

KABUL DECLARATION ON REGIONAL ECONOMIC COOPERATION

The respected delegations of eleven regional countries meeting together in Kabul, Islamic Republic of Afghanistan, on 4-5 December 2005, for the purpose of promoting regional economic cooperation among themselves:

expressing their satisfaction that Afghanistan has made substantial progress in its reconstruction and has embarked on a path of improved security and economic development

noting that a strategy of development for Afghanistan which is based on cooperation with regional countries creates significant possibilities for reducing poverty and for achieving the Millennium Development Goals in the whole region

welcoming the work on the Afghanistan National Development Strategy (ANDS) and the essential and integral role attached to regional economic cooperation in this work

recognising that the Kabul Conference on Regional Economic Cooperation builds on important steps in recent years, including *inter alia* the Good Neighbourly Relations Declaration of 2002, the Berlin Agreements of 2003, the Dubai Declaration of 2003, and the Bishkek Conference of 2004

recognising further that the various regional organizations and programmes, in particular the Economic Cooperation Organisation, the Shanghai Cooperation Organisation, the South Asian Association for Regional Cooperation, the Central Asia Regional Economic Cooperation Programme, and the Central and South Asia Transport and Trade Forum are making a valuable contribution to improving the extent and scope of regional economic cooperation

determined to work together to fight against the problems posed by narcotics, human trafficking, and other criminal activities which seriously undermine the security of the region and its prospects for economic development

resolved to improve the situation regarding people to people interactions, including the movement of populations for a whole range of reasons, in the context of agreements between the relevant parties so that peoples of the region can live peacefully and work towards their economic betterment

recognizing that the resources of the region, and in particular the water resources, can be used for the benefit of all

considering that current conditions represent a unique opportunity to improve the welfare of the peoples of the region through enhanced trade, investment and joint promotion of infrastructure activities, especially in all forms of transport and energy development

recognising that a good base for expanding cooperation exists in the multiple agreements, of international, regional and bilateral nature, to which the countries of the region have subscribed

recognising further that the numerous ongoing programmes in the fields of physical infrastructure, border management, regulatory systems and related activities, generously supported by the bilateral donors and through the technical expertise of the international financial agencies and the regional organisations, have already created a favourable and conducive environment for pursuing regional economic cooperation

noting nevertheless that these agreements and programmes do not yet achieve their potential due to problems in implementation, inadequate awareness within the region concerning their existence and operation, weaknesses in institutional capacities, and the need to increase numbers of adequately trained and experienced staff

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welcoming the continued efforts of regional and international organizations to assist the countries of the region in overcoming these difficulties

urging these organisations to sustain and strengthen their endeavours

welcoming further the processes of meetings and development of cooperation frameworks taking place in many areas of concern to the region, and through many channels

reaffirming that regional economic cooperation is of central importance to the growth prospects of the region, and that such cooperation offers many possibilities for the creation of “win-win” situations

resolving that credibility and confidence in regional economic cooperation is best created through practical and peaceful cooperation directed at specific projects of immediate mutual benefit to countries of the region

NOTED

- (1) **Electricity trade and power development:** the possibilities to trade power under international standard power purchase agreements and accelerating construction of transmission infrastructure have the potential for mutual benefit to several countries, and therefore merit detailed and urgent consideration through an appropriate framework. In this context, it is important to encourage and facilitate transportation of energy resources to all countries of the region. Priority will be given to provision of power and other services to communities located along transmission lines. All efforts shall be made to support and accelerate the implementation of various international transmission links, and joint steps shall be taken with consensus to promote and efficiently utilize the hydropower potential of the region. The World Bank will undertake a thorough examination of the likely evolution of regional energy markets so that the options for regional cooperation can be properly identified and fully utilized. Afghanistan will consider joining the Energy Charter Organisation.
- (2) **Sharing the benefits of water:** there are many opportunities for improved cooperation and management of regional water resources, and that cooperation can provide benefits in multiple areas, including electricity and energy generation, agriculture, and drinking water.
- (3) **Counter-Narcotics:** efforts must be made through national and regional mechanisms to develop alternative livelihoods, progressively to eliminate drugs cultivation and production, and to stop narcotics trafficking.
- (4) **Transport:** countries should work together, and with international and regional organizations, to implement and, where necessary, revise and update existing international, regional and bilateral conventions and agreements; should adhere to international best practices; should examine in depth the ways to obtain maximum advantage from the creation, development and maintenance of inter-continental transit routes, with a view to selecting the few most promising routes and prioritizing investments accordingly; and pay careful attention to appropriate and progressive opening of regional markets for transport, focusing particularly on the development of the East-West and North-South Corridors.
- (5) **Energy transport:** countries will encourage and facilitate transportation of energy resources within the region.

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- (6) **Trade facilitation:** countries will seek to bring together their systems and procedures so that the barriers to cross border movements of goods and services are progressively reduced, transaction costs are minimized, and bilateral border management is improved so as to strengthen security and encourage legitimate trade; and to interdict drugs and other illegal trade.
- (7) **Business climate:** information sharing should be increased, an enterprise culture encouraged, border zones markets should be created, regional and bilateral trade, investment and transit agreements should be made operational, quality and standards systems should be harmonized, visa regimes should be simplified, and the informal sector should be transformed through incentives generated by liberalization and reform aimed at greater transparency

URGED

That stronger partnership should characterize the relationships between and among the regional organizations and programmes. They called on regional organizations to avoid overlap and duplication of effort through further co-ordination and rationalization.

DECIDED

- (1) The short-term focus of regional economic co-operation should be on practical win-win projects, which benefit two or more countries and can subsequently fit into wider regional economic co-operation, notably in the fields of energy, transport and trade;
- (2) On the need for high-level political commitment for such projects;
- (3) On the need for better information sharing among the countries and regional organizations in order to avoid duplication of efforts;
- (4) Bilateral working groups will be established for the Kabul and Hari Rood/Helmand water systems and a multilateral working group for the Panj-Amu Darya systems.
- (5) That the regional countries will meet again at Ministerial level in nine months time to review progress in regional economic co-operation;
- (6) The Afghan Government should take the lead in following up the decisions and considerations of this Conference;
- (7) At the next meeting, there would be a particular focus on agriculture and agro-industry development;
- (8) In preparation for the next meeting:
 - National focal points should be created and strengthened to help participating countries identify, evaluate and implement regional initiatives. The Afghan Government will distribute the relevant papers from this Conference to the national focal points;
 - These focal points should consider and, as appropriate, take forward the outputs of the Technical Working Groups of this Conference.

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- (9) To encourage regional countries to use the opportunity of the forthcoming Doha II Conference to prepare concrete proposals for improved border management with a view to reconcile security concerns and the facilitation of transport and trade.\
- (10) To pursue with regional organizations the scope to improve mechanisms to address the problem of drugs cultivation, production and trafficking as well as to look for further opportunities for bilateral co-operation including under the Good Neighbourly Relations Declaration initiative.

Kabul
5 December 2005