military forces. There will be more to come. As you know, the United States has added 30,000. Other international partners have added 9,000. We have upped the tempo of our military engagement and we're beginning to see some evidence of reversing the momentum of the Taliban. That is all to the good.

It is absolutely necessary in order to provide the conditions for stability and security, but it is not sufficient to provide the political environment in which a lasting peace could be negotiated. So therefore, as you heard today, we will be pursuing the military action, going very aggressively against the Taliban, those who are trying to kill our soldiers and civilians and wreak havoc in Afghanistan, and at the same time, creating an opportunity for Taliban who choose to leave the battlefield, renounce violence, renounce al-Qaida, agree to abide by the laws and constitution of Afghanistan to reenter society.

It is our working assumption that we can make gains on both of these tracks over the next few years and that we can begin to transition security to the Afghan security forces on a timetable that is conditions-based, but which begins to have the Afghan security forces assume greater and greater responsibility, province by province, beginning this year. July of 2011 will mark a point of transition for American troops as we take stock of where we have come with our security efforts. And we expect that there will be a portion of the country that will be under Afghan control, and we will move forward to transition out our forces as they are replaced by trained and qualified Afghan forces.

I think what President Karzai was referring to, and I've spoken to him about this personally on several occasions, is that our military presence may continue as it does in many countries, providing training, logistics, intelligence. But our combat role will diminish and transition out. That's as it should be. There was a very significant event a few weeks ago with the multiply timed suicide attacks in Kabul. That was handled well by the Afghans themselves. There were no international troops involved. And the assessment by our commanders – American and NATO ISAF commanders – is that the Afghan forces performed commendably.

We have seen an increase in the recruitment of the young men joining the Afghan security forces in the last two months. We've seen an improvement in retention. We've increased the pay, something that was quite noticeably lacking since the Taliban paid more than the Afghan security forces or police paid.

So I mention all of that to create the context that we see this as an evolving process where we are creating the conditions for Afghanistan to assume responsibility for its own security, which will then permit the transfer out of international combat forces. Having said that, there will likely be continuing military aid, assistance, and advice from international partners beyond the combat mission.

MODERATOR: The next question's from Andy Quinn of Reuters.

QUESTION: Madam Secretary, I'd like to ask a little bit about this reintegration and reconciliation process. As you doubtless know, the Afghan Government has invited the Taliban to take part in the loya jirga that they're planning to have this year. I'd like to ask, does the U.S. specifically support this invitation? And do you think that the invitation could or should include top Taliban leadership such as Mullah Omar as long as they, or if they, renounce ties to al-Qaida? Does the U.S. have any plans to contribute funds, beyond the military funds that you've mentioned, to the reintegration fund that the Japanese are helping to establish? And more broadly, do you feel that this reconciliation process that we're talking about today represents the first point in a real roadmap toward ending the conflict in Afghanistan? Thank you.

SECRETARY CLINTON: Well, Andy, I think that the starting premise is you don't make peace with your friends. You have to be willing to engage with your enemies if you expect to create a situation that ends an insurgency or so marginalizes the remaining insurgents that it doesn't pose a threat to the stability and security of the people.

When President Karzai announced that he would be holding a jirga, which is a traditional Afghan mechanism for trying to reconcile competing views and reach decisions to take, it was natural for him to say that if we're going to have a peace jirga, people who are not already in agreement with you might actually come.

Now, we have a very clear understanding of what we expect from this process. We expect that a lot of the foot soldiers on the battlefield will be leaving the Taliban because many of them have wanted to leave, many of them are tired of fighting. We believe the tide is beginning to turn against them, and we need incentives in order to both protect them and provide alternatives to them to replace the payment they received as Taliban fighters. This is similar to what the American military did in Iraq. As it became clear that a number of Iraqis were tired of the brutality and barbarism of al-Qaida, as they began to see the potential alternatives available to them in the political system, they began to talk with our military personnel about changing allegiance and becoming part of the forces fighting against the terrorists.

So we have some experience in this now of recent vintage. Some of the same people, including a British general who is active in this area in Iraq, are advising General McChrystal. We've already seen some examples. In fact, we saw – there's an article in one of the American papers today talking about a whole tribe, a whole tribe of Pashtuns, about 400,000 members, who want to fight the Taliban. But you've got to realize the circumstances. There was a tribe in a village in Pakistan who decided to fight the Taliban and they were targeted with these brutal suicide bombings, killing more than a hundred people at a volleyball match.

So in order to make good on the offer of an alternative that can create the conditions for peace, you have to be prepared to help fund it and provide protection for people. And that's part of the planning.

We do not have any plans to add money to the reintegration fund because, as I said, we have a significant amount of money that's being used for the same purposes coming through our American military. And this is an international effort, and a number of international partners have signed up and made commitments to the reintegration fund. But they will be working in the same arena with the same purpose.

MODERATOR: And our last question is Indira Lakshmanan from Bloomberg News.

QUESTION: Thank you. Madam Secretary, what did you hear from Chinese Foreign Minister Yang today that assures you China is ready to support a new UN Security Council sanction, or resolution on Iran? And what was Yang's response to your call for an investigation of Chinese hacking against Google and other U.S. companies and your concerns about internet censorship in China? And lastly, what would you say to prominent American business leaders like Bill Gates, who this week said that China's internet censorship is actually – quote – very limited?

SECRETARY CLINTON: On Iran, we had a very productive conversation with Foreign Minister Yang. They are part of the P-5+1 process, as you know. That process has been unified and we hope it continues to move forward on that same track to work together to change the strategic calculus of the Iranian leadership with respect to its nuclear program.

We shared some of our thoughts with our Chinese counterparts. We also set up some additional opportunities for expert consultations. We made it clear to everyone with whom I spoke today and yesterday that our efforts to apply pressure on Iran are not meant to punish the Iranian people, they are meant to change the approach that the Iranian Government has taken toward its nuclear program. And we made that clear when the P-5+1 agreed on a common plan to offer Iran the opportunity to ship out its LEU and have it reprocessed for their research reactor in Tehran, which they have thus far refused to accept.

So China is very much engaged, a very active member of the P-5+1, and we're continuing to work together. I'm not going to preview what our plans are, but I think we had a very constructive conversation.

I raised the issue, as you would have expected I did, on the Google and internet freedom front. China has its approach. Obviously, they feel strongly that they are much more open than perhaps they're getting credit for. We expressed – I expressed my concerns that we don't want to create a series of actions that in any way impinges on the freedom and utility of the internet. But it was a very open, candid conversation. We agreed we will continue to discuss this matter in the context of our ongoing dialogue.

