

Documents *July-December 2010*

I. Foreign Policy

A. WIKILEAKS

Foreign Office statements on Wikileaks

1. The Government of Pakistan has termed the documents posted on WikiLeaks as misplaced, skewed and contrary to the factual position on the ground. The people of Pakistan and its security forces, including the ISI, have rendered enormous sacrifices against militancy and terrorism. Our contributions have been acknowledged by the international community, in particular by the United States. As underlined by the US National Security Advisor in his statement on Wikileaks yesterday, the ongoing counterterrorism cooperation between Pakistan and the US will continue with a view to defeating our common enemies.

Islamabad, 26 July 2010.

2. The Government of Pakistan takes a serious exception to the malicious campaign launched by certain quarters to tarnish the standing and image of Pakistani state institutions including the security forces and the ISI.

The baseless reports by some low level and biased operatives publicized by Wikileaks are misleading and evidently self serving to justify collective failings of the international community in Afghanistan by certain quarters.

The people and the security forces of Pakistan have rendered innumerable sacrifices in the counter terror campaign. These sacrifices cannot be belittled. The leaks are an unacceptable insult to the sacrifices of our people and security forces.

Pakistan has always acted in conformity with its national interests and in accordance with the principles and norms of international law and UN charter. We will continue to do so. We have noted that some of our close friends and partners including the US have been dismissive of these reports and described them as ‘irresponsible’.

Islamabad, 28 July 2010.

3. The national and international press has carried excerpts from documents brought to public light by Wikileaks. These documents reportedly pertain to official communications within the US government system. US had alerted us to the unauthorized leaks. Since these leaks are in the public domain,

we would obviously look at these closely with a view to ensuring that Pakistan's national interest are not compromised in any manner. However, we are not in the position to comment on the veracity of US internal documents.

We consider the extremely negative reports carried on Pakistan-Saudi relations attributed to Wikileaks as misleading and contrary to facts. Pakistan enjoys a very special and unique relationship with the Kingdom of Saudi Arabia. Pakistani leadership, government and the people of Pakistan hold the leadership and the people of Saudi Arabia not only in very high esteem but as true friends and brothers. Saudi Arabia, His Majesty King Abdullah Bin Abdul Aziz, the Royal family and the people of Saudi Arabia have always stood by Pakistan. It is quite evident that these mischievous reports reveal the utter inadequacy of the author to grasp the essence of the Pakistan-Saudi relationship.

Pakistan is an advanced nuclear technology state. No one can touch Pakistan's nuclear facilities and assets. Reports concerning Pakistan's experimental nuclear reactor acknowledge that Pakistan did not allow any transfer of the fuel from the experimental reactor. This experimental reactor was installed in the mid-60s with the support of the US which also initially provided the fuel for this facility. The US suggestion to have the fuel transferred was plainly refused by Pakistan. The suggestion that the reactor is producing HEU is completely incorrect.

Islamabad, 29 November 2010.

Source: www.mofa.gov.pk

B. PAKISTAN – INDIA RELATIONS

1. Speech of the Foreign Minister at International Workshop on Indian Military's Cold Start Doctrine and its Implications for Strategic Stability of South Asia, organized by SASSI

Ms. Maria Sultan,
Director General, SASSI,
Excellencies, Distinguished guests,
Ladies & Gentlemen,

Assalam-o-Alaikum,

I am thankful to SASSI for organizing this event and for providing me an opportunity to speak to such an august gathering of scholars.

In a democratic polity like ours, foreign policy reflects hopes and aspirations of the people of the country. Think tanks like SASSI, intellectuals and civil society organizations have an important role to play in informing, shaping and articulating public opinion on important foreign policy and security issues.

The subject chosen by SASSI for this workshop 'Indian Military's Cold Start Doctrine and its Implications for Strategic Stability in South Asia' is

both ironic and provocative. It is ironic as only last week I hosted His Excellency S.M. Krishan, Foreign Minister of India in Islamabad as part of our efforts to recommence stalled dialogue in pursuit of our endeavours for durable peace in the region, albeit without a corresponding positive response.

It is provocative as it reminds us about prevailing realities in South Asia and transcends from our ideals of peace and amity, preached by sufis/saints in this land, and ventures into scenarios of war and destruction so often predicted by prophets of doom and destruction.

Ladies and Gentlemen

Pakistan remains firmly committed to the objective of peace and stability in South Asia. Our strong commitment to peace and security stems from our conviction that a peaceful and secure environment, regionally as well as globally, is imperative for eradicating poverty; and to ensure sustained economic growth, prosperity and welfare of our people as well as other countries in the region.

It goes without saying that neither peace nor stability could be achieved in isolation. They need strong partnerships, and willingness to build bridges and to walk the talk on the high road to peace and equal security for all the partners. Naturally, this process of mutually enriching partnerships begins with your neighbours.

Fully cognizant of this reality, Pakistan has been pursuing a three pronged approach with India, to achieve durable peace and strategic stability in South Asia. This includes: (a) peaceful resolution of all outstanding disputes, including the core issue of Jammu and Kashmir; (b) strategic restraint and conventional balance; and (c) close cooperation for the socio-economic development and welfare of our peoples.

As you are, well aware, between 1974 and 1998, Pakistan made several proposals to keep our region free from nuclear weapons. We regularly co-sponsored UN General Assembly resolution to declare South Asia as a Nuclear Weapons Free Zone. This could not be achieved due to non-cooperation on the part of our neighbour.

As a consequence, we were forced to respond to Indian nuclear tests; which were followed by highly provocative statements by senior political leaders in May 1998.

Our response was not motivated by any ambition for regional dominance or great power status. It was aimed at restoring strategic balance and to deter aggression against our political independence and territorial integrity.

We believe that growing conventional asymmetry between Pakistan and India would seriously undermine the objective of strategic stability in the region. Pakistan, therefore, would continue to pursue various initiatives with India to: (a) strengthen strategic stability, (b) avoid arms race, and (c) prevent conflict in South Asia.

Ladies and Gentlemen,

As recognized in the Joint Statement issued after the first Pakistan-India Expert Level talks on Nuclear Confidence Building Measures in New Delhi on 20 June 2004, the nuclear capabilities of the two countries constitute a factor of stability in the region. As mature and responsible nuclear powers, both countries now need to develop a better appreciation of each others threat perceptions and military doctrines. It would help in developing doctrines and strategies that are defensive, rather than aggressive in nature. It is particularly desirable as any sort of military adventurism in South Asia, is neither prudent nor responsible. It has the potential to plunge the whole region into disastrous consequences of unmeasurable proportions.

In this back-drop, floating of concepts like Cold Start doctrine betray strong streak of recklessness. It is hard to imagine that any rational mind could come up with such dangerous ideas. The deterrence theory has withstood intense rivalry between two super-powers throughout the cold war period. One wonders if anyone was now willing to undertake an adventure beyond deterrence.

As the world moves from cold war bitterness to cooperation in diverse fields, do we want South Asia to descend into a new destructive madness? We are not interested in any such venture. I strongly feel that in the interest of regional and indeed global peace, no one should be allowed to pursue such irrational adventurism.

Let me also make it absolutely clear, while Pakistan stands for peace in the region and beyond, we cannot remain oblivious to threats to our national security. Pakistan has the capability and the determination to counter any military adventurism thrust upon us. Our response would be swift and effective. No one should nurture any doubt on this score.

However, I am confident that the Indian political leadership, civil society activists and intellectual elite would discourage any moves or doctrines which have the potential to endanger peace and stability of the entire South Asian region.

In the past Pakistan and India have agreed on several nuclear and conventional Confidence Building Measures (CBMs). These measures were in the nature of risk reduction measures. We believe that the two sides should now go beyond risk reduction measures and work towards measures aimed at restraint and avoidance of an arms race in the region. The Lahore agreement of 1999 provides the suitable framework to pursue broader CBMs in nuclear and conventional fields, as well as to engage in bilateral consultations on security concepts.

Ladies and Gentlemen,

Pakistan is a peace loving country. We wish to develop friendly and cooperative relations with all the neighbouring countries including India. I conveyed this message to my Indian counterpart during his visit to Islamabad last week. I assured him that Pakistan was willing to walk the proverbial extra-mile with

India in pursuit of peace, welfare and prosperity of our two peoples. For this, the two countries need to return to the negotiating table with the political will to resolve all our outstanding disputes, including the core issue of Jammu and Kashmir peacefully and in accordance with international law and morality.

The Indian side was more focused on Mumbai blasts. I emphasized that terrorism was a common threat. Pakistani nation has been living through many Mumbai's every day. More than 10,000 innocent civilians have fallen victim to terrorism over the past few years. Our material losses exceed US\$ 40 billion. Despite all odds, we remain determined to bring to justice anyone and every one involved in heinous terrorist incidents anywhere in the world.

Pakistan has been in the forefront of struggle against terrorism. The recent successes achieved by our security forces against terrorists in Swat and other areas of Pakhtoonkhwa and FATA have been lauded by the international community. These successes have come at a heavy cost. More than 2500 personnel of the security forces have offered the ultimate sacrifice. We have offered more sacrifices than any other country in the world. Our actions against terrorists speak louder than words.

Ladies and Gentlemen,

South Asia has seen plenty of conflict, warfare and bloodshed in the past 60 years. The 21st century has brought new challenges for the entire human race. Climate change is increasingly being compared with Weapons of Mass Destructions (WMDs) for its destructive potential. It poses particularly serious challenge to South Asia. We all depend on Himalayan glaciers for our fresh water supplies. An increase of more than two degree centigrade in global temperature may cause sudden melting of all glaciers leading to floods followed by droughts.

Climate change and other issues like poverty eradication, malnutrition and high infant mortality call for closer cooperation among regional countries to evolve joint responses to common challenges. The welfare and prosperity of our people will depend upon how well we can cope with emerging new challenges.

In conclusion let me reiterate that Pakistan and India should work together to institute a sustained dialogue for peace, stability and prosperity in South Asia. We should not remain hostage to our troubled past. We must rise to the occasion and take bold decisions to lead our people to a more hopeful and promising future.

Thank you.

Islamabad, 21 July 2010.

2. Foreign Minister, Shah Mahmood Qureshi's Comments on the latest situation in Indian Occupied Kashmir (IOK)

Foreign Minister Makhdoom Shah Mahmood Qureshi has said that Pakistan is seriously concerned at the escalation of violence against Kashmiri people that

has resulted in the loss of innocent lives. There is a need for the Government of India to exercise restraint.

The statement by the UN Secretary General expressing ‘concern at the prevailing security situation’ and the ‘deep concern and disappointment’ expressed recently by the OIC Secretary General, illustrate the collective concern of the international community at the human rights violations in Indian occupied Kashmir.

Pakistan expresses its unequivocal solidarity with the people of Jammu and Kashmir and shall continue to extend its political, moral and diplomatic support to the just cause of the people of Jammu and Kashmir for their right to self-determination.

Islamabad, 03 August 2010.

3. Foreign officer statement on Jammu and Kashmir by Foreign Minister

Pakistan takes a serious note of the deteriorating situation in Indian occupied Kashmir. The indigenous movement in IoK has gained a new momentum and urgency. The Kashmiris are unanimous in their demand for self-determination. This sentiment and its firm determination is being reflected in the peaceful protests of the youth, women and all segments of civil society.

Pakistan strongly condemns the brutality and the blatant use of force by Indian security forces. The killing of the innocent Kashmiris, continued arrests and detention of the Kashmiri leaders are unacceptable.

Gross and systematic abuse of human rights and Indian repression in Kashmir must end. Pakistan calls upon the Government of India to exercise restraint.

Pakistan will continue to stand by the Kashmiris in their just cause. We urge the international community to take steps for safeguarding the human rights of Kashmiris.

Pakistan is committed to finding a just and peaceful resolution of the issue of Jammu and Kashmir in accordance with the relevant UN resolutions and wishes and aspirations of the Kashmiri people.

Pakistan has sought early and full resumption of the dialogue process with India. Pakistan wants a constructive, sustained and result-oriented dialogue with India on all issues including the Jammu and Kashmir dispute.

Islamabad, 17 September 2010.

4. Statement of the Foreign Office rejecting allegations made by the Indian Army Chief

The Government of Pakistan takes a serious exception to the reported statement of the Indian Army Chief about his threat perception from Pakistan, war under a

nuclear scenario and uncalled for and gratuitous comments on the internal affairs of Pakistan.

The repetitive mentioning by Indian High Command about war under the nuclear scenario is not only irresponsible but also jingoistic and unwise.

Such statements and grandstanding by India are evidently unhelpful to the cause of promoting peace, security and stability in South Asia.

Pakistan remains committed to a purposeful and result-oriented dialogue with India on all outstanding issues, including the core issue of Jammu and Kashmir.

Islamabad 16 October 2010.

Source: www.mofa.gov.pk

C. PAKISTAN & THE US

1. Second Ministerial Pakistan – U.S. Strategic Dialogue Islamabad

Pakistan's Foreign Minister, Makhdoom Shah Mahmood Qureshi and U.S. Secretary of State Hillary Rodham Clinton, accompanied by their respective delegations, met in Islamabad on 19 July 2010 for the 2nd Ministerial Pakistan – U.S. Strategic Dialogue.

As suggested by Foreign Minister Qureshi, the Dialogue's thirteen sectoral working group meetings were held in Islamabad in May, June and July and completed their work ahead of the Ministerial engagement today. The meetings provided an opportunity for senior officials from both governments to discuss possibilities for cooperation.

The joint sectoral working groups include: agriculture; communication and public diplomacy; defence and security; economy/finance; market access; education; energy; health; law enforcement and counter-terrorism; science and technology; strategic stability and no-proliferation; water; and women's empowerment.

Foreign Minister Qureshi and Secretary Clinton expressed great satisfaction on the progress with their Dialogue to date and the growing cooperation between their governments.

Secretary Clinton conveyed the United States' support for Pakistan's socio-economic advancement. In this context, she said the United States would, in particular, support programmes and projects in the priority areas of energy and food security and social sector development. Secretary Clinton announced U.S. assistance for Signature Projects in energy, water and health.

The United States will also continue to assist Pakistan in reconstruction and rehabilitation in areas that have been affected by terrorism, especially Swat, Malakand and South Waziristan Agency.

The United States assured Pakistan of its continued support through the Kerry-Lugar-Berman economic assistance package and through international

financial institutions. Steps will also be taken to promote corporate sector cooperation and business-to-business interaction.

The United States will continue to support Pakistan's efforts to enhance its trade by seeking greater market access and establishing Reconstruction Opportunity Zones. Both sides expressed the desire to negotiate a Bilateral Investment Treaty.

The United States expressed its support for Pakistan's counter-terrorism efforts and lauded the sacrifices made by Pakistan's law enforcement agencies and security forces.

The Government of Pakistan expressed its continued commitment to eliminate extremism and militancy and to undertake needed legal and structural reforms in order to promote good governance and open the way to economic growth, development and prosperity for the Pakistani people.

Secretary Clinton expressed U.S. support for Pakistan's stability, security, economic and social development and prosperity.

Both sides also shared perspectives on the regional security situation and reaffirmed the importance of advancing stability and peace in Afghanistan and the region.

Both sides affirmed the importance they attach to enhancing this strategic partnership and to further deepening and broadening mutually beneficial cooperation between the United States and Pakistan.

It was agreed that the sectoral working groups will meet again prior to the next session of the Strategic Dialogue to be held in Washington, D.C. before the end of this year.

Islamabad, 19 July 2010.

2. Foreign office statement on Pakistan regrets the sentencing of Dr. Afia Siddiqui by a U.S. court

The Government of Pakistan regrets the sentencing of Dr. Afia Siddiqui by a U.S. court. The prolonged detention of Dr. Afia Siddiqui and her sentencing is a source of deep concern to the Government and people of Pakistan.

The top leadership and the Government of Pakistan had repeatedly requested the U.S. Administration to release and repatriate Dr. Afia Siddiqui. The circumstances surrounding her arrest and trial were never fully explained nor her indictment on charges substantiated.

Dr. Afia Siddiqui and her family have suffered immensely. She is a victim of circumstances. It is imperative that Dr. Afia Siddiqui be released and repatriated. The Government of Pakistan will continue to endeavour to seek justice for Dr. Afia Siddiqui.

Islamabad, 24 September 2010.

3. Joint Statement Issued after U.S.-Pakistan Strategic Dialogue at the Ministerial Level

U.S. Secretary of State Hillary Rodham Clinton and Pakistan Foreign Minister Makhdoom Shah Mahmood Qureshi, accompanied by high-level delegations, met in Washington on October 20-22, 2010 for the U.S.-Pakistan Strategic Dialogue. As the third Ministerial-level meeting of the Strategic Dialogue, this session built upon the goals and objectives set forth in the March 24, 2010 session in Washington, and the progress made during the July 15, 2010 session in Islamabad. The latest round of the Strategic Dialogue confirmed the United States and Pakistan's dedication to cultivating a strategic, comprehensive, and long-term partnership.

The Ministerial Dialogue was preceded by sectoral track engagement on agriculture, communications and public diplomacy, defense, energy, finance and economic cooperation, health, law enforcement and counter-terrorism, water, and women's empowerment.

Secretary Clinton and Foreign Minister Qureshi reaffirmed the importance of strengthening the U.S.-Pakistan strategic partnership, which was based on shared values, mutual respect, and mutual interests.

Foreign Minister Qureshi conveyed the sincere gratitude of the people of Pakistan to the Government and people of the United States for the valuable humanitarian assistance given in the wake of the tragic floods and for mobilizing international assistance for relief, recovery, and reconstruction. Secretary Clinton commended the tenacity of the Pakistani people as they recover from the catastrophic flooding and pledged constant U.S. support as relief efforts transition into the long-term recovery phase.

Secretary Clinton and Foreign Minister Qureshi expressed satisfaction on the progress made in the Strategic Dialogue process. Sectoral meetings covered a broad range of subjects with a clear focus on socio-economic development and the establishment of a mutually beneficial partnership. As a culmination of their work over the past seven months, the sectoral working groups compiled action plans that reflect their shared goals and benchmarks, created a roadmap for future engagement, and discussed next steps on implementation of joint projects in every area.

The United States committed to redouble its efforts to seek Congressional enactment of legislation to create Reconstruction Opportunity Zones and for the establishment of an Enterprise Fund. Both sides sought to work closely and collaboratively with the international donor community and international financial institutions to extend economic assistance to Pakistan.

The United States commended the steadfast resolve of the Government and people of Pakistan, armed forces, and law enforcement agencies to defeat terrorists. Pakistan expressed its appreciation for the Secretary's announcement to seek Congressional authorization for a Multi-Year Security Assistance Commitment, a five-year pledge by the United States.

The United States and Pakistan emphasized that a democratic, progressive, and prosperous Pakistan was in the interest of the United States, the region, and the world. The United States and Pakistan renewed their resolve to promoting peace, stability, and transparency throughout the region and to eliminate the threats posed by terrorism and extremism. Both sides remained focused on further deepening their cooperation on a wide range of issues of mutual interest, and during the Pakistani delegation's visit to the White House, President Obama announced his plans to visit Pakistan in 2011 and welcomed President Zardari to Washington.

The United States committed continuing support to assist Pakistan in realizing its full development potential.

Secretary Clinton and Foreign Minister Qureshi reaffirmed their commitment to implementing the action plans developed by both sides and advancing the strategic partnership between the two countries.

The next round of the Strategic Dialogue is planned to be held in 2011; the sectoral working groups plan to meet prior to the next Ministerial-level meeting.

Islamabad, 22 October 2010.

4. Pakistan Foreign Office on US support for India's bid for a permanent seat on UN Security Council

1. Pakistan has taken due note of United States expression of support for a permanent seat for India in any reformed Security Council. United States, however, has acknowledged that UN Security Council reform is a difficult process and will take significant time.
2. Pakistan believes that US endorsement of India's bid for its permanent seat in the Security Council adds to the complexity of the process of reforms of the Council.
3. Pakistan's position on UN Security Council's reforms is based on principles. Any reform of the Council that contradicts the very fundamental principles of the UN Charter including the principle of sovereign equality; of equal rights and self-determination; and the principle of collective security would gravely undermine the system of international relations based on the UN Charter principles.
4. India's aspirations for recognition as a global power notwithstanding, there are reasons enough to discredit this proposed direction of the process of UNSC reforms such as India's conduct in relations with its neighbours and its continued flagrant violations of Security Council resolutions on Jammu & Kashmir.
5. In a globalized and interdependent world, multilateral cooperation can only flourish, if it is based on respect of the principles of the Charter of the

United Nations and is consistent with recognized norms of inter-state conduct and international law.

6. Pakistan hopes that the United States, which contributed immensely to the founding of the UN system and, in particular, its Charter principles will take a moral view and not base itself on any temporary expediency or exigencies of power politics.

Islamabad, 08 November 2010.

Source: www.mofa.gov.pk

D. PAK-AFGHAN RELATIONS

1. Statement of the Foreign Minister of Pakistan, Makhdoom Shah Mahmood Qureshi, at the International Conference on Afghanistan

The Co-chairs of the Conference,
Foreign Ministers,
Distinguished guests,

Ladies and Gentlemen,

It is a great honour for me to attend this august gathering in the historic city of Kabul.

Despite enormous challenges, the Kabul Conference has engendered great expectations. We hope that it will serve as an important landmark towards durable stability, peace and development in Afghanistan.

Pakistan has vital stake in stability and peace in Afghanistan.

With Afghanistan Pakistan shares abiding bonds of history, culture, geography, traditions and faith.

Our democratic leadership has demonstrated its unfaltering commitment, friendship, brotherhood and cooperation with Afghanistan.

Our rapidly expanding bilateral ties with Afghanistan have renewed the spirit of trust and confidence.

Pakistan extended its full support to President Hamid Karzai's roadmap, endorsed by the international community at London Conference. We now support his 'Renewed Commitment to the Afghan people' articulated earlier today.

Ladies and Gentlemen,

Pakistan has consistently stressed that stabilization of Afghanistan requires a holistic approach.

We have long held the view that military action alone is not a solution to Afghanistan's current problems. It is essential to pursue political and development tracks, in tandem with the battle against terrorism.

We continue to believe and advocate that the reconciliation and reintegration process has to be broad-based, inclusive, Afghan-owned and Afghan-led, consistent with Afghanistan's social and cultural milieu.

The successful holding of Afghan Consultative Peace Jirga last month was a significant endeavour by President Karzai to evolve domestic political consensus for stability and peace based on harmony and reconciliation. We wish him success in organizing Local Peace Jirgas.

We welcome Afghan Government's commitment to put reconciliation at the top of its peace building policy.

Pakistan is ready to support Afghan government's efforts in this regard.

Ladies and Gentlemen,

The framework for 'Transition' of security responsibilities (Inteqal) from NATO to Afghans requires the capacity building of the Afghan National Army (ANA) and Afghan National Police (ANP). Pakistan is willing to assist Afghanistan in this effort. We believe that 'transition' should be a gradual process based on ground realities and not on calendar and deadlines.

The processes of 'transition' and 'reconciliation' will be effective if these are supported by sustainable economic development.

The international community has the responsibility to follow an approach of sustained engagement.

Ladies and Gentlemen,

During the visit of Afghan Foreign Minister Dr. Zalmay Rassoul to Islamabad last month, we agreed to evolve institutional frameworks for future cooperation in wide variety of areas.

Pakistan is making an important contribution in Afghanistan's economic and social development. More than 3 million Afghan refugees are still living in Pakistan. Around 28,000 Afghans have graduated from Pakistan in the past three decades. Over 6,000 Afghan students are studying in Pakistani educational institutions at present. Government of Pakistan has provided 2,000 fully funded scholarships to Afghan students.

Pakistan is building large hospitals and university faculties in various parts of Afghanistan. A modern Torkham-Jalalabad dual carriageway will also be completed soon. In addition, both the countries have agreed to build railway links between Peshawar-Jalalabad and Quetta-Kandahar, with international assistance.

Afghanistan is Pakistan's leading trading partner. We are committed to increase the bilateral trade from the present \$ 2 billion to \$ 5 billion by 2015. Agreement, the day before yesterday, on the outstanding issues in the new Afghanistan Pakistan Transit Trade Agreement (APTTA) is truly a historic development which will bring our close brotherly ties with Afghanistan to new heights.

Pakistan and Afghanistan have agreed to operationalize the Silk Route CEOs Forum as well as Pakistan-Afghanistan Reconstruction Consortium.

These initiatives will bring together private sector companies of the two countries to implement agreed projects with resources allocated by Pakistan or the third country donors who may wish to use local expertise and manpower.

Ladies and Gentlemen,

The countries of the region, especially Afghanistan's immediate neighbours have a special responsibility towards this country.

They must pledge not to interfere in Afghanistan's internal affairs. They must ensure that their territories are not allowed to be used for destabilizing activities against any country.

There are presently a number of regional mechanisms in place working for the betterment of Afghanistan and regional cooperation. They are making a significant contribution to the peace and stability in Afghanistan.

We feel strongly that there is no need for any new formal or informal regional structures or mechanisms.

Ladies and Gentlemen,

In the pursuit of stability, peace and development, Pakistan places its full weight behind the agenda and the vision outlined by the Afghan people and their elected leadership.

We will continue to assist the people of Afghanistan in every manner possible.

Thank you.

Islamabad, 20 July 2010.

2. Joint statement between Pakistan and Afghanistan on strengthening the partnership

The President of the Islamic Republic of Afghanistan, H.E. Mr. Hamid Karzai visited Pakistan on 15-16 September 2010 at the invitation of President of Pakistan H.E. Asif Ali Zardari. H.E. Mr. Hamid Karzai also met with the Prime Minister of Pakistan H.E. Syed Yousaf Raza Gilani. The two sides held in-depth consultations to strengthen the partnership through enhanced engagement and deepening of bilateral cooperation.

The two leaders:

Affirming the historical, cultural and religious bonds of brotherhood and friendship that exist between the two countries and its peoples.

Reiterating firm resolve for a strong constructive Pakistan-Afghanistan partnership to address the common challenges and promote peace, security and development in the region and beyond.

Recalling their mutually shared vision of the bilateral partnership as enunciated in the Joint Declaration on next steps in Afghanistan-Pakistan

Comprehensive Cooperation signed in Islamabad on 12 March 2010 and Joint Declaration on Directions of Bilateral Cooperation signed in Kabul on 6 January 2009.

Also recalling Kabul Declaration on Good Neighborly Relations of 22 December 2002 and successful outcomes of the Kabul Conference of 20 July 2010.

Reaffirming the mutual commitment to respect each other's sovereignty, independence and territorial integrity, non interference in each others' internal affairs; consolidate good neighborly relations; and uphold the principles of the United Nations Charter as key principles underlining the bilateral relations.

Recognizing that terrorism and extremism are common challenges and a common approach and close cooperation is required to effectively and comprehensively deal with these challenges.

Expressing satisfaction at the increasing understanding and harmony between the two countries on the need of a holistic approach to confront the challenges of terrorism and extremism.

Recognizing the immense potential for harnessing mutual benefits of the partnership through enhanced bilateral engagement and deepening interaction in diverse fields including security, development, transit, trade, economic and investment linkages, infrastructure and energy connectivity and people to people exchanges.

Emphasizing the need of a coordinated approach to implement the laid down roadmap to strengthen and deepen bilateral interaction.

Agreed on the following course of action to strengthen the partnership:

Strengthening institutional engagement

Develop strong institutional engagement between the two countries based on mutual interests.

Establish, promote and deepen regular high level bilateral dialogue between the relevant institutions in the areas of:

- Security and counter-terrorism,
- Economic cooperation, transit, trade and investment,
- Infra-structure development and connectivity
- Energy linkages
- Capacity Building.

Security Cooperation

Strengthen interaction among the security and counter-terrorism institutions for promoting effective cooperation.

