



Islamist Militancy in the Pakistan-Afghanistan Border Region and U.S. Policy

K. Alan Kronstadt

Specialist in South Asian Affairs

Kenneth Katzman

Specialist in Middle Eastern Affairs

November 21, 2008

Congressional Research Service

7-5700

www.crs.gov

RL34763

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

Increasing militant activity in western Pakistan poses three key national security threats: an increased potential for major attacks against the United States itself; a growing threat to Pakistani stability; and a hindrance of U.S. efforts to stabilize Afghanistan. This report will be updated as events warrant.

A U.S.-Pakistan relationship marked by periods of both cooperation and discord was transformed by the September 2001 terrorist attacks on the United States and the ensuing enlistment of Pakistan as a key ally in U.S.-led counterterrorism efforts. Top U.S. officials have praised Pakistan for its ongoing cooperation, although long-held doubts exist about Islamabad's commitment to some core U.S. interests. Pakistan is identified as a base for terrorist groups and their supporters operating in Kashmir, India, and Afghanistan. Since 2003, Pakistan's army has conducted unprecedented and largely ineffectual counterterrorism operations in the country's Federally Administered Tribal Areas (FATA) bordering Afghanistan, where Al Qaeda operatives and pro-Taliban insurgents are said to enjoy "safe haven." Militant groups have only grown stronger and more aggressive in 2008. Islamabad's new civilian-led government vows to combat militancy in the FATA through a combination of military force, negotiation with "reconcilable" elements, and economic development. The Pakistani military has in late 2008 undertaken major operations aimed at neutralizing armed extremism in the Bajaur agency, and the government is equipping local tribal militias in several FATA agencies with the hope that these can supplement efforts to bring the region under more effective state writ.

The upsurge of militant activity on the Pakistan side of the border is harming the U.S.-led stabilization mission in Afghanistan, by all accounts. U.S. commanders in Afghanistan attribute much of the deterioration in security conditions in the south and east over the past year to increased militant infiltration from Pakistan. U.S. policymakers are putting in place a series of steps to try to address the deficiencies of the Afghan government and other causes of support for Afghan Taliban militants, but they are also undertaking substantial new security measures to stop the infiltration.

A key, according to U.S. commanders, is to reduce militant infiltration into Afghanistan from Pakistan. To do so, U.S. General David McKiernan, the overall commander in Afghanistan, is "redefining" the Afghan battlefield to include the Pakistan border regions, and U.S. forces are becoming somewhat more aggressive in trying to disrupt, from the Afghan side of the border, militant operational preparations and encampments on the Pakistani side of the border. At the same time, Gen. McKiernan and other U.S. commanders are trying to rebuild a stalled Afghanistan-Pakistan-U.S./NATO military coordination process, building intelligence and information sharing centers, and attempting to build greater trust among the senior ranks of the Pakistani military.

Contents

Threat Assessment	1
The International Terrorism Threat	2
The Threat to Afghanistan’s Stability	2
Afghan Militant Groups in the Border Area	3
Attacks on U.S./NATO Supply Lines	4
The Threat to Pakistan and Islamabad’s Responses	4
Internal Military Operations	5
Tribal Militias	7
Complicating Factors in Achieving U.S. Goals.....	8
Pakistan’s Strategic Vision	8
Xenophobia and Anti-American Sentiment	8
Weak Government Writ in the FATA	9
U.S. Policy.....	10
Increasing U.S.-Pakistan Cooperation and Coordination.....	10
Increased Direct U.S. Military Action	11
Aerial Drone Attacks.....	11
Military Capacity Building in Pakistan.....	12
Security-Related Equipment	13
Security-Related Training	13
Coalition Support Funds	14
U.S. Development Assistance for Western Pakistan	14
FATA Development Plan.....	15
Reconstruction Opportunity Zones	15

Figures

Figure 1. District Map of Pakistan's North West Frontier Province and Federally Administered Tribal Areas	16
--	----

Contacts

Author Contact Information	16
----------------------------------	----

Islamist extremism and militancy has been a menace to Pakistani society throughout the post-2001 period, becoming especially prevalent in 2007 and 2008. The numerous militant groups operating in Pakistan, many of which have in the past displayed mutual animosity, may be increasing their levels of coordination and planning. Moreover, a new generation of militants is comprised of battle-hardened jihadis with fewer allegiances to religious and tribal leaders and customs. Deputy Secretary of State Negroponte warned in late 2008 that, “The United States and our allies face near-term challenges from Pakistan’s reluctance and inability to roll back terrorist sanctuaries in the tribal region.” One Western press report called Pakistan’s Federally Administered Tribal Areas (FATA) “the most ungoverned, combustible region in the world,” and an unrelenting surge in Islamist-related violence in Pakistan has some observers fearing a total collapse of the Pakistani state.¹ This untenable state of affairs is compounded by Pakistan’s deteriorating economic conditions.²

In 2008, the influence of Islamist militants appears to have grown unchecked in large parts of Pakistan beyond the FATA, bringing insecurity even to the North West Frontier Province (NWFP) capital of Peshawar, which reportedly is in danger of being overrun by pro-Taliban militants. In late 2008, militants in the region have attempted to assassinate the U.S. Consul General in Peshawar and undertook the targeted killing of an American aid worker there. Other so-called “settled areas” of Pakistan beyond the tribal regions have come under attack from pro-Taliban militants. Indeed, the “Talibanization” of western Pakistan appears to be ongoing and may now threaten the territorial integrity of the Pakistani state.

Threat Assessment

The instability in western Pakistan has broad implications for international terrorism, for Pakistani stability, and for U.S. efforts to stabilize Afghanistan. From the State Department’s *Country Reports on Terrorism 2007* (released April 2008):

The United States remained concerned that the Federally Administered Tribal Areas (FATA) of Pakistan were being used as a safe haven for Al Qaeda terrorists, Afghan insurgents, and other extremists.... Extremists led by Baitullah Mehsud and other Al Qaeda-related extremists re-exerted their hold in areas of South Waziristan.... Extremists have also gained footholds in the settled areas bordering the FATA.

The report noted that the trend and sophistication of suicide bombings grew in Pakistan during 2007, when there was more than twice as many such attacks (at least 45) as in the previous five years combined.³ Rates of such bombings have only increased in 2008. CIA Director Hayden said in March 2008 that the situation on the Pakistan-Afghanistan border “presents a clear and present danger to Afghanistan, to Pakistan, and to the West in general, and to the United States in particular.” He agreed with other top U.S. officials who believe that possible future terrorist attacks on the U.S. homeland likely would originate from that region.⁴

¹ Negroponte statement at <http://www.state.gov/s/d/2008/111320.htm>; “Like the Wild, Wild West, Plus Al Qaeda,” *Washington Post*, March 30, 2008; “Analysts Fear Pakistan Could Fall to Extremists,” *Los Angeles Times*, September 23, 2008.

