

Speech of Mr. Mohammad Qurban Haqjo

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Empowering Investment Initiatives

H.E's, Ladies and Gentlemen! Good Afternoon!

I am privileged to be among such dignified personalities in today's remarkable gathering and discuss the approach towards empowering investment initiatives in the region. I firmly believe that economic integration among the regional countries is the way forward to development and sustainability across the region. And, for

that an emphasis over empowering investment initiatives is significantly essential.

Hence, I offer my highest appreciations to the government of Afghanistan for undertaking the initiative to hold RECCA's 6th session in Kabul and thank all officials from the regional countries to visit our beautiful country. RECCA was initiated 10 years ago with the vision to have regional economic cooperation

between Central and South Asia to assist Afghanistan. During the last decade, the cooperation between Central and South Asia has led to certain achievements, and on the other hand has failed in certain respects. But, today is the mark of a new chapter of RECCA which the government of Afghanistan offers all its support and commitment towards translating its vision into reality.

Excellencies, esteemed ladies and gentlemen

Our region holds many invaluable advantages. Abundance of natural resources, increasing middle class population leading to increased demand, skilled and educated labor force, cultural diversity, and strategic location- especially proximity to major growing economies like China, gulf countries leading to Europe could serve as a good platform for development of the region's economies. Conversely, the region is landlocked and has an underdeveloped infrastructure. Perhaps a regional economic alliance will allow for the creation of additional economic advantages for all member states, and will help bring about dynamic economic growth along the way.

RECCA 6 is focused on proposing tangible and bankable projects in the areas of energy, transportation and transit, mining and trade facilitation be it CASA 1000, TAPI, Multi modal inland ports, Lapis Lazuli corridor, or domestic projects such as railways and roads connecting different parts of Afghanistan. And, to successfully plan and implement all projects, we require extensive role of private sector investments to ensure timely achievement of our objectives. For that, I purpose a four stage investment initiative empowerment approach to be undertaken by the RECCA which are; conducting feasibility studies, promoting investment opportunities, supporting investors and undertaking systematic implementation mechanism.

Now, let me discuss two aspects of conducting feasibility studies:

First, we have to critically analyze and understand the technical aspects of the feasibility studies. I am sure we all agree on certain capacity deficiencies exist in the region to undertake the technical aspects of the feasibility studies. Furthermore, the region needs to utilize the existing strengths and potentials for conducting the feasibility studies and further seek intra- regional experts to fill the gaps.

And, with regards to the financial aspects of the feasibility studies, contributions of all regional countries are extremely important. The feasibility studies may be costly, thus, public contributions led by private sector initiatives to address this shortcoming is crucial.

Secondly, once the feasibility studies are accomplished, we need to promote investment in all feasible projects. And, it is compulsory for us to establish a strategic investment promotion approach on a region wide basis. And, to ensure the opportunities are well communicated to the investors and they are attracted towards investing in bankable projects, I propose major steps to be undertaken which are:

1. First, establishing a joint regional IPA: This will help us in integrating all our strategies into a single direction and developing a cooperative mechanism to ensure efficiency and effectiveness in our endeavor.

2. Next, we need to continuously organize investment road shows. Such programs will help us in directly meeting the potential region wide investors and articulating the advantages of investing in the identified projects.

3. Once the feasibility studies are conducted, it will get imperative to undergo a paradigm shift from over- emphasis on government to government dialogue into private sector initiatives. Connecting the inter- regional investors in pursuit of creating strategic alliance such as joint ventures and partnerships is mandatory to the successful accomplishment of our goals. And, to ensure investors are connected and are willing to partner on investing in such projects, developing an online platform where the investors could connect, ideas and information are shared, and details of the potential projects for investment are put forward for the bidding processes. And, in fact, one of the most important aspects is giving priority for investment in these projects to regional corporations, this in response will create job opportunities in the local markets, capital will be in circulation inside the region, medium and large investors take utmost advantage and capacities improve.

Moving forward, I believe that any large scale investors is in pursuit of certain support services. Our lessons learned demonstrate t at certain projects have been failed because not enough support has been offered to investors.

1. The region needs, to develop effective region wide policies for investors. A regional investment policy is a pre-requisite to attraction of private investors. This also includes establishment of a sound legal framework to boost confidence of the investors and ensure the barriers are obliterated for investment in the region.

2. All governments need to offer a region wide incentive packages. Packages such as decreasing packages such as decreasing the tax rates, offering full security to investors, facilitating access to finance, ensuring ease in inter-regional trade, low tariffs, easy visa facilitation and transportation permits and other major incentives are pivotal.

3. Moreover, we all need to invest and transfer technical knowledge and skills among the regional labors. This will ensure sustainability of the projects and the region as a whole.

Finally, a systematic project implementation is incredibly important. A Time and Quality based approach with an emphasis on accomplishing the tasks over the allocated period of time maintaining quality at the cornerstone of all accomplishments will be advantageous. Also, we need to identify, measure and strategically approach the risks (such as political, security, social and economic risks) associated with such large scale projects, I have firm belief that we also need

to establish a committee for continuous monitoring and follow up of the projects' progress and ensure continuous interaction to tackle any challenge associate with it.

We must also analyze the impacts of such projects to boost the confidence of public, investors and traders. And a maintenance plan to ensure sustainability of the final outputs of each project must be made and implemented.

At the end, I would like to thank you all for your attention and would like to articulate Afghan government's commitment towards translating the goals into actions.