



## Remarks Upon Signing the \$200 Million Special Objective Grant Agreement

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**Hina Rabbani Khar, Pakistani Minister of State for Economic Affairs**  
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Islamabad, Pakistan  
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**MINISTER KHAR:** It gives me great pleasure to welcome Under Secretary Burns, Ambassador Crocker, USAID Director Lisa Chiles and other members of the U.S. delegation to the Ministry, and the Under Secretary to Pakistan, of course. The U.S. and Pakistan, as we all know, have had a very long-standing relationship for the past few decades. This relationship has further been harnessed and strengthened over the last three years since the assistance of the U.S. to Pakistan has increased exponentially. In particular, the government of Pakistan greatly values the support and the way the American people, the government, the private sector, and the civil society have come forward to show their support in the wake of the devastating October earthquake disaster in Pakistan.

In the wake of this disaster, the U.S. has come forward as the largest bilateral donor with a total pledge of \$510 million dollars, and may I also mention here that all of this money is in grants. So this is all grant money of about \$510 million dollars for the earthquake disaster. Equally importantly, USAID has played an extremely important role in the pre- and post-conference activities, contributing greatly through their knowledge and expertise, for even the assessment report came up in a record time of about a month.

I'm now pleased to say that this cooperation is being further strengthened today through the agreement that we have just signed. This agreement covers the U.S. Government's pledge of \$200 million dollars over the next four years for earthquake reconstruction; so this \$200 million dollars is going to be specifically spent for reconstruction in the earthquake affected areas. The first tranche of \$15 million dollars has already been approved by Congress and will be available to be spent immediately on reconstruction work.

As the Special Objective Grant Agreement specifies, the broad objective of this agreement is to strengthen health and education facilities in the disaster area and to restore livelihoods in the same areas. The utilization of this grant will thus be in line with the government's strategy as outlined by the President in his opening address at the donors conference, that we have to make sure that we convert this adversity into an opportunity for the people of Pakistan and that we "build back better." The U.S. Government reconstruction program would concentrate on building primary and secondary public school and healthcare facilities in the earthquake area. The other component of livelihood restoration will, *in'shallah*, go a long way in bringing back economic activity in the disaster struck region and give a source of livelihood to the people who have been so affected by this disaster.

Let me add at the end that we look forward to continued cooperation with the U.S. And let me say once again how much we appreciate the fact that the American people, the American government, and the American civil society have come forward to help Pakistanis in their hour of need. Mr. Under Secretary.

**UNDER SECRETARY BURNS:** Madam Minister, thank you very, very much for your kind remarks and thank you again for inviting Ambassador Crocker and I to be with you today. We're very pleased to be here, and let me begin by saying how much we value our partnership with Pakistan.

Pakistan is a long-time, long-standing friend of our country; it has been a country with which we've experienced great cooperation in a number of fields for many, many decades, and in recent years we find Pakistan to be one of our most important partners worldwide on common issues.

As you know, when this terrible earthquake struck your country and so many millions of your citizens were affected it had a profound impact in the United States. And our government responded immediately, and you've described the way that we did that. And I think equally importantly, average Americans watching on TV and seeing the scenes of horrible deprivation, of death unfortunately, and of so many people suffering -- those people have reached out. Many have contributed their own money, private money, in order to assist citizens here in Pakistan. So we want to say once again how much we feel for the people of this country. And how much we hope that this crisis will be overcome through the excellent efforts of your government and with the assistance of some of your partners overseas.

You know that relief aid from the U.S. arrived within hours after the devastating earthquake on October 8 of the past year, and that response was, I think, indicative of the cooperative relationship that has developed between our countries over the years, and we are committed to expanding that cooperation and that relationship. And today, as the Minister said, we mark the beginning of a new phase of government assistance, and that is helping communities to reconstruct themselves, to rehabilitate, and to rebuild and to move forward in progress.

The U.S. Government, as the Minister has said, has pledged \$510 million dollars to the people and to the Government of Pakistan for relief, and now today for reconstruction. We know the relief phase is not over, and we will continue to provide relief support to help people survive the harsh winter here in Pakistan. To date more than \$295 million dollars in relief has come from the United States -- \$83 million from the U.S. government, \$110 million dollars from the U.S. military -- and I think Pakistanis have seen the evidence of the Chinook helicopters ferrying support to the people of Pakistan -- and \$100 million dollars from our private sector, from our corporations, and from our nongovernmental organizations.

The agreement that we have just signed today is our first contribution of \$15 million dollars for rebuilding schools and hospitals destroyed by the earthquake and for reviving the livelihoods and systems needed for effective education and for healthcare. And we plan a total contribution of at least \$200 million for this reconstruction and rebuilding effort. We will shortly begin training skilled workers on earthquake assistance construction practices, and USAID is committed to "building back better," using construction methods that leave people less vulnerable to future earthquakes and aftershocks. In February of this year, just a month from now, we'll start construction on a middle school in the city of Balakot, one of the most badly affected cities from the earthquake. By October of this year, construction will begin on another 60 schools, 40 of which will be primary and middle schools, and on another 20 high schools. We'll work closely with the government of Pakistan and at all levels, Madam Minister, in choosing those schools, of course. USAID is not only supporting the building of schools, but also the training of teachers who will work in them. Similarly, construction will begin this year on health care facilities including a secondary hospital, four rural health centers, and 20 basic health units.

Rebuilding communities is going to be a challenge for the people who live in them, for the government, and for all of us who are friends of Pakistan. Capabilities will be stretched; and the recovery is certainly going to take some time. Balance is going to have to be found between quick results, and between sustainable development. The United States is committed to building a long-term partner in this effort, in the Government of Pakistan, and its people.

We certainly have not forgotten the needs of the rest of Pakistan for development assistance and support, outside of those people who have been affected by the earthquake. Our earthquake reconstruction program that we've discussed today is in addition to the current \$1.5 billion dollar USAID program which will continue to provide education, health, and economic growth and governance support in many other regions of Pakistan. We believe the Government of Pakistan has taken extraordinary leadership in the earthquake relief effort. We commend President Musharraf, we commend the Minister, and we commend everyone else involved. It's been admirable to see how quickly your government has been able to get assistance to your people, and we look forward to working with you, on that basis, for the months and years ahead. Thank you very much, Madam Minister.

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