² For broader discussion, see CRS Report RL33498, *Pakistan-U.S. Relations*, by K. Alan Kronstadt.

³ See <http://www.state.gov/s/ct/rls/crt/2007/103709.htm>.

⁴ “CIA: Pakistan Border’s Clear and Present Danger,” *Associated Press*, March 30, 2008.

The International Terrorism Threat

The State Department report on international terrorism for 2007 said that Al Qaeda remained the greatest terrorist threat to the United States and its partners in 2007. The two most notable Al Qaeda leaders at large, and believed in Pakistan, are Osama bin Laden and his close ally, Ayman al-Zawahri. They have apparently been there since December 2001, when U.S. Special Operations Forces and CIA officers reportedly narrowed Osama bin Laden's location to the Tora Bora mountains in Afghanistan's Nangarhar Province (30 miles west of the Khyber Pass), but the Afghan militia fighters who were the bulk of the fighting force did not prevent his escape. Associated with Al Qaeda leaders in this region are affiliated groups and their leaders, such as the Islamic Movement of Uzbekistan (IMU) and its leader, Tahir Yuldashev. Chechen Islamist radicals are also reportedly part of the Al Qaeda militant contingent, and U.S. commanders say some have been captured in 2008 on the Afghanistan battlefield.

A purported U.S.-led strike reportedly missed Zawahri by a few hours in the village of Damadola, Pakistan, in January 2006, suggesting that the United States and Pakistan have some intelligence on his movements.⁵ A strike in late January 2008, in an area near Damadola, killed Abu Laith al-Libi, a reported senior Al Qaeda figure who purportedly masterminded, among other operations, the bombing at Bagram Air Base in February 2007 when Vice President Cheney was visiting. In August 2008, an airstrike was confirmed to have killed Al Qaeda chemical weapons expert Abu Khabab al-Masri.

Prior to 2007, the United States had praised the government of then-President Pervez Musharraf for Pakistani accomplishments against Al Qaeda, including the arrest of over 700 Al Qaeda figures, some of them senior, since the September 11 attacks.⁶ After the attacks, Pakistan provided the United States with access to Pakistani airspace, some ports, and some airfields for Operation Enduring Freedom. Others say Musharraf acted against Al Qaeda only when it threatened him directly; for example, after the December 2003 assassination attempts against him by that organization. The U.S. shifted toward a more critical position following a *New York Times* report (February 19, 2007) that Al Qaeda had re-established some small Al Qaeda terrorist training camps in Pakistan, near the Afghan border.

The Threat to Afghanistan's Stability

According to the Pentagon, the existence of militant sanctuaries inside Pakistan's FATA represents "the greatest challenge to long-term security within Afghanistan." The commander of U.S. and NATO forces in Afghanistan, General David McKiernan, and his aides, assert that Pakistan's western tribal regions provide the main pool for recruiting insurgents who fight in Afghanistan, and that infiltration from Afghanistan has caused a 30% increase in number of militant attacks in eastern Afghanistan over the past year. Another senior U.S. military officer estimated that militant infiltration from Pakistan now accounts for about one-third of the attacks on coalition troops in Afghanistan.⁷ Most analysts appear to agree that, so long as Taliban forces

⁵ Gall, Carlotta and Ismail Khan. "U.S. Drone Attack Missed Zawahiri by Hours." *New York Times*, November 10, 2006.

⁶ Among those captured by Pakistan are top bin Laden aide Abu Zubaydah (captured April 2002); alleged September 11 plotter Ramzi bin Al Shibh (September 11, 2002); top Al Qaeda planner Khalid Shaikh Mohammed (March 2003); and a top planner, Abu Faraj al-Libbi (May 2005).

⁷ U.S. Department of Defense, "Report on Progress Toward Security and Stability in Afghanistan," June 2008; NATO (continued...)

enjoy “sanctuary” in Pakistan, their Afghan insurgency will persist. U.S. leaders—both civilian and military—now call for a more comprehensive strategy for fighting the war in Afghanistan, one that will encompass Pakistan’s tribal regions. The Chairman of the U.S. Joint Chiefs of Staff, Adm. Mike Mullen, sees the two countries as “inextricably linked in a common insurgency” and has directed that maps of the Afghan “battle space” include the tribal areas of western Pakistan.⁸

Afghan Militant Groups in the Border Area

The following major Afghan militant organizations apparently have a measure of safehaven in Pakistan:

- The original Taliban leadership of Mullah Mohammad Omar. His purported associates include Mullah Bradar and several official spokespersons, including Qari Yusuf Ahmadi and Zabiullah Mujahid. This group—referred to as the “Qandahari clique” or “Quetta Shura”—operates not from Pakistan’s tribal areas, but from populated areas in and around the Baluchistan provincial capital of Quetta. Its fighters are most active in the southern provinces of Afghanistan, including Qandahar, Helmand, and Uruzgan. Many analysts believe that Pakistan’s intelligence services know the whereabouts of these Afghan Taliban leaders but do not arrest them as part of a hedge strategy in the region.
- Another major insurgent faction is the faction of Hizb-e-Islami (Islamic Party) led by former *mujahedin* leader Gulbuddin Hikmatyar. His fighters operate in Kunar and Nuristan provinces, northeast of Kabul. His group was a major recipient of U.S. funds during the U.S.-supported *mujahedin* war against the Soviet occupation of Afghanistan, and in that capacity Hikmatyar was received by President Reagan in 1985. On February 19, 2003, the U.S. government formally designated Hikmatyar as a “Specially Designated Global Terrorist,” under the authority of Executive Order 13224, subjecting it to financial and other U.S. sanctions. (It is not formally designated as a “Foreign Terrorist Organization.”) On July 19, 2007, Hikmatyar expressed a willingness to discuss a cease-fire with the Karzai government, although no firm reconciliation talks were held. In 2008, he has again discussed possible reconciliation, only later to issue statements suggesting he will continue his fight.
- Another major militant faction is led by Jalaludin Haqqani and his eldest son, Sirajuddin Haqqani. The elder Haqqani served as Minister of Tribal Affairs in the Taliban regime of 1996-2001, is believed closer to Al Qaeda than to the ousted Taliban leadership in part because one of his wives is purportedly Arab. The group is active around Khost Province. Haqqani property inside Pakistan has been repeatedly targeted in September and October 2008 by U.S. strikes.

(...continued)

commander quoted in “Ragtag Taliban Show Tenacity in Afghanistan,” *New York Times*, August 4, 2008; “Gates is Pessimistic on Pakistani Support,” *Washington Post*, September 24, 2008.

⁸ “Defense Chiefs Call for Wider War on Militants,” *Los Angeles Times*, September 11, 2008; Adm. Mullen’s statement before the House Armed Services Committee, September 10, 2008; “Obama to Explore New Approach in Afghanistan War,” *Washington Post*, November 11, 2008. A brief primer on the cross-border aspects of the insurgency is at http://news.bbc.co.uk/2/hi/south_asia/7601748.stm.

