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BEFORE THE:
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE
SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, FEDERAL SERVICES, AND
INTERNATIONAL SECURITY
UNITED STATES SENATE

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Mr. Chairman, Distinguished Members of the Committee:

It is a great honor to appear before your committee, and my privilege to update you on the Administration's robust efforts to meet our challenges in Pakistan.

Secretary Clinton and Special Representative Holbrooke are committed to working closely with Congress as we implement the President's new strategy for Afghanistan and Pakistan. We acknowledge and very much appreciate the deep interest and first-hand experience among the members of this subcommittee.

Congressional support for these efforts – for both the President's strategy and the resources needed to implement it – has been and will be critical to our success, and we look forward to engaging in further dialogue with you, as well as to your continued personal engagement in the region.

As the President has said, a stable, secure, democratic Pakistan is vital to U.S. national security interests. We are taking concrete steps to support and strengthen the democratically elected, civilian government of Pakistan as the Pakistanis increase their efforts to confront the extremist threat from al-Qaeda and affiliated terrorist groups along the Pakistan-Afghanistan border. Pakistan is a proud and important country of some 175 million people, with whom America has close people-to-people ties.

We are rebuilding a relationship with Pakistan that has been marked over the years by inconsistencies. In Pakistan, many believe that we are not a reliable long-term partner and that we will abandon them after achieving our counterterrorism objectives. Similarly, many in the United States question the dedication of some elements of the Pakistani Government to confront al Qaeda and its affiliates.

Rather than seeking a tactical, short-term partnership, our engagement is aimed at putting our bilateral and regional relationship on a sustained, long term, strategic course.

To help Pakistan meet its challenges – in governance, economic policy, counterinsurgency, and counterterrorism – our implementation of this strategy must be constant, comprehensive, and consistent. We are working to bolster civilian democratic rule while also strengthening the role of the Pakistani people in pursuing a vibrant civil society and a prosperous democracy.

Since January 20, Special Representative Richard Holbrooke has assembled a diverse, interagency team to implement the President's new strategy, leveraging the expertise of representatives from nine agencies as well as leading academics. Our early efforts have supported Pakistani efforts to enhance political and economic stability, as well as Pakistani efforts to rollback the Taliban threat and respond to the need of a growing population of internally displaced persons.

Specifically, the United States has:

- Established regular, summit and cabinet-level trilateral consultations to build trust and cooperation with Afghan and Pakistani leaders;
- Deepened relations with leading Pakistani politicians across the political spectrum;
- Worked with Japan and Pakistan to organize a Pakistan Donors Conference in Tokyo in April 2009, resulting in \$5.8 billion in pledges to assist Pakistan as it addresses significant macroeconomic challenges;
- Helped rejuvenate Afghanistan-Pakistan transit trade negotiations which will enhance economic opportunity;
- Encouraged the first direct contacts between Pakistani and Afghan Ministers of Agriculture, Interior, and Finance;
- Provided military assistance to support renewed Pakistani efforts to defeat insurgents; and
- Led the effort to mobilize international relief for the internally displaced.

At the same time, Pakistan has:

- Resolved a political crisis in mid-March which led to the re-instatement of Pakistani Supreme Court Justice Iftikhar Chaudhry;
- Hosted a May 19 All-Parties Conference which resulted in a declaration supporting military action against insurgents and extremists;
- Conducted sustained counterinsurgency operations with wide public support; and

- Assisted two million displaced persons under civilian-military leadership of the same Pakistani officer who directed Pakistan's effective earthquake relief in 2005.

Through these steps, we move farther down the road to a stable, more democratic Pakistan that is no longer threatened by our common enemy: al-Qaeda.

Pakistan is now directly confronting the existential threat posed by the extremists based on Pakistan's western border. We are supporting Pakistan with economic development assistance, as well as significant counterinsurgency and counter terrorism training and equipment, including Mi-17 helicopters which Pakistan is using to deploy its Special Forces. Recent Congressional approval of the Pakistan Counterinsurgency Capability Fund (PCCF) will allow us to better address Pakistan's immediate needs and assist with the counterinsurgency capabilities of both Pakistan's military and the Frontier Corps. The State Department and Defense Department will work closely with U.S. Central Command and Embassy Islamabad to ensure that this new assistance program produces results.

Pakistan's recent counterinsurgency operations in the North West Frontier Province have successfully rolled-back Taliban gains, but they underscored that there are no quick fixes when combating a ruthless insurgency. The Swat Valley may be increasingly "clear," but Pakistani officials recognize that there is an immediate need for sustained engagement to "hold" and especially re-"build" areas damaged by the fighting. The United States and the international community have an important role to play in supporting the Pakistani's government's reconstruction efforts and in helping build the civilian government capacity that is necessary to ensure that hard-fought military gains are not lost.

We are leading the effort to assist Pakistan's more than 2.3 million internally displaced persons. To date, the United States has provided over \$164 million in assistance for these displaced populations, and we have coordinated with partners around the globe to raise more than \$300 million. We are pleased to be leading the international community in responding to this situation, but we believe the international community must do more. To that end, Secretary Clinton and Ambassador Holbrooke are actively pressing key partners to make further commitments to assist the Pakistani people in their time of need.

