

**UNITED STATES DEPARTMENT OF STATE
&
U.S. AGENCY FOR
INTERNATIONAL DEVELOPMENT**



**SUPPLEMENTAL
BUDGET
JUSTIFICATION**

Fiscal Year 2010

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RESOURCE SUMMARY BY COUNTRY

(\$ IN THOUSANDS)

Appropriation	FY 2010 Supp
TOTAL	4,461,440
AFGHANISTAN	2,004,000
Diplomatic and Consular Programs	211,000
Department of State - Office of the Inspector General	3,000
Special Inspector General for Afghanistan Reconstruction	14,000
Subtotal, State Operations	228,000
Economic Support Fund	1,576,000
International Narcotics Control and Law Enforcement	200,000
Subtotal, Foreign Operations	1,776,000
PAKISTAN	370,000
Diplomatic and Consular Programs	26,000
Subtotal, State Operations	26,000
Economic Support Fund	244,000
International Narcotics Control and Law Enforcement	40,000
Foreign Military Financing	60,000
Subtotal, Foreign Operations	344,000
IRAQ	2,087,440
Diplomatic and Consular Programs	1,570,000
Subtotal, State Operations	1,570,000
International Narcotics Control and Law Enforcement	517,440
Subtotal, Foreign Operations	517,440

RESOURCE SUMMARY BY APPROPRIATION

(\$ IN THOUSANDS)

Appropriation	FY 2010 Supp
TOTAL	4,461,440
Diplomatic and Consular Programs	1,807,000
Department of State - Office of the Inspector General	3,000
Special Inspector General for Afghanistan Reconstruction	14,000
Subtotal, State Operations	1,824,000
Economic Support Fund	1,820,000
International Narcotics Control and Law Enforcement	757,440
Foreign Military Financing	60,000
Subtotal, Foreign Operations	2,637,440

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FY 2010 SUPPLEMENTAL BUDGET JUSTIFICATION

SUMMARY

INTRODUCTION

This supplemental funding request seeks the resources to support the President's strategy in Afghanistan and Pakistan and the transition from a military to a civilian-led effort in Iraq. On December 1, 2009, President Obama outlined a strategy that includes supporting the Afghan and Pakistani governments' efforts to defeat the extremist threat. As President Obama made clear, our civilian engagement in Afghanistan and Pakistan will endure long after our combat troops come home. While our military mission in Afghanistan is not open-ended, we are committed to building lasting partnerships with Afghanistan and Pakistan. To build these partnerships and ensure the success of the strategy, the civilian efforts in both countries require additional resources for FY 2010. Details on the civilian program in Afghanistan and Pakistan are contained in the Stabilization Strategy transmitted by the State Department to Congress in January. This supplemental request presents the funding resources needed to carry out this civilian strategy fully. In Iraq, we request resources to support the time-sensitive transition from a military-led effort to a civilian effort that supports the Administration's goal of a sovereign, stable, and self-reliant country. The U.S. mission in Iraq will cross a major threshold in December 2011 when all U.S. combat forces are planned for withdrawal. The request does not include additional funding that will be required to address the devastating impact of the earthquake in Haiti. The Department of State and USAID are continuing to assess long-term requirements at this time.

AFGHANISTAN

The \$2 billion (\$1.8 billion in Foreign Operations and \$228 million in State Operations) supplemental request for Afghanistan supports the recently announced civilian Stabilization Strategy. The Afghanistan section of this request details the direct link between the strategy and the request. The resources requested focus exclusively on executing the new strategy, including building the capacity of Afghan institutions to withstand and diminish the threat posed by extremism, and to deliver high-impact economic assistance – especially in the agricultural sector – to create jobs, reduce the funding that the Taliban receives from poppy cultivation, and draw insurgents off of the battlefield. In addition, support to the national government through the Afghanistan Reconstruction Trust Fund and through budget support will be critical to building capacity. The provinces and districts are where the most consequential programs will be delivered, where resources must help the Afghan government provide economic opportunities that increase stability and reduce the strength of the insurgency – and where we are most visibly expanding our civilian commitment. The requested resources for State Operations include funding to support an expanded civilian presence at the district level throughout Afghanistan through the end of FY 2011. These resources will also be used for startup funding to hire additional personnel for diplomatic and development engagement with ministries in Kabul and in provinces in support of the goals outlined in the strategy. Funding is also requested to enhance oversight by the Special Inspector General for Afghanistan Reconstruction and the State Department Inspector General.

PAKISTAN

This request also supports the recently released Stabilization Strategy, and specifically supports the President's strategy to build a stronger partnership with Pakistan. President Obama has said "we are committed to a partnership with Pakistan that is built on a foundation of mutual interest, mutual respect, and mutual trust." With this request of \$370 million (\$344 million in Foreign Operations and \$26 million in State Operations), the level of assistance for Pakistan in FY 2010 will come into line with that envisioned and authorized by Congress in the Enhanced Partnership with Pakistan Act of 2009. The resources requested will serve to support the new strategy in ways such as addressing immediate energy, water, and related economic crises, thereby deepening our partnership with the Pakistani people and decreasing the appeal of extremists. To provide tangible benefits to the daily lives of the people of Pakistan and help Pakistan recover from its energy and water crises, U.S. assistance will include high impact infrastructure projects. To strengthen the ability of the Government of Pakistan to provide for its burgeoning population and reduce vulnerabilities to extremist ideologies and recruitment, assistance will also help sustain the delivery of services particularly in border regions, strengthen accountability, support socio-economic and political growth, and support Pakistan's security forces' ability to take on extremists. The requested resources for State Operations include funding for positions that will enable the U.S. Mission to better manage and support the increased military and economic assistance that is being provided after years of sanctions. They also reflect recognition of the importance of expanding the U.S. presence in the key provincial capitals of Lahore, Karachi, and Peshawar.

IRAQ

With the planned withdrawal of all U.S. troops from Iraq by December 31, 2011, the transition of responsibility from the U.S. military to the Department of State cannot be delayed. This request of \$2.1 billion (\$517 million in Foreign Operations and \$1.6 billion in State Operations) is essential for the State Department to complete that transition effectively and on time. The majority of the supplemental budget request for Iraq is for State Operations to provide for the additional infrastructure, personnel, support, and security required to transition to two permanent consulates and three temporary Provincial Development Teams under Chief of Mission authority. The Foreign Operations request is for resources to enable the State Department to effectively prepare to take responsibility from the Department of Defense for support of the Iraqi Ministry of Interior police and border forces effective October 1, 2011. The ability of the police to provide security is central to achieving the goal of a sovereign, stable, and self-reliant Iraq. Therefore, continued support for the development of Iraqi police is critical during the transition from a military-led security sector relationship to a civilian-led relationship with Iraq.

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AFGHANISTAN AND PAKISTAN

RESOURCE SUMMARY

(\$ in thousands)

Appropriation	FY 2009 Actual (2)	FY 2010 Estimate	FY 2010 Supp	FY 2010 Total
Afghanistan Positions ⁽¹⁾	356	764	457	1,221
Afghanistan Operations	367,586	485,595	211,000	696,595
Pakistan Positions ⁽¹⁾	47	47	56	103
Pakistan Operations	65,145	45,837	26,000	71,837

(1) Includes inter-agency and temporary hires

(2) FY 2009 total for Afghanistan includes \$25.0 million in FY 2010 forward funding provided by the Supplemental Appropriations Act, 2009 (P.L. 111-32)

OVERVIEW

The insurgency in Afghanistan and parts of Pakistan is a fundamental threat to U.S. strategic interests. Disrupting, dismantling, and defeating al-Qaeda in Afghanistan and Pakistan as well as eliminating its safe havens are top foreign policy priorities. The Administration's strategy to achieve this goal in Afghanistan is to promote a more capable, accountable, and effective Afghan government that serves its people by generating economic opportunities and can function with limited international support. In Pakistan, the strategy is to stabilize the government through macroeconomic reforms, promote private sector growth to lay the foundations for long-term economic stability and sustainable growth, and further develop their security capabilities. The resources identified in the supplemental request are essential to this effort.