For their part, Pakistani officials more openly contend that the cause of the security deterioration has its roots in the inability of the Kabul government to effectively extend its writ, in its corruption, and in the lack of sufficient Afghan and Western military forces to defeat the Taliban insurgents. This view is supported by some independent analyses.⁹ Pakistani leaders insist that Afghan stability is a vital Pakistani interest. They ask interested partners to enhance their own efforts to control the border region by undertaking an expansion of military deployments and checkposts on the Afghan side of the border, by engaging more robust intelligence sharing, and by continuing to supply the counterinsurgency equipment requested by Pakistan. Islamabad touts the expected effectiveness of sophisticated technologies such as biometric scanners in reducing illicit cross-border movements, but analysts are pessimistic that such measures can prevent all militant infiltration.¹⁰

Attacks on U.S./NATO Supply Lines

Militants in Pakistan increasingly seek to undermine the U.S.-led mission in Afghanistan by choking off supply lines. Roughly three-quarters of supplies for U.S. troops in Afghanistan move either through or over Pakistan. Taliban efforts to interdict NATO supplies as they cross through Pakistan to Afghanistan have included a March 2008 attack that left 25 fuel trucks destroyed and a November 2008 raid when at least a dozen trucks carrying Humvees and other supplies were hijacked at the Khyber Pass. Despite an upsurge in reported interdiction incidents, U.S. officials say only about 1% of the cargo moving from the Karachi port into Afghanistan is being lost.¹¹ After a U.S. special forces raid in the FATA in early September 2008, Pakistani officials apparently closed the crucial Torkham highway in response. The land route was opened less than one day later, but the episode illuminated how important Pakistan's cooperation is to sustaining multilateral military efforts to the west.

Pentagon officials have studied alternative routes in case further instability in Pakistan disrupts supply lines. The Russian government agreed to allow non-lethal NATO supplies to Afghanistan to cross Russian territory, but declines to allow passage of troops as sought by NATO. Uzbekistan also has expressed a willingness to accommodate the flow of U.S. supplies, although in exchange for improved U.S. relations, which took a downturn following the April 2005 Uzbek crackdown on demonstrators in its city of Andijon. A Pentagon official has said the U.S. military was increasing its tests of alternative supply routes.¹²

The Threat to Pakistan and Islamabad's Responses

The Tehrik-i-Taliban Pakistan (TTP)—widely identified as the leading anti-government militant group in Pakistan—emerged as a coherent grouping in late 2007 under Baitullah Mehsud's leadership. This "Pakistani Taliban" is said to have representatives from each of Pakistan's seven

⁹ See, for example, "As ISAF Command Changes, Time for a Reality Check on the Conflict in Afghanistan and Pakistan," *Defense & Foreign Affairs Special Analysis*, June 4, 2008; "American Failure in Afghanistan & Need for a New Social Contract in the FATA," Center for Research and Security Studies, Islamabad, July 2008.

¹⁰ See http://www.mofa.gov.pk/Press_Releases/2008/July/PR_208_08.htm; "Stopping Terrorists" (editorial), *News* (Karachi), June 10, 2008.

¹¹ "Taliban is Seizing, Destroying More NATO supplies," *Wall Street Journal*, August 12, 2008; "Taliban Ambushes Threaten NATO's Vital Logistics Route Into Afghanistan," *Sunday Telegraph* (London), August 31, 2008.

¹² "Pentagon Seeks New Afghan Supply Routes," *Financial Times* (London), September 23, 2008.

tribal agencies, as well as from many of the “settled” districts abutting the FATA. There appears to be no reliable evidence that the TTP receives funding from external states. The group’s principal aims are threefold:

- uniting disparate pro-Taliban groups active in the FATA and NWFP;
- assisting the Afghan Taliban in its conflict across the international frontier; and
- establishing a Taliban-style state in Pakistan and perhaps beyond.

As an umbrella group, the TTP is home to tribes and sub-tribes, some with long-held mutual antagonism. It thus suffers from factionalism. Mehsud himself is believed to command some 5,000 militants. His North Waziristan-based deputy is Hafiz Gul Bahadur; Bajaur’s Maulana Faqir Muhammad is said to be third in command. The Islamabad government formally banned the TTP in August 2008 due to its alleged involvement in a series of domestic suicide attacks. The move allowed for the freezing of all TTP bank accounts and other assets and for the interdiction of printed and visual propaganda materials.¹³

The NWFP governor has claimed Mehsud oversees an annual budget of up to \$45 million devoted to perpetuating regional militancy. Most of this amount is thought to be raised through narcotics trafficking, although pro-Taliban militants also sustain themselves by demanding fees and taxes from profitable regional businesses such as marble quarries. The apparent impunity with which Mehsud is able to act has caused serious alarm in Washington, where officials worry that his power and influence are only growing.¹⁴

In addition to the TTP, several other Islamist militant groups are active in the region. These include the Tehreek-e-Nafaz-e-Shariat-e-Mohammadi (TNSM) of radical cleric Maulana Fazlullah and up to 5,000 of his armed followers who seek to impose *Sharia* law in Bajaur, as well as in neighboring NWFP districts; a South Waziristan militia led by Mehsud rival Maulvi Nazir, which reportedly has won Pakistan government support in combating Uzbek militants; and a Khyber agency militia led by Mangal Bagh, which battled government forces in mid-2008.

Internal Military Operations

To combat the militants, the Pakistan army has deployed upwards of 100,000 regular and paramilitary troops in western Pakistan in response to the surge in militancy there. Their militant foes appear to be employing heavy weapons in more aggressive tactics, making frontal attacks on army outposts instead of the hit-and-run skirmishes of the past. The army also has suffered from a raft of suicide bomb attacks and the kidnaping of hundreds of its soldiers. Such setbacks damaged the army’s morale and caused some to question the organization’s loyalties and capabilities. Months-long battles with militants have concentrated on three fronts: the Swat valley, and the Bajaur and South Waziristan tribal agencies (see **Figure 1**). Taliban forces may also have opened a new front in the Upper Dir valley of the NWFP, where one report says a new militant “headquarters” has been established. Pakistan has sent major regular army units to replace

¹³ “Tehrik-e-Taliban Pakistan (TTP),” *Jane’s World Insurgency and Terrorism*, October 28, 2008; Hassan Abbas, “A Profile of the Tehrik-i-Taliban Pakistan,” *CTC Sentinel*, January 2008; “Pakistan Government Bans Taliban,” *BBC News*, August 25, 2008.

¹⁴ “Mehsud Spending Up to 3bn on Militancy Annually: Ghani,” *Daily Times* (Lahore), May 30, 2008; “Pakistan Marble Helps Taliban Stay in Business,” *New York Times*, July 14, 2008; “Taliban Leader Flaunts Power Inside Pakistan,” *New York Times*, June 2, 2008.