Hold regular dialogue in the area of security and counter-terrorism cooperation through exchanges between the relevant institutions and greater information and intelligence sharing.

Explore long term institutional arrangements for capacity building and joint training programmes for security institutions.

Economic cooperation, transit, trade and investment

Develop a joint approach to realizing enormous potential of bilateral economic, transit, trade and investment cooperation.

Take measures within the respective policies to expand bilateral economic cooperation, transit, trade and investment linkages.

The Commerce Ministries to focus on joint efforts to take measures to achieve the goal of enhancing bilateral trade to more than \$5 billion by 2015 through effective trade promotion and facilitation measures.

Welcome the conclusion of negotiations on Afghanistan Pakistan Transit Trade Agreement (APTTA) in July 2010 and to ensure its early signing and implementation for the benefit of the two countries' economies and beyond. Both sides expressed their readiness for prompt implementation of APTTA.

Hold regular sessions of the bilateral economic commission on an annual basis to keep the momentum on promoting economic and commercial relations.

Expedite action on already agreed measures such as establishment of a Silk Route CEOs Forum, Pakistan-Afghanistan Reconstruction Consortium, Economic and Industrial Zones and a Pakistan-Afghanistan Joint Investment Company.

Infra-structure development and connectivity

Focus on infrastructure development and rail-road connectivity to complement economic, transit, trade and investment linkages.

Develop a joint approach including a roadmap to promote infrastructure development between the two countries and connecting the infrastructure along side the two countries to facilitate movement of people, transit, trade and commercial activities.

Undertake the following projects on priority basis:

- Peshawar-Jalalabad rail link
- Quetta-Kandahar rail link
- Build modern facilities at Landi Kotal-Torkhem and Chaman-Spinboldak.

Energy Linkages

Develop a comprehensive strategy to promote energy sector cooperation and projects.

Work out a long term plan to implement trans-Afghan energy transmission projects.

Capacity Building

Devise long term capacity building programmes for Afghans in different areas of social sector development.

Education: Develop a joint approach to effectively utilize the 2,000 scholarships for Afghan students in Pakistani institutions by 2012.

Workout a plan for grant of scholarships to Afghan students at Pakistani educational institutions for 2012-15.

Explore cooperation in promoting vocational training centres in Afghanistan in different fields.

Health: Strengthen continued arrangements for provision of medical treatment facilities for Afghans at Pakistani hospitals and health centres.

Explore bilateral cooperation to strengthen Afghanistan's public health infrastructure.

Agriculture: Draw out plans for training of Afghan agriculture officials and professionals at Pakistan's agricultural research and development institutions in the coming years.

Explore establishing Agricultural research institutions in Afghanistan under bilateral cooperation as well as through possible third donor funding arrangements.

Develop regular dialogue on joint five-year and ten year food-security plans to cater the food needs of the peoples of the two countries.

To initiate comprehensive dialogue on environmental protection and mitigating impact of climate change.

Islamabad, 16 September 2010.

3. Joint Statement issued by President Hamid Karzai of the Islamic Republic of Afghanistan and Prime Minister Syed Yusuf Raza Gilani of the Islamic Republic of Pakistan

At the invitation of President of the Islamic Republic of Afghanistan H.E. Hamid Karzai, the Prime Minister of the Islamic Republic of Pakistan, H.E. Syed Yousf Raza Gillani visited Afghanistan on December 4-5, 2010.

The President and the Prime Minister held in-depth consultations to strengthen the partnership through enhanced bilateral cooperation in various fields.

During the visit, the Prime Minister of Pakistan met H.E. Marshal Mohammad Qasim Fahim, H.E. Mohammad Karim Khalili, Vice Presidents of the Islamic Republic of Afghanistan, H.E. Prof. Burhanuddin Rabbani, Chairman of Peace High Council, H.E. Mohammad Younos Qanooni, Speaker of Wolesi Jirga, Ustad Mohammad Mohaqiq, Chairman Commission on Religious, Cultural and Educational Affairs of Wolesi Jirga and discussed range of bilateral, regional, and international issues of mutual interests. He had a constructive meeting with the leadership of Afghan Chamber of Commerce and Industries to promote the trade relations between the two countries. He also met with the large cross-section of Afghan nationals graduated from Pakistani universities and professional colleges.

The Prime Minister inaugurated the construction work of the Embassy of Pakistan complex in Karte- Parwan, Kabul.

The President and Prime Minister:

Reaffirming the existing historical, cultural and religious ties between the two brotherly and friendly countries and its peoples;

Stressing the importance of cooperation between Afghanistan and Pakistan to tackle their common challenges of Terrorism, Poverty, Narcotics Production and its Addiction, Trafficking of Precursors and Consumption, and Organized Crime;

Affirming their enduring commitment to a durable partnership for peace, shared development and prosperity;

Acknowledging that a strong partnership can be built only on the principles of mutual respect and equality;

Emphasizing that strong ties between Afghanistan and Pakistan are vital for the regional and international security and stability;

Welcoming the launch of the Kabul Process and supporting the outcomes of the Kabul International Conference on July 20, 2010 as a milestone in this process;

Underlining the importance of the Peace Jerga and establishment of the High Peace Council for the implementation of Reconciliation and Reintegration programs;

Expressing satisfaction at the progress being made in strengthening their economic partnership including the signing of the Afghanistan-Pakistan Transit Trade Agreement on October 28, 2010 in Kabul;

Recalling the historic Joint Declaration on Directions of Bilateral Cooperation (January 2009), the Joint Declaration on Next Steps in Pakistan-Afghanistan Comprehensive Cooperation (March 2010) and the Joint Statement on Strengthening the Partnership (September 2010);

Agreed as following:

Peace and Stability

Terrorism and violent extremism and their international support networks are a major threat undermining peace and stability in the region and beyond, and reiterated their commitment to effectively cooperating, combating and defeating these threats and eliminating their sanctuaries wherever they are.

Pakistan supports the efforts of the President, Government and people of Afghanistan for peace and national reconciliation, which should naturally be Afghan-owned and Afghan-led efforts.

Pakistan welcomes the establishment of the High Peace Council and wishes the government and brotherly people of Afghanistan every success.

Strengthen interaction among the security and counter-terrorism institutions of the two countries for promoting effective cooperation.

Economic Cooperation and Connectivity

Accelerate the implementation of the RECCA IV deliverables in different areas of regional economic cooperation, particularly those important projects on energy cooperation such as the CASA- 1000 and TAPI (Turkmenistan-Afghanistan- Pakistan- India) Gas Pipeline.

Develop a joint approach to further strengthen economic, educational, transit-trade and investment cooperation between the two countries including through the existing bilateral, trilateral, quadrilateral and regional cooperation frameworks.

Focus on infrastructure development particularly rail and road connectivity between the two countries particularly the following projects:

- Peshawer- Jalalabad rail link;
- Quetta- Kandahar rail link;
- Build modern facilities at Landi- Kotal- Torkhem and Chaman- Spinboldak.

Trade and Development

Prioritize economic cooperation and integration through, among other means, full and seamless implementation of the Afghanistan- Pakistan Transit Trade Agreement (APTTA) as of January 2011.

Agree to work jointly to achieve the target of \$5 billion bilateral trade by 2015, by inter-alia pursuing closer customs and tariff harmonization and facilitating greater interaction among the private sectors of the two countries.

Note that their countries' rich mineral resources afford opportunities for shared development. In this regard, agree to identify projects and develop cooperation.

Regularly review bilateral development projects including building of schools, universities hospitals and roads with Pakistan's assistance.

Capacity Building

Explore the continuation of cooperation in promoting vocational training centers in Afghanistan in different fields.

Support establishment of agricultural research institutions in Afghanistan in bilateral manner or through third parties.

Agree to undertake establishment of economic zones through joint projects for economic development between the two countries.

Examine ways to enhance capacity building and human resource development of their peoples.

Enhance bilateral interaction for effective utilization of 2,000 scholarships for Afghan students announced by Pakistan over the next three (3) years.

Devise a joint approach for establishing vocational training centers in Afghanistan.

Decide to establish forthwith, following working groups to oversee progress in agreed areas:

- Infrastructure and Connectivity;

- Trade facilitation;
- Economic zones between two countries;
- Customs Cooperation; and
- Planning and Development.

Islamabad, 05 December 2010.

Source: www.mofa.gov.pk

E. FRIENDS OF DEMOCRATIC PAKISTAN

1. Opening remarks of the Foreign Minister at the FoDP Senior Officials' Meeting in Islamabad

Excellencies,
Distinguished Delegates,

Ladies and Gentlemen,

It gives me a great pleasure to welcome you all in Islamabad. On behalf of the government and the people of Pakistan, I wish you a very comfortable and productive stay.

This is the first time a Senior Officials' Meeting of the Friends of Democratic Pakistan is being held in Pakistan. We are confident that this meeting would help give further impetus to our work, and help achieve good progress.

Your presence at this meeting is reflective of your country's strong commitment to the FODP and its objectives which we greatly appreciate.

Ladies and Gentlemen,

The FODP is a unique process led by Pakistan itself. It is unique for it is unprecedented and remains unparalleled.

The FODP is a vehicle for a long-term engagement with democratic Pakistan. It is about extending support to us in our peace and development efforts in accordance with our own national priorities with the view to strengthening Pakistan's hands against extremism, militancy and terrorism.

Significantly, while the FODP is a multilateral process, it is expected to deliver on the bilateral plane as well. This forum is usefully serving to identify and discuss priority areas for FODP partners to engage bilaterally or multilaterally such as through the World Bank Multi-Donor Trust Fund for Pakistan.

Indeed, the value of the FODP lies in its being flexible and open-ended.

Whereas on one hand the FODP process is focusing on Pakistan's energy deficit, as well as helping in the implementation of the Malakand Development Strategy, on another hand it is expected to promote foreign investment in Pakistan through the mechanism of public-private partnership.

The FODP in a very short span of less than two years has come of age. It is therefore no surprise that high public expectations are attached with this forum.

Ladies and Gentlemen,

Pakistan has suffered and continues to suffer enormously by terrorism. Since 9/11 there have been 247 suicide attacks in Pakistan killing over 3000 civilians and injuring over 7000.

The evil forces of terrorism have not even spared mosques, other religious places and the shrine of a Sufi saint in Lahore.

We have lost over 2550 security personnel in our ongoing law enforcement operations.

Our cumulative economic losses are also substantial. According to conservative estimates, Pakistan has lost \$43 billion in the last nine years. Our exports and foreign investments have been badly hurt.

But the people of Pakistan have shown remarkable resilience in the face of varied and daunting challenges.

Looking after 2.5 million dislocated population from Malakand Division following the law enforcement operation there last year, and facilitating their return to their homes within a few months, speaks volumes of our people's and institutions' inherent strengths.

That was the reflection of the real Pakistan --- undeterred by difficulties however severe, and keeping the faith high in ourselves and in our future.

Evil forces of militancy will never succeed in denting our national resolve and consensus against terrorism. But Pakistan cannot win against this hydra-headed global menace without international support.

As a matter of fact no country, however preponderant, can defeat terrorism alone. In this struggle, we win and lose together.

Ladies and Gentlemen,

Pakistan, no doubt, needs help.

Today we are having to divert significant resources from our development programme towards fighting the militancy. In the immediate term we need budgetary support so that our poverty alleviation and development programmes continue uninterrupted. In this regard, the remaining amount of pledges made at the separate Donors' Conference in Tokyo last year may be expedited.

We need greater market access for our goods, more foreign investment in Pakistan and institution capacity building.

We are of the considered view that in the longer term it is trade not aid that would help us achieve economic stability and prosperity in Pakistan.

It is in these areas we need this forum's assistance the most.

The FODP Public-Private Partnership Conference held in Dubai earlier this year helped make a good start. We are thankful to the Government of the

UAE, especially His Highness the Foreign Minister of the UAE for hosting and co-chairing the conference.

The good momentum generated at Dubai must be sustained. We expect the FODP partners to encourage their respective corporate sectors to invest in projects that were presented at the Dubai conference.

We are planning to hold the second public-private partnership conference in Islamabad sometime this year or early next year. Meanwhile, we will welcome joint public-private sectors delegations from FODP countries to visit Pakistan and invest in specific projects that offer enormous lucrative prospects.

There is huge potential in this country waiting to be tapped. Be it infrastructure development, energy, agriculture, agro-based industry, mineral resources, education or health, foreign investment opportunities abound.

All fundamentals are there to create synergetic win-win situations. The experience of over 600 foreign companies from across the world working successfully in Pakistan is a testament to Pakistan's great economic potential. With a little push from FODP governments we can quickly put Pakistan on the path to a significant economic growth with benefits trickling down to Pakistanis across the board.

Extremism and terrorism are complex phenomena with many intricate dimensions. It goes without saying that these cannot be defeated in a pressing economic environment. We need more jobs and ever more economic opportunities to prevent impressionable young minds from falling prey to misguided and pernicious ideologies which are antitheses of peaceful Islam.

Ladies and Gentlemen,

Pakistan is a democracy with vibrant civil society, free media and independent judiciary. Through the 18th amendment, the Constitution of Pakistan has been cleansed of many a distortions. As a result, we are slowly but surely moving towards making Pakistan a genuine federation with strong federal and provincial institutions to deliver.

We have also taken long overdue legal and administrative measures to empower Pakistani women. But we are not complacent. Every effort is being made towards their effective implementation.

Confronted with many internal and external challenges accumulated over the last several decades, Pakistan is trying to create an enabling regional environment. Our relations with Afghanistan have been significantly improved. We are committed to fully supporting an Afghanistan-led reintegration and reconciliation process.

The upcoming international conference in Kabul on 20 July should help break new grounds. The importance of a peaceful and stable Afghanistan for Pakistan can hardly be exaggerated. To this end, Pakistan will continue playing its positive and constructive role both bilaterally with Afghanistan and multilaterally with other partners.

We are very serious about normalizing our relations with India. I met with my Indian counterpart in Islamabad just day before yesterday. We agreed to embark on a sustained dialogue process. This is a good augury. For too long, Pakistan and India have been entangled in a conflictual relationship. It is high time our two countries engage, with full sincerity of purpose, to resolve all the bilateral disputes and make a new beginning of normal relations anchored in sovereign equality and mutual interest.

Normal relations between Pakistan and India would have far-reaching salutary effects for the entire South Asia and beyond. Pakistan will do its utmost to make this happen.

Ladies and Gentlemen,

Today, we will consider the FODP report on the energy sector in Pakistan. This report, if implemented in full, will help Pakistan fix most of its energy problems. I would like to state the commitment of the government of Pakistan to make a determined effort for improving the structures and legislation that would make it easier for our international partners to assist us. I am sure our efforts will also provide greater comfort to potential investors in the energy sector. We are confident that all FODP partners will fully support timely and full implementation of this important report.

We will also review the status of the Malakand Development Strategy and the Post-crisis Needs Assessment (PCNA). We all agree how crucial the PCNA is in addressing the root causes of extremism and terrorism.

The Third FODP Ministerial will be held in Brussels on 15 October 2010. We will also take stock of our preparations for the Ministerial. We are thankful to the European Union for hosting the next Ministerial meeting.

Let me conclude by once again expressing our gratitude to you all for attending this meeting. This meeting provides us a good opportunity to reaffirm our commitment to the FODP and its objectives.

Thank you very much.

Islamabad, 17 July 2010.

2. FODP senior officials' meeting, Foreign Minister's concluding remarks

Excellencies,

Ladies and Gentlemen,

Today, we have considered and agreed to start implementing the Integrated Energy Sector Recovery Report, pending its formal approval by the Brussels Ministerial. With this, the real and hard task has begun. It will be a pity should this report, which symbolizes our collective wisdom and commitment, go waste.

We have set for ourselves clear objectives and clear benchmarks. There are a slew of steps which the Government of Pakistan is obliged to take. And let

me assure you, we will. Nevertheless, the support of FODP partners will be equally crucial in the effective and full implementation of the report.

Frankly speaking, this report will be a litmus test for the FODP. We are confident that together we will be able to implement the report in all its aspects.

As regards the Malakand Development Strategy, we do acknowledge the assistance being extended by FODP partners and other countries in diverse areas. But you will agree that the development work needs to be accelerated.

The people of Malakand Division have gone through very difficult times. Without their huge sacrifices and determined support to the law enforcement operation, our successes against the militants could not have been possible.

Gradually, the life in the region is returning to normal. The recently-held week-long festival in Swat, which was fervently attended by the local people, including women, testified to their moderate and progressive outlook of life. We cannot afford to give any space to extremists to reverse the solid gains achieved on the ground. The early completion of the PCNA and its full implementation should help work as solid bulwark against extremism and militancy for all times to come.

Ladies and Gentlemen,

We are now achieving tangible results. It is important to sustain the momentum generated by this meeting.

The FODP has proven its relevance and utility. Let us reaffirm our commitment to this unique process and rededicate ourselves to its objectives, which, needless to say, are in our mutual interest.

On behalf of the government and the people of Pakistan, I would like to once again thank you for attending this meeting and for your valuable contributions.

This brings to the conclusion of this meeting.

The meeting can broaden their investments in, and provide tangible support to, Pakistan with a view to establishing a robust partnership for peace and development.

Thank you very much.

Islamabad, 17 July 2010.

3. Joint Communiqué issued at the end of Friends of Democratic Pakistan third ministerial meeting

1. The Third Ministerial Meeting of the Friends of Democratic Pakistan (FODP) was held in Brussels on 15 October 2010. It was preceded by a Senior Officials' Meeting.
2. Hosted by the European Union, the meeting was co-chaired by High Representative for Foreign Affairs & Security Policy, and Catherine Ashton, Pakistan Foreign Minister Makhdoom Shah Mahmood Qureshi.

Also attending were the Foreign Ministers and senior representatives of 20 countries and four multilateral institutions.

3. The meeting welcomed the Arab Republic of Egypt as a new member of the FODP.
4. The Foreign Minister of Pakistan conveyed his appreciation and gratitude to the EU High Representative for organising the FODP Ministerial and enabling such high level attendance, which was a clear expression of international support for Pakistan. The Foreign Minister also thanked the FODP members for their participation, as well as their support for Pakistan's development and prosperity and conveyed deep gratitude for their generous flood relief assistance.
5. The meeting expressed condolences for the loss and hardship caused by the devastating floods across Pakistan, which have affected twenty million people. The Ministers noted that the unprecedented need of post-flood reconstruction and rehabilitation should be met by a strong signal of solidarity and tangible support from the international community.
6. The FODP members recognised that reconstruction requirements were daunting and that the Damage Needs Assessment being carried out by the Government of Pakistan, together with the World Bank and the Asian Development Bank should be a good basis for an effective and sustainable national strategy aimed at early recovery and long-term reconstruction based on the concept of 'build back better'. The meeting welcomed the resolve of the Government of Pakistan to develop a comprehensive plan of action.
7. The FODP members appreciated the steps taken by the Government in constituting the National Oversight Disaster Management Council (NODMC) and the Government's commitment to ensure transparency, accountability and effective utilisation of resources.
8. The FODP also noted the need for continued efforts by the Government of Pakistan under its reform programme towards economic stabilisation and sustained economic revival, including widening the tax base, and taking other necessary structural measures to generate and enhance the maximum possible domestic resource mobilisation for reconstruction and long term development.
9. In this context, the Friends attached importance to the forthcoming meeting of the Pakistan Development Forum in Islamabad on 14-15th of November, 2010, and looked forward to presentations on Pakistan's economic stabilisation plans and a national plan for reconstruction.
10. The Friends affirmed that the FODP is a Pakistan-led process where international cooperation can be expressed for Pakistan's aspirations to build a strong and prosperous society for its people and looked forward to progress on economic reform. It was agreed that the success of Pakistan's experience in developing a strong democratic system, the welfare and well-being of its people, combating extremism and terrorism and Pakistan's economic prosperity and stability were critical for regional and global peace

and stability. They acknowledged that socio-economic challenges had been compounded by the devastation caused by the floods.

11. The Friends noted that better trade opportunities will facilitate economic recovery. In this context, the EU decision to seek a Pakistan-specific WTO waiver was appreciated and should be supported.
12. The FODP members noted progress on the Malakand Development Strategy and considered the Post-Crisis Needs Assessment (PCNA). They endorsed the PCNA and confirmed their commitment to support all its recommendations, welcoming the Government of Pakistan's commitment to lead on urgent implementation of the report. They agreed that progress will be reviewed at the next FODP Senior Officials Meeting. In this context, they expressed satisfaction with the operationalisation of the Multi-Donor Trust Fund for financing development projects in Khyber-Pakhtunkhwa, Balochistan and the Federally-Administered Tribal Areas.
13. Pakistan's energy needs were considered in the context of the Integrated Energy Sector Recovery Report and Plan. The meeting thanked the Government of Pakistan and the Asian Development Bank for the excellent work carried out by the Energy Sector Task Force. The meeting endorsed the report and underlined that implementation of its recommendations would help stabilise the energy sector in Pakistan.
14. The meeting acknowledged water management as an important priority for the Government of Pakistan. It was agreed that the Asian Development Bank, through a Task Force, will prepare a strategy on water management in consultation with the Government of Pakistan. The strategy would take into account all aspects of the issue and its critical relevance to agriculture, development and disaster prevention. It was agreed to have an update on progress at the next Senior Officials' Meeting.
15. The FODP members supported Pakistan's determination to enhance its institutional and administrative capacities and in this context the emphasis laid by the Government of Pakistan on long-term Public-Private Partnerships. They noted that sharing of best practices on effective governance, efficient service delivery, transparency and accountability would significantly help the reform process.
16. The meeting noted the intention of the Government of Pakistan to hold the second Public-Private Partnership conference in Islamabad some time next year and expressed its full support for its success.
17. It was agreed that more regular meetings among officials should be organized in Islamabad to review progress of FODP activities. The meeting agreed that a work plan of activities under the FODP process will be useful.
18. The FODP members welcomed the offer by Turkey to host a meeting of the FODP Working Group on Institution-Capacity Building at a mutually agreed date in the near future.
19. The next Ministerial Meeting of the FODP will be held in the first half of 2011.

Islamabad, 15 October 2010.

4. Statement by Foreign Minister at the 3rd ministerial meeting of the Friends of Democratic Pakistan in Brussels

Excellencies,
Distinguished Delegates,

Ladies and Gentlemen,

Let me begin, by expressing our profound gratitude, to the European Union, for hosting the Third Ministerial Meeting of the Friends of Democratic Pakistan (FODP).

I am particularly, grateful to my co-chair Baroness Catherine Ashton. She has provided impeccable leadership in preparation for this important meeting.

We are confident that this meeting will significantly add to the FODP process; promoting Pakistan's socio-economic development, which is based on our national priorities.

Allow me, to also welcome Egypt as the new member of this unique group. Pakistan and Egypt have excellent brotherly relations. We look forward to Egypt's active participation in the FODP process.

I would also like to place on record, my deep appreciation for all Your Excellencies for attending this meeting. This demonstrates your country's firm and long-term commitment towards the people of Pakistan.

Our people have rendered enormous sacrifices in their long and arduous struggle for the restoration of democracy in the country.

Our sacrifices in the ongoing fight against militancy and terrorism are also second to none.

We have lost thousands of our brave soldiers and civilians, besides, according to conservative estimates, suffering an accumulative loss of around \$ 50 billion to our economy.

Ladies and Gentlemen,

This meeting is taking place against the grim backdrop of catastrophic floods in Pakistan, which have brought in their wake massive destruction and miseries.

We have lost over one third of our infrastructure.

Our economy, which has already been under tremendous counterterrorism pressure, is now confronting additional daunting challenges.

We need to rehabilitate over 20 million flood affectees; and rebuilding close to 2 million houses, thousands of bridges, schools, hospitals and roads, and vast agricultural lands, mercilessly ripped apart by the calamity.

This will require several billion dollars.

To tackle the challenges at hand, Pakistan needs continued support and assistance from its friends. Coping with such a scale of destruction is beyond any developing country's capacity.

The Government and the people of Pakistan are grateful to the international community for standing by us in this hour of need. Governments,

civil societies, and NGOs around the world have extended relief and rescue assistance generously, saving thousands of lives.

On 17 September in a meeting in New York, the UN revised its floods flash appeal upward to two billion dollars. So far, nearly \$ 690 million have been raised.

Some of the challenges we are facing are also time-critical. For instance, we need to provide seed to flood-stricken farmers over the next few weeks, to enable them to plant wheat.

If the next wheat crop is not salvaged, the food security of millions will be in jeopardy.

The floods have ruined about 3.6 million hectares of rich farm land. You can see how daunting the task is.

It is imperative, that the flow of funds, required by the UN in the early recovery phase is not disrupted. It is, through successful early recovery sustainable rehabilitation can be ensured.

Meanwhile, as suggested and encouraged by our friends, we have decided to convene a donors' conference in Islamabad, within the framework of the Pakistan Development Forum.

The Damage Needs Assessment, which is being carried out jointly by the World Bank and the Asian Development Bank, is nearing completion.

Yesterday, our senior officials were given an interim assessment by these two institutions.

The donors' conference would, thus, have the benefit of looking at the situation in its entirety.

The people of Pakistan are confident that the international community, especially our 'Friends' would generously support us through the early recovery and reconstruction phases.

We have established the National Oversight Disaster Management Council, comprising people of integrity and unblemished standing, for ensuring transparency and accountability in utilizing flood assistance.

The importance of transparency cannot be overemphasized. The assistance being received by the government, through different sources, is a trust about which we deeply care.

Let there be no doubt, that every cent received will be accounted for.

Extensive mobilization of domestic resources is also going on. Our people have contributed generously in the relief phase. The Government is disbursing cash grants from its own resources, for partially compensating the flood victims.

The government is actively considering raising money also through a one-time flood tax. A decision on this will be taken shortly, following political consultations, that are currently underway.

Ladies and Gentlemen,

International assistance is not only about assistance in cash and kind.

The European Union has taken a step further, by agreeing to enforce zero duty on 75 tariff lines from Pakistan for a period of three years.

We know, Madam co-chair, how crucial a role you and the EU Trade Commissioner have played in evolving the EU consensus on this count. We owe you both our profound gratitude.

These time-bound trade concessions should help increase our exports to European Union countries, with attendant economic benefits.

We are confident that given its peculiar circumstances, Pakistan will also be included in the GSP plus. We look forward to working closely with our EU partners in this regard.

We request other 'Friends' to also expedite and facilitate greater market access to Pakistani goods.

Benefits accrued from trade are far more solid and lasting than aid. We need to expand our industrial base and create more jobs to effectively fight violent extremism.

One should not expect to produce social harmony out of poverty, unemployment, disease and illiteracy.

Excellencies,

Investment is another area where the FODP is well-positioned to be instrumental and effective. The public-private partnerships can create win-win situations.

The FODP public-private partnership conference in Dubai, on 26 January 2010, helped generate the requisite momentum. There are over 80 projects in the sectors of energy, infrastructure, agriculture, education and health; which, if executed, could quickly put Pakistan on the trajectory of broad-based economic development.

We call on FODP partners to encourage their respective private sectors to invest in Pakistan.

Providing sovereign guarantees, through bilateral framework agreements, would be a step in the right direction.

We are examining this and will share with you our ideas in the run-up to the second public-private partnership conference, which we intend to convene in Islamabad next year.

Ladies and Gentlemen,

The democratic government of Pakistan has resolved to affect economic recovery; and is fully cognizant of what is required, and expected of it by our friends.

We will never shrink from doing what is in our economic interest.

It, nevertheless, needs to be underscored that years of economic mismanagement cannot be fixed in a trice. But we have started the process. Bold steps are being taken on multiple fronts.

Needless to say, it is unavoidable to widen the national tax base.

We are focused on macroeconomic stabilization, domestic resource mobilization, public sector reform; and addressing some of the structural issues, including institution building.

