

**STATEMENT OF RICHARD A. BOUCHER
ASSISTANT SECRETARY OF STATE FOR SOUTH AND
CENTRAL ASIAN AFFAIRS**

**BEFORE THE HOUSE COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM**

**SUBCOMMITTEE ON NATIONAL SECURITY
AND FOREIGN AFFAIRS**

JULY 12, 2007

Mr. Chairman, thank you for this opportunity to appear before the Committee. As you know, Mr. Chairman, Pakistan plays a key role in some of our most critical foreign policy goals, such as creating a regional environment inhospitable to Taliban extremism and terrorism and building a modern society. Pakistan is also critical to Operation Enduring Freedom in Afghanistan. Without Pakistani support and cooperation, we would face severe difficulties in supplying, reinforcing, and protecting our troops and those of our allies who are defending the democratically elected Afghan government. A successful Pakistan—a prosperous, moderate democracy—would also be a stable and stellar example throughout the Muslim world.

Helping Pakistan succeed in becoming a prosperous, moderate, and democratic nation is a critical part of all our policy goals for Pakistan. A stable, prosperous Pakistan is key to the stability and prosperity of the whole region. Pakistan links the landlocked, energy-laden nations of Central Asia to the dynamic markets of South Asia. Therefore, our goal is to forge a long-term strategic partnership between the United States and Pakistan that is strong, multi-dimensional, and enduring. Furthermore, a successful transformation of Pakistan would bring the benefits of prosperity, good governance, and justice to 160 million people, undercutting the appeal of violent extremism and helping to provide an important example of modernity and moderation in the Muslim world.

2007 is a vital year with fundamental tasks to achieve our long-term goals in Pakistan. This is the year that will help determine whether Pakistan makes a successful transformation into a prosperous and stable democracy, and we intend to assist President Musharraf to fulfill his commitment to this goal. Our assistance will help the Pakistani people enjoy the benefits of good governance and change the nature of the relationship between the people and their government in the least

governed and most vulnerable areas of Pakistan. We believe that Pakistan must make a full transition to democracy and civilian rule and we support the Pakistani government's efforts to bring about that transition. The challenge is to maintain the right balance and implement the plan quickly and effectively. Anne Patterson, our new ambassador to Pakistan, who was recently confirmed by the Senate, is fully committed to finding ways to more effectively deliver our message. Social and economic development programs as well as distinct roles for both the military and political forces can play an instrumental role in nurturing democracy.

The upcoming parliamentary and presidential elections will be critical benchmarks in Pakistan's progress towards full democracy. To help Pakistan's transition, we are helping strengthen the accountability and transparency of Pakistan's democratic and civic institutions. The U.S. Agency for International Development has numerous programs to support fair, free, and transparent elections. But we also know that democracy means more than just holding elections. We are working to strengthen a free and vibrant press, a fair and impartial criminal justice system, active civil society organizations, an independent judiciary, and broadly participative and responsive political parties and institutions.

U.S. development assistance in Pakistan is tailored to help build sustainable growth and improve living standards that will promote the conditions for good governance, responsible citizenship, and foreign investment. In 2006, the United States provided Pakistan \$69.3 million to improve primary and higher education along with other funds that support education through the national budget. The U.S. government has also provided \$200 million in budget support starting in Fiscal Year 2005, which has opened budget space for the government of Pakistan to spend additional resources on education, improving macroeconomic performance, and the quality and access to healthcare and education. This budget support is guided by the "Shared Objectives," which are negotiated every year with the Government of Pakistan to identify those sectors where U.S. budget support will be spent. In 2007, Pakistan agreed to spend \$56.25 million of the budget support toward education.

Thus, over \$100 million of our assistance goes toward education. As a result, Pakistan has increased its overall spending on education from \$1.3 billion in 2003 to \$2.3 billion in 2006. In Punjab, Pakistan's largest province, provision of free textbooks and stipends paid to female students have increased enrollment by more than two million students since 2001. In the Tribal Areas, enrollments have increased 38% since 2000, with female enrollment accounting for 27% of total

enrollments. National female literacy rates in Pakistan have increased from 32% in 1998 to 40% in 2005.