PROGRAM DESCRIPTION

Afghanistan and Pakistan: Indispensable to Regional Security and Stability

The threat posed by al-Qaeda to the United States and its allies, especially that of extremists capturing fissile materials, is very real. With U.S. assistance, these two countries can act to counter these threats. The Administration's comprehensive strategy for Afghanistan and Pakistan will promote more capable, accountable, and effective governments. In Afghanistan, the United States will work with the government to develop increasingly self-reliant security forces that can lead independent counter-insurgency and counterterrorism operations. In Pakistan, the United States will work with the democratic government to increase the security forces' ability to fight extremists and terrorism. The United States will assist the Pakistani government and people in maintaining a constitutional government and growing an economy that provides real opportunity for its people.

The significant increase in the non-military foreign assistance request for Afghanistan and Pakistan will promote these objectives. As Secretary Clinton has stated, "The goal

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requires a balanced approach that entails expanding civilian efforts and ensuring that the strategy is fully integrated and adequately resourced.”

The requested resources will be used to fund operations and provide the personnel needed to increase support for sub-national governance capacity building through the Provincial Reconstruction Teams and District Support Teams; will accelerate the efforts to achieve self-reliant ministries that provide services to the Afghan people; and will increase support for rule of law, agriculture and economic growth programs.

In Pakistan, the United States is increasing resources to support personnel and efforts focusing on enhancing the capacity of the Pakistani military, civilian law enforcement entities, and investigative agencies engaged in counter-insurgency activities; to make long-term investments in Pakistan’s people and their democratically elected government through targeted humanitarian assistance and economic relief; to increase the effectiveness of democracy, governance, and rule of law programs; and to increase funding for agriculture, infrastructure, economic growth, and education to promote a modern, moderate society that offers economic opportunity for its citizens, particularly its youth.

In both countries, the United States will implement an enhanced strategic communications plan to counter terrorist disinformation and promote tolerance, critical thinking and an open society. As Secretary Clinton stated, “We are being out-communicated by the Taliban and al-Qaida, and we must create the space for moderate voices and make accurate information available.”

JUSTIFICATION OF REQUEST

Afghanistan: \$211,000,000

Increase Diplomatic Presence: \$211,000,000 including 457 Positions

The supplemental request includes funding to support up to 212 new U.S. Direct Hires to work at the district level throughout Afghanistan through the end of FY 2011 and startup funding to hire an additional 245 personnel for expanded diplomatic and development activities with ministries in Kabul and in provinces (PRTs) in support of the goals outlined in the President’s Afghanistan strategy. Of the 212 new district-oriented positions, as many as 200 will be deployed to the field to create district support teams making an immediate impact on the local populace by mitigating Taliban and al-Qaida influence.

As part of a whole-of-government approach to achieving the Administration’s Afghanistan strategy, civilians will be drawn from DOS, USAID, USDA, and other agencies to provide vital expertise in specialized skill areas. The Department will transfer necessary funding to agencies as done with previously requested funds. The civilians will live and work at either existing or newly established bases, often requiring additional infrastructure. Approximately one Locally Employed Staff (LES) will be hired

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for each U.S. civilian in the field, providing critical local expertise or administrative support.

Pakistan: \$26,000,000

Increase Diplomatic Presence: \$26,000,000 including 56 Positions

The positions funded by this request will enable the U.S. Mission to better manage and support the increased military and economic assistance that is being provided after years of sanctions. They also reflect a recognition of the importance of expanding U.S. presence in the key provincial capitals of Lahore, Karachi, and Peshawar. More robust staffing in the provincial capitals will enhance outreach and strengthen our ability to implement programs at the provincial and local levels. Embassy Islamabad particularly needs management and logistical support personnel such as contracting officers, housing officers, and general services personnel to sustain rapid growth, to provide a satisfactory quality of life for employees, and to ensure that funding is managed effectively. The requested funding will also provide for increased hiring of LES, which has been historically insufficient.

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OFFICE OF THE INSPECTOR GENERAL

RESOURCE SUMMARY

(\$ in thousands)

Appropriation	FY 2009 Actual	FY 2010 Estimate	FY 2010 Supp	FY 2010 Total
Department of State Office of the Inspector General	65,421	54,000	3,000	57,000
Special Inspector General for Afghanistan Reconstruction	12,201	23,000	14,000	37,000

Office of the Inspector General: \$3,000,000

The supplemental request includes \$3 million to fund monitoring of Department activities in Afghanistan and Pakistan. The increase in State personnel and operations to support the President's Afghanistan strategy will also require greater oversight by the Office of the Inspector General's Middle East Regional Office.

Special Inspector General for Afghanistan Reconstruction (SIGAR): \$14,000,000

Due to the expanding requirements of the mission in Afghanistan, additional funding is needed for oversight activities. The supplemental request provides \$14 million for SIGAR to partner with Afghan institutions to conduct extensive audits of the performance and capability of various Afghan government institutions at the national and provincial level to apply internal controls, mitigate risks of corruption, and improve accountability over increasing levels of U.S. and other donor funds. These funds support a program to reduce corruption and improve accountability of Afghan institutions.

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IRAQ

RESOURCE SUMMARY

(\$ in thousands)

Appropriation	FY 2009 Actual ⁽²⁾	FY 2010 Estimate	FY 2010 Supp	FY 2010 Total
Positions ⁽¹⁾	590	535	129	664
Diplomatic and Consular Programs – Iraq Operations	1,506,913	1,121,641	1,570,000	2,691,641

(1) Includes inter-agency and temporary hires

(2) FY 2009 total for Iraq includes \$336.0 million in FY 2010 forward funding provided by the Supplemental Appropriations Act, 2009 (P.L. 111-32)

OVERVIEW

The U.S. mission to Iraq will cross a major threshold in 2011 when all U.S. combat forces will withdraw from Iraq. This will represent a milestone in Iraq's transition towards becoming a more secure, stable, and self-reliant partner. The planned reduction in U.S. forces prompted a thorough review of the U.S. civilian presence outside of Baghdad, balancing the need for ongoing U.S. engagement to bolster political and economic progress within the constraints resulting from the reduction in logistical and security support currently provided by U.S. military forces. This evolving footprint is also being coordinated with new security assistance programs to be implemented by the Department of State and the DOD.

In October, the Administration concluded that U.S. objectives could be effectively met through the establishment of two consulates and three temporary Provincial Diplomatic Teams (PDT) to be managed by the Department. U.S. presence and personnel in these critical provinces enable diplomatic and mediation activities to mitigate ethno-sectarian conflict, to minimize the risk of instability, and to seize strategic policy opportunities. The consulates would be located in Basrah and in northern Iraq, using existing Provincial Reconstruction Team (PRT) infrastructure until more permanent facilities are constructed. The PDTs would be located along the Arab-Kurd fault line of Kirkuk, Ninewa, and Diyala, preferably using existing PRT locations with appropriate modifications to provide continued support and security. In addition to these five locations, the Department and USAID will also provide staff for two U.S. Forces-Iraq (USF-I) managed PRTs that will remain in Najaf and Anbar through December 2011.