We are fixing on priority basis, our energy sector that has been victim of years of neglect and mismanagement.

Mismanagement has turned Pakistan into an energy-deficit country, and in turn, adversely affecting our economic growth.

This is despite the fact that, by using only our water resources, we can produce 40 to 50 thousand megawatt of additional electricity easily.

Not to mention our huge coal reserves and unlimited renewable energy possibilities. Pakistan can soon be turned into an energy surplus country, also meeting part of the growing energy demands of our neighbouring countries.

The process of reforming the energy sector has begun by the government's recent decision to dissolve the Pakistan Electric Power Company.

Other important steps will follow, in line with the recommendations contained in the Energy Task Force Report and Plan.

Let me assure you that we will not shy from taking tough decisions.

We need your continued support and understanding to achieve economic recovery coherently and smoothly; without putting too much burden on the common man. Our social fabric is already under intense pressure for economic hardships.

Ladies and Gentlemen,

Pakistan also understands how imperative regional peace is for our economic growth and prosperity.

Our relations with India continue to be marred by the long-standing Jammu and Kashmir dispute and other issues.

The prevailing tense situation in Jammu and Kashmir, which has taken lives of 115 innocent Kashmiris since June 11 this year, is a cause of great concern for the international community.

Kashmir is a living issue and cannot be brushed aside for any reason, whatsoever.

Pakistan will continue making sincere efforts to have the issue resolved peacefully. We hope India reciprocates in the larger interest of peace and prosperity in South Asia.

As an immediate neighbour of Afghanistan, Pakistan has been bearing the major brunt of decades-old conflict there.

Over 3 million Afghan refugees are still in Pakistan. We want them to return to their homeland with dignity. This, however, seems difficult unless the situation in the country normalizes.

There is need to accelerate the development and rebuilding process; and give focused and sustained attention to reintegration and reconciliation.

Our commitment to peace there, stems from our own long-term strategic interests. Therefore, no other country can aspire for early peace and stability in Afghanistan more than Pakistan.

Ladies and Gentlemen,

The democratic government of Pakistan assumed power in early 2008 under most precarious of circumstances.

We inherited a country that was riven with enormous economic and law and order difficulties.

We were conscious of the enormity of the challenges right from day one. We have had many successes; but let me also admit we have not been able to deal with some issues very effectively.

Our approach to national issues has always been embedded in building consensus.

We worked hard, to develop a national consensus against militancy and terrorism, that strengthened our hands to deal a decisive blow to militants in Swat and Malakand.

The Post-crisis Needs Assessment (PCNA) has now been completed. It envisages a 10-year comprehensive strategy for peace building in Kyber-Pakhtunkhwa (KPK) and the FATA, for which \$ 2.7 billion will be needed.

The establishment of the World Bank Multi-Donor Trust Fund for KPK, Balochistan and FATA is now operational and expected to effectively contribute towards implementing the PCNA.

We have cleansed our constitution of anti-democratic provisions through the 18th Amendment.

Our government has also been able to get through the long overdue 7th National Finance Commission Award with national consensus, that eluded the successive governments for years.

We are promoting a truly democratic pluralistic culture; with vibrant civil society, free media and independent judiciary.

These are no mean accomplishments considering the heavy odds at play.

Are we complacent? Certainly not. There is so much ground to cover and we are determined to do that.

Ladies and Gentlemen,

Let me conclude by saying that Pakistan is blessed with tremendous natural and human resources. We are resolved to harness them.

Pakistan, a country of over 170 million people, is destined to get its due place in the comity of nations.

Your continued support will help realize our national aspirations for a progressive and prosperous Pakistan, sooner rather later.

I once again thank you for attending this meeting and your country's commitment to the FODP.

Thank you.

Islamabad, 15 October 2010.

Source: www.mofa.gov.pk

F. AFGHANISTAN, PAKISTAN, RUSSIAN FEDERATION & TAJIKISTAN SUMMIT MEETING

1. Communiqué on the results of the meeting of the Presidents of the Islamic Republic of Afghanistan, The Islamic Republic of Pakistan, the Russian Federation and the Republic of Tajikistan

The second four-party meeting of President of the Islamic Republic of Afghanistan Hamid Karzai, President of the Islamic Republic of Pakistan Asif Ali Zardari, President of the Russian Federation Dmitry Medvedev and President of the Republic of Tajikistan Emomali Rahmon took place in Sochi on August 18, 2010.

During the meeting held in an atmosphere of mutual understanding and frankness, the Heads of State discussed the pressing issues of the development of multifaceted cooperation in the quadripartite format and the evolution of the political and economic climate in the region. In this context, they examined the prospects of consolidating the results of the International Conference on Afghanistan held in Kabul on 26 July 2010.

Following the results of the meeting in Sochi the Joint Statement of the Heads of Four States was adopted.

President of the Islamic Republic of Afghanistan Hamid Karzai, President of the Islamic Republic of Pakistan Asif Ali Zardari and President of the Republic of Tajikistan Emomali Rahmon expressed their gratitude to President of the Russian Federation Dmitry Medvedev for the warm welcome and stressed the importance of the four-party meeting for strengthening security and developing cooperation in the region.

Sochi, 18 August 2010.

2. Joint statement by the Presidents of the Islamic Republic of Afghanistan, the Islamic Republic of Pakistan, the Russian Federation and the Republic of Tajikistan

‘President of the Islamic republic of Afghanistan Hamid Karzai, President of the Islamic Republic of Pakistan Asif Ali Zardari, President of the Russian Federation Dmitry Medvedev and President of the Republic of Tajikistan Emomali rahmon, having assembled at their second quadrilateral meeting in Sochi on August 18, 2010, held detailed discussion about the state and prospects of development of the regional cooperation,

‘Underscoring the need for the consistent implementation of the agreements reached during their first meeting in Dushanbe on July 30, 2010’.

‘Recognizing the particular significance of expanding and strengthening multifaceted cooperation between Afghanistan, Pakistan, Russia

and Tajikistan as an essential component of regional stability and economic development,’

‘Welcoming the conclusion of the Afghanistan-Pakistan Trade and transit Agreement and looking forward to its successful implementation,’

‘Expressing concern over the persistent terrorist threat in the region, as well as illegal drugs production and trafficking of such a scope that gives grounds to qualify this illegal activity as a threat to international peace and stability,’

1. Welcome and support the launch of the Kabul process and the holding of the High-level International Conference on Afghanistan, which took place in Kabul on July 20, 2010. In this regard, they supported the priority programs developed within the five clusters of security, governance, economic and infrastructure development, agriculture and rural development, human resource development and supported the outcomes of the National Consultative peace Jirga as a milestone in the peace and reconciliation process in Afghanistan’.
2. Stress the importance of regional cooperation in facilitating the stabilization of the situation in the region including through regional cooperation opportunities available within existing international and regional bodies, including the SCO, in areas such as anti terrorism and counter-narcotics, and call for increased harnessing of the potential of the SCO Regional Anti-Terrorist Structure for these purposes’.
3. Consider it one of their priorities to combat drug threat in an integrated manner throughout the entire chain of illegal drugs production and trafficking – ranging from promoting alternative livelihood and agriculture development to eradication, as well as countering the supply of precursors and taking steps to reduce drugs consumption, and instruct heads of anti-drug agencies of their countries to convene as soon as possible a meeting for a substantive examination of relevant issues’.
4. Underline the importance of the anti-drug preventive operation ‘Channel’ conducted under the aegis of the CSTO, advocate increasing the number of states participating in the operation as observers’.
5. Express readiness to continue active participation in implementing the provisions of the Plan of Action of the SCO Member States and the Islamic Republic of Afghanistan on combating terrorism, illicit drug trafficking and organized crime, adopted at the Special Conference on Afghanistan held under the aegis of the SCO in Moscow on March 27, 2009’.
6. Confirm their intention to actively participate in the activities on combating money laundering and financing of terrorism, especially to eliminate financial channels, connected with illicit trafficking of drug substances and their precursors’.
7. Declare their determination to actively counteract illicit trafficking of weapons, munitions, explosives and other types of transboundary organized crime’.

8. Express interest in further enhancing regional economic cooperation in trade, economy, investment areas and improving investment environment in the countries of the region and establishing direct ties between the business circles’.
9. Support the intention of business circles of Russia, Pakistan and Tajikistan together with the government and business community of Afghanistan to participate in restoring and reconstructing the facilities which have a key importance for the Afghan economy in areas such as transport, energy, natural resources management and urban development and emphasize the need for identifying concrete priority projects in the aforementioned areas including the Salang tunnel, oil and gas facilities in the north of the country nitric fertilizer plant and thermal power station in Mazar-i-Sharif, Kabul house-building plant and Nangarhar irrigation facility’.
10. Advocate implementing joint projects in energy and transport infrastructure development in the region, such as the CASA-1000 project aiming to establish a system to transmit electric energy from Tajikistan to Afghanistan and Pakistan, and support the participation of the Russian federation in this project’.
11. Express hope that international financial and economic institutions would actively assist in implementing regional economic projects aiming to rebuild the Afghan economy and improve stability in the country and the region as a whole’.
12. The Presidents of the Islamic Republic of Afghanistan, the Russian Federation and the Republic of Tajikistan express their solidarity and sympathy with the Government and the people of Pakistan over the colossal loss of precious lives and property caused by unprecedented floods in Pakistan, and appeal to the international community to provide urgent assistance to Pakistan to overcome the effects of this terrible natural calamity’.
13. Decided to hold the next meeting of the Presidents of the Islamic republic of Afghanistan, the Islamic republic of Pakistan, the Russian Federation and the Republic of Tajikistan in the city of Dushanbe. The concrete date of the meeting will be defined through the diplomatic channels’.

Islamabad, 19 August 2010.

Source: www.mofa.gov.pk

G. FLOOD SITUATION

Foreign Minister briefs diplomats on the flood situation

Foreign Minister Makhdoom Shah Mahmood Qureshi briefed Islamabad based Heads of Diplomatic Mission on the flood situation in the country and damage caused to infrastructure, houses and crops. He thanked the international

community for the relief assistance which has already started arriving in the country.

Lt. General (Retd) Nadeem Ahmad, Chairman NDMA gave a detailed presentation on the most affected districts in all the provinces, particularly in Khyber Pakhtoonkhwa. He also briefed on rescue and relief efforts being undertaken by the government and the support received from the UN and the international community.

The Heads of Mission expressed sympathies on the loss of lives and property in the unprecedented floods and assured international community's support and solidarity with the people and Government of Pakistan in meeting this challenge.

The Foreign Minister informed the Envoys that the Ministry of Foreign Affairs has established an Emergency Relief Cell headed by an Additional Secretary to coordinate relief efforts with the international community and foreign missions in Islamabad. The Missions can contact the Emergency Relief Cell for any facilitation at the following contact numbers: (Tel. +92-51-9208782/9056458; Fax. No. +92-51-9206140).

The Minister of State for Economic Affairs, Ms. Hina Rabbani Khar and Minister of State for Foreign Affairs Nawabzada Malik Amad Khan also attended the briefing.

Islamabad, 04 August 2010.

Source: www.mofa.gov.pk

H. PAKISTAN & UNITED KINGDOM

Joint Statement of President Asif Ali Zardari and Prime Minister David Cameron

The President of the Islamic Republic of Pakistan HE Mr. Asif Ali Zardari and the Prime Minister of the United Kingdom Rt. Hon. David Cameron MP met at Chequers on 6th August 2010.

The President of Pakistan complimented Prime Minister Cameron on his election as the Prime Minister of the UK.

Pakistan and the UK have longstanding relations which are based on shared interests and mutual respect. Both leaders affirmed their commitment to further strengthen strategic and co-operative ties between the two countries by intensifying the UK-Pakistan Strategic Dialogue and confirming a yearly Summit. This Dialogue will deepen consultation on global and regional issues of peace and stability, will include people to people links, enhanced business investment and trade, collaboration in the education sector, and cultural and parliamentary links. The two leaders welcomed the forthcoming launch of the British-Pakistan Foundation as an initiative to promote connections between our peoples.

Both leaders agreed that a strong, stable, secure and economically prosperous Pakistan is vital to global and regional peace and stability. In recognition of this, both leaders agreed to pursue closer development, economic and trade co-operation as part of the intensified Strategic Dialogue.

President Zardari underscored that Pakistan needs trade even more than aid. The Prime Minister said that the UK will continue to be Pakistan's strongest ally in pursuing greater trade access to the EU for Pakistan.

Prime Minister Cameron expressed the UK's support for Pakistan's democratic government and expressed the UK's solidarity and support for Pakistan coping with the damage caused by recent floods. He also expressed his condolences at the loss of precious lives and sympathy for the bereaved families. President Zardari expressed thanks for the UK's pledge of £10 million of immediate relief for flood victims and for accelerating an already agreed £10 million bridge reconstruction programme.

Among the common challenges facing the UK and Pakistan is the fight against terrorism and violent extremism. Both leaders agreed that terrorism and extremism are global issues and needed to be combated by intensifying cooperation at the global and regional levels.

Both leaders discussed the role being played by the democratic government in fighting against terrorism. The Prime Minister recognised the sacrifices made by Pakistan's military, civil law enforcement agencies and people in fighting violent extremism and militancy and appreciated the efforts of the democratic government. Both leaders appreciated the close co-operation that already exists between respective police forces and other security agencies.

The two leaders agreed that such co-operation needs to and will intensify. In this regard the British Home Secretary would visit Pakistan in the Autumn. They asked the Joint Working Group on Counter Terrorism to make proposals for enhancing practical co-operation ahead of the visit.

Pakistan and the UK will intensify their strategic engagement and pursue comprehensive Ministerially-led co-operation under the framework of a summit level strategic dialogue process. This will be taken forward through annual contact between the British Prime Minister and the President/Prime Minister of Pakistan. These Summit meetings will be reinforced through regular national security discussions. The two leaders looked forward to the meeting between Pakistani Foreign Minister Qureshi and British Foreign Minister William Hague under the revitalised Dialogue in October.

The President invited the Prime Minister to make an early visit to Pakistan. The Prime Minister was pleased to accept.

Islamabad, 06 August 2010.

Source: www.mofa.gov.pk

I. ISAF / NATO AERIAL ENGAGEMENTS

1. Foreign Office statement: against ISAF/NATO aerial engagements

Pakistan has strongly protested to ISAF/NATO on the two incidents of aerial engagements from the Afghanistan side into Pakistani territory by ISAF/NATO helicopters. These incidents are a clear violation and breach of the UN mandate under which ISAF operates. The said mandate ‘terminates/finishes’ at the Afghanistan border. There are no agreed ‘hot pursuit’ rules. Any impression to the contrary is not factually correct. Such violations are unacceptable.

ISAF/NATO has been asked not to participate in any military action that violates the UN mandate and infringes upon Pakistan’s sovereignty. In the absence of immediate corrective measures, Pakistan will be constrained to consider response options.

Pakistan has always emphasized the need for coordinated and joint action against forces inimical to regional and global peace. Pakistan has boldly and at a great cost countered terrorists. Element of trust followed by capacity enhancement of Pakistan’s armed forces was stressed. The demarche has been relayed to NATO Headquarters in Brussels.

Islamabad, 27 September 2010.

2. Pakistan lodges protest with NATO over border violations

Ambassador Jalil Abbas Jilani of Pakistan met the Deputy Secretary General of NATO in Brussels today to lodge protest over the border violations by NATO/ISAF helicopters.

Ambassador Jilani while handing over a demarche condemned such incidents since it negated the spirit of cooperation that existed between Pakistan and NATO. It was emphasized that such incidents will create serious misgivings besides undermining counterterrorism efforts. He asked NATO to conduct an immediate and full enquiry into these serious incidents.

The NATO Deputy Secretary General offered regrets and termed the incidents as most unfortunate. He assured that NATO considered Pakistan as an important partner and will carry out a detailed assessment of the incident so as to ensure that such incidents were not repeated.

Earlier in the day, the Prime Minister of Pakistan addressing the National Assembly had strongly condemned the NATO incursions and demanded that NATO should ensure that Pakistan’s sovereignty was respected under all circumstances. The demarche to NATO was made under his direct instructions.

Islamabad, 01 October 2010.

Source: www.mofa.gov.pk

J. PAKISTAN & SRI LANKA**Text of the Joint Statement issued on the visit of the President Zardari to Sri Lanka**

1. At the invitation of His Excellency Mahinda Rajapaksa, President of the Democratic Socialist Republic of Sri Lanka, His Excellency Asif Ali Zardari, President of the Islamic Republic of Pakistan paid a State Visit to Sri Lanka from 27 – 30 November 2010. The President of Pakistan was accorded a ceremonial welcome on arrival at the Bandaranaike International Airport on 27th November 2010. During the visit, the President of Pakistan was received by the President of Sri Lanka, who hosted a banquet in his honour. The two leaders held official talks.
2. The official discussions between the two sides were marked by friendship, mutual respect and understanding. The President of Sri Lanka and the President of Pakistan agreed that the civilizational heritage of Sri Lanka and of Pakistan provided the foundation to build a vibrant and multi-faceted partnership. Sri Lanka - Pakistan relations have matured and diversified with the passage of time, encompassing key areas of contemporary relevance.
3. In keeping with their vision of the future of Sri Lanka - Pakistan relations, the two leaders agreed that there is much scope to increase cooperation and to further harness the enormous potential available for consolidating and strengthening the bilateral partnership by building on shared values, leveraging common concerns and interests, enhancing connectivity between the two countries, increasing the synergies of their economies and, reinforcing the institutional framework for cooperation. Both leaders agreed on the need for an increase in the frequency of high level visits between Sri Lanka and Pakistan, including at the Summit level and at the level of the Parliaments, especially based on Parliamentary Friendship Associations established in each of the national Parliaments.

The two leaders witnessed the signing of the following:

- a. Visa Abolition Agreement for holders of Diplomatic and Official Passports;
 - b. Memorandum of Understanding on Agricultural Cooperation;
 - c. Agreement on Cooperation and Mutual Administrative Assistance in Customs Matters;
 - d. Agreement on Co-operation in the field of Arts & Creative Studies between the National College of Arts of Pakistan and the University of Visual and Performing Arts of Sri Lanka.
4. The President of Pakistan conveyed his felicitations to President Rajapaksa on the decisive defeat of terrorism in Sri Lanka, after many years of conflict. President Rajapaksa who reiterated appreciation for the assistance provided by Pakistan during Sri Lanka's fight against terrorism, also elaborated on the steps taken by the Government to return normalcy to the country, after a 30 year conflict. Both leaders condemned terrorism in all its

forms and manifestations and agreed to strengthen cooperation in counter-terrorism.

5. The President of Pakistan expressed appreciation for Sri Lanka's humanitarian assistance during unprecedented floods in Pakistan in July-August this year.
6. Both leaders agreed to promote a dialogue on security and defence issues relevant to their bilateral relationship, including through high-level contacts between Defence Forces and the training of Security Forces personnel.
7. Both leaders agreed to promote active cooperation in countering the menace of narcotics and illicit trafficking of narcotic substances and to establish mechanisms and modalities for such cooperation.
8. Both leaders directed that officials of the respective Finance / Economic Ministries should meet soon to discuss measures to promote trade between the two countries, including through the extension of innovative lines of credit and/or barter.
9. Both leaders expressed satisfaction that the Free Trade Agreement signed in 2002, has significantly enhanced bilateral trade. Pakistan is now Sri Lanka's second largest trading partner in South Asia. They observed in this regard that the Agreement on Co-operation and Mutual Administrative Assistance in Customs Matters signed during the visit, is bound to facilitate the trade in goods. The two leaders noted that the undoubted potential for greater investment and joint ventures between the two countries should be leveraged for expanded collaboration, including in the sugar production and cement manufacturing sectors. It was also resolved to encourage collaboration between the two countries in the gem and jewellery industry.
10. Both leaders agreed to promote cooperation between the two countries in the financial and banking sectors and to establish close links between the Chambers of Commerce of Pakistan and Sri Lanka.
11. The President of Sri Lanka and the President of Pakistan reiterated their mutual commitment to greater bilateral economic cooperation. In this context, both leaders agreed to hold the 10th Session of the Joint Economic Commission, which is co-Chaired at Ministerial level in the first quarter of 2011 in order to fashion a fuller agenda of bilateral cooperation in various fields. It was furthermore decided that Sri Lanka should receive at the earliest possible an official level delegation from Pakistan, which would in association with its Sri Lanka counterparts discuss and identify the technical arrangements for follow-up on the understandings reached between the two Presidents. The technical arrangements in turn would facilitate the Joint Commission to agree on and issue the necessary policy directives, for the further expansion of the bilateral economic relationship.
12. The two leaders welcomed the signing of the Memorandum of Understanding on Co-operation in Agriculture. They directed that the provisions of the MoU should be utilized to build a strong bilateral programme of collaboration in the Agriculture and Fisheries sectors, including in food processing and fish processing.

13. The President of Pakistan expressed appreciation for Sri Lanka's offer to assist the Health and Education Sectors in Pakistan, through extending training of trainers of nurses and teachers of Mathematics and Science.
14. Welcoming the growing connectivity between the two countries, the two leaders called for greater cooperation in tourism and the promotion of people-to-people contacts, as well as the increase of direct flights and the establishment of direct shipping services.
15. The leaders agreed to work together as appropriate to preserve and promote the respective national civilizational heritages and treasures, including the rich Gandhara heritage. The President of Pakistan offered to hold an exhibition on the Gandhara Civilization in Colombo in cooperation with the Sri Lanka Government to mark the 2600th Year of the Attainment of Enlightenment of Lord Buddha, (Sambuddhatva Jayanthi). The President of Sri Lanka welcomed this offer which would increase among the people of the two countries, a better awareness of the aspects of cultural heritage shared by both nations. The President of Sri Lanka also welcomed that in response to the invitation of the President of Pakistan, a delegation of Buddhist monks and scholars would visit Gandhara, under the facilitation of the Pakistan authorities.
16. Recognizing the immense potential that exists in the two countries to tap knowledge as a driver of economic and social advancement, the two leaders agreed that the two countries should enhance links in the educational sector. The initiative by Pakistan to set up a Chair on Urdu and Pakistan Studies in a University in Sri Lanka, was therefore welcomed.
17. The leaders reiterated the importance of continuing to work together in regional and international fora.

Islamabad, 29 November 2010.

Source: www.mofa.gov.pk

K. PAKISTAN & CHINA

1. **Message by the Prime Minister of Pakistan, Syed Yusuf Raza Gilani to the Premier of China, Wen Jiabao and the Chinese people on the occasion of commencement of the Year of Friendship between Pakistan and China**

On behalf of the Government and the people of Pakistan and on my own behalf, it gives me great pleasure to convey to the Chinese people and leadership our sincere greetings on the occasion of commencement of the 'Year of Friendship' between Pakistan and China.

Since times immemorial the people of our two countries have interacted and developed special and unique bonds of friendship. Both Pakistan and China treasure their great civilizational heritage and the mutually enriching interaction that has shaped our vision of peace and prosperity and has so

beautifully blended our respective cultures and traditions in perpetual harmony. Most importantly it has created sincere sentiments of everlasting friendship and brotherhood between the peoples of Pakistan and China.

Your Excellency and I decided to celebrate 2011 as the Year of Friendship between Pakistan and China. During this year the people of Pakistan will reach out to their Chinese brothers and sisters in all spheres of life to renew and impart greater vitality to the friendship and partnership between our two countries. We will, once again, pledge that this most prized treasure will be further enriched and carried forward from generation to generation.

The people of Pakistan rejoice in the national accomplishments of the Chinese people and wish them even greater success.

We are also truly grateful for the enormous contribution and support extended by China at all times and in all ways to Pakistan. We pledge once again to resolutely work for taking our friendship and partnership to new heights.

Please accept, Excellency, the assurances of my highest consideration.

Islamabad, 31 December 2010.

2. Message by the President of Pakistan, Asif Ali Zardari, to the President of China, Hu Jintao, and the Chinese people on the occasion of commencement of the Year of Friendship between Pakistan and China

It gives me great pleasure to convey to the Chinese leadership and people warm greetings from the people of Pakistan and on my own behalf on commencement of the 'Year of Friendship' between Pakistan and China.

Pakistan and China enjoy a unique relationship that is deeply rooted in the hearts and minds of our people. Our friendship is all weather and time tested. The people of our two countries are united in their determination to take our friendship and partnership to new heights.

The leadership and people of the two countries have carefully nurtured this very special relationship over the past 60 years. History and destiny beckons us to march forward hand in hand and pass on the torch of our friendship to succeeding generations.

On this occasion we pay a tribute to the wisdom of the architects of Pakistan-China friendship, Shaheed Zulfiqar Ali Bhutto, Chairman Mao Zedong and Premier Zhou Enlai and all those who succeeded them as well as to all men and women who, over the last 60 years, have diligently worked with sincerity and selfless devotion in the cause of deepening and broadening our friendship and partnership.

The Government and people of Pakistan would mark the Year of Friendship by organizing various events during 2011. These will amply illustrate that the sentiments of friendship resonate and find a very special place in our national ethos and in the hearts and minds of our people.

Please accept, Excellency, the assurances of my highest consideration.

Islamabad, 31 December 2010.

3. Pak-China Joint statement issued after Chinese Premier, Wen Jiabao official visit to Pakistan

1. At the invitation of H.E. Syed Yusuf Raza Gilani, Prime Minister of the Islamic Republic of Pakistan, H.E. Wen Jiabao, Premier of the State Council of the People's Republic of China, paid an official visit to the Islamic Republic of Pakistan on 17-19 December, 2010.
2. Premier Wen Jiabao held formal talks with Prime Minister Gilani, and met President Asif Ali Zardari, Chairman Senate Mr. Farooq Hamid Naek, Speaker National Assembly Ms. Fehmida Mirza, leaders of the main political parties, Chairman Joint Chiefs of Staff Committee and the three Services Chiefs. Leaders of the two countries had an in-depth exchange of views on further strengthening and deepening the China-Pakistan all-weather strategic partnership of cooperation, on major international and regional issues of mutual interest in a cordial and friendly atmosphere, and reached broad consensus.
3. During the visit, Premier Wen Jiabao had extensive contacts with people of various sectors of Pakistan. He delivered a speech entitled *Shaping the Future Together Through Thick and Thin* in Islamabad. The two Prime Ministers were briefed by the National Disaster Management Authority. They also attended the Pakistan-China Business Cooperation Summit, the Inauguration Ceremony of the Pakistan-China Friendship Centre and the Launching Ceremony of the China-Pakistan Friendship Bringing-Light Tour, and met individuals who made great contributions to China-Pakistan friendship.
4. Leaders of the two countries reviewed with satisfaction the growth of China-Pakistan relations in 59 years since the establishment of diplomatic relations. The two sides shared the view that against the backdrop of a complex and ever-changing international and regional situation, it is of high significance to consolidate and deepen the China-Pakistan all-weather strategic partnership of cooperation. China-Pakistan relations have gone beyond bilateral dimensions and acquired broader regional and international ramifications. Friendship and cooperation between China and Pakistan serve the fundamental interests of the two countries and peoples, and contribute to peace, stability and development in the region and beyond. The two sides agreed to enhance strategic coordination, advance pragmatic cooperation and work together to meet challenges in pursuit of common development.
5. The two sides announced that the year 2011 be designated the 'Year of China-Pakistan Friendship', and decided to hold a series of activities in the

political, economic, trade, military, cultural, sporting and education fields, to warmly celebrate the 60th anniversary of the establishment of China-Pakistan diplomatic relations.

