Partners or patrons?

*Billions of dollars of aid in tens of sectors that never find a mention in the dominant anti-US public discourse*

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Relations between the United States of America (USA) and Pakistan have seen many ups and downs, but the latter remains one of the largest recipients of US aid. According to Overseas Loans and Grants (Green Book), the US has given Pakistan a total of US$ 33.606 billion in economic and US$ 8.932 billion for military assistance from 1947 to 2006. Most of this aid in both forms has been given during military dictatorships in Pakistan. The economic partnership between the two countries changed significantly after 9/11 when Pakistan agreed to support the US campaign against its war on terrorism. The United States has boosted its economic assistance to Pakistan, providing debt relief and support in education and health reforms. In 2003, President Bush announced US$3 billion in economic and military aid over 5 years to Pakistan.

A new era of economic cooperation has started between the two countries after Barack Obama’s election as the president. The U.S. Congress passed the Kerry-Lugar-Berman (KLB) legislation to authorise US$ 1.5 billion in non-military assistance to Pakistan annually for 5 years. President Obama signed it into law on October 15, 2009.

After the passage of the KLB, Secretary of State Hillary Clinton visited Pakistan in late October, to engage with Pakistani government and people and forge a renewed economic and strategic cooperation. Both the countries agreed to a Strategic Dialogue to be held at the ministerial level for the first time. The first such dialogue was held in Washington DC on March 24-25. The delegations from both sides engaged in sessions on agriculture, defence and security, economic development and finance, social issues, energy and water, and communications. A letter of intent was signed to upgrade major road infrastructure in northwest Pakistan, as well as implementation agreements for three thermal power stations, rehabilitation projects that will aid in combating electricity shortages in the country.

At present, the US is working actively in seven main sectors in Pakistan as part of their civilian cooperation. These areas include democracy and governance, economic growth, energy, gender, health, education and assistance to people affected by natural (earthquake and floods) or man made (IDPs) disasters on humanitarian grounds.

A special initiative to support development in the Federally Administered Tribal Areas (FATA) was also launched in 2006 with US$ 750 million over a span of five years. Most of the assistance is being extended to different sectors and departments under the civilian cooperation through USAID.

Under the democracy and governance programme, USAID since the 2008 election supported the training of 32 percent of National Assembly and Senate parliamentarians, and 30 percent of all representatives from the four provincial assemblies (including more than 50 percent women) to improve their skills as legislators. It has also improved the skills of almost half of secretarial staff of all assemblies. “Support to the Election Commission to modernise operations and improve its electoral registry. Development of financial management systems in 55 tehsils” municipal administrations to increase revenue and improve service delivery. It has also trained thousands of voters and election monitors. It also funded the design and construction of the $9 million Pakistan Institute for
Parliamentary Service which will provide training, research, analyses, legislative drafting and staff support to parliamentarians thus increasing the quality of legislation and oversight.

Under the economic growth programme, the US helped the Ministry of Finance and Board of Investment to draft a major report specifying how to upscale innovation and boost Pakistan’s competitiveness and long-term growth. It has also worked with Punjab and Sindh provincial governments in drafting and technical support for agriculture marketing policy reform laws. In addition, it has extended support to small and medium enterprises (SME) in the gems-and-jewellery, dairy, marble and granite, horticulture, furniture and surgical instruments sectors, leading to the investment of over US$ 110 million in private and public funds and generating policy reforms to enhance SME competitiveness. It facilitated mango exports through training of 2,700 mango farmers and managers and construction of three on-farm mango processing centres. It has also extended micro-grants totaling US$ 2.1 million to households in flood-affected communities in Khyber-Pakhtunkhwa, southern Punjab and northern Sindh. It has also granted US$ 5.2 million assistance to over 200 Swat hotels and fisheries to support post-flood and post-conflict reconstruction.

Education and health are the sectors where the US has invested a lot both on physical infrastructure and human resources development. Along with awarding dozens of Fulbright scholarships every year for the Pakistani students who want to get higher education in American universities, it has also started a scholarship programme for students from underserved areas of Pakistan to get education in Pakistani universities. So far, more than 1,400 students have availed this facility.

It has also helped in training teachers, building libraries, improving adult literacy and improving the enrolment rate in primary schools. On the health front, it has so far treated 2.8 million children for diarrhea. Besides, 1.5 million babies have been immunised against diphtheria, pertussis and tetanus, upgraded 89 community health facilities, established 80 “well-baby’’ clinics, trained and equipped more than 1,000 community mid-wives, improved communication and counseling skills for 11,000 lady health workers and provided health facilities to more than 50,000 IDPs.

USAID has also completed wind and solar energy resource assessment maps to assist the government of Pakistan in responding to its energy needs and develop renewable energy resources. It has helped in launching a wind power project of 150-megawatt at a cost of US$ 375 million in the Gharo Corridor of Pakistan. USAID promises to provide US$ 66 million to finish the Gomal dam and Satpara dam projects. It has also helped to repair and maintain the main thermal power stations of Pakistan.

The US response to Pakistani floods was also very quick and comprehensive. It has been working on recovery of agriculture, road infrastructure and health facilities in flood-hit areas. So far it has provided US$ 590 million to Pakistan as humanitarian assistance for flood-affected areas. The US has been training and providing physical resources to police forces in different provinces.