



U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA SIGNS MEMORANDUM OF UNDERSTANDING TO ESTABLISH PAKISTAN-AFGHANISTAN INFRASTRUCTURE AND TRADE INITIATIVE

WASHINGTON, D.C. (May 7, 2009) – At today’s meeting of the second U.S.-Afghanistan-Pakistan Tri-Lateral Consultations, USTDA, together with the Planning Commission of the Islamic Republic of Pakistan and the Ministry of Finance of the Islamic Republic of Afghanistan, signed a Memorandum of Understanding (MOU) agreeing to pursue a Pakistan-Afghanistan Infrastructure and Trade Initiative. The Initiative will seek to foster economic development in underserved western provinces of Pakistan and promote trade with Afghanistan and other regional partners. The MOU is intended to support the efforts that Pakistan and Afghanistan committed to yesterday in agreeing to establish a new Transit Trade Agreement between the two countries. More broadly, the Initiative reflects USTDA’s strategy of focusing on programs in Pakistan and Afghanistan that create mutually beneficial relationships for advancing bilateral and regional cooperation and opening markets to greater trade.

“USTDA is pleased to announce this Initiative, which is designed to accelerate the development of needed infrastructure to foster economic growth in border provinces of Pakistan and Afghanistan, and to promote the regional trade that is necessary for sustainable growth,” said USTDA Acting Director Leocadia I. Zak. “With a focus on transportation, energy and communications, we plan to engage the U.S. private sector in working with our partners in both countries to resolve the critical issues affecting trade and economic growth.”

The MOU establishing the Initiative was signed during economic policy consultations held at the U.S. Department of State and led by Deputy Secretary of State Jacob J. Lew. Acting Director Zak, Advisor to the Prime Minister of Pakistan on Finance Shaukat Fayyaz Ahmed Tarin and Afghanistan’s Minister of Finance, His Excellency Dr. Omar Zakhilwal, signed the MOU for the U.S., Pakistan and Afghan governments, respectively. Parts of the Initiative are dependent upon future appropriations and other Congressional procedures, including notification requirements.

Under the Initiative, USTDA intends to sponsor three separate assessment missions covering transportation, energy, and communications. Teams of technical experts will visit Pakistan and Afghanistan to identify specific regional infrastructure project opportunities for development. The teams will prepare detailed terms of reference for feasibility studies; identify opportunities for technical assistance, training and other trade capacity building assistance; and analyze the viability of obtaining financing for project implementation.

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USTDA also intends to organize workshops and business missions under the Initiative to bring representatives from Pakistan and Afghanistan together to discuss specific regional infrastructure projects. As an initial step, USTDA plans to sponsor a high-level orientation visit to the United States for transportation officials and operators from the region on the development of roads and intermodal port-rail-road networks to connect the western provinces of Pakistan and establish links with Afghanistan. The technical and business-oriented visit will focus on the potential for developing critical links between Gwadar Port and Pakistan's interior, improving transit links to and from Karachi, and improving thru routes to Pakistan-Afghanistan border checkpoints, such as Towr Kham and Spin Boldak.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

-30-

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