6. The Chinese side reiterated that the Chinese government always places high on its diplomatic agenda, consolidating and developing relations with Pakistan and is firm on the policy of pursuing friendly ties with Pakistan. The Chinese side is ready to work with Pakistan to further deepen China-Pakistan friendship and pass it on from generation to generation. The Chinese side appreciates Pakistan's longstanding firm support on issues that concern China's core interests.
7. The Pakistani side stressed that pursuing friendship with China is the bedrock of Pakistan's foreign policy and national consensus. Pakistan appreciates the strong support and selfless assistance from the Chinese government and people for its economic and social development. Pakistan will continue to pursue the policy of further strengthening friendly relations with China.
8. The Chinese side reiterated that it respects Pakistan's sovereignty, independence, and territorial integrity, respects the development path chosen by the Pakistani people in the light of Pakistan's own national conditions, and appreciates and supports Pakistan's efforts in safeguarding its sovereignty, independence and territorial integrity and promoting peace and stability in South Asia. The Pakistani side reiterated that it remains committed to the one-China policy, opposes Taiwan independence, supports the peaceful development of cross-Straits relations and China's reunification, and supports the efforts made by the Chinese government in safeguarding its sovereignty and territorial integrity.
9. The two sides shared the view that exchange of high-level visits and contacts between leaders of the two countries have played an irreplaceable role in promoting bilateral relations. The two sides decided to maintain regular mutual visits and contacts at the leadership level, establish the annual meeting mechanism between leaders, set up the Foreign Ministers' dialogue mechanism and reinforce the Foreign Ministries' dialogue mechanism to strengthen China-Pakistan strategic consultation and coordination.
10. The Pakistani side expressed high appreciation and thanks to the Chinese side for its timely assistance in Pakistan's flood relief and rescue efforts as well as in post-disaster reconstruction. It thanked the Chinese side for delivering relief supplies to Gilgit-Baltistan area to help the local people, and stressed that it is a vivid reflection of Pakistan-China fraternal friendship. The Chinese side reiterated that it will take full part in the post-flood reconstruction and fulfill its existing promises. The Chinese side will support, on a priority basis the national highway network post-flood rehabilitation project in flood-affected areas, the national project for improved rice-processing, the national project for controlled atmosphere and advanced ventilated cold storage and crop monitoring through remote

imagery satellite. The Chinese side will allocate 10 million US Dollars for the Citizen Damage Compensation Plan of Pakistan, and provide 100 million US Dollars in preferential loans and 300 million US Dollars in preferential buyer's credit for projects of great importance to Pakistan. The Chinese side stands ready to share with Pakistan relevant information and experience on disaster reduction and relief, and provide related technical support and training. The two sides agreed to explore the feasibility of establishing joint programmes on environmental studies, in particular research and exchange of information on shared eco systems.

11. The two sides agreed to further intensify cooperation in infrastructure development, energy and agriculture on a priority basis. The Chinese side will provide assistance for the upgrading of the Karakorum Highway, resolve the problem of earthquake lakes, and encourage Chinese financial institutions to explore feasible financing schemes with the Pakistani side. The energy cooperation mechanism will be established to push forward bilateral cooperation in conventional energy, renewable energy and civil nuclear energy. The two sides agreed to start the construction of China-Pakistan Agriculture Demonstration Zones as soon as possible. The two sides agreed to enhance mutually beneficial cooperation in the financial sector. The two sides agreed to establish currency swap arrangements. The Industrial and Commercial Bank of China decided to establish branches in Islamabad and Karachi. The Chinese side is also ready to facilitate qualified Pakistani banks to open branches in China. The two sides decided to further implement the Framework Agreement between Pakistan Space and Upper Atmosphere Research Commission (SUPARCO) and China National Space Administration (CNSA) on Deepening Cooperation in Space Science and Technology. In this context, they expressed satisfaction on their joint collaboration in fabrication and launching of satellites. The two sides agreed to further cooperation in human resources development. The Chinese side is ready to help Pakistan enhance its capacities in science, technology and management.
12. The two sides decided to renew the Five Year Development Programme on Trade and Economic Cooperation. The two sides expressed satisfaction with the 14th meeting of the China-Pakistan Joint Economic Commission and the Business Cooperation Summit, and instructed related departments to implement the decisions of the Joint Economic Commission to strengthen China-Pakistan economic and trade cooperation. The two sides encouraged the relevant departments to implement decisions taken by the second session of the Free Trade Commission. The two sides jointly declared that the second phase negotiations of the China-Pakistan Free Trade Agreement will be launched in the first quarter of Year 2011 to enhance trade liberalization and promote economic and trade growth of the two countries. The two sides pledged to work for continuous and all-round progress in the development of the China-Pakistan Free Trade Area, and decided to establish the China-Pakistan Entrepreneurs Forum to strengthen exchanges

between their business communities. Pakistan decided to establish a Special Economic Zone for Chinese Businesses to attract more Chinese investment in Pakistan. The two sides support and encourage border trade to promote common development and prosperity in the border areas. The two sides will explore the possibility of establishing trans-border economic zones and take steps to enhance cooperation in border management.

13. The two sides reiterated that they will continue to enhance mutual trust and cooperation in the military and security field in line with the principles and spirit of the Treaty of Friendship, Cooperation and Good-neighborly Relations between the People's Republic of China and the Islamic Republic of Pakistan signed in 2005. This is conducive to peace, security and stability of the two countries and the region. The two sides agreed to step up personnel training, joint exercises, training and cooperation for national defense, science and technology, and collaboration in defence production. The two sides also agreed to give further impetus to maritime security cooperation.
14. The two sides agreed to expand cultural, sporting and people-to-people interactions in a comprehensive manner, and engage in broad contacts between universities, think-tanks, academic institutions, mass media, and film and television industries. The two sides decided to establish cultural centers in each other's country, maintain and expand step by step the one hundred youth exchange programme and enhance cooperation in young officials training, exchanges between young entrepreneurs and young volunteer services. China will invite 100 senior middle school/high school students from Pakistan to China for the Summer Camp of Chinese Bridge and continue to provide Confucius Institute scholarships to Pakistani university students. China will provide 500 government scholarships to Pakistan in 3 years starting from 2011. The two sides will also intensify their cooperation in science and technology, applied sciences, learning of Chinese and Urdu languages. The Chinese People's Association for Friendship with Foreign Countries will undertake the China-Pakistan Friendship Bringing-Light Tour to Pakistan and provide free surgical treatment for 1000 Pakistani cataract patients within two years. The two sides agreed to open new air routes and increase flights.
15. The two sides shared the view that terrorism, separatism and extremism pose serious threats to regional peace, stability and security. They reaffirmed their resolve to undertake substantive cooperation under bilateral and multilateral frameworks, and jointly fight the above-mentioned three forces. The Chinese side held the view that Pakistan has made great efforts and endured great sacrifices in fighting terrorism, and reiterated that it respects the counter-terrorism strategy constituted and implemented by Pakistan in light of its own national conditions. The Pakistani side reaffirmed its resolve to fight terrorism.
16. The Chinese side held the view that Pakistan is an important member state of the region and plays a vital role in safeguarding peace, security and

stability. The two sides decided to strengthen communication and coordination in regional affairs, on hotspot issues such as the issue of Afghanistan and regional cooperation. The two sides voiced support for the unity and territorial integrity of Afghanistan, the efforts of the Afghan government to advance peace, reconstruction and national reconciliation based on the fundamental interest of its country and people, and expressed hope to see a peaceful, stable and independent Afghanistan that enjoys development and good neighborliness. The two sides stressed their commitment to stronger solidarity and cooperation among developing countries to upholding their rights and interests in the process of globalization, and to making sustained efforts to achieve the United Nations Millennium Development Goals. The two sides reiterated that they will step up coordination and cooperation on major international issues such as climate change, food and energy security and UN reform.

17. The two sides signed 12 Agreements/Memorandums of Understanding on cooperation in the fields of culture, transportation, economic assistance, media, finance, and energy.
18. Premier Wen Jiabao expressed appreciation to Prime Minister Gilani and the government and people of Pakistan for the warm hospitality accorded to him and his delegation. Premier Wen Jiabao invited Prime Minister Gilani to pay an official visit to China at a mutually convenient time. Prime Minister Gilani appreciated the invitation and accepted it with pleasure.

Islamabad, 19 December 2010.

Source: www.mofa.gov.pk

L. PAKISTAN & IRAN

1. Pakistan Foreign Office statement on terrorist act in Chahbahar, Iran

The Government of the Islamic Republic of Pakistan strongly condemns the cowardly terrorist attack in the port city of Chabahar in the Islamic Republic of Iran on December 15, 2010 that led to the martyrdom of 39 innocent persons and injuring more than 80.

The Government of Pakistan expresses its deepest sympathy and condolences with the Government of the Islamic Republic of Iran and the bereaved families. The perpetrators of this heinous crime are common enemies of both Iran and Pakistan.

Reaffirming its close brotherly ties with the Islamic Republic of Iran, the Government of the Islamic Republic of Pakistan expresses its resolve and commitment to continue to cooperate closely with Iran to defeat the menace of terrorism.

Islamabad, 17 December 2010.

Source: www.mofa.gov.pk

M. TRANS ATLANTIC LEGISLATORS' DIALOGUE (TLD)**Address by Foreign Minister Makhdoom Shah Mahmood Qureshi**

Honourable Chair of the Trans Atlantic Legislators' Dialogue,
Congresswoman Shelley Berkley,
Members of the U.S. Congress,
Members of the European Parliament,

Ladies and Gentlemen,

It is a matter of immense pleasure to be among eminent legislators and parliamentarians of America and Europe.

I wish to thank the organizers of the Trans-Atlantic Dialogue for affording me this singular privilege.

You represent an assembly of the world's strongest democracies.

Founded on universal values of freedom and liberty, principles of justice and equality.

The Trans-Atlantic equation remains important to the world.

It remains important to my region and my country.

Ladies and Gentlemen,

I address you foremost as a legislator, committed to the universal ideals of democracy.

I stand before you as a proud member of the National Assembly of a democratic Pakistan.

In the thirty months this Government has been in office, Pakistan has undergone a fundamental democratic transformation.

We have accomplished much.

Today, Pakistan has an independent judiciary, a free media and a vibrant civil society.

Our government has restored parliamentary democracy in its pristine form.

President Asif Ali Zardari, in an historic move of statesmanship, called on the National Assembly to strip his office of many of its powers.

For the greater good, he willingly sacrificed the authority of his own office.

Today, our National Assembly, our Legislature is supreme and sovereign in every sense of the word.

It is no coincidence that this National Assembly is led by a woman. A reflection of the liberal credentials of the people of Pakistan.

The first Muslim woman Prime Minister ever to be elected from an Islamic country was also Pakistani.

Our Assembly's Public Accounts Committee, the legislature's powerful watchdog on public accounts is headed by the leader of the opposition.

We have given legal protection to women at work place.

The Eighteenth Constitutional Amendment has purged the Constitution of remnants of authoritarian rule.

We have devolved unprecedented powers and resources to the federating units and in so doing strengthened the federation.

This government has the singular honour of signing and ratifying the International Covenant on Civil and Political Rights and the Convention against Torture.

It was People's Party Governments that in the past took the initiative to make Pakistan party to the Convention on Eliminating Discrimination against Women, and Convention on Rights of the Child, besides other core international human rights and labour rights instruments.

This government has instituted the Benazir Income Support Programme. An ambitious affirmative action scheme for the empowerment of the poor, especially women.

We have done all this and much more, through a conscious and carefully crafted policy of political reconciliation and national consensus building.

It is no wonder then that Pakistan today, stands out as the only model of a functioning democracy in the Islamic world.

From fighting off a terrorist insurrection to restoring priorities in the social sector, to saving thousands of lives threatened by the worst floods in the nation's history.

These are the hallmarks of a nation's resilience and resolve, the mark of a people in complete command of their destiny.

Ladies and Gentlemen,

This nation, these people, merit your support, your trust and your confidence.

One of our most significant achievements has been taking ownership of the war against terrorists and extremists.

The February 2008 elections were a watershed. A resounding rejection of the extremist narrative.

The Islam of the average Pakistani, the real Islam, is a harmonious blend of our faith's timeless values and the demands of the modern world. It draws upon our age-old sufi and ascetic traditions, and blends them with the noblest ideals of our times.

In other words, an exact anti-thesis of obscurantism, violence and intolerance.

The terrorists who perpetrated 9/11, also sought to control Pakistan, dictate its destiny by violently imposing their own version of Islam.

Their genesis lies in the cold war dynamics of our region, and in the abandonment of Afghanistan after the Soviet withdrawal. An unhappy confluence of history and circumstance that led to the germination and growth of extremist ideologies.

In martyring our great leader, Mohtarma Benazir Bhutto, terrorists had sought to kill the very soul of a democratic Pakistan.

Fueled by weapons and funding from Afghanistan's narco industry and others, they hijacked the valleys of Swat and Waziristan.

They blew up schools, government buildings, conducted extra-judicial killings, and unleashed on my people, a bloody campaign of violence and intimidation.

They were met with formidable resistance.

The consensus we had so painstakingly forged among our political forces, translated into determined action.

The armed forces and law enforcement agencies of Pakistan, backed by popular support, and democratic legitimacy, took the fight to the terrorists.

The operations in Swat and Waziristan, and on-going operations in other parts of the country, manifest a clear intent: Terrorism has no room in Pakistan.

All this was not without colossal cost. More than 30,000 Pakistanis have been killed or wounded by terrorists.

Our armed forces have suffered nearly 10,000 casualties. Pakistan has lost more soldiers in the fight against terrorism than all of the NATO nations combined, in Afghanistan.

Ladies and Gentlemen,

There may be a tendency to dismiss this fight as Pakistan's fight. This would be a mistake.

Yes, it is Pakistan's fight. We will fight it, preferably with the help of our friends, alone if we must.

It is however, also the world's fight. Terrorism is a global phenomenon. It merits a global response.

We may be in the trenches today, but you surely are on the next hill.

The fight against terrorism is not a conventional fight. Conventional rules do not apply. There will be Yorktowns or Iwo Jimas in this fight.

It requires application of pressure at all points at once until slowly and inexorably, the will of the terrorist is broken.

It is extremely important that Pakistan is given the tools to finish this fight.

We must be able to listen in to terrorists. We must be able to locate them during the day and more importantly in the dead of the night. We must be able to hit them the moment we identify them.

Ladies and Gentlemen,

There is much our countries can do to fight this menace.

We must enhance each other's capability. Pakistani girl backed by American and European technology and material. We must improve our cooperation in intelligence gathering and analysis.

We must capitalize on each other's strengths. Above all, we must be on the same page.

It does not help for partners and allies to second guess each others' actions and motives. It is worse if there is suspicion and distrust.

Such suspicion and distrust plays into the hands of the terrorists. The incursion by NATO helicopters into Pakistan is one such instance.

There is something extremely dissonant about allies attacking allies, and we must never allow this to happen.

Whatever short term military gains that might be achieved are overshadowed by the long term impact on Pakistani public opinion.

In the true battle of hearts and minds, these violations of our sovereignty take a terrible toll.

Ladies and Gentlemen,

Terrorism is a toxic brew of ideology, sense of hurt and injustice and economic deprivation and marginalization.

Force will always be necessary to deal with the flare-up, but the real treatment is to address the underlying infection.

Economic deprivation has to be tackled on priority. A large number of Taliban cadres are in the business of fighting simply because they have no alternatives.

For Pakistan to be able to prevail, on behalf of the entire civilized world, we must be politically stable.

And for Pakistan to be secure and stable, its economy must be viable and robust, supplying the jobs, the income and the opportunity that will suck the oxygen out of the terrorists' fire.

Europe and Pakistan have already taken the first steps in this direction. I am thankful to my European colleagues for working to grant Pakistan enhanced market access to the EU for three years.

We believe this will translate into greater economic activity and employment opportunity in Pakistan.

Many of those drawn to the Taliban ranks out of economic necessity will benefit from this measure.

The pool from which the Taliban draw their recruits will certainly shrink.

I am confident that this first step would be followed by additional and concrete measures to open up trade on a longer term basis.

The European Union action should be followed forthwith by the United States implementing trade and tariff policies that will help Pakistan grow.

We call upon the Administration and the Congress to not only talk the talk but also walk the walk.

Establishing a Free Trade Agreement will not only energize the Pakistani economy, but in a very real sense, protect U.S. security interests.

Ladies and Gentlemen,

Pakistan, Afghanistan and the United States are among the main players in the fight against terrorism.

All three have improved their respective and collective abilities in this struggle.

The three have taken major steps to foster cooperation and greater trust.

They are engaged in a wide ranging dialogue the main focus is to address the economic dimension of terrorism.

We are therefore focusing on areas such as agriculture and trade, that will lay the foundations of a more prosperous Afghanistan and a more prosperous Pakistan.

One concrete manifestation of this cooperation in the finalization of the Pakistan-Afghanistan Transit Trade Agreement, the first between the two in more than four decades.

Ladies and Gentlemen,

I wish you to go back with the image of Pakistan, as it exists, not as it is painted or perceived.

A country of 160 million people, industrious, outgoing and ingenuous.

An educated work force.

A country bestowed with numerous resources.

A functioning democracy well on its path to progress and prosperity.

I wish you to carry back the images of the hardworking, law abiding Pakistani communities that have made your countries their homes.

And continue to contribute in some measure to your societies.

It would be an injustice to define partnership with Pakistan narrowly.

Pakistan-Trans-Atlantic Partnership is sixty years old.

It is a partnership that has left an indelible imprint on the pages of history.

My country and my people have always stood by the free world.

We have espoused and subscribed to the norms and ideals that we share and hold so dear.

The Pakistan-Trans Atlantic Partnership must now graduate from the transient and expedient to predictability and permanence.

This Partnership must now evolve into a stronger, more durable and more comprehensive framework for long-term cooperation in the twenty-first century.

A framework that will guarantee peace, security and stability in our region and the world.

Together, you and I can make it happen.

Thank You

Islamabad, 06 December 2010.

Source: www.mofa.gov.pk

II: Political Developments

I. Political Development

Except from International Crisis Group's report – *Pakistan: The Worsening IDP Crisis*

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II. Military Operations, Displacement And Floods

While displacement in the western borderlands is nothing new, it reached massive proportions in 2009-2010.¹ Poorly targeted military operations against FATA-based militant networks, which began in 2003 and are continuing, have caused hundreds of thousands to flee the tribal agencies for the settled districts of Khyber Pakhtunkhwa.² At least 500,000 were displaced from FATA even before the military offensive in Malakand³ began in May 2009 resulting in an estimated 2.8 million IDPs. 95 to 98 per cent of Malakand's displaced⁴ have since returned home as part of the *Niwa- e-Seher* (new dawn) process. With military operations spreading to six of FATA's seven agencies since mid-2009, the majority of the displaced in KPK now are from FATA.⁵

A. FATA'S IDPS

Northern FATA – Bajaur and Mohmand: In July 2009, the collapse of a peace deal between the military and the militants led to renewed fighting and

¹ See Crisis Group Asia Briefing N°93, *Pakistan's IDP Crisis: Challenges and Opportunities*, 3 June 2009.

² For detail on military operations and militancy in the tribal belt, see Crisis Group Asia Reports N°178, *Pakistan: Countering Militancy in FATA*, 21 October 2009; N°164, *Pakistan: The Militant Jihadi Challenge*, 13 March 2009; and N°125, *Pakistan Tribal Areas: Appeasing the Militants*, 11 December 2006.

³ Malakand Division previously comprised the districts of Buner, Chitral, Lower Dir, Upper Dir, Malakand, Shangla and Swat; the divisional tier of government was dissolved in 2000. In this briefing, the Malakand region refers to the districts that comprised Malakand Division. Since 1975, Malakand has been administered as part of PATA, which has a separate criminal and civil code from the rest of KPK.

⁴ These figures are based on estimates by Office of the Coordinator of Humanitarian Assistance (OCHA). Crisis Group telephone interviews, OCHA officials, 2 September 2010.

⁵ 'Pakistan Humanitarian Update', No. 18, OCHA, 9 July 2010. Article 246 (c) of the 1973 constitution of Pakistan states: 'Federally Administered Tribal Areas includes (i) Tribal Areas, adjoining Peshawar district; (ii) Tribal Areas, adjoining Kohat district; (iii) Tribal Areas, adjoining Bannu district; (iv) Tribal Areas adjoining Dera Ismail Khan district; (v) Bajaur Agency; (vi) Orakzai Agency; (vii) Mohmand Agency; (viii) Khyber Agency; (ix) Kurram Agency; (x) North Waziristan Agency; and (x) South Waziristan Agency'.

another cycle of displacement. By February 2010, there were 250,000 registered IDPs from Bajaur.⁶ In early March, the army declared it had regained control of this agency but militant violence, military operations, armed clashes and terrorist attacks have continued.⁷ Only a third of those in IDP camps, and only 48 out of 70,258 displaced families in off-camp households, have chosen to return.⁸ Similarly in Mohmand agency, although the army declared victory in March 2009, militant attacks have intensified in 2010,⁹ and aerial strikes by the military have resumed. While there are 180,000 registered IDPs from Mohmand, most of those displaced in 2010 are unaccounted for because the agency has not been declared a conflict zone (see below on registration processes).

The middle belt – Khyber, Orakzai and Kurram: In September 2009, the military launched major operations in Khyber agency that displaced between 56,000 to 100,000 people in less than a month.¹⁰ Displacement continued in 2010, but only a fraction is officially accounted for; only those from Tirah and Bara *tehsil* (sub-district) are being registered – and only in Jalozaï camp. In December 2009, the military launched operations in Kurram and Orakzai agencies, where the presence of the Pakistani Taliban as well as Punjab-based Sunni radical groups have exacerbated sectarian tensions. Violence is on the increase between Deobandis and Shias in Kurram and Orakzai agencies, and Deobandis and Barelvis in Khyber agency.¹¹

In Orakzai, a second military offensive was launched in March 2010, with more than 328,000 people fleeing both Kurram and Orakzai. IDP registration was suspended following a 17 April suicide attack targeting displaced Shias at a registration hub in Hangu in Kohat district. In May, the military demanded that IDPs return to Kurram.¹² A month later, on 1 June, army chief General Ashfaq Pervez Kayani also declared that Orakzai had been cleared of militants and that the agency's approximately 200,000 displaced should return.¹³ Belying this declaration of victory, on 9 June militants attacked a military checkpost in Orakzai, killing seven soldiers, and scores have since been

⁶ 'Pakistan Humanitarian Update', No. 7, OCHA, 5 February 2010.

⁷ For example, 'Thirty-eight militants killed in Bajaur action', *Dawn*, 16 June 2010.

⁸ By 26 June 2010, 28,303 IDPs had returned to Bajaur agency from camps. See www.pdma.gov.pk/PaRRSA/IDP_Repatriation_Data.php; and www.pdma.gov.pk/PaRRSA/Caseload_Update_For_Malakand_Division.php.

⁹ On 9 July 2010, for example, a suicide attack on a crowded market killed over 100 people. See Fauzee Khan Mohmand, 'Mohmand attack toll tops 100', *Dawn*, 11 July 2010.

¹⁰ See Crisis Group Report, *Pakistan: Countering Militancy in FATA*, *op.cit.*, p.8.

¹¹ For more on sectarian conflict in Pakistan, see Crisis Group Reports N°95, *The State of Sectarianism in Pakistan*, 18 April 2005; and *Pakistan: The Militant Jihadi Challenge*, *op.cit.*

¹² 'Kurram tribes asked to facilitate IDPs' return', *Dawn*, 5 May 2010.

¹³ 'Army declares victory in Orakzai', *Dawn*, 2 June 2010.

killed, including in clashes on 23 June that claimed at least 40 lives. On 28 June, two hubs opened in Peshawar to register Kurram's IDPs, but were closed a month later because of Taliban threats. Registration of both Kurram and Orakzai IDPs was set to resume before the floods, but it remains on hold.¹⁴

South Waziristan: On 17 October 2009, the army launched a ground offensive against the Hakimullah Mehsud-led Tehrik-e-Taliban Pakistan (TTP) network in South Waziristan, causing 428,000 residents, over half of the agency's population, to flee.¹⁵ Since December 2009, the army has declared the area cleared of militants on numerous occasions, and has called on those who fled to return. But with no major Pakistani Taliban leader arrested and military operations ongoing, IDPs are understandably reluctant to return.

While the military insists that the floods have not affected its deployment in FATA, it is still unwilling to take action against Afghan militants, particularly the North Waziristan-based al-Qaeda-linked Haqqani network. On the contrary, the military is reportedly intensifying efforts to broker a deal between the Haqqani network and Kabul in a bid to force a favourable outcome once U.S.-led coalition forces withdraw from Afghanistan.¹⁶ Selective action against home grown tribal militants, and premature declarations of victory, not only undermine the sustainability of returns, but also endanger communities and risk their renewed displacement.

B. IMPACT OF FLOODS ON IDPS AND RETURNEES

The July 2010 floods in KPK and the damage caused by monsoon rains have increased the numbers of displaced and homeless, and the need for urgent relief in KPK as well as FATA. Countrywide, with the floods covering almost one fifth of Pakistan's territory, 20.5 million people have been significantly affected; at least 8 million are homeless and in urgent need of emergency assistance. Over 1.8 million houses have been either destroyed or damaged, as have power grids,

¹⁴ Crisis Group telephone interview, Zahid Jameel Khan, IDP project coordinator, KPK social welfare department, 2 September 2010. See also 'Registration of Kurram IDPs resumes in Peshawar', *The News*, 29 June 2010; and Sadia Qasim Shah, 'Threats halt registration of displaced people in Peshawar', *Dawn*, 23 July 2010.

¹⁵ 'Pakistan: Millions of IDPs and returnees face continuing crisis', Internal Displacement Monitoring Centre, 2 December 2009.

¹⁶ Scott Shane, 'Pakistan's push on Afghan peace leaves U.S. wary', *The New York Times*, 28 June 2010; Jane Perlez, Eric Schmitt and Carlotta Gall, 'Pakistan is said to pursue an Afghanistan foothold', *The New York Times*, 25 June 2010.

roads, bridges, railway tracks, schools and health facilities, along with massive damage to agricultural land, standing crops and livestock.¹⁷

Of the 1,752 deaths confirmed thus far, 1,086 occurred in KPK.¹⁸ Around 80,000 homes were destroyed in four KPK districts alone, according to a UN World Food Programme (WFP) rapid assessment.¹⁹ Communication networks, power supplies, 617km of roads and 34 bridges have been destroyed or damaged in Malakand, in many cases isolating residents, particularly in the mountains.²⁰ 71 per cent of KPK's standing rice crop, 59 per cent of vegetable crops and 45 per cent of the maize crop has been lost; agricultural land and orchards have been damaged. 5,406 irrigation structures have been destroyed and thousands of small and large livestock killed.²¹ The already inadequate health facilities in KPK and FATA have been gravely damaged, as have almost 1,000 schools, while hundreds more are being used as shelters.²² The tourism infrastructure, on which the economy of many regions in Malakand depended and which was already badly affected by militancy and military operations, is devastated.

The Pakistan Meteorological Department had warned the military-dominated National Disaster Management Authority (NDMA) as early as 21 June of the threat of flash floods hitting KPK after the monsoon rains.²³ Over the

¹⁷ 'Pakistan: Monsoon floods', OCHA, Situation Report No. 23, 9 September 2010; 'One million more displaced by floods', *Dawn*, 27 August 2010; 'With 21 million hit, flood situation worsening: UN', *Dawn*, 8 September 2010.

¹⁸ 'Death toll from floods to rise 'significantly': official', *Dawn*, 27 August 2010.

¹⁹ Nowshera, Charsadda, Mardan and Peshawar were the worst affected districts along with Swat, Upper and Lower Dir and Shangla in Malakand. See 'Monsoon Floods in Pakistan', OCHA, Situation Report No. 4, 2 August 2010.

²⁰ 'Flood damage to road, rail network at Rs. 10 billion', *Daily Times*, 31 August 2010.