And as you can tell from the quote you referred to by Bill Gates, different people have different responses or different impressions. The overall issue is one that I think everyone should be concerned about, and that is making sure that no one uses the internet for purposes of censorship or repression. But we had a very positive exchange on this issue with the Chinese today.

Let me end, because you've been very patient – I know other people are probably waiting to come in and talk to you. Let me end by just asking these four women from Afghanistan to stand up. Would you all stand up? They are among the women who have been working in Afghanistan for the last years on behalf of expanding opportunities for women and protecting human rights and women's rights. I've had a chance to work with some of the Afghan women who were here for the conference today in the past, and they are very much committed to their country's future, but they're also very committed to making sure that women in Afghanistan play their rightful role in that country's future. And I just wanted to thank them for being here and for speaking out.

Thank you all very much. (Applause.)

2. Treasury Official on Terrorist Finance in Afghanistan, Pakistan (01-28-2010) **Explains how United States attacks finances of terrorist groups**

U.S. Department of the Treasury, Assistant Secretary for Terrorist Financing David S. Cohen
Remarks on Terrorist Financing before the Council on Foreign Relations, January 28, 2010

Good morning ladies and gentleman. It is a great privilege to speak before the Council on Foreign Relations. This organization has long been at the forefront of serious and informed discussion of our nation's most significant foreign policy and national security challenges. And so let me begin by thanking you for the invitation to speak today.

A little over one week ago in Kabul, the Taliban, reportedly working with al Qaeda, staged one of the most brazen attacks in recent memory. At about 9:30 in the morning, a suicide bomber attempted to break through the gates of a key ministry building. Security guards shot the attacker, who then detonated his suicide belt on the street, steps from the President's palace and the Ministry of Justice. A six-hour gun battle ensued. In the end, at least seven Taliban militants were killed, along with three members of the Afghan security force and two civilians.

You may assume the target that day was the President's palace or the Ministry of Justice. It wasn't. The target was the Afghan Central Bank -- the country's key financial regulator.

Why would the Taliban and al Qaeda target the Central Bank? What about a financial regulator so threatens them that they would dispatch a suicide squad to attack it?

My belief is that the Taliban and al Qaeda understand the critical role that a strong, sound and transparent financial system plays in safeguarding a nation's security. A strong Afghan Central Bank promotes economic growth and enables the Afghan government, rather than the Taliban, to provide services to the Afghan people. Crucially, it also promotes the financial transparency and regulatory structure necessary to prevent illicit finance -- the very kind of financial activity the Taliban relies upon to support its violent and destabilizing campaign in Afghanistan.

We deplore this cowardly attack on a civilian target, and extend our condolences to the Afghan police officers and innocent civilians who were killed. Nonetheless, I think we can see in the attack

on the Central Bank some evidence of success in our efforts, and the Afghan government's efforts, to tackle terrorist financing in Afghanistan.

What I would like to do this morning is to, first, take a step back and provide a brief overview of the Treasury Department's Office of Terrorism and Financial Intelligence -- how we are organized and what we do to advance national security by combating financial support networks for violent extremist groups. Next, I will describe some of what we are doing to attack the finances of the Taliban, al Qaeda and other terrorist groups operating in Afghanistan and Pakistan. And finally, I will touch on some of the counter-threat finance challenges and priorities in that region in the months and years ahead.

First, a little background: For many years, The Treasury Department had an Office of Enforcement, headed by an Under Secretary and Assistant Secretary for Enforcement. Its principal mission was to oversee the law enforcement agencies that were part of the Treasury Department.

When the Department of Homeland Security (DHS) was created in 2002, most of Treasury's law enforcement agencies were redistributed to DHS and the Justice Department. What was left behind was a much smaller Office of Enforcement.

At the same time, there was a growing recognition that the Treasury Department could leverage its position as gatekeeper to the world's most important financial sector, its responsibility to help safeguard the worldwide financial system, and its unique legal authorities to advance our nation's most critical national security objectives.

Against this backdrop, the Department of the Treasury's Office of Terrorism and Financial Intelligence (TFI) was created in 2004. TFI is headed by an Under Secretary, and supported by two Assistant Secretaries. One Assistant Secretary, the Assistant Secretary for Terrorist Financing, is responsible for developing anti-money laundering and counter-terrorist financing policy. That is my job. The other Assistant Secretary, the Assistant Secretary for Intelligence and Analysis, oversees the production and analysis of financial intelligence for use by policymakers in combating illicit financial activities.

TFI's Under Secretary also oversees the efforts of the Office of Foreign Assets Control (OFAC), which administers our sanctions programs, and the Financial Crimes Enforcement Network (FinCEN), which administers the Bank Secrecy Act and serves as the financial intelligence unit for the United States Government.

It is now well-understood that many of our most persistent and pernicious national security threats - including terrorists who threaten to strike our country and insurgents fighting our friends and allies -- rely heavily on financial support networks. Money is an essential ingredient in their operations, every bit as important as fighters, weaponry and extremist ideology.

The financial support these groups require goes far beyond the sums spent on a specific attack. These groups need sustained and substantial funding to pay operatives, support their families, indoctrinate and recruit new members, train, travel, and bribe officials.

The key idea underlying TFI's work is this: If we can deter those who would donate money to violent extremist groups, disrupt the means and mechanisms through which they transmit money, and degrade their financial support networks, we can make an extraordinarily valuable contribution to our national security.

TFI employs a variety of tools to do this work.

The foundation, of course, is solid financial intelligence -- so we know where the money comes from, how it moves and where it winds up. Treasury's Office of Intelligence and Analysis, which is the only dedicated intelligence office in any finance ministry, works with its sister agencies in the U.S. intelligence community to map out terrorists' financial networks. FinCEN, which receives and analyzes financial reports from a wide variety of domestic financial institutions, also contributes to our understanding of terrorists' financial networks.

With this financial intelligence in hand, we can take a variety of actions to combat the financing of terrorist activity.

We can use Executive Order 13224 to block the assets of terrorists and their supporters, and forbid Americans --including U.S. financial institutions operating here and through branches abroad -- from engaging in transactions with a designated person. We can also seek complementary action by the United Nations under UN Security Council Resolution 1267, by the European Union under its Common Positions and Community Regulations addressing terrorist financing, and by individual nations exercising autonomous authorities. Domestically, we can issue rules under Section 311 of the USA PATRIOT Act, as well as other provisions of the Bank Secrecy Act, to protect our domestic financial institutions from illicit transactions tied to the financing of terrorism.

