

## DOCUMENTS (JULY – DECEMBER 2009)

### DOCUMENT 1

**STATEMENT OF SYED YUSUF RAZA GILANI, PRIME MINISTER  
OF THE ISLAMIC REPUBLIC OF PAKISTAN, AT THE 15<sup>TH</sup> SUMMIT  
OF THE NON-ALIGNED MOVEMENT (NAM) SHARM EL SHEIKH,  
EGYPT 15 JULY 2009**

**Mr. Chairman,  
Your Royal Highnesses,  
Honourable Heads of State and Government,  
Excellencies,  
Ladies and Gentlemen!**

It is a great pleasure to be in Egypt -- this ancient land, the cradle of civilization.

We are grateful to the brotherly government and people of Egypt for the warm reception and gracious hospitality accorded to us since our arrival here.

We also extend our warmest felicitations to Egypt for assuming the Chairmanship of the Non-Aligned Movement for the second time.

As a founding member, Egypt has made a tremendous contribution to the promotion of the goals and objectives of our Movement.

We have no doubt that, under Your Excellency's wise stewardship, NAM will forge ahead in fully realizing its noble purposes.

I also take this opportunity to pay rich tributes to Cuba, and His Excellency Raul Castro, for outstanding leadership during Cuba's term as the NAM Chair.

**Mr. Chairman,**

Our Summit is taking place at another defining moment in history. This is a time of immense challenges, but equally immense opportunities.

It is our conviction that the vision and principles outlined by the NAM's founding fathers are not only valid today, but are indeed indispensable. The solidarity which helped us promote collective good in the past is equally essential for the future.

We, in Pakistan, believe that the core of NAM's efforts today should be our quest for sovereign equality. In these changing times, our Movement must renew its emphasis on giving full life and meaning to the immutable principles of sovereignty and territorial integrity, non-aggression, non-intervention, mutual benefit, and peaceful co-existence.

**Mr. Chairman,**

Security -- including economic security -- is indivisible. The global financial and economic crisis is affecting us all. The continued progress and prosperity of our peoples is at stake.

We must utilize this opportunity to fashion a holistic response. Our approach should be balanced, premised on the mutuality of interests of developed and developing countries. A conceptual rethink is required regarding the optimal balance between the role of governments and markets.

The temptation for protectionism must be resisted at all costs. Market access should significantly expand, generating trade and employment opportunities. Stimulus packages and special dispensations to help particularly the vulnerable economies are essential.

We must also work for comprehensive reform of the global financial and economic architecture, especially in the realm of enhanced regulation, more accountability, and inclusive decision-making. Only a profound transformation will produce desired results.

**Mr. Chairman,**

This Summit appropriately focuses on "international solidarity for peace and development." In Pakistan, peace and development are the core national priorities of our democratic government. The guiding light for us is the vision of Mohammed Ali Jinnah, the father of our nation, of a progressive, modern, democratic, Islamic Pakistan -- at peace within, and peace without.

We are currently engaged in a resolute national effort to eliminate terrorism and militancy. Our valiant security forces and the people of Pakistan have rendered enormous sacrifices in fighting this menace. Millions of our citizens have been recently dislocated.

Pakistan deeply appreciates the support and solidarity it has received from friends in the international community.

Terrorism is a global phenomenon. Only regional and global solutions would work. Military means alone will not suffice. The only successful strategy would be a multi-dimensional strategy, particularly which addresses the root causes. Sustainable success would come from resolving the long-standing political disputes and promoting socio-economic development.

**Mr. Chairman,**

The advancement of Pakistan's economic development goals is possible only in an environment of regional peace and stability. We are, therefore, steadfastly pursuing friendly and cooperative relations with our neighbours on the basis of equality, mutual interest, and mutual benefit.

There has recently been some forward movement in our relations with India. We hope to sustain this momentum and move towards comprehensive engagement. We believe durable peace in South Asia is achievable. It will be

facilitated by the resolution of all outstanding disputes, including Jammu and Kashmir. The peace dividend for the 1.5 billion people in the regional would be enormous.

Peace and stability in Afghanistan is in our vital interest. For its part, Pakistan is engaged bilaterally with the brotherly government of Afghanistan to realize the objectives of peace, security and development.

**Mr. Chairman,**

On the international plane, we suggest that NAM pursue the following eight-point programme to advance the cause of peace and development:

One, reinforce the normative framework by stressing strict adherence to the principles of inter-state relations enshrined in the Charter of the United Nations.

Two, strengthen the multilateral system to curb unilateralist impulses and to advance the interests of all states in an equitable manner.

Three, re-design the global institutional architecture on the basis of democracy, accountability and transparency.

Four, promote the pacific settlement of disputes. Pakistan has already stressed the need for NAM to expeditiously evolve a mechanism for conflict resolution.

Five, develop a new global consensus covering arms control, disarmament and non-proliferation as well as access to nuclear technology for peaceful purposes. Our approach should be based on the Charter principles and the concept of equal security for all states.

Six, deepen South-South cooperation.

Seven, pay urgent attention to the issue of climate change, including in South Asia. The developing countries need to be provided adequate resources and technology to deal with this looming crisis.

Eight, promote inter-faith dialogue.

**Mr. Chairman,**

We are at a historical juncture. The path we take today would determine the evolution of the world tomorrow. We have a historical responsibility to our future generations.

For its part, Pakistan will continue to actively contribute to the advancement of the NAM's worthy goals and objectives.

I thank you. ■

*Ministry of Foreign Affairs, Islamabad, July 15, 2009.*

[http://www.mofa.gov.pk/Press\\_Releases/2009/July/PM\\_Statement.htm](http://www.mofa.gov.pk/Press_Releases/2009/July/PM_Statement.htm)

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**DOCUMENT 2****TEXT - INDIA, PAKISTAN PRIME MINISTERS' JOINT STATEMENT**

India and Pakistan agreed on Thursday to work together to fight terrorism and ordered senior diplomats to meet as often as needed to improve relations between the two countries, a joint statement by their prime ministers said.

Pakistan Prime Minister Yousaf Raza Gilani and his Indian counterpart Prime Minister Manmohan Singh met on the sidelines of a Non-Aligned Movement summit in the Egyptian resort of Sharm El-Sheikh.

Following is a text of the joint statement issued after those talks:

The two prime ministers had a cordial and constructive meeting. They considered the entire gamut of bilateral relations with a view to charting the way forward in India-Pakistan relations.

Both leaders agreed that terrorism is the main threat to both countries. Both leaders affirmed their resolve to fight terrorism and to cooperate with each other to this end.

Prime Minister Singh reiterated the need to bring the perpetrators of the Mumbai attacks to justice. Prime Minister Gilani assured that Pakistan will do everything in its power in this regard. He said that Pakistan has provided an updated status dossier on the investigations of the Mumbai attacks and had sought additional information/evidence. Prime Minister Singh said that the dossier is being reviewed.

Both leaders agreed that the two countries will share real time credible and actionable information on any future terrorist threats.

Prime Minister Gilani mentioned that Pakistan has some information on threats in Balochistan and other areas.

Both prime ministers recognised that dialogue is the only way forward. Action on terrorism should not be linked to the Composite Dialogue process and these should not be bracketed.

Prime Minister Singh said that India was ready to discuss all issues with Pakistan, including all outstanding issues.

Prime Minister Singh reiterated India's interest in a stable, democratic Islamic Republic of Pakistan.

Both leaders agreed that the real challenge is development and the elimination of poverty. Both leaders are resolved to eliminate those factors which prevent our countries from realising their full potential. Both agreed to work to create an atmosphere of mutual trust and confidence.

Both leaders reaffirmed their intention to promote regional cooperation. Both foreign secretaries should meet as often as necessary and report to the two foreign ministers, who will be meeting on the sidelines of the forthcoming UN General Assembly. ■

*Reuters, July 16, 2009.*

<http://in.reuters.com/article/topNews/idINIndia-41092220090716>

## DOCUMENT 3

STATEMENT BY FOREIGN MINISTER AT THE 16<sup>TH</sup> ARF  
MINISTERIAL MEETING PHUKET, THAILAND – 23 JULY 2009

**Mr. Chairman,  
Excellencies,  
Ladies and Gentlemen!**

At the outset, I wish to express my gratitude and that of my delegation for the gracious hospitality extended to us by our Thai hosts. The beautiful surroundings of Phuket and impeccable arrangements by our Thai friends have provided a perfect setting for our free-flowing interaction.

Pakistan values its association with the ASEAN Regional Forum. The “Vision Statement” proposed to be adopted by 16 th ARF is a timely initiative and will help chart the future course, this entity needs to follow to achieve its stated objectives.

**Excellencies,**

We are living in unpredictable times. Our international system is in a state of flux.

Turmoil in various regions, ongoing conflicts, unresolved disputes, terrorism and militancy, food, energy and financial crisis, environmental degradation, natural disasters, inadequacies of the global trading and financial system, the so-called civilisational divide, are serious challenges the world is confronted with.

On the positive side we can discern a healthy trend towards deepening regional integration, development of cooperative mechanisms to deal with issues of peace and security, acceptance of the need to confront terrorism and a growing realisation for reform of the present global financial and economic architecture. Geo-economics is shaping geo-politics.

However, the challenges faced by us are overwhelming. We see an inability to address festering conflicts, high level of military spendings, stockpiling of arms, environmental and health challenges. Global rules or mechanisms established to deal with issues of peace, security and development have become inadequate or weak. We are not employing the UN Charter to its full use for peaceful settlement of disputes or conflict prevention. We need to arrest this drift endangering the international security system. In order to promote peace, security and stability at the bilateral, regional and global levels, it is imperative to create interdependencies and partnerships that ensure a win-win situation for all.

To respond to multiple challenges, both developed and developing countries have to play their part, since security and economic development are

indivisible. Any architecture which promotes growth of a few and ignores the concerns of majority will be unsustainable. Interest of all countries will need to be taken on board in developing global partnerships. Developing countries need a pro-development enabling environment, effective participation in global economic decision making, rule-based and level playing trading and financial regime and support from developed countries and international financial institutions to pursue their growth and development objectives.

**Excellencies,**

A stable regional environment is a pre-requisite for economic development underpinned by cooperative relations. Pakistan is part of an extended neighbourhood of not one region but several inter-connected regions. Our demography plus geo-economic location confers numerous advantages for our sustained growth. In South Asia, the greatest challenge is to eradicate poverty, illiteracy and disease. We have a shared responsibility to channel all our energies for the betterment of our people who constitute 1/5<sup>th</sup> of this planet's population. And for this, we need an enabling environment of peace and stability.

While our region may be in the spotlight currently due to terrorism and militancy, the fact remains that this region has much more to offer to the world in terms of its economic and human potential. It is unfortunate that the issue of terrorism today overshadows this potential.

**Mr. Chairman,**

Pakistan is engaged in the fiercest battles against terrorism. We are waging this war to save the "soul" of Pakistan. It is in our interest to root out this menace once for all as the terrorists threaten to rip apart the fabric of our society and undermine our region's development prospects.

Perhaps no country has suffered more in human and material terms than Pakistan due to war on terror. Since 2001, Pakistan has been subjected to more than 6000 terrorist attacks. We are still hosting nearly 3 million Afghan refugees.

We are grateful for the assistance international community has extended to us. The Friends of Democratic Pakistan Forum came forward to pledge over \$ 5 billion in Tokyo in April this year. We appreciate this cooperative approach.

We are pursuing a comprehensive strategy of dialogue, development and deterrence. We are building domestic consensus and people's ownership of the struggle against terrorism. This approach is bearing fruit. International community can assist Pakistan in implementing this strategy through building our capacity.

**Excellencies,**

With Afghanistan, our destiny is interlinked. Peace and stability in Afghanistan is vital for our own security and for trans-national regional cooperation. Pakistan's engagement in multiple tracks and trilateral processes reflects our

desire to be a proactive partner with international community to stabilize Afghanistan. Pakistan will offer all assistance for the conduct of free and fair elections in Afghanistan.

We are encouraged by President Obama's pronouncements that the problem of extremism and terrorism needs a "regional" and a "comprehensive" approach. We have underscored the need for a "multifaceted comprehensive strategy". Ongoing campaign against terrorism cannot be won by military means alone. The military surge needs to be backed by political and development surge.

The regional states would have to play their role in preventing the flow of money and weapons into Pakistan and in curbing the narco trade, which is feeding terrorism and keeping the region destabilized.

**Mr. Chairman,**

We view ourselves as a natural trade and energy corridor for facilitating intra-regional and inter-regional economic integration. We attach great importance to our relations with countries of Asia-Pacific region. We wish to expand our ties with the ASEAN community. This is part of our "Vision East Asia" policy. We seek to build complementarities with our Asian partners to reap mutually beneficial dividends. We believe that Asia, which has tremendous resources, both natural and human, is fully endowed to lead in defining the new security and economic paradigm.

Thank you. ■

*Ministry of Foreign Affairs, Islamabad, July 23, 2009.*  
[http://www.mofa.gov.pk/Press\\_Releases/2009/July/PR\\_283\\_09.htm](http://www.mofa.gov.pk/Press_Releases/2009/July/PR_283_09.htm)

#### DOCUMENT 4

### JOINT STATEMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN AND REPUBLIC OF TAJIKISTAN ON FURTHER STRENGTHENING OF BILATERAL RELATIONS

His Excellency, Mr. Asif Ali Zardari, President of the Islamic Republic of Pakistan paid an official visit to the Republic of Tajikistan from 28-30 July 2009 at the invitation of His Excellency Mr. Emomali Rahmon, President of the Republic of Tajikistan. President Asif Ali Zardari was accompanied by a high level delegation, which included Ministers for Foreign Affairs, Interior, Industry and Production and Media Advisor to the President.

The President of the Islamic Republic of Pakistan was accorded a warm welcome in Dushanbe, reflecting the close and cordial relations between Tajikistan and Pakistan.

The Heads of State discussed matters related to the further development of the relations between the two brotherly countries as well as regional and

international issues of mutual interest. The talks were held in a cordial and friendly atmosphere and were characterized by common perceptions on important issues.

The President of Pakistan also received the Chairman of the Upper House (Majlisi Milli) of Parliament, H.E Mahmadsaid Ubayduloev and met with Prime Minister of the Republic of Tajikistan, H.E Mr. Oqil Oqilov.

During the visit, a number of bilateral agreements were concluded to reinforce cooperation in diverse fields.

The President of the Republic of Tajikistan and the President of the Islamic Republic of Pakistan:

- Expressing their mutual desire to further improve brotherly relations and enhance mutually beneficial cooperation between the two countries,
- Affirming that strengthened Pak-Tajik bilateral relations will contribute to regional peace, security and development,
- Taking into consideration the principles enshrined in the Charter of the United Nations, the Joint Declaration of the Republic of Tajikistan and Islamic Republic of Pakistan on 13<sup>th</sup> May 2004 as well as other bilateral documents.

Have agreed that:

- Shared cultural affinities and historic experiences, economic complementarities and geographic proximity have made Tajikistan and Pakistan virtually neighbors. Better relations were in the mutual interest of both countries and the region. To comprehensively upgrade cooperation in all spheres and fields, the two sides will enter into an enhanced partnership based of the principles of the UN Charter, including respect for sovereignty and territorial integrity and non-interference in each other's internal affairs.
- The Islamic Republic of Pakistan and the Republic of Tajikistan will institute a strategic dialogue on regional peace, security and development with a view to developing greater understanding on issues of common interest and mutual benefit.
- The Islamic Republic of Pakistan and the Republic of Tajikistan will take joint measures to realize the full potential of bilateral trade and economic relations, and undertake mutually beneficial projects, subject to agreement, in the areas of infrastructure, communications, energy and industry.
- The Islamic Republic of Pakistan and the Republic of Tajikistan will take appropriate measures to enhance bilateral trade including early implementation of the ECO Trade Agreement (ECOTA), to which both are parties.