Frontier Corps soldiers in some areas near the Afghan border and has deployed elite, U.S.-trained and equipped Special Services Group commandos to the tribal areas.

Heavy fighting between government security forces and religious militants flared in the FATA in 2008. Shortly after Bhutto's December 2007 assassination the Pakistan army undertook a major operation against militants in the South Waziristan agency assumed loyal to Baitullah Mehsud. Sometimes fierce combat continued in that area throughout the year. According to one report, nearly half of the estimated 450,000 residents of the Mehsud territories were driven from their homes by the fighting and live in makeshift camps.¹⁵

Pakistani ground troops have undertaken operations against militants in the Bajaur agency beginning in early August. The ongoing battle has been called especially important as a critical test of both the Pakistani military's capabilities and intentions with regard to combating militancy, and it has been welcomed by Defense Secretary Gates as a reflection of the new Islamabad government's willingness to fight.¹⁶ Some 8,000 Pakistani troops are being backed by helicopter gunships and ground attack jets. The Frontier Corps' top officer has estimated that militant forces in Bajaur number about 2,000, including foreigners.¹⁷ Battles include a series of engagements at the strategic Kohat tunnel, a key link in the U.S. military supply chain running from Karachi to Afghanistan. The fighting apparently has attracted militants from neighboring regions and these reinforced insurgents have been able to put up surprisingly strong resistance—complete with sophisticated tactics, weapons, and communications systems—and reportedly make use of an elaborate network of tunnels in which they stockpile weapons and ammunition. Still, Pakistani military officials report having killed more than 1,500 militants in the Bajaur fighting to date. The army general leading the campaign believes that more than half of the militancy being seen in Pakistan would end if his troops are able to win the battle of Bajaur.¹⁸ Subsequent terrorist attacks in other parts of western Pakistan have been tentatively linked to the Bajaur fighting.

The Pakistani military effort in Bajaur has included airstrikes on residential areas occupied by suspected militants who may be using civilians as human shields. The use of fixed-wing aircraft continues and reportedly has killed some women and children along with scores of militants. The strife is causing a serious humanitarian crisis. In August, the U.S. government provided emergency assistance to displaced families. The United Nations estimates that hundreds of thousands of civilians have fled from Bajaur, with about 20,000 of these moving into Afghanistan. International human rights groups have called for international assistance to both Pakistani and Afghan civilians adversely affected by the fighting.¹⁹

Questions remain about the loyalty and commitment of the Pakistani military. Pakistan's mixed record on battling Islamist extremism includes an ongoing apparent tolerance of Taliban elements operating from its territory.²⁰ Reports continue to indicate that elements of Pakistan's major

¹⁵ "Pakistan Lifts Veil on Not-So-Secret Waziristan War," *Reuters*, May 20, 2008.

¹⁶ "Battle of Bajaur: A Critical Test for Pakistan's Daunted Military," *New York Times*, September 23, 2008; "Pakistan's Fresh Resolve in Latest Battle Against Taliban," *Christian Science Monitor*, October 6, 2008; "Gates Lauds Pakistan Push in Tribal Areas," *Los Angeles Times*, September 24, 2008.

¹⁷ "Stability in Bajaur Within Two Months," *Daily Times* (Lahore), September 27, 2008.

¹⁸ "Pakistani Troops Destroy Taliban Stronghold," *Financial Times* (London), September 30, 2008; "8,000 Pakistani Soldiers Take on Al Qaeda in Volatile Tribal Region," *London Times*, September 27, 2008.

¹⁹ "Pakistanis Displaced by Fighting in 'Dire Need,'" *Reuters*, August 25, 2008; <http://islamabad.usembassy.gov/pr-08082003.html>; "Pakistanis Flee Into Afghanistan," *BBC News*, September 29, 2008.

²⁰ "Right at the Edge," *New York Times*, September 7, 2008; "Pakistan's Dangerous Double Game," *Newsweek*, (continued...)

intelligence agency and military forces aid the Taliban and other extremists forces as a matter of policy. Such support may even include providing training and fire support for Taliban offensives.²¹ Other reports indicate that U.S. military personnel are unable to count on the Pakistani military for battlefield support and do not trust Pakistan's Frontier Corps, whom some say are active facilitators of militant infiltration into Afghanistan. At least one senior U.S. Senator, Armed Services Committee Chairman Carl Levin, has questioned the wisdom of providing U.S. aid to a group that is ineffective, at best, and may even be providing support to "terrorists."²²

Tribal Militias

Autumn 2008 saw an increase in the number of *lashkars*—tribal militias—being formed in the FATA. These private armies may represent a growing popular resistance to Islamist militancy in the region, not unlike that seen in Iraq's "Sunni Awakening." A potential effort to bolster the capabilities of tribal leaders near the Afghan border would target that region's Al Qaeda elements and be similar to U.S. efforts in Iraq's Anbar province. Employing this strategy in Pakistan presents new difficulties, however, including the fact that the Pakistani Taliban is not alien to the tribal regions but is comprised of the tribals' ethnolinguistic brethren. Still, with pro-government tribals being killed by Islamist extremists almost daily in western Pakistan, tribal leaders may be increasingly alienated by the violence and so more receptive to cooperation with the Pakistan military.

The Pakistan army reportedly backs these militias and the NWFP governor expresses hope that they will turn the tide against Taliban insurgents. Islamabad reportedly plans to provide small arms to these anti-Taliban tribal militias, which are said to number some 14,000 men in Bajaur and another 11,000 more in neighboring Orakzai and Dir. No U.S. government funds are to be involved.²³ Some reporting indicates that, to date, the lashkars have proven ineffective against better-armed and more motivated Taliban fighters. Intimidation tactics and the targeted killings of pro-government tribal leaders continue to take a toll, and Islamabad's military and political support for the tribal efforts is said to be "episodic" and "unsustained." Some analysts worry that, by employing lashkars to meet its goals in the FATA, the Islamabad government risks sparking an all-out war in the region.²⁴

(...continued)

September 15, 2008.

²¹ See, for example, "U.S. Pays Pakistan to Fight Terror, But Patrols Ebb," *New York Times*, May 20, 2007; "Killing Ourselves in Afghanistan," *Salon.com*, March 10, 2008. One U.S. military officer claimed that Pakistani military forces flew multiple helicopter missions to resupply Taliban fighters inside Afghanistan's Nangarhar province in 2007. The Islamabad government angrily denied the claims and a former top U.S. military commander in Afghanistan cast doubt on their veracity. In another example, an October 2008 press report claimed that British officials covered up evidence that a Taliban commander killed in Afghanistan in 2007 was in fact a Pakistani military officer ("Pakistani Forces Helped Taliban in 2007: U.S. Lt. Col.," *Defense News*, September 22, 2008; "Taliban Leader Killed by SAS Was Pakistan Officer," *London Sunday Times*, October 12, 2008).

