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Issue Brief

Pakistan-US Relations: Looking Beyond the Security Lens

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In the background of growing challenges in bilateral relations between Pakistan and the US, a four-member bipartisan US Senate delegation led by Senator John McCain visited Pakistan on July 2, 2016. Other members of the delegation included Senator Lindsey Graham, Senator Joseph Donnelly and Senator Benjamin Sasse. In their meetings with the civil and military leadership in Pakistan, the Senators recognised the need for greater contact between Pakistan and the US and to work together to address the regional and global challenges. Both sides acknowledged the importance of continued cooperation and that “the relationship would retain its vigour in the years ahead.”¹ Even as the delegation appreciated the success of Pakistan’s counterterrorism campaign, it held out assurances to “brief the US Congress appropriately for continued US support to Pakistan in its efforts towards economic development and complete eradication of terrorism from the country.”²

The visit by the US Senators came at the heels of the refusal by the US Congress on May 3, 2016 to subsidise the sale of 8 F-16s to Pakistan under its Foreign Military Financing (FMF) programme. The Congress cited conditions associated with the release of appropriated foreign assistance funds which include a certification by the President, the Secretary of State or the Secretary of Defence that among others conditions, Pakistan is cooperating with the United States in combating terrorist networks and securing its nuclear weapons. Memories of the late 1980s including the Pressler, Symington and Brownback Amendments came flooding back as Pakistan took up the issue with the US officials. The issue has also become a sore point with the US continued support for India’s membership to the Nuclear Suppliers Group (NSG).

This has not been the only setback. Later on May 21, 2016, a US drone strike targeted and killed the Afghan Taliban leader, Mullah Akhtar Mansoor in Balochistan. The incident not only brought up the question of Pakistan’s sovereignty,³ but also served to sabotage the ongoing peace process in Afghanistan just as Pakistan’s efforts to bring the Taliban back to the negotiating table under the Quadrilateral Coordination Group (QCG) format seemed to be bearing fruit despite the military gains by the Taliban and the hostile posture of the Afghan government towards them.

Encouraged by Indian lobbying, the US Congress seems to have been sufficiently prejudiced against Pakistan regarding not only the sale of F-16s, but other issues including pressure on Pakistan to restrict

¹ “US team impressed by Army’s successes in NWA”, *The News International*, July 4, 2016

² *Ibid.*

³ “Gen Raheel ‘seriously concerned’ over violation of sovereignty by US”, *Dawn*, May 25, 2016.

the development of short-range missiles and stop or reduce production of fissile material. Suspicions linger in Washington over Pakistan's growing ties with China under the China-Pakistan Economic Corridor.

Contrary to the US Congress, the US State Department on the other hand has been at pains to clarify that the relationship with Pakistan is far too critical and vital “particularly in that part of the world” and that it’s a relationship that the Obama administration has “absolutely no intention of losing focus on or diminishing in any way.”⁴ Following the clarification by the State Department, a two-member US delegation including US Special Representative for Afghanistan and Pakistan, Richard Olson and Special Assistant to the President and Senior Director for South Asian Affairs Peter Lavoy arrived in Pakistan on June 10 for meetings with Pakistan civil and military leadership. They were joined by General John Nicholson, the Commander Resolute Support Mission and US forces in Afghanistan.

Regardless of all the negative connotations, and no matter what the detractors may surmise, it would be naïve to write off the Pakistan-US relationship as an inevitable denouement just because of a few discords. True, that this is a transactional relationship. It is equally true that there seems to be a vast confusion in Washington between the Obama administration and the US Congress regarding the aims and expectations of military and economic assistance to Pakistan. Reading between the lines of the statements coming out from the State Department, the Obama administration would not like to overplay the threats of curtailing assistance to Pakistan. History of the relations with Pakistan is testimony to the fact that such threats have not always been successful in making Pakistan give up its core national interests including compromising its nuclear programme.