We have several non-prescriptive tools to combat terrorist financing as well. We issue FinCEN advisories about foreign financial institutions, or methods of moving money, that we believe may be facilitating the transmission of funds for illicit purposes. We pass downgraded intelligence and other information to foreign governments' finance ministries, central banks and interior ministries, urging them to take action against those in their jurisdictions involved in terrorist financing. And we share information with both domestic and foreign financial institutions to alert them to specific risks they may be incurring.

Whichever tools we deploy, we know that our actions, and those of our international partners, are much more effective when there are strong systemic safeguards built into the international financial system. This means having in place laws and policies to foster financial transparency and to enable swift and sure action against terrorist financing.

We promote this goal by working closely with the Financial Action Task Force (FATF), an inter-governmental body that articulates standards to combat both money laundering and terrorist financing. In part through the dogged efforts of the Treasury Department, these standards have been recognized by more than 175 jurisdictions around the world, as well as by key international institutions such as the United Nations, the World Bank and the IMF.

In response to public assessments against the FATF's standards, many nations have summoned the political will to enhance their systemic safeguards against money laundering and terrorist financing. And because the implementation of strong safeguards is often hampered by a lack of capacity, we also work closely with Treasury's Office of Technical Assistance to provide support to foreign governments interested in developing robust counter-illicit finance capabilities.

Today, Treasury's multi-pronged and innovative approach to counter-terrorist financing is perhaps most clearly evident in our work in Afghanistan and Pakistan. Let me give you some specifics on the tools we are using.

As is the case elsewhere, targeted financial measures are the foundation of our efforts to disrupt and dismantle our enemies' financial networks in Afghanistan. To combat illicit financial activity in Afghanistan and Pakistan, we actively use both E.O. 13224, which allows us to designate terrorists, and the Foreign Narcotics Kingpin Designation Act, which allows us to designate narcotics traffickers.

For example, on July 1, 2009, Treasury designated Mohammed Yahya Mujahid and Nasir Javaid, members of Lashkar e-Tayyiba (LT), the Pakistan-based group behind the December 2008 terrorist attack in Mumbai, India. We also designated Arif Qasmani, an LT facilitator. On the narcotics front, we have recently taken action against two of the world's most notorious drug kingpins, the Haji Juma Khan Organization in Afghanistan and Imam Bheel in Pakistan.

These actions freeze the assets of those designated and cut them off from the US financial system. They also often result in the voluntary severing of financial ties with designees by much of the world's formal financial system. Moreover, the public nature of these designations serves as a strong deterrent to would-be funders, facilitators and enablers of extremist groups.

We have also been hard at work sharing financial intelligence with our partners in the Gulf, a major source of support to terrorist organizations in Afghanistan and Pakistan. Doing so has helped some Gulf countries build cases and take action to prosecute financial facilitators operating within their borders. This public manifestation of political will and, importantly, official condemnation of terror financing, also acts as a powerful deterrent.

Within Afghanistan, Treasury helped establish the Afghan Threat Finance Cell (ATFC) in 2009, a fusion center headed by the DEA, with the Treasury and Defense Departments as the co-deputies. Building on a similar, highly successful, effort in Iraq, and working in close coordination with Afghan counterparts, the ATFC uses the full spectrum of U.S. tools and authorities -- including diplomacy, law enforcement actions, military operations and targeted financial measures -- to go after threat finance in Afghanistan.

Over the past two years, we also have worked to enhance our engagement on illicit finance with the Afghan and Pakistani governments and private sector. At the working level we have bolstered our presence in the region and established Treasury attaché offices in both Kabul and Islamabad. Our Treasury attachés help facilitate the adoption and implementation of sound financial oversight and regulatory laws and practices, and build strong technical relationships with key in-country interlocutors.

We have also enhanced interaction between more senior Treasury officials and the Afghan and Pakistani governments. I, along with Deputy Secretary Neal Wolin, will travel in the near future to Afghanistan and Pakistan, meeting with senior officials and leaders of private financial institutions to discuss, among other things, strategies to combat illicit finance and increase financial transparency.

Treasury is also actively engaged in helping to build Afghan and Pakistani capacity to combat illicit finance. The Department has a resident advisor in the Afghan Central Bank's financial intelligence unit, FinTRACA, who helps them develop the systems and expertise to receive, analyze and disseminate reports of suspicious financial activity. This advisor has also assisted with the Central Bank's initiative to license hawalas, the informal financial networks that are prevalent throughout Afghanistan. Next week, an additional advisor will deploy to help the Central Bank improve its ability to regulate the Afghan financial sector.

In addition, we have plans to deploy advisors to Pakistan to help build the capacity of the State Bank of Pakistan's financial intelligence unit and to help improve Pakistani law enforcement's ability to conduct financial investigations.

And we are working closely with FATF, the World Bank and the IMF to encourage Afghanistan and Pakistan to implement the appropriate legal framework to prevent terrorist financing and money laundering. Staff from my office participated in a recent mutual evaluation of Pakistan's AML/CFT regime, and will soon participate in a mutual evaluation of Afghanistan's. We are committed to working with these countries to help them bring their systems up to the FATF's standards. To take one example, we have been directly engaged with the highest levels of Pakistan's government to encourage the passage by the Pakistan National Assembly of a new anti-money laundering law to replace, and improve upon, an interim ordinance that is currently in place.

Back here in Washington, Treasury is leading a whole-of-government process to develop new initiatives aimed at disrupting the financing for violent extremist groups operating in Afghanistan and Pakistan.

At the request of Ambassador Richard Holbrooke, the Special Representative for Afghanistan and Pakistan, last summer I established the Illicit Finance Task Force (IFTF). The IFTF pulls together expertise from civilian and law enforcement agencies, the intelligence community and the military, to devise more effective ways to disrupt extremist financial networks and support the development of well-regulated and transparent financial sectors in Afghanistan and Pakistan. Some IFTF working groups are focused on spurring the growth of banking services in rural areas of Afghanistan and Pakistan; a joint US-Russia initiative to target narcotics-related financial networks in Afghanistan; and customs and border oversight in South Asia and the Gulf. Others are sharpening our targeting tools, including through expanded law enforcement collaboration with our foreign partners, and enhancing our diplomatic engagement with our allies in the region.