- The Islamic Republic of Pakistan and the Republic of Tajikistan will promote business linkages, and to this end facilitate interaction among their respective corporate sectors through exchange of business delegations and establishment of joint business forums.
- The Islamic Republic of Pakistan and the Republic of Tajikistan were satisfied at the outcome of the Third Pakistan-Tajikistan Joint Economic Commission held in Islamabad on 20-21 July 2009. The two sides will vigorously pursue agreements and understandings reached at the Commission.
- The Islamic Republic of Pakistan and the Republic of Tajikistan will work jointly to explore and establish transit transport corridors linking the two countries, and also take measures to revive direct air links.
- The Islamic Republic of Pakistan and the Republic of Tajikistan agreed on the need to expedite establishment of regional electricity networks. The two sides emphasized in particular, early implementation of the CASA-1000 project. To this end, both sides agreed to undertake further studies and measures needed for its implementation, and invited International Organizations and Finance Institutions to contribute funding to the project.
- The Islamic Republic of Pakistan and the Republic of Tajikistan will take measures to promote cultural cooperation as well as people to people exchanges, in particular among students, intelligentsia, media personalities and parliamentarians. The two sides will facilitate grant of scholarships and admission of nationals of the other State in institutes of higher learning.
- The Islamic Republic of Pakistan and the Republic of Tajikistan will shortly conclude agreements in the fields of standardization, health, agriculture and sports, and examine the possibility of setting up joint industrial ventures.
- The Islamic Republic of Pakistan and the Republic of Tajikistan expressed their readiness for further positive cooperation within the framework of UN and its specialized departments, ECO, OIC, SCO and other international and regional organizations, the two sides will consult and coordinate positions on important issues of mutual concern at these forums.
- The Islamic Republic of Pakistan and the Republic of Tajikistan condemn terrorism and extremism in all their forms and manifestations and express their readiness to cooperate closely, bilaterally and within regional frameworks in combating with these twin threats, through among other means, arresting flow of arms and ammunitions and eliminating sources of terror funding.

- The Islamic Republic of Pakistan and the Republic of Tajikistan are concerned on increase of illegal turnover of narcotics drugs, psychotropic substances and precursors and the organized crime. In this regard, the two sides will strengthen bilateral cooperation including by promoting exchange of information among relevant authorities.
- The Islamic Republic of Pakistan will support the efforts of the Republic of Tajikistan in joining the World Trade Organization.
- The President of the Republic of Tajikistan expressed his satisfaction at the efforts of the Islamic Republic of Pakistan for continuation of dialogue with India and for the endeavors to resolve the Kashmir issue by negotiations.
- The President of Tajikistan further appreciated Pakistan for its sacrifices in the fight against terrorism, and expressed full confidence in Pakistan's ability to effectively deal with this menace.
- The Islamic Republic of Pakistan and the Republic of Tajikistan support the role of the Shanghai Cooperation Organization in promoting peace, stability and socio-economic development in the region. Tajikistan will contribute to Pakistan's participation in programmes and initiatives within the framework of Shanghai Cooperation Organization.
- The Islamic Republic of Pakistan and the Republic of Tajikistan extend their support to the Government of the Islamic Republic of Afghanistan to achieve peace and solid stability in the country, to improve economic and social conditions and to establish an independent and democratic society that embodies the interests of the people. They call upon the international community and international financial institutions to channel all assistance directly through the Government of Afghanistan, on projects identified by Afghan authorities.
- The President of the Islamic Republic of Pakistan expressing gratitude for the warm hospitality invited the President of the Republic of Tajikistan to pay an official visit to Pakistan. The invitation was accepted with great pleasure. The date of visit will be coordinated through the diplomatic channel.■

*Ministry of Foreign Affairs, Islamabad, July 28-29, 2009.*  
[http://www.mofa.gov.pk/Press\\_Releases/2009/July/p3.htm](http://www.mofa.gov.pk/Press_Releases/2009/July/p3.htm)

## DOCUMENT 5

**JOINT DECLARATION OF THE PRESIDENTS OF THE ISLAMIC  
REPUBLIC OF PAKISTAN, THE REPUBLIC OF TAJIKISTAN AND  
THE ISLAMIC REPUBLIC OF AFGHANISTAN ON TRILATERAL  
COOPERATION**

The trilateral meeting of the President of the Islamic Republic of Pakistan, Asif Ali Zardari, the President of the Republic of Tajikistan, Emomali Rahmon and the President of the Islamic Republic of Afghanistan, Hamid Karzai took place on July 29, 2009 in Dushanbe.

The prospects of further promoting friendly relations, trilateral cooperation in different areas, as well as regional and international issues were discussed during the meeting.

The Republic of Tajikistan, the Islamic Republic of Afghanistan and the Islamic Republic of Pakistan;

Considering the importance of common historic, commercial and cultural relations among their brotherly and friendly peoples;

Emphasizing the need to support the development and further expansion of mutually beneficial cooperation;

1. Declare to improve their political, economic and cultural relations, enhance cooperation in different areas, and promote understanding and mutual trust in compliance with the principles enshrined in the Charter of the UN, accepted norms of international law and various bilateral and trilateral agreements and initiatives.
2. Underline the need to significantly improve and upgrade their economic and trade relations for the durable development of the region and in this regard, agree to create favourable atmosphere and working conditions for encouraging interaction among their businessmen and investors in their territories.
3. Undertake to promote programmes in the field of education, training and research, history and joint cultural heritage, exchange of scientific, educational, cultural, literary, art and sport delegations to support the improvement of cultural, scientific and training cooperation among the three countries.
4. Considering the importance of continued international support for the rebuilding of Afghanistan and for peace, stability and sustained economic development in this country, discussed the issues of bilateral, trilateral and multilateral cooperation with participation of neighbouring and regional countries and invite all sides to make major contributions to this process.
5. The Republic of Tajikistan and the Islamic Republic of Pakistan renew their support to the Government of the Islamic Republic of

Afghanistan for efforts aimed at promoting peace and stability in Afghanistan, as well as for Afghanistan's economic development and reconstruction. The two Governments reiterate their belief that international aid and assistance can be most effectively utilized if it is channeled through the Afghan Government on projects identified by the Afghan authorities.

6. Underscore the importance of further promoting trilateral economic relations, in particular, implementation of joint projects in construction of inland railroads for goods and passenger transportation, as well as energy transfer from Tajikistan to Afghanistan and Pakistan through Afghanistan. They reaffirm their collective commitment to these projects, and call upon all concerned to take steps to ensure their early implementation.
7. Support and commit to strive to practically implement the construction of railroads and highways on the route Panji Poyon-Sherkhon Bandar-Kabul-Peshawar-Islamabad and any other routes, giving Tajikistan access to the sea through Pakistani seaports and agree to take all measures to facilitate early operationalization of the routes.
8. The Islamic Republic of Afghanistan and the Islamic Republic of Pakistan support the efforts of the Government of the Republic of Tajikistan for establishment of regional electricity networks. In this connection, the parties emphasized that concrete measures will be taken for early realization of CASA-1000 and establishment of the regional Central Asia-South Asia energy market. The parties reiterated the importance of the Joint Declaration of the Presidents of the Islamic Republic of Afghanistan, Islamic Republic of Pakistan and the World Bank on May 8, 2009 in Washington and requested the World Bank, relevant countries and other financial institutions to contribute to the implementation of CASA-1000 Project.
9. Condemn terrorism in all its forms and manifestations. All sides agree that terrorism is a regional phenomenon that necessitates a comprehensive, concerted and coordinated approach with full participation of regional states and local communities. Militancy, separatism, extremism and organized crime undermine regional peace and stability and pose a threat to the security of all regional states. Tajikistan, Afghanistan and Pakistan declare their readiness to cooperate in effectively addressing the menace of terrorism and organized crime.
10. Express concern over the increased turnover and trafficking of narcotics, which provide a ready source of terror funding, and pose a threat to social stability and cohesion regionally and globally. The three sides will adopt collective measures and evolve joint

programmes to prevent plantation, production, and use of narcotics and will conduct joint struggle against the organized groups of drug dealers. In this regard, the Republic of Tajikistan and the Islamic Republic of Pakistan declare their readiness to assist Afghanistan in implementation of programmes related to the plantation of substitute crops. Simultaneously, the Islamic Republic of Pakistan and the Islamic Republic of Afghanistan find the proposal of the Republic of Tajikistan to establish a regional Counter Narcotics Centre as reasonable and an effective way to deal with this menace.

11. Declare their readiness to cooperate within the framework of UN, ECO, OIC and SCO within the frameworks of other international and regional organizations. The three sides will coordinate and support their stance on regional and international issues through exchange of views and discussion.

The President of the Islamic Republic of Afghanistan, Hamid Karzai and the President of the Islamic Republic of Pakistan, Asif Ali Zardari expressed their gratitude to the President of the Republic of Tajikistan, Emomali Rahmon for the warm hospitality. Expressing the satisfaction on the outcomes of the meeting in Dushanbe, the parties emphasized to continue similar trilateral meetings in future. The place and date for the meetings will be coordinated through the diplomatic channel.

Signed on July 29, 2009 equal to 7/5/1388 Hijri at Dushanbe in three original copies in English, Tajik and Dari and all texts have equal legal force.■

*Ministry of Foreign Affairs, Islamabad, July 29, 2009.*  
[http://www.mofa.gov.pk/Press\\_Releases/2009/July/p2.htm](http://www.mofa.gov.pk/Press_Releases/2009/July/p2.htm)

## DOCUMENT 6

### STATEMENT OF THE PRESIDENTS OF THE ISLAMIC REPUBLIC OF AFGHANISTAN, THE ISLAMIC REPUBLIC OF PAKISTAN, THE RUSSIAN FEDERATION AND THE REPUBLIC OF TAJIKISTAN

The quadrilateral meeting of the President of the Islamic Republic of Afghanistan, Hamid Karzai and the President of the Islamic Republic of Pakistan, Asif Ali Zardari, the President of the Russian Federation, Dmitriy Anatolyevich Medvedev and the President of the Republic of Tajikistan, Emomali Rahmon took place on July 30, 2009 in Dushanbe.

During the meeting which was held in the atmosphere of friendship and mutual understanding, the heads of states discussed the prospects and main directions of quadrilateral cooperation.

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The President of the Islamic Republic of Afghanistan, the President of the Islamic Republic of Pakistan, the President of the Russian Federation and the President of the Republic of Tajikistan,

- Recognizing the special significance of extension and strengthening of mutually beneficial economic cooperation among the Islamic Republic of Afghanistan, the Islamic Republic of Pakistan, the Russian Federation and the Republic of Tajikistan as an important component of the regional economic cooperation;
  - Underscoring the need for consecutive implementation of agreements reached during the meeting of the Presidents of the Islamic Republic of Afghanistan, the Islamic Republic of Pakistan, the Russian Federation on June 15, 2009 in Ekaterinburg;
  - Welcome the Statement of the Ministers of Foreign Affairs of the Islamic Republic of Afghanistan, the Islamic Republic of Pakistan and the Russian Federation adopted by the order of the Presidents of the Islamic Republic of Afghanistan, the Islamic Republic of Pakistan, the Russian Federation (Trieste, June 26, 2009);
  - Underscoring the importance of commissioning of Sangtuda-1 Hydropower Plant in Tajikistan, including for solving the energy problems of the region;
1. Welcoming the readiness expressed by the Republic of Tajikistan to join the main directions of the aforementioned Statement of the Ministers of Foreign Affairs of the Islamic Republic of Afghanistan, the Islamic Republic of Pakistan and the Russian Federation.
  2. Underline concern over the increased illicit traffic of drugs as one of the main source of terror funding and call upon the international community to take in cooperation with the Government of Afghanistan additional steps to ensure decisive fight against the menace of drugs.
  3. Stress the importance of the development and strengthening of economic and trade relations among the four countries and support measures at national and international levels aimed at promoting socio-economic rehabilitation and development of the region.
  4. Consider the necessity of quadrilateral economic cooperation, including in working out of ways and means of promotion of regional trade, increase of foreign investment flows and implementation of projects in the sphere of hydropower, construction of transmission lines and development of transport infrastructure as well as the importance of measures on the creation of favourable

- investment climate in their countries and promotion of direct ties among the business communities of the sides.
5. Underline the expedience of active involvement of the Islamic Republic of Afghanistan in economic cooperation processes in the region for the benefit of economic rehabilitation and normalization of the situation in the country as a whole.
  6. Declare their interest to participate in economic cooperation under the auspice of the SCO and request the World Bank and other international financial institutes to activate assistance for the implementation of the economic projects in the region as well as to study the possibility to contribute to the CASA-1000 project.

The President of the Islamic Republic of Afghanistan, Hamid Karzai, the President of the Islamic Republic of Pakistan, Asif Ali Zardari and the President of the Russian Federation, Dmitriy Anatolyevich Medvedev express their gratitude to the President of the Republic of Tajikistan, Emomali Rahmon for the warm and cordial reception and stress the importance of the conducted quadrilateral meeting.

The Joint Statement is signed at Dushanbe on this 30<sup>th</sup> day of July 2009 in one original copy in English, Dari, Russian and Tajik languages. ■

*Ministry of Foreign Affairs, Islamabad, July 30, 2009.*  
[http://www.mofa.gov.pk/Press\\_Releases/2009/July/p1.htm](http://www.mofa.gov.pk/Press_Releases/2009/July/p1.htm)

## DOCUMENT 7

### REMARKS BY PRIME MINISTER SYED YUSUF RAZA GILANI, IN THE NATIONAL ASSEMBLY SESSION, ON HIS VISIT TO SHARM EL SHEIKH

**Madam Speaker,**

I would like to avail this opportunity to take this august house into confidence on my visit to Sharm El Sheikh from 14-17 July 2009 to attend the 15<sup>th</sup> Summit of the Non-Aligned Movement (NAM), on the sidelines of which I had the occasion of meeting Prime Minister of India and a host of other participating leaders.

**Madam Speaker,**

NAM Summit's focus was on "International Solidarity for Peace and Development." It also deliberated on the global financial and economic crisis.

Pakistan believes that the Non-Aligned Movement represents a strong moral voice on the international plane – responding principled positions on

peace and security as well as economic and social issues on the global agenda. During my address to the Summit, I reaffirmed Pakistan's strong commitment to advancing NAM's core principles of sovereign equality; self-determination; non-aggression non-interference; and peaceful co-existence.

I shared Pakistan's perspective on ways of addressing the global financial and economic crisis – particularly emphasizing the need to avoid protectionism, ensure increased market access, and comprehensively reform the International Financial Institutions (IFIs). I also suggested an 8-point programme of action for NAM to promote the objectives of peace and development at the international level, most of which were included in Summit's final documents.

The NAM Summit provided a welcome opportunity to apprise the world community of Pakistan's strategic priorities of peace and development as well as of our vision of a moderate, progressive, democratic, Islamic Pakistan. In this context, I highlighted our strong national determination and the actions undertaken by us to counter terrorism and militancy. I particularly mentioned the sacrifices rendered by our security forces and the people of Pakistan in combating this menace. I mentioned that the entire nation was united on this issue and there was across-the-board support of all political forces and state institutions for eliminating the menace of militancy and terror.

On the Summit's sidelines, I had bilateral meetings with several participating leaders – including the Presidents of Sri Lanka and Afghanistan and the Prime Ministers of India, Bangladesh and Nepal. As is evident, Madam Speaker, my particular focus was on reinforcing our relationships with South Asian neighbours and fostering Pakistan's role and vital contribution to peace and stability in South Asia.

**Madam Speaker,**

As you and the Honourable Members are aware, my meeting with the Prime Minister of India Dr. Manmohan Singh on 16 July was of special significance. This was our second summit-level contact with India recently, following President of Pakistan's meeting with Dr. Manmohan Singh on the sidelines of the Shanghai Cooperation Organization (SCO) summit in Yekaterinburg, Russia, on 16 June 2009.

Before departure for Sharm El Sheikh, I had consulted and taken on-board the President of Pakistan, national political leadership, both inside and outside the Parliament and of the State Institutions, about my visit and meeting with the Indian Prime Minister. I am grateful for their highly positive response and the trust and confidence they reposed in me. It was on the strength of this political consensus that I conferred with Dr. Manmohan Singh and conveyed our desire for forward movement in Pakistan-India relations. I emphasized that the only way forward was dialogue.

Pakistan had, from the outset, indicated to India that we would have an open mind and a constructive approach. We had made clear our desire to discuss

all issues, including terrorism, and to seek a resumption of the Composite Dialogue process.

My meeting with Dr. Manmohan Singh was very cordial. It went far beyond the scheduled time as we exchanged views on all issues. I apprised him of the national consensus in Pakistan on moving toward normalization of relations with India, by settling all disputes and issues, particularly the Kashmir dispute and water issues. The Honourable Members of National Assembly have seen the Joint Statement, which illustrates the wide range of subjects we discussed and our resolve to chart the way forward for Pakistan-India relations.

Specifically, the Joint Statement re-affirms Pakistan's commitment to bring the perpetrators of Mumbai attacks to justice; acknowledges that terrorism is the main threat to both countries; and affirms the resolve to cooperate with each other to fight terrorism. The two countries also agreed to share real-time, credible and actionable information on any future terrorist threats. I also expressed our serious concerns over Indian interference in Balochistan and other areas of Pakistan.

The Joint Statement recognizes that dialogue is the only way forward. It underlines that action on terrorism should not be linked to the Composite Dialogue process and these two matters should not be bracketed. India reiterated its readiness to discuss all issues with Pakistan, including all outstanding issues.