For all practical purposes, the issue of F-16s and the question of US drone attacks inside Pakistan notwithstanding, Pakistan and the US would continue to build upon the commitment agreed to between Prime Minister Nawaz Sharif and President Barack Obama on October 22, 2015. However, the important question in developing a realistic and honest relationship would be the future of peace and reconciliation in Afghanistan. While the appointment of Mullah Haibatullah Akhundzada as the new leader of the Afghan Taliban and his credentials as a clerical and judicial expert rather than a military commander have raised the hopes of having an easier road to brokering peace, reining in the Indian ambitions of opening up a second front against Pakistan on its western border would be a much more

⁴ John Kirby, Spokesperson, Daily Press Briefing, Washington DC, May 3, 2016, *US Department of State*.

difficult challenge. Now that the US is moving towards the final round of its election cycle, it is not likely that the Obama administration would consider any major policy change with regard to the India factor in its relations with Pakistan.

But even if the US, prompted by India, would be reluctant to extend military assistance to Pakistan, it would certainly not be giving up on expanding its bilateral relations in areas outside the old traditional security realm in recognition of the multifaceted issues of concern for both the countries. Cooperation in trade and investment, science and technology, education, clean and affordable energy, countering the effects of climate change, economic growth, people-to-people and cultural contacts, rule of law, support for democratic principles, and most important of all, regional integration should continue as per the solemn agreements between the US and Pakistan.⁵

Of course, limitations on future US assistance to Pakistan have been always on the cards even before the events in May 2016. Congressional Research Service (CRS) figures prepared for distribution to multiple congressional offices in February 2016 indicate that the administration has requested \$814 million in aid to Pakistan for FY 2016 and \$743 million for FY 2017 (*See Annex 1*). But this certainly does not mean an end to US assistance altogether.

Pakistan and the US are now moving to implement a framework of cooperation based on areas of convergence through the Strategic Dialogue process that would be integral to not only constructing a robust bilateral relationship, but also to promoting regional stability in South Asia. The seriousness of this purpose is evident in the regularity with which the reactivated Strategic Dialogue is now being pursued. In addition to the meetings of the six working groups on economy and finance, energy, education, science and technology, law enforcement and counter-terrorism, security, strategic stability and non-proliferation, and defence, the two sides have held three annual ministerial level meetings since August 2013.

As a result of these meetings, the present leadership in Pakistan and the United States now agree that cooperation in these identified and defined areas would be the most effective form of promoting a mutually beneficial bilateral partnership. The joint statement issued after the 6th ministerial-level

⁵ Joint Statement by President Obama and Prime Minister Nawaz Sharif, October 23, 2015. Available at www.whitehouse.gov/the-press-office/2013/10/23/joint-statement-president-obama-and-prime-minister-nawaz-sharif

meeting between Sartaj Aziz, Pakistan's Advisor to the Prime Minister on Foreign Affairs and the US Secretary of State John Kerry on March 1, 2016 emphasises the importance of the Strategic Dialogue process for providing the "vision and direction for this bilateral partnership." It identifies joint economic partnership and intensifying trade and investment opportunities under the Trade and Investment Agreement (TIFA) as the most important element of mutual benefit.⁶

Consequently, the two countries are now strengthening consultation and cooperation on a number of non-traditional initiatives⁷ that will now become the foundation of a renewed Pakistan-US expanding cooperation. These include:

1. Pakistan-US partnership in the "Global Connect Initiative" and "Smart Universities" that will provide broadband access to 100 university campuses in Pakistan.
2. Expanding women's development in Pakistan through US-Pakistan Women Council.
3. Strengthening Pakistan's education, science and technology sector through a new "US-Pakistan Knowledge Corridor" and funding for 125 scholars from Pakistan to study in the US, as well as opportunities for students from Pakistan at the tertiary level, and particularly expanding opportunities for girls under the 'Let Girls Learn' initiative launched in October 2015.
4. Long-term sustenance of the US-Pakistan Centers for Advanced Studies launched in June 2015 for partnerships in energy, water, and agriculture, as well as promoting academic cooperation relating to science, technology, engineering, and mathematics (STEM), and climate change. The US has already agreed to and signed a Memorandum of Understanding to double joint funding for research grants through the Higher Education Commission in Pakistan.
5. Consideration on revival of ties between Pakistan Science Foundation and US National Science Foundation.
6. Facilitation of new private sector investment and preparation of a roadmap for promoting clean energy in Pakistan in hydroelectric, natural gas, wind, solar and biogas energy sectors through

⁶ US-Pakistan Strategic Dialogue Joint Statement, March 1, 2016. Available at <http://www.state.gov/r/pa/prs/ps/2016/03/253857.htm>

⁷ Ibid.