The Department's transition planning also incorporates the operational platform required to support the long-term security relationship with Iraq, including the Bureau of International Narcotics Control and Law Enforcement's (INL) assumption of the police training mission and a robust Office of Security Cooperation (OSC) to be established by DOD. INL, funded through Foreign Assistance resources, and OSC personnel will be incorporated into the security and support requirements for all Chief of Mission personnel and will be co-located at selected sites where feasible.

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The following FY 2010 Supplemental Budget Request includes resources that are in addition to the pending FY 2011 Budget that will be required to begin the significant transition from the current PRT structure to the new, enduring provincial presence. Some of the planned staffing reductions originally anticipated in 2011 as part of the PRT closure schedule will need to be retained in order to support these efforts.

PROGRAM DESCRIPTION

Mission Operations

The Supplemental Budget Request for U.S. Mission operations is \$1,570 million for Diplomatic and Consular Programs to provide for the additional personnel, infrastructure, support, and security required to transition to the enduring provincial presence under Chief of Mission (COM) authority in 2012. The most significant costs are driven by transitioning from the current provincial 'footprint' of 16 PRTs, under which most logistical and security costs are shared by DOD, to a more compact footprint that will be largely funded by State after May 2011. Based on current planning assumptions, the requested funds will support diplomatic and development personnel at two consulates, three DOS-managed PDTs, and two interim DOD PRTs. Support and operational costs for INL and DOD/OSC security assistance programs are being requested through appropriate Foreign Operations accounts.

JUSTIFICATION OF REQUEST

The supplemental request includes funding required over FY 2010 and FY 2011 to transition five existing PRTs into two consulates and three PDTs, incorporating revised staffing patterns proposed by the Embassy, making necessary security and infrastructure upgrades required by DOD's departure, and providing for projected construction costs for two permanent consulates. These amounts represent incremental changes from the mission platform supported by the FY 2010 Budget and are contingent upon Iraqi concurrence with continued occupancy of existing locations. Projected costs for FY 2010 total \$246.5 million and projected costs for FY 2011 total \$1,351.5 million. No significant net cost-savings are currently attributed to the 11 PRTs slated to be closed in 2011 due to the unpredictability of phase-out and consolidation costs.

PRT Operations/Provincial Presence: \$307,829,000

Salaries: \$12,043,000

The request reflects salary and benefit costs for approximately 60 U.S. Direct Hires at the five enduring presence posts (EPPs) that were assumed to be part of staffing reductions in earlier planning scenarios, as well as travel costs and reimbursement to other USG civilian agencies.

Facilities Infrastructure Transition and Upgrade: \$30,000,000

Four of the five locations are co-located on much larger DOD or Iraqi bases, greatly relying on the installed infrastructure for utilities, storage, housing, dining, and other life

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support. Even assuming COM personnel will remain at these existing locations through 2012, there will be transition costs associated with consolidating support facilities within a smaller security footprint. These funds are required in order to synchronize with DOD transition efforts and ensure completion by May 2011.

Furnishings and Equipment: \$5,000,000

While existing and surplus DOD equipment will be utilized to the maximum extent possible, the expansion of offices and housing will require additional furniture and equipment.

IT Infrastructure & Equipment: \$34,000,000

As the existing PRTs are heavily reliant on DOD for IT assets and communication support, the transition will require the establishment of unclassified and classified systems at each of the sites managed by the Department.

PDT Site Development, Mitigation, and Construction: \$216,788,000

The request includes funds allowing for site development, mitigation, and construction of temporary compound facilities at Diyala and Kirkuk, as well as the creation of office space and housing for U.S. Direct Hire and guard forces. This reflects an Embassy Baghdad assessment of the existing PRT facilities' suitability for use as PDTs over the next few years. The assessment of Kirkuk determined that the current facility is adjacent to a sensitive religious site which the government of Iraq has requested be reopened to public access, making medium-term occupancy of the current site by U.S. Mission personnel untenable. The infrastructure of the Diyala PRT is in extremely poor condition; it lacks adequate housing, has unreliable water/sewerage service, and is subject to periodic flooding. The requested funds will cover the relocation and construction of appropriate temporary facilities at the nearest available site.

Leases: \$4,517,000

In order to cover the short-term leasing of offices, housing, and other properties owned by the government of Iraq, an additional \$4,517,000 will be required during the transition.

Support Costs: \$5,481,000

Additional funds will be required in order to ensure that the necessary life support services will be available; including maintenance, medical, and IT/other contract support costs.

Consulate Site Development and Construction: \$526,841,000

While the current facility at Basrah and a northern Iraq location will provide adequate interim facilities for the new consulates, they do not meet full Bureau of Diplomatic Security (DS) and Bureau of Overseas Buildings Operations (OBO) standards for permanent consulates that will have approximately 120 U.S. Direct Hire and locally employed staff with additional security guards on-site. The estimate assumes that consulate sites will be provided at no cost by the Government of Iraq. Desk count

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estimates include the Department, USAID, USDA, and Department of Commerce personnel. These costs are subject to refinement based on post and OBO site reviews with a projected completion timeframe of 3-4 years. Therefore, the Department is requesting up to \$526.8 million be made available until expended in order to accommodate any refinements and for the projected timeframes. The INL police program, funded through INCLE, will be administered from separate, temporary offices in close proximity.

Provincial Presence Security: \$735,330,000

Presently, U.S. military forces provide physical and movement security at PRT locations. Beginning in FY 2011, DS will assume responsibility for physical and technical security and for static and movement security at five enduring presence locations, two consulates and three PDT facilities. The requested amount is in addition to PRT security funding requested for ongoing operations in the FY 2011 budget.

Physical Security Programs: \$109,740,000

The request covers increases in five categories for protection of U.S. direct-hire and contract personnel under COM authority as well as for man-camps to house the increased number of guards. Security-related equipment such as electronic countermeasures and technical security system installations in buildings, armored vehicles, and infrastructure such as overhead cover, access controls, and guard towers will be required to protect against improvised explosive devices and direct and indirect fire.

Overseas Protective Operations: \$581,842,000

Presently, the U.S. military provides static and movement security for most existing PRT locations. Beginning in FY 2011, DS will be responsible for providing protective security details and static guards at the five successor EPP locations. The request covers static security guards and PSD movement security at two consulates and three PDT facilities and also includes the costs of aviation support for the five locations and additional staff to provide contract oversight.

Regional Security Office Operations: \$34,355,000 including 69 Positions

Request includes funding for 69 additional security-related positions to support two consulates and three PDT locations at \$22.4 million; security-related equipment and maintenance to support Regional Security Office operations at five EPP locations at \$5.0 million; and expansion of aviation infrastructure facilities in Tallil and Kirkuk to support EPP locations at \$7.0 million.

Personnel Security and Suitability: \$9,393,000

The requested increase will fund investigations required in connection with security clearance and public trust determinations for additional Department applicants and employees, for large increases in contract employees and for investigations on behalf of other USG agencies.

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AFGHANISTAN

RESOURCE SUMMARY

(\$ in thousands)

Appropriation	FY 2009	FY 2010	FY 2010	FY 2010
	Actual	Estimate	Supp	Total
TOTAL	2,713,193	2,624,082	1,776,000	4,400,082
Global Health and Child Survival	58,234	92,327	-	92,327
Economic Support Fund	2,048,000	2,037,000	1,576,000	3,613,000
International Narcotics Control and Law Enforcement	484,000	420,000	200,000	620,000
Nonproliferation, Antiterrorism, Demining & Related Progs.	48,550	57,755	-	57,755
International Military Education and Training	1,399	1,500	-	1,500
Public Law 480 (Food Aid)	73,010	15,500	-	15,500

OVERVIEW

The U.S. Government has undertaken an extensive transformation of foreign assistance activities in Afghanistan, including increased direct assistance, improved accountability, decentralization of decision-making, and support for Afghan leadership, Afghan sustainability, and Afghan capacity in assistance programs. The result is a more focused effort that we expect to be more effective. In the short-term, assistance programs will aim to deny support for the insurgency by focusing on licit job creation, especially in agriculture, and improving basic service delivery and the provision of justice at the national, provincial and local level. Over the longer-term, assistance programs will focus on reconstruction efforts aiming to provide a foundation for sustainable economic growth.