Dr. Manmohan Singh and I agreed that the real challenges are development and elimination of poverty and we should work to eliminate the factors that prevent our countries from realizing their full potential. We agreed to create an atmosphere of mutual trust and confidence. We further reaffirmed our intention to promote regional cooperation in South Asia.

As for future contacts, it was agreed that the Foreign Secretaries should meet as often as necessary and the two Foreign Ministers would meet in New York on the sidelines of the UNGA in September 2009.

**Madam Speaker,**

Pakistan's approach on relations with India is clear and consistent, supported by all stakeholders. We want to have a friendly, cooperative and good-neighbourly relationship, based on the principles of equality, mutual respect and mutual interest. Pakistan is cognizant of the need for effectively addressing the issue of terrorism, which is a regional and global issue. Pakistan has been the victim of terrorism. We are concerned over the external support from certain quarters in terms of funding and supply of weapons to terrorists and militants. These matters were taken up firmly and squarely in our meeting in Sharm El Sheikh. We believe that no country -- Pakistan, India, or Afghanistan -- should allow their territory to be used for terrorist purposes against any other. It is important to strictly adhere to the principles of non-intervention and non-interference.

Pakistan further believes that sustained dialogue and engagement are the real way forward. It is important to resume the Composite Dialogue process,

which made some progress in several areas in the past and offers the promise of measured steps towards resolution of all outstanding issues notably the Jammu and Kashmir dispute. It is our conviction that durable peace and stability in South Asia can only be established by making meaningful progress toward resolving the outstanding issues. The water issues also need to be settled and in this context we have underscored the need for respecting and abiding by the provisions of the Indus Waters Treaty.

**Madam Speaker,**

We have seen some disquiet being expressed in India by certain circles on the outcome of the Sharm El Sheikh summit. We believe, at this historic juncture, it is imperative not to be swayed by partisan considerations. It is essential to keep our sights on the long-term vision. The summit outcome must not be viewed in a zero-sum perspective. This is a win-win for both sides, as the cause of peace in South Asia has been advanced.

We, in Pakistan, have no doubt about Prime Minister Manmohan Singh's sincerity, in working to improve Pakistan-India relations by addressing the issues that have divided us or bedeviled our relations for decades. We agree that engagement and comprehensive dialogue on all issues is the only way forward to realize the vision of a stable and prosperous South Asia.

At the end, I would like to reiterate my firm belief that Pakistan and India are both important countries in South Asia. We together could make a huge contribution to regional cooperation under SAARC. As I stated during my address to the NAM Summit, the peace dividend from an improved relationship between India and Pakistan would be enormous for the 1.5 billion people of South Asia.

Thank you very much.■

*Ministry of Foreign Affairs, Islamabad, August 4, 2009.*  
[http://www.mofa.gov.pk/Press\\_Releases/2009/Aug/PM2.htm](http://www.mofa.gov.pk/Press_Releases/2009/Aug/PM2.htm)

## DOCUMENT 8

### TRADE POLICY 2009-10 SPEECH BY MR. MAKHDOOM AMIN FAHIM, FEDERAL MINISTER FOR COMMERCE

**Ladies and Gentlemen,**

**Assalam-o-Alaikum,**

It is a great privilege for me to present before you the Trade Policy of the government of Pakistan. This is the second time this democratic government is announcing the Trade Policy representing the hopes and aspirations of the people of Pakistan. The recently announced budget carries specific measures for

economic revival and improvements in the lives of Pakistani people. In line with the same spirit of service to the common man, our aim is to bring forth a positive strategic change in the export sector of Pakistan. We also wish to expand our support and encouragement to the private sector and ensure the availability of enabling infrastructure which can put the economy on a path towards sustained growth and development ultimately culminating into poverty and inequality reduction in the country.

As we all know Pakistan has been facing many difficulties on the non-economic front, which have led to further deterioration of the business climate. The issues created due the problems which we inherited such as energy crises, business closures, declining long term foreign investment have been worsened by the war on terror in which Pakistan is a frontline state. The direct and indirect costs of this war do not only include the loss of life, property and business assets, but also the deterioration of country's image as a result of which the business to business interaction becomes more difficult. However after a critical phase of weak domestic macroeconomic situation and reduced external demand owing to the global financial crisis, Pakistan economy is now undergoing a recovery phase. Coming to the trade performance of Pakistan, the year 2008-09 witnessed unprecedented economic downturn especially in our major markets of export i.e. USA & EU. Consumption decreased in the developed world and the global trade shrank by 9%. Global recession adversely affected exporting countries and Pakistan is no exception to it. Exports from Pakistan declined to US\$ 17.8 billion as compared to previous year's exports of US\$ 19.1 billion. Imports also witnessed a relative decline and fell by 13% as Pakistan's imports during 2008-09 stood at US \$ 34.9 billion as compared to US \$ 40.4 billion in 2007-08.

During 2008-9, the export of Textiles, which account for around 54% of Pakistan's total exports, dropped from US\$ 10.6 billion to US\$ 9.6 billion. The major losers in this regard were Readymade Garments, which dropped by 21.7%, Cotton Yarn, which dropped by 15%, Bed linen, which dropped by 10.2%, Art Silk & Synthetic Textiles, which dropped by 22.1% and Cotton Fabric by 4.0%. The exports of finished leather and leather manufacturers dropped from US\$ 1.1 billion to US\$ 0.8 billion registering a drop 24.5%. The Rice exports have registered an impressive growth from US\$ 1.84 billion to US\$ 1.99 with an increase of 8.2%. Engineering goods also registered an increase of 26.1% from US\$ 211.3 to US\$ 266.4 million. In this regard, the major contributors have been the specialized machinery, transport equipment, electric fans etc. The export of Jewelry also rose from US\$ 213.4 million to US\$ 288.4 million, registering an increase of 35%.

Taking a long term view of Pakistan's export performance over the last ten years, Pakistan's share in the global market, according to WTO data, has declined by more than 1/3 to 0.13% in 2009 from 0.21 % in 1999.

During the last few decades, the global trade has undergone a major structural change as far as the product composition and geography of trade is

concerned. There has been an explosion of non textile manufactured exports at the global level. Whereas, the share of non-textile manufactured in Pakistan's exports has gone down from an already low figure of US \$ 5.83 billion (25.08%) in 2007-08 to US \$ 3.12 billion in 2008-09 (17.32 %). At the same time, our competitor economies, particularly in Asia, have significantly enhanced their share in non-textile manufactured. As far as the Textile and Clothing sectors are concerned, the rate of growth in Clothing is much higher than Textiles in the international market. Whereas, Pakistan, managing to keep its market share in Textiles to an extent, has been slow in benefiting from the expansion in higher value Clothing sector.

The principle reason for this growing disconnect between the evolving global market structure and our export performance is the erosion of the competitiveness of Pakistan's traditional exports in general and the country's weakness in diversifying its product and market mix.

In view of the above situation, the government, in a true democratic spirit, took all stakeholders on board and has devised a strategy to go all out to remain firm in these difficult economic times, keep focused on our strengths, and convert challenges into workable opportunities. Trade Policy 2009-12 aims to set the country on the path of sustainable high economic growth through exports. The fundamental principles of the Strategic Trade Policy Framework are rooted in the manifesto of Pakistan People's Party i.e.,

- Growth with Equity
- Greater Opportunities for gainful employment
- Sound macro-economic framework for trade environment
- Concern with poverty eradication and environmental protection
- Investing in Human resources
- Targeting Poverty alleviation
- Promoting private sector as engine of growth
- Focus on small scale sector particularly in agriculture

As guided by the prime minister and his cabinet, this policy is geared towards:

1. Contributing towards poverty alleviation
2. Achieving export led growth and providing relief to the common man through the provision of jobs and services
3. Will focus strongly on development and facilitation

**Ladies and gentlemen,**

The policy is set in a three years Strategic Trade Policy Framework (STPF), which we strongly hope would result in the enhancement of export competitiveness of Pakistan to enable Pakistani companies overcome the shocks of international economic crisis through a set of integrated and holistic policy and measures.

Ladies and gentlemen, I would now like to unveil the Strategic Trade Policy Framework for the next 3 years. This will be a medium term road map in order to ensure certainty of policies which in turn will act as a catalyst in the revival of domestic commerce and international trade in Pakistan, with the precise objective of bringing about a structural transformation in Pakistan's exports.

**Ladies and gentlemen,**

We have to bear in mind that this trade policy comes in the backdrop of a number of challenges. These include:

- o Infrastructure deficit, particularly in energy
- o Poor innovation and technological infrastructure
- o Low labour productivity
- o Low levels of manufacturing value addition
- o Little Foreign Direct Investment in manufacturing and exportable sectors.
- o Anti-export bias in taxation
- o Increasing costs of exports as compared to imports
- o Lack of product and geographical diversification in exports
- o Absence of economies of scale in the production processes, especially in the Small and Medium Enterprise sector which accounts for a vast majority of the enterprises in the country.

**Ladies and gentlemen,**

My Ministry realizes that we need a paradigm shift to enable our firms and entrepreneurs to become globally competitive and export those products which are valued more in the international market. This would involve structural transformation in the form of increased mobility of labor and capital across sectors and change their production processes and ultimately the content of exports. We hope that we would be able to begin effecting this transformation through the Strategic Trade Policy Framework 2009-12, with Competitiveness Development at the centre of all our trade promotional efforts and interventions. Very soon, we should be able to see Pakistan producing and exporting a more sophisticated and diversified range of products, resulting also in an increase in returns for sectors ready to embrace the global competitive environment.

**Ladies and gentlemen,**

Let me now share with you the integrated solutions we aim to provide in order to realize our strategic objectives. As far as the enhancement of the export competitiveness is concerned, the government aims to:

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- First, overcome the most pressing supply-side constraints such as the shortage of energy, cost of capital and difficulties linked with adverse travel advisories.
  - Second, enhance competitiveness of textile and clothing, with the help of Textile Policy due to be announced shortly which focuses on new investments, modernization of machinery and increasing total factor productivity.
  - Third, deepen and diversify export markets particularly our major trading partners US and EU as well as countries with which Pakistan has signed a free trade agreement such as China, Malaysia and Sri Lanka.
  - Fourth, promote trade in services which globally have a more stable demand pattern and are less prone to detrimental external shocks seen for the case of commodity trading.
  - Fifth, embark on domestic commerce reform and development where key areas such as wholesale and retail trade, storage and warehousing, transport, regulatory environment, promotion of modern business and taxation practices require immediate attention.

In order to address our strategic objective of increasing the sophistication level of Pakistan's exports products and enhance firm level competitiveness, our government aims to:

- Integrate the local productive capacity with globally integrated supply chain.
- Coordinate and leverage the skill up-gradation programmes in the priority sectors and strengthen the institutions entrusted with the skilling. In this regards, skilling of women workers would be given special importance.
- Acquire and upgrade technology level so that Pakistan can move away from the traditional and low value export products.
- Promote enterprise and entrepreneurship development. The Ministry of Commerce proposes to set up an Enterprise and Entrepreneur Fund [EEF] for incentivising the improvements in firm management capabilities in ten sectors chosen to push Pakistan higher on the sophistication ladder.
- Rationalize the tariff policy keeping in view the structure of value addition in various industries.

In order to address our strategic objective of product diversification for Pakistan's exports our government aims to:

- Provide a clear policy framework on the development of chemical sector.

- Continue the successful initiatives provided to the Pharmaceuticals sector in the previous trade policy and help introduce necessary regulatory and initiate new development programmes.
- Address the supply side constraints in the meat and meat products industry.
- Facilitate the foreign direct investment and export potential of mineral sector.
- Promote agro-processed exports.
- Support the light engineering sectors to export more in high paying markets. The trade policy aims to create a special fund of Rs 2.5 billion for product development and marketing in order to increase the sophistication level of the sector and realize true potential of this sector.
- Devise a medium term strategy to boost exports of gems and jewellery.
- Devise a comprehensive long term strategy for significantly improving Pakistan's export of services.
- Provide incentives to facilitate technology acquisition, adoption, replacement with the twin objectives of energy efficiency and environmental protection.
- To launch a comprehensive Leather and leather products export Plan in consultation with the major players of leather sector
- To launch a comprehensive plan for the promotion of export of Services.

In order to address our strategic objective of pursuing greater market access through extensive trade diplomacy the government aims to:

- Actively participate in the Doha Development Agenda negotiations in order to maximize the gains from trade diplomacy.
- Making free trade agreements a success in terms of increase in bilateral and regional export volumes with favorable terms of trade for Pakistan.
- Engage with the larger trading partners like US and EU for greater market access and utilize the Reconstruction Opportunity Zones for providing zero duty facility for exports to US.
- Strengthen and utilize the trade officers better for the protection and promotion of Pakistan's commercial interest abroad.

**Ladies and gentlemen,**

Enhancing export competitiveness of Pakistan would largely depend upon the quality of governance and management structures deployed to implement it. In order to address our objective of institutional reform for prudent

implementation of Strategic Trade Policy Framework the Ministry of commerce would take the following measures:

- We would employ the modern *logical frameworks* to implement and evaluate different interventions and initiatives of the Strategic Trade Policy Framework and would establish 3 Implementation Management Units.
- We would set up an Export Investment Support Fund to channelize the public investments to the selected sectors with clear objective of effecting the structural transformation.
- My Ministry would ensure significant improvements in its own working as well as in the working of Transport and Trade Facilitation Project, Trade Development Authority of Pakistan, National Tariff Commission, Pakistan Institute of Trade and Development, Pakistan Horticulture and Export Development Board, Directorate General of Trade Organizations, Trade Offices Abroad and other relevant organizations.
- The Ministry of Commerce would establish efficient steering and coordination mechanisms that make the functional linkages between the Structural Trade Policy Framework with the Planning process in Pakistan and relevant line and sectoral ministries
- My Ministry would lead from the front in shaping much more effective Public-Private dialogue in the realization of the Objectives of the Strategic Trade Policy Framework.
- As far as the monitoring and evaluation of the Strategic Trade Policy Framework is concerned, the Pakistan Institute of Trade and Development Islamabad, an independent policy think tank of the Ministry of Commerce, would undertake a systematic evaluation of the impact of Trade Policy 2009-12 on the trade performance of Pakistan with a view to enhance the effectiveness of different trade policy interventions, suggest course corrections and lay the scientific foundations for the preparatory work for the next Trade Policy.

**Ladies and gentlemen,**

As far as giving an export target for the coming years is concerned, the Ministry believes, on the basis of an extensive consultative process, that there is a consensus among all the stakeholders in Pakistan's international trade that the country's exports can become an engine of growth and prosperity in Pakistan, if the relevant institutions, both in public and private sector implement a holistic strategy to enhance competitiveness of exports. However the growth during 2009-10 would remain rather sluggish partly due to slowdown in global demand and also due to the fact that all the programmes and measures of Strategic Trade Policy Framework would have a brief time lag before coming into full force.

The Ministry therefore has set the export growth target of 6 % for 2009-10 and 10 and 13 % for each of the successive years. The Ministry for the first time is introducing a few intermediate indicators, which contribute to the enhancement of export competitiveness. It is expected that by 2012 the competitiveness ranking of Pakistan will improve from 101 to 75; the share of engineering exports will increase from 1.5 % to 5 %; value addition of cotton to increase from US \$ 1000 to \$ 1500 per bale; and regional trade to expand from 17 to 25 %. The Strategic Trade Policy Framework sets out the policy guidelines and identifies the principle action areas. We hope to complete the work on identifying the business processes to improve within the first quarter of the financial year and address them forthwith. For the realization of other strategic objectives we hope to take the stock of the on ground situation and propose the activities which would start rolling out within the second quarter. We strongly hope that the activities and programs thus started would be completed by June 2012. But we have not ignored the pressing supply side issues and other legitimate requirements of the export sector and are hereby suggesting several measures to facilitate exports.

Businesses need short to medium term certainty in the interest rate for investment. Currently, there is no policy instrument provided by the government or private sector for providing finance at fixed interest rates for a short to medium term. It has been decided to create a Fund to hedge markup rate hikes. The Ministry will work with the Ministry of Finance and State Bank of Pakistan towards this end.

In order to ensure predictability of electricity supply it has been decided that Ministry of Water and Power would work with the Electricity Distribution Companies, to enter into agreements with clusters of industries whereby electricity is supplied at mutually agreed times. The agreements would have punitive and compensation clauses; and the compensation could be in the form of electricity charges credit.

**Ladies and gentlemen,**

The provision of insurance cover for visiting buyers can go a long way in restoring the investor's confidence. These days, the purchasers, inspectors and sourcing agents of overseas buyers are reluctant to travel to Pakistan and the exporters have to meet them in other countries. This increases cost of doing business. It has been learnt that apart from travel advisories that stop the purchasers/importers from coming to Pakistan but also the fact that the insurance companies refuse to cover the period of stay in Pakistan on usual rate of premium. To overcome this problem, it has been decided to launch a scheme for picking up the full cover for Pakistan for their valid insurance policies. The scheme will be funded from Export Investment Support Fund and managed by National Insurance Corporation.