And through the IFTF, Treasury and USAID are working with regulatory authorities, banks and mobile communications service providers in Afghanistan and Pakistan to bring mobile banking and payment card services to the Afghan and Pakistani people. Expanding the reach of the formal financial sector in this way has significant development benefits. It can facilitate the distribution of micro-finance loans in the Afghan agricultural sector, a top development focus of the U.S. government. At the same time it can help displace cash transactions, a move that will make Afghanistan less hospitable to illicit finance.

Let me now turn to the way forward and how I see Treasury's national security role evolving in the future, especially in Afghanistan and Pakistan.

In his December 1, 2009, speech at West Point, President Obama reiterated that:

“Our overarching goal remains...to disrupt, dismantle and defeat al Qaeda in Afghanistan and Pakistan, and to prevent its capacity to threaten America and our allies in the future. To meet that goal...we must deny al Qaeda a safe haven. We must reverse the Taliban's momentum and deny it the ability to overthrow the government.”

For the Treasury Department the message is clear: We need to redouble our efforts to combat the financial support networks of al Qaeda and the Taliban. A financially weakened al Qaeda is less capable of sending fighters into Afghanistan, training operatives to strike American and allied interests overseas, and organizing to attack us here at home. Likewise, a financially weakened

Taliban will be a less capable fighting force, more vulnerable to ISAF military maneuvers, and less able to threaten the stability of the Afghan government.

The challenge, of course, is to continue to tighten our grip on the Taliban's and al Qaeda's financial networks. To some extent, this means sticking to our knitting--mapping the networks, particularly Gulf-based donors and facilitators; sharing information about risk; taking targeted action singly or in concert with others; sharing intelligence so others can take action through their legal systems; and building partner will and capacity.

And as their financial networks react and adapt to the actions we have taken, it means focusing even more intensively on interdicting cash smuggled out of the Gulf into Pakistan and Afghanistan. It also means more actively combating the use of hawalas for illicit purposes. Neither of these are new challenges; we have been focused on bulk cash smuggling and informal financial networks for years. But as we have become more successful in preventing the abuse of the formal financial system, illicit finance has increasingly migrated to these other transmission techniques.

We are also focused on the significant problem of official corruption in Afghanistan. Pervasive corruption in Afghanistan -- in 2009 Transparency International rated Afghanistan the second most corrupt nation -- hinders the development of legitimate government at all levels, and directly threatens our goal of ensuring that Afghanistan never again provides safe haven for al Qaeda. The Treasury Department is currently examining ways that we can apply our authorities to combat corruption.

Going forward, we will be increasingly focused on helping to build Afghan regulatory and law enforcement capacity. This will aid in the fight against illicit finance. But equally important, by helping to build capable and responsive governmental institutions, we will assist the Afghan government in countering extremist ideology. A well-functioning government that supervises a transparent, well-regulated financial sector, delivers justice and security, and meets the needs of its citizens can more effectively compete with the extremists' "shadow" government.

Before I conclude, I'd like to emphasize one final point: Our efforts to tackle terrorist financing are designed to stop every last penny from going to those who mean to do us harm. But we have no illusions that we can entirely prevent the flow of funds to terrorist groups. Some funds will find a way to flow.

But that does not mean the effort is futile -- far from it. What we have learned is that by deterring would-be funders and disrupting the financial facilitation networks, we significantly impede terrorists' ability to operate. We may not be able to bankrupt al Qaeda, the Taliban, or even some of the lesser-known groups operating in the border region between Afghanistan and Pakistan. But through the coordinated, creative and relentless effort to attack their financial networks, we appreciably enhance our national security.

I want to close with a final note about your role, as thought leaders, in the effort to combat illicit financing. When intellectuals, academics and journalists focused on national security have the chance to explore our strategies in detail, and have the chance to discuss these strategies with Treasury officials -- such as in this forum today -- the community of people who understand how we use financial authorities to combat illicit finance expands. And this expansion generates greater effectiveness, for several reasons. Most directly, greater understanding of our authorities facilitates better compliance with laws and guidelines by U.S. persons. It also leads to the adoption of laws by foreign governments, and best practices by foreign financial institutions, which learn how to protect themselves from the risk of doing business with illicit actors. And it sparks innovative thinking in

the policy community about how to use all tools of national power -- not merely the traditional diplomatic and military tools -- to address national security concerns.

So having the opportunity to speak with you, as individuals actively involved in the conversation about national security, is tremendously important as we hone our thinking about how to combat some of the most insidious and persistent threats we face. Thank you for being here....

3. America Must Lead Through Engagement, Obama Says (01-27-2010)

By Stephen Kaufman
Staff Writer

Washington — There must be continued American leadership to halt the spread of nuclear weapons, develop clean energy and advance human dignity throughout the world, President Obama says, restating his commitment to global engagement.

Speaking January 27 in his first State of the Union address, Obama told U.S. lawmakers, Cabinet members, Supreme Court justices, U.S. military officers and the American people that the United States is leading through engagement to advance “the common security and prosperity of all people.”

U.S. engagement includes taking a leadership role in fighting climate change; working to sustain a lasting global economic recovery; establishing partnerships around the world in science, education and innovation; and providing humanitarian food and medical assistance, including in the fight against HIV/AIDS, he said.

“America takes these actions because our destiny is connected to those beyond our shores. But we also do it because it is right,” Obama said.

In defense of human dignity around the world, “we stand with the girl who yearns to go to school in Afghanistan; ... we support the human rights of the women marching through the streets of Iran; and we advocate for the young man denied a job by corruption in Guinea,” he said.

The president said the threat of nuclear weapons constitutes “perhaps the greatest danger to the American people,” and his administration is pursuing a strategy to reverse their spread and to ultimately seek “a world without them.”

The United States and Russia are expected to resume negotiations on the Strategic Arms Reduction Treaty (START) in Geneva February 1. The president described the proposed pact as “the farthest-reaching arms control treaty in nearly two decades.”

The agreement is scheduled to be signed ahead of the [Nuclear Security Summit](#) that the president will host in April. Representatives of 44 countries will gather in Washington with the goal of securing “all vulnerable nuclear materials around the world in four years, so that they never fall into the hands of terrorists,” he said.

Nations such as North Korea and Iran that are pursuing nuclear weapons, in turn, are facing stronger economic sanctions and increasing international unity against their efforts, the president said.

The president reiterated that American combat brigades will leave Iraq by the end of August, but the United States will continue to work in partnership and support with the Iraqi government and its people. In Afghanistan, he said, stepped up pressure against the Taliban and increased training of Afghan security forces will allow those forces to take the lead for their country's security beginning in July 2011 and for American troops to begin returning home.