²¹ A total of 56 per cent of crops were destroyed in Swat, 61 per cent in Charsadda and 80 per cent in Nowshera. 'Floods badly affect KP livestock, agriculture', *Daily Times*, 1 September 2010. See also 'Pakistan-Monsoon Floods', OCHA, Situation report No. 14, 18 August 2010.

²² At www.pdma.gov.pk/Flood_2010/situation.php See also 'Pakistan-Monsoon Floods', OCHA, Situation report No. 18, 27 August 2010. Around 180 schools were also damaged in FATA. 'Pakistan-Monsoon Floods', OCHA, Situation report No. 20, 1 September 2010.

²³ Established in March 2007, the NDMA is the executive arm of the National Disaster Management Commission, the apex body for managing disasters. Although headed by the prime minister, the NDMA is military-dominated. For example, NDMA's director general, Lt. General Nadeem Ahmed, is a former corps commander who also headed the military's Special Support Group for IDPs. With many former military officers in senior positions, the NDMA lacks the civilian capacity and resources needed to perform its tasks of implementing, coordinating and monitoring disaster management. Ahmed Noorani, 'As NDMA scrutinised, its record shows it has miserably failed', *The News*, 10

next month, it failed to prepare for the crisis that followed. Not only did the NDMA appear to lack the capacity to manage the crisis but despite or perhaps because of the military's overwhelming presence in KPK and FATA, civil-military coordination was poor. The military, which has the logistics and the capacity for rescue operations and emergency relief, failed to respond promptly, acting only when the magnitude of the disaster became more than obvious.²⁴ That delay was mirrored in the delayed international community response. Boats and helicopters finally were used to rescue many and assistance was airdropped to those trapped in remote areas due to the destruction of roads and bridges.

The Awami National Party (ANP)-led Khyber Pakhtunkhwa government also swung into action, removing, as discussed below, all curbs on international non-governmental organizations (INGOs) involved in emergency flood relief until mid-September 2010. The civilian administration has given affected families shelter in 500 public schools and other government buildings and district authorities are providing food and clean drinking water.²⁵

Losing their homes, their personal belongings and their livelihoods in the floods, hundreds of thousands in Malakand and FATA are relying on government departments and aid agencies for shelter, food, water and health care. They will also need help to rebuild their lives and livelihoods. Yet, as with the humanitarian crisis resulting from military operations in KPK and FATA, the failure of the military and state relief agencies to respond promptly has alienated many. A Peshawar-based labourer complained: 'The government is not helping us ... the school building where I sheltered is packed with people, with no adequate arrangement for food and medicine'.²⁶ A Dir-based NGO worker added: 'People have no source of information like TV or newspaper to update themselves, or to know who is doing what, at [the] government and non-government level for relief. Relief work has not yet started in the area due to damaged roads and bridges [and] ... the hospitals in the area are also not accessible'.²⁷

As they did in the aftermath of the 2005 earthquake and the 2009 IDP crisis, jihadi groups have been quick to exploit the situation in an

August 2010. See also Umer Farooq and Faizul Ameer, 'Washed Away', *The Herald*, September 2010, p.37.

²⁴ During the first two weeks of the crisis, the military concentrated more on rescuing its own than on saving civilians. Crisis Group telephone interview, local aid worker, Nowshera, 18 August 2010. M. Asif Khan, 'A case of forgotten experience', *The News*, 7 August 2010.

²⁵ See 'Situation Report: Floods in Pakistan', OCHA, No. 3, 1 August 2010.

²⁶ Lehaz Ali, 'Pakistan flood toll tops 1,100 as cholera emerges', *Agence France-Presse*, 1 August 2010.

²⁷ Ibrash Pasha, 'Rains and flood affects in parts of Malakand division (District Dir upper and lower)', Khwendo Kor, draft report, 3 August 2010.

attempt to win public support.²⁸ President Asif Ali Zardari has acknowledged the dangers of the jihadis using the floods to gain recruits as has the KPK provincial government, which insists that banned groups will not be allowed to provide relief.²⁹ Interior Minister Rehman Malik too has warned that activists of banned groups providing relief would be arrested. Yet the Falah-i-Insaniat Foundation (FIF), the latest incarnation of the Lashkar-e-Tayyaba (LeT)/Jamaat-ud-Dawa (JD),³⁰ has reportedly established several relief and medical camps, and operates ambulances to treat and transport victims.³¹ The group's spokesman said: 'We're very much there. We're the only group that is providing cooked food to trapped people and those lying on the roadside'.³² On 2 August, the Pakistani Taliban reportedly announced a ceasefire in flood-hit areas. It proved insignificant: two days later a suicide attack in Peshawar killed Sifwat Ghayur, chief of the Frontier Constabulary and four others.³³

That the military has led rescue efforts and has been providing much of the immediate relief, is unsurprising. In a natural disaster of such magnitude, militaries, with their logistical capabilities, play a crucial role. However, in the Pakistani context, the danger lies in the military continuing to take the lead, independent of civilian input and control, as priorities shift to rehabilitation and reconstruction. In KPK and FATA, the civilian relief apparatus has been hamstrung by its subordination to the military's counterinsurgency imperatives.

²⁸ See Crisis Group Briefings, *Pakistan's IDP Crisis: Challenges and Opportunities*, op.cit.; and N°46, *Pakistan: Political Impact of the Earthquake*, 15 March 2006.

²⁹ Zardari said: 'If the political parties fail, if the NGOs fail and God forbid if the people fail, then the space will be taken by the extremists and militants'. 'President urges NGOs, philanthropists to supplement government's flood-relief, rehabilitation efforts', Media Office of the President, Islamabad, 17 August 2010.

³⁰ Banned in 2002 as a terrorist organisation, the LeT (renamed JD), was one of the most prominent NGOs providing earthquake relief in 2005, with the military's open support. See Crisis Group Briefing, *Pakistan: Political Impact of the Earthquake*, op.cit.

³¹ Other banned groups involved in flood relief include the al-Qaeda linked Al-Rashid Trust (renamed the Memar Foundation), the Jaish-e-Mohammad's Al-Rehmat Trust and the Sunni extremist sectarian organisation Sipah-e-Sahaba Pakistan, now renamed the Ahle Sunnat Wal Jamaat. Crisis Group telephone interview, Charsadda, 18 August 2010. See also Gulmina Bilal Ahmad, 'Sleeping with the enemy', *Daily Times*, 27 August 2010; and Rob Crilly, 'Pakistan flood aid from Islamic extremists', *The Telegraph*, 21 August 2010.

³² Ben Farmer and Khalid Khan, 'Pakistan floods affect more than 3 million people', *The Telegraph*, 3 August 2010.

³³ The militants also attacked police posts near Peshawar and launched a suicide attack on a mosque in South Waziristan agency, killing 26 and wounding 40 others in August.

Its ability to respond effectively to the current and any future humanitarian crisis will be severely hampered unless, with international assistance, the civilian government reasserts itself. The dangers of a military-dominated approach are evident in the manner in which the state responded to the IDP crises in KPK and FATA.

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Source: International Crisis Group, *Pakistan: The Worsening IDP Crisis*, Update Briefing, Asia Briefing No. 111, Islamabad / Brussels, 16 September 2010, pp.2-5.

Text of Zardari's letter to Nawaz Sharif

I would like to thank you, once again, for your letter of November 10, 2010. In my interim letter of November 16, 2010, I had assured you of a detailed reply to the issues raised in your letter.

Let me share with you my response. Pakistan is passing through one of the most critical periods of its history. As heads of the major political parties we share a great burden of responsibility.

Our people expect us to put national interests above partisan ones. They want us to act as statesmen and work together. They want us to fulfill their aspirations. We are answerable to our citizens. Indeed, as I said in my annual address to parliament, we are all answerable to history.

Our parties share a history of common struggle for democracy, especially in the recent past. In line with her philosophy of reconciliation, Mohtarma Benazir Bhutto Shaheed invited Begum Kulsum Nawaz Sahiba to join the Alliance for the Restoration of Democracy.

The positive response from your side and our collaboration helped the struggle for political freedom in Pakistan. Honoring BB Shaheed's legacy, the PPP has continued the politics of reconciliation and inclusion. It was as part of this policy that we invited your party to join a coalition cabinet. I am pleased to note that senior members of the Pakistan Muslim League (N) were part of the cabinet when the Pakistan Peoples Party (PPP) formed the government in 2008.

Even now we remain partners in government in the Punjab and continue to work together within and outside the parliament on national issues.

Allow me now to share with you some of the serious challenges facing our country and our attempts to deal with them. Militancy and extremism pose the greatest threat to our national security. Our citizens have been targeted. Our troops attacked. Our resources diverted. Our economy hurt. We continue to pay a price in terms of lives, image and money. However, it is important that our resolve is not weakened. We must remain determined to rid our society of this menace. We must fight to the finish. We will follow a policy of dialogue, deterrence and development. Make peace with those who abandon violence. But use force against those who challenge the writ of the state. In this struggle, let me acknowledge the courage, and resilience displayed by our brave soldiers and police, and above all, the people of our country.

Forging a national consensus on the war against militancy has been a significant achievement of our government. This consensus contributed to the restoration of the government's writ – and subsequent peace - in the Malakand region. We successfully provided relief to 2.5 million IDPs who were re-settled in their homes in just four months.

As you know, our country has been struck by the worst floods of our history. Some 20 million people have been affected. An area the size of UK has been inundated. Standing crops on millions of acres have been destroyed; 1.6 million homes damaged. The losses have been estimated at over ten billion dollars. This human and economic catastrophe has disrupted our government's efforts to stabilise the economy and slowed our plans to bring prosperity to our people. In the face of this unprecedented challenge the government has tried to marshal all resources.

All federal agencies, including the armed forces, the NDMA, the related ministries were mobilised. An international campaign was launched through the UN system and bilateral governments to secure support. Coordination with the provincial governments was undertaken through the NDMC, the CCI, and other fora. The combined efforts led to the minimisation of casualties, prevented the outbreak of disease and helped with successful rescue and relief on an unprecedented scale.

The federal government has taken the lead - and with cooperation of the provincial governments - in providing support of up to Rs 100,000 per affected family. This citizens' damage compensation programme has been launched through a transparent Watan card mechanism. This has been widely hailed as a model, combining the use of modern technology with local commitment, for transfer of cash to the affectees.

About Rs 25 billion have already been distributed in the first phase. The government has also adopted a programme for providing free seed and fertilizer and subsidised credit to the affected farmers to help them in rebuilding their livelihoods and ensuring high levels of production in the coming crop season.

Let me now highlight two landmark achievements of our government, in which the collaboration of our two parties is most manifest. These two achievements are: the restoration of the constitution to its original purity and the empowerment of the provinces.

The 1973 Constitution remains the symbol of national unity. It was Shaheed Zulfikar Ali Bhutto's legacy and reflects the will of the entire nation for the rule of law and democracy. It now stands restored through the passage of the 18th amendment.

We have also taken historic steps to transfer greater power and resources to the provinces. Functions and ministries have been devolved from the centre to the provinces. The share of the provinces in the divisible pool has been increased from 50 per cent to 57.5 per cent. In this fiscal year alone three hundred billion extra rupees are likely to be received by the provinces.

The foundations of a new Pakistan - more just, more equitable, more harmonious - have been laid. We have moved concretely to resolve some outstanding issues related to smaller provinces and regions and to give them a full sense of inclusion in national affairs. We have publicly apologised to the people of Balochistan for their grievances. Our government has followed up with tangible constitutional, political, administrative and economic reforms under the package, Aghaz-e-Haqooq-e-Balochistan.

Our party's policy of extending political rights and inclusiveness is reflected in the grant of political representation for the first time to the people of Gilgit-Baltistan. The same spirit led us to promulgate the Political Parties Order into FATA, thus giving the tribal areas greater flexibility in self-determination.

The empowerment and emancipation of women was central to BB Shaheed's philosophy. Our government's programmes reflect this thinking. The Benazir Income Support Programme and Behan Benazir Basti Programme are platforms for poverty alleviation focused entirely on women in a way, manner and to an extent that was never seen before.

We have also taken steps to improve the welfare of our workers and given them a stake in the state enterprises. Thus, the worker who toils day and night to ensure that profits are earned is no longer forgotten.

The Benazir Employees Stock Option Scheme gives the labourer a 12.5 share in the state enterprise where he is employed. To increase the purchasing power of the workers the government has raised the minimum wage to Rs 7,000 and adopted other welfare enhancing measures.

I now turn to the biggest challenges facing us - that of a burgeoning young population, economic stabilisation and turnaround.

Let me share with you our efforts, the results achieved, and the collective response required to fully succeed in meeting the economic challenges.

As you well know the economic situation in March 2008, was precarious: the country was faced with a soaring fiscal deficit; GDP growth had slowed down; foreign exchange reserves were under pressure; the current account deficit was out of control; government borrowing from the State Bank was aggravating inflation. The bleak economic scenario then prevailing was effectively articulated by the first finance minister of the coalition government, Senator Ishaq Dar. In his analysis of the situation, Senator Dar had also, correctly, pointed out that policy lapses, including the non-adjustment of prices of imported oil by the previous government were largely responsible for this inherited situation.

The seeds of our economic difficulties can be traced to financial year 2005 when inflationary pressures began to surface. The high growth during the middle years of the present decade was based on external flows, a loose monetary policy and an artificially depressed exchange rate. After the oil price shocks the prices of energy were not rationalised, the fiscal extravagance continued and no serious structural reforms were undertaken. In short, we

inherited a dismal economic situation. We had hoped to jointly find a way out of this situation.

However, after your leaving the government in the Centre, we and our other coalition partners have been left to address the economic challenges facing the country.

Given the worsening crisis, our government exercised the timely option of approaching the IMF and negotiated a Standby Arrangement in November, 2008. This move arrested the imminent slide and moved the tangible economy towards stability. Clear signs of recovery became noticeable when growth recovered to 4.1 per cent in 2009-10.

Foreign exchange reserves which stood at \$4 billion when we assumed office today have crossed the \$17 billion mark. Remittances have increased to \$9 billion from \$5.5 billion in 2007. We were targeting a growth rate of 4.5 per cent in 2010-11. However, the untimely floods have slowed our country's economic recovery.

Inflation, as you mentioned in your letter, is of equal concern to our government. Inflation affects the well being of our citizens, specially the most vulnerable groups. The main reason for inflation, as you surely know, is the gap between our revenues and our expenditures. This financing gap is met through borrowing from the domestic markets which raise the rate of interest - the cost of borrowing - thus causing inflation.

In one sense, therefore, an unsustainable fiscal deficit is the main reason for our inflation. There are only two possible ways of reducing the fiscal deficit through cutting expenditures and increasing revenues. It is because of our serious desire to combat inflation, that we have taken significant steps in order to minimise spending and maximise revenue collection. On the expenditure side the federal government has moved aggressively to cut costs. In the budget the government has curtailed its non-salary current expenditures at the last year's level. The expenditures of the Aiwan-e-Sadr and Prime Minister's Secretariat have also been included in this cut. On the PSDP we have also taken bold steps to bring down the size by over 100 billion rupees and rationalise the project portfolio. We are also undertaking a rigorous review of all expenditures to identify further reductions in federal expenditures.

We would expect the provincial governments, who have been the beneficiaries of the NFC Award to show similar discipline and adopt cost-cutting measures so that the national fiscal deficit is brought close to the target level of 4.7 per cent of the GDP. While realising the trend of inflation and price hike, the prime minister has also addressed a letter (copy enclosed) to all provinces which are best placed to take appropriate steps to control prices, and they must play their due role.

I hope you recall that our efforts to contain fiscal deficit were stalled in FY 2008-09 when the Punjab government resorted to excessive borrowing from the State Bank. In a spirit of cooperation, our government condoned this lapse and converted the temporary borrowing into a long-term loan to ease the fiscal pressures of the Punjab government. Our government also assisted the

government of the Punjab by allowing the use of borrowed money and investing Rs 10 billion in the Bank of Punjab which otherwise would have been in acute financial distress. In a further effort to assist the Punjab government, the federal government picked up the cost of excess wheat procured by the Punjab government and injected Rs 12 billion into the Punjab exchequer. These measures, though adding to the national fiscal difficulties have helped the Punjab, financially. However, given our commitment to austerity in the larger public interest, we would be looking at the Punjab, and the other provinces to pursue a policy of financial restraint.

A historic failure of our country has been the inability to mobilise domestic resources. This has made us dependent on foreign assistance. Low tax base has also compromised our ability to provide services such as health, education, drinking water and law and order to our people. We are therefore determined to tackle this issue to reduce the fiscal deficit and fight inflation. In this year's budget the government levied a tax on equities (stocks) for the first time in our history. The General Sales Tax Bill 2010 has been introduced in the parliament to revive the process of GST Reform that was stalled for a number of years.

Our government shares your keen desire for a more transparent economy. A strong motivation for the reform of the GST is precisely to address your concerns about transparency. It will document the ability of every citizen to pay tax thereby minimising evasion. This tax, however, will not be applicable to basic food items, health and education sectors, a move clearly designed to assist the common man. The establishment of the Inland Revenue Service where all taxation will be under one administrative umbrella will complement tax collection and the documentation process. The FBR has also introduced a centralised cheques issuing system for payment of refunds to eliminate corruption. You will be pleased to know that in the last three months alone - cheques have been issued in the amount of Rs 11 billion with zero corruption. These measures are the gateway to systemic reform and transparency.

Detailed negotiations were held with the provinces to secure their support for GST Reform. After the agreement of all the provinces, the reformed GST Bill 2010 was tabled in the Senate. We were happy to note that your party's representative in the Senate Standing Committee on Finance and Revenue, Senator Ishaq Dar, along with all the senators representing all the major political parties - ANP, MQM, PML-Q, JI and Independents - unanimously recommended the RGST law along with 15 minor amendments. The senate adopted those recommendations along with the bill, and referred it to the National Assembly. We also hoped for your support in the National Assembly for the passage of this important reform measure.

The coalition government is committed to pursuing an economic reform agenda of stabilisation with structural reforms while protecting the poor. I am happy to note that you support the reform of Public Sector Enterprises (PSEs) mentioned by the finance minister in his budget speech. A Cabinet Committee on Restructuring of PSEs has already been formed and a

comprehensive plan for restructuring of the power sector companies has been launched with the aim of bringing private sector into the management of the distribution companies. This would bring a saving in excess of Rs 250 billion in the financial year 2011-12. A restructuring plan of Pakistan Railways has also been approved and work initiated to convert Pakistan Railways over a period of 3-4 years into a profitable organisation. Business plans are under preparation for all other loss making PSEs like Pakistan Steel Mills, Pakistan International Airlines, Trading Corporation of Pakistan and Utility Stores Corporation, with a time frame of 4-6 months for implementation. We would be grateful if your party facilitates the government in its restructuring plans for these entities, and extends support to our policy to promote public private partnerships to protect Pakistan's national interest.

The coalition government is pursuing a policy of elimination of general subsidies which tend to benefit the rich more than the poor, and replace these with targeted subsidies for the poor and vulnerable communities alone. The Benazir Income Support Programme has been internationally recognised as a flagship poverty alleviation programme with targeted subsidies to the poor. Fifty billion rupees have been budgeted to benefit the targeted poor, under this programme. Support to the poor and lower middle class, extended through multiple platforms like Zakat and Ushr, Baitul Mal and micro-finance credit schemes also remain in place.

Steps have also been initiated by the coalition government to help the middle class by raising the exemption limit of income tax to Rs 300,000 per annum. This has directly benefitted 780,000 middle class individuals and over four million of their family members. Our government's decision to increase the salaries of the armed forces and law enforcement agencies by 100 per cent directly benefitted over one million individuals and over five million of their family members. Similarly, our decision to increase the salaries of federal employees by 50 per cent directly benefitted 600,000 individuals and around three million of their family members.

The government also moved to benefit the majority of our people in the countryside by correcting the procurement prices of wheat and bringing it to Rs 950 per 40 kgs. This move has brought prosperity in large parts of our country and helped the farmers. This policy also led Pakistan to a record production of 24 million tons of wheat and the potential to become a net exporter for the first time in six years. Currently Pakistan has sufficient stocks of almost nine million tons of wheat. Similarly, the intervention price introduced for rice led to an increase in rice production from 5.5 million to 6.9 million in just one year. Cotton production increased as well from 11.6 million to 11.8 million bales. Therefore, it is clear that all agricultural indicators and the consequent boom in the rural economy have vindicated our original stance despite your party's skepticism.

Industrial growth, in recent times, has been hampered largely by the energy crisis. Our view is that the seeds of Pakistan's current energy deficit were sown in the aftermath of BB Shaheed's second term in power. The PPP led

government of the time introduced a prescient power policy which added 5653 MW to the national grid in a record span of three years. The IPPs were given terms that ensured that the government of Pakistan would be procuring energy from them at a uniform rate of 6.5 cents per KW - a price that would be locked in for a period of 20 years - compared to 18 cents per KW today. The failure of successive governments after the dismissal of ours to attract investment in this sector has created a supply shortage that will take time to clear. Today, unfortunately, there is no magic wand that can be waved to restore investors' confidence and remove the deficit of 15 years, overnight.

It was also BB Shaheed's foresight that her government arranged in the 1990s, international funding and initiated work on a major hydel project, Ghazi Barotha. Had the democratic process been allowed to complete its natural course, Pakistan would have certainly been a beneficiary today.

We believe that a more balanced energy mix is essential for Pakistan's future. Therefore, we are vigorously pursuing alternate sources of energy including the Thar coal gasification project, the completion of the Diamer Bhasha Dam, and for the first time in our country's history - wind power production. The last PPP government had laid the foundations of a new regional energy policy. During my recent visit to Turkmenistan, we signed the historic Turkish-Afghanistan-Pakistan-India gas pipeline which has cemented the future energy corridors for the region.

I do share your concern for the increase in POL and electricity prices. But we need to appreciate that POL prices in Pakistan are linked directly to international market prices, and are free of government interference. A subsidy can only lead to the fiscal indiscipline that Mr Dar referred to as finance minister, and will contribute to inflation indirectly by increasing the fiscal deficit.

On the issues of accountability and transparency, the sincerity of the government can be judged by our appointment - for the first time ever - of the Leader of the Opposition as chairman of the Public Accounts Committee in the National Assembly. I hope that the Leader of the Opposition has apprised you of all the support and cooperation that the government extends to his office. We are also fulfilling our constitutional obligation to ensure oversight of public finances by strengthening the office of the Auditor General.

In regard to your concerns about the delay in the passing of the Ehtesab Bill, let me point out that a bill to repeal the National Accountability Ordinance 1999 and to enact new law of accountability was introduced in the National Assembly in April, 2009. The bill was discussed by the committee in more than thirty meetings after it was tabled in the National Assembly. A report of the committee was submitted in the National Assembly. However, members of the PML-N protested on the grounds that their amendments had not been fully incorporated in the proposed law, as was reported by the committee. In this backdrop, the chairperson of the standing committee decided to reconsider the bill and to deliberate upon the outstanding issues arising out of the dissenting

note of PML-N members. It is hoped that the matter will be resolved in one or two sittings of the committee to enable the submission of a final report.

As I mentioned at the outset of my letter, we believe that a serious challenge facing Pakistan today is the menace of terrorism and extremism. It is tearing apart the fabric of our society and hindering progress and prosperity. I would be glad to hear your views and recommendations in dealing with this issue.

Let me conclude by expressing my deep gratitude to you for sharing your concerns as head of a political party that is in government in our largest province. The Pakistan Peoples Party has always maintained that you could have played a more effective role as an elected member of parliament and that we would have benefited from your guidance more frequently as is the norm in a parliamentary system.

Reconciliation remains the guiding policy of our party. And it is in this spirit that I once again extend a hand to you and your party to work with the government on its reform agenda in the collective national and democratic interest. I propose that you nominate representatives from amongst your senior leadership to carry this dialogue forward so that we can jointly take the difficult decisions required to take our country forward.

I look forward to our continuing cooperation.

With profound regards,
Yours Sincerely,
(ASIF ALI ZARDARI)

Source: Daily Times, 20 December 2010.

www.dailytimes.com.pk

MID-TERM ASSESSMENT OF THE QUALITY OF DEMOCRACY: Executive Summary PAKISTAN 25 March 2008 – 24 September 2010

An Overview of the Quality of Democracy

As the current democratic elected Parliament and the Government of Pakistan complete half of their constitutionally mandated term of 5 years on September 16 and September 24, 2010 respectively, the Democracy Assessment Group (DAG), convened by the Pakistan Institute of Legislative Development And Transparency - PILDAT, has undertaken a Mid-Term Assessment of the Quality of Democracy in Pakistan. This is a pioneering effort to apply an international framework for the Assessment of the Quality of Democracy in Pakistan.

The Framework of Assessment

The Framework for the Assessment for the Quality of Democracy, based on the experience of democracies around the world, was created by the Democratic Audit, UK, an independent research organisation that draws upon a wide range of collaborators from academia, journalism, the legal profession and elsewhere, and later refined by the Sweden-based International Institute of Democracy and

Electoral Assistance (I-IDEA). The framework rests on the following four pillars:

1. State-Citizen Relationship
2. Representative and Accountable Government
3. Civil Society and Popular Participation
4. External Influences on and of the country's Democracy or Democracy beyond the State.

Each of these pillars is further supported by a number of sub-pillars. There are a total of 15 sub-pillars associated with all the four pillars. Each of the sub-pillars is expressed in the form of an over-arching question. There are a number of questions associated with each sub pillar or under each over-arching question which need to be answered by assigning a score from 1 to 5; 1 being the lowest score and 5 as the highest score. There are a total of 75 questions and therefore a maximum score of 375. The greatest weightage in the entire framework is that of the Representative and Accountable Government pillar and it accounts for 45% of the total score. The State-Citizen Relationship pillar has a weightage of 29% followed by the Civil Society and Popular Participation, with a weightage of 16%, while the External Influence on and of the Country's Democracy has a weightage of 10%. The details of the framework are attached as *Appendix A*.

The Report on the Mid-Term Assessment of the Quality of Democracy in Pakistan

Before undertaking the scoring exercise, extensive data was collected relating to each of the 75 questions so that the Democracy Assessment Group could make informed and educated decisions while assigning score to each question. The collected data and its narrative discussion are compiled in the form of a Report which forms the basis and background to the actual assessment. The complete Report, to be released soon, forms the basis of the scoring exercise for each of the 75 aspects of the Quality of Democracy in Pakistan by the Democracy Assessment Group. The Executive Summary shares the scores, key analyses and the way forward.

The Democracy Assessment Group (DAG) and the National Workshops

Drawn from all provinces and regions of Pakistan, the 24-member Democracy Assessment Group or DAG represents the broad diversity of the Pakistani Society. Province, Gender, Profession, Language and Political Affiliation are some of the features of the DAG members' profiles which were kept in view while inviting them for this delicate exercise. The DAG has met a number of times before finalizing the Mid-Term Assessment. The framework and the assessment by the DAG have been shared in two national workshops comprising about 50 participants each from different walks of life in Pakistan. The 50 participants included the members of the DAG as well. The National Workshops

have discussed and endorsed the Assessment of the DAG. The matrix of DAG membership is attached as *Appendix B*.

Objectives of the Assessment

The main objective of the Assessment of the Quality of Democracy in Pakistan is to identify strengths and achievements and to also identify the weaknesses so as to propose reforms to address those weaknesses. The DAG and the National Workshops have proposed a reform agenda for the democratic system of Pakistan for wider discussion and debate and eventually for implementation by the relevant authorities.

Although a major part of the assessment framework deals with the policies and actions of the Government, the exercise is not focused on Government performance alone. A closer look at the 75 aspects of Quality of Democracy indicates that the society as a whole contributes to the quality of democracy. The assessment is also intended to reinforce the citizens' ownership of the democratic process and to highlight the need to continuously struggle to improve its quality.