Ladies and gentlemen, in the short run, we are introducing many sector specific initiatives to promote product diversification, which are as follows.

- Extra cost on inland transportation erodes export competitiveness of a range of developmental products. It has been decided that a scheme may be launched to compensate inland freight cost to exporters of cement, light engineering, leather garments, furniture, soda ash, hydrogen peroxide, sanitary wares including tiles, finished marble/granite/onyx products.
- All final use products do require continuous research and development for enhancing competitiveness either by technology up-gradation, skill development or by improved management systems. A fund dedicated to support these activities named Technology, Skill and Management Up-gradation Fund of Rs. 3 billion is being established.
- The manufacturing in surgical instruments, sports goods and cutlery sectors is largely done under the brands of foreign companies, and that result in lower prices for manufacturers in these sectors. It has been decided that surgical instruments, sports goods & cutlery sector would be granted 25% support on brand development activities.
- Shortage of well-trained skilled manpower is impeding growth of surgical instruments manufacturing industry. It has been decided to establish a center of excellence for catering to the training, designing, research & development needs of surgical instrument sector at Sialkot.
- The Engineering Sector in Pakistan is very dynamic but it is fragmented. This sector has shown promising growth during 2008-09 with an export growth of 32 %. In order to increase the sophistication level and realize true potential of this sector, a special Fund of Rs 2.5 Billion is being created for product development & marketing for light engineering sector.
- Leather apparel industry needs to adapt to changing trends for which they need expert input for improving quality and efficiency. The Leather sector would be able to avail the following facilities from the Export Investment Support Fund:
  - Procurement of expert advisory services to leather apparel manufacturers cum exporters.
  - Matching grant to establish design studios or design centers in the factories.
  - Establishment of Research & Development Centers in Karachi and Sialkot by Pakistan Leather Garments Manufacturers and

Exporters Associations for providing Research & Development support to Leather Garments & Leather Goods Exporters.

Finished leather is one of the major export products and an intermediate product in which substantial value addition can be achieved by adopting modern production processes and creating trendy finishes. There is a need to encourage tanneries to upgrade production and designing facilities and to facilitate them for complying with international standards. The leather sector now would be able to avail the following facilities from the Export Investment Support Fund:

- o Sharing 25% financial cost of setting up labs in the individual tanneries.
- o To provide matching grant for setting up of effluent treatment plants in individual tanneries.

It is estimated that a minimum of 25% hides and skins are rendered useless from butcher cuts. There is an imminent need to introduce flaying machines in slaughter houses but local governments have limited resources to install and run flaying machines. It has been therefore decided that Export Investment Support Fund may be used for providing matching grants to district governments for installing flaying machines.

The government of Pakistan recognizes the importance of the Textile and Clothing Sectors. To provide a foundation for sustainable growth, various initiatives are being planned through a separate and first ever Textiles Policy, to be announced shortly. The major thrust of the Textiles Policy will be to enhance domestic capabilities and capacities for efficient use of resources through skills development, technology up gradation and provision of infrastructural facilities. Measures are also envisaged for diversification of fiber usage and mix. The Textile Policy takes a holistic approach and will contain short-term and long-term measures to support the textiles and clothing manufacturers overcome the current problems created by the global down turn and equip them with necessary ingredients to meet the growing competitiveness challenges of the future.

The Strategic Trade Policy Framework would leverage the Textile Policy through its diverse measures and policies directly and indirectly. The Ministry of Commerce would lend its support to the Ministry of Textiles towards an efficient implementation of Textile Policy. In this regards, the following Initiatives would be given high priority by Strategic Trade Policy Framework among many others initiatives which Ministry of Commerce hopes to develop and implement with the help of Ministry of Textiles and other stakeholders.

- Promotion of new investment and modernization of machinery.
- For diversification of exports mix, custom duty may be zero rated on import of Man Made Fibers other than Polyester Staple Fiber.
- Customs duty on import of sizing chemicals may be withdrawn.

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- Establishment of warehousing in major markets, requiring direct to Store Delivery.
  - Brand Development Program, to encourage the establishment of domestic and international brands.
  - Rationalization of tariff on the principle of cascading to provide the exporting industry with an environment which supports manufacturing rather than trading.
  - Initiatives for greater market access, developing and enlarging acceptability of Pakistani textiles and clothing in niche markets and diversification of exports to new destinations.
  - Initiatives to promote more effective holding of local and participation and foreign exhibitions.

**Ladies and gentlemen,**

- Live Sea Food fetches very high prices in international markets as compared to frozen products. It has been decided to grant 25% freight subsidy if live seafood products are exported by air. This will also compensate exporters to overcome losses incurred due to mortality.
- Our government plans to give a big boost to agro-processing due to its potential to reduce poverty in the country side. Raw and semi-processed agricultural produced being currently exported can get higher values if exported as processed food. However, Technical Barriers to Trade on processed food require compliance of international standards and thereby increasing the cost of production. It has been decided to support processed food exports initially by reimbursing Research & Development costs @ 6% of the exports. The quantum and mode of support for 2009-12 would be decided after a detailed study but not later than May 2010.
- Services sector has immense potential for earning foreign exchange however high pre-project costs are a deterrent to its expansion. Support to Services Sector in tendering process and preparing feasibility studies shall be instrumental in helping the sector to achieve its potential. We are setting up a Services Export Development Fund to provide assistance in the form of reimbursable grants, to Pakistan service exporters for Tendering or negotiating for international projects and for conducting pre-feasibility or feasibility studies for international projects.
- Halal Products is an over trillion dollar market. Pakistan despite being a Muslim country is being left behind due to a lack of recognized Halal standards. Ministry of Science and Technology working to set up a Halal Certification Board. It has been decided that till the Halal Certification Board is setup, the government

would support the cost of Certification by 50%. In the coming year, the Ministry will develop a comprehensive policy for the promotion of Halal products.

- Safety Standards Certification by Underwriters Laboratories (UL) increases the level of acceptability of manufactured products particularly domestic electrical appliances in international markets. It has been decided that 50% cost of UL certification would be borne by the government.
- The zero rating of exports is a very old demand of the industry. Despite many promises by the governments, the exporters have not been getting this facility as enjoyed by their international competitors. Our government has decided to make the exports completely zero rated. As determining and providing additional duty drawbacks to specified sectors may take some more time, it has been decided to give an interim relief to the sectors of tents & canvas, electric machinery, carpets, rugs and mats, sports goods, footwear, surgical/medical/veterinary/beauty care instruments, cutlery, onyx products, electric fans, furniture, auto parts, handicrafts, jewelry and pharmaceuticals. All incentives will be linked to the outcomes, efficiency standards and wherever possible, productivity targets.

Our government is aware that there is an urgent need to reduce the cost of doing business in Pakistan. We are addressing this in a systematic way under our Strategic Trade Policy Framework 2009-12. To demonstrate our resolve to reduce the cost of doing business in Pakistan significantly, we are introducing a few specific measures right away. These Measures are as follows:

- Oil and gas and petroleum sector companies are allowed import of second hand plant and machinery equipment required for their project in Pakistan subject to pre-shipment certification to the effect that such plant, machinery and equipment are in good working condition and are not older than 10 years. Since drilling rigs usually have a useful life of around 20 years it has been decided that the age limit for them may be enhanced to 20 years subject to Pre Shipment Inspection certification.
- There are various restrictions on import of specialized machinery and transport equipment e.g. Concrete Transit Lorries, Concrete Pumps, Crain Lorries, Concrete Placing Trucks, Dump Trucks, Waste Disposal Trucks, cement bulkers and Prime Movers. These conditions include age restrictions and actual use. It has been decided to allow the import of specialized machinery and transport equipment by actual users in used condition provided they fulfill

emission standards and have sufficient productive life irrespective of the age.

- There is a possibility for Industrial Users to trade-in new, refurbished or up-graded machinery with their obsolete machinery. Current import and export regimes do not provide for trade-ins whereas if allowed it could reduce the expenditure on Balancing Modernization and Reform. It has been decided to allow Industrial importers to import new, refurbished and upgraded machinery on the basis of trade-in with their old, obsolete machinery. Likewise export of their old and obsolete machinery for trade in with new, refurbished or upgraded machinery would also be allowed.
- State Bank of Pakistan has discontinued the facility to remit US\$ 10,000 per invoice, as advance payment, for import of spare parts, consumables and raw materials. The discontinuation of the facility has increased the cost and time to effect urgent imports. It has been decided that the facility to remit US\$ 10,000 per invoice, as advance payment, for import of spare parts, consumables and raw materials would be restored by State Bank of Pakistan.
- Ladies and gentlemen, marketing of pharmaceutical products involve number of complexities in the international market, including the need for extensive sampling at product launching stage. It has therefore been decided that limit for physicians' samples may be enhanced to 20% from the current limit 10% at the time of launch with first shipment.
- Currently, units that export 100% of their production enjoy the status of Export Oriented Units and the benefits thereof. Since, engineering industry, particularly auto motive parts manufacturing industry has vast export potential but cannot export all of its production in initial stages, it needs special treatment. It has been decided that engineering units would be allowed Export Oriented Units facility on export of 50% of their production for the first three years. After that, the engineering units would be allowed this facility on export of 80% of their production.

**Ladies and gentlemen,**

An effective Trade Facilitation is very important in the modern day business. The Ministry of Commerce would undertake and coordinate all the necessary measures to facilitate the provision of lower cost, more efficient and reliable trade facilitation services in promoting our exports under its Strategic Trade Policy Framework. In this regard, the successful existing initiatives will be continued. These include:

- Support for opening exporters offices and retail sales outlets abroad.

- Support for the warehousing scheme would be continued and its scope would be expanded to include traditional markets and traditional products.
- The government is supporting various quality, environmental and social certifications. The scope of this Scheme would be expanded by Trade Development Authority of Pakistan in consultation with the Industry.

On the import side, several regulatory issues require immediate attention. We are addressing these issues through the following measures:

- At present old and used computers and parts thereof are freely importable but the import of used components is banned, depriving the low income groups of computer use. In order to encourage use of computers by low income groups, it has been decided to allow the import of old & used computer components.
- Second hand Cathode Ray Tubes monitors are being imported and used as televisions, thereby posing a threat to local television industry; excessive import of first world's e-waste is also a threat to the environment. It is therefore been decided to disallow the import of Cathode Ray Tubes monitors unless imported along with used computers.
- The local manufacturing of vaccines is of strategic importance and many local companies have started venturing into this high tech segment. To encourage local manufacturing, import of vaccines would be restricted only from World Health Organization approved plants.
- At present, only such used ambulances that are donated by "reputable organizations" are allowed for imports by charitable organization. It has been decided that import of used ambulances that fulfill certifiable standards and have minimum 10 years of useful life would be allowed when donated by any organization or individual to charitable or nonprofit organization, trusts or hospitals.
- Disabled persons are allowed waiver of import duty which is in excess of 10% on Completely Knocked Down [CKD] kits that are imported for assembling of car for them. Restricting disabled persons to use locally assembled cars limits the choice to only a few makes. There have been persistent complaints of non-availability of customized vehicles in the local makes. Some time ago, the duty free import of customized cars by disabled persons was allowed. To facilitate disabled persons to actively participate in economic activities, the facility to import duty free customized cars, not above 1350cc of engine capacity is being allowed. To facilitate disabled

persons further, it has been decided to allow the import of one used duty free motorized wheel chair to actual users.

- In case a passenger who brings or imports vehicle under Transfer of Residence scheme dies before the issuance of Transfer of Residence, there is no provision in Import Policy Order for release of such a vehicle. It has been decided that the vehicle imported by a overseas Pakistani, under Transfer of Residence rules, may be released to legal heir in case of his or her death.

**Ladies and gentlemen,**

In conclusion let me say that despite all the challenges we face, as a nation we should be willing and prepared, at all times, to transform challenges in to opportunities. In line with our manifesto, the strategic trade policy framework will promote: growth with equity, greater opportunities for gainful employment, contribute to sound macroeconomic framework, poverty eradication, environmental protection, investing in human resources, promotion of private sector as engine of growth and a focus on small sector particularly agriculture. I am confident that all the relevant Ministries and sectoral bodies and stakeholders would join hands with the Ministry of Commerce to make exports as an engine of high, sustainable economic growth and prosperity in Pakistan.

Thank You.■

*Ministry of Commerce, September 4, 2009.*  
<http://www.commerce.gov.pk/tradepolicy.asp>

## DOCUMENT 9

### CONCLUSIONS OF THE MEETING OF THE KASHMIRI LEADERSHIP AND POLITICAL PARTIES CHAIRED BY FOREIGN MINISTER MAKHDOOM SHAH MAHMOOD QURESHI, AT THE MINISTRY OF FOREIGN AFFAIRS, ISLAMABAD (4 SEPTEMBER 2009)

Our today's deliberations have clearly established that we are all united in supporting the just cause of the people of Jammu and Kashmir.

As far as Pakistan is concerned, it remains committed to finding a just and peaceful resolution of the issue of Jammu and Kashmir in accordance with UN Security Council Resolutions and aspirations of people of Kashmir.

Pakistan will continue its moral, political and diplomatic support to the people of Jammu and Kashmir.

All political parties in Pakistan speak with one voice on the issue of Jammu and Kashmir.

The issue needs to be projected more vigorously. The role of the Kashmiri Diaspora is extremely important in this context.

It is a unanimous view that India must put an end to the human rights violations in IOK and release all political prisoners in IoK.

The meeting endorsed the holding of a Conference on Kashmir early next year.

The elections in IOK are not a substitute for the right to self-determination. The low voter turnout in the elections was a clear message to New Delhi that the people of Jammu and Kashmir have rejected all steps by India to force its will on the people of Jammu and Kashmir.

The meeting noted that the CBMs on Kashmir including Cross LoC Travel and Trade were a positive development.

The holding of the ceasefire along the LoC is an important CBM.

The meeting called for the resolution of the water issues between Pakistan and India in accordance with the Indus Waters Treaty of 1960.

India has regrettably put a "pause" on the Composite Dialogue process.

The dialogue process with India should continue.

The meeting emphasized that both Islamabad and New Delhi would benefit from the resumption of the dialogue process which is in the interest of peace and security in South Asia. The Kashmiris must be associated with the talks.

The meeting appreciated the steps taken by the Government of Pakistan to grant empowerment to the people of the Northern Areas.

The meeting expressed full solidarity with the people of IoK underlining that Pakistan will never abandon the Kashmir cause.

The meeting was of the view that Pakistan Parliament may once again endorse our stated position on the issue of Jammu and Kashmir. ■

*Ministry of Foreign Affairs, Islamabad, September 4, 2009.*  
[http://www.mofa.gov.pk/Press\\_Releases/2009/Sep/PR\\_338\\_09.htm](http://www.mofa.gov.pk/Press_Releases/2009/Sep/PR_338_09.htm)

## DOCUMENT 10

### FRIENDS OF DEMOCRATIC PAKISTAN SUMMIT MEETING CONCLUDING STATEMENT BY THE CO-CHAIRS

The Friends of Democratic Pakistan, established as a forum in September 2008, held its first Summit in New York City on September 24, 2009, under the co-chairmanship of President Barack Obama, President Asif Ali Zardari, and Prime Minister Gordon Brown. Also attending were twelve Heads-of Government and senior representatives of nine countries and five multilateral institutions.

1. The Summit Leaders congratulated the people of Pakistan for achieving significant progress in the democratic transformation of their country, and recognized the great significance of democracy to the stability of Pakistan, the region and the global community of

nations. They recognized that democracy must be enabled to deliver on the promise of a new hope and for realizing the aspirations of the people for prosperity and peace.

