

PAKISTAN



Pakistan The United States has a vital national security interest in addressing the current and potential security threats posed by extremists in Pakistan. The U.S. goal is to disrupt, dismantle, and defeat al Qaeda and its safe haven in Pakistan. To that end, the United States supports the Government of Pakistan in fulfilling its vision of a moderate, democratic, and prosperous country that is at peace with its neighbors, and contributing to regional stability. Funds requested will continue to support Pakistan's efforts to disrupt terrorist networks, and to degrade any ability they have to plan and launch international terrorist attacks. Additionally, funds will allow for ongoing cooperation to forge positive relationships with neighboring Afghanistan and India, and assist efforts to enhance civilian control and develop a vibrant economy that provides opportunity for the people of Pakistan. Consistent with the President's comprehensive strategy for confronting the challenges of extremism and terrorism in Pakistan and Afghanistan, U.S. assistance to Pakistan in FY 2010 will focus on counter-terrorism activities, as well as programs to support economic growth, improved education and health, and good governance.

FOREIGN RELATIONS: After September 11, 2001, Pakistan's prominence in the international community increased significantly, as it pledged its alliance with the U.S. in the war on terror and made a commitment to eliminate terrorist camps on its territory. Historically, Pakistan has had difficult and volatile relations with India, long-standing close relations with China, extensive security and economic interests in the Persian Gulf, and wide-ranging bilateral relations with the United States and other Western countries. It expresses a strong desire for a stable Afghanistan.

U.S.-PAKISTAN RELATIONS: The United States and Pakistan established diplomatic relations in 1947. The U.S. agreement to provide economic and military assistance to Pakistan and the latter's partnership in the Baghdad Pact/CENTO and SEATO strengthened relations between the nations. However, the U.S. suspension of military assistance during the 1965 Indo-Pakistan war generated a widespread feeling in Pakistan that the United States was not a reliable ally. Even though the United States suspended military assistance to both countries involved in the conflict, the suspension of aid affected Pakistan much more severely. Gradually, relations improved, and arms sales were renewed in 1975. Then, in April 1979, the United States cut off economic assistance to Pakistan, except food assistance, as required under the Symington Amendment to the Foreign Assistance Act of 1961, due to concerns about Pakistan's nuclear program.

The Soviet invasion of Afghanistan in December 1979 highlighted the common interest of Pakistan and the United States in peace and stability in South Asia. In 1981, the United States and Pakistan agreed on a \$3.2 billion military and economic assistance program aimed at helping Pakistan deal with the heightened threat to security in the region and its economic development needs.

Recognizing national security concerns and accepting Pakistan's assurances that it did not intend to construct a nuclear weapon, Congress waived restrictions (Symington Amendment) on military assistance to Pakistan. In March 1986, the two countries agreed on a second multi-year (FY 1988-93) \$4 billion economic development and security assistance program. On October 1, 1990, however, the United States suspended all military assistance and new economic aid to Pakistan under the Pressler Amendment, which required that the President certify annually that Pakistan "does not possess a nuclear explosive device."

Several incidents of violence against American officials and U.S. mission employees in Pakistan have marred the relationship. In November 1979, false rumors that the United States had participated in the seizure of the Grand Mosque in Mecca provoked a mob attack on the U.S. Embassy in Islamabad in which the chancery was set on fire resulting in the loss of life of American and Pakistani staff. In 1989, an attack on the American Center in Islamabad resulted in six Pakistanis being killed in crossfire with the police. In March 1995, two American employees of the consulate in Karachi were killed and one wounded in an attack on the home-to-office shuttle. In November 1997, four U.S. businessmen were brutally murdered while being driven to work in Karachi. In March 2002 a suicide attacker detonated explosives in a church in Islamabad, killing two Americans associated with the Embassy and three others. There were also unsuccessful attacks by terrorists on the Consulate General in Karachi in May 2002. Another bomb was detonated near American and other businesses in Karachi in November 2005, killing three people and wounding 15 others. On March 2, 2006, a suicide bomber detonated a car packed with explosives as a vehicle carrying an American Foreign Service officer passed by on its way to Consulate Karachi. The diplomat, the Consulate's locally-employed driver and three other people were killed in the blast; 52 others were wounded. In September 2008, a truck bomb at Islamabad's Marriott Hotel killed three Embassy staff.