US-Pakistan Clean Energy Partnership with the aim of adding 3,000 megawatts to Pakistan energy supply line by 2020. The US Department of Energy national laboratories visit to Pakistan in February 2016 has already helped Pakistan in fostering technical cooperation and designing its own integrated energy plan for improving energy efficiency. Pakistan is now looking forward to taking this cooperation further in the Integrated Energy Planning Conference in the second half of 2016.

The US has also agreed to bolster the capacity of Pakistan's judicial and law enforcement authorities to interdict terrorists as well as the flow of illicit materials and drugs on its western border.

Looking beyond the security lens, Pakistan can expect to hear increased statements of 'do more' from Washington. But even if the US is to draw down on the dollar amount of assistance to Pakistan in the coming years, the alternatives for economic growth and infrastructural development in Pakistan offered by the initiation of the US\$ 46 billion China-Pakistan Economic Corridor are much more promising. Of course, the US cannot be expected to match the assistance provided by China, but it would certainly not be abandoning Pakistan as it looks to build a cooperative relationship with Pakistan. The US will continue to be a friend to Pakistan, but certainly not the only one.

Annex 1

Direct Overt U.S. Aid Appropriations for and Military Reimbursements to Pakistan, FY2002-FY2017

Prepared by the Congressional Research Service for distribution to multiple congressional offices, February 24, 2016

Note: Final obligation and disbursement totals typically are lower than program account appropriations

(rounded to the nearest millions of dollars)

Program or Account	FY 2002- FY2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 (req.)	Program or Account Total ^g	FY 2017 (req.)
CN	225	39	1	8	18	23	g	314	g
FMF	2,160	295	296	280	280	265	265	3,841	265
IMET	18	4	5	5	5	5	5	47	5
INCLE	528	114	75	57	57	40	46	917	40
NADR	90	25	20	11	11	10	--	167	10
PCF/PCCF	1,100	800	452	--	--	--	--	2,352	--
Total Security-Related	4,433^d	1,277	849	361	371	343	316	7,950^d	320
CSH/GHCS/GHP	221	28	--	--	--	--	--	249	23
DA	286	--	--	--	--	--	--	286	--
ESF	4,786 ^e	919	905	724	477	468	478	8,757	400
Food Aid ^b	362	51	96	81	30	--	--	620	--
HRDF	17	--	<1	--	--	--	--	17	--
IDA	505	145	54	20	101	93	20	938	--
MRA	193	43	12	9	--	--	--	257	--
Total Economic-Related	6,370	1,186	1,067	834	608	561	498	11,124	423
CSF Reimbursements ^c	8,881	1,118	688 ^f	1,438 ^f	1,198 ^f	700 ^f	f	14,023	f
Grand Total	19,684	3,581	2,604	2,633	2,177	1,604	814	33,097^a	743

PCF/PCCF: Pakistan Counterinsurgency Fund/Counterinsurgency Capability Fund (PCF overseen by the Pentagon, PCCF overseen by State)

Notes:

- Includes amounts requested for FY2016, given general consistency between requests and appropriations in recent years.
- P.L.480 Title I (loans), P.L.480 Title II (grants), and Section 416(b) of the Agricultural Act of 1949, as amended (surplus agricultural commodity donations). Food aid totals do not include freight costs.
- CSF is Defense Department funding to reimburse Pakistan for logistical and operational support of U.S.-led military operations; it is technically not foreign assistance. Figures in the CSF row reflect *actual payments by appropriation year* and not appropriations themselves.
- Includes \$312 million "global train and equip" funds from FY2006-FY2009 as authorized by Section 1206 of the National Defense Authorization Act (NDAA) for FY2006 (P.L. 109-163), within which \$100 million in FY2008 and FY2009 funds went to train and equip Pakistan's paramilitary Frontier Corps.
- Congress authorized Pakistan to use the FY2003 and FY2004 ESF allocations to cancel a total of \$1.5 billion in debt to the U.S. government.
- The NDAA for FY2013 disallowed reimbursements to Pakistan for the nine-month period during which U.S. ground lines of communication to Afghanistan were closed (ending July 2012). The NDAA for FY2015 authorized up to \$1 billion in additional CSF to Pakistan, \$300 million of which was subject to certification requirements that cannot be waived. The NDAA for FY2016 authorizes another \$900 million, with \$350 million of this ineligible for waiver.
- This funding is "requirements-based;" there are no pre-allocation data.