2. Reflecting on the positive Ministerial and senior officials meetings of the Group of Friends in Abu Dhabi in November 2008, in Tokyo in April 2009 and in Istanbul in August 2009 – of whose conclusion Prime Minister Recep Tayyip Erdogan provided his assessment- the Summit Leaders confirmed that the international community, in particular members of the Friends of Democratic Pakistan, would continue to provide political and strategic support to the Pakistani people in their national effort to achieve greater socio-economic development and to overcome the challenges of terrorism, militancy and extremism.
3. The Summit Leaders acknowledged the progress and the sacrifices made by the people of Pakistan in the struggle against terrorism, militancy and extremism. They applauded the united resolve of the Pakistani nation and institutions to eliminate these threats as well as the crucial importance of continued support for them to take the lead. They promised to support and collaborate with Pakistan in these efforts.
4. The Summit Leaders welcomed the announcement by the World Bank and the Government of Pakistan to establish a Multi Donor Trust Fund to provide for a coordinated financing mechanism for donor support of areas affected by terrorism, militancy, and extremism. They urged bilateral and multilateral partners to extend and co-ordinate this support in order to align fully behind the Government's proposed comprehensive approach.
5. The Summit Leaders recognized the suffering of the Pakistani people due to the prolonged shortfalls in electricity and agreed to assist as a crucial means of support for Pakistan's economic and human development. They agreed that a next focus of the Friends will be to support Pakistan's efforts in formulating a sustainable, integrated energy plan and noted the Asian Development Bank's support in mobilizing the Friends for energy sector assistance. Leaders anticipate a report on energy at the next Ministerial meeting of the Friends.
6. The Summit Leaders expressed solidarity with those affected by terrorism, militancy, and extremism, including the millions of people displaced from their homes in the North West Frontier Province and the Federally-Administered Tribal Areas (FATA). They also recognised further the indirect impact on all people in Pakistan.

7. The Summit Leaders applauded Pakistan's recent success in containing and reversing militancy and terrorism in the Malakand area. It praised, in particular, the special effort made by the Government in designing a strategy for the reconstruction and development of the Malakand Division, in close consultation with the Friends of Democratic Pakistan. The Summit Leaders reinforced their commitments to offering further humanitarian and early recovery assistance for those in need, and also to reconstruction of affected areas in particular in the light of the needs assessments.
8. The Summit Leaders emphasised that the Pakistani Government's long-term strategic approach to security and socio-economic development presents a constructive framework for international co-operation to confront terrorism, militancy, and extremism. The Group of Friends welcomed Pakistan's commitment to quickly develop and implement an integrated and comprehensive approach to address issues of security and development in FATA.
9. The Summit Leaders stressed the need for the Pakistani Government and the Friends to strengthen their partnership in addressing other critical priorities identified by the Government. They welcomed the support of the United Nations for Pakistan's efforts in mobilizing assistance and encouraging partnerships.
10. The Summit Leaders underlined the importance of helping Pakistan enhance, comprehensively, its institutional capacities, and in this context, reaffirmed that the Friends would facilitate a partnership approach.
11. The Summit Leaders welcomed the Pakistani Government's commitment to address the challenge of enabling an effective application of the rule of law across Pakistan as a means of tackling the challenges of extremism and development.
12. The Summit Leaders welcomed the intention of the Government of Pakistan to revive and revitalise the annual Pakistan Development Forum to serve as a platform for a substantive policy dialogue between Government and international partners on Pakistan's development priorities, including health, education, social protection, inclusive economic growth and strengthening institutions. They welcomed the support of International Financial Institutions, as well as Pakistan's other partners, to assist Pakistan in its development agenda.
13. The Summit Leaders encouraged donors to follow through with their bilateral commitments as pledged in Tokyo in April 2009 to ensure that financial support and development assistance is delivered as soon as possible to the Pakistani people.

14. The Summit Leaders recognised the value of enhanced market access as a means to revive economic activity and to promote the well-being of the people of Pakistan. They agreed to positively consider Pakistan's call for enhanced trade development and market access.
15. The Summit Leaders recognised the importance of promoting engagement by the business sector in Pakistan and other countries to enable Pakistan's socio-economic development. They undertook to encourage, promote and facilitate public-private partnerships and joint ventures, and to engage in sustained dialogue with respective business sectors with a view to removing existing hurdles to trade and investment.
16. The Summit Leaders stressed the value of the Group of Friends of Democratic Pakistan as a political forum to express international solidarity with the Pakistani people's aspiration to build a stable, democratic and prosperous nation. They also stressed the importance of the Group as a catalyst to mobilise concrete support to the Pakistani government and people and to promote better understanding of Pakistan's rich cultural heritage.
17. The Summit Leaders instructed their Foreign Ministers to meet as often as necessary to achieve these aims and to demonstrate the ongoing high level of attention being given to supporting the people of Pakistan.

Issued by the Co-Chairs of the Friends Summit:

President of Pakistan  
President of the United States  
Prime Minister of the United Kingdom,  
New York. ■

*Ministry of Foreign Affairs, Islamabad, September 24, 2009.*  
[http://www.mofa.gov.pk/Press\\_Releases/2009/Sep/PR\\_356\\_09.htm](http://www.mofa.gov.pk/Press_Releases/2009/Sep/PR_356_09.htm)

## DOCUMENT 11

### STATEMENT BY THE FOREIGN MINISTER AT THE ANNUAL COORDINATION MEETING OF THE OIC FOREIGN MINISTERS NEW YORK (NEW YORK, 25 SEPTEMBER 2009)

Honourable Mr. Chairman,  
Distinguished Secretary General,  
Excellencies,  
Ladies and Gentlemen,

**Assalam-o-Alaikum,**

At the outset, I would like to thank you, Mr. Chairman, and the Secretary General, for organizing this Annual Coordination Meeting of the OIC Council of Foreign Ministers.

I would also like to congratulate Syria on successful hosting of the 36 th Session of the Council of Foreign Ministers (CFM) in Damascus and on assumption of Chairmanship of the OIC Group in New York. I assure you my delegation's full cooperation in facilitating your work.

**Mr. Chairman,**

Today is a historic day. Forty years ago on this day, the leaders of Islamic Ummah gathered in Rabat and resolved to strengthen the bond of unity and solidarity among the Muslim people, to respect, safeguard and defend the national sovereignty, independence and territorial integrity of all member states. It is, therefore, a moment to celebrate and to reflect on our achievements as well as shortcomings.

Over the years, the OIC has emerged as the second largest Intergovernmental Organization after the United Nations. It has made significant contribution to the UN efforts in maintaining international peace and security, in promoting Islamic causes and in protecting Muslim minorities through out the world.

It gives me great satisfaction that Pakistan has worked shoulder-to-shoulder with our brethren in the conceptualization, building and strengthening of various institutions of the Organization. We have also played our role in the continuing process of reform and restructuring of the Organization including the adoption of its Charter last year to prepare the Organization to face challenges and to benefit from the opportunities offered by a highly competitive world in the 21st century.

Notwithstanding our achievements, we have to go a long way in realizing the full potential of the OIC. Muslim states are endowed with enormous human and natural resources. But in terms of educational achievements and technological advancement, we remain at the bottom. It must change. And change quickly. For this to happen, we need to give top priority to investments in education and human resource development to transform our youthful population into an engine of change and prosperity in the 21 st century.

**Mr. Chairman,**

Terrorism is scourge of our times. Pakistan as a frontline state has paid a heavy price in confronting this menace. More than two thousand soldiers have laid down their lives in the line of duty. And we have lost our most popular and charismatic leader, Mohtarma Benazir Bhutto Shaheed, to a terrorist's bullet.

The tragedy has only solidified our resolve to uproot terrorism and extremism from our society and the region at large.

Terrorism does not grow in vacuum. It nourishes on ignorance, deprivation, injustice and helplessness. Lingering political disputes resulting from historical injustices, add fuel to fire. We must address the root causes which are creating this monster. We also need to ensure social justice, quality education and provision of economic opportunities to our young people to give them hope for a better future.

**Mr. Chairman,**

The global challenges require global responses. The United Nations is best suited to meet these challenges. The UN needs to be reformed and strengthened to fulfill its mandate and cope with new and emerging challenges. The international economic architecture also needs to be reformed to meet the challenges posed by a globalized, interdependent and interconnected world.

The UN Security Council reform is a matter of significant concern to all member states. Pakistan supports comprehensive reform of the Security Council to make it more representative, democratic, effective, transparent and accountable to the UN membership. We, however, must guard against creating more centers of privileges under the garb of reform.

The OIC has a legitimate demand for representation on the Council to defend and promote interest of Muslim States. The proposal submitted by UfC in the Inter-governmental negotiations would ensure adequate representation of OIC on the Security Council.

The Palestinian tragedy is festering extreme discontent in the Muslim world. There must be an early end to the sufferings of the Palestinian people. Their legitimate aspirations for dignity, self-determination and a sovereign State of Palestine with al-Quds al-Shariff as its capital must be honoured.

**Mr. Chairman,**

Pakistan remains committed to a just and peaceful resolution of the Jammu and Kashmir dispute in accordance with the UN Security Council Resolutions which sanctify Kashmiri people's right to self-determination. We are extremely concerned on the continued human rights violations and mass arrests in Indian Occupied Kashmir. We look forward for an early resumption of a meaningful and uninterrupted dialogue between Pakistan and India to resolve all outstanding disputes including the Kashmir issue dividing our two countries.

We are thankful to the OIC for its consistent support to the Kashmiri people's just struggle for their right to self-determination. We are confident that the Muslim Ummah would continue to support the Kashmiri brethren for a just and durable solution of the Kashmir dispute.

**Mr. Chairman,**

It has become fashionable to stereotype Islam and Muslims as Islamo-fascists and terrorists. This negative campaign has inflicted heavy emotional and psychological cost on millions of Muslims. The defamation of Islam and its sacred personalities under the guise of freedom of expression is a new and contemporary form of discrimination, intolerance and xenophobia.

As civilized societies, we must exercise our freedom judiciously and within the parameters of international accepted norms. We strongly support the OIC's efforts aimed at exploring the possibility of evolving a binding international framework to prevent the defamation of all religions and sacred personalities.

**Mr. Chairman,**

Let me conclude by saying that the OIC has a bright future. As a representative body of 57 Muslim states, it has to play a proactive role in projecting the Muslim causes and in facilitating just and peaceful solution of disputes involving Muslim people and countries. Pakistan would be happy to play its role in making OIC a truly effective and vibrant organization in line with aspiration of 1.5 billion Muslims throughout the world.

Thank you.■

*Ministry of Foreign Affairs, Islamabad, September 26, 2009.*  
[http://www.mofa.gov.pk/Press\\_Releases/2009/Sep/PR\\_360\\_09.htm](http://www.mofa.gov.pk/Press_Releases/2009/Sep/PR_360_09.htm)

**DOCUMENT 12**

**TEXT OF THE KERRY LUGAR BILL S. 1707**  
**One Hundred Eleventh Congress of the United States of America**

*At The First Session*  
*Begun and held at the City of Washington on Tuesday,*  
*the sixth day of January, two thousand and nine*

**An Act**

To authorize appropriations for fiscal years 2010 through 2014 to promote an enhanced strategic partnership with Pakistan and its people, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1.****SHORT TITLE.**

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**TABLE OF CONTENTS.****(a) SHORT TITLE.**

This Act may be cited as the “Enhanced Partnership with Pakistan Act of 2009.”

**(b) TABLE OF CONTENTS.**

The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

Sec. 3. Findings.

Sec. 4. Statement of principles.

**TITLE I—DEMOCRATIC, ECONOMIC, AND DEVELOPMENT ASSISTANCE FOR PAKISTAN**

Sec. 101. Authorization of assistance.

Sec. 102. Authorization of appropriations.

Sec. 103. Auditing.

**TITLE II—SECURITY ASSISTANCE FOR PAKISTAN**

Sec. 201. Purposes of assistance.

Sec. 202. Authorization of assistance.

Sec. 203. Limitations on certain assistance.

Sec. 204. Pakistan Counterinsurgency Capability Fund.

Sec. 205. Requirements for civilian control of certain assistance.

**TITLE III—STRATEGY, ACCOUNTABILITY, MONITORING, AND OTHER PROVISIONS**

Sec. 301. Strategy Reports.

Sec. 302. Monitoring Reports.

**SEC. 2.****DEFINITIONS.**

In this Act:

**(1) APPROPRIATE CONGRESSIONAL COMMITTEES.**

Except as otherwise provided in this Act, the term “appropriate congressional committees” means the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and Foreign Affairs of the House of Representatives.

**(2) COUNTERINSURGENCY.**

The term “counterinsurgency” means efforts to defeat organized movements that seek to overthrow the duly constituted Governments of Pakistan and Afghanistan through violent means.

**(3) COUNTERTERRORISM.**

The term “counterterrorism” means efforts to combat al-Qaeda and other foreign terrorist

**S. 1707—2**

Organizations that are designated by the Secretary of State in accordance with section 219 of the Immigration and Nationality Act (8 USC. 1189), or other individuals and entities engaged in terrorist activity or support for such activity.

**(4) FATA.**

The term “FATA” means the Federally Administered Tribal Areas of Pakistan.

**(5) FRONTIER CRIMES REGULATION.**

The term “Frontier Crimes Regulation” means the Frontier Crimes Regulation, codified under British law in 1901, and applicable to the FATA.

**(6) IMPACT EVALUATION RESEARCH.**

The term “impact evaluation research” means the application of research methods and statistical analysis to measure the extent to which change in a population-based outcome can be attributed to program intervention instead of other environmental factors.

**(7) MAJOR DEFENSE EQUIPMENT.**

The term “major defense equipment” has the meaning given the term in section 47(6) of the Arms Export Control Act (22 USC. 2794(6)).

**(8) NWFP.**

The term “NWFP” means the North West Frontier Province of Pakistan, which has Peshawar as its provincial capital.

**(9) OPERATIONS RESEARCH.**

The term “operations research” means the application of social science research methods, statistical analysis, and other appropriate scientific methods to judge, compare, and improve policies and program outcomes, from the earliest stages of defining and designing programs through their development and implementation, with the objective of the rapid dissemination of conclusions and concrete impact on programming.

**(10) SECURITY FORCES OF PAKISTAN.**

The term “security forces of Pakistan” means the military and intelligence services of the Government of Pakistan, including the Armed Forces, Inter-Services Intelligence Directorate, Intelligence Bureau, police forces, levies, Frontier Corps, and Frontier Constabulary.

**(11) SECURITY-RELATED ASSISTANCE.**

The term “security related assistance”—(A) means—

- (i) Grant assistance to carry out section 23 of the Arms Export Control Act (22 USC. 2763); and
- (ii) Assistance under chapter two of part II of the Foreign Assistance Act of 1961 (22 USC. 2311 et. seq); but (B) does not include—
  - (i) Assistance authorized to be appropriated or otherwise made available under any provision of law that is funded from accounts within budget function 050 (National Defense); and
  - (ii) Amounts appropriated or otherwise available to the Pakistan Counterinsurgency Capability Fund established under the Supplemental Appropriations Act, 2009 (Public Law 111–32).

**SEC. 3.****FINDINGS**

Congress finds the following:

(1) The people of the Islamic Republic of Pakistan and the United States share a long history of friendship and comity, and the interests of both nations are well-served by strengthening and deepening this friendship.

**S. 1707—3**

(2) Since 2001, the United States has contributed more than \$15,000,000,000 to Pakistan, of which more than \$10,000,000,000 has been security-related assistance and direct payments.

(3) With the free and fair election of February 18, 2008, Pakistan returned to civilian rule, reversing years of political tension and mounting popular concern over military rule and Pakistan’s own democratic reform and political development.

(4) Pakistan is a major non-NATO ally of the United States and has been a valuable partner in the battle against al-Qaeda and the Taliban, but much more remains to be accomplished by both nations.

(5) The struggle against al-Qaeda, the Taliban, and affiliated terrorist groups has led to the deaths of several thousand Pakistani civilians and members of the security forces of Pakistan over the past seven years.

(6) Despite killing or capturing hundreds of al-Qaeda operatives and other terrorists—including major al-Qaeda leaders, such as Khalid Sheikh Muhammad,

Ramzi bin al-Shibh, and Abu Faraj al-Libi—the FATA, parts of the NWFP, Quetta in Balochistan, and Muridke in Punjab remain a sanctuary for al-Qaeda, the Afghan Taliban, the Terikh-e-Taliban and affiliated groups from which these groups organize terrorist actions against Pakistan and other countries.

(7) The security forces of Pakistan have struggled to contain a Taliban-backed insurgency, recently taking direct action against those who threaten Pakistan’s security and stability, including military operations in the FATA and the NWFP.

(8) On March 27, 2009, President Obama noted, “Multiple intelligence estimates have warned that al-Qaeda is actively planning attacks on the United States homeland from its safe haven in Pakistan.”

(9) According to a Government Accountability Office report (GAO–08–622), “since 2003, the [A]dministration’s national security strategies and Congress have recognized that a comprehensive plan that includes all elements of national power— diplomatic, military, intelligence, development assistance, economic, and law enforcement support—was needed to address the terrorist threat emanating from the FATA” and that such a strategy was also mandated by section 7102(b)(3) of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458; 22 USC. 2656f note) and section 2042(b)(2) of the Implementing the Recommendations of the 9/11 Commission Act of 2007 (Public Law 110–53; 22 USC. 2375 note).

(10) During 2008 and 2009, the people of Pakistan have been especially hard hit by rising food and commodity prices and severe energy shortages, with 23 of the population living on less than \$2 a day and 15 of the population living below the poverty line according to the United Nations Development Program.