The FY 2010 supplemental request is necessary to provide critical resources that will support the military surge and the immediate civilian needs to implement the President's strategy for Afghanistan. These funds will help lay the groundwork and continue ongoing efforts that will be further augmented by the President's FY 2011 request for Afghanistan. FY 2010 Supplemental funding will help U.S. Government efforts to build the capacity of Afghan institutions to withstand and diminish the threat posed by extremists, and to deliver high-impact economic assistance to create jobs, reduce the funding that the Taliban receives from poppy cultivation, and draw insurgents off the battlefield. Supplemental assistance will provide support to national level Afghan ministries that can have the most direct impact on service delivery, particularly in the geographic heart of the insurgency in the South and East. The U.S. Government also will broaden assistance support and engagement at the provincial and district levels to enhance the visibility, effectiveness and accountability of the institutions that impact Afghan lives the most.

The top U.S. Government reconstruction and development priority is implementing a civilian-military agriculture redevelopment strategy to restore Afghanistan's once vibrant agriculture sector. This strategy will help to debilitate the insurgency by drawing away fighters and decreasing income from poppy cultivation. Supplemental assistance also will support stabilization programs and continue the United States' support for counter-narcotics efforts, especially disrupting and dismantling drug trafficking networks through interdiction efforts. The

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United States terminated support to the Government of Afghanistan's central government-led forced eradication program in 2009 because it was ineffective and drove poor farmers to support the Taliban. Simultaneously, assistance will sustain successful efforts to build the Afghan government's capacity to provide improved health services and education to the Afghan people. Governance programs will help develop more responsive, visible and accountable institutions in Kabul, as well as at the provincial, district, and local levels, where most Afghans encounter their government. These funds will also be used to strengthen the fight against corruption and improve public financial management. Supplemental funds will also support a substantial contribution to the World Bank-managed Afghan Reconstruction Trust Fund to provide assistance through the successful National Solidarity Program and other programs. Justice and Rule of Law programs will focus on creating predictable and fair dispute resolution mechanisms to eliminate the vacuum that the Taliban have exploited with their own brutal form of justice. Finally, assistance will strengthen the United States' support for women's justice programs, while continuing support for the involvement of Afghan women in all our programs. Women's empowerment and full and equal civic participation is critical to economic stability, security, good governance and development. This philosophy is incorporated into United States policy and programming.

ECONOMIC SUPPORT FUND: \$1,576 MILLION

Peace and Security (\$351 million)

Counternarcotics - Alternative Development (\$135 million): Alternative livelihood programs will focus on licit income generation and job creation through improving commercial agriculture production and sales and establishing market linkages in poppy production-prone areas. Working to grow a viable agribusiness industry in these regions, the program will facilitate and support direct connections between producers, traders, and buyers through activities such as agricultural fairs, marketing assistance, and sales promotion. Programs will seek to identify factors that constrain the growth of licit local product sales, while investing in solutions such as irrigation and farm-to-market road repair. Programs also will develop key agribusiness value chains at the production level in horticulture, livestock and fresh and dried fruits and nuts addressing such issues as cold storage and cross border trade. While the bulk of resources will target the priority geographic areas of the East and South, activities will continue in the declining, but still poppy-prone areas of the North and West.

Assistance will continue to support rapid response efforts, largely in the South, through grants-in-kind, cash-for work, and agricultural input vouchers. These programs will help farmers make a permanent shift away from poppy production and focus on high value permanent tree and trellis crops, vegetables, fodder, and livestock. An Afghan-led process, with representatives from the Afghan Ministry of Agriculture, Irrigation and Livestock (MAIL), the District Governor's Office, Provincial Reconstruction Teams, Community Development Teams, and tribal leaders, will decide which farmers and districts are qualified to receive assistance.

Conflict Mitigation and Reconciliation (\$216 million): Through a consultative process among Afghan community leaders, sub-national governments, Afghan ministry representatives, and

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provincial reconstruction team technical specialists, the Community Based Stabilization Program will provide grants for community development projects in areas ranging from health and sanitation to small infrastructure. The program builds community trust in the Afghan government; supports the Ministry of Rural Rehabilitation and Development (MRRD), complements and coordinates with the World Bank's National Solidarity Program and the National Area Based Development Program; and builds the skills and confidence of community groups and sub-national government to collaborate and take responsibility for their own development. The program is designed to prevent backsliding in the North and the West and consolidate the stabilization gains made to date in the South and East.

- **Afghan Stabilization Initiative (ASI) (\$50 million):** ASI promotes stability through quick impact projects in Afghanistan's most instable areas in the East and South. With additional funds, ASI will: Expand staffing and programmatic coverage to additional districts throughout East and South Afghanistan; support data collection, analysis and database/reporting development in conjunction with the Department of Defense's Counterinsurgency (COIN) Academy in Kabul; and, create and strengthen a unit for post conflict rural stabilization within the Ministry of Rural Rehabilitation and Development (MRRD).
- **Stability in Key Areas (SIKA) (\$166 million):** The SIKA program will support Afghanistan's capacity to identify and address the issues that are driving instability and support for the insurgency in outlying districts throughout the country. SIKA aims to raise the visibility and effectiveness of the GIRoA in delivering services in comparison to the insurgents. This is a one-year follow on program for the Local Governance and Community Development Program. SIKAs ultimate goal is to create a stable environment for longer-term political, economic, and social development through community small grants, cash-for-work and small scale infrastructure projects. These projects typically follow immediately after insurgents have been cleared from an area and serve as the bridge to longer term projects that help "hold" the area from return of the insurgents. Expected outcomes of SIKA include:
 - Greater community participation in the selection and implementation of small-scale development activities;
 - Improved provincial and district governance capacities to deliver services that address citizens' needs;
 - Immediate employment generation through cash for work;
 - Significant and lasting improvements in rural infrastructure (small roads, pedestrian bridges, irrigation systems, and small-scale power sources);
 - Expanded economic opportunities and access to public services; and
 - Stronger citizen support for GIRoA in insecure areas, resulting in greater stability.

Governing Justly and Democratically (\$810 million)

Rule of Law (\$50 million): Additional funding will help Afghanistan's government and its courts take more aggressive public action against corruption, while promoting good governance and human rights. These programs will build Afghan public confidence in their government's ability to resolve disputes, enforce the law, and promote stability to undermine the perceived

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comparative advantages of “Taliban justice.” The program consists of three components: 1) rapid stabilization of rule of law and community justice efforts in recently secured areas; 2) capacity building of the Judiciary, especially the Supreme Court; and 3) capacity building for law and Shari’a law faculties at higher education institutions. Funding also will assist the Supreme Court to implement a case management system to improve transparency, introduce a judicial ethics and discipline system, introduce specialized training for judges assigned to the anticorruption tribunal, and others as appropriate. Women will be key beneficiaries in all three component areas.