The Mid-Term Assessment also sets a baseline for future assessments to measure progress or lack of it in the Quality of Democracy in Pakistan.

The Democracy Score Card and the Analysis of the Scores assigned in the Assessment

Overall Score

The Mid-Term Assessment of the Quality of Democracy in Pakistan has yielded an aggregate score of 172 out of a total of 375 which corresponds to 45% score. The Group had assessed the Quality of Democracy for the period prior to 2008 Election (Musharraf-era) in January 2010 and it had resulted in an overall score of 40%. In comparison, the Group had assessed the Quality of Democracy as it stood in January 2010 and had given a score of 48% at that time. The results of the assessment in September 2010 clearly point towards a slight deterioration in the Quality of Democracy since the beginning of the term of the present Government in March 2008 - a drop of just 3 per centage points from 48% to 45% in a span of 7 months.

The pillar receiving the highest score – Civil Society and Popular Participation

Out of the four pillars of the framework, the pillar of Civil Society and Popular Participation received the highest scores of 53%.

The Role of Media

The Role of Media as a sub-pillar received the highest score of 58%. Under this sub-pillar, the independence of media received a high score of 62%; representativeness of the media of the diversity of public opinion received a score of 67% and the investigative ability of the media and civil society received

a score of 62%. Relatively a lower score, i.e., 52%, was received by the freedom of private citizens from the intrusiveness of media which underscores the need for media to be a little more sensitive to the privacy of a citizen.

Political Participation

Political Participation by various groups of citizens received 52% scores but the Equality of Access for all social groups to public office received a low score of 42%.

The Degree of Decentralization

The Degree of Decentralization sub-pillar received a score of 47% indicating not a very satisfactory state. Within the sub-pillar, the degree of government's cooperation to involve grass-root organizations and citizens at the lowest level of Government received a score of 41% which indicates an unhealthy condition as far as the involvement of common people and grass-roots organizations at the lower levels of the Government.

The Citizen-State Relations pillar: the second highest score

The Citizen-State Relations pillar received 46% score which is slightly behind the highest score of 45% received by the Civil Society and Popular Participation pillar.

Common Citizenship without discrimination

Under the Citizen-State Relations, the Group scores indicate relative satisfaction about the current constitutional arrangements regarding the citizens' rights but some dissatisfaction with the arrangements to protect the non-Muslim minorities and vulnerable social groups. Public agreement on a common citizenship without discrimination received 61% score.

Rule of Law and Access to Justice

Rule of Law and Access to Justice receives a 43% score. Within this sub-pillar, the Group scores indicate dissatisfaction about the operation of the Rule of Law as it receives one of the lowest scores of 33%. The Independence of Judiciary, however, received high marks: 60%.

Civil and Political Rights

The Civil and Political Rights sub-pillar received 47% marks which does not indicate a satisfactory condition. Within the sub-pillar, the Group assigned one of the lowest marks, which is 34%, to the freedom from physical violation or even the freedom from the fear of physical violation.

Economic and Social Rights

The sub-pillar of Economic and Social Rights received a low score of 40%. The Group assigned low marks to the state of provision of basic necessities and services such as food, shelter, clean water at 31%, Healthcare at 33% and

Education at 41%. The Freedom of Trade Unions received a 49% score while the effectiveness of the Rules of Corporate Governance received a 48% score.

Representative and Accountable Government receives the second lowest score

The second lowest score has been assigned to the Representative and Accountable Government pillar. This pillar is the most important of the four pillars as it commands the greatest weightage of 45%. The DAG assigned 43% score to this pillar. An analysis of the scores assigned to the six sub-pillars under this pillar indicates that while the Representativeness of the Government receives relatively high scores, it is the Accountability part which does not fare well in the assessment.

Free and Fair Elections

The Free and Fair Elections sub-pillar received 50% score. The score indicates a satisfactory status with room for improvement.

Democratic Role of Political Parties

The Democratic Role of Political Parties sub-pillar also received a 51% score. The Group gave high marks (63%) for the freedom enjoyed by the political parties and 56% for their role in the formation and sustenance of the federal and provincial governments. The DAG, however, felt that the political parties are not yet sufficiently membership-based and organised entities and gave a rather low score of 39% to this aspect of the political parties. With regard to the financial needs and expenditures of political parties, the Group noted that, despite the legal requirements for financial reporting overseen by the Election Commission, there is notable absence of credibility. The scope for introducing a fair system of State funding of political parties, as in several other countries, deserves serious consideration. This aspect of the political parties received 40% marks.

Effective and Responsive Government

This sub-pillar received a rather low score of 38% indicating that the Group does not consider that the present Government is effective and responsive. The score assigned to the Ability of the Government to solve the main problems confronting the society and their own ability to influence the government to do it received a low score of 31% indicating a weak level of confidence in the ability of the Government.

The Democratic Effectiveness of Parliament

The Democratic Effectiveness of Parliament sub-pillar received the highest score of 50% within this pillar. This score indicate that despite the pessimism often expressed about the role of the Parliament and the Political Parties in Pakistan, the DAG favourably viewed the constitutional and legal arrangements for the independence of the Parliament and the powers of oversight that it

enjoys. The Group, however, was not so sure about the effectiveness of the Parliament's role in the budget process especially the taxation proposals and this particular aspect received 38% score.

Civilian Control of the Military

The Civilian Control of the Military sub-pillar received the second lowest score of 35% within this pillar. The Effectiveness of Civilian Control over the Armed Forces received a low score of 26% which is one of the lowest score assigned to any question. This score calls for a serious reflection both by the civilian and military leadership. An elected, democratic government must be able to exercise credible and effective control of the military. In the opinion of the Group, Pakistan is far from this stage. However, the Group noted with satisfaction steady progress in making the composition of the Armed Forces more reflective of the social and regional composition of Pakistan. This particular aspect of the sub-pillar received 51% score.

Integrity in Public Life

The Integrity in Public Life sub-pillar received the least score (34%) not only within this pillar but also among the total 15 sub-pillars of the entire framework. This low score indicates that in the opinion of the DAG, the current constitutional and legal arrangements to ensure the integrity in public office are unsatisfactory and there are questions about the conduct of the public office holders and that this conduct does not evoke public trust. The public confidence in Public Officials and Services received a low score of 28%.

External Influence on and of the Country's Democracy: received the lowest score

The analysis of the Assessment of the Quality of Democracy in Pakistan reveals that the External Influence on and of the Country's Democracy gets the lowest score of 38% among the four pillars.

External Influences on the Country's Democracy

43% is the score assigned to the Supportiveness of the External Influence on the Country's Democracy indicating that the Group does not consider that the net effect of the external influences is very supportive for the Democracy in Pakistan. This score indicates that there is a considerable negative impact of factors external to the country on the Quality of Democracy in Pakistan. This low score of 35% indicates that, in the opinion of the Group, the external influences are undermining or compromising the Democratic Process and the National Interest of Pakistan. The assessment also indicates that the current level of Parliamentary Oversight on the country's negotiating positions at the international forums or in bilateral relations and international commitments is far from satisfactory. The Group assigned 32% score to this particular aspect.

Pakistan's Democratic Impact Abroad

A relatively better score (45%) was received by Pakistan's efforts to support democracy and human Rights abroad. A complete Score Card using the Framework is placed at *Appendix C*.

KEY MESSAGE OF THE ASSESSMENT

The key message of the Mid-Term Assessment of the Quality of Democracy in Pakistan is that the status of Constitutional and institutional arrangements of Democracy are comparatively better than in most parts of our history. Today, we have the basic ingredients of Democracy in place such as an independent Judiciary, independent and diverse media, a sovereign and inclusive Parliament in which the opposition is given an important role and a free open civil society. But the state of governance, rule of law, accountability and integrity in public office are not satisfactory and need urgent improvement.

Challenges Facing Democracy upon its Restoration in March 2008

In the opinion of the Democracy Assessment Group, Democracy has made some impressive gains during the past two and a half years despite various difficulties and challenges at the very outset. These difficulties should not be ignored while ascertaining the accomplishments and weaknesses of the democratic era. The major challenges facing Democracy in Pakistan in March 2008 included the following:

- A. An extremely weak democratic culture inherited from the previous government which depended on one powerful individual, General Pervez Musharraf, who happened to be the President of Pakistan as well as the Chief of Army Staff rather than on democratic institutions such as the Parliament, Provincial Assemblies, Judiciary and the Election Commission.
- B. Democratic institutions were weak and demoralized.
- C. Federation-Province Relations lacked harmony especially the people of Balochistan who were extremely disenchanted with the Federal Government due to the policies followed by the Government of General Musharraf.
- D. The superior Judiciary was sacked by General Musharraf without any lawful authority and the country was facing street agitation when the new democratic era began.
- E. The Civil-Military relations were at their lowest level due to the long, unjust and illegitimate rule of General Musharraf which was resented by the people. The Military as an institution was brought to disrepute by the policies of General Musharraf.
- F. The Rule of Law was significantly disrupted because General Musharraf twice suspended Constitutional provisions, heavily manipulated the 2002 Election by unlawfully using intelligence agencies to alter results and party alignments.
- G. Parts of the country were in the grip of insurgency which intensified due to the policies adopted by the Musharraf regime.

- H. Despite apparent economic stability, the economic crisis that began to set in during the last days of the Musharraf-led regime worsened especially during the period of the caretaker government that unwisely deferred increase in the price of oil for reasons of political expediency despite sharp rise in prices in the international market. Thus a huge deficit was inherited by the next Government.

Major Accomplishments of Democracy during the past Two and a Half Years

Some of the major accomplishments are as follows:

1. **Restoration of Judiciary:** Despite the apparent reluctance of the new democratic Government to restore the superior Judiciary sacked by General Musharraf, it was due to restored Democracy that street agitation demonstrated the power to force the Government to restore the Judiciary unconditionally and completely. Thus commenced a new era of an independent Judiciary.
2. **Unanimous passage of the 18th Constitutional Amendment:** The unanimous passage of the 18th Constitutional Amendment by the Parliament is one of the major accomplishments of Democracy during the past 30 months. The package of 100 amendments to 97 articles of the Constitution was debated for more than 9 months by a Special Parliamentary Committee on Constitutional Reforms consisting of the representatives of all political parties represented in the Parliament and was ultimately unanimously passed by both Houses of the Parliament. The package of amendments is a rare feat as it created consensus among various parties on some of the most divisive issues in the country such as Provincial Autonomy and giving a new name of Khyber Pakhtunkhwa to the North West Frontier Province. The Amendment restored the Parliamentary character of the Constitution, strengthened the Parliament and Provincial Assemblies, strengthened Fundamental Rights and minimised personal discretion.
3. **7th National Finance Commission (NFC) Award:** Serious differences in the past among the provinces had prevented a consensus on a new formula to divide the financial resources between the Federation and the Provinces and among the provinces. The last consensus award was made possible in 1996 during a caretaker government. The 7th NFC Award formally notified on May 10, 2010 was historical in the sense that it was for the first time that the provinces had agreed on multiple criteria for the distribution of resources among the provinces unlike the sole criteria of population that was followed in the past to the great dismay of three smaller provinces. It was also historical because for the first time the share of the provinces became larger than the federal share. The Federation share will be 44% during 2010-11 and 42.5% from the year 2011-2012 onwards. Such a consensus among so many parties ruling in various provinces and at the Centre would not have been possible without the democratic spirit.

4. **Making the Public Accounts Committees (PACs) more effective:** For virtually the first time in recent history of Pakistan the Government agreed to the election of a member of the Opposition as the Chairman of the Public Accounts Committee in the 13th National Assembly, in line with internationally-established democratic traditions. The same practice was followed in the case of at least one of the two PACs in the Punjab Assembly.
5. **Recognition of the Role of Opposition in the Parliament and the Provincial Assemblies:** The ruling coalition in the Centre did not insist on getting their members elected as chairs of all the parliamentary committees in the National Assembly. As another unprecedented first, more than 25 per cent of the parliamentary committees' chairs represent the Opposition parties.
6. **Constructive Role of the Opposition:** The PML-N is the main opposition party in Pakistan. Despite some serious differences with the PPP which heads the coalition government in the federation, the PML-N, in a clean departure from the past, does not try to remove the government through agitation or intrigues. The opposition, in fact, has supported the government at times facing the taunts of friendly opposition. The PML-N leader Nawaz Sharif publicly distances himself from the acts which appear to be expanding the sphere of influence of the military at the expense of the civil government. It is one of the major accomplishments of democracy that such a mature level of accommodation and tolerance prevails in the country.
7. **Aghaz-e-Huqooq-e-Balochistan:** In view of the long-standing grievances of the people of Balochistan, the federal government announced a 30-point special package of reforms and development for the province in November 2009 with the title of Aghaz e Huqooq e Balochistan. Even though this package is a major initiative and has the potential to promote reconciliation and harmony in the Federation-Province relations, it has not satisfied everyone in Balochistan.
8. **Gilgit-Baltistan Empowerment and Self-Governance Order, 2009:** The order signed by the President of Pakistan Mr. Asif Ali Zardari on September 7, 2009 (post-1947 called Northern Areas) introduces several administrative and legislative reforms. The Government of Pakistan conducted election to the GB Legislative Assembly following the promulgation of the order. The Order addresses at least some of the long-standing demands of the people of Gilgit-Baltistan and expands the sphere of democracy to this region. Political parties of Azad Jammu and Kashmir have expressed strong reservations on this initiative.

Challenges to Democracy and Key Areas of Concern

There remain many challenges to Democracy in Pakistan. Recognising that democracy was restored only two and a half years ago and that the repeated interruptions in the democratic process by military or quasi military interventions have rendered the democratic institutions fragile and weak,

Democracy in Pakistan is vulnerable and far from secure and stable. It is therefore important that the challenges being faced by Democracy today are identified and highlighted for a wholesome analysis on the State of Democracy in Pakistan and for consideration and action by all citizens of Pakistan and especially the Government and its various branches including the Judiciary and the Armed forces.

1. Socio-Economic Challenges

The challenges in the social and economic sectors pose the most potent threats to fragile democracy. The country's low ranking in the global human development index and our failure to achieve most of the targets set by the Millennium Development Goals reflect the neglect of the fundamental priorities of education, health and basic services for the overwhelming majority of the people. Disruption and at times complete suspension of basic public services such as electric power, gas and water are cruel manifestations of poor planning, economic mismanagement and absence of a strategic vision.

High inflation in the prices of essential items, a low growth rate fuelling unemployment and everexpanding losses of State-owned enterprises are some of the other serious challenges. The unprecedented floods in July-August 2010 have destroyed homes and a large part of the infrastructure. Destruction of crops, livestock and stored grains have set the country back by many years. The on-going insurgency especially in the areas adjoining Afghanistan adds a huge economic burden to the national economy. All these challenges add up to a formidable challenge to Democracy when people may tend to explain the economic hardships as an outcome of democracy. A strict economic discipline, adopting austerity measures at all levels including the most visible ones at the top to set good example, thoughtful planning, winning confidence and trust of the international donors to support Pakistan are some of the immediate measures needed to avert a public backlash on democracy.

Far more financial resources exist within the country than are being applied to provide basic services to citizens. When voters are pre-occupied with fundamental problems of daily life, they are unable to give democratic processes the attention they deserve. One essential way to change this for the better is to ensure that those citizens who are liable to pay taxes do so on a regular basis. Presently, for a country of its size and relative status, Pakistan has one of the lowest tax-to-GDP ratios in the world at about only 9 per cent. Millions of non-salaried citizens evade taxes through under-reporting, mis-reporting or nonreporting of taxable income and assets. The Federal Board of Revenue and all other Federal and Provincial authorities need to reduce their own internal inefficiencies and collusion with tax-evaders in order to substantially raise revenue-collection. Enhanced financial resources invested in education, health and human resource development will deepen and strengthen the relationship between the citizen and democracy.

2. Terrorism affecting Pakistan's Democracy in the 21st Century

While the economic and socio-economic costs of terrorism in Pakistan run into billions and the price paid in human lives is incalculable, the effect of terrorism on Pakistan's democracy is equally palpable. This is especially evident in the plummeting confidence of the people in the elected Government's capacity to enforce law and order. The Armed Forces are reported to complain of a lack of effective, comprehensive follow-up action by the civil Government in areas where they have conducted clean-up operations against terrorists and militants.

3. Perceptions of Corruption and delay in instituting an Accountability Mechanism

Prime Minister of Pakistan, Syed Yusuf Raza Gilani, in his very first speech in the National Assembly on March 29, 2008, promised to disband the National Accountability Bureau (NAB) and create instead an independent Accountability Commission as envisaged in the Charter of Democracy signed by the PML-N and the PPP leaders. Two and a half years down the line, this unfulfilled promise is one of the greatest failing of the current Government and to some extent of the Parliament which has allowed the Holders of Public Offices (Accountability) Bill 2009 to stay with the National Assembly Standing Committee on Law, Justice and Parliamentary Affairs for over 17 months since its introduction in the National Assembly on April 15, 2009. While the law is far from passed, the existing accountability mechanism in the form of the NAB is in limbo.

The Government, the Opposition, and the Parliament as an institution, must act fast on creating an effective and independent Accountability mechanism by passing a law that provides for speedy accountability and is immune to all types of influence. The sustainability of Democracy in Pakistan is closely and directly related to the existence of such an Accountability mechanism. Corruption was used as a key argument for the dismissal of at least 6 governments in the past 30 years in Pakistan. Providing a credible accountability mechanism will rob any future adventurer of the pretext of corruption to disrupt democracy. Pakistan, as a signatory to United Nations Convention Against Corruption (UNCAC) has international obligations, too, to move effectively and speedily for the establishment of a Credible Anti-Corruption mechanism.

A weak and inefficient mechanism of accountability of the holders of public office undermines democracy, given Pakistan's peculiar context in which democracy gets derailed every few years. If the Government fails to establish an effective mechanism of accountability, the democratic system will be imperilled, regardless of how strongly are the pro-democracy forces in the country.

4. A weak Performance Legitimacy of the Government

While carrying out a general discussion of factors that affect the quality of democracy in Pakistan, the Democracy Assessment Group emphasised the role that performance plays in legitimizing democracy. Performance failure of a democratic government is seen as the failure of democracy and one of the

greatest threats to Pakistan's democracy is the Government's performance. Given the challenges that Pakistan faced today, performance legitimacy is all the more important.

5. Perception of Confrontation between the Supreme Court and the Government

Since the July 31, 2009 judgment of the Supreme Court of Pakistan on the National Reconciliation Ordinance (NRO), a confrontational relationship appears to be emerging between the elected Government and the Supreme Court of Pakistan, especially on the question of the Government's implementation of the Court's NRO judgment. The mechanism of Parliamentary Scrutiny and a Judicial Commission provided for in the 18th Amendment for the appointment of Judges has added another point to the possible areas of divergence between the Executive and the Judiciary and between the Parliament and the Judiciary. The confrontation between two state institutions does not augur well for democracy and may develop deeper implications for the continuity of democracy in Pakistan especially if the military steps into the foray as well.

6. Weak Political Parties and Intra-party Democracy

Lack of institutional decision making and a lack of democracy within political parties has been termed as one of the key features that hamper the Quality of Democracy in Pakistan. Until the passage of the 18th Constitutional amendment in March 2010, there existed Constitutional legal requirements that forced political parties to hold internal elections, even though those were widely perceived to be often sham and lacking legitimacy. The 18th Constitutional amendment did away with the Constitutional obligation to hold inter-party elections even though legal requirements to do so remain in place. Until political parties promote a democratic a genuinely democratic internal culture and conduct reforms with robust internal democratic decision-making mechanisms, the quality of democracy will remain compromised. There is also a need for political parties to increase their popular base beyond narrow ethnic and regional limits.

7. The Need to strengthen Parliamentary Oversight of the Executive

Parliament is the key legitimate forum to carry out an effective oversight over the executive. There was consensus on the need to strengthen the role of parliamentary committees and the allocation of funds by the government for them to carry out their work. This includes effective oversight of the Defence sector which is crucial especially in Pakistan's peculiar civil-military relations. The existing bi-partisan Parliamentary Committee on National Security should conduct oversight of the intelligence apparatus. Despite the existence of 41 Standing Committees in the National Assembly there is a need to address public concerns at the tendency to use most of these committees for narrow, partisan purposes and for grand standing exercises rather than to achieve authentic improvements in oversight.

8. The Perception of Inadequate Dividends of Democracy for Public

Democracy in Pakistan will only be as strong as people would want it to be. However people increasingly feel that democratic governments are equally incapable of resolving their problems as non-democratic ones. Hence, they have very little attachment to democracy and do not respond adequately to threats to democracy. This problem needed to be resolved at a societal level.

9. The Need to Channelize the Potential of Youth for Democracy

70% of the population of Pakistan is below 30 years of age, while 45% is below the age of 15 years. The youth demographics alone, if ignored, pose a huge challenge and an opportunity in Pakistan. If youth's potential is not harnessed, especially for democratic participation, interest and relevance of democracy, youth can become a recruiting source for extremism ideologies.

10. Role and Responsibility of the Media

Even though the media have played a pivotal role in empowering people with the information that is essential for a functioning democracy, there is a distinct sense of concern at the imbalance and excesses of news media in covering the political process, in reporting violence and in fostering national self-esteem. There is a need for both media and Government to ensure voluntary practice of codes of conduct that already exist and to implement the existing law for a Press Council.

The Way Forward

During the process of this assessment and during the consideration of the results of this assessment, the Group was unanimous in the firm belief that the way forward for Pakistan is to sustain, refine and strengthen the democratic system.

Disappointment at the performance of elected legislatures and governments in a particular phase cannot become the justification for abandoning the democratic process.

More than ever before, any disruption of the democratic process at this stage in the country's precarious and vulnerable situation is bound to produce adverse consequences.

The low over-all score of 45% is, on the one hand, accurate and, on the other, it is also misleading.

The low score is accurate in so far as it correctly reflects a widespread sense of disillusionment and dissatisfaction with the performance of elected governments for two and a half years. This despondency applies to the performance of Federal as well as Provincial governments, irrespective of which political parties or coalitions are in office.

At the same time, the low score is misleading because it does not adequately or holistically reflect the fact that in the very same two and a half years, the elected legislatures have transformed the mutilated, authoritarian dimensions of the original much-amended 1973 Constitution into an

authentically new Parliamentary framework. By adopting the 18th Amendment, the Federal legislatures have actually advanced along the democratic path far more than even the 1973 Constitution did. For the first time in Pakistan's 63-year history, Provincial autonomy and the true principles of Federalism have been categorically enshrined. By also forging a consensus to equitably share revenues through the new National Finance Award the elected governments have demonstrated the capacity to transcend narrow interests for the larger cause of national cohesion.

Yet it is the next phase that becomes the far more formidable challenge.

This is the challenge of translating this new Constitutional framework and consensus sanctified on paper into concrete, practical, visible benefits which are seen and felt by citizens in every sphere of their lives, and thus make a measurable difference.

The way forward, therefore, is to use democracy to conduct comprehensive reforms, to significantly improve governance, ensure transparency and accountability, and enforce the rule of law without fear or favour.

The elected legislatures monitored by vigilant citizens and media, supported by an independent judiciary have prime responsibility to initiate this elemental change.

If, however, democracy continues to be used to perpetuate corruption and nepotism, prolong malpractices and mis-governance, it is not just democracy which will face old or new threats. The very existence of Pakistan will be put at grave risk. Mere continuation of past trends and repeated resort to partisan tactics will nullify the spirit and substance of the historic Constitutional transformation and the admirable consensus on the distribution of finances.

Any survey of the way forward for democracy has to be cognizant of the enormous impact of the catastrophic floods of August 2010. This calamity has wreaked huge damage to agriculture and food security, to physical infrastructure and to the livelihoods of about 20 million Pakistanis. The aftermath will shape economic conditions and effect our entire administrative and governance systems for the next several years.

This is precisely why sustaining democracy at this time becomes even more important. It is only the participation of the people themselves and active role of their elected representatives in taking decisions that affect the process of recovery and rejuvenation which will facilitate fair, orderly and enduring reconstruction and renewal.

The way forward is to place the citizen, and not the rulers, at the apex of pelf, privilege and public policy. This is only possible through sustained democracy.

A democratic Pakistan alone is a secure Pakistan.

Source: Mid-Term Assessment of the Quality of Democracy in Pakistan, March 25, 2008 – September 24, 2010, Executive Summary, Pakistan Institute of Legislative Development And Transparency (Pildat), Islamabad, 2010, pp.7-18.

III: Judiciary

Text of SC order on 18th Amendment

IN THE SUPREME COURT OF PAKISTAN

(Original Jurisdiction)

PRESENT:

MR. JUSTICE IFTIKHAR MUHAMMAD CHAUDHRY, HCJ

MR. JUSTICE JAVED IQBAL

MR. JUSTICE MIAN SHAKIRULLAH JAN

MR. JUSTICE TASSADUQ HUSSAIN JILLANI

MR. JUSTICE NASIR-UL-MULK

MR. JUSTICE RAJA FAYYAZ AHMED

MR. JUSTICE MUHAMMAD SAIR ALI

MR. JUSTICE MAHMOOD AKHTAR SHAHID SIDDIQUI

MR. JUSTICE JAWWAD S. KHAWAJA

MR. JUSTICE ANWAR ZAHEER JAMALI

MR. JUSTICE KHILJI ARIF HUSSAIN

MR. JUSTICE RAHMAT HUSSAIN JAFFERI

MR. JUSTICE TARIQ PARVEZ

MR. JUSTICE MIAN SAQIB NISAR

MR. JUSTICE ASIF SAEED KHAN KHOSA

MR. JUSTICE GHULAM RABBANI

MR. JUSTICE KHALIL-UR-REHMAN RAMDAY

CONSTITUTION PETITIONS NOs. 11-15, 18-22, 24, 31, 35, 36, 37 & 39-44/2010, CM APPEAL NO 91/2010, HRC Nos.20492-P &22753-K/10 and Civil Petition No. 1901/2010 (On appeal from the order of PHC, Peshawar dt:16.6.10 passed in W.P. No. 1581/10)

Nadeem Ahmed Advocate: PETITIONER

In Const. P.11/2010) Distt. Bar Association, Rawalpindi .. PETITIONER (In Const. P. 12/2010)

Watan Party through its Chairman .. PETITIONER

(In Const. P. 13/2010)

Supreme Court Bar Association.. PETITIONER

(In Const. P. 14/2010)

Muhammad Ijazul Haq.. PETITIONER

(In Const. P. 15/2010)

Const.P.11/2010 etc. 2

Lahore High Court Bar Association.. PETITIONER

(In Const. P. 18/2010)

Lahore High Court

Rawalpindi Bench Bar Association.. PETITIONER

(In Const. P. 19/2010)
 Pakistan Lawyers Forum.. PETITIONER
 (In Const. P. 20/2010)
 Sardar Khan Niazi.. PETITIONER
 (In Const. P. 21/2010)
 Shahid Orakzai.. PETITIONER
 (In Const. P. 22/2010)
 M. Kowkab Iqbal.. PETITIONER
 (In Const. P. 24/2010)
 Al-Jehad Trust.. PETITIONER
 (In Const. P. 31/2010)
 District Bar Association Sangarh.. PETITIONER
 (In Const. P. 35/2010)
 District Bar Association Gujrat.. PETITIONER
 (In Const. P. 36/2010)
 District Bar Association Sialkot.. PETITIONER
 (In Const. P. 37/2010)
 Arshad Mahmood Bago etc. .. PETITIONER
 (In Const. P. 39/2010)
 Dr. Abdul Hafeez Pirzada.. PETITIONER
 (In Const. P. 40/2010)
 Dr. Muhammad Aslam Khaki.. PETITIONER
 (In Const. P. 41/2010)
 Shamshad Ahmed Mangat.. PETITIONER
 (In Const. P. 42/2010)
 Julious Salik.. PETITIONER
 (In Const. P. 43/2010)
 Concerned Citizens of Pakistan etc. .. PETITIONER
 (In Const. P. 44/2010)
 Application by Lawyers of Hazara Division.. APPLICANT
 (In HRC No. 20492-P/10)
 Application by Baba Sardar Haider Zaman.. APPLICANT
 (In HRC No. 22753-K/10).
 Const.P.11/2010 etc. 3
 Shahid Orakzai.. PETITIONER
 (In C.P. 1901/10).
 Watan Party through its Chairman.. APPELLANT
 (In CM Appeal No. 91/2010 in Const. P. NIL/2010)
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 (Const. P. 11/2010)
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 Barrister Natalia Kamal, Adv.