²² "Border Complicates War in Afghanistan," *Washington Post*, April 4, 2008; "Democrat Questions US Aid to Pakistan," *Associated Press*, May 27, 2008.

²³ "Pakistan Will Give Arms to Tribal Militias," *Washington Post*, October 23, 2008.

²⁴ "Pakistan Uses Tribal Militias in Taliban War," *New York Times*, October 24, 2008; "Pakistan's Risky Military Strategy," *BBC News*, October 15, 2008. See also "As Taliban Overwhelm Police, Pakistanis Hit Back With Posses," *New York Times*, November 2, 2008; "Pakistan's Support of Militias Against Taliban Could Backfire," *Washington Times*, November 10, 2008.

Complicating Factors in Achieving U.S. Goals

Pakistan's Strategic Vision

Three full-scale wars and a constant state of military preparedness on both sides of their mutual border have marked six decades of bitter rivalry between Pakistan and India. The acrimonious partition of British India into two successor states in 1947 and the unresolved issue of Kashmiri sovereignty have been major sources of tension. Both countries have built large defense establishments at significant cost to economic and social development. The conflict dynamics have colored the perspectives of Islamabad's strategic planners throughout Pakistani existence.

Pakistani leaders have long sought access to Central Asia and "strategic depth" with regard to India through friendly relations with neighboring Afghanistan to the west. Such policy contributed to President-General Zia ul-Haq's support for Afghan mujahideen "freedom fighters" who were battling Soviet invaders during the 1980s and to Islamabad's later support for the Afghan Taliban regime from 1996 to 2001.²⁵ British colonialists had purposely divided the ethnic Pashtun tribes inhabiting the mountainous northwestern reaches of their South Asian empire with the 1893 "Durand Line." This porous, 1,600-mile border is not accepted by Afghan leaders, who have at times fanned Pashtun nationalism to the dismay of Pakistanis.²⁶

Pakistan is wary of signs that India is pursuing a policy of "strategic encirclement," taking note of New Delhi's past support for Tajik and Uzbek militias which comprised the Afghan Northern Alliance, and the post-2001 opening of several Indian consulates in Afghanistan. More fundamental, perhaps, even than regime type in Islamabad is the Pakistani geopolitical perspective focused on India as the primary threat and on Afghanistan as an arena of security competition between Islamabad and New Delhi. In the conception of one long-time analyst, "Pakistan's grand strategy, with an emphasis on balancing against Afghanistan and India, will continue to limit cooperation in the war on terrorism, regardless of whether elected civilian leaders retain power or the military intervenes again."²⁷

Xenophobia and Anti-American Sentiment

The tribes of western Pakistan and eastern Afghanistan are notoriously adverse to interference from foreign elements, be they British colonialists and Soviet invaders of the past, or Westerners and even non-Pashtun Pakistanis today (a large percentage of Pakistan's military forces are ethnic Punjabis with little or no linguistic or cultural familiarity with their Pashtun countrymen). Anti-American sentiments are widespread throughout Pakistan and a significant segment of the populace has viewed years of U.S. support for President Musharraf and the Pakistani military as

²⁵ Documentary evidence indicates that Islamabad provided military and economic support, perhaps including combat troops, to the Afghan Taliban during the latter half of the 1990s (see "Pakistan: 'The Taliban's Godfather'?", National Security Archive Briefing Book 227, August 14, 2007).

²⁶ Pakistan is home to some 28 million Pashto-speaking people, most of them living near the border with Afghanistan, which is home to another 13.5 million ethnic Pashtuns (also known as Pakhtuns or Pathans). A hardy people with a proud martial history—they are disproportionately represented in the Pakistani military—Pashtuns played an important role in the anti-Soviet resistance of the 1980s.

²⁷ Polly Nayak, "The Impact of Pakistan's and Bangladesh's National Strategies on U.S. Interests," *Strategic Asia 2008-2009*, National Bureau of Asian Research, September 2008.

an impediment to, rather than facilitator of, the process of democratization and development there. Underlying the anti-American sentiment is a pervasive, but perhaps malleable perception that the United States is fighting a war against Islam.²⁸ Opinion surveys in Pakistan have found strong support for an Islamabad government emphasis on negotiated resolutions to the militancy problem. They also show scant support for unilateral U.S. military action on Pakistani territory.²⁹

Pakistan's Islamist political parties are notable for expressions of anti-American sentiment, at times calling for "jihad" against the existential threat to Pakistani sovereignty they believe alliance with Washington entails. Some observers identify a causal link between the poor state of Pakistan's public education system and the persistence of xenophobia and religious extremism in that country. Anti-American sentiment is not limited to Islamic groups, however. Many across the spectrum of Pakistani society express anger at U.S. global foreign policy, in particular when such policy is perceived to be unfriendly or hostile to the Muslim world (as in, for example, Palestine and Iraq).

Weak Government Writ in the FATA

Pakistan's rugged, mountainous FATA region includes seven ethnic Pashtun tribal agencies traditionally beyond the full writ of the Pakistani state. The FATA is home to some 3.5 million people living in an area slightly larger than the state of Maryland. The inhabitants are legendarily formidable fighters and were never subjugated by British colonialists.³⁰ The British established a *khassadar* (tribal police) system which provided the indigenous tribes with a large degree of autonomy under *maliks*—local tribal leaders. This system provided the model through which the new state of Pakistan has administered the region since 1947. Today, the Pashtun governor of Pakistan's North West Frontier Province, Owais Ahmed Ghani, is the FATA's top executive, reporting directly to President Zardari. He and his "political agents" in each of the agencies ostensibly have full political authority, but this has been eroded in recent years as both military and Islamist influence has grown. Ghani, who took office in January 2008, gained a reputation for taking a hardline toward militancy during his tenure as Baluchistan governor from 2003 to 2008.

Under the Pakistani Constitution, the FATA is included among the "territories" of Pakistan and is represented in the National Assembly and the Senate, but remains under the direct executive authority of the President. The FATA continues to be administered under the 1901 Frontier Crimes Regulation (FCR) laws, which give sweeping powers to political agents and provides for collective punishment system that has come under fire from human rights groups. Civil and criminal FCR judgments are made by *jirgas* (tribal councils). Laws passed by Pakistan's National Assembly do not apply to the FATA unless so ordered by the President. According to the FATA Secretariat, "Interference in local matters is kept to a minimum."³¹ Adult franchise was introduced in the FATA only in 1996, and political parties and civil society organizations are still restricted

²⁸ When asked about anti-American sentiment in Pakistan during his maiden July 2008 visit to the United States as head of government, the Pakistani Prime Minister offered that the impression in Pakistan is that "America wants war" ("A Conversation With Yousaf Raza Gillani," Council on Foreign Relations transcript, July 29, 2008).

²⁹ See <http://www.terrorfreetomorrow.org/upimagestft/PakistanPollReportJune08.pdf> and <http://www.iri.org/mena/pakistan/2008-07-16-Pakistan.asp>.