Good Governance (\$760 million): The Afghan government must improve its delivery of security and basic services to earn the trust of the Afghan people. Towards this end, funds will strengthen key government agencies, including the Independent Directorate of Local Governance and the Independent Administrative Reform and Civil Service Commission, build provincial and local government management and service delivery capacity, and support citizen advocacy systems to increase accountability and responsiveness. Additional resources will support implementation of the GIROA-led *District Delivery Program*. The initiative will place competent government officials from critical service delivery ministries in districts to implement integrated packages of basic government services, including health, education, agriculture extension and justice, as well as basic infrastructure, and support the Afghan government through this process to ensure success and sustainability. The project will be piloted in six recently secured districts and expanded to up eighty priority districts. Assistance will be used to train provincial and local officials, establish management systems within the Afghan government to increase accountability, and implement performance-monitoring measures to ensure quality service delivery. U.S. Government support will increase the capacity of institutions such as the Civil Service Training Institute and municipalities to support sub-national skills building. Special emphasis will be placed on recruiting and training more female civil servants. Funds also will support provincial operations, social outreach, improved service delivery, and civil registration reform.

Corruption is widespread in Afghanistan and significantly impacts all U.S. goals in the country. Ultimately, the success of anticorruption efforts depends on Afghan Government commitment to prosecute corrupt officials, implement transparency and meaningful reforms, and facilitate active public engagement in governance and oversight of resources. To support these needs, the United States will support a range of activities, including strengthening the Afghan High Office of Oversight; reforming civil service personnel practices; helping the Ministry of Finance to improve public financial management and procurement policies at all levels of government; and building the capacity of civil society and the independent media to monitor government, advocate for transparency and action against corruption, and educate the public on anticorruption rights and responsibilities.

The Supplemental includes \$450 million for the *Afghanistan Reconstruction Trust Fund (ARTF)*. These additional resources will assist the United States in meeting its goal to provide \$650 million to the ARTF annually, administered by the World Bank to provide multilateral assistance to the Afghan government for reconstruction projects through the *National Solidarity Program (10 percent of whose funds directly benefit women)* and other proven programs. ARTF is a valuable incentive for securing Afghan government reforms, as the program rewards

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performance against a set of agreed-upon policy benchmarks in the areas of revenue generation, governance, and private sector development.

Direct Budget Support of \$115 million will be provided to the Ministry of Finance to help build Afghan capacity and provide strong incentives for reform by helping the Afghan government meet the recurrent costs of its national budget and provide a discretionary development budget that is conditional on meeting reform benchmarks. The U.S. Government has previously certified the Ministry of Public Health, the Ministry of Communication and Information Technology, and assessed the Ministry of Finance to receive direct U.S. assistance. The U.S. Government is assessing the Ministry of Education (MoE); Ministry of Agriculture, Irrigation, and Livestock (MAIL); and Ministry of Rural Rehabilitation and Development (MRRD). Two assessments (financial and procurement) will be done at each Ministry. If the assessments determine that the procurement, financial, and expenditure systems are adequate, the U.S. Government will certify them to receive direct assistance. The U.S. Government will provide technical assistance and advisors as required ensuring deficiencies are corrected and that the funds are being managed responsibly.

Investing in People (\$100 million)

In addition to security, health and education are the highest priorities of the Afghan people. Afghans recognize that there must be substantial capacity development for the government and civilians alike if they are to assume full responsibility for their future.

Health (\$50 million): The Afghan people consider health care services as one of their highest priorities, and they expect their government to deliver. With additional funds, the U.S. Government will expand Afghan government-provided essential health services and increase the Afghan government's capacity to deliver quality services. Support will be provided both through direct funding to the Ministry of Public Health and through parallel technical support to ensure successful delivery and monitoring of health services at the point of delivery, strengthening the public's perception of the Afghan government's capacity to improve their lives. Supplemental funding is requested to:

- *Increase work in insecure and border areas that are key recruiting grounds for the Taliban:* Efforts in these areas will focus on engaging religious and traditional leaders; providing incentives for families to use government health services or services contracted with private providers in underserved areas. These efforts will improve the availability and quality of health services, as well as increase the legitimacy of the government among the population.
- *Technical support:* To ensure that quality is increased and services adequately delivered, the United States will increase technical and monitoring support in delivery of Afghanistan's Basic Package of Health Services (BPHS) and Essential Package of Hospital Services. The United States will help update the BPHS standards, train and employ additional health care providers, especially women, and improve and implement referral systems. The United State also will explore incentives for healthcare workers, especially females, willing to work in remote and insecure areas, and introduce standardized residency training for physicians and nurses.

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Education (\$50 million): Afghanistan's success depends upon its ability to build—and retain—its own human capital with the help of effective support strategies from the international community. Increased funding will expand secondary education and dramatically expand skills and vocational training in sectors where the U.S. Government is already contributing. Supplemental resources are requested to:

- *Increase support to secondary education:* The large increase in primary school enrollments in recent years presents a particular challenge to the secondary system. Expanding community-based secondary education will be in the FY 2010 base funding, but additional funding will focus on the following: continued investments in teacher education to upgrade teacher quality, with a special emphasis on female teachers; curriculum enhancement for the new Afghan secondary curriculum to improve its focus on school-to-work transition; and basic material assistance.
- *Engage Madrassas with secular material and curriculum assistance:* Additional funding will expand programs to serve larger numbers of madrassas with secular education and to increase geographic focus to key conflict districts nationwide.
- *Increase capacity of Ministry of Education (MOE) and Ministry of Higher Education (MOHE) at the national and local levels:* With additional funding, the U.S. Government will intensify efforts to strengthen the institutional capacity of the MOE and MOHE. Additional capacity development activities will focus on early childhood education, regulation systems for private primary and secondary schools and community schools, and strengthened procurement and financial functions.
- *Improving access to quality university programs:* Higher education activities will build on successes of existing higher education projects and add new components, focusing on greater administrative reform at the MOHE and in select public and private universities. To support the MOHE's new strategic plan, the United States will expand existing support to university-level teacher education, and crucial fields such as English language education, as well as support to libraries and laboratories and development-related fields, such as engineering, law, business, public administration, health sciences and agriculture.

Economic Growth (\$315 million)

Macroeconomic Foundation for Growth (\$7 million): Supplemental funds will enhance work with the Ministry of Finance to improve revenue collection, thereby supporting Afghanistan's fiscal sustainability. Specifically, assistance will help extend tax administration reforms to the key provincial economic centers of Mazar, Herat, and Jalalabad, improve collection of non-tax revenue, and enhance reconciliation of revenue reporting data. The United States will provide technical assistance to increase tracking of the fiscal relationships of Afghanistan's remaining state-owned enterprises in compliance with International Monetary Fund benchmarks and requirements for institutional reform.

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Trade and Investment (\$19.5 million): Additional funds will support implementation of trade agreements and facilitate improved regional cooperation. The United States will invest additional funds in trade-related infrastructure, including in industrial parks, transport, customs facilities, and key border crossing facilities shared with Pakistan at Torkham Gate and Weisch-Chaman. U.S. Government assistance will help increase Afghan exports by up to 20 percent per year from a baseline of \$480 million in 2008. This will help generate income for Afghanistan's farmers, as half of Afghanistan's exports are agricultural products.

The United States will continue efforts to modernize and increase the transparency of Afghanistan's Customs Department through capacity building, training, and policy advice. In coordination with other donors, the United States also will help establish a new Customs Academy, which will train more than 600 Afghan Customs officers. Through advisory assistance, the program will reduce the number of steps for documenting exports and improve Afghanistan's ranking in the World Bank's Doing Business report, where Afghanistan currently ranks 179 out of 181 countries for ease of trading across borders. Assistance also will support substantial public education efforts to increase understanding of and support for the benefits of international trade as well as rationalizing and simplifying customs tariffs, thereby reducing opportunities for corruption.

Financial Sector (\$4.5 million): Assistance will extend the reach of Afghanistan's financial supervisory authority by building capacity in the regional branches of the Central Bank (Da Afghanistan Bank). Assistance will support the production of quarterly statistical bulletins at the regional level. With additional funds, the United States will support increased public-private dialogue on financial sector issues in the key economic centers of Herat, Mazar, Jalalabad, and Kandahar.