Barrister Sajeel Shehryar, Adv.
Barrister Ahmed Kamran, Adv.
M. Ishaque Shah, Adv
Hafiz Muhammad Naeem, Adv
Ms. Sameen Khan, Adv
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(Const. P. 12/2010) Mr. Arshad Ali Chaudhry, AOR
Assisted by Syed Masood Hussain, Adv.
Ch. Muhammad Bashir, Adv.
Mr. Mudassar Ikram Ch., Adv.
Mr. Shoaib Shahid, Adv.
For the petitioner: Barrister Zafarullah Khan, Sr. ASC
(Const. P. 13/2010 &
CM Appeal No. 91/2010)
For the petitioner: Mr. Hamid Khan, Sr. ASC
(Const. P. 14, 18, 35 & 36, Mr. Rashid A. Rizvi, Sr. ASC
37 & 39/2010) Mr. Ahmed Awais, ASC
Mr. M.S. Khattak, AOR
Assisted by Mr. Waqar Rana, Adv.
Mr. Sikandar Khan, Adv.
Mr. Taimur Inayat Malik, Adv.
For the petitioner: Mr. M.A. Ghaffarul Haq, ASC
(Const. P. 15/2010) Mr. Arshad Ali Chaudhry, AOR
For the petitioner: Syed Zulfiqar Abbas Naqvi, ASC
(Const. P. 19/2010) Mr. Arshad Ali Chaudhry, AOR
Petitioner: Mr. A.K. Dogar, Sr. ASC.
(Const. P. 20/2010)
Petitioner: Sardar Khan Niazi, In Person
(Const. P. 21/2010)
Petitioner: Mr. Shahid Orakzai, In Person
(Const. P. 22/2010 & C.P. 1901/10)
Petitioner: Mr. M. Kowkab Iqbal, ASC, In Person
(Const. P. 24/2010)
Petitioner: Mr. Habib-ul-Wahab-ul-Khairi, ASC,
(Const. P. 31/2010) In Person
For the petitioner: Dr. Abdul Hafeez Pirzada, Sr. ASC,
(Const. P. 40/2010) In Person
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Mr. Hamid Ahmed, Adv.
Ms. Saleha Hyat, Adv.
Barrister Abdul Sattar Pirzada, Adv.
Petitioner: Dr. Muhammad Aslam Khaki, ASC,
(Const. P. 41/2010) In Person

For the petitioner: Mr. Hashmat Ali Habib, ASC
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 Assisted by Mr. Zahid Hussain Malik, Adv.
 For the petitioner: Mr. Zulfiqar Ahmed Bhutta, ASC
 (Const. P. 43/2010) Mr. Ejaz Muhammad Khan, AOR.
 For the petitioner: Mr. Rasheed A. Rizvi, Sr.ASC
 (Const. P. 44/2010) Mr. M.S. Khattak, AOR.
 For the Applicant: Nemo (HRC. 20492-P/10)
 For the Applicant: Nemo (HRC. 22753-K/10)
 On Court notice: Moulvi Anwarul Haq, Attorney General for Pakistan,
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 Mr. Yousaf Leghari, A.G. Sindh
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 Dr. Salahuddin Mengal, A.G. Balochistan
 Const.P.11/2010 etc. 5
 Mr. Mahmood Raza, Addl. A.G. Balochistan
 Khawaja Haris Ahmed, A.G. Punjab
 Ch. Khadim Hussain Qaiser, Addl.
 A.G.Punjab Assisted by
 Mr. Raza Qureshi, Adv.
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 Barrister Ali Hassan Sajjad, Adv.
 Barrister Qamar Hassan Sajjad, Adv.
 Ms. Sambara Arbab Mungrani, Adv.
 (Const. P. 12/2010): Sardar Muhammad Ghazi, ASC
 Mr. Mehmood A. Sheikh, AOR
 (Const. P. 13, 19, 35/10 & Raja Muhammad Ibrahim Satti, Sr. ASC
 C.M.Appeal No. 91/10): Mr. Mehmood A. Sheikh, AOR
 Assisted by Ms. Shazia Yasin Hashmi, Adv.
 Mr. Usman Ibrahim Satti, Adv.
 (Const. P. 15/2010): Barrister Bacha Khan, ASC
 (For Federation) Mr. Mehmood A. Sheikh, AOR
 (Const. P.18, 21, 22, 37, 39 Mr. K.K. Agha, Adl. AGP
 & 42/2010): Mr. Mehmood A. Sheikh, AOR
 (Const. P. 24 & 41 /2010): Ch. Nasrullah Warraich, ASC
 Mr. Mehmood A. Sheikh, AOR
 (Const. P. 31/2010): Mr. Salahuddin Gandapur, ASC

Mr. Mehmood A. Sheikh, AOR
 (Const. P. 35/2010): Mr. Iftikhar-ul-Haq Khan, ASC
 Mr. Mehmood A. Sheikh, AOR
 (Const. P. 36/2010): Mr. Mushtaq Masood, ASC
 Mr. Naeem Masood, ASC
 Mr. Mehmood A. Sheikh, AOR
 (Const. P. 39/2010): Mr. Iftikhar Ahmed Mian, ASC
 Mr. Mehmood A. Sheikh, AOR
 (Const. P. 43/2010): Mr. Khurshid Ahmed Sodi, ASC
 Mr. Mehmood A. Sheikh, AOR
 Const.P.11/2010 etc. 6
 (For the Govt. of KPK: Syed Iftikhar Hussain Gillani, Sr. ASC
 (Const. P.13, 15, 20 & Mr. Shaukat Hussain, AOR (Absent) 24/2010)
 For the Govt. of Punjab: Mr. Shahid Hamid, ASC
 (Const. P. 14,18,35,36 Mr. Abid Aziz Sheikh, ASC
 & 37/2010) Assisted by
 Mr. Shujaat Ali Khan, Asst. A.G. Punjab
 Mr. Tahir Mahmood Khokhar, Adv.
 Ms. Aysha Hamid, Adv.
 For the Applicant Sahibzada Ahmed Raza Khan Qasuri,
 (in CMA No.1599/10) Sr.ASC, In Person
 For the Applicant Mr. Salman Akram Raja, ASC
 (in CMA Nos. 1859 & Assisted by
 1959/10) Syed Shahab Qutub, Adv.
 Mr. Waqas Mir, Adv.
 Ms. Aneesa Agha, Adv.
 Mr. Wasif Majeed, Adv.
 Ms. Sahar Bandial, Adv.
 Mian Bilal Ahmed, Adv.
 Malik Ghulam Sabir, Adv.
 For the Applicant Dr. Syed A. S. Pirzada, In person
 (in CMA No. 2681/10)
 Dates of hearing: 24-31/5, 1-3, 7-10/6, 5-8, 12-15, 19-
 22, 26-29/7, 2-5, 9-12, 16-19 & 23-
 25, 30, 31/8, & 1-2, 6-7, 27-30/9, 2010.

ORDER

Through these petitions, various petitioners have called in question the provisions of articles 1, 17, 17(4), 27, 38, 45, 46, 48, 51, 58(2)(b), 62, 63, 63A, 91, 106, 148, 175, 177, 93, 203C, 209, 219, 226, 245, 260 and 267A and insertion of Article 175A brought about through 18th Amendment in the Constitution.

2. It has been argued that the amendments made are violative of the salient features of the Constitution which according to them, are as under:

- (i) Parliamentary form of government;

- (ii) Democracy blended with Islam;
- (iii) Provision of fundamental rights; Const.P.11/2010 etc. 7
- (iv) Independence of Judiciary; and
- (v) Federalism.

3. Petitioners mostly have challenged the vires of Article 175A of the constitution, a reference to which would be in order:-

‘175A. Appointment of Judges to the Supreme Court, High Courts and the Federal Shariat Court.-

(1) There shall be a Judicial Commission of Pakistan, hereinafter in this Article referred to as the Commission, for appointment of judges of the Supreme Court, High Courts and the Federal Shariat Court, as hereinafter provided.

(2) For appointment of Judges of the Supreme Court, the Commission shall consist of—

- (i) Chief Justice of Pakistan; Chairman;
- (ii) Two most senior Judges of the Supreme Court; Member
- (iii) A former Chief Justice or a former Judge of the Supreme Court of Pakistan to be nominated by the Chief Justice of Pakistan, in consultation with the two member Judges, for a term of two years; Member
- (iv) Federal Minister for Law and Justice; Member
- (v) Attorney-General for Pakistan; Member, and
- (vi) A Senior Advocate of the Supreme Court of Pakistan nominated by the Pakistan

Bar Council for a term of two years.

Member

(3) Notwithstanding anything contained in clause

(1) or clause

(2) the President shall appoint the most senior Judge of the Supreme Court as the Chief Justice of Pakistan.

(4) The Commission may make rules regulating its procedure.

(5) For appointment of Judges of a High Court, the Commission in clause

(2) shall also include the following, namely:-

- (i) Chief Justice of the High Court to which the appointment is being made; Member
- (ii) the most senior Judge of that High Court; Member
- (iii) Provincial Minister for Law; and Member
- (iv) A senior advocate to be nominated by the Provincial Bar Council for a term of two years: Member

Provided that for appointment of the Chief Justice of a High Court, the most senior Judge of the Court shall be substituted by a former Chief Justice or former Judge of that Court, to be nominated by the Chief Justice of Pakistan in consultation with the two member Judges of the Commission mentioned in clause (2): Provided further that if for any reason the Chief Justice of the High

Court is not available, he shall also be substituted in the manner as provided in the foregoing proviso.

- (6) For appointment of Judges of the Islamabad High Court, the Commission in clause (2) shall also include the following, namely:-

- (i) Chief Justice of the Islamabad High Court;
and Member
- (ii) most senior Judge of that High Court: Member

Provided that for initial appointment of the Judges of the Islamabad High Court, the Chief Justices of the four Provincial High Courts shall also be members of the Commission.

Provided further that subject to the foregoing proviso, in case of appointment of Chief Justice of Islamabad High Court, the provisos to clause (5) shall, mutatis mutandis, apply.

- (7) For appointment of Judges of the Federal Shariat Court, the Commission in clause (2) shall also include the Chief Justice of the Federal Shariat Court and the most senior Judge of that Court as its members:

Provided that for appointment of Chief Justice of Federal Shariat Court, the provisos to clause (5) shall, mutatis mutandis, apply.

- (8) The Commission by majority of its total membership shall nominate to the Parliamentary Committee one person, for each vacancy of a Judge in the Supreme Court, a High Court or the Federal Shariat Court, as the case may be;
- (9) The Parliamentary Committee, hereinafter in this Article referred to as the Committee, shall consist of the following eight members, namely:-
- (i) four members from the Senate; and
 - (ii) four members from the National Assembly.

- (10) Out of the eight members of the Committee, four shall be from the Treasury Benches, two from each House and four from the Opposition Benches, two from each House. The nomination of members from the Treasury Benches shall be made by the Leader of the House and from the Opposition Benches by the Leader of the Opposition.

- (11) Secretary, Senate shall act as the Secretary of the Committee.

- (12) The Committee on receipt of a nomination from the Commission may confirm the nominee by majority of its total membership within fourteen days, failing which the nomination shall be deemed to have been confirmed:

Provided that the Committee may not confirm the nomination by three-fourth majority of its total membership within the said period, in which case the Commission shall send another nomination.

- (13) The Committee shall forward the name of the nominee confirmed by it or deemed to have been confirmed to the President for appointment.

- (14) No action or decision taken by the Commission or a Committee shall be invalid or called in question only on the ground of the existence of a

vacancy therein or of the absence of any member from any meeting thereof.

(15) The Committee may make rules for regulating its procedure.’

4. It has been argued that this provision is violative of one of the salient features of the Constitution i.e. independence of judiciary; that the judicial independence has nexus with the appointment process; that it is unworkable and impracticable inasmuch as the nominations made by the Judicial Commission are subject to scrutiny by the Parliamentary Committee which is empowered to confirm and forward the nominations of the Commission to the President for appointment under clauses (12) and (13) of Article 175A; that the Parliamentary Committee has been given veto powers and even a unanimous recommendation made by the Judicial Commission can be vetoed by six out of eight members selected from the Parliament; that the insertion of this new Article is a product of mala fides and that the process of appointment of Judges will have an adverse effect on judicial independence as it is likely not only to make the appointment process political but would even otherwise affect its structural insularity which is an essential element of judicial independence. It was argued that this Court has power of judicial review of constitutional amendments, if the basic structure/features or the core values have been tinkered with.
5. While praying for striking down the provisions under challenge, the concept of basic structure was pressed into service and it was maintained that the principle of substantive limits on the power to amend the Constitution has become a part of constitutional law in several liberal democracies. Reference was made to the judgments rendered by the Supreme Courts of India and Bangladesh where the amendments were struck down on the touchstone of basic structure. It was submitted that the basic structure of the Constitution of Pakistan was even acknowledged by this Court in *Mahmood Khan Achakzai v. Federation of Pakistan* (PLD 1997 SC 426) and *Syed Zafar Ali Shah v. General Pervez Musharraf*, Chief Executive of Pakistan (PLD 2000 SC 869) and even in *Wukala Mahaz Barai Thafaz Dastoor v. Federation of Pakistan* (PLD 1998 SC 1263) but the Court did not deem it proper to make it a touchstone to strike down a constitutional provision. These judgments, it was further argued, needed re-visiting.
6. Learned Attorney General for Pakistan, Maulvi Anwar-ul-Haq, learned Additional Attorney General, Mr. K. K. Agha and the learned counsel appearing for the Federation Mr. Wasim Sajjad, ASC defended the impugned provisions by submitting that the concept of basic structure as a touchstone to strike down a constitutional provision is alien to our jurisprudence and this Court may not like to review its own judgments as no good grounds have been canvassed so far, to warrant re-visiting. Learned counsel appearing for the Province of Punjab Mr. Shahid Hamid, ASC defended the impugned amendment. He, however, in all fairness, admitted that the enforcement of Article 175A may raise certain issues and it would

be in fitness of things if the matter is referred to the Parliament for reconsideration in terms of Article 267A of the Constitution.

7. We have considered the submissions made and have held extensive deliberations qua all the Articles under challenge. The Court at this stage would not like to express its opinion on the merits of the issues raised and arguments addressed and would rather, in the first instance, defer to the parliamentary opinion qua Article 175A on reconsideration by it in terms of this order. We would thereafter decide all these petitions adverting to all the issues raised therein.
8. The Court is conscious that it is a creation of the Constitution which envisages, inter alia, a structure of governance based on trichotomy of powers in terms of which the functions of each organ have been constitutionally delineated keeping in view the seminal concept of separation of powers. The political sovereign i.e. the people, being trustees of a 'sacred' trust in the distribution of powers under the Constitution, did not make Judges supreme arbiters on issues purely political. But they wanted the Judges to do 'right to all manner of people according to law, without fear or favour, affection or ill-will' (Oath under the Constitution). While examining the vires of Article 175A of the Constitution and its judicial enforcement, we are mindful of the mandate of the oath of office, its constraints and the fundamental principles which underpin judicial independence in the constitutional scheme envisaged by the founding fathers.

Judicial independence is one of the core values of our Constitution because it is inextricably linked with the enforcement of fundamental rights [Article 184 (3) and Article 199 of the Constitution] and the rule of law.

According an exalted position to this value, the Constitution in its very Preamble laid down that, 'the independence of the judiciary shall be fully secured'. The judiciary has not been made part of the Executive or the Legislature (Article 7), its separation from the executive was made a constitutional command [Article 175(3)] and right to 'fair trial' is acknowledged as one of the fundamental rights (Article 10A). To further buttress this objective, the process of appointment of judges (Article 177) and their removal (Article 209) was kept insulated from legislature and the opinions of the Chief Justice of Pakistan and Chief Justices of High Courts were given weight which now stand judicially defined by this Court in *Al-Jehad Trust case* (PLD 1996 SC 324). Judiciaries in all democratic setups are vulnerable to the power of legislatures to create, alter or impair judicial structures including the mode of appointing, removing and remunerating the Judges. In our country, like in some others as well, this power is tampered with constitutional guarantees that restrict legislative control over the judiciary. The Parliament was conscious of this scheme, because other than inserting Article 175A, it did not amend any other provision on which is built the edifice of judicial independence or the provisions relating to the functions of judiciary. Only the appointment process has been changed and

the avowed objective seems to be to strike a balance between judicial independence and democratic accountability/parliamentary oversight.

9. It was maintained by the learned counsel appearing for the Federation that the Parliament was motivated by higher considerations of liberal democracy, the rule of law and the independence of judiciary in passing the Eighteenth Amendment. Notwithstanding these noble objectives, serious apprehensions have been expressed that this provision may compromise judicial independence which require serious consideration. Following aspects of Article 175A, according to the petitioners, are likely to disturb the overall constitutional scheme qua judicial independence and the balance sought to be achieved through it, may be tilted in one way. Because:
 - (i) The Chief Justice of Pakistan is pater familias i.e. the head of judiciary. His opinion under the unamended provision was held by this Court [in *Al-Jehad Trust case* (PLD 1996 SC 324)] to have primacy in the consultative process initiated by the President for appointment of Judges. But under the newly inserted provision, the consultative process has been done away with and the Chief Justice has just one vote in the Judicial Commission whose recommendations can be rejected by the Parliamentary Committee.
 - (ii) The Law Minister and Attorney General who represent the Executive have been made members of the Judicial Commission with weightage equal to judicial members.
 - (iii) In the Parliamentary Committee in the name of parliamentary oversight, the Committee has been given the power to reject the recommendations of the Judicial Commission which would be tantamount to granting veto powers to it.
 - (iv) Four out of eight members of the Parliamentary Committee, though members of the Parliament are nominees of the Chief Executive i.e. the Prime Minister. The inclusion of the executive members in the afore-referred bodies has not only minimized the role of the judiciary in the appointment process but is likely to politicize the entire exercise and thereby impinge on the constitutional guarantees provided to ensure its insularity and to restrict the legislative and executive control over it.
 - (v) The issues of elevation of a Chief Justice of a High Court or Judge of the said Court to the Supreme Court, if brought before the Parliamentary Committee and discussed is likely to be violative of Article 68 of the Constitution, which stipulates that:
 'No discussion shall take place in [Majlis-e-Shoora (Parliament)] with respect to the conduct of any Judge of the Supreme Court or of a High Court in the discharge of his duties'.
 - (vi) There is a serious omission in clauses (9) & (10) of Article 175A as in the event of dissolution of the National Assembly, the composition of the Parliamentary Committee would be incomplete and there is no provision in *pari materia* to the third proviso to clause (2B) of Article 213 of the Constitution which stipulates that, 'When the National Assembly is dissolved and a vacancy occurs in the office of the Chief Election

Commissioner, the Parliamentary Committee shall comprise the members from the Senate only and the foregoing provisions of this clause shall, *mutatis mutandis*, apply’.

10. Most of the petitioners who had challenged Article 175A of the Constitution raised serious issues regarding the composition of the Judicial Commission and Parliamentary Committee and veto power given to the latter. It was contended that there was a well known practice, when the unamended provision was in vogue that Chief Justice would consult most senior Judges of the Supreme Court before finalizing the recommendations. Instead of bringing any drastic change, the said practice should have been formalized. It was, therefore, suggested during arguments that to ensure that the appointment process is in consonance with the concept of independence of judiciary, separation of powers and to make it workable, Article 175A may be amended in following terms:-

- (i) That instead of two most senior Judges of the Supreme Court being part of the Judicial Commission, the number should be increased to four most senior Judges.
- (ii) That when a recommendation has been made by the Judicial Commission for the appointment of a candidate as a Judge, and such recommendation is not agreed/agreeable by the Committee of the Parliamentarians as per the majority of 3/4th, the Committee shall give very sound reasons and shall refer the matter back to the Judicial Commission for reconsideration. The Judicial Commission upon considering the reasons if again reiterates the recommendation, it shall be final and the President shall make the appointment accordingly.
- (iii) That the proceedings of the Parliamentary Committee shall be held in camera but a detailed record of its proceedings and deliberations shall be maintained.

11. Mian Raza Rabbani, Advisor to the Prime Minister (Chairman of the Special Committee of the Parliament for Constitutional Reforms) while speaking on the floor of the National Assembly reiterated the resolve not to alter the core values of the Constitution when he said:

‘Madam Speaker! Before I go into the details of this Article, let me once again reiterate that one of the essential purposes rather two or three of the essential purposes which made up the basis for these constitutional reforms was to ensure that the fundamental principles of the Constitution are not altered’.

12. He was conscious of the apprehensions which some may have about the provision when at a subsequent occasion he stated that under the new system (Article 175A), a name for appointment as a Judge shall originate from the Chief Justice of Pakistan. Even learned Attorney General for Pakistan in his written submission affirmed this and stated, ‘the names of the recommendees will be initiated in the Judicial Commission by the Hon’ble Chief Justice of Pakistan in consultation with the other members/Hon’ble Judges of the Commission’ and that ‘in case of rejection

of nomination by the Parliamentary Committee, the said Committee shall have to state reasons which shall be justiciable'. But such fair concessions, it was argued, were not enough to fully allay the reservations expressed regarding this provision.

13. In view of the arguments addressed by the learned counsel, the criticism made with regard to the effect of Article 175A on the independence of judiciary and the observations made in paragraphs-8, 9 & 10 as also deferring to the parliamentary mandate, we would like to refer to the Parliament for re-consideration, the issue of appointment process of Judges to the superior courts introduced by Article 175A of the Constitution, inter alia, in the light of the concerns/reservations expressed and observations/suggestions made hereinabove. Making reference to the Parliament for reconsideration is in accord with the law and practice of this Court as held in *Hakim Khan v. Government of Pakistan* (PLD 1992 SC 595 at 621).
14. This is for the first time ever in our national, judicial and constitutional history that such a serious challenge has been thrown by a cross section of society including some premier Bar Associations of the country to a legislation which was no ordinary piece of legislation but was a constitutional amendment.

By making this unanimous reference to the Parliament for re-consideration, we did not consider the sovereignty of the Parliament and judicial independence as competing values. Both the institutions are vital and indispensable for all of us and they do not vie but rather complement each other so that the people could live in peace and prosper in a society which is just and wherein the rule of law reigns supreme. We can also not lose sight of the fact that we, as a nation, are passing through testing times facing multidimensional challenges which could be best addressed only through measures and methods where societal and collective considerations are the moving and driving force.

We had two options; either to decide all these petitions forthwith or to solicit, in the first instance, the collective wisdom of the chosen representatives of the people by referring the matter for reconsideration. In adopting the latter course, we are persuaded primarily by the fact that institutions may have different roles to play, but they have common goals to pursue in accord with their constitutional mandate.

15. Notwithstanding the pendency of these petitions, the constitutional provisions under challenge have come into effect. Prior to the Eighteenth Amendment, several appointments of Additional Judges have been made in various High Courts and the issue of fresh appointments is likely to come up in near future. In these circumstances and till such time these petitions are decided, Article 175A has to be given judicial enforcement by way of a construction which is in consonance with the other constitutional provisions underpinning judicial independence. While doing so we take note of the fair stand taken by Mian Raza Rabbani, Chairman of the Special Committee of

the Parliament for Constitutional Reforms and the Attorney General for Pakistan to which reference has been made in Para-12 above and hold that Article 175A shall be given effect to in the manner as under:-

- (i) In all cases of an anticipated or actual vacancy a meeting of the Judicial Commission shall be convened by the Chief Justice of Pakistan in his capacity as its Chairman and the names of candidates for appointment to the Supreme Court shall be initiated by him, of the Federal Shariat Court by the Chief Justice of the said Court and of the High Courts by the respective Chief Justices.
 - (ii) The Chief Justice of Pakistan as head of the Judicial Commission shall regulate its meetings and affairs as he may deem proper.
 - (iii) The proceedings of the Parliamentary Committee shall be held in camera but a detailed record of its proceedings and deliberations shall be maintained. The Parliamentary Committee shall send its approval of recommendations of the Judicial Commission to the Prime Minister for onward transmission to the President for necessary orders. If the Parliamentary Committee disagrees or rejects any recommendations of Judicial Commission, it shall give specific reasons and the Prime Minister shall send copy of the said opinion of the Committee to the Chief Justice of Pakistan and the same shall be justiciable by the Supreme Court.
16. All cases of fresh appointments of Judges of the Supreme Court, of the Federal Shariat Court, of the High Courts and of Additional Judges of the latter Courts shall be processed forthwith under Article 175A.
 17. To enable the Parliament to proceed and re-examine the matter in terms of the observations made above, these petitions are adjourned to a date in the last week of January, 2011.
 18. The Registrar of this Court shall send a copy of this order to the Chairman Senate, the Speaker of the National Assembly, Mian Raza Rabbani, Advisor to the Prime Minister/Chairman of the Special Committee of the Parliament for Constitutional Reforms and to the Secretary Law & Justice, Human Rights Division of Pakistan.

IFTIKHAR MUHAMMAD CHAUDHRY, CJ.

JAVED IQBAL, J. MIAN SHAKIRULLAH JAN, J.

TASSADUQ HUSSAIN JILLANI, J.

NASIR-UL-MULK, J.

RAJA FAYYAZ AHMED, J. MUHAMMAD SAIR ALI, J.

MAHMOOD AKHTAR SHAHID SIDDIQUI, J. JAWWAD S. KHAWAJA, J.

ANWAR ZAHEER JAMALI, J.

KHILJI ARIF HUSSAIN, J.

RAHMAT HUSSAIN JAFFERI, J. TARIQ PARVEZ, J.

MIAN SAQIB NISAR, J. ASIF SAEED KHAN KHOSA, J.

GHULAM RABBANI, J. KHALIL-UR-REHMAN RAMDAY, J.

Announced in Open Court on the 07 of October, 2010.

CHIEF JUSTICE ISLAMABAD.

Source: The News International, Karachi, 23 October 2010.

IV: Human Rights

State of Human Rights in 2010: Highlights

Law and law-making

- The parliament achieved a signal success by adopting the 18th Amendment Act through a consensual process and then responding quickly to the Supreme Court's reservations on the appointment of judges by passing the 19th Amendment.
- Although 30 Acts were passed in 2010 the government had difficulties in expediting legislation. Dozens of Bills passed by the National Assembly were pending adoption by the Senate and the Domestic Violence Bill, duly approved by the National Assembly, lapsed as it could not be pushed through the Senate within the prescribed period.
- Failure to address the issue of the Musharraf period ordinances that were struck down by the Supreme Court posed serious questions regarding the validity of actions taken under the ordinances that were not validated.

Administration of justice

- 2010 was a fairly hectic year for the judiciary. A new procedure for the appointment of judges of superior courts was put in place but at one stage the Supreme Court had to intervene to save the system from collapse in Balochistan and serious strains elsewhere.
- Contempt proceedings against the PCO judges for ignoring the SC's Nov 3, 2007 order continued but they continued to enjoy their wages without doing any work.
- The National Judicial Policy was claimed to be proving effective.
- The government and the SC remained on a collision course for a better part of the year and at a moment of alarm the SC held midnight sitting and passed an order against any withdrawal of the 2009 notification whereby the judges had been restored.
- The SC dealt with a number of cases relating to NRO beneficiaries, financial scams and irregular actions of the executive. Frequent invocation of suo motu jurisdiction once again raised the question whether this was the only way to ensure proper governance.