³⁰ One often-cited incident involved the total defeat of a British-led force of 12,000 soldiers in 1842 when they tried to return to British India from Kabul by passing through the region and all but one were slaughtered by Pashtun tribesmen.

³¹ See <http://www.fata.gov.pk/subpages/admnssystem.php>.

from operating there. Efforts are underway to rescind or reform the FCR, and the civilian government seated in Islamabad in 2008 has vowed to work to bring the FATA under the more effective writ of the state. The U.S. government supports Islamabad's "Frontier Strategy" of better integrating the FATA into the mainstream of Pakistan's political and economic system.³² Many analysts insist that only through this course can the FATA's militancy problem be resolved.

U.S. Policy

U.S. policy in the FATA seeks to combine better coordinated U.S. and Pakistani military efforts to neutralize militant threats in the short term with economic development initiatives meant to reduce extremism in Pakistan over the longer-term. Congressional analysts have identified serious shortcomings in the Bush Administration's FATA policy: In April 2008, the Government Accountability Office issued a report in response to congressional requests for an assessment of progress in meeting U.S. national security goals related to counterterrorism efforts in Pakistan's FATA. Their investigation found that, "The United States has not met its national security goals to destroy terrorist threats and close safe haven in Pakistan's FATA," and, "No comprehensive plan for meeting U.S. national security goals in the FATA has been developed." House Foreign Affairs Committee Chairman Representative Howard Berman called the conclusions "appalling."³³

Increasing U.S.-Pakistan Cooperation and Coordination

In late 2008, U.S. officials have indicated that they are seeing greater Pakistani cooperation. In February 2008, Pakistan stopped attending meetings of the Tripartite Commission under which NATO, Afghan, and Pakistani forces meet regularly on both sides of the border. However, according to General McKiernan on November 18, 2008, the meetings resumed in June 2008 and three have been held since then, with another planned in December 2008. Gen. McKiernan, Pakistan's Chief of Staff Ashfaq Pervez Kayani, and Afghan Chief of Staff Bismillah Khan represent their respective forces in that commission. In April 2008, in an extension of the commission's work, the three forces agreed to set up five "border coordination centers"—which will include networks of radar nodes to give liaison officers a common view of the border area. These centers build on an agreement in May 2007 to share intelligence on extremists' movements. Only one has been established to date, at the Torkham border crossing. According to U.S. Army chief of staff Gen. George Casey in November 2008, cooperation is continuing to improve with meetings between U.S. and Pakistani commanders once a week. Also, U.S. commanders have praised October 2008 Pakistani military moves against militant enclaves in the tribal areas, and U.S. and Pakistani forces are jointly waging the "Operation Lionheart" offensive against militants on both sides of the border, north of the Khyber Pass.

In addition, Afghanistan-Pakistan relations are improving since Musharraf's August 2008 resignation. Karzai attended the September inauguration of President Asif Ali Zardari, widower of slain former Prime Minister Benazir Bhutto. The "peace jirga" process—a series of meetings of notables on each side of the border, which was agreed at a September 2006 dinner hosted by President Bush for Karzai and Musharraf—has resumed. The first jirga, in which 700 Pakistani

³² See <http://www.state.gov/s/d/2008/105041.htm>.

³³ See <http://www.gao.gov/new.items/d08622.pdf>; http://internationalrelations.house.gov/press_print.asp?id=504.

and Afghan tribal elders participated, was held in Kabul in August 2007.³⁴ Another was held in the improving climate of Afghanistan-Pakistan relations during October 2008; the Afghan side was headed by former Foreign Minister Dr. Abdullah. It resulted in a declaration to endorse efforts to try to engage militants in both Afghanistan and Pakistan to bring them into the political process and abandon violence.

Increased Direct U.S. Military Action

Although U.S.-Pakistan military cooperation is improving in late 2008, U.S. officials are increasingly employing new tactics to combat militant concentrations in Pakistan without directly violating Pakistan's limitations on the U.S. ability to operate "on the ground" in Pakistan. Pakistani political leaders across the spectrum publicly oppose any presence of U.S. combat forces in Pakistan, and a reported Defense Department plan to send small numbers of U.S. troops into the border areas was said to be "on hold" because of potential backlash from Pakistan. This purported U.S. plan was said to be a focus of discussions between Joint Chiefs Chairman Mullen and Kayani aboard the aircraft carrier U.S.S. Lincoln on August 26, 2008, although the results of the discussions are not publicly known.³⁵ On September 3, 2008, one week after the meeting, as a possible indication that at least some aspects of the U.S. plan were going forward, U.S. helicopter-borne forces reportedly crossed the border to raid a suspected militant encampment, drawing criticism from Pakistan. However, there still does not appear to be U.S. consideration of longer term "boots on the ground" in Pakistan. U.S. forces in Afghanistan now acknowledge that they shell purported Taliban positions on the Pakistani side of the border, and do some "hot pursuit" a few kilometers over the border into Pakistan.

Aerial Drone Attacks

Since well before the September 3 incursion, U.S. military forces have been directing increased U.S. firepower against militants in Pakistan. Missile strikes in Pakistan launched by armed, unmanned American Predator aircraft have been a controversial, but sometimes effective tactic against Islamist militants in remote regions of western Pakistan. Pakistani press reports suggest that such drones "violate Pakistani airspace" on a daily basis. By some accounts, U.S. officials reached a quiet January understanding with President Musharraf to allow for increased employment of U.S. aerial surveillance and Predator strikes on Pakistani territory. Musharraf's successor, President Asif Zardari, may even have struck a secret accord with U.S. officials involving better bilateral coordination for Predator attacks and a jointly approved target list. Neither Washington nor Islamabad offers official confirmation of Predator strikes on Pakistani territory; there are conflicting reports on the question of the Pakistani government's alleged tacit permission for such operations.³⁶ Three Predators are said to be deployed at a secret Pakistani airbase and can be launched without specific permission from the Islamabad government (Pakistan officially denies the existence of any such bases).³⁷ Pentagon officials eager to increase

³⁴ "Musharraf Pulls Out of Peace Council," *Associated Press*, August 8, 2007.

³⁵ "U.S., Pakistan, In Secret, Discuss Rise in Violence," *Philadelphia Inquirer*, August 29, 2008.

³⁶ "US Launches Waziristan UAV Strike With Tacit Pakistani Approval," *Jane's Defense Weekly*, March 19, 2008; "U.S., Pakistan Have Tacit Deal on Airstrikes," *Washington Post*, November 16, 2008. In October 2008, Pakistan's Ambassador to the United States acknowledged that there is "definitely" bilateral cooperation "in using strategic equipment that is used against specific targets," but that U.S. military aircraft do not overfly or launch strikes on Pakistani territory (see <http://www.cfr.org/publication/17567>).

