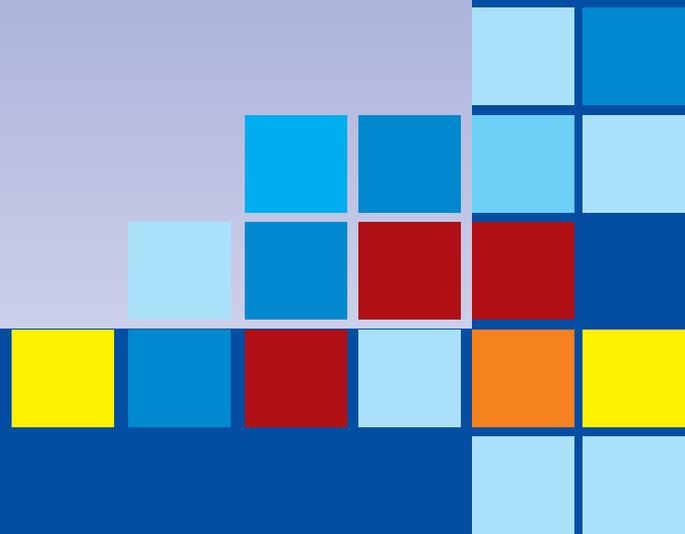




Konrad
Adenauer
Stiftung

Afghanistan in SAARC: Towards Deeper Engagement

POLICY
PAPER





Centre for South Asian Studies (CSAS) in cooperation with the Regional Programme SAARC of the Konrad-Adenauer-Stiftung (KAS) organized a two days' regional conference on **"Afghanistan in SAARC: Towards Deeper Engagement"** in Kathmandu on May 14-15, 2013. The program fulfilled a long-felt need to identify possibilities and hurdles for a deeper engagement of Afghanistan into the South Asian Association for Regional Cooperation (SAARC) as its 8th member. It was conceived so as to initiate scholarly debate over a possible regional solution for Afghanistan beyond 2014 taking into account the involvement and responsibility of all the member states of the SAARC for a peaceful, stable and prosperous Afghanistan.

Members of both the track-I and track-II level comprising of Ministry of Foreign Affairs, Kabul, the SAARC Secretariat, former Ambassadors, strategic analysts, academics, researchers and representatives of the civil society of South Asia participated in the conference. SAARC Secretary General **Ahmed Saleem** graced the welcome reception.

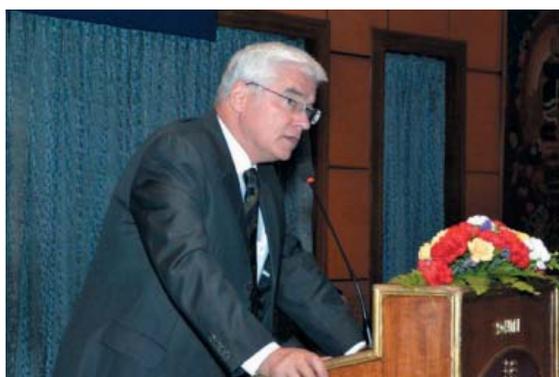
Opening Session

As an apt curtain raiser to the conference, Ambassador of the Federal Republic of Germany to Nepal **H.E. Frank Meyke** said that while continuing to provide the third

largest contingent of troops in Afghanistan, Germany is also the third largest donor of aid for civilian reconstruction and humanitarian assistance. There are currently about 4500 German soldiers in Afghanistan to support the transition process towards a stable, democratic and peaceful Afghanistan. With the complete withdrawal of the International Security and Assistance Force (ISAF) at the end of 2014, German engagement is increasingly focusing on civilian reconstruction assisting in improving the political, social and economic conditions in the country and on advising, training and supporting mission for the Afghan security forces. Germany remains firmly committed to supporting the peaceful development of a democratic Afghanistan, he said.

While mentioning that Germany is now home to almost 90,000 people of Afghan origin, Ambassador Meyke said that the important role the German government is playing in the reconstruction of Afghanistan will be maintained for a long time in order to safeguard the new beginning in Afghanistan.

In his address, **H.E. Jayant Prasad**, Ambassador of the Republic of India to Nepal and former Indian Ambassador to Afghanistan said that for engaging with Afghanistan, the states of South Asia need, as does the international community as a whole, patience,



German Ambassador Frank Meyke addressing the inaugural session

perseverance, and long-term engagement. A regional solution is something that has never been given a fair try, notwithstanding all the international talk about it. From India's side, Ambassador Prasad said, "we are willing to work with Pakistan in Afghanistan." He further added that the Prime Minister of India, Dr. Manmohan Singh, has a vision of the intertwined destinies of the countries of the region. He imagined a day when one could have breakfast in Amritsar, lunch in Lahore and dinner in Kabul. India is ready and willing to work for this vision, he stressed.

