



#### Press Statement

Islamabad, Pakistan  
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## Governments of Pakistan and the United States Unite for Economic Growth: Economic Agreements Signed Worth \$13.7 Million

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The Governments of Pakistan and the United States signed two agreements to help Pakistan expand its economy today. The first agreement is part of the U.S. Government's five-year economic growth assistance package to Pakistan worth more than U.S. \$73 million. The second is a Memorandum of Understanding to allow the Competitiveness Support Fund to partner with the Higher Education Commission in support of initiatives that promote knowledge-based economic development and ensure long-term economic growth.

The bilateral agreement for USAID's Economic Growth commits \$13.7 million in support for 2006. The funding will enable USAID to provide over 130,000 loans for micro and small businesses in all four provinces and FATA, continue support to promising industries throughout Pakistan, and enable assistance to more than 50,000 farmers in drought-affected areas of Balochistan with new seeds, livestock and irrigation systems.

U.S. Ambassador to Pakistan Ryan C. Crocker and Pakistan Minister of State for Finance Omar Ayub Khan witnessed the signing for their respective governments. Ambassador Crocker said, "The people of the United States are excited to see a growing, vibrant Pakistani economy. By appealing to Pakistanis' entrepreneurial spirit, the United States' Economic Growth programs in Pakistan will continue to help businesses grow and reduce poverty."

The second signing, the Competitiveness Support Fund – led by the Ministry of Finance and supported by USAID's Economic Growth program – formed a breakthrough partnership with the Higher Education Commission.

"The main thrust of this initiative is to build linkages between business and academia," said Omar Ayub Khan, Chairman of the Competitiveness Support Fund and Minister for State for Finance. "Such linkages will spark the kind of information sharing that makes business more dynamic and supports the commercialization of innovations developed at our universities and research institutions."

"Our partnership with the Competitiveness Support Fund will bring a new dimension to the Higher Education Commission that should help our researchers attract better financing and shape their work to more directly meet the needs of society and the economy," said Prof. Dr. Atta-Ur-Rahman, Chairman of the Higher Education Commission. "Cooperation of this type between business and academia has generated tremendous innovation in the countries that have developed it, not just in the United States and Europe, but also in places like India, Thailand and Turkey. Pakistan cannot afford to ignore these successes."

One of the Competitiveness Support Fund's main objectives is to develop and support linkages between academia and industry for knowledge-based enterprise development. The fund will work with the Higher Education Commission to provide technical assistance by engaging foreign experts to support projects promoting knowledge-based enterprises in Pakistan. The two will also work jointly to establish a forum for the identification of research-based projects that will further the development of a knowledge-based economy.

The Memorandum of Understanding also states that the Competitiveness Support Fund will be able to provide matching grants to the Pakistani academic community for projects that commercialize their research. The fund will be able to help form partnerships between academia and the business community to start new enterprises and encourage the development of financing mechanisms for these ventures.

The Competitiveness Support Fund will also act as a bridge between local and foreign universities and research institutions, particularly those in the U.S. and Europe. These partnerships will advance international best practices promoting innovation and addressing workforce and technology development needs of local industry.

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TING RESEARCH AND BUSINESS  
Omar Ayub Khan, Minister of State for Finance, Dr. Atta-Ur-Rahman, Chairman of HEC and U.S. Ambassador Ryan C. Crocker sign a Memorandum of Understanding to generate development through linkages between the private sector and universities.