³⁷ "Unilateral Strike Called a Model for U.S. Operations in Pakistan," *Washington Post*, February 19, 2008. In mid-(continued...)

the use of armed drones in Pakistan reportedly meet resistance from State Department diplomats who fear that Pakistani resentments built up in response to sovereignty violations and to the deaths of civilians are harmful to U.S. interests, outweighing potential gains.

A flurry of suspected Predator drone attacks on Pakistani territory in the latter months of 2008 suggests a shift in tactics in the effort to neutralize Al Qaeda and other Islamist militants in the border region. As of later November, at least 20 suspected Predator attacks had been made on Pakistani territory since July, compared with only three reported during all of 2007. Such strikes have killed more than 100 people, including numerous suspected foreign and indigenous fighters, but also women and children. The new Commander of the U.S. Central Command, Gen. David Petraeus, claims that such attacks in western Pakistan are “extremely important” and have killed three top extremist leaders in that region.³⁸

Officially, Pakistan’s Foreign Ministry calls Predator attacks “destabilizing” developments that are “helping the terrorists.” Strident Pakistani government reaction has included summoning the U.S. Ambassador to lodge strong protest, and condemnation of missile attacks that Islamabad believes “undermine public support for the government’s counterterrorism efforts” and should be “stopped immediately.” During his first visit to Pakistan as Centcom chief in early November, Gen. Petraeus reportedly was met with a single overriding message from Pakistani interlocutors: cross-border U.S. military strikes in the FATA are counterproductive. Pakistan’s defense minister warned Gen. Petraeus that the strikes were creating “bad blood” and contribute to anti-American outrage among ordinary Pakistanis. In November 2008, Pakistan’s Army Chief, Gen. Ashfaq Pervez Kayani, called for a full halt to Predator strikes, and President Zardari has called on President-elect Obama to re-assess the Bush Administration policy of employing aerial attacks on Pakistani territory.³⁹

Military Capacity Building in Pakistan

Some reports indicate that U.S. military assistance to Pakistan has failed to effectively bolster the paramilitary forces battling Islamist militants in western Pakistan. Such forces are said to be underfunded, poorly trained, and “overwhelmingly outgunned.”⁴⁰ However, a July 2008 Pentagon-funded assessment found that Section 1206 “Global Train and Equip” funding—which supplements security assistance programs overseen by the State Department—is important for providing urgently needed military assistance to Pakistan, and that the counterinsurgency

(...continued)

2008, the Predator drones operating in the Pakistan-Afghanistan border region reportedly were fitted with sophisticated new surveillance systems that were employed successfully in Iraq. These systems allow for much better tracking of human targets, even those inside buildings (“Higher-Tech Predators Targeting Pakistan,” *Los Angeles Times*, September 12, 2008).

³⁸ “In Hunt For Bin Laden, A New Approach,” *Washington Post*, September 10, 2008; “U.S. Airstrike Killed Key Al Qaeda Figure in Pakistan, Officials Say,” *Los Angeles Times*, October 31, 2008; “Petraeus: Afghan Tribes Needed to Fight Militants,” *Associated Press*, November 6, 2008.

³⁹ “Pakistan Condemns US Strikes in Border Regions,” *Associated Press*, October 10, 2008; http://www.mofa.gov.pk/Press_Releases/2008/Oct/PR_331_08.htm; “U.S. Airstrikes Creating Tension, Pakistan Warns,” *Washington Post*, November 3, 2008; “Pakistani Leader Seeks New US Policy,” *Associated Press*, November 10, 2008.

⁴⁰ “U.S. Aid to Pakistan Misses Al Qaeda Target,” *Los Angeles Times*, November 5, 2007.

capabilities of Pakistani special operations forces are measurably improved by the training and equipment that come through such funding.⁴¹

Security-Related Equipment

Major government-to-government arms sales and grants to Pakistan since 2001 have included items useful for counterterrorism operations, along with a number of “big ticket” platforms more suited to conventional warfare. The United States has provided Pakistan with nearly \$1.6 billion in Foreign Military Financing (FMF) since 2001, with a “base program” of \$300 million per year beginning in FY2005. These funds are used to purchase U.S. military equipment. Defense supplies to Pakistan relevant to counterinsurgency missions have included more than 5,600 military radio sets; six C-130E transport aircraft; 20 AH-1F Cobra attack helicopters; 26 Bell 412 transport helicopters; night-vision equipment; and protective vests. The Defense Department also has characterized transferred F-16 combat aircraft, P-3C maritime patrol aircraft, and TOW anti-armor missiles as having significant anti-terrorism applications. In fact, the State Department claims that, since 2005, FMF funds have been “solely for counterterrorism efforts, broadly defined.”⁴² Such claims elicit skepticism from some observers. Other security-related U.S. assistance programs for Pakistan are said to be aimed especially at bolstering Islamabad’s police and border security efforts, and have included U.S.-funded road-building projects in the NWFP and FATA.

Security-Related Training

The Bush Administration has launched an initiative to strengthen the capacity of Pakistan’s Frontier Corps (FC), an 80,000-man paramilitary force overseen by the Pakistani Interior Ministry. The FC has primary responsibility for border security in the NWFP and Baluchistan provinces. Some \$400 million in U.S. aid is slated to go toward training and equipping FC troops by mid-2010, as well as to increase the involvement of the U.S. Special Operations Command in assisting with Pakistani counterterrorism efforts. Some two dozen U.S. trainers began work in October 2008. Fewer than 100 Americans reportedly have been engaged in training Pakistan’s elite Special Service Group commandos with a goal of doubling that force’s size to 5,000.⁴³ The United States also has undertaken to train and equip new Pakistan Army Air Assault units that can move quickly to find and target terrorist elements. Some in Congress have expressed doubts about the loyalties of locally-recruited, Pashtun FC troops, some of whom may retain pro-Taliban sympathies.⁴⁴

⁴¹ “Assessments of the Impact of 1206-Funded Projects in Selected Countries,” CNA Corporation, July 2008.

⁴² See <http://www.state.gov/p/sca/rls/rm/2007/97946.htm>.

⁴³ “Pentagon Draws Up Plans to Train, Expand Pakistani Frontier Corps,” *Agence France -Presse*, November 19, 2007; “U.S. to Step Up Training of Pakistanis,” *Washington Post*, January 24, 2008. One former Pakistani police official, presently a Harvard University-based analyst, opines that, without fundamental structural reforms, the prospects for meaningfully improving FC capabilities are dim. Among his recommended changes are the appointment of more local tribesmen into command positions and a restoration of the authority of local political agents (Hassan Abbas, “Transforming Pakistan’s Frontier Corps,” *Terrorism Monitor*, March 29, 2007).

⁴⁴ See, for example, “Sen. Carl Levin and Sen. Bob Casey Hold a News Conference on Their Trip to Pakistan and Afghanistan,” *CQ Transcriptions*, June 3, 2008.