Furthermore, Ambassador Prasad said that faced with SAARC's slow movement towards integration, India is pursuing different means to catalyze progress, while awaiting the right moment to move forward within SAARC itself. The first is through free-trade agreements, such as the one with Sri Lanka, and providing relatively free market access to India, such as through arrangements with Bhutan and Nepal; zero-duty access to the least developed countries of South Asia and customs duty concessions for goods of particular export interest, such as for horticultural products from Afghanistan.

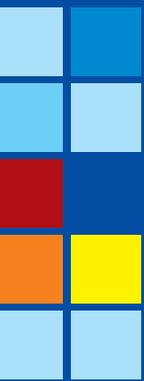
Dr. Faramarz Tamanna, Director General, Centre for Strategic Studies, Ministry of Foreign Affairs of Afghanistan said that international support has improved the capacity of Afghan government. Emphasizing multilateralism and regionalism as priorities in the foreign policy of Afghanistan, the country seeks cordial and friendly relations and peace and solidarity from its immediate neighbours. Afghanistan

wants to play a prominent role both at the governmental and social levels in the SAARC. Afghanistan as a trade and transit hub has the potential to connect South Asia with Central Asia's major energy reserves and has the ability to transform threats into opportunities for the benefit of the entire region. Dr. Tamanna further said that Afghanistan's expectations from the SAARC is enhanced regional cooperation, integration and efficient utilization of resources and opportunities for bringing economic development to the region and to fight against common threats in order to facilitate steps towards a strong economy and regional security. The realization of such a pluralistic economic-based security community is only possible when the relations between the region's countries do not remain limited to governments only but



Indian Ambassador Jayant Prasad

are carried further, to in-depth measures reaching the level of people and communities. Throwing light over the objectives of the programme, **Tomislav Delinic**, Representative, Regional Programme SAARC, KAS, informed that the Konrad-Adenauer-Stiftung is celebrating 50 years of its international cooperation and the fact that the foundation has opened a regional office for the SAARC region underscores a commitment to South Asia. He hoped that the conference will bring out important suggestions about the role of SAARC in Afghanistan and on how Afghanistan-being a new entry into the regional block could become well integrated into the SAARC framework as well as into South Asia as a whole in the coming days.



Dr. Nishchal N. Pandey, Director of the Centre for South Asian Studies (CSAS) stated that to examine the Afghan conflict in isolation is to repeat a historical error. Instead, there is an urgent need for strategic clarity as there are enormous regional and global



Dr. Faramarz Tamanna, MoFA, Afghanistan

stakes of the post 2014 Afghanistan stretching far beyond Kabul. The conflict in Afghanistan is not, as many imagine, a faraway conflict with little at stake. It is a struggle that could release destructive forces deep into the South Asian region. Against this backdrop, multiple questions arise. What are the ways in which we can enhance existing mechanisms and assist Afghanistan? Are new frameworks and policy options needed? What roles do various international, regional, national and local actors play, and how could their differing aims be reconciled? How can mediation efforts be better supported? What is the role of the South Asian countries in Afghanistan and what can be their contribution for a peaceful development post 2014? All these are not only critical questions for Afghans but also for the rest of us in South Asia, he concluded.

Session I

Altogether two papers were presented in this session by former Ambassadors of India and Pakistan. The presentation was followed by floor discussion.

Raising the issue of proliferation of radicalism in India, former Foreign Secretary and Chairman of Institute of Peace and Conflict Studies (IPCS), **Amb. Salman Haider**

emphasized that India's major concern over Afghanistan is the possibility of increasing proliferation and spread of fundamentalism and its possible spill-over the Indo-Pak border. For India it is a common place-and in fact has been for long time-that a continued radical insurgency in its neighbourhood especially in Afghanistan where it is most marked is a danger. Therefore India has a very strong interest in being part of a process for containing the situation, ameliorating it and doing what we can to collaborate with others in trying to stabilise Afghanistan, he said. Delivering his paper, **Amb. Aslam Rizvi**, Ambassador (retd.) from Pakistan said that although the surface analysis of Afghanistan points towards strong insurgency, a doubtful security transition process and an ambiguous peace process post-2014, SAARC can create a political and economic environment that would facilitate political cooperation as well as security and stability between SAARC member countries. He emphasized that Pakistan has consistently endeavoured to facilitate an Afghan led and Afghan owned peace process but perhaps the way forward is to seek a cease fire which could provide political space to the Taliban for a meaningful dialogue. This ceasefire could be ensured by a regional peace keeping force. Four members of SAARC-Pakistan, India, Bangladesh and Nepal have the finest record of peacekeeping and are among the top five UN Troop contributing countries. Such a joint peace keeping force could be deployed under an UN umbrella in aid of a SAARC member state.