THE ECONOMY

Most of the president's remarks focused on the American economy. Obama said that although the worst of the 2008 recession now has passed, the U.S. unemployment rate is at 10 percent, businesses have shut down and American home values have declined.

For many, "change has not come fast enough," he said, and job creation will continue to be the top domestic focus in 2010.

One key sector for economic development is clean energy, and the president said that development of that sector, along with reducing pollution and mitigating climate change, will provide new jobs and spur economic growth.

This is "the right thing to do for our future," Obama said. "The nation that leads the clean energy economy will be the nation that leads the global economy. And America must be that nation."

In addition, the United States needs to increase its exports and aggressively seek new markets.

"If America sits on the sidelines while other nations sign trade deals, we will lose the chance to create jobs on our shores," he said.

The president said his administration will be working in 2010 to shape the Doha round of World Trade Organization talks in order to increase trade through open markets, and "we will strengthen our trade relations in Asia and with key partners like South Korea, and Panama, and Colombia."

Along with creating jobs and increasing trade, the president called for measures to reduce the U.S. national debt, such as freezing government spending and reforming health insurance.

Obama said his proposed three-year freeze in government spending would save about \$20 billion in 2011, but would not affect spending in certain areas, including national security, which includes most foreign assistance.

Passage of health insurance reform legislation not only would save lives and improve the security of many Americans, but also would "bring down the deficit by as much as \$1 trillion over the next two decades," he said.

"Don't walk away from reform. Not now. Not when we are so close. Let us find a way to come together and finish the job for the American people," the president said.

Obama closed by saying that democracy in a nation of 300 million citizens "can be noisy and messy and complicated." But he urged lawmakers to "start anew" after coming through a difficult decade in order to "carry the [American] dream forward, and to strengthen our union once more."

This year, anyone can submit a follow-up question on the president's address and vote on others at YouTube.com/CitizenTube. Next week, the president will answer questions in a special online event, live from the White House.

4. Ambassador Wolff's Remarks at Security Council Debate on Mideast (01-27-2010) **Wolff says advancing peace in Middle East remains top U.S. objective**

United States Mission to the United Nations, Office of Press and Public Diplomacy, USUN press release, January 27, 2010

Remarks by Ambassador Alejandro D. Wolff, U.S. Deputy Permanent Representative to the United Nations, at an Open Security Council Debate on the Middle East, in the Security Council Chamber, January 27, 2010

Thank you, Mr. President. Advancing the cause of comprehensive peace in the Middle East remains one of the United States' most important foreign policy endeavors. Our commitment to this goal is unwavering. And only through negotiations can this objective be realized – an approach we strongly encourage the international community to support.

The immediate resumption of negotiations toward a two-state solution is the only realistic way forward. It is in the interests not only of the United States but of Israelis, Palestinians, and all of the region's people.

We call on all members of this Council to underscore this message publicly and with the parties. Waiting to resume talks benefits no one. The status quo does nothing to meet the legitimate needs of Israelis or Palestinians.

As Secretary of State Clinton has said, we believe that, through good-faith negotiations, the parties can mutually agree on an outcome that ends the conflict and reconciles the Palestinian goal of an independent and viable state based on the 1967 lines, with agreed swaps, and the Israeli goal of a Jewish state with secure and recognized borders that reflect subsequent developments. Despite the difficulties and the complex political circumstances in the region, we are committed to relaunching negotiations and to the cause of comprehensive peace in the Middle East.

National Security Advisor Jones and Special Envoy for Middle East Peace Mitchell both conducted talks in the region this month. Senator Mitchell also traveled to Europe to consult with the Quartet and other key partners, and high-level Egyptian and Jordanian delegations made helpful visits to Washington. With the Israelis and the Palestinians, we have consistently pursued a two-pronged approach: first, to encourage the parties to enter negotiations to reach agreement on all permanent status issues; and second, to help the Palestinians build the economy and the institutions that will be necessary when a Palestinian state is established. The two objectives are mutually reinforcing. Each is essential, and neither can be attained without the other. Special Envoy Mitchell will be following up with the parties in the coming days, and he will return to the region in the near future.

Mr. President, the Quartet has long called on all parties to uphold their Roadmap obligations. A freeze on settlement activity is an Israeli obligation under the Roadmap, and U.S. policy on this remains unchanged. We do not accept the legitimacy of continued Israeli settlements. That said, we also believe that the settlement moratorium recently declared by the Israeli government is a significant step that could have a meaningful effect on the ground.

U.S. policy on Jerusalem also remains unchanged. The status of Jerusalem and all other permanent status issues should be resolved through negotiations. We disagree with some Israeli actions in Jerusalem affecting Palestinians in areas such as housing, including the continuing pattern of evictions and demolitions of Palestinian homes. Neither party should take actions that could unilaterally preempt, or appear to preempt, negotiations.

The United States recognizes that Jerusalem is a deeply important issue for Israelis and Palestinians and for Jews, Muslims, and Christians around the world. We believe that through good-faith negotiations, the parties can agree to an outcome that realizes the aspirations of both parties for Jerusalem and safeguards its status for people around the world.

We call on the Palestinian Authority to fulfill its Roadmap obligations to ensure security, reform its institutions of governance, and refrain from any acts of incitement. In this regard, we express our strong concern that a Palestinian Authority official recently attended a ceremony commemorating a terrorist who was responsible for an attack that claimed the lives of many Israeli civilians.

We are pleased to see the letter from the Secretary-General reporting that his staff continues to work constructively with the Government of Israel on issues related to the Gaza Board of Inquiry, and to note that the financial issues have been resolved in a manner satisfactory to the Secretary-General.

At the same time, we call on Israel to reopen its border crossings with Gaza, with appropriate monitoring to address security concerns. This would allow for greater movement of people and humanitarian and reconstruction materials, consistent with Resolution 1860 and the 2005 Agreement on Movement and Access, thus alleviating the hardship and stress that civilians in Gaza face.

Hamas has yet to accept the principles established by the Quartet that are the building blocks of an independent Palestinian state: renouncing violence, recognizing Israel, and accepting previous agreements and obligations, including the Roadmap. Nor has it shown a greater interest in building a future for the Palestinian people than through its own hateful rhetoric and violence. We are also concerned about Hamas interference with international efforts to deliver humanitarian assistance in Gaza, continued arms smuggling, and the launching of terrorist rocket attacks against Israel, which, it is important to recall, precipitated the Gaza conflict just over a year ago. And we call for the immediate release of Gilad Shalit, abducted and held by Hamas since 2006.