Coalition Support Funds

Congress has appropriated billions of dollars to reimburse Pakistan and other nations for their operational and logistical support of U.S.-led counterterrorism operations. These “coalition support funds” (CSF) account for the bulk of U.S. financial transfers to Pakistan since 2001. More than \$9 billion has been appropriated or authorized for FY2002-FY2009 Pentagon spending for CSF for “key cooperating nations.” Pentagon documents show that disbursements to Islamabad—at some \$6.7 billion or an average of \$79 million per month since 2001—account for roughly 80% of these funds. The amount is equal to about one-quarter of Pakistan’s total military expenditures. According to Secretary of Defense Gates, CSF payments have been used to support scores of Pakistani army operations and help to keep some 100,000 Pakistani troops in the field in northwest Pakistan by paying for food, clothing, and housing. They also compensate Islamabad for ongoing coalition usage of Pakistani airfields and seaports.⁴⁵

Concerns have grown in Congress and among independent analysts that standard accounting procedures were not employed in overseeing these large disbursements from the U.S. Treasury. The State Department claims that Pakistan’s requests for CSF reimbursements are carefully vetted by several executive branch agencies, must be approved by the Secretary of Defense, and ultimately can be withheld through specific congressional action. However, a large proportion of CSF funds may have been lost to waste and mismanagement, given a dearth of adequate controls and oversight. Senior Pentagon officials reportedly have taken steps to overhaul the process through which reimbursements and other military aid is provided to Pakistan.⁴⁶ The National Defense Authorization Act for FY2008 (P.L. 110-181) for the first time required the Secretary of Defense to submit to Congress itemized descriptions of coalition support reimbursements to Pakistan.

The Government Accountability Office (GAO) was tasked to address oversight of coalition support funds that go to Pakistan. A report issued in June 2008 found that, until about one year before, only a small fraction of Pakistani requests were disallowed or deferred. In March 2007, the value of rejected requests spiked considerably, although it still represented one-quarter or less of the total. The apparent increased scrutiny corresponds with the arrival in Islamabad of a new U.S. Defense Representative, an army officer who reportedly has played a greater role in the oversight process. GAO concluded that increased oversight and accountability was needed over Pakistan’s reimbursement claims for coalition support funds.⁴⁷

U.S. Development Assistance for Western Pakistan

Since the 2001 renewal of large overt U.S. assistance packages and reimbursements for militarized counterterrorism efforts, a total of about \$12 billion in U.S. funds went to Pakistan from FY2002-FY2008. The majority of this was delivered in the form of coalition support reimbursements; another \$3.1 billion was for economic purposes and nearly \$2.2 billion for

⁴⁵ Statement before the Senate Armed Services Committee, February 6, 2008.

⁴⁶ See <http://www.state.gov/p/sca/rls/rm/2007/96566.htm>; “U.S. Payments to Pakistan Face New Scrutiny,” *Washington Post*, February 21, 2008; “Pakistani Military ‘Misspent Up to 70% of American Aid,’” *Guardian* (London), February 28, 2008; “Democrats Question \$6 Billion in Pakistan Aid,” *Associated Press*, May 6, 2008.

⁴⁷ See <http://www.gao.gov/new.items/d08806.pdf>. See also “Pentagon Puts Brakes on Funds to Pakistan,” *Los Angeles Times*, May 7, 2008.

security-related programs. According to the State Department, U.S. assistance to Pakistan is meant primarily to maintain that country's ongoing support for U.S.-led counterterrorism efforts.

FATA Development Plan

Pakistan's tribal areas are remote, isolated, poor, and very traditional in cultural practices. The social and economic privation of the inhabitants is seen to make the region a particularly attractive breeding ground for violent extremists. The U.S.-assisted development initiative for the FATA, launched in 2003, seeks to improve the quality of education, develop healthcare services, and increase opportunities for economic growth and micro-enterprise specifically in Pakistan's western tribal regions.⁴⁸ A senior USAID official estimated that, for FY2001-FY2007, about 6% of U.S. economic aid to Pakistan has been allocated for projects in the FATA.⁴⁹ The Bush Administration urges Congress to continue funding a proposed five-year, \$750 million aid plan for the FATA initiated in FY2007. The plan will support Islamabad's own ten-year, \$2 billion Sustainable Development effort there. Skepticism has arisen about the potential for the new policy of significantly boosted funding to be effective. Corruption is endemic in the tribal region and security circumstances are so poor that Western nongovernmental contractors find it extremely difficult to operate there. Moreover, as much as half of the allocated funds likely will be devoted to administrative costs.⁵⁰ Islamabad is insisting that implementation is carried out wholly by Pakistani civil and military authorities and that U.S. aid, while welcomed, must come with no strings attached.⁵¹

Reconstruction Opportunity Zones

The related establishment of Reconstruction Opportunity Zones (ROZs) that could facilitate further development in the FATA (and neighboring Afghanistan), an initiative of President Bush during his March 2006 visit to Pakistan, ran into political obstacles in Congress and is yet to be finalized. The ROZ program would provide duty-free access into the U.S. market for certain goods produced in approved areas and potentially create significant employment opportunities. While observers are widely approving of the ROZ plan in principle, many question whether there currently are any products with meaningful export value produced in the FATA. One senior analyst suggests that the need for capital and infrastructure improvements outweighs the need for tariff reductions. A Pakistani commentator has argued that an extremely poor law and order situation in the region will preclude any meaningful investment or industrialization in the foreseeable future.⁵² In March 2008, more than two years after the initiative was announced, S. 2776, which would provide duty-free treatment for certain goods from designated ROZs in Afghanistan and Pakistan, was introduced in the Senate. A related bill, H.R. 6387, was referred to House subcommittee four months later. Neither bill has emerged from committee to date.

⁴⁸ See <http://www.usaid.gov/pk/mission/news/fata.htm>.

⁴⁹ Statement of Acting Deputy USAID Administrator James Kunder before the Senate Foreign Relations Committee, December 6, 2007.

⁵⁰ "Doubts Engulf an American Aid Plan for Pakistan," *New York Times*, December 25, 2007; "US Aid 'Failing to Reach Target,'" *BBC News*, May 16, 2008.

⁵¹ "U.S. Aims to Turn Hostile Pakistani Tribes Friendly," Reuters, January 30, 2008.

⁵² Statement of Amb. Teresita Schaffer before the Senate Foreign Relations Committee, December 6, 2007; Hamid Waleed, "Establishment of Reconstruction Opportunity Zones Almost Impossible" (op-ed), *Daily Times* (Lahore), January 13, 2007.

Figure 1. District Map of Pakistan's North West Frontier Province and Federally Administered Tribal Areas



Source: CRS

Author Contact Information

K. Alan Kronstadt
Specialist in South Asian Affairs
kkronstadt@crs.loc.gov, 7-5415

Kenneth Katzman
Specialist in Middle Eastern Affairs
kkatzman@crs.loc.gov, 7-7612