Discussion

Commenting on the proposal of regional peacekeeping force, conference participants said the concept of a peacekeeping force under SAARC umbrella would take longer time to materialize as all members states have to agree upon it. In order to deploy peacekeeping force, foremost, there has to be ceasefire from both sides and a comprehensive peace agreement signed. However, a peacekeeping force under UN umbrella with SAARC countries contributing the troops

would be the right option. In this regard, SAARC would however need more resources.

Session II

In this session, two papers were presented by Nepali and Bangladeshi experts.

Amb. Dr. Shambhu Ram Simkhada, Ambassador (retd.) from Nepal, said Afghanistan, located at the energy hub of the region, has the ability to facilitate energy cooperation between South and Central Asia. The security of Afghanistan is closely related to the regional security, he emphasized. Stability in Afghanistan has the potential to ensure regional stability. However, the principle of “non-interference” should be part of any external engagement in post 2014 context. South Asia’s problems can be resolved only within a new paradigm that harmonizes individual, institutional and national interests with regional and global understanding and cooperation. Rather than wasting time and resources in people’s or holy wars or more weapons, South Asia needs new Highways of Hope and Healing. For this, some old walls need to be demolished, new bridges built. Power and resources must also be shared more equitably among multiplicity of local, national and regional actors. Such vertical and horizontal adjustments will strengthen, not weaken the South Asian states.

Prof. Dr. Abdur Rob Khan, Senior Lecturer at North South University of Dhaka, said Bangladesh got an opportunity of working very closely with the people of Afghanistan through Bangladeshi NGOs. BRAC Afghanistan e.g. focuses on five core areas-microfinance, health, education, capacity and training and the national solidarity program and has a nationwide coverage in all 34 provinces. In 2008, BRAC founded BRAC Bank Afghanistan, a full service bank with an SME focus and has extended about 35 million US-Dollar to 6,000 customers. Speaking about Afghan government’s keen interests over trade links with Bangladesh, Prof. Dr. Khan said Bangladeshi goods like

jute and tea and other items are currently being exported to Afghanistan via Pakistani importers. Data shows Bangladesh exports a total of about 4.19 million US-Dollar worth of goods to Afghanistan during 2003-04, he said.

Discussion:

Participants raised doubts of relying on existing SAARC mechanisms for any type

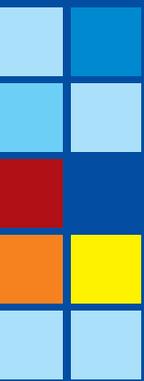


Mr. Tomislav Delinic, Head, Regional Programme-SAARC, KAS

of conflict resolution in South Asia because SAARC was created without any political or security role. Therefore, foremost urgency is to frame innovative frameworks within the SAARC process whereby the hindrances to regional cooperation in the region could be tackled by a stronger mandate for the SAARC Secretariat. Over-reliance on the bureaucracy cannot lead to bold decisions to resolve complex issues such as the one between India and Pakistan and about Afghanistan itself. An approach such as the ASEAN and the EU must be implemented by South Asian leaders if they are to take SAARC to becoming an effective organization.

Session III

Dr. Shanthie D’ Souza, Visiting Research Fellow, Institute of South Asian Studies (ISAS), Singapore said India has invested 2.5 billion



US-Dollars in Afghanistan in the areas of infrastructure and capacity development. A significant point of Indian aid is that it directly goes to the Afghan government as opposed to being channeled through private companies, NGOs and INGOs. A lot of aid in the country has become 'phantom aid' which does not reach the grass-root level. Because of its funding pattern, Indian aid has touched the core of Afghanistan-economy and has been more effective, she emphasized. Furthermore, India is also investing in building local economy i.e. agriculture and horticulture.