(11) Economic growth is a fundamental foundation for human security and national stability in Pakistan, a country with more than 175,000,000 people, an annual population growth rate of two per cent, and a ranking of 136 out of 177 countries in the United Nations Human Development Index.

#### S. 1707–4

(12) The 2009 Pakistani military offensive in the NWFP and the FATA displaced millions of residents in one of the gravest humanitarian crises Pakistan has faced, and despite the heroic efforts of Pakistanis to respond to the needs of the displaced millions and facilitate the return of many, it has highlighted the need for Pakistan to develop an effective national counterinsurgency strategy.

#### SEC. 4.

##### STATEMENT OF PRINCIPLES

Congress declares that the relationship between the United States and Pakistan should be based on the following principles:

(1) Pakistan is a critical friend and ally to the United States, both in times of strife and in times of peace, and the two countries share many common goals, including combating terrorism and violent radicalism, solidifying democracy and rule of law in Pakistan, and promoting the social and economic development of Pakistan.

(2) United States assistance to Pakistan is intended to supplement, not supplant, Pakistan's own efforts in building a stable, secure, and prosperous Pakistan.

(3) The United States requires a balanced, integrated, countrywide strategy for Pakistan that provides assistance throughout the country and does not disproportionately focus on security-related assistance or one particular area or province.

(4) The United States supports Pakistan's struggle against extremist elements and recognizes the profound sacrifice made by Pakistan in the fight against terrorism, including the loss of more than 1,900 soldiers and police since 2001 in combat with al-Qaeda, the Taliban, and other extremist and terrorist groups.

(5) The United States intends to work with the Government of Pakistan—

(A) To build mutual trust and confidence by actively and consistently pursuing a sustained, long-term, multifaceted relationship between the two countries, devoted to strengthening the mutual security, stability, and prosperity of both countries;

(B) To support the people of Pakistan and their democratic government in their efforts to consolidate democracy, including strengthening Pakistan's parliament, helping Pakistan reestablish an independent and transparent judicial system, and working to extend the rule of law in all areas in Pakistan;

(C) To promote sustainable long-term development and infrastructure projects, including in healthcare, education, water management, and energy programs, in all areas of Pakistan, that are sustained and supported by each successive democratic government in Pakistan;

(D) To ensure that all the people of Pakistan, including those living in areas governed by the Frontier Crimes Regulation, have access to public, modernized education and vocational training to enable them to provide for themselves, for their families, and for a more prosperous future for their children;

(E) To support the strengthening of core curricula and the quality of schools across Pakistan, including madrassas, in order to improve the prospects for Pakistani children's futures and eliminate incitements to violence and intolerance;

#### S. 1707—5

(F) To encourage and promote public-private partnerships in Pakistan in order to bolster ongoing development efforts and strengthen economic prospects, especially with respect to opportunities to build civic responsibility and

professional skills of the people of Pakistan, including support for institutions of higher learning with international accreditation;

(G) To expand people-to-people engagement between the two countries, through increased educational, technical, and cultural exchanges and other methods;

(H) to encourage the development of local analytical capacity to measure program effectiveness and progress on an integrated basis, especially across the areas of United States assistance and payments to Pakistan, and increase accountability for how such assistance and payments are being spent;

(I) To assist Pakistan's efforts to improve counterterrorism financing and anti-money laundering regulatory structure in order to achieve international standards and encourage Pakistan to apply for "Financial Action Task Force" observer status and adhere to the United Nations International Convention for the Suppression of the Financing of Terrorism;

(J) To strengthen Pakistan's counterinsurgency and counterterrorism strategy to help prevent any territory of Pakistan from being used as a base or conduit for terrorist attacks in Pakistan or elsewhere;

(K) To strengthen Pakistan's efforts to develop strong and effective law enforcement and national defense forces under civilian leadership;

(L) To achieve full cooperation in matters of counter proliferation of nuclear materials and related networks;

(M) to strengthen Pakistan's efforts to gain control of its under-governed areas and address the threat posed by any person or group that conducts violence, sabotage, or other terrorist activities in Pakistan or its neighboring countries; and

(N) To explore means to consult with and utilize the relevant expertise and skills of the Pakistani-American community.

## **TITLE I—DEMOCRATIC, ECONOMIC, AND DEVELOPMENT ASSISTANCE FOR PAKISTAN**

### **SEC. 101.**

#### **AUTHORIZATION OF ASSISTANCE.**

##### **(a) IN GENERAL.**

The President is authorized to provide assistance to Pakistan—

(1) To support the consolidation of democratic institutions.

(2) To support the expansion of rule of law, build the capacity of government institutions, and promote respect for internationally-recognized human rights.

##### **S. 1707—6**

(3) To promote economic freedoms and sustainable economic development.

(4) To support investment in people, including those displaced in on-going counterinsurgency operations; and

(5) To strengthen public diplomacy.

**(b) ACTIVITIES SUPPORTED.**

Activities that may be supported by assistance under subsection (a) include the following:

(1) To support democratic institutions in Pakistan in order to strengthen civilian rule and long-term stability, including assistance such as—

(A) support for efforts to strengthen Pakistan's institutions, including the capacity of the National Parliament of Pakistan, such as enhancing the capacity of committees to oversee government activities, including national security issues, enhancing the ability of members of parliament to respond to constituents, and supporting of parliamentary leadership;

(B) Support for voter education and civil society training as well as appropriate support for political party capacity building and responsiveness to the needs of all the people of Pakistan; and

(C) Support for strengthening the capacity of the civilian Government of Pakistan to carry out its responsibilities at the national, provincial, and local levels.

(2) To support Pakistan's efforts to expand rule of law, build the capacity, transparency, and trust in government institutions, and promote internationally recognized human rights, including assistance such as—

(A) Supporting the establishment of frameworks that promote government transparency and criminalize corruption in both the government and private sector;

(B) Support for police professionalization, including training regarding use of force, human rights, and community policing;

(C) Support for independent, efficient, and effective judicial and criminal justice systems, such as case management, training, and efforts to enhance the rule of law to all areas in Pakistan;

(D) Support for the implementation of legal and political reforms in the FATA;

(E) Support to counter the narcotics trade;

(F) support for internationally recognized human rights, including strengthening civil society and nongovernmental organizations working in the area of internationally recognized human rights, as well as organizations that focus on protection of women and girls, promotion of freedom of religion and religious tolerance, and protection of ethnic or religious minorities; and

(G) Support for promotion of a responsible, capable, and independent media.

(3) To support economic freedom and economic development in Pakistan, including—

(A) Programs that support sustainable economic growth, including in rural areas, and the sustainable management of natural resources through investments in water resource management systems;

## S. 1707—7

(B) Expansion of agricultural and rural development, such as farm-to-market roads, systems to prevent spoilage and waste, and other small-scale infrastructure improvements;

(C) Investments in energy, including energy generation and cross-border infrastructure projects with Afghanistan;

(D) Employment generation, including increasing investment in infrastructure projects, including construction of roads and the continued development of a national aviation industry and aviation infrastructure, as well as support for small and medium enterprises;

(E) Worker rights, including the right to form labor unions and legally enforce provisions safeguarding the rights of workers and local community stakeholders;

(F) Access to microfinance for small business establishment and income generation, particularly for women; and

(G) Countering radicalization by providing economic, social, educational, and vocational opportunities and life skills training to at-risk youth.

(4) To support investments in people, particularly women and children, including—

(A) promoting modern, public primary and secondary education and vocational and technical training, including programs to assist in the development of modern, nationwide school curriculums for public, private, and religious schools; support for the proper oversight of all educational institutions, including religious schools, as required by Pakistani law; initiatives to enhance access to education and vocational and technical training for women and girls and to increase women's literacy, with a special emphasis on helping girls stay in school; and construction and maintenance of libraries and public schools;

(B) Programs relating to higher education to ensure a breadth and consistency of Pakistani graduates, including through public-private partnerships;

(C) Improving quality public health to eliminate diseases such as hepatitis and to reduce maternal and under five mortality rates;

(D) building capacity for nongovernmental and civil society organizations, particularly organizations with demonstrated experience in delivering services to the people of Pakistan, particularly to women, children, and other vulnerable populations; and

(E) Support for refugees and internally displaced persons and long-term development in regions of Pakistan where internal conflict has caused large-scale displacement.

(5) To strengthen public diplomacy to combat militant extremism and promote a better understanding of the United States, including—

(A) Encouraging civil society, respected scholars, and other leaders to speak out against militancy and violence; and

(B) Expanded exchange activities under the Fulbright Program, the International Visitor Leadership Program, the Youth Exchange and Study Program, and

related programs administered by the Department of State designed to promote mutual understanding and interfaith dialogue and expand sister institution programs between United States and Pakistani schools and universities.

**S. 1707—8**

**(c) ADDITIONAL AND RELATED ACTIVITIES.**

**(1) AVAILABILITY OF AMOUNTS FOR PAKISTANI POLICE PROFESSIONALIZATION, EQUIPPING, AND TRAINING.**

Not less than \$150,000,000 of the amounts appropriated for fiscal year 2010 pursuant to the authorization of appropriations under section 102 should be made available for assistance to Pakistan under this section for police professionalization, equipping, and training.

**(2) AVAILABILITY OF AMOUNTS FOR ADMINISTRATIVE EXPENSES.**

Up to \$10,000,000 of the amounts appropriated for each fiscal year pursuant to the authorization of appropriations under section 102 may be made available for administrative expenses of civilian departments and agencies of the United States Government in connection with the provision of assistance under this section. Such amounts shall be in addition to amounts otherwise available for such purposes.

**(3) UTILIZING PAKISTANI ORGANIZATIONS.**

The President is encouraged, as appropriate, to utilize Pakistani firms and community and local nongovernmental organizations in Pakistan, including through host country contracts, and to work with local leaders to provide assistance under this section.

**(4) USE OF DIRECT EXPENDITURES.**

Amounts appropriated for each fiscal year pursuant to the authorization of appropriations under section 102 or otherwise made available to carry out this section shall be utilized to the maximum extent possible as direct expenditures for projects and programs, subject to existing reporting and notification requirements.

**(5) CHIEF OF MISSION FUND.**

Of the amounts appropriated for each fiscal year pursuant to the authorization of appropriations under section 102, up to \$5,000,000 may be used by the Secretary of State to establish a fund for use by the Chief of Mission in Pakistan to provide assistance to Pakistan under this title or the Foreign Assistance Act of 1961 (22 USC. 2151 et seq.) to address urgent needs or opportunities, consistent with the purposes of this section, or for purposes of humanitarian relief. The fund established pursuant to this paragraph may be referred to as the “Chief of Mission Fund.”

**(6) SENSE OF CONGRESS.**

It is the sense of Congress that—

- (A) the United States should provide robust assistance to the people of Pakistan who have been displaced as a result of ongoing conflict and violence in Pakistan and support international efforts to coordinate assistance to refugees and internally displaced persons in Pakistan, including by providing support to international and nongovernmental organizations for this purpose;
- (B) the Administrator of the United States Agency for International Development should support the development objectives of the Refugee Affected and Host Areas (RAHA) Initiative in Pakistan to address livelihoods, health, education, infrastructure development, and environmental restoration in identified parts of the country where Afghan refugees have lived; and

**S. 1707—9**

(C) The United States should have a coordinated, strategic communications strategy to engage the people of Pakistan and to help ensure the success of the measures authorized by this title.

**(d) NOTIFICATION.**

For fiscal years 2010 through 2014, the President shall notify the appropriate congressional committees not later than 15 days before obligating any assistance under this section as budgetary support to the Government of Pakistan or any element of the Government of Pakistan and shall include in such notification a description of the purpose and conditions attached to any such budgetary support.

**SEC. 102.****AUTHORIZATION OF APPROPRIATIONS.****(a) IN GENERAL.**

There are authorized to be appropriated to the President, for the purposes of providing assistance to Pakistan under this title and to provide assistance to Pakistan under the Foreign Assistance Act of 1961 (22 USC. 2151 et seq.), up to \$1,500,000,000 for each of the fiscal years 2010 through 2014.

**(b) AVAILABILITY OF FUNDS.****(1) IN GENERAL.**

Of the amounts appropriated in each fiscal year pursuant to the authorization of appropriations in subsection (a)—

- (A) None of the amounts appropriated for assistance to Pakistan may be made available after the date that is 60 days after the date of the enactment of this Act

unless the Pakistan Assistance Strategy Report has been submitted to the appropriate congressional committees pursuant to section 301(a); and

(B) Not more than \$750,000,000 may be made available for assistance to Pakistan unless the President's Special Representative to Afghanistan and Pakistan submits to the appropriate congressional committees during such fiscal year—

(i) a certification that assistance provided to Pakistan under this title or the Foreign Assistance Act of 1961 to date has made or is making reasonable progress toward achieving the principal objectives of United States assistance to Pakistan contained in the Pakistan Assistance Strategy Report; and (ii) a memorandum explaining the reasons justifying the certification described in clause (i).

**(2) MAKER OF CERTIFICATION.**

In the event of a vacancy in, or the termination of, the position of the President's Special Representative to Afghanistan and Pakistan, the certification and memorandum described under paragraph (1)(B) may be made by the Secretary of State.

**(c) WAIVER.**

The Secretary of State may waive the limitations in subsection (b) if the Secretary determines, and certifies to the appropriate congressional committees, that it is in the national security interests of the United States to do so.

**(d) SENSE OF CONGRESS ON FOREIGN ASSISTANCE FUNDS.**

It is the sense of Congress that, subject to an improving political and economic climate in Pakistan, there should be authorized to be appropriated up to \$1,500,000,000 for each of the fiscal years 2015 through 2019 for the purpose of providing assistance to Pakistan under the Foreign Assistance Act of 1961.

S. 1707—10

**SEC. 103.**

**AUDITING.**

**(a) ASSISTANCE AUTHORIZED.**

The Inspector General of the Department of State, the Inspector General of the United States Agency for International Development, and the inspectors general of other Federal departments and agencies (other than the Inspector General of the Department of Defense) carrying out programs, projects, and activities using amounts appropriated to carry out this title shall audit, investigate, and oversee the obligation and expenditure of such amounts.

**(b) AUTHORIZATION FOR IN-COUNTRY PRESENCE.**

The Inspector General of the Department of State and the Inspector General of the United States Agency for International Development, after consultation with

the Secretary of State and the Administrator of the United States Agency for International Development, are authorized to establish field offices in Pakistan with sufficient staff from each of the Offices of the Inspector General, respectively, to carry out subsection (a).

**(c) AUTHORIZATION OF APPROPRIATIONS.**

**(1) IN GENERAL.**

Of the amounts authorized to be appropriated under section 102 for each of the fiscal years 2010 through 2014, up to \$30,000,000 for each fiscal year is authorized to be made available to carry out this section.

**(2) RELATION TO OTHER AVAILABLE FUNDS.**

Amounts made available under paragraph (1) are in addition to amounts otherwise available for such purposes.

**TITLE II—SECURITY ASSISTANCE FOR PAKISTAN**

**SEC. 201.**

**PURPOSES OF ASSISTANCE.**

The purposes of assistance under this title are—

- (1) To support Pakistan's paramount national security need to fight and win the ongoing counterinsurgency within its borders in accordance with its national security interests;
- (2) To work with the Government of Pakistan to improve Pakistan's border security and control and help prevent any Pakistani territory from being used as a base or conduit for terrorist attacks in Pakistan, or elsewhere;
- (3) To work in close cooperation with the Government of Pakistan to coordinate action against extremist and terrorist targets; and
- (4) To help strengthen the institutions of democratic governance and promote control of military institutions by a democratically elected civilian government.

**SEC. 202.**

**AUTHORIZATION OF ASSISTANCE.**

**(a) INTERNATIONAL MILITARY EDUCATION AND TRAINING.**

**(1) IN GENERAL.**

There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2010 through 2014 for assistance under chapter five of part II of the Foreign Assistance Act of 1961 (22 USC. 2347 et seq.; relating to international military education and training) for Pakistan, including expanded international military education and training (commonly known as "E-IMET").

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**(2) USE OF FUNDS.**

It is the sense of Congress that a substantial amount of funds made available to carry out this subsection for a fiscal year should be used to pay for courses of study and training in counterinsurgency and civil-military relations.

**S. 1707—11**

**(b) FOREIGN MILITARY FINANCING PROGRAM.**

**(1) IN GENERAL.**

There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2010 through 2014 for grant assistance under section 23 of the Arms Export Control Act (22 USC. 2763; relating to the Foreign Military Financing program) for the purchase of defense articles, defense services, and military education and training for Pakistan.