The decision by India to conduct nuclear tests in May 1998 and Pakistan's matching response set back U.S. relations in the region, which had seen renewed U.S. Government interest during the second Clinton Administration. A presidential visit scheduled for the first quarter of 1998 was postponed and, under the Glenn Amendment, sanctions restricted the provision of credits, military sales, economic assistance, and loans to the government. The October 1999 overthrow of the democratically elected Sharif government triggered an additional layer of sanctions under Section 508 of the Foreign Appropriations Act, which include restrictions on foreign military financing and economic assistance. U.S. Government assistance to Pakistan was subsequently limited mainly to refugee and counter-narcotics assistance.

The U.S.-Pakistan relationship changed significantly once Pakistan agreed to support the U.S. campaign to eliminate the Taliban in Afghanistan and to join the United States in the Global War on Terror. Since September 2001, Pakistan has provided extensive assistance in the war on terror by capturing more than 600 al-Qaida members and their allies. The United States has stepped up its economic assistance to Pakistan, providing debt relief and support for a major effort for education reform. During President Musharraf's visit to the United States in 2003, President Bush announced that the United States would provide Pakistan with \$3 billion in economic and military aid over 5 years. This assistance package commenced during FY 2005.

Following the region's tragic October 8, 2005 earthquake, the United States responded immediately and generously to Pakistan's call for assistance. The response was consistent with U.S. humanitarian values and our deep commitment to Pakistan. At the subsequent reconstruction conference in Islamabad on November 19, 2005, the U.S. announced a \$510 million commitment to Pakistan for earthquake relief and reconstruction, including humanitarian assistance, military support for relief operations, and anticipated U.S. private contributions.

In 2004, the United States recognized closer bilateral ties with Pakistan by designating Pakistan as a Major Non-NATO Ally. President Bush visited Pakistan in March 2006, where he and President Musharraf reaffirmed their shared commitment to a broad and lasting strategic partnership, agreeing to continue their cooperation on a number of issues including: the war on terror, security in the region, strengthening democratic institutions, trade and investment, education, and earthquake relief and reconstruction.

The United States and Pakistan concluded the sale to Pakistan of F-16 aircraft in late 2006, further reflecting their deepening strategic partnership. President Zardari visited New York in September 2008,

where he held a bilateral meeting with President Bush. Prime Minister Gilani visited Washington in July 2008 and held meetings with President Bush, Secretary of State Rice, and several other senior U.S. Government officials. The U.S.-Pakistan strategic partnership is based on the shared interests of the United States and Pakistan in building stable and sustainable democracy and in promoting peace and security, stability, prosperity, and democracy in South Asia and across the globe.

Peace and Security: It is vital to strengthen U.S. efforts to both develop and operationally enable Pakistani military and law enforcement agencies to succeed in sustained counter-terrorism and counter-insurgency operations. Efforts will continue to support Pakistan's ability to counter extremist organizations and narcotics trafficking, with a focus on the Pakistan-Afghanistan border area. To help Pakistan roll back an increasingly virulent mix of foreign terrorists and domestic insurgents, the U.S. Mission is implementing a three-part strategy to: 1) improve governance; 2) provide a secure environment that fosters economic development; and 3) fight extremism in the tribal areas along the Pakistan-Afghanistan border. The Departments of State and Defense will initiate integrated programs to address the challenges inherent in strengthening the capacity of Pakistan's military and police forces to implement a counter-insurgency (COIN) strategy, including through the Pakistan Counterinsurgency Capability Fund. The programs will improve the capacity of Pakistan to secure its borders, carry out counter-terrorism operations, and reduce illicit trafficking of narcotics, weapons, and people. Pakistan's current capability to hold an area following military operations is particularly weak. To address this, Department of State programs will develop the capacity of Pakistan's law enforcement agencies to manage the internal security of the state, and control its borders. The training and graded security equipment that will be provided will enable Pakistan to modernize and enhance its border security and counter-terrorism capabilities. The U.S. Mission will also continue to seek support from allied nations to share the burden of the U.S. train-and-equip strategy for counter-terrorism and counternarcotics.