Nausheen Wasi, Assistant Professor at University of Karachi, said Pakistan aims to have a friendly government in Afghanistan in the post 2014 phase. At present whatever situation develops in Afghanistan, Pakistan wants its institutions and particularly the security organization fashioned in a way that they do not pose a threat to Pakistan's security interests. And to that end, Pakistan is likely to intervene in post 2014 withdrawal of US forces. Pakistan interests and stakes in Afghanistan have two clear aspects. One is bilateral and the other is Indo- Af-Pak triangular relationship in which Afghanistan has been used as proxy by India and Pakistan. It is this prism through which the future role of Pakistan in Afghanistan must be viewed, Nausheen said. Any reconciliation strategy in Afghanistan that ignores the neighborhood problems and regional rivalry is unlikely to succeed. If the world community is interested in pacifying Pakistan's role in Afghanistan, it will have to understand history and then channel its efforts in the direction to address the multifaceted conflict for the interest of the SAARC region.

Dr. Wadir Safi, Vice President of the Afghanistan Justice Organization (AJO) discussed about the Afghanistan's social, political, and economic landscape. The development in the telecommunication and IT sector is very rapid, he said. He directed the attention of the audience to the mismatch

between exceedingly perceived threats on the one hand and a lack of acknowledgment for socio-economic progress on the other. Afghanistan can contribute to SAARC through its large natural resources like gas and oil, he said. A new Silk Road initiative could connect eastern world with western world and ultimately improve connectivity in South Asia. However, the construction of highways, railways, harbours and gas pipelines needs to be started to revitalize the Silk Road initiative, he stressed.

Discussion:

Participants casted scepticism on the potential of cooperation between India and Pakistan in the post withdrawal phase and feared increased rivalry and proxy within Afghanistan between these 2 South Asian arch-rivals. However, the conciliatory tone of the leadership of both India and Pakistan in the recent months related to the Afghanistan situation was something to be taken in a positive light. There is great anxiety within South Asia that if the hardline elements do take control of Kabul, they might inflict further terror inside Pakistan, and spread their dread deep inside Jammu and Kashmir if the post-withdrawal period is not handled with utmost care and prudence.



Dr. Nishchal N. Pandey, Amb. (retd.) Salman Haidar, and Amb. (retd.) Aslam Rizvi

Session IV

Explaining the benefits of the South Asian Free Trade Agreement (SAFTA), **Pranav Kumar**, Director International Trade Policy, Confederation of Indian Industries (CII) said Afghanistan is rich in natural resources like natural gas, petroleum, coal, copper, iron ore and precious stones, which can be exported using the SAFTA concessions. Currently, Afghanistan has 1.6 trillion cubic feet of natural gas, 95 million barrels of oil and 400 MT of

coal - critical inputs for a possible resolution of the regional energy problem. The current trade between India and Afghanistan has risen significantly during 2002-2003 to 2011-2012 with exports to Afghanistan rising from 60.7 million US-Dollar to 511.90 million US-Dollar. Imports from Afghanistan have increased as well from 18.46 million US-Dollar to 28.06 million US Dollars. However, the current trade is still not reflective of true potential.

Prof. Dr. Siddiq Wahid, of the University of Kashmir, said South Asian region is dominated by bilateral issues rather than multilateral issues. Describing the region as heterogeneous and diverse, Prof. Wahid said that he firmly believed that Afghanistan is capable enough to handle the situation after 2014. Afghanistan should aim to develop itself as a hub rather than merely be a bridge where everybody just walks across and neglects its worth. It was Prof. Siddiq's belief that the various conflicts in the proximity of the Himalaya is a "Himalayan business", and the sooner those of us in the Himalaya assert ourselves in it the roles of the regional powers-India, China and Pakistan- will have a greater chance of being a positive force for the futures of the pan-Himalayan states, nations and peoples.

Basanta Lamsal, former Programme Manager, International Centre for Integrated Mountain Development (ICIMOD) at Kabul, said there have been a lot more changes in education, health, sanitation, infrastructure and livelihood in Afghanistan through international aid. However, the issue of corruption is massive. Two third of aid is kept out of government treasury whilst one third is recorded in the government treasury. He mentioned 40 percent of aid is going back to donor state as salary and profit to the same company that successfully bids for these projects. According to Transparency International (TI), Afghanistan is one of the most corrupt states in the world and even getting worse. The challenges faced by donors in Afghanistan arise out of a general lack of coordination between various agencies, foreign involvement in national politics, fall on

economic growth and opium production. He suggested that local ownership on development projects should be ensured and that priority should be given to the livelihood of the people.