**(2) USE OF FUNDS.**

**(A) IN GENERAL.**

A significant portion of the amount made available to carry out this subsection for a fiscal year shall be for the purchase of defense articles, defense services, and military education and training for activities relating to counterinsurgency and counterterrorism operations in Pakistan.

**(B) SENSE OF CONGRESS.**

It is the sense of Congress that a significant majority of funds made available to carry out this subsection for a fiscal year should be used for the purpose described in subparagraph (A).

**(3) ADDITIONAL AUTHORITY.**

Except as provided in sections three and 102 of the Arms Export Control Act, the second section 620J of the Foreign Assistance Act of 1961 (as added by Public Law 110–161), and any provision of an Act making appropriations for the Department of State, foreign operations, and related programs that restricts assistance to the government of any country whose duly elected head of government is deposed by military coup or decree, and except as otherwise provided in this title, amounts authorized to be made available to carry out paragraph (2) for fiscal years 2010 and 2011 are authorized to be made available notwithstanding any other provision of law.

**(4) DEFINITIONS.**

In this section, the terms “defense articles,” “defense services,” and “military education and training” have the meaning given such terms in section 644 of the Foreign Assistance Act of 1961 (22 USC. 2403).

**(c) SENSE OF CONGRESS.**

It is the sense of Congress that the United States should facilitate Pakistan's establishment of a program to provide reconstruction assistance, including through Pakistan's military as appropriate, in areas damaged by combat operations.

**(d) EXCHANGE PROGRAM BETWEEN MILITARY AND CIVILIAN PERSONNEL OF PAKISTAN AND CERTAIN OTHER COUNTRIES.**

**(1) IN GENERAL.**

The Secretary of State is authorized to establish an exchange program between—

(A) Military and civilian personnel of Pakistan; and (B)

- (i) military and civilian personnel of countries determined by the Secretary of State to be in the process of consolidating and strengthening a democratic form of government; or
- (ii) military and civilian personnel of North Atlantic Treaty Organization member countries, in order to foster greater mutual respect for and understanding of the principle of civilian rule of the military.

**S. 1707—12**

**(2) ELEMENTS OF PROGRAM.**

The program authorized under paragraph (1) may include conferences, seminars, exchanges, and other events, distribution of publications and reimbursements of expenses of foreign military personnel participating in the program, including transportation, translation and administrative expenses.

**(3) ROLE OF NONGOVERNMENTAL ORGANIZATIONS.**

Amounts authorized to be appropriated to carry out this section for a fiscal year are authorized to be made available for nongovernmental organizations to facilitate the implementation of the program authorized under paragraph (1).

**(4) AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2010 through 2014 to carry out the program established by this subsection.

**SEC. 203.**

**LIMITATIONS ON CERTAIN ASSISTANCE.**

**(a) LIMITATION ON SECURITY-RELATED ASSISTANCE.**

For fiscal years 2011 through 2014, no security-related assistance may be provided to Pakistan in a fiscal year until the Secretary of State, under the direction of the President, makes the certification required under subsection (c) for such fiscal year.

**(b) LIMITATION ON ARMS TRANSFERS.**

For fiscal years 2012 through 2014, no letter of offer to sell major defense equipment to Pakistan may be issued pursuant to the Arms Export Control Act (22 USC. 2751 et seq.) and no license to export major defense equipment to Pakistan may be issued pursuant to such Act in a fiscal year until the Secretary of State, under the direction of the President, makes the certification required under subsection

(c) For such fiscal year.

**(c) CERTIFICATION.**

The certification required by this subsection is a certification by the Secretary of State, under the direction of the President, to the appropriate congressional committees that—

(1) the Government of Pakistan is continuing to cooperate with the United States in efforts to dismantle supplier networks relating to the acquisition of nuclear weapons-related materials, such as providing relevant information from or direct access to Pakistani nationals associated with such networks;

(2) The Government of Pakistan during the preceding fiscal year has demonstrated a sustained commitment to and is making significant efforts towards combating terrorist groups, consistent with the purposes of assistance described in section 201, including taking into account the extent to which the Government of Pakistan has made progress on matters such as—

(A) Ceasing support, including by any elements within the Pakistan military or its intelligence agency, to extremist and terrorist groups, particularly to any group that has conducted attacks against United States or coalition forces in Afghanistan, or against the territory or people of neighboring countries;

(B) Preventing al-Qaeda, the Taliban and associated terrorist groups, such as Lashkar-e-Taiba and Jaish-e-Mohammed, from operating in the territory of Pakistan, including carrying out cross-border attacks into neighboring countries, closing terrorist camps in the FATA, dismantling

**S. 1707—13**

Terrorist bases of operations in other parts of the country, including Quetta and Muridke, and taking action when provided with intelligence about high-level terrorist targets; and

(C) Strengthening counterterrorism and anti-money laundering laws; and

(3) The security forces of Pakistan are not materially and substantially subverting the political or judicial processes of Pakistan.

**(d) CERTAIN PAYMENTS.**

**(1) IN GENERAL.**

Subject to paragraph (2), none of the funds appropriated for security-related assistance for fiscal years 2010 through 2014, or any amounts appropriated to the Pakistan Counterinsurgency Capability Fund established under the Supplemental Appropriations Act, 2009 (Public Law 111-32), may be obligated or expended to make payments relating to—

(A) The Letter of Offer and Acceptance PK-D-YAD signed between the Governments of the United States of America and Pakistan on September 30, 2006;

(B) the Letter of Offer and Acceptance PK-D-NAP signed between the Governments of the United States of America and Pakistan on September 30, 2006; and

(C) The Letter of Offer and Acceptance PK-D-SAF signed between the Governments of the United States of America and Pakistan on September 30, 2006.

**(2) EXCEPTION.**

Funds appropriated for security-related assistance for fiscal years 2010 through 2014 may be used for construction and related activities carried out pursuant to the Letters of Offer and Acceptance described in paragraph (1).

**(e) WAIVER.**

**(1) IN GENERAL.**

The Secretary of State, under the direction of the President, may waive the limitations contained in subsections (a), (b), and (d) for a fiscal year if the Secretary of State determines that is important to the national security interests of the United States to do so.

**(2) PRIOR NOTICE OF WAIVER.**

The Secretary of State, under the direction of the President, may not exercise the authority of paragraph (1) until seven days after the Secretary of State provides to the appropriate congressional committees a written notice of the intent to issue to waiver and the reasons therefore. The notice may be submitted in classified or unclassified form, as necessary.

**(f) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**

In this section, the term “appropriate congressional committees” means—

- 
- (1) The Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Oversight and Government Reform, and the Permanent Select Committee on Intelligence of the House of Representatives; and
  - (2) The Committee on Foreign Relations, the Committee on Armed Services, and the Select Committee on Intelligence of the Senate.

#### **SEC. 204. PAKISTAN COUNTERINSURGENCY CAPABILITY FUND.**

##### **(a) FOR FISCAL YEAR 2010.**

##### **S. 1707—14**

###### **(1) IN GENERAL.**

For fiscal year 2010, the Department of State's Pakistan Counterinsurgency Capability Fund established under the Supplemental Appropriations Act, 2009 (Public Law 111-32), hereinafter in this section referred to as the "Fund," shall consist of the following:

- (A) Amounts appropriated to carry out this subsection (which may not include any amounts appropriated to carry out title I of this Act).
- (B) Amounts otherwise available to the Secretary of State to carry out this subsection.

###### **(2) PURPOSES OF FUND.**

Amounts in the Fund made available to carry out this subsection for any fiscal year are authorized to be used by the Secretary of State, with the concurrence of the Secretary of Defense, to build and maintain the counterinsurgency capability of Pakistan under the same terms and conditions (except as otherwise provided in this subsection) that are applicable to amounts made available under the Fund for fiscal year 2009.

###### **(3) TRANSFER AUTHORITY.**

###### **(A) IN GENERAL.**

The Secretary of State is authorized to transfer amounts in the Fund made available to carry out this subsection for any fiscal year to the Department of Defense's Pakistan Counterinsurgency Fund established under the Supplemental Appropriations Act, 2009 (Public Law 111-32) and such amounts may be transferred back to the Fund if the Secretary of Defense, with the concurrence of the Secretary of State, determines that such amounts are not needed for the purposes for which initially transferred.

###### **(B) TREATMENT OF TRANSFERRED FUNDS.**

Subject to subsections (d) and (e) of section 203, transfers from the Fund under the authority of subparagraph (A) shall be merged with and be available for the

same purposes and for the same time period as amounts in the Department of Defense's Pakistan Counterinsurgency Fund.

**(C) RELATION TO OTHER AUTHORITIES.**

The authority to provide assistance under this subsection is in addition to any other authority to provide assistance to foreign countries.

**(D) NOTIFICATION.**

The Secretary of State shall, not less than 15 days prior to making transfers from the Fund under subparagraph (A), notify the appropriate congressional committees in writing of the details of any such transfer.

**(b) SUBMISSION OF NOTIFICATIONS.**

Any notification required by this section may be submitted in classified or unclassified form, as necessary.

**(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**

In this section, the term "appropriate congressional committees" means—

- (1) The Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives; and
- (2) The Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate.

**S. 1707—15**

**SEC. 205. REQUIREMENTS FOR CIVILIAN CONTROL OF CERTAIN ASSISTANCE.**

**(a) REQUIREMENTS.**

**(1) IN GENERAL.**

For fiscal years 2010 through 2014, any direct cash security-related assistance or non-assistance payments by the United States to the Government of Pakistan may only be provided or made to civilian authorities of a civilian government of Pakistan.

**(2) DOCUMENTATION.**

For fiscal years 2010 through 2014, the Secretary of State, in coordination with the Secretary of Defense, shall ensure that civilian authorities of a civilian government of Pakistan have received a copy of final documentation provided to the United States related to non-assistance payments provided or made to the Government of Pakistan.

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**(b) WAIVER.****(1) SECURITY-RELATED ASSISTANCE.**

The Secretary of State, in consultation with the Secretary of Defense, may waive the requirements of subsection (a) with respect to security-related assistance described in subsection (a) funded from accounts within budget function 150 (International Affairs) if the Secretary of State certifies to the appropriate congressional committees that the waiver is important to the national security interest of the United States.

**(2) NON-ASSISTANCE PAYMENTS.**

The Secretary of Defense, in consultation with the Secretary of State, may waive the requirements of subsection (a) with respect to non-assistance payments described in subsection (a) funded from accounts within budget function 050 (National Defense) if the Secretary of Defense certifies to the appropriate congressional committees that the waiver is important to the national security interest of the United States.

**(c) APPLICATION TO CERTAIN ACTIVITIES.**

Nothing in this section shall apply with respect to—

- (1) Any activities subject to reporting requirements under title V of the National Security Act of 1947 (50 USC. 413 et seq.);
- (2) Any assistance to promote democratic elections or public participation in democratic processes;
- (3) Any assistance or payments if the Secretary of State determines and certifies to the appropriate congressional committees that subsequent to the termination of assistance or payments a democratically elected government has taken office;
- (4) Any assistance or payments made pursuant to section 1208 of the Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (Public Law 108-375; 118 Stat. 2086), as amended;
- (5) any payments made pursuant to the Acquisition and Cross-Servicing Agreement between the Department of Defense of the United States of America and the Ministry of Defense of the Islamic Republic of Pakistan; and
- (6) Any assistance or payments made pursuant to section 943 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417; 122 Stat. 4578).

**S. 1707—16****(d) DEFINITIONS.**

In this section—

- (1) The term “appropriate congressional committees” means the Committees on Appropriations, Armed Services, and Foreign Affairs of the House of

Representatives and the Committees on Appropriations, Armed Services, and Foreign Relations

of the Senate; and

(2) The term “civilian government of Pakistan” does not include any government of Pakistan whose duly elected head of government is deposed by military coup or decree.

### **TITLE III—STRATEGY, ACCOUNTABILITY, MONITORING, AND OTHER PROVISIONS**

#### **SEC. 301.**

##### **STRATEGY REPORTS.**

###### **(a) PAKISTAN ASSISTANCE STRATEGY REPORT.**

Not later than 45 days after the date of enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report describing United States policy and strategy with respect to assistance to Pakistan under this Act. The report shall include the following:

(1) A description of the principal objectives of United States assistance to Pakistan to be provided under title I of this Act.

(2) A general description of the specific programs, projects, and activities designed to achieve the purposes of section 101 and the respective funding levels for such programs, projects, and activities for fiscal years 2010 through 2014.

(3) A plan for program monitoring, operations research, and impact evaluation research for assistance authorized under title I of this Act.

(4) A description of the role to be played by Pakistani national, regional, and local officials and members of Pakistani civil society and local private sector, civic, religious, and tribal leaders in helping to identify and implement programs and projects for which assistance is to be provided under this Act, and of consultations with such representatives in developing the strategy.

(5) A description of the steps taken, or to be taken, to ensure assistance provided under this Act is not awarded to individuals or entities affiliated with terrorist organizations.

(6) A projection of the levels of assistance to be provided to Pakistan under this Act, broken down into the following categories as described in the annual “Report on the Criteria and Methodology for Determining the Eligibility of Candidate Countries for Millennium Challenge Account Assistance”:

(A) Civil liberties.

(B) Political rights.

(C) Voice and accountability.

(D) Government effectiveness.

(E) Rule of law.

(F) Control of corruption.

- (G) Immunization rates.
- (H) Public expenditure on health.
- (I) Girls' primary education completion rate.
- (J) Public expenditure on primary education.
- (K) Natural resource management.
- (L) Business start-up.
- (M) Land rights and access.
- (N) Trade policy.
- (O) Regulatory quality.
- (P) Inflation control.
- (Q) Fiscal policy.

#### S. 1707—17

(7) An analysis for the suitable replacement for existing Pakistani helicopters, including recommendations for sustainment and training.

#### (b) **COMPREHENSIVE REGIONAL STRATEGY REPORT.**

##### (1) **SENSE OF CONGRESS.**

It is the sense of Congress that the achievement of United States national security goals to eliminate terrorist threats and close safe havens in Pakistan requires the development of a comprehensive plan that utilizes all elements of national power, including in coordination and cooperation with other concerned governments, and that it is critical to Pakistan's long-term prosperity and security to strengthen regional relationships among India, Pakistan, and Afghanistan.

##### (2) **COMPREHENSIVE REGIONAL SECURITY STRATEGY.**

The President shall develop a comprehensive interagency regional security strategy to eliminate terrorist threats and close safe havens in Pakistan, including by working with the Government of Pakistan and other relevant governments and organizations in the region and elsewhere, as appropriate, to best implement effective counterinsurgency and counterterrorism efforts in and near the border areas of Pakistan and Afghanistan, including the FATA, the NWFP, parts of Balochistan, and parts of Punjab.

##### (3) **REPORT.**

###### (A) **IN GENERAL.**

Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on the comprehensive regional security strategy required under paragraph (2).

**(B) CONTENTS.**

The report shall include a copy of the comprehensive regional security strategy, including specifications of goals, and proposed timelines and budgets for implementation of the strategy.

**(B) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**

In this paragraph, the term “appropriate congressional committees” means—

- (i) the Committee on Appropriations, the Committee on Armed Services, the Committee on Foreign Affairs, and the Permanent Select Committee on Intelligence of the House of Representatives; and
- (ii) the Committee on Appropriations, the Committee on Armed Services, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate.

**(c) SECURITY-RELATED ASSISTANCE PLAN.**

Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a plan for the proposed use of amounts authorized for security related assistance for each of the fiscal years 2010 through 2014. Such plan shall include an assessment of how the use of such amounts complements or otherwise is related to amounts described in section 204.