Agriculture (\$215 million): This additional funding will complement U.S. agriculture assistance previously described under Alternative Development, which is focused on poppy-prone areas. Supplemental funding will support the implementation of the U.S. Government civilian-military agriculture strategy, which mobilizes support for the Afghan Government Ministry of Agriculture, Irrigation, and Livestock (MAIL) and the private sector to revitalize Afghanistan's agricultural economy and increase income and jobs. Supplemental funding will support the following:

- *MAIL Capacity Building:* U.S. support (via training, technical assistance, equipment for staff, and policy reform advice) will increasingly enable MAIL to more effectively deliver services to farmers at national and sub-national levels.
- *Watershed rehabilitation:* This effort will focus on labor-intensive methods to rehabilitate degraded watersheds that not only will improve irrigation systems downstream but also will help make these irrigation systems more sustainable through reduction of silting and other negative repercussions of degraded watersheds.
- *Signature Irrigation Initiative:* Funds will support infrastructure projects that will increase the area of arable land and farmers' access to water through linkages to large irrigation systems. The program will improve quality assurance for water engineering projects by

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building a team of technical irrigation experts to monitor irrigation projects implemented by quick impact programs.

- *Agribusiness Development:* This effort will continue to invigorate the agribusiness sector by increasing linkages between farmers and markets through support through focusing on: agribusiness market promotion and trans-border facilitation, transportation and storage, food safety, pest risk management, opportunities for contract farming, packaging, post-harvest handling, and processing for sales.
- *Market development:* Programs will help shorten the value chain from input to output and increase access to domestic and international markets.
- *Agriculture credit:* Programs will expand access to credit for farmers whose credit needs are underserved, particularly those with medium sized operations who have finance needs that are not currently met by current microcredit lending products.
- *Research and extension services:* U.S. Government assistance will strengthen the capacity of key research stations nationwide and develop modern and effective extension services to farmers.

Private Sector Competitiveness (\$60.4 million): Additional resources will foster new partnerships with international and local Afghan private sector stakeholders through a new alliances program. This effort will work with Afghan institutions, such as the Ministry of Commerce and Afghanistan's Investment Support Agency, to promote investment in and growth of the private sector in order to expand opportunities in key areas of competitiveness, including handicrafts and gemstones. Programs will emphasize providing opportunities to Afghan women to help them develop and market their products. Funds will extend private-sector capacity building and investment opportunities with responsible Afghan regulatory oversight to more regions of the country. Assistance will expand the reach of the quick-impact economic response fund to more economic corridors of the country and key districts where GIRoA services are not readily available. In the area of vocational training, funding will support job-related skills and training concentrating on women beneficiaries, strengthening private-sector training institutions, and linking the labor force to economic opportunities in local communities, such as construction, agriculture, handicrafts, mining, business management, and engineering. The United States Government also will broaden assistance in land use, land ownership conflict resolution, and infrastructure upgrading, including to specific informal settlements in major population centers around the country.

Economic Opportunity (\$8.6 million): Supplemental funding will expand the highly successful credit union program, extending Islamic-compliant financing and credit to religiously conservative rural areas, particularly in Afghanistan's southern regions. Cooperatives will expand service to all of Afghanistan's southern and eastern regions, while maintaining services in the northern and western regions. Additional funds will enable the United States to increase support for the development and implementation of financial products targeting middle-scale agricultural production financing and small and medium farm and non-farm related businesses.

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INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT: \$200 MILLION

Peace and Security, Counternarcotics (\$25 million)

Increase Support for Counternarcotics Police of Afghanistan (CNPA) and Interdiction Operations (\$22 million): The U.S. Government counternarcotics policy in Afghanistan has shifted to increase support to interdiction. While the mainstream CNPA continues to face serious institutional challenges, specialized units like the National Interdiction Unit (NIU), Technical Intercept Unit (TIU), and Sensitive Investigations Unit (SIU) continue to play an important and growing role in the fight against narcotics trafficking. With these funds, the United States will continue to provide operations and maintenance (O&M) support to CNPA facilities so that CNPA is able to continue to focus on strengthening its institutional capacity as well as the disruption, dismantling, and interdiction of drugs, traffickers, precursor chemicals and the dismantling of their organizations. This includes support to the main CNPA operating bases in Kabul for the NIU, the SIU, and the TIU. These funds also will provide O&M support to outlying forward operating bases to include Konduz, Herat, Kandahar, and Jalalabad, and to CNPA provincial offices, headquarters and drug labs. The United States also will provide support for the Counternarcotics Training Academy to accommodate increasing numbers of CNPA officers to develop a self-sustaining force.

Drug Treatment Facilities for Homeless Addicted Children and Training of Drug Treatment Counselors for Children (\$2 million): Orphaned children and adolescents living in the streets without suitable protective shelter and food, and especially without caring adults, are often introduced to substance use by other homeless children and adults as a way of coping with life. This project will relocate orphaned and drug-addicted urban street children to specialized children-only treatment facilities, thereby reducing criminality and their risk of recruitment by criminal or terrorist networks. The U.S. Department of Health and Human Services' National Institute on Drug Abuse will develop new treatment options for Afghan children, to include specialized counseling approaches.

Program Development & Support (\$1 million): The U.S. Government will use funds for general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

Governing Justly and Democratically, Rule of Law (\$175 million)

Expand Corrections Sector Support Program (CSSP) Initiatives into the Provinces (\$60 million): With the growing focus on provincial operations, the United States will expand the presence CSSP corrections advisors geographically, with a particular focus on the South and East. CSSP also will expand its work into district detention centers, ensuring unified training across the entire Afghan corrections system. These efforts will increase the number of embedded international and Afghan advisors at the Central Prison Directorate Headquarters and expand advanced training classes. Prisoner classification and segregation efforts will be expanded and accelerated. CSSP also will expand deradicalization, reintegration, and rehabilitation programming, which will be closely coordinated with the International Security Afghanistan

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Force's (ISAF) Joint Task Force 435, and work to ensure prisons do not function as recruitment and training centers for insurgents. CSSP also will expand programs focused on prisoner reintegration, alternatives to incarceration, and prison industries. As part of stabilization efforts, CSSP will create a mobile team that can move into areas immediately after the military to assess the conditions at district detention centers and develop a comprehensive plan to improve their security and operations.

Expand Justice Sector Support Programs (JSSP) into the Provinces (\$50 million): Funds will increase the number of judges, prosecutors, and criminal investigators reached by JSSP training efforts; develop police/prosecutor capacity to investigate crimes in major cities and more remote provinces to support ISAF and Afghan National Directorate of Security battlefield arrestees; provide higher-level training modules and specialized courses using Afghan instructors. Training and advisory efforts will focus on expanding the Ministry of Justice and Attorney General's office capacity to conduct basic and in-service training for prosecutors, investigative police and Ministry of Justice personnel, as well as providing targeted assistance in geographic areas critical to the stability mission. This also will assist the Afghan Government in quickly re-establishing effective justice institutions in areas cleared by United States, ISAF, or the Afghan Military.

Anti-Corruption, Counternarcotics and Major Crimes Justice Assistance, Including Judicial Security (\$25 million): Funds will provide operation and maintenance support for the Counter-Narcotics Justice Center, and fund operational assistance, advisory support and training for the Criminal Justice Task Force, the Major Crimes Task Force, the Anti-Corruption Unit, and the Anti-Corruption Tribunal to support advisors working with specially vetted prosecutors and judges dedicated to cases involving corruption and organized crime; and focus on increasing judicial security to support these programs.