Discussion

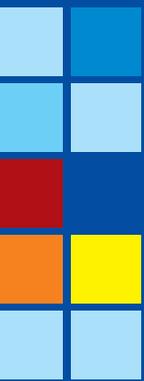
Corruption in Afghanistan, especially of the donor funds being misused by the ruling elite has been a matter of grave concern to the international community. Even after billions of dollars spent, the ground situation inside the land-locked country is yet to improve. However, the Afghan participants of the conference reiterated that the issue of corruption has been unduly inflated by the international media without judging the fact that a substantial portion of the assistance goes back to the same country of origin in the name of consultancy fees, salary, perks, etc.



Prof. Nausheen Wasi and Dr. Shanthie D' Souza

Concluding Session

Amb. Dr. Dinesh Bhattarai, Ambassador (retd.) from Nepal, put a strong emphasis on almost 1.5 trillion US-Dollar in direct costs, a fraction of which would have helped realize the MDGs, and hundreds of thousands of lives lost during the twelve years of war on terror. But even amidst devastation of three decades of war, Afghanistan has witnessed remarkable transformation that include the strengthening of a democratic political system, the adoption of a new constitution, holding elections, forming of political parties, enrolment of more than six million children in schools-a third of whom are girls-



and the establishment of private schools and institutions of higher education. Afghanistan's peace and stability have great bearing for neighbouring countries in the region and beyond, he said. It is feared that the use of non-state actors as foreign policy tools will be more frequent and prominent in the post 2014

period. This will further complicate the security situation in Afghanistan and the region.

M.I. Ghafoori, Director (Afghanistan), SAARC Secretariat updated the audience on energy cooperation project like CASA-1000 that will transmit 1000 MW energy from Kyrgyzstan and Tajikistan to Pakistan through the northeast Afghan territory. Similarly, leaders of Afghanistan, India, Pakistan and Turkmenistan signed an inter-regional mega gas pipeline project called TAPI (Turkmenistan-Afghanistan-Pakistan-India-Pipeline) on December 2010. The gas pipeline, entailing over 7.6 billion US-Dollar, stretching 1,640 km long, where Turkmenistan will release 3.2 billion cubic feet of natural gas per day. Furthermore, Afghanistan has immense and huge untapped mineral wealth including oil and natural gas. Based on a recent survey, the Mining Minister of Afghanistan announced that mineral deposits hiding under the Afghan soil worth up to 3.6 trillion US-Dollar, including huge veins of iron, copper, cobalt, gold and lithium as well as precious gemstones like rubies, beryllium, emeralds and kunzites. Taking into account the seriousness of the post-2014 situation, he called SAARC to take up proactive and practical initiatives in saving Afghanistan from sliding once again into chaos. Convinced that a peaceful and stable Afghanistan will not only have national but also regional implications, he urged SAARC members to rise above vested interests and come together towards making Afghanistan more stable.

Recommendations:

The membership of SAARC has restored Afghanistan's historical ties with the rest of

South Asia. It is an important step in the right direction however both SAARC as an organization and Afghanistan as a member have to chalk out concrete areas of cooperation in order to make this a fruitful venture. With the support of the SAARC and its member states, Afghanistan has the potential to become a land-bridge between Central Asia and South Asia. In the last decade, it has seen significant economic growth however the responsibility of the South Asian countries to assist Afghanistan remains, especially in the post 2014 scenario. A regional solution through the aegis of SAARC may not be possible right away but SAARC can prove its worth by offering tangible support to its newest member. SAARC is gradually maturing, growing into being a viable organization but some of its modus operandi such as domestic political issues to be left out from its ambit has to be re-examined in the context of financially helping Afghanistan and assisting in building its internal capacities. Currently, there are no SAARC regional centres within Afghanistan therefore more needs to be done for better engagement and interaction between Afghanistan and the SAARC process. SAARC Secretariat needs to come out with implementable action-plans with an Afghanistan focus in the areas of poverty reduction, human trafficking and controlling of narcotics drugs. Finally, the nature of Indo-Pak relations has a bearing on Afghanistan as well. Pakistan is the connector of Afghanistan to the rest of South Asia. If the internal situation deteriorates within Afghanistan after 2014, emerging security issues may affect the whole of South Asia. Hence, the rest of South Asia must seriously ponder on Afghanistan situation as this is not a peripheral issue in which they have little stake. As the international community will reduce its aid, SAARC and its member states must step in and take up the responsibility to fill the gaps in close coordination with the people of Afghanistan.