A key component of international support for the Palestinian people comes through the UN Relief and Works Agency for Palestine Refugees. We thank Commissioner-General Karen AbuZayd for her devoted service to UNRWA over the past nine years, and we welcome the appointment of Filippo Grandi of Italy to this post. We also welcome the appointment of Margot Ellis of the United States as UNRWA's Deputy Commissioner-General.

The United States is UNRWA's largest single donor. In 2009, we provided more than \$267 million, including more than \$116 million to the General Fund. Unfortunately, the Fund still faces severe and chronic shortfalls – estimated at \$140 million for this year.

We appreciate the efforts of donors that have provided sizeable emergency support, but there is no substitute for predictable, annual contributions to the General Fund. As such, we welcome the renewed commitment of the Arab League, whose members have pledged collectively to provide UNRWA with no less than 7.8 percent of its General Fund. It is imperative that these pledges be delivered.

Let me conclude by turning briefly to the situation in Lebanon. We thank General Graziano for his service with UNIFIL, and we welcome General Asarta, who begins his new assignment tomorrow. We also recall the important contribution that all troop-contributing countries are making to this vital effort. We call upon all parties to fulfill the provisions of this Council's Resolutions 1559, 1680, and 1701.

Thank you, Mr. President.

5. Clinton to Attend Yemen Security Conference in London (01-26-2010)

By Merle David Kellerhals Jr.
Staff Writer

Washington — Supporting Yemen as it faces security challenges posed by al-Qaida in the Arabian Peninsula is a significant part of the U.S. strategy with Yemen's leaders, but there are also efforts to help with economic, governance and social issues, says the State Department's senior counterterrorism official.

A Yemen security conference, chaired by British Foreign Minister David Miliband, is being held January 27 in London, and Secretary of State Hillary Rodham Clinton will join 20 other world leaders to discuss political and economic issues that face the country, says Daniel Benjamin, the U.S. counterterrorism coordinator.

The British Foreign Office said in London January 26 that the short conference will focus on "how to assist the Yemen government to improve security, root out al-Qaida and promote economic and social development." The meeting was called following the failed Christmas Day 2009 terror attack by a Nigerian man on a Northwest Airlines flight from Amsterdam that was about to land in Detroit.

"I should say that we are very pleased by the strong stance that [Yemeni] President [Ali Abdullah] Saleh and his government have taken in terms of confronting al-Qaida," Benjamin said at a January 25 briefing.

"It may appear on the surface to be a suddenly new involvement in things Yemeni for the United States, but in fact this administration has been engaged on Yemen really since the very beginning," Benjamin added.

While helping Yemeni authorities increase their ability to address security threats, it is also vitally important to help Yemen through long-term engagement to deal with the other issues it faces, he said. Yemen has substantial economic issues, including the depletion of natural resources, demographic challenges, a depleting water table, and issues of governance, Benjamin said.

The United States has a three-year, \$121 million economic assistance program with Yemen, and separately is providing \$70 million in military assistance. Yemen's foreign minister, Abu Bakr al-Qirbi, was in Washington January 21 for consultations with Clinton in advance of the security summit in London.

AL-QAIDA IN YEMEN

Benjamin said Yemen has struggled with terrorists for some time, even though the al-Qaida term hasn't been used until recently. The first known attack inspired by Saudi-born Osama bin Laden took place in December 1992 at a hotel in Aden where U.S. troops were staying.

In October 2000, the Navy destroyer USS Cole was attacked by a suicide bomber while the ship was in the Yemeni port of Aden, killing 17 U.S. sailors in addition to two terrorists.

A federal indictment issued in Michigan January 6 alleges that 23-year-old Umar Farouk Abdulmutallab of Nigeria attempted to detonate a makeshift bomb on a Northwest Airlines flight from Amsterdam to Detroit on December 25, 2009. Abdulmutallab, who claimed he was trained by al-Qaida in Yemen, was arrested by federal agents after the airplane with 289 passengers and crew aboard landed safely at the Detroit Metropolitan Airport.

After the attempted attack, bin Laden, the leader of the transnational terrorist group al-Qaida, purportedly issued an audio tape taking credit for the failed attack, and warning that more attacks would be coming. Benjamin said, however, that "He's ... associating himself with it and ... trying to get some of the reflected ... glory of the moment, if you can call it that."

Benjamin indicated it was unclear if Bin Laden was actually responsible: "Bin Laden has been trying to put his fingerprints on just about everything that's happened for years. And in that regard, I think ... we're kind of used to it."

Benjamin said one of the problems in fighting terrorism is that terrorists usually do not defend a lot of territory and remain quite mobile.

"Part of the reason that AQAP [al-Qaida in the Arabian Peninsula] has become a more potent threat in recent years is that Saudi Arabia did such a superb job in ramping up its counterterrorism efforts in the wake of the May 2003 attacks there, and as a result, really, al-Qaida within Saudi Arabia was put out of business for quite a while," Benjamin said.

"But a number of the most dangerous operatives did move from Saudi Arabia to Yemen and sort of swelled the ranks of the AQAP core there," he said.

6. London Conference to Discuss Rehabilitation of Taliban Fighters (01-25-2010)

By Stephen Kaufman
Staff Writer

Washington — Ahead of Secretary of State Hillary Rodham Clinton's attendance at the January 28 International Conference on Afghanistan in London, U.S. Special Representative for Afghanistan and Pakistan Richard Holbrooke says 2010 will be a "year of heavy implementation" of the Obama administration's strategy in Afghanistan, and the conference will include support for Afghan President Hamid Karzai's plans to reintegrate Taliban fighters into the country.

Speaking on the MSNBC network January 25, Holbrooke said the meeting in London is "a very good time to bring the world back together to reaffirm its support and to move to the next stage," following developments such as President Obama's December 2009 [announcement that additional](#)

[U.S. civilian and military forces are being deployed](#) to Afghanistan and President Karzai's re-election in November 2009.

The first units of the 30,000 new troops that President Obama ordered are in Afghanistan, and the ambassador said, "I think you're going to see some very dramatic military activity in the coming weeks." U.S. civilian personnel such as agriculture and governance experts and U.S. Agency for International Development (USAID) employees are "moving in right behind them," he said.

The Obama administration remains committed to a "responsible transition" enabling Afghan government forces to assume security control of the country beginning "with withdrawals at a pace and scale to be determined in July 2011," Holbrooke said.

Karzai has announced a "big, new program" to reintegrate Taliban fighters into Afghan society, and Holbrooke said the London conference will "affirm our international support for it."