We are also working closely with our Pakistani and non-governmental partners on key issues such as furthering women's rights and legal protection for ethnic and religious minorities, and combating forced child labor and human trafficking. Women's health is a particular challenge in Pakistan, but we know that the rate of maternal mortality can be lowered significantly with properly trained rural health providers, and the U.S. Agency for International Development providing such training.

In the Federally Administered Tribal Areas and the Afghan-Pakistani border regions, the government has developed a comprehensive strategy to combat terrorists and extremists by integrating these ungoverned spaces into the mainstream of Pakistan's economy and government. By boosting security and governance as well as political and economic development, the people of that region will have an opportunity to reject the violence and extremism and embrace peace and prosperity instead. When this choice has been made on a wide scale these areas currently being exploited as safehavens will be rendered permanently inhospitable to terrorism and violent extremism. The government has meanwhile expanded its political efforts by working to boost the capacity and will of local tribes to resist and expel violent extremists in their midst, achieving successes such as the expulsion of al Qaeda-affiliated Uzbeks by tribal forces in and around South Waziristan. It has also brought in additional troops, strengthened border posts and controls, and helped kill or capture major Taliban figures such as the chief field commander Dadullah, and other top leaders Osmani, and Obeidullah.

Of course, we are under no illusions about the difficulties faced by the Government of Pakistan in extending its writ into these territories or about Al Qaeda and Taliban activities in this area, and the level of commitment required to prevent them from finding safe-haven there. The Tribal Areas have the worst social indicators in all of Pakistan, such as only a 3 percent female literacy rate. The Government of Pakistan is committed to improving living conditions and expanding governance in the Tribal Areas, and we have requested additional funds in the Fiscal Year 2008 budget to assist Pakistan in this crucial endeavor.

President Bush has also announced his intention to create Reconstruction Opportunity Zones, which would further expand cooperation and official ties between Afghanistan and Pakistan. These zones are a critical part of our broader counterterrorism strategy in these areas, designed to connect isolated regions to the

global economy and create vital employment opportunities in territories prone to extremism. The zones will encourage investment and economic development by granting duty-free entry to the United States for certain goods produced in the zones, and create employment alternatives for the working-age population that may otherwise be drawn into terrorism, narcotics trafficking, and other illicit activities. This initiative includes input from across the spectrum of U.S. Government agencies—State, Commerce, U.S. Trade Representative, Treasury, Defense, Agriculture, Labor, Homeland Security, and others. We hope Congress will support this initiative with the necessary legislation so that we can utilize this important economic tool in our fight against terrorism.

Over the last eight years Pakistan has developed a judicial system worth defending, a civil society that wants to defend it and media capable of publicizing and commenting on their activities and successfully defends its own rights. It will be important for all political parties and all international observers, including ourselves, to allow the judicial proceedings to play out and to respect the final judgment of the court.

The majority of Pakistanis are concerned about the growing threat of extremism and radicalism in Pakistan's traditionally moderate society. The Red Mosque has posed a particularly difficult problem for the Pakistani government. Armed students and clerics at the mosque have openly defied authorities for several months in their campaign for Islamic Sharia law. The Pakistani government did not take action against the Mosque fearing it would endanger the lives of the many innocent woman and children used by Mosque leaders as a shield for their activities. The government stayed its hand, despite mounting public demands for action, until the threat to security became intolerable -- when those in the mosque compound fired upon and killed two Pakistani soldiers on July 3. We understand that a military operation against militants inside the compound began on July 10, shortly after negotiators failed to persuade them to choose a peaceful solution.

Our partnership with the Pakistanis gives us an opportunity to support Pakistan's own efforts to become a modern, open, prosperous, democratic state, and a moderate voice in the Islamic world. This is the vision for Pakistan that President Musharraf has articulated and demonstrated by reiterating his resolve to stop Talibanization in the frontier areas as well as extremism within urban areas such as the Red Mosque compound. It is strongly in the U.S. national interest that Pakistan succeeds in realizing this vision.