**S. 1707—18****SEC. 302.****MONITORING REPORTS.****(a) SEMI-ANNUAL MONITORING REPORT.**

Not later than 180 days after the submission of the Pakistan Assistance Strategy Report pursuant to section 301(a), and every 180 days thereafter through September 30, 2014, the Secretary of State, in consultation with the Secretary of Defense, shall submit to the appropriate congressional committees a report that describes the assistance provided under this Act during the preceding 180-day period. The report shall include—

- (1) A description of all assistance by program, project, and activity, as well as by geographic area, provided pursuant to title I of this Act during the period covered by the report, including the amount of assistance provided for each program or project, and with respect to the first report a description of all amounts made available for assistance to Pakistan during fiscal year 2009, including a description of each program, project, and activity for which funds were made available;
- (2) A list of persons or entities from the United States or other countries that have received funds in excess of \$100,000 to conduct projects under title I of this Act during the period covered by the report, which may be included in a

classified annex, if necessary to avoid a security risk, and a justification for the classification;

(3) With respect to the plan described in section 301(a)(3), updates to such plan and a description of best practices to improve the impact of the assistance authorized under title I of this Act;

(4) An assessment of the effectiveness of assistance provided under title I of this Act during the period covered by the report in achieving desired objectives and outcomes as guided by the plan described in section 301(a) and

(3) As updated pursuant to paragraph (3) of this subsection, including a systematic, qualitative, and where possible, quantitative basis for assessing whether desired outcomes are achieved and a timeline for completion of each project and program;

(5) A description of any shortfall in United States financial, physical, technical, or human resources that hinder the effective use and monitoring of such funds;

(6) A description of any negative impact, including the absorptive capacity of the region for which the resources are intended, of United States bilateral or multilateral assistance and recommendations for modification of funding, if any;

(7) Any incidents or reports of waste, fraud, and abuse of expenditures under title I of this Act;

(8) the amount of funds authorized to be appropriated pursuant to section 102 that were used during the reporting period for administrative expenses or for audits and program reviews pursuant to the authority under sections 101(c)(2) and 103;

(9) A description of the expenditures made from any Chief of Mission Fund established pursuant to section 101(c)(5) during the period covered by the report, the purposes for which such expenditures were made, and a list of the recipients of any expenditures from the Chief of Mission Fund in excess of \$100,000;

#### S. 1707—19

(10) an accounting of assistance provided to Pakistan under title I of this Act, broken down into the categories set forth in section 301(a)(6);

(11) An evaluation of efforts undertaken by the Government of Pakistan to—

(A) Disrupt, dismantle, and defeat al-Qaeda, the Taliban, and other extremist and terrorist groups in the FATA and settled areas;

(B) Eliminate the safe havens of such forces in Pakistan;

(C) Close terrorist camps, including those of Lashkar-e-Taiba and Jaish-e-Mohammed;

(D) Cease all support for extremist and terrorist groups;

(E) Prevent attacks into neighboring countries;

(F) Increase oversight over curriculum in madrassas, including closing madrassas with direct links to the Taliban or other extremist and terrorist groups; and

(G) Improve counterterrorism financing and anti-money laundering laws, apply for observer status for the Financial Action Task Force, and take steps to adhere

to the United Nations International Convention for the Suppression of Financing of Terrorism;

(12) A detailed description of Pakistan's efforts to prevent proliferation of nuclear-related material and expertise;

(13) An assessment of whether assistance provided to Pakistan has directly or indirectly aided the expansion of Pakistan's nuclear weapons program, whether by the diversion of United States assistance or the reallocation of Pakistan's financial resources that would otherwise be spent for programs and activities unrelated to its nuclear weapons program;

(14) A detailed description of the extent to which funds obligated and expended pursuant to section 202(b) meet the requirements of such section; and

(15) An assessment of the extent to which the Government of Pakistan exercises effective civilian control of the military, including a description of the extent to which civilian executive leaders and parliament exercise oversight and approval of military budgets, the chain of command, the process of promotion for senior military leaders, civilian involvement in strategic guidance and planning, and military involvement in civil administration.

**(b) GOVERNMENT ACCOUNTABILITY OFFICE REPORTS.**

**(1) PAKISTAN ASSISTANCE STRATEGY REPORT.**

Not later than one year after the submission of the Pakistan Assistance Strategy Report pursuant to section 301(a), the Comptroller General of the United States shall submit to the appropriate congressional committees a report that contains—

(A) A review of, and comments addressing, the Pakistan Assistance Strategy Report;

(B) Recommendations relating to any additional actions the Comptroller General believes could help improve the efficiency and effectiveness of United States efforts to meet the objectives of this Act;

(C) A detailed description of the expenditures made by Pakistan pursuant to grant assistance under section

**S. 1707—20**

23 of the Arms Export Control Act (22 USC. 2763; relating to the Foreign Military Financing program); and

(D) An assessment of the impact of the assistance on the security and stability of Pakistan.

**(2) CERTIFICATION REPORT.**

Not later than 120 days after the date on which the President makes the certification described in section 203(c) for a fiscal year, the Comptroller General of the United States shall conduct an independent analysis of the certification

described in such section and shall submit to the appropriate congressional committees a report containing the results of the independent analysis.

**(c) SUBMISSION.**

The Secretary of State may submit the reports required by this section in conjunction with other reports relating to Pakistan required under other provisions of law, including sections 1116 and 1117 of the Supplemental Appropriations Act, 2009 (Public Law 111-32; 123 Stat. 1906 and 1907).

**(d) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.**

In this section, the term “appropriate congressional committees” means—

- (1) The Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Affairs of the House of Representatives; and
- (2) The Committee on Appropriations, the Committee on Armed Services, and the Committee on Foreign Relations of the Senate.

Speaker of the House of Representatives.

Vice President of the United States and

President of the Senate. ■

*Dawn*, October 14, 2009.

<http://www.dawn.com/wps/wcm/connect/dawn-content-library/dawn/news/world/11-Text-of-the-Kerry-Lugar-Bill-il-04>

## DOCUMENT 13

### THE TEXT OF BALOCHISTAN PACKAGE, PRESENTED TO THE JOINT SESSION OF THE PARLIAMENT

The government on Tuesday presented the Aghaaz-e-Huqooq Balochistan to a joint sitting of parliament.

The landmark package contains several initiatives to address the problems of the Baloch people and bring them into mainstream.

Following is the text of the Aghaaz-e-Huqooq package presented by Senator Raza Rabbani.

#### **Preamble**

“Conscious, that the provinces have a sense of deprivation, in political and economic structures of the federation;

Recalling, that the provisions of the 1973 constitution in particular relating to the federation-province relationship have been circumvented;

Stating that the financial assistance given by the present federal government in terms of Rs 4.6 billion PSDP support, Rs 2.8 billion paid as

arrears of royalty for Uch – pending since 1995, Rs 17.5 billion overdraft of Balochistan written off, realising that this is not a substitute to provincial autonomy;

Acknowledging, that the question of provincial autonomy needs to be revisited and the ownership of the provinces over their resources reasserted in the constitution;

Mindful, of the tumultuous history of the province of Balochistan in the affairs of the federation;

Placing on Record that the present federal government has withdrawn cases and released political workers and helped in identifying the places of detention and release of some of the missing persons;

Determined, to correct the wrongs of history, by conferring the political, economic and cultural rights of the provinces, so that the federation may blossom, and;

Recalling, the documents made from time to time, namely The Shaheed Mohtarma Benazir Bhutto Reconciliation Committee Papers, the interim reports of the Wasim Sajjad and Mushahid Hussain Sayed committees of the Parliamentary Committee on Balochistan, headed by Chaudhary Shujaat, proposals made by the Balochistan chief secretary and the proposals of Mian Raza Rabbani.

The following “proposals” are made:

#### **A. Constitutional-related Matters**

1. Constitutional Reform: In terms of the resolutions passed by parliament, the speaker has constituted a parliamentary committee. The said committee has commenced work of considering various amendments in the constitution, including on provincial autonomy, this should be immediately addressed;
2. Constitutional Reform: The quantum, form and scope of provincial autonomy will be determined by the Parliamentary Committee on Constitutional Reforms, which represents all shades of political opinion in parliament. The following provisions of the constitution on provincial autonomy are under consideration of the committee; (i) Deletion of the Concurrent List from the Fourth Schedule of the Constitution; (ii) Deletion of the Police Order, 2002 and The Balochistan Local Government Ordinance, 2001 from the Sixth Schedule of the Constitution; (iii) Effective implementation of Article 153 of the constitution, Council of Common Interests; (iv) Implementation of Article 160 of the constitution, NFC Award; (v) Implementation of articles 154, 155, 156, 157, 158 and 159 of the constitution.
3. Restructuring of the NFC Award criteria: In the past, the formula was based on population. This has been changed and other criteria such as

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inverse population ratio, backwardness, poverty and resource generation need to be taken into consideration.

## **B. Politically-related Matters**

4. Release of Political Workers: The federal government in consultation with the provincial government should immediately release all political workers, except those charged under heinous crimes;
5. Political Dialogue: Immediate to the acceptance of all the proposals contained herein, initiation of a political dialogue with all major stakeholders in the political spectrum of the province, to bring them into the mainstream politics.
6. Return of Exiles: The political exiles who return to Pakistan will be facilitated. (Except those involved in acts of terrorism)
7. Provincial Assembly Resolutions: The unanimously passed resolutions of the assembly from 2002 until date, related to the province, be implemented within the legal framework of the constitution.
8. Local Government: The Balochistan Local Government Ordinance needs to be amended by the provincial government keeping in view the administrative needs of the province.

## **C. Administratively-related Matters**

9. Operations by Federal Agencies: The federal government should immediately review the role of federal agencies in the province and stop all such operations that are not related to the pursuit of fighting terrorism;
10. Construction of Cantonments: The federal government should announce that the presence of the army in Sui will be withdrawn and replaced by the FC in pursuit of peace in the present situation. Proposals should not be formulated for the construction of new cantonments except in frontier areas, wherever required;
11. Commission: A commission should be constituted in respect of the missing persons. The commission should be headed by sitting member of the superior judiciary from Balochistan, including the federal defence, interior ministers and the home minister of the province. The proceedings of such a commission shall be held in camera.
12. Missing Persons: The names of missing persons be identified and following actions be taken immediately, after verification, in any case, if they are found to be in custody. (i) Those persons against whom there are no charges be released. (ii) Those persons against whom there are charges be brought before a court of competent jurisdiction within seven days for trial (effective from the date of promulgation of commission). (iii) Such persons be allowed legal consul of their choice,

- the government should assist them in this regard in accordance with law. (iv) Family members of such persons be informed accordingly and allowed visiting rights.
13. Judicial Inquiry: Judicial inquiry by the superior judiciary be ordered by the federal government to inquire into: -
    - a. Murder of Baloch political workers, Ghulam Muhammad, Lala Munir and Munir Ahmed.
    - b. Target killing in the province.
  14. Nawab Akbar Bugti Shaheed: A fact-finding commission, headed by a retired judge of the Supreme or High Court be constituted, to determine the circumstances leading to the death of Nawab Akbar Bugti Shaheed.
  15. New Army Cantonments: Construction of new cantonments in Sui and Kohlu be stopped for the time being. Army will be withdrawn from Sui after handing over the duties to FC. FC will also takeover the already constructed Cantonment at Sui.
  16. Conversion Of “B” Areas Into “A” Areas: In view of the decision of the provincial government, the policy of conversion of “B” areas into “A” areas may be reviewed from time to time. Urban areas may have regular police.
  17. The Role of Civil Armed Forces:
    - (i) Frontier Corps; the role of the FC in law enforcement shall be under the chief minister of the province. The powers conferred under the Customs Act shall be withdrawn, (ii) Coast Guard; The CG should perform its primary duty of checking smuggling of arms and narcotics along the coast and the border. The check posts established beyond their territorial limits as prescribed under the law shall be dismantled. An exercise of delimitation of the border areas needs to be undertaken by the federal government, provincial government and the Frontier Corps to give effect to the aforesaid.
  18. Check Posts: The various check posts established by the civil armed forces and other related agencies, other than border areas should be in accordance with the directions of the provincial government.
  19. Judicial Inquiry: here should be a judicial enquiry by the superior judiciary into the allotment of land at Gwadar,
  20. Flood Relief: Some monies are due on the federal government for the flood-affected people of Balochistan, these amounts should be released.
  21. Education: Balochistan be given a special quota of scholarships by the Higher Education Commission so that students of the province can pursue studies leading up to local or foreign Masters and PhDs.

#### **D. Economically-related Matters**

22. Rationalisation of the Royalty Formula:

(i) Rationalization of the royalty formula and the Gas Development Surcharge have been done, (ii) The concept of public-private ownership in the areas of a district granted for exploration should be followed. Where contracts are awarded, the said district should be given 15% of revenue to be received by the provincial government, (iii) Due representation should be given to the province on the boards of the PPL; OGDC and Sui Southern Gas, (iv) Distribution companies should be obligated under contract/law to provide on priority basis gas to the district where it is explored, (v) In case of a successful find the federal government shall spend an amount equivalent to 10% of the net profits on development projects in the area. The ascertainment of profits shall be open to scrutiny by independent/third party auditors; (vi) The federal government has released the accrued Production Bonus to the districts producing oil and gas. This policy will be strictly implemented.

23. Mega Projects:

(i) All new mega projects to be initiated with the consent and approval of the provincial government. The share of the province in its profits/benefits to be assured in the contract/agreement, (ii) The concept of public-private ownership in such projects to be followed where ever possible, (iii) In Gwadar, there shall be a free economic zone and political activities in the said zone may be regulated by an appropriate law to be framed in consultation with all the stakeholders, (iv) In Gwadar, all or as far as possible, appointments in BS-1 to 16, should be from the local population, (v) In Gwadar, the local youth should be provided technical training and absorbed in GPA, GDA and Special Economic Zone, (vi) Preference should be given to the qualified local contractors while awarding contracts related to the port, (vii) Compensation and reallocation of all those fishermen, who are being displaced due to the Gwadar Port must be finalised immediately, (ix) The two jetties agreed to be constructed for the fishermen on the eastern and western bays be constructed, (x) A fisheries training centre as required to be established under the 9th Five Year Plan for Balochistan be constructed, (xi) A portion of the revenue collected by the Gwadar Port Authority be allocated for the development of the province, (xii) The chief minister shall be the ex-officio chairman of the Gwadar Development Authority and there shall be seven members from the province on the Board of Directors, (xiii) The provincial government of Balochistan will nominate a person duly qualified to be the Chairman of the Gwadar Development Authority.

24. SUI:

(i) There should be a special development package for the area. (ii) The armed forces should be systematically withdrawn from the area.

25. Employment Opportunities:

- (a) The federal government will create, with immediate effect, five thousand additional jobs for the province, (b) (i) The quota for the province as prescribed in the rules/law for employment in government (specially foreign service), semi-government, autonomous/semi-autonomous, corporations and bodies must be strictly complied with. Deficiency if any, needs to be met in a proactive manner, (ii) The Overseas Employment Foundation needs to facilitate the recruitment of skilled or unskilled labour for employment aboard, (iii) The local people living along the coast who meet the criteria should be given jobs in the Coast Guards, (iv) The monitoring of the aforesaid shall be the responsibility of the Senate Standing Committee for Establishment.
26. Gas Development Surcharge: The federal government agrees to pay the arrears of Gas Development Surcharge from 1954 to 1991. This is a total amount of Rs 120 billion payable in 12 years.
  27. Ownership in oil and gas companies: In organisations such as PPL, OGDCL and Sui Southern, the province will be able to purchase up to 20% of the right shares when offered in the open market.
  28. Sandak Project: The federal government from its 30% shares in the project will immediately give 20% to the province. On completion of the project and when the foreign company withdraws, the project shall be owned exclusively by the province.
  29. Uniform Price of Gas: There shall be a uniform price of gas throughout the country for the purpose of calculation of GDS.
  30. Fishing Trawlers: Fishing trawlers should be restricted to the authorised limits of 33 kilometres from the coast. This will help promote the small fishermen.
  31. Kohlu District: Special incentives should be given to the local tribes to facilitate exploration in the area, which continues to be closed due to security concerns.
  32. Poverty Alleviation: In all poverty alleviation schemes, the allocation of the province should be proportional to the percentage of people living below the poverty line.
  33. Profit Sharing In Existing Agreements:
    - (i) It is proposed that existing agreements on projects such as SANDAK, REKODIC and others where agreements have already been negotiated, the federal government may reconsider the agreements concerning the sharing of income, profits or royalty between the federal government and the provincial government.
  34. Dera Bugti Internally Displaced Persons: The federal government for the rehabilitation and settlement of the IDPs shall provide a sum of Rs 1 billion.
  35. Water Management: The federal government shall immediately undertake schemes, which include the construction of small dams

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throughout the province but particularly in the districts of Quetta, Pasheen, Qila Abdullah, Qila Saifullah, Zhob etc.

### **E. Monitoring Mechanism**

36. Parliamentary Committee on National Security: It is proposed that the federal government, provincial government and other departments/agencies involved in the implementation of the proposals shall brief the Parliamentary Committee on National Security on the status of implementation on monthly bases.
37. Parliament: The federal government and the provincial government shall every three months lay a report before both Houses of parliament, separately, on the state of implementation of the proposals. The two Houses shall separately allocate appropriate time for discussion on the said report.
38. The Standing Committee on Establishment of the Senate of Pakistan: The Standing Committee on Establishment of the Senate shall present a report every three months on Item No 25. The Senate Chairman, after the report has been laid in the Senate, transmits the same to the speaker, National Assembly of Pakistan, for information of that House.
39. Certification: The federal minister for inter-provincial coordination shall at the end of each financial year certify to both the Houses of parliament separately, the amount of monies spent for the implementation of these proposals.■

November 26, 2009.

<http://pakteahouse.wordpress.com/2009/11/26/the-text-of-balochistan-package-presented-to-the-joint-session-of-the-parliament/>