The rationale behind the reintegration program is that "over 70 percent of the people fighting with the Taliban are not ideologically committed to al-Qaida, the Taliban," he said. "They're fighting for local grievance, or they've been misled about the purposes of ... the alliance presence in Afghanistan," and there hasn't been a "good program to invite them back into the fold."

Support for Karzai's initiative will include funding, and Holbrooke said Japan will be leading the donations.

"It's partly a job program," he said.

"If they're given an opportunity for jobs and security and if they understand the purposes of the presence there, we think a lot of them will come back," he said. "Isn't it a lot better to invite them off the battlefield through a program of jobs, land, integration than it is to have to try to kill every one of them?"

Holbrooke differentiated between the reintegration program and reconciliation, which would target the Taliban's ideological leadership, which he said would be "very difficult."

He said he does not "see any merit" in rehabilitating Taliban spiritual leader Mullah Mohammad Omar by removing him from the United Nations' "black list" of 144 Taliban and 257 al-Qaida leaders that obliges member states to freeze their bank accounts and prevent them from traveling.

But, Holbrooke, said the U.N. list can be revisited. "Some of the people on it are dead. Some probably are innocent. We ought to re-examine it," he said.

In remarks with Italian Foreign Minister Franco Frattini January 25, Clinton said the U.S. military mission in Afghanistan "is not open-ended," but the Obama administration is committed to building lasting partnerships with Afghanistan and neighboring Pakistan.

At the January 28 conference, there will also be a focus on "the Afghan government's commitments and plans to spur sustainable economic development, to improve governance, to fight corruption," Clinton said.

"We will be looking for the gradual ability of the Afghans themselves to assume the security responsibility and assist in the development of their own country," she said.

7. Defense Secretary Gates on U.S.-Pakistan Relationship (01-22-2010)
Gates addresses Pakistan's National Defense University in Islamabad

U.S. Department of Defense, Office of the Assistant Secretary of Defense (Public Affairs)
Pakistan National Defense University, Islamabad, Pakistan, January 22, 2010
As Delivered by Secretary of Defense Robert M. Gates:

Thank you for that introduction.

It is a real honor to be here and to meet with you, the future leadership of Pakistan's military. Considering the common challenges our nations face, and our growing friendship, I think this event could not come at a better time.

The main reason I'm here today is to have a conversation – to hear your thoughts and to answer any questions you may have about us – about our goals and future plans concerning this region. The strategic relationship between the United States and Pakistan is a broad one that includes a range of economic, political, and social issues. Today, in this setting, I'd like to focus on security, and in particular, our military relationship. I'll start with some brief opening remarks, and then take questions.

Yesterday, I met with Pakistan's top civilian and military leaders. We discussed many aspects of our growing relationship: from the current operations along the Afghan border to wider strategic issues and how we can enhance our partnership, especially our military-to-military ties. I stressed my respect and admiration for the sacrifices this nation has made in the struggle against violent extremism – and I also extended my sympathy for the losses throughout your nation: in your towns and cities, in your schools, in your homes, in your places of worship – and among your soldiers.

The central message I repeated in all of my meetings is that the United States is fully committed to a stable, long-term, enduring friendship with Pakistan – based on common interests and mutual respect that will continue to expand and deepen in future years.

Of course, I fully understand why some of you may be skeptical about the U.S. commitment to Pakistan – a subject of real concern, and one that I am all too familiar with. My history with Pakistan dates back many years. I recall my first trip here in 1986, when I met with Pakistan's military leaders and traveled to the border to see firsthand the training of the Afghan resistance. I was in government in the early 1990s, when Russia left the region and the United States largely abandoned Afghanistan and cut off defense ties with Pakistan – a grave strategic mistake driven by some well-intentioned but short-sighted U.S. legislative and policy decisions.

But perhaps the greatest consequence of those choices was the severing of military-to-military relations. And that is largely the reason for a very real, and very understandable, trust deficit – one that has made it more difficult for us to work together to confront the common threat of extremism.

This unfortunate reality has tainted the perception of the United States in Pakistan. Further worsening the situation is an organized propaganda campaign by the very groups we seek to destroy – groups who kill and maim innocent civilians without remorse. So let me say, definitively, that:

- The United States does not covet a single inch of Pakistani soil;
- We seek no military bases; and

- We have no desire to control Pakistan's nuclear weapons.

The U.S. is prepared to invest whatever time and energy it takes to forge and sustain a genuine, lasting partnership.

I know that rebuilding relationships with this generation of Pakistani officers – who have had little or no interactions with the American military – cannot be done in just a few months. Rather, it will be the work of years – requiring openness, transparency, and, above all, continuous engagement on both sides. The fact is that our militaries have a lot to learn from each other on many issues: whether operationally in the field; or learning about the complexities of our respective histories, cultures, and traditions; or with regard to institutional matters like staff college curriculums, promotion and personnel policies, or procurement. We are already making headway in these areas:

- To meet the urgent need to support your military as it expanded operations, the United States created the billion-dollar Pakistan Counterinsurgency Fund to rapidly provide material and training assistance to your troops on the front lines;
- The cooperation between Pakistani troops and international forces in Afghanistan operating along the border has improved in the last year and has had a real operational impact;
- In the last twelve months, we have expanded our joint training exercises; and
- We have doubled funding to bring Pakistani officers to U.S. military training centers and schools to support your efforts to strengthen your officer corps.

In all of this, a guiding principle is to respect Pakistan's sovereignty and to do whatever we can to help you protect your nation.

As I told your leaders in my meetings, the United States also wants to develop a broader strategic dialogue with Pakistan on issues such as:

- The link between Afghanistan's stability and Pakistan's, and the possible role of political solutions to the insurgency in Afghanistan;
- Your relationship with India;
- The threat of regional extremism; and
- The challenge posed by anti-government militants in Pakistan.

On that last point: As you know, more U.S. forces are headed to Afghanistan to increase pressure on the Taliban and reverse a deteriorating security situation. There is concern that a greater U.S. presence in Afghanistan will lead to more attacks in Pakistan. It is important to remember that the Pakistani Taliban operates in collusion with both the Taliban in Afghanistan and with Al Qaeda, so it is impossible to separate these groups. If history is any indication, safe havens for either Taliban, on either side of the border, will in the long-run lead to more lethal and more brazen attacks in both nations – attacks of the kind that have already exacted a terrible civilian toll. Maintaining a distinction between some violent extremist groups and others is counterproductive: Only by pressuring all of these groups on both sides of the border will Afghanistan and Pakistan be able to rid themselves of this scourge – to destroy those who promote the use of terror here and abroad.