There has been a lot of discussion about what Pakistan can and should do against extremists, including the Taliban and Al Qaeda. Islamabad faces immense challenges on this front, but Pakistan's contribution has been significant. Since 2001, the Pakistani Government has arrested hundreds of terrorist suspects, turning over to the U.S. such senior al-Qaida figures as Khalid Sheikh Mohammed, Ramzi bin al Shibh, and Abu Zubaida. There are currently 85,000 Pakistani forces stationed on the rough terrain of the Afghanistan border region, and more than 450 members of Pakistan's security forces have sacrificed their lives in support of anti-terror efforts. Pakistani security operations in the tribal areas are disrupting terrorist activities in an area where terrorists previously felt secure. One unfortunate indicator of the insurgents' desperation to maintain their hold is the intimidation of the local population through targeting tribal leaders.

In many of its operations against militants, Pakistani troops are using equipment and training provided by the United States. This assistance has been crucial to bolstering Pakistan's anti-terrorism capabilities, and by extension, our own. The State Department remains committed to working closely with the Department of Defense, with our Pakistani counterparts, and with Congress to ensure that Pakistani security forces have the necessary training and equipment to conduct these operations appropriately and effectively. I am fully aware of the substantial amount of foreign assistance—both economic and security—that Congress has provided Pakistan, and assure you that we will work to ensure that these valuable resources the American people have entrusted to us to work with Pakistan are utilized efficiently and effectively.

We continue to actively pursue our public diplomacy efforts inside Pakistan to ensure that we reach out to Pakistani citizens to share our own message, and help others understand American policies, views and values. Americans continue to be generous in their willingness to help and reach out to Pakistanis as demonstrated after the devastating 2005 earthquake in Kashmir, where the immediate and overwhelming support of the U.S. military and the donations of private Americans saved many lives and garnered the goodwill of the Pakistani people. Nothing could have been more effective in demonstrating American values and disseminating a message of friendship between our peoples.

We have also made real progress in Afghanistan on a broad range of fronts. On the security side, we and our NATO and Afghan partners succeeded in blunting the Taliban's planned spring offensive and we are working together to consolidate and extend those gains. The Taliban have taken some very significant losses this year, including the death of Mullah Dadullah and other key leaders. Reconstruction and

development work remains on track in most of the country and the Afghan economy continues to grow at impressive rates, with licit GDP more than doubling since 2002. Millions of Afghan children are in school, girls and boys alike, and now for the first time in Afghan history there is a realistic prospect of a mostly literate population. Our support for democracy and governance initiatives in Afghanistan is also paying off, and the Afghan parliament is assuming its appropriate role as a deliberative body. Clearly, the Afghans still face enormous challenges in all these areas and on other fronts as well. The counternarcotics challenge is especially daunting, as is the broad challenge of promoting rule of law and building the judicial capacity of the Afghan government. But I am convinced that we are all moving in the right direction and that with sustained international support Afghanistan can look forward to a stable, democratic and more prosperous future.

We are working with the Pakistani and the Afghan governments to build stability in the areas along their rugged border. President Karzai and President Musharraf recognize that improving relations and stabilizing the border region are critical to both countries. The joint statement issued by President Musharraf and President Karzai in Ankara this spring illustrates their commitment. Pakistani and Afghan planners are now preparing for a landmark jirga that could build constituencies for stability in both countries and boost bilateral relations. We and our NATO allies are working to foster expanded Pakistan-Afghanistan bilateral dialogue, stronger economic and trade ties, and deeper cooperation between Pakistani and Afghan border security forces. With U.S. assistance, Pakistan is working to secure its border with Afghanistan to prevent the smuggling of arms, terrorists, and illegal drugs which are fueling the Taliban insurgency. Also, much less frequently mentioned is Pakistani cooperation in facilitating the logistical support of United States and NATO forces deployed in neighboring Afghanistan. Most of our support for Coalition forces in Afghanistan passes through Pakistan.

Pakistan's transformation into a moderate democracy and a prosperous and open nation where its people can thrive is vital to our own future and safety, as well as the future prosperity and regional stability of South and Central Asia. I look forward to working with Congress toward this goal.

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