In addition to providing financial and material support to the UN agencies and NGOs helping the displaced, we are also thinking creatively about how we can make a difference person to person. One example of an initiative which required little financial support but has a big impact: we are working with the Pakistani American community to identify and deploy American doctors of Pakistani

descent – including five women – who can address the vital health needs of the displaced in a culturally sensitive manner. One of these doctors has already completed two weeks of volunteer service, another is currently in Pakistan, and four more are being processed for deployment this month. While in the camps, they are providing services to hundreds of patients a day. These are brave Americans who are dedicating their own time and energy to travel to Pakistan to provide much needed care, and we salute their dedication. Outside of the government, we have been similarly pleased to see Pakistani Americans coming together to form a non-profit foundation seeking to improve the lives of the Pakistani people.

Only by working closely with key allies – including the EU members, Turkey, and the Gulf States – will we be able to support Pakistani efforts to address the immediate humanitarian and long-term reconstruction challenges, while also improving its long-term economic health. We have underlined this international engagement at the April 3-4 NATO Summit, where Allies agreed to build a broader political and practical relationship between NATO and Pakistan, as well as at the April 17 Pakistan Donors' Conference in Tokyo, where the international community pledged more than \$5 billion in new support, well above the \$4 billion requirement identified by the International Monetary Fund. NATO has already taken steps to fulfill this commitment, designating Turkey as the lead nation for engaging Pakistan. And several partners are taking steps to deliver their Tokyo pledges.

We are also urging partners to work closely with us both bilaterally and through the Friends of Democratic Pakistan to coordinate development assistance. The Friends held a successful ministerial meeting in parallel with the Tokyo Donors Conference, at which Pakistan's international partners affirmed their political support for the democratically elected government. Additionally, Ambassador Holbrooke coordinates regularly with Special Representatives for Afghanistan and Pakistan from more than 20 countries. These Special Representatives met most recently at the G-8 Ministerial in Trieste in late June, where they focused on the border issues shared between Afghanistan and Pakistan.

In the coming months we plan to enhance our support for Pakistani efforts to address significant economic and governance challenges. By increasing economic and educational opportunities, expanding the reach of quality healthcare, reinforcing human rights – particularly women's rights – and empowering civil society, the lives of millions of average Pakistanis will improve. We applaud the Senate's passage by unanimous consent of the Enhanced Partnership with Pakistan Act (S962), which authorizes \$1.5 billion per year in non-military assistance for five years. Final passage of this legislation will be a powerful demonstration of

our long-term commitment to helping the Pakistani people and reinforce our desire for a long-term partnership based on common interests.

It is vital that we help address the economic and social conditions that extremists exploit in western Pakistan with more economic aid. Our assistance will support Pakistani efforts to “hold and build” in western Pakistan as part of its counterinsurgency efforts so extremists do not return to fill the vacuum once military operations have ended. But more than rebuilding homes and businesses, we must also do our part to enhance bilateral and regional trade by encouraging foreign investment in vital sectors, such as energy, as well as by implementing Reconstruction Opportunity Zones (ROZs) which will provide incentives for investment in critical regions by offering duty-free import of certain products made there.

Legislation before the Senate would establish ROZs in areas directly affected by the fighting and would substantially improve the economic opportunity for returning displaced persons. I reiterate the President’s call on the Senate to pass ROZ legislation to boost private investment and sustainable economic development in targeted areas of Afghanistan and border areas of Pakistan. This is a critical aspect of our strategy to bring economic opportunity to what would otherwise be the heart of al-Qaeda’s safe haven and is vital to protecting our national interests. ROZ legislation will send a powerful signal about our commitment to the Pakistani people and, combined with progress on Afghanistan-Pakistan transit trade, will help transform the economy of the border region.

Beyond challenging extremist gains on the ground, we must also help Pakistan overcome Taliban domination of the radio waves by supporting Pakistani efforts to present an alternative narrative. Strategic communications is an area that has been woefully under-resourced until now and our new plan will help Pakistan more effectively challenge the extremist propaganda underlying the insurgency’s terror campaign.

We appreciate strong Congressional support of our efforts to date, and we agree with the basic premise that security assistance for Pakistan has to show results. In the President’s words, “We must focus our military assistance on the tools, training and support that Pakistan needs to root out the terrorists” but “we will not and cannot provide a blank check.” We will set metrics, and closely monitor our economic, social, and military assistance to Pakistan in order to ensure the objectives outlined in the President’s comprehensive national strategy for Afghanistan and Pakistan are progressing accordingly. Additionally, adjustments to our programs will be made if they are not delivering the intended results.

The challenges in Pakistan and Afghanistan are, of course, complex and we cannot expect results overnight; signaling and demonstrating our long-term commitment to a true partnership will be essential to winning the trust of our

civilian and military partners in Pakistan. The Administration is committed to working closely with the members of this committee, and Congress, to ensure that we have the resources which are necessary to protect vital U.S. national interests.

Thank you again for the opportunity to discuss our policy before this committee. I welcome your questions.