To counteract and defeat this dangerous enemy, Pakistan's military has had to adapt and will have to do so even more in the years to come. As uniformed leaders, you will be responsible for preparing the military for the future – a great challenge with many of the same dilemmas that the U.S. military has faced over the last decade. Here, I believe our experience may offer some lessons.

Since September 11th, the United States. military has been confronted with new missions in Iraq and Afghanistan – where initially quick conventional victories have given way to long, complex, and grinding campaigns against violent, adaptive insurgencies. When these conflicts began, the U.S. military was, for the most part, a smaller version of the Cold War force organized, trained, and equipped to fight a conventional war with the Soviet Union – the consuming threat that had guided U.S. defense strategy for nearly a half century.

In light of the hard lessons of recent years, however, the U.S. military has reshaped and reformed itself to meet new threats. We have struggled to adapt our institutions and practices to the messy realities of counterinsurgency and irregular operations – where tactical victories can easily lead to strategic setbacks – where civilian casualties present unprecedented difficulties for war-planners.

I have characterized the central challenge for our Defense Department as one of finding the right balance – between training for conventional wars, and training for counterinsurgency and stability operations; between funding weapons programs that take decades to develop, and getting our troops the equipment they need for today's wars. In doing all of this, we have had to set priorities and consider inescapable tradeoffs. As all of you look to the future and assess the most likely threats to Pakistan, you will have to grapple with some of the same issues. After all, fighting along the Afghan border and in the tribal areas has required dramatically different skill sets and equipment than preparing for a potential conventional conflict with another country's army.

These kinds of changes are difficult for any large institution that has been doing things in a certain way for a long time. They are difficult in any era but even more so in a time of war, when your force is under great pressure and strain. The American military has learned these lessons at great cost in lives and treasure. As the future leaders of Pakistan's military, you have a tremendous responsibility – to your fellow troops, and, most importantly, to all your countrymen to deal with similar dilemmas and challenges.

Let me offer a final thought. Yesterday, I visited the monument to the courageous citizens of Pakistan who have lost their lives in the defense of this country. I know that thousands of Pakistani troops have made the ultimate sacrifice fighting violent extremists in recent years – a number that speaks to their bravery as well as to the magnitude of the security challenges you face. We have enemies in common along the border – but we also have many other interests in common, from economic development to regional and global issues. And although we will undoubtedly encounter difficulties and setbacks in the years ahead, let there be no doubt that the United States is committed to Pakistan's future.

In all of this, I believe that military-to-military ties between the United States and Pakistan can provide a foundation upon which we can strengthen all of the elements of our relationship – upon which we can renew, reinforce, and strengthen the bonds of trust between our people and our nations.

With that, I'll ask the press to leave so that we can have a candid conversation.

8. U.S. to Have Strong Civilian Presence in Afghanistan, Pakistan (01-22-2010)

By Merle David Kellerhals Jr.
Staff Writer

Washington – The United States will maintain a strong civilian presence in Afghanistan and Pakistan long after military forces are withdrawn from the region, Secretary of State Hillary Rodham Clinton says.

“While our military mission in Afghanistan is not open-ended, we are committed to building lasting partnerships with Afghanistan and Pakistan,” Clinton said January 21 with the release of a new [Afghanistan and Pakistan Regional Stabilization Strategy](#) (PDF, 570KB).

The new strategy, which stems from President Obama’s objectives announced in [a speech at West Point on December 1](#), said the core U.S. goal remains to disrupt, dismantle and defeat al-Qaida and eliminate its safe havens in Afghanistan and Pakistan. Obama also announced that he was sending an additional 30,000 U.S. troops to Afghanistan to bolster the efforts of the 68,000 already there, and NATO allies also announced plans to add forces.

In addition, Obama said the United States could begin the withdrawal of military forces in Afghanistan in 2011 if conditions in the country improve to the extent that the additional security can be provided by a revitalized Afghan army and police forces. To support the increase in forces, Obama is expected to request an additional \$33 billion in emergency war funds from Congress when the fiscal year 2011 federal budget is sent to Congress in early February.

While Clinton acknowledged that the challenges in both nations are immense, she said this strategy is shaped politically, economically and diplomatically by those realities. “Far from an exercise in ‘nation building,’ the programs detailed here aim to achieve realistic progress in critical areas,” she added in a prepared statement that accompanied the release of the new strategy.

AFGHANISTAN FOCUS

In Afghanistan, the focus of the U.S. strategy is to build the ability of Afghan institutions – its national and local governments’ ministries and agencies — to diminish the threat posed by the Taliban insurgents and to deliver economic assistance, especially in the farm sector — which would create jobs, reduce the funding the Taliban receives from illicit poppy cultivation, and draw insurgents off the battlefield, according to the strategy.

“We are focusing our support at the national level on Afghan ministries that can have the most direct impact on service delivery,” the strategy says.

The strategy is directed toward reconstruction and development, improving government, enhancing the rule of law, reintegration of former insurgents who renounce violence, regional diplomacy and communications.

“Aligned with our national security objectives, civilian assistance will help build Afghan capacity in key areas and also reassure Afghans that our commitment is long-term,” the strategy says. “Our civilian effort must be sustained beyond our combat mission so that Afghanistan does not become a failed state and safe haven for al-Qaida.”

The strategy, which was prepared by the Office of the Special Representative for Afghanistan and Pakistan, Ambassador Richard Holbrooke, says there will be a significant increase in civilian experts to accompany the increased civilian assistance. The number of U.S. civilians in Afghanistan will be tripled from 320 to nearly 1,000 by early 2010. They will come from a broad range of U.S. government agencies including Agriculture, Justice, the FBI, Drug Enforcement Administration, Treasury and Homeland Security.

PAKISTAN ASSISTANCE

Coupled with the enhanced security effort in Afghanistan is additional assistance for Pakistan that includes the Kerry-Lugar-Berman legislation, which authorized \$7.5 billion in U.S. nonmilitary assistance over five years.

Part of the focus in Pakistan is in helping address immediate needs for energy, water and related economic crises; supporting broader economic and democratic reforms; and helping Pakistan build on its ability to eliminate insurgent sanctuaries that threaten the country and the region, according to the strategy.

The United States is taking this “whole-of-government strategy” to protect its vital interests in the region, Clinton said.

“We have no illusions about the challenges ahead of us,” she added. “The Afghan and Pakistani governments have endorsed this strategy and are committed to achieving our shared objectives.”
