



### US AID APPROPRIATIONS TO PAKISTAN - 2018

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*(Views expressed in the brief are those of the author, and do not represent those of ISSI)*



**In the past few years, the disbursement of US aid to Pakistan has remained an issue of immense debate in both Washington and Islamabad. Pakistan's prominent role in the war on terror made it able to become a recipient of US aid and assistance since 2002. The aid not only included military and security related assistance, but also Economic Support Funds, International Narcotics Control, and Migration and Refugee Assistance.**

Amidst the aid, Coalition Support Funds (CSF) remained most important, as well as most contested military aid reimbursements to Pakistan. Pakistan and US even came to blows with each other over the total amount of CSF disbursements that were made to Pakistan. Many a times CSF is confused with security assistance which is not the case. CSF is the reimbursement to Pakistan for its services in terms of logistics, or military or security related support provided to the US operations.

US for Fiscal Year (FY) 2018 has authorized another \$700 million<sup>1</sup> to Pakistan, with \$350 million ineligible for waiver. Part of the authorised CSF aid is also requirement-based without any pre allocation of funds. The authorisation is included in the reconciled text of the House and Senate versions of the 2018 National Defence Authorisation Act (NDAA-2018).<sup>2</sup> The recent allocation of aid comes after episodes of tedious deliberations in the key Congressional panels which started earlier

<sup>1</sup> Anwar Iqbal, "US Congress Authorises \$700 Million for Reimbursing Pakistan," Dawn News, November 11, 2017, <https://www.dawn.com/news/1369749>

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in 2017. Initially, the Department of Defence attached no conditions for disbursement of CSF to Pakistan. However, it was only the US Congress which imposes such strict conditions on giving CSF money to Pakistan.<sup>3</sup> The committee proposed a series of recommendations and conditions upon the aid to Pakistan.

A key recommendation by the Congressional panel was certifications by the Secretary of State regarding Pakistan's cooperation with the US in counter-terrorism efforts against terrorist outfits such as the Haqqanis and Lashkar-e-Taiba (LeT), and Quetta Shura among others. However, prior to the bill, US Department of Defence (DoD) placed pressure on key Congressional committees to drop the provision linking financial aid to Pakistan as Islamabad is taking demonstrable action against LeT.<sup>4</sup>

Pakistan in the last two years has lost \$750 million in Coalition Support Funds due to the non certification by Secretary of Defence Ashton Carter and his successor James Mattis. The Administration did not issue certifications for FY2015 or FY2016, whereas, a decision on FY2017 certification remains pending.<sup>5</sup>

The issue of CSF and disbursement of aid gained more criticality after Washington accused Pakistan of not doing enough. The new US administration under Donald Trump used the CSF card to put more pressure on Pakistan to go after the terrorist groups that US deems a threat to itself and its allies especially India and Afghanistan. Furthermore, Pakistan is also obliged to work with the Afghan government and Washington to eliminate safe havens of terror networks on its soil.<sup>6</sup> Another condition require Pakistan to coordinate with Afghan forces to prevent movement of terrorists across the porous Pakistan-Afghanistan border.

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<sup>3</sup> "Trump Administration Proposes \$800 Million Fund For Pakistan," NDTV, May 25, 2017  
<https://www.ndtv.com/world-news/donald-trump-administration-proposes-800-million-fund-for-pakistan-1703682>

<sup>4</sup> "Pentagon pressures US congress to delink LeT from Haqqani Network," The Express Tribune, November 20, 2017,  
<https://tribune.com.pk/story/1563285/3-pentagon-presses-us-congress-delink-let-haqqani-network/>

<sup>5</sup> Direct Overt U.S. Aid Appropriations for and Military Reimbursements to Pakistan, FY2002-FY2018,  
<https://fas.org/sgp/crs/row/pakaid.pdf>

<sup>6</sup> "Pentagon pressures US congress to delink LeT from Haqqani Network," The Express Tribune, November 20, 2017,  
<https://tribune.com.pk/story/1563285/3-pentagon-presses-us-congress-delink-let-haqqani-network/>

Additional conditions include:<sup>7</sup>

- 1) Pakistan continues to conduct military operations that are contributing to significantly disrupting the safe havens, fundraising and recruiting efforts, and freedom of movement of the Haqqani Network in Pakistan;
- 2) Pakistan has taken steps to demonstrate its commitment to prevent the Haqqani Network from using any Pakistan territory as a safe haven and for fundraising and recruiting efforts;
- 3) the Government of Pakistan is making an attempt to actively coordinate with the Government of Afghanistan to restrict the movement of militants, such as the Haqqani Network, along the Afghanistan-Pakistan border; and
- 4) Pakistan has shown progress in arresting and prosecuting senior leaders and mid-level operatives of the Haqqani Network.
- 5) Certification by the Secretary of Defence to ensure that Pakistan is not using any assistance provided by the United States to persecute minority groups.<sup>8</sup>

The \$350 million available to Pakistan is contingent upon certification from the Secretary of Defence that Pakistan is taking demonstrable steps against the Haqqani Network.<sup>9</sup> Besides CSF, the aid assistance marks a stark decline in food aid, International Disaster Assistance, Migration and Refugee Assistance, Counterinsurgency, as well as Counterinsurgency Capability funds.

The trend of the US aid disbursement to Pakistan is plummeting. The decline came after Pakistan was termed complacent in the US war on terror and was held accountable for US's failures in Afghanistan, which were rejected by Islamabad. The aid imposes further strict conditions on Pakistan, both in terms of military and security assistance, overseen by the Pentagon and the State Department.

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<sup>7</sup> "H.R.2810 - National Defence Authorization Act for Fiscal Year 2018," 115th Congress, House - Armed Services, <https://www.congress.gov/bill/115th-congress/house-bill/2810/text#toc-H98B6C55ADD6F43509E7C6AA0022C5127>

<sup>8</sup> "US Congress Passes \$700 Billion Defence Bill," Money Control, November 17, 2017 <http://www.moneycontrol.com/news/world/us-congress-passes-700-billion-defence-bill-2441023.html>

<sup>9</sup> Ibid.