Governing Justly and Democratically: Institutionalizing democratic practices and respect for the rule of law and human rights is critical to promoting moderation, combating the spread of extremism, and laying the foundation for political stability in Pakistan. In the Federally Administered Tribal Areas (FATA), the Government of Pakistan's ability to enforce the rule of law is challenged by extremist elements. The U.S. Agency for International Development (USAID) assistance in this area will help expand the government's writ by improving its ability to govern effectively, and to provide essential services to citizens. Nationally, USAID will place specific emphasis on justice sector reform, parliamentary strengthening, local government and decentralization, elections and political processes, and civic participation. Following the local elections to be held in calendar year 2009, USAID will implement programs that further strengthen provincial assemblies and governments, using vehicles such as the Pakistan Institute for Parliamentary Services that build assemblies' capacity to initiate, review, monitor, and pass effective legislation and budgets. Furthermore, USAID will continue to work with the Election Commission of Pakistan to establish it as an independent and self-sustainable organization with systems and procedures that will allow for a fair, transparent, and credible general election in 2013. USAID will build upon existing Government of Pakistan initiatives to improve access to justice. To ensure a more effective justice system, U.S. resources will help build capacity and improve operations of civil and criminal justice sector actors and institutions. This will be accomplished through activities such as strengthening court administration and case management systems to reduce case backlog; improving transparency and reducing opportunities for corruption; and improving coordination among justice system actors. USAID will also work with civil society organizations to expand civic participation and public oversight. USAID efforts will strengthen advocacy, systems, and policy on international human and labor rights.

Investing in People: A centerpiece of the United States' overall effort in Pakistan must be to strengthen the democratically elected civilian government's capacity to provide health and education services to the Pakistani people. Pakistan faces major challenges in meeting the health and education needs of its large population. Extremist-linked charities and madrassas are eager and increasingly capable of providing the

basic services that the government is unable to provide. Assistance programs will help the Government of Pakistan to improve the quality of, and access to, basic and higher education, primary healthcare, and water and sanitation services. USAID will build or expand primary, middle, secondary, and higher secondary facilities for boys and girls. Activities will initiate compensatory programs that remove roadblocks that keep children (especially girls) from attending and staying in school. USAID's teacher training program will address the country's poor quality of teaching. The program will prepare Pakistani teachers to meet the country's educational challenges by providing them with the professional skills and support they require. Finally, USAID will work with organizations and communities to increase parental involvement in school management. In higher education, scholarship programs supported by the Department of State and USAID will provide the opportunity for students from disadvantaged areas to obtain advanced degrees in agriculture, and business. U.S. merit-based scholarship programs will increase the educational exchanges between the U.S. and Pakistan and increase Pakistan's academic and professional corps by generating more masters- and doctorate-level graduates in fields relevant to Pakistan's progress. USAID health programs will improve maternal and child health and nutrition, increase access to reproductive health care, stem the spread of serious infectious diseases, and expand access to clean water and sanitation. U.S. supported maternal and child health programs will recruit and train female health workers to reach women and children in underserved rural and peri-urban areas. Voluntary family planning programs will support healthy timing, and spacing of pregnancies to reduce maternal, and infant mortality. USAID infectious disease control efforts will continue to help Pakistan prevent and treat HIV/AIDS, polio, and tuberculosis. U.S. water and sanitation programs will support Pakistan's efforts to increase the availability of safe water in rural areas, and the adoption of hygienic practices that save lives. USAID will also address cross-cutting functions in the sector, including vaccine and drug supply chains, workforce training, and information systems.