Defense Bar Legal Aid (\$5 million): Funds will support the Legal Aid Organization of Afghanistan, the Ministry of Justice Office of Legal Aid, and the creation of a defense bar as part of the Afghan Independent Bar Association. Assistance will support training efforts and advisory assistance, as well as partnerships with Afghan law faculties to link qualified graduates with legal defense training programs. Programs will draw on best practices developed by law faculties outside of Afghanistan and, where possible, with leading international universities.

Establish Model Prisons in Two Provinces (\$25 million): Efforts must be accelerated to increase the capabilities of the Afghan corrections system to handle the most sensitive and dangerous of inmates, including insurgents. This program will provide additional construction and facility improvements to several prisons. It will focus on establishing two prisons to serve as practical academies for new corrections officers. These two prisons will provide enhanced deradicalization and prison industries programs, as well as test budget self-sustainment concepts through agriculture and vocational services to surrounding communities.

Strengthen Women's Justice Programs (\$8 million):

- Gender Justice Initiatives (\$7 million): Funding will continue and expand efforts to build the capacity of Afghan defense lawyers, prosecutors, and law enforcement officers to prevent

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and respond to crimes of violence against women and girls by providing specialized training to these officials. Programs also will provide Afghan law students with specialized training in handling cases of violence against women and other gender-based crimes. In addition, funds also will enable advisor support for mentoring programs across the country to build linkages between police, prosecutors, defense attorneys, and courts, to successfully prosecute cases involving violence against women and defend women wrongly accused of crimes. Funding will continue to expand preventative mediation, legal assistance and awareness, shelter, social work, and reintegration services for Afghans at-risk for or victimized by gender-based violence. Funds will support continued capacity building in the Ministry of Women's Affairs Legal Department, which is responsible for case management and referrals for female victims of violence nationwide.

- **Women and Children in Prisons Funding (\$1 million):** Funding will help implement a comprehensive support plan for women (and their children) in Afghan prisons, including training and support for female corrections officers and those officers dealing with women in Afghan prisons. Funds also will support non-governmental organizations, Afghan government agencies, and/or international organizations that provide humanitarian, education and rehabilitation programs for female inmates (and their children) and support women's reintegration once released from prison.

Program Development & Support (\$2 million): The U.S. Government will use funds for general administrative and operating expenses for program planning, design, implementation, monitoring, and evaluation.

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PAKISTAN

RESOURCE SUMMARY

(\$ in thousands)

Appropriation	FY 2009 Actual	FY 2010 Estimate	FY 2010 Supp	FY 2010 Total
TOTAL	2,305,866	1,457,872	344,000	1,801,872
Global Health and Child Survival	33,468	29,722	-	29,722
Economic Support Fund	1,114,000	1,033,000	244,000	1,277,000
International Narcotics Control and Law Enforcement	87,500	130,000	40,000	170,000
Nonproliferation, Antiterrorism, Demining & Related Progs.	13,250	22,150	-	22,150
International Military Education and Training	2,261	5,000	-	5,000
Foreign Military Financing	300,000	238,000	60,000	298,000
Pakistan Counterinsurgency Capability Fund	700,000	-	-	-
Public Law 480 (Food Aid)	55,387	-	-	-

OVERVIEW

The United States is committed to an enduring partnership with Pakistan based on mutual trust and common objectives. Consistent with the President's pledge of a long-term partnership with Pakistan, and as reflected in the Enhanced Partnership With Pakistan Act of 2009, we are making a sizable, long-term commitment of non-military assistance and directing it towards priorities identified by Pakistan's democratically elected government and people.

This request will support the President's strategy by directly helping Pakistan build on its success against militants to eliminate extremist sanctuaries that threaten Pakistan, Afghanistan, the wider region, the United States, and people around the world. The United States will sustain its counterinsurgency support and other assistance to Pakistan's military and police to help them fight insurgents, as well as make greater civilian investments to meet the needs of people in areas most affected by militancy.

The requested \$344 million will help address immediate energy, water, and related economic crises, thereby deepening our partnership with the Pakistani people and decreasing the appeal of extremists. To provide tangible benefits to the daily lives of the people of Pakistan and help Pakistan recover from its energy and water crises, U.S. assistance will include high impact infrastructure projects. To strengthen the ability of the Government of Pakistan (GOP) to provide for its population and reduce vulnerabilities to extremist ideologies and recruitment, assistance will also help sustain the delivery of services, strengthen accountability, support socio-economic and political growth, and support Pakistan's security forces.

ECONOMIC SUPPORT FUND: \$244 MILLION

Investing in People (\$115 million)

Social and Economic Services and Protection for Women Affected by Conflict (\$50 million):

Cash payments, made through Government of Pakistan-administered mechanisms, will provide

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vital support to displaced persons to rebuild homes, communities, and livelihoods. More than 2.8 million people were displaced as a result of recent military action against extremist in Federally Administered Tribal Areas and North-West Frontier Province with approximately 1.2 million displaced individuals still unable to return to their area of origin. The U.S. Government will provide funds to the Benazir Income Support Program, which provides safety net support to Pakistan's most vulnerable families, a high percentage of which are headed by women.

Health – Water and Sanitation (\$65 million): Water and sanitation-related diseases are responsible for an estimated 60 percent of the child mortality cases in Pakistan. Recent data on waterborne disease outbreaks suggest that distribution systems remain a source of contamination. The U.S. Government will support the rehabilitation of water distribution systems to ensure that safe drinking water from a centralized treatment plant or well supplies reaches consumers in targeted regions. This could include: improved water storage capacity; small and mini dams in western provinces; groundwater recharging and rainwater harvesting in priority districts; integrated water resource management; support for water utility operations, rehabilitation and commercialization; continued water quality monitoring efforts and addressing the most serious drinking water quality issues with point-of-use treatment; and multipurpose water usage and water safety education programs for the rural and landless.

Economic Growth (\$129 million)

Agriculture – Irrigation and Water Supply (\$65 million): The water crisis facing Pakistan is severe and poses a grave threat to its economic and social stability. Agriculture, the primary livelihood for Pakistan's rural poor, places substantive demands on the existing water supply. Incorporating and expanding modern irrigation methods and upgrading existing canal systems could save significant amounts of water and increase the productivity of large and smallholder farms. U.S. Government assistance will support the Government of Pakistan's efforts to retain and utilize water more efficiently. These efforts will include small dams and rain catchment systems in arid parts of the country currently facing drought conditions, particularly in Balochistan, the Federally Administered Tribal Areas and North West Frontier Province, and other regions close to the Afghanistan border. The program will also work through the Government of Pakistan to expand and upgrade high efficiency irrigation systems that increase farm output and reduce farm-level demands on water resources. Other efforts may include support for water and irrigation policy reform.

Infrastructure – Support for sustainable solutions to Pakistan's energy crisis (\$64 million): U.S. engagement in the energy sector will respond to the urgent need to put the power sector on a commercially sustainable financial footing in order to attract private investment and reduce chronic shortages. FY 2009 funds for energy are supporting regulatory reforms, provision of spare parts, and maintenance to improve efficiency of existing generation and distribution. An additional \$64 million in FY 2010 will provide support for the high-impact, high visibility U.S. energy program, which will focus on hydro/irrigation infrastructure and alternative energy. In the medium term, this focus should improve Pakistan's energy mix, lowering unit costs and emissions. Projects under consideration include dams and wind farms that could also leverage private sector funding. The Asian Development Bank launched a counter guarantee program to cover political risk for private sector investment.