Law and order

- As many as 12,580 people were murdered, while 581 kidnappings for ransom and 16,977 cases of abduction were also reported.
- There were 37,088 cases of vehicle theft or snatching. Police recovered 60,884 illegal weapons.
- US drones strikes were responsible for 957 extra-legal killings.

- 338 people were killed in police encounters. Only 28 ‘suspects’ were injured and captured alive.
- At least 174 people were rescued from illegal police detention.
- 1,159 people were killed in 67 suicide attacks. The fatalities included 1,041 civilians. 2,542 people were killed and 5,062 injured in terrorist attacks.
- 237 political activists and 301 other civilians were killed in targeted killings in Karachi. 81 people were killed in Lyari gang wars.
- 118 people were killed and 40 injured in 117 targeted killings in Balochistan. They included 29 non-Baloch ‘settlers’ and 17 members of the Shia Hazara community. Bodies of 59 missing persons were found in the province.
- NGOs and human rights defenders faced threats and attacks because of their work.

Jails and prisoners

- Continued award of death sentence pushed the death row population to around 8,000, with nearly 6,000 death penalty convicts in Punjab alone.
- The authorized capacity of the country’s 91 prisons was 42,617 persons but 75,586 prisoners were detained there. The number of prisoners at 55 prisons was in excess of sanctioned capacity.
- Of the 12,980 detainees in jails across Sindh, 10,306 were under trial, while 33,809 of the 51,902 detainees in the prisons of Punjab were under trial.
- There were 931 women and 1,154 juvenile detainees in prisons across the country, most of them under trial.
- 72 prisoners died in prisons across the country and another 157 were injured.
- Around 7,000 Pakistanis remained jailed in different countries.
- 356 people were sentenced to death, including seven women and one juvenile.
- 34 new cases of enforced disappearance were reported to HRCP. Bodies of 59 missing persons were recovered from various part of Balochistan.

Freedom of movement

- Security forces did not allow journalists and the civil society to freely visit the conflict-hit regions. The treat of abduction and target killing in parts of Balochistan and FATA made them virtual no-go areas.
- Delays in issuance of passports impinged on the citizens’ right to freely travel abroad.
- Sectarian violence led to the government placing restrictions on the freedom of movement, especially of clerics, on the pretext of preventing sectarian tensions.
- Names of scores of individuals were placed on the Exit Control List (ECL). The Interior Ministry framed rules for inclusion of names in the ECL.

Freedom of thought, conscience and religion

- 99 Ahmedis were killed in faith-based violence. Impunity for perpetrators of violence against minority communities continued.
- At least 64 people were charged under the blasphemy law, including Asia Bibi, a Christian farmhand. Three men, including two Christian brothers, accused of blasphemy were killed in police custody.
- 25 of the 102 Sikh families forced to flee Orakzai Agency returned to the area.
- 500 Hindu families from Balochistan migrated to India because of threats to their lives and security.
- 17 members of minority communities were killed in the name of honour by their relatives.
- 73 members of religious minority communities committed suicide and 21 attempted to take their own lives.
- 418 people were killed in violence against various Muslim sects. Another 963 were injured.

Freedom of expression

- 20 journalists and media workers lost their lives in attacks and targeted killings.
- Security forces personnel subjected journalists to physical attacks, intimidation and arbitrary detention. Extremist militants and criminals hired by private individuals also harassed and assaulted them.
- By inserting Article 19-A in the constitution through the 18th Amendment, Pakistan formally recognized the citizens' right to information.
- Journalists faced difficult economic conditions as many employers did not pay their salaries or substantially delayed payment of salaries to them.

Freedom of assembly

- Use of force by the police and attacks by militants undermined citizens' right to freedom of assembly.
- In 72 incidents of the use of force against protesters by police, 34 people lost their lives and another 300 suffered injuries.
- Over 300 people were killed in extremists' attacks on political meetings or religious processions.
- The government frequently invoked legal provisions restricting citizens' right to freedom of the assembly.

Freedom of association

- The government failed to stamp out activities of the banned extremist organizations
- Government policies were criticised for undermining the labour's fundamental right of association
- Non-governmental organizations faced threats and attacks from non-state actors. Several NGOs closed down their offices or reduced field work to prevent harm to their staff.

Political participation

- Relations between political parties, even between coalition partners, remained turbulent and were characterized by discord over national issues.
- Less than 50 per cent members of the National Assembly actively took part in the proceedings. 87 MNAs did not utter a single word during the proceedings in three years (2008-2010) of their five-year term.
- Violence, both political and otherwise, led to the death of over 750 people in target in Karachi alone.
- Women parliamentarians remained the most active legislators, introducing nine private member' bills in the 3rd parliamentary year, and 22 out of the total 26 in the 22nd parliamentary year that ended on March 16, 2010.
- Provincial representatives to the Election Commission of Pakistan could not be appointed.
- The Provincial governments did not hold local government elections in 2010, using delaying tactics, and also did not indicate when the elections would be held.

Women

- Domestic Violence (Prevention and Protection) Bill lapsed because it could not be submitted to the Senate in time.
- Federal Shariat Court declared parts of Protection of Women Act 2006 unconstitutional.
- Protection against Harassment of Women at Workplace Act 2010 adopted.
- Women parliamentarians not represented in the committee formed to draft 18th Amendment Bill.
- 791 women were killed in the name of honour.
- 2,903 women were raped, 2,581 of them in Punjab.
- 719 women committed suicide and 414 attempted suicide but their lives were saved.
- There were 931 women detainees in prisons across the country.

Children

- Around 10 million children were affected by the massive floods, 2.5 million of them younger than 5.
- The 18th Amendment recognized free and compulsory education as a right for all children between 5 to 16 years of age. However, allocation of appropriate financial resources to fulfil that commitment remained absent.
- Child labour and abuse of domestic child workers remained widespread.
- 1,154 juveniles were detained in the prisons across the country.
- 170 juveniles committed suicide across Pakistan and another 76 attempted suicide but their lives were saved.

Labour

- Over one million child labourers between the ages of 10 to 14 were working in the country.
- At least 2,294 labourers were freed from debt bondage in Sindh alone.
- 5.3 million jobs were lost or affected by flooding in Pakistan.
- Trade-unions protested against confusion about national unions in the wake of the 18th Amendment.
- The new Punjab labour law was criticized for curtailing labour rights.

Education

- Pakistan's literacy rate was recorded at 57% in 2010.
- Floods damaged more than 10,000 schools in the country. Between 5-6% of all schools were damaged. Between 1.5 million to 2.5 million students were affected.
- 2010 was declared 'national literacy years', but the budgetary allocation for education for 2010-2011, was a meager 2% of the GDP.
- 163 attacks were reported on educational institutions.
- Militants killed 22 teachers in Balochistan between January 2008 and October 2010.
- Academic certificates of 54 parliamentarians were declared forged.

Health

- Public sector expenditure on the health in 2010 was projected to be 0.54% of the GDP, down 27% over the previous year.
- At least 4,000 Pakistani doctors accepted jobs abroad, creating a vacuum in many hospitals in Pakistan.
- One woman died every 30 minutes in Pakistan due to pre-, neo- or post-natal problems. 1,047,948 cases of tuberculosis were registered in the country. There were over 18 million registered hepatitis patients. Over 1.6 million malaria cases were reported annually. 143 cases of polio were reported in the country. There were 150,000 thalassemia patients. Over 7,000 patients were infected with the dengue virus and 31 people died of the disease. 114,000 patients of swine flu were reported in 2010. 97,400 HIV/AIDS cases had been diagnosed, while only 5,000 AIDS patients had been registered.
- 34 per cent of the people suffered from a psychological disorder. 2,399 people committed suicide in the country and another 1,174 attempted suicide mainly because of stress or anxiety on account of illness, domestic disputes, financial problems or unemployment, etc.
- 515 health facilities (5.3 per cent) out of a total of 9,271 health facilities across the country were damaged or destroyed in the floods.

Housing

- There was a housing unit shortfall in excess of 8 million, which was growing by 300,000 houses annually. 30 million people in the country were either homeless or had been accommodated by their relatives.

- More than 50 per cent of the urban population lived in slums in the country. Between 600 to 800 slums sheltered about 7.6 million people in Karachi.
- Nearly 1.9 million houses were destroyed or severely damaged in the floods.
- 173 people were killed and 241 injured in collapse of buildings countrywide.

Environment

- A 55% cut was made in allocations for the Environment Ministry.
- Estimated damage to environment cost Pakistan nearly a billion rupees a day. Annual monetary loss the country suffered due to environmental degradation constituted 6% of the GDP.
- Despite an official ban on deforestation since 1993, 155,000 hectares of forestland were declared non-forest and converted into commercial residential areas.
- 22,000 people in Pakistan lost their lives every year on account of air particulate pollution.
- Solid waste collection agencies only cleared 50% of the waste generated.
- Over 400 million gallons of untreated industrial water from Karachi was being discharged into the sea daily.

Refugees

- 109,383 registered Afghan refugees returned to Afghanistan, while another 1.6 million registered Afghan refugees remained in Pakistan.
- Nearly seven million people were forced from their homes in the floods. Even as floodwaters receded in many areas, millions remained in tents, with their houses destroyed and livelihoods lost.
- There were around 1.3 million conflict displaced in the country.
- At least 400 children went missing during the flood emergency.
- 500 flood-displaced Ahmedi families in South Punjab were denied relief and shelter on account of their faith.

Source: <http://www.hrcp-web.org/>

A Statement by the Asian Human Rights Commission – PAKISTAN: Sharia Court Launches Major Challenge to Protection of Women Act

On 22 December 2010, after three years and four petitions, the Federal Shariat Court (FSC) of Pakistan declared several critical clauses of the Protection of Women (Criminal Laws Amendment) Act of 2006 unconstitutional. In place of this act that created protections for women, the FSC supports the reinstatement of the Hudood Ordinances VII of 1979, which were used to discriminate against,

falsely convict and imprison, and otherwise destroy the lives of hundreds of women.

Although the FSC does not have the power to make or change law, Article 203DD of the Constitution does give the FSC to rule any law which is 'repugnant' to Islam based on the Holy Quran and the Sunnah of the Holy Prophet (PBUH). The dangerous, potentially destabilising implications will not be legal but rather primarily social and political, as the FSC declaration will incite Islamic fundamentalists and their supporters to suppress the rights of women for fair trial which they have achieved after a long history of struggle.

The petitioners sought to diminish the Protection of Women Act and reinstate provisions of the Hudood Ordinances concerning the kidnapping, abduction, or forced induction of women for purposes of marriage; kidnapping and abduction to submit the victim to 'unnatural lust'; the selling or buying of a person for prostitution; cohabitation under false pretences, such as claims of lawful marriage; and enticing or kidnapping a woman with criminal intent.

The FSC has claimed that elements of the Protection of Women Act are not consistent with Islam and thus violate Article 203DD because they conflict with the FSC's support of the Hudood Ordinances. The sections in question, 11, 25, and 28, are those pertaining to zina (adultery, rape) and qazf (enforcement of hadd). The FSC advocates the restoration of provisions of Hudood that require women who have been raped to produce four witnesses to support her testimony—and the reestablishment of the right of police to arrest women on a charge of adultery on the basis of their report of rape.

The court also held that sections 48 and 49 of the Control of Narcotics Substances Act of 1997 and portions of the Anti-Terrorism Act of 1997 fall under the Hudood Ordinances and should not give judicial powers to the high court instead of deferring to the FSC. The court would attempt to extent the term 'Hudood' to cover apostasy, human trafficking, war against the state, and the right of retaliation. The FSC stated that the provisions it states are unconstitutional should be eliminated by 22 June 2011.

The FSC does not have the legal authority to overturn these provisions of the Protection of Women Act, the Control of Narcotics Substances Act, or the Anti-Terrorism Act. The former president of the Supreme Court Bar Association, Qazi Anwer, stated that the FSC does not have the constitutional authority to declare laws unconstitutional. Only the high courts and the Supreme Court have that power. Meanwhile, Parliament is the only body that can make laws or amend the Constitution.

Yet the implications of the FSC declaration will be tremendous for Pakistan. Of most concern is the effect the ruling will have on Islamic fundamentalists and the likelihood of a resurgence of support for the Hudood Ordinances and the repeal of the Women's Protection Act. Extremists may start campaigns against women's rights and protections similar to those currently ongoing surrounding blasphemy laws. The possibility that these fundamentalists may be incited to vandalism, violence, and extrajudicial killings is very real.

Beyond civil society, conflict and insecurity could provoke the extra constitutional forces to take action to support this extreme religious group over secular opponents—and invite the involvement of external actors which would prefer an Islamic fundamentalist government in Pakistan. The effect may be the destabilization of the government as well as the erosion of authority and support for democratic and civilian rule.

Source: The Asian Human Rights Commission, a Hong Kong based non governmental Organisation.

V: Economy

Cost of War on Terror for Pakistan Economy

Pakistan's economy is under pressure of the War on Terror intensifying for last four years in Afghanistan. Since 2006, the War has spread like a contagion into settled areas of Pakistan that has so far, cost the country more than 35,000 citizens, 3500 security personnel, destruction of infrastructure, internal migration of millions of people from parts of northwestern Pakistan, erosions of investment climate, nose diving of production and growing unemployment and above all brought economic activity to a virtual standstill in many part of the country. Pakistan had never witnessed such devastating social and economic upheaval in its industry, even after dismemberment of the country by direct war.

After 9/11 Pakistan had to assume the role of a frontline state in the War against Terror. The onset of the War disrupted Pakistan's normal trading activities, as the cost of trading increased substantially because of higher insurance cover. Consequently, economic growth slowed demands for imports reduced with consequential decline in tax collection and inflows of foreign investment were naturally adversely affected, accentuated by the travel bans issued by western governments to its entrepreneurs.

While the economic situation was worsening, a new elected government took power in 2008 and the Ministry of Foreign Affairs constituted an inter-ministerial committee to assess the direct and indirect cost of the War on Terror on Pakistan. The Ministries of Finance, Interior, Commerce and some other relevant government departments plus the representatives of two provinces bordering turbulent Afghanistan participated in these deliberations. After few sessions and valuable inputs from all sides, the committee estimated the cost of War on Terror and its impact on Pakistan's economy and society. The conclusion was that the War not only caused serious damage to the economy, but also to the social fabrics of Pakistan. Obviously, continuity of War will continue to bleed the economy and society of Pakistan.

At the start of the War, the cost of it to Pakistan was estimated at \$ 2.669 billion in fiscal year 2001-02. This calculation was based on the assumptions that: (i) The War in Afghanistan that begun on October 7, 2001 will end swiftly by December 2001: (ii) normalcy will resume from January 2002;

(iii) the Taliban government will be ousted and some low intensity fight will continue but life in Pakistan will remain normal; and (iv) the additional increase in freight cargo and war risk premium will be removed. The abovementioned assumptions were not materialized and instead the war on terror continued to gain momentum and became more precarious for the entire region in general and Pakistan in particular as it shifted to its settled areas to disrupt all kind of investment and economic activity. Pakistan became more insecure in its efforts to make the world a safer place to live.

Pakistan continued to pay a heavy price in terms of both the economic and security terms. A large portion of its resources, both men and material are being consumed by this war for the last several years. The economy was subjected to enormous direct and indirect costs which continued to rise from \$2.669 billion in 2001-02 to \$ 13.6 billion by 2009-10, projected to rise to \$17.8 billion in the current financial year (2010-11) and moving forward, the direct and indirect costs to the economy is most likely to rise further. The comparison of cost for 2001-02 and 2010-11 is given in Table-1 and the year-wise cost of war on terror is documented in Table-2:

Table 1: Cost of War Estimate in 2001-02 and 2010-11(\$ Billion)

	2001-02	2010-11 (Est.)
Exports	1.40	2.90
Compensation to Affectees	0.00	0.80
Physical infrastructure	0.00	1.72
Foreign Investment	0.15	2.10
Privatization	0.50	1.10
Industrial output	0.11	1.70
Tax Collection	0.25	2.10
Cost of Uncertainty	0.10	2.90
Expenditure Over run	0.11	1.60
Others	0.10	0.90
Total:	2.72	17.82

Source: Ministry of Finance

Table-2: Cost of War (2001-2011)

Years	Billion \$	Billion Rs.	% Change
2001-02	2.669	163.9	-
2002-03	2.749	160.8	3.0
2003-04	2.932	168.8	6.7
2004-05	3.410	202.4	16.3
2005-06	3.986	238.6	16.9
2006-07	4.670	283.2	17.2
2007-08	6.940	434.1	48.6
2008-09	9.180	720.6	32.3

2009-10	13.560	1136.4	47.7
2010-11*	17.830	1528.0	31.5
Total:	67.926	5036.8	

* Estimated on the basis of 8 months actual data

Source: MoF, M/o Foreign Affairs Joint Ministerial Group

During the last 10 years the direct and indirect cost of war on terror incurred by Pakistan amounted to \$ 67.93 billion or Rs.5037 billion. The events that transpired after 9/11 in Afghanistan worsened the security environment in the country. As a result, the western countries including the United States continued to impose travel ban for their citizen (*investor, importers etc.*) to visit Pakistan. This has affected Pakistan's exports, prevented the inflows of foreign investment, affected the pace of privatization program, slowed the overall economic activity, reduced import demand, reduced tax collection, expenditure over-run on additional security spending, domestic tourism industry suffered badly, hundreds; and thousands of jobs could have been created had economic activity not slowed as well as thousands of jobs were lost because of the destruction of domestic/foreign tourism industry; destruction of physical infrastructure (military and civil) massive surge in security related spending; migration of thousands of people from war affected areas and the associated rise in expenditure to support internally displaced persons.

Pakistan's investment-to-GDP ratio has nosedived from 22.5 per cent in 2006-07 to 13.4 per cent in 2010-11 with serious consequences for job creating ability of the economy. Going forward, Pakistan needs enormous resources to enhance productive capacity of the economy. The security situation will be the key determinant of the future flow of the investment. Pakistan economy needs an early end to this war.

Source: Pakistan Economic survey 2010-2011. www.finance.gov.pk

Pakistan: Flood Impact Assessment

The 2010 monsoon flood disaster in Pakistan was massive and unprecedented, killing more than 1,700 persons, affecting over 20 per cent of the land area, more than 20 million people, and causing loss of billions of dollars through damages to infrastructure, housing, agriculture and livestock, and other family assets. Essential infrastructure including roads, bridges and markets has been severely damaged and many remain impassable. According to one of the United Nation Survey assessed that some 10.1 million people were in need of shelter and humanitarian assistance. The number of people requiring food assistance to support recovery and rehabilitation is estimated at approximately 3.6 million. More than 1.1 million houses were completely destroyed or made un-live-able and more than 2 million hectares of standing crops were damaged or lost. The flood had a severe impact on people's homes, livelihoods and assets. Most people do not know when they would be able to resume their livelihoods.

The floods of 2010 have caused a significant loss to poverty reduction efforts and would result in increase in poverty and vulnerability of affected population. The areas affected by floods were consistently lagging behind in terms of socioeconomic and educational indicators as compared to the areas unaffected by the floods. The loss to infrastructure and livelihood sources will push them behind further. The people most severely affected were predominantly small farmers and unskilled labourers. They are among the most vulnerable in Pakistan and almost all live below or just around the national poverty line.

The natural disaster forced the government to divert resources for the rehabilitation of internally displaced Pakistanis (IDPs) and reconstruction of critical infrastructure. The reconstruction cost estimates by province are given below in Table-1, which reveals that Sindh has suffered the highest losses followed by Punjab, Khyber Pakhtunkhwa, Balochistan. The extent of damages in AJK and Gilgit Baltistan is relatively smaller.

Table 1: Flood Damages and Reconstruction Cost (Rs. in Billion)

Province/Area	Damages	Reconstruction Cost
AJK	7	13
Balochistan	53	27
FATA	6	8
Federal	93	96
Gilgit Bultistan	4	7
Khyber Pakhtunkhwa	100	106
Punjab	219	93
Sindh	373	228
Total	855	578

Source: National Flood Reconstruction Plan 2010

The sector wise breakdown of flood damages and respective reconstruction cost estimates are given in Table-2. It reveals that the agriculture sector has received a major blow followed by housing, transport and communication infrastructure. The minimum reconstruction costs amount to a total of Rs. 578 Billion.

Housing

Around 392,786 houses damaged and 728,192 destroyed. The damage was most pronounced in the districts of Muzaffargarh and Rajanpur in the Punjab, Nowshera and D.I.Khan in KPK, and Jaffarabad, Jacobabad, Shikarpur and Thatta in Sindh.

Basic Public Services

Flooding causes extensive damage to schools and health centres. According to UNICEF 7,600 would need to be reconstructed and 436 health facilities were

damaged or destroyed, greatly limiting the provision of health care services to affected communities.

Table 2: Flood Damages and Reconstruction Cost By Sectors (Rs. in Billion)

Sectors	Damages	Reconstruction Cost
Transports and Communication	113	200
Irrigation	24	37
Energy	26	9
Agriculture	429	22
Education	27	43
Health	4	4
Water and Sanitation	9	6
Environment	1	18
Governance	6	5
Disaster Risk Management	-	2
Housing	135	126
Private Sector	24	9
Livelihoods support	-	58
Financial sector	57	39
Total	855	578

Source: National Flood Reconstruction Plan 2010

Infrastructure

Damage to road infrastructure was extensive. The damage was greatest in the mountainous area where many bridges collapsed rendering some areas completely inaccessible. Over the river Swat for example all connecting bridges over a distance of 140 km (between Chakdara and Kalam) were destroyed. The flood caused significant damage to phone lines, electricity supply interrupted in many large towns in Swat, Lower and Upper Dir as well as Shangla.

Impact on Agriculture, Crops and Livestock

According to the FAO agricultural assessment report the floods caused damages of unprecedented scale to agriculture crops, livestock, fisheries and forestry and destroyed primary infrastructure such as tube wells, water channels household storages, houses, animals sheds, personal seed stocks, fertilizers and agricultural machinery. The floods struck just before the harvesting of key crops, including cotton, rice, maize, vegetables and sugarcane and on the onset of the Rabi (winter) wheat planting season which normally starts in September/October. Overall production loss of sugar cane, paddy and cotton was estimated at 13.3 million MT. It is estimated that over 2 million hectares of standing crops were either lost or damaged, over 1.2 million head of livestock (excluding poultry) died due to the flood. Between 60 and 88 per cent of the farming households reported losses of more than 50 per cent of their major crops: rice, vegetables, cotton, sugar and fodder. These households were mostly located in Punjab and Sindh.

Household assets

Property was badly affected with 42 per cent of houses completely destroyed. 19 per cent heavily damaged and 28 per cent lightly damaged. Only 9 per cent of houses remained escape from damages.

Source: Pakistan Economic survey 2010-2011. www.finance.gov.pk

VI: Statistical Section**1. Pakistan Flood 2010****Important Disasters Comparative Statement**

	Pakistan Flood	Earthquake Pakistan	Katrina Cyclone USA	Nargis Cyclone Myanmar	Tsunami Indian Ocean Basin	Haiti Earthquake
	(Aug 2010)	(Oct 2005)	(Aug 2005)	(May 2008)	(Dec 2004)	(Jan 2010)
Population Affected	*20,251,550	3,500,000	500,000	2,420,000	2,273,723	3,200,000
Area Affected (Sq Km)	*132,000	30,000	N.A.	23,500	N.A.	13,226
Deaths	*1,767	73,338	1,836	84,537	238,000	230,000
Injured	*2,865	128,309	N.A.	19,359	125,000	300,000
House Hold Damaged	*1,884,708	600,152	200,000	450,000	N.A.	250,000

* Figure based on initial assessments

Source: www.ndma.gov.pk

2. Priem Minister's secretariat national disaster management authority, Islamabad**Update: 22 Sep 2010**

Summary of damages	Baloch-istan	KPK @	Punjab	Sindh	AJ&K	GB	G. Total	@ Incl FATA
Deaths	48	1156	110	234	71	183	1802	
Injured	98	1198	350	1201	87	60	2994	
House Damaged	75,261	200,799	509,814	1,114,629	7,106	2,830	1,910,439	
Summary of Relief Item								

Provided								
Blankets*	22560	349781	63803	50519	20460	15200	522323	
Buckets	0	1521	0	70	0	0	1591	
Cholera Kits	0	0	149	0	0	0	149	
Clothes	2500	3149	5553	11441	2012	0	24655	
Dates (Tons)	16	53.8	93.16	46.2	39.9	19.6	268.66	
De-Watering Pumps	0	35	38	32	2	10	117	
Emergency Medicine Kits	0	30	24	18	0	0	72	
Emergency Drinking Water Kits	0	0	1540	750	0	0	2290	
Foam Bed/Mat/Folding Beds	0	224	250	126	300	0	900	
First Aid Box	0	174	180	430	0	0	784	
Food Items (Tons)*	4537.35	32632.423	27856.14	25649.81	2052	1896.89	94624.616	
Generators	239	290	294	285	2	10	1120	
Hygiene Kits	4000	504	303	746	264	0	5817	
Jerry Cans	5000	6046	6550	4580	2410	0	24586	
Jackets	0	4667	166	166	2070	1000	8069	
Kerosene Stove	0	1528	260	670	0	0	2458	
Kitchen Sets	17394	60515	5354	31952	1247	0	116462	
Mosquito Nets	5480	982	2000	3000	0	0	11462	
Medicines (Population)	423550	2215000	1015000	970000	6000	85000	4714550	
MREs	0	390,000	24000	12001.7	12000	0	438,002	
Plastic Mats	17400	10898+22 Roll	18120+14 Rolls	18700+10 Rolls	2200	2035	69153+46 Rolls	
Soap	1800	2340	1620	1630	0	0	7390	
Squatting Plates	0	650	0	0	0	0	650	
Tents*	17531	116575	92376	55135	4299	5275	291191	
Towels	0	300	1580	750	300	0	2930	
Tarpaulin*	79911	202108	46306	49489	4536	922	383272	
Torch Lights	0	1643	1500	1680	0	0	4823	
Water Tanks	35	43	20	13	10	0	121	
Water Purification Unit	0	16	32	16	1	0	65	
Water Purification Kits	0	13800	10104	8560	1000	0	33464	
Water Bottles	1760	13728	28497	28906	6000	3024	81915	
Helicopter (Cargo)	11	26	9	24	0	6	76	

Boats Available	16	150	485	587	0	0	1238	
Persons Rescued	24630	50,953	381496	927364	169	3243	1387855	

* Including items provided by UN Clusters and PRCS.

3. Today's Relief Activities

KPK

1. NDMA dispatched 11.523 tons of food items, 96 water bottles, 800 soaps, 35 torches light to Peshawar by road.
2. Chakdara – Kalam road has been partially restored.

Sindh

1. NDMA dispatched 330 blankets, 39.24 tons of misc. food items, 880 x soap, 1100 x Jarricans, 5304 x clothes and 160 torch light to Sukkar by road.
2. NDMA dispatched 19.41 tons of food items and 2445 x bottles to Faisal Base Karachi through C-130.
3. Naval Rescued Teams evacuated 429 affectees to safe places during the day.

Balochistan

1. NDMA dispatched 5.86 ton of flood items & 1760 x water bottles to Quetta through C-130.
2. Road Sibbi to Sukkur is open for heavy traffic only.

Misc.

1. Till 22 Sep, NADRA has distributed 77,273 Watan cards all over Pakistan out of which, 60,256 have been activated.
2. Till 20 Sep, PIA has transported 154.713 ton of relief goods in Pakistan from all over the World.
3. On 22 Sep two Japanese Helicopters arrived at Karachi for flood relief/Rescue.