Focus on Performance: In FY 2010, the U.S. will continue to assist Pakistan to re-establish security and stability in the areas bordering Afghanistan. Increased border security is a key step in arresting the movement of drugs and terrorists across the Afghanistan-Pakistan border. Building on an ongoing border security program, the request for 2010 will support increased training of law enforcement and border security officers. This training aligns with a new Security Development Plan that expands U.S. training and equipment for the Frontier Corps in the Federally Administered Tribal Areas (FATA), offers training to the military's Special Services Group, and sets up border coordination centers where Pakistani, Afghan, and the U.S. military share information. Activities under the Strengthening Justice with Pakistan (SJP) project will improve judicial efficiency, transparency, accessibility, independence and accountability. Assistance will be provided to courts in selected demonstration districts to reduce delays and improve case management in an effort to counteract and decrease Pakistanis' reliance on alternate forms of justice. This project will focus on districts that are vulnerable to extremist influence. The specific needs of individual courts to improve case management will be determined through detailed analysis and working in conjunction with the government and citizens. A mix of support will be provided, including technical assistance, training, courthouse renovation and procurement of commodities. The increased FY2010 funding will ensure that more courts are included and assistance will be able to significantly improve overall case management in Pakistan's courts, increasing judicial access to more Pakistanis. Pakistan faces major challenges in meeting the education needs of its people. Terrorist-linked charities and madrassas are eager to step in and provide services that the government does not. Education activities will target districts threatened by poverty and rising extremism. Additional funding in FY 2010 will support new programs to build or expand primary, middle, secondary and higher education facilities for girls and boys, particularly middle schools, in order to reach a vulnerable age cohort and strengthen education services where government support is weakest. Ongoing activities will include incentive programs to remove roadblocks that keep children from attending school. Teacher training programs will bolster skills and qualifications to improve the country's poor quality of teaching. In higher education, scholarship programs will enable students from disadvantaged areas to obtain advanced degrees in agriculture, business, media, and social sciences. The agriculture sector employs over 60 percent of Pakistan's

population and contributes 21 percent to its GDP. Conventional farming practices, restrictive policies, and weak infrastructure have resulted in low farm productivity and incomes for farmers, and exacerbated food security issues. USAID interventions in the agricultural sector will improve staple and horticulture cropping systems; enhance productivity, incomes and employment; strengthen GOP capacity in agricultural research, education, and policy analysis; and reform policies to increase annual agriculture GDP. Projects will create three million jobs in agriculture and rural non-farm sectors and improve food security in Pakistan. Excessive gains in staple food production will also present export potential to neighboring Afghanistan. With the increased level of funding in 2010, USAID's agricultural activities will concentrate on impoverished areas that are susceptible to extremism. These activities will create more jobs and strengthen government entities and policies at national and local levels. Every year, over 2 million young Pakistanis are susceptible to recruitment by extremist groups in part because they are unable or unprepared to enter the workforce. In response to this systemic challenge, USAID is launching a project in FY 2009 that will set up private sector-led training and employment systems to integrate youth into the workforce. The program will focus on ten sectors to design curricula and standards that are responsive to immediate workforce needs. The project will implement scalable workforce development models, including district employment plans, career counseling, and job skills service centers to connect employers with employees. Trainees will develop employability, entrepreneurial and life skills. USAID will also reach youth with less than a primary school education through community development and infrastructure projects. Activities are being undertaken in conflict-ridden areas where poverty and the lack of opportunity are breeding extremism. FY 2010 resources will allow the project to train 100,000 unskilled youth and provide employment opportunities to another half million entrants to the workforce annually.

Economic Growth: Strengthening trade relations and increasing economic assistance to Pakistan, to include development assistance, investments in infrastructure, and technical advice on making sound economic policy adjustments, and budget support, will not only maximize support for U.S. policy aims, but also help provide a longer-term economic stability in Pakistan. To that end, USAID will develop transport, power, irrigation and water infrastructure; establish vocational training; and improve local employment opportunities in Pakistan's western frontier with Afghanistan. Economic growth programs administered by USAID in the rest of the country will cover agriculture, competitiveness, and energy. USAID will also support economic policy reform and impact assessments in all these three priority areas. Agriculture sector support will enhance food security by increasing food production, reducing impediments to food marketing, and addressing agricultural policy and pricing constraints. To generate both short and long-term employment growth, Pakistani firms will be supported through private-sector led workforce development programs, sector competitiveness support, firm-driven regulatory reforms that improve the enabling environment for business, and encouragement of women's economic participation particularly as entrepreneurs. Trade assistance will improve Pakistan's land border customs operations and support the President's Reconstruction Opportunity Zone (ROZ) initiative. In addition to the extension of trade preferences for qualifying products produced within these zones, the ROZ initiative will provide infrastructure upgrades and technical assistance to participating enterprises. Finally, in support of Pakistan's beleaguered energy sector, USAID will improve policy formulation and implementation, as well as increase the efficiency of energy use.