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INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT: \$40 MILLION

Peace and Security (\$40 million)

This supplemental funding will build on the United States Government's nascent police program in Pakistan. In many areas of Pakistan, civilian police are struggling with the challenges presented by armed militant groups, increased extremism, and well-armed criminals and traffickers. In some areas, not only has the provision of basic police services broken down, but the writ of government itself has been challenged. Militants exploit public frustration by pushing harsh, alternative forms of "justice." The Pakistani police forces need training, commodities, and infrastructure support in order to prevent and respond to extremist incidents, improve general law and order and reinforce the writ of the democratically elected civilian government.

Expanded Police Training, Commodities, Infrastructure Support (\$32 million):

The request expands U.S. government assistance to priority areas in southern Punjab and northern Sindh, which are extremely vulnerable to militants and extremist activity. Increasing the capability of police, including female police officers, will allow the civilian government to exercise greater authority while also relieving the Pakistan military of the responsibility for maintaining civilian security.

- Punjab Police (\$15 million) – Funding will support the establishment of a civilian law enforcement training center, for which the GOP has requested our assistance. In addition, funding will also provide training, equipment, and infrastructure support, including renovation of deteriorating police facilities in priority areas to better allow police to confront the spread of extremism into the settled areas.
- Sindh Police (\$12 million) – Funding will be used for training, commodities, and minor infrastructure support for police in Sindh, including assistance to police facilities in priority areas that are vulnerable to extremist and militant activity and recruitment. Funding will enable police to better confront the spread of extremism into settled areas, including Karachi.
- Female Police Support (\$5 million) – Funding will provide support to female officers working within Pakistani police organizations, which often lack formal training and work at separate police stations and facilities that are in disrepair. Support will include commodities and infrastructure support for female police and training that addresses the requirements of female officers. Funds will also support the development of training modules that will help Pakistani police, both male and female, respond better to matters involving violence against women and family issues.

Corrections Administration and Training (\$4 million):

Funding will provide training and technical assistance to Pakistan's corrections administration. Training for corrections officers and senior prison management will promote reform of operational methodologies in the administration of Pakistan's prisons and the adoption of humane standards for a growing prisoner population, including a growing population of

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extremist prisoners. Funds will also support an assessment to gain an accurate picture of Pakistan's current prison population.

Program Support (\$4 million): FY 2010 Supplemental funding will provide program development and support funding for program administration and oversight to augment staff, as well as establish a police advisor positions for Punjab and Sindh.

FOREIGN MILITARY FINANCING (FMF): \$60 MILLION

Peace and Security (\$60 million)

Supplemental FMF is critical to procure Bell-412 utility and troop transport helicopters for the Pakistan Army in support of the continued modernization of the Pakistan military and enhancing the Pakistan Army's participation in counterinsurgency operations. The Pakistan Army employs Bell-412 helicopters in counterinsurgency operations for observation and patrolling, escorting ground convoys, transporting ground forces, conducting close air support missions, and recovering battlefield casualties. The requested \$60 million will provide approximately five Bell-412s which, when combined with approximately \$69 million in previously appropriated FMF, will support the provision of a total of up to 10 Bell-412s, approximately the average size of a Pakistan Army helicopter squadron.

This Bell-412 procurement is part of the Pakistan's Army long-term, phased plan to reduce the number of different helicopter types in its inventory (now at 12-17 types) to a single type for each helicopter category: attack, utility, cargo, trainer, and scout. The Bell-412 procurement also encourages Pakistan to continue its shift away from non-U.S. helicopter types to U.S. produced aircraft. In this way, FMF will be used for long-term, high impact commodities.

This long-term support is distinguishable from, yet complementary to, programs planned under the Pakistan Counterinsurgency Capability Fund to upgrade existing helicopters for counterinsurgency operations, with items such as armament and observation systems. These upgrades will provide an immediate counterinsurgency impact on ongoing operations.

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IRAQ

RESOURCE SUMMARY

(\$ in thousands)

Appropriation	FY 2009	FY 2010	FY 2010	FY 2010
	Actual	Estimate	Supp	Total
TOTAL	599,000	466,800	517,440	984,240
Economic Support Fund	541,500	382,500	-	382,500
International Narcotics Control and Law Enforcement	20,000	52,000	517,440	569,440
Nonproliferation, Antiterrorism, Demining & Related Progs.	35,500	30,300	-	30,300
International Military Education and Training	2,000	2,000	-	2,000

OVERVIEW

As the U.S. Government's relationship with Iraq transitions with the drawdown of U.S. military troops, continued support for the development of the Iraqi police remains critical to Iraq's future stability and to achieving the Administration's vision of a sovereign, stable, and self-reliant Iraq. Supplemental funding is necessary for the State Department to effectively take responsibility from the Department of Defense for support of the Iraqi Ministry of Interior, police and border forces effective October 1, 2011. This successor program, which must be operational at the end of FY 2010 to ensure a smooth transfer, will focus on the higher-order management, leadership and technical skills that Iraqi police need in order to provide for Iraq's internal security.

The State-led police program will include 350 advisors who will provide assistance, advice, and consultations to senior Iraqi officials at the Ministry of Interior, the Department of Border Enforcement, and the Federal Police. Advisors will work throughout the provinces at provincial capitals and police headquarters, police colleges and provincial/regional academies. The program will have national reach as requested by the Government of Iraq and in support of U.S. national security interests.

With the planned withdrawal of all U.S. troops from Iraq by December 31, 2011, under the terms of the bilateral U.S.-Iraq Security Agreement, the transition of this responsibility from the U.S. Military to the Department of State cannot be delayed.

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT (INCLE)

Peace and Security (\$517.4 million)

The INCLE request of \$517.4 million will cover the start-up costs of the police program, some of which require substantial lead times, including necessary base camp and aviation facility upgrades, security infrastructure, and the procurement of aircraft for transportation between program hubs and field locations. Supplemental funding is needed due to the substantial lead times necessary in aircraft procurement and facility construction and upgrades.

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Initial funding also will provide for the recruitment and training of key personnel, including security and contract management and oversight. In particular funds will be used for:

- *Aircraft Procurement:* Supplemental funding is necessary to procure fixed and rotary wing aircraft in order to move advisors throughout Iraq. The Department's Bureau of International Narcotics and Law Enforcement's program in Iraq will have up to 2,000 personnel (USG and contractors) in support of the police training mission. These advisors will travel to approximately 60 ministry and policing institutions throughout the country to provide advice and support and conduct advanced technical training.

Because of the size of the program, significant in-country movement requirements, and the need to reach a number of provincial sites that are a considerable distance from program bases, the program will be unable to rely on existing Embassy aviation assets. Additional aviation assets are essential to comply with President Obama's directive to provide a robust capacity-building and developmental police training program for all of Iraq. Approximately half of the locations where the Department of State will advise or train Iraqis are only effectively accessible by air.

- *Upgrading Existing Infrastructure:* Program costs include upgrades to existing facilities or, as necessary, construction of temporary facilities to provide a base of operations in three locations in Iraq. Facilities will include housing, office space, dining, and recreation areas. To meet U.S. security standards, these facilities will undergo necessary security improvements that will require long lead times for the construction of structures and overhead cover of housing and office space.
- *Expanded Aviation Facilities:* Increased capacity for air operations includes the addition of hangar and ramp space, administrative offices, maintenance facilities, and fuel sites.
- *Recruiting, Hiring, Training, Deploying, and Providing Initial Mission and Life Support for Key Personnel:* Contracted police advisors and subject matter experts will work with USG direct hire employees who will manage the program and provide supervision and oversight. The salary requirements for these personnel reflect the costs associated with the higher caliber of experts that are necessary in the State-led program.

Key personnel also include security staff (contractor and USG direct hire) that will provide static security at facilities and conduct Personal Security Details. These security costs cover work related to providing security during the construction phase that will begin at least a year before the transition occurs.