

RECCA- PLENARY SPEECH

September 04, 2015

Good evening. Excellencies, Ladies and Gentlemen.

It is a great privilege to be here with you in Kabul. Firstly, allow me to acknowledge the Government's outstanding job in organizing this large international gathering.

We are here today with a common purpose. We share a collective commitment to rebuild a stable and prosperous Afghanistan. While The National Unity Government is making headway on a number of development and economic issues facing the country. Yet we all must play our role in bolstering and reinforcing the country's hard-earned progress and support the way forward.

In the past, Afghanistan's strategic location served as a vital land bridge for trade and commerce between Central and South Asia, and between the Far East, the Middle East and Europe. Today, Afghanistan can rebuild this key role through improved regional integration initiatives. Regional integration is important to poverty reduction, economic growth and addressing fragility.

We continue to support regional integration initiatives: trade facilitation and customs reforms; improving and upgrading the transport networks; and investments in energy and extractives and water resources.

On the Energy side, several regional initiatives are on-going to help Afghanistan emerge as a conduit for energy between these regions. The CASA-1 000 project intends to carry power from Central Asia to Pakistan.

The World Bank along with a number of other donors are supporting this key project between Afghanistan, the Kyrgyz Republic, Pakistan, and Tajikistan. [Last year, the Bank's

Board approved \$526.5 million in grant and credit financing to implement the project in the four countries which together with TUTAP, can form series of a regional power trade, a win-win prospect to countries.

Another regional energy initiative is the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, which proposes to carry Central Asian gas to Pakistan and India.

On regional trade facilitation, the World Bank has provided [over \$70 million] to support Government's modernization of its customs infrastructure and automation of systems. This has resulted in better controls over movement of cargo and improved coordination and connectivity with neighboring customs. [This has also resulted in increases in customs revenue collection -- from US\$400 million in 2010 to almost \$800 million in 2014.]

Regionally, the Bank is actively supporting the ongoing initiative between Afghanistan, Pakistan and Central Asian neighbors to identify key areas for improved trade and investment cooperation in the region.

Likewise, Afghanistan's mineral deposits – ore - can be a potential driver of economic growth and revenue generation in the region. These investments are large, complex and time consuming. In recent years, the government of Afghanistan has made significant progress in creating an enabling environment for private investment in the extractive sectors. The Bank will continue supporting the Government with technical assistance and capacity building in this sector to adapt to the complexities and market conditions with appropriate strategies.

Afghanistan is endowed with many rivers. Many of these major river systems are shared with their neighbors. Developing these river basins to expand irrigation; generate renewable hydroelectricity; and mitigate flooding risks requires the right platform for water sharing and cooperation with its neighbors.

With our experience in other parts of the world, the World Bank stands ready to support Afghanistan and its neighbors explore effective platforms for cooperation and development of these river systems.

The World Bank regards RECCA as an opportunity to further advance regional consensus and cooperation on projects and reform initiatives that can help unlock the region's potential for private investment and increased economic growth. The World Bank also recognizes complementary work and significant achievements under CAREC, with the excellent support of the Asian Development Bank.

In conclusion, allow me to reiterate our message: the World Bank is committed to being a long-term development partner for eliminating poverty and enhancing peace and stability in Afghanistan and elsewhere in the world". We will continue to work for a prosperous Afghanistan through the financial, technical assistance and analytical activities of the International Development Association (IDA) and the Afghanistan Reconstruction Trust Fund (ARTF). And, we look forward to our continued partnership with the people and government of Afghanistan.

Thank you.