



Third
Regional Economic Cooperation Conference on Afghanistan

(Islamabad, 13 – 14 May 2009)

(Islamabad Declaration)

The delegates participating in the Third Regional Economic Cooperation Conference on Afghanistan having met in Islamabad on 13 – 14 May 2009:

***Welcoming* the inauguration of the Conference by President Hamid Karzai and Prime Minister Yousaf Raza Gilani, strong participation in the Conference by the Afghan delegation, and participation of 24 countries and 18 international and regional organizations, institutions and bodies;**

***Expressing* satisfaction that Afghanistan has made substantial progress in reconstruction and national development;**

***Recognizing* Afghanistan's continued commitment to enhance capacity of public and private institutions, accelerate development, improve governance and eradicate narcotics;**

***Acknowledging* Afghanistan's centrality for peace and stability in Asia and for the prosperity and stability of surrounding States and regions;**

***Endorsing* the need for a comprehensive approach and participation of the international community in economic development of Afghanistan;**

***Recognizing* that trans-regional development cooperation has the potential to alleviate poverty and improve socio-economic conditions of the people of Afghanistan and the region;**

***Noting* progress in the implementation of the Afghanistan National Development Strategy and the work of the Joint Coordination and Monitoring Board (JCMB);**

Recalling that the Kabul Declaration on Good Neighbourly Relations and the Declaration on Counter Narcotics afford firm foundations to strengthen linkages among Afghanistan and its neighbours;

Recognizing that the Islamabad Conference is a follow-up to and builds upon the success of the previous two Conferences on Regional Economic Cooperation in Kabul and New Delhi;

Recognizing further that the Islamabad Conference complements and takes forward recent regional initiatives including meetings of Foreign Ministers in Paris in December 2008, and the experts level meeting organized by the European Commission in Brussels, the Shanghai Cooperation Organization Conference on Afghanistan in Moscow and the Hague International Conference, all held in March 2009, and the trilateral Summit and Ministerial meetings between Afghanistan, Pakistan and Turkey and between Afghanistan, Iran and Pakistan in Ankara and Kabul in April 2009 and Afghanistan, Pakistan and US Summit in Washington in May 2009.

Welcoming efforts by the Governments of Afghanistan and Pakistan to forge greater trust and understanding through multi-track engagement;

Welcoming in this regard, the signing of the Declaration on Directions of Bilateral Cooperation in January 2009 in Kabul between Afghanistan and Pakistan, the Agreement on Regional Energy Cooperation between the Islamic Republic of Afghanistan, the Islamic Republic of Pakistan and the World Bank, and signing of the MoU between the Governments of the Islamic Republic of Afghanistan and the Islamic Republic of Pakistan to improve trade and accession facilitation this month in Washington, as well as revival of the Jirga Process for dialogue and development by Pakistan and Afghanistan;

Acknowledging the various trilateral initiatives to deepen understanding and cooperation between Afghanistan and Pakistan;

Acknowledging further, the useful contribution being made by G-8 initiative, the Dubai process, the UN/ UNAMA and other international organizations and groupings to assist Afghanistan and its neighbours jointly and separately;

Appreciating the fruitful import of electricity from Iran, Turkmenistan, Uzbekistan and Tajikistan for the benefit of the neighbouring provinces of Afghanistan;

***Welcoming* the activation of the 220Kv transmission line and substation for supply of power from Uzbekistan to Afghanistan, up to Kabul, as an outstanding example of bilateral and regional cooperation and support from multilateral funding agencies.**

***Noting* the significance of regional organizations and welcoming the positive role played and support provided to Afghanistan by regional organizations such as Economic Cooperation Organization (ECO), South Asian Association for Regional Cooperation (SAARC), Shanghai Cooperation Organization (SCO), Organization of Islamic Conference (OIC) and Central Asia Regional Economic Cooperation (CAREC) Programme in extending the scope of regional cooperation;**

***Acknowledging* that the implementation of regional projects is to be carried out in accordance with international law and accepted norms to avoid adverse effects on other regional States.**

***Acknowledging* the support from Afghanistan's neighbours, Pakistan and Iran, by accepting millions of Afghan refugees in their countries and providing them social support and welfare, and encouraging their early and voluntary return to their homeland;**

Affirm that regional and international commitment to Afghanistan's economic development presents an important opportunity to improve the welfare of the Afghan people through coordinated policies to improve trade and transit, enhance cross-border infrastructure especially in transport and energy sharing, facilitate movement of people for education and employment, reduce the spread of plant and animal diseases across borders and further exploit mining potential.

Affirm further that the numerous ongoing programmes in the fields of physical infrastructure, border management, legislative and regulatory systems, capacity development and related activities, supported by bilateral donors, multilateral development banks and through technical expertise of international and regional organizations, continue to create a favourable and conducive environment for Afghanistan's development.

Affirm further the importance of continued improvement of governance and resolute combat against corruption.

Resolve that Afghanistan's economic development and regional economic stability are best supported through practical and meaningful cooperation in

specific concrete projects of near term and lasting mutual benefit to the countries of the region.

Resolve further to work towards fast tracked, institutionalized interaction among Afghanistan and its neighbours within the framework of the Kabul Declaration on Good Neighbourly Relations as an effective mechanism to monitor implementation of trans-border projects.

NOTE THAT

Transport, Trade, Energy Cooperation, Agricultural Cooperation, Capacity Building and Education, Border Management, Health, Counter Narcotics and Refugee Return and Reintegration are areas with considerable scope for mutually beneficial regional cooperation.

Connectivity: Increased trade in the region will be facilitated by affording Afghanistan easy accessibility to the Sea, developing east-west and north-south corridors on the basis of mutual agreement, and further developing infrastructure links with Afghanistan and its neighbours.

Railway connection between Iran and Herat is already on going on the basis of a grant from the Government of Islamic Republic of Iran.

An 80 km railway link from Hairatan (on the Uzbekistan border) to Mazar-e-Sharif is considered a priority route for development. The planned link forms part of CAREC's Transport and Trade Facilitation Strategy, and is in accordance with Afghanistan's Railways Development Programme. The project will be developed with Asian Development Bank grant support.

Border Management: Efficient, integrated and modern border management mechanisms are essential for promoting security and development. Countries in the region should adopt specific confidence building measures with a view to promoting efficient border management. To increase revenue collection and pool intelligence on contraband items, Afghanistan and its neighbours agree to share customs information electronically at designated border crossing points. A new Customs Academy is being established in Afghanistan and will be linked to similar institutions in the region to share expertise and best practices on customs collections and systems. Afghanistan and Pakistan have also agreed to modernize border management infrastructure at Torkham and Weish on an urgent basis.

Trade: RECCA participants agreed on the need to take comprehensive measures for trade promotion and trade facilitation, including among other

steps, harmonization of customs rules. They agreed to expedite progress on preferential bilateral trade agreements between Afghanistan and its neighbours as well as regional arrangements such as the ECO Trade Agreement (ECOTA) and the South Asia Free Trade Area Agreement (SAFTA), to which Afghanistan is a party. They also took note of plans to establish a free trade area in the ECO Region by 2015. Afghanistan and Pakistan reiterated their commitment to begin negotiations of a new and modern transit trade agreement and to finish the negotiations by the end of 2009 at the latest.

Energy Cooperation: RECCA participants agreed on the need to expedite establishment of trans-Afghan energy corridors. They took note of progress on the Central Asia –South Asia Regional Electricity Market initiative. Representatives of the parties participating in the CASA 1000 project examined the current framework for providing excess summer electricity from Kyrgyzstan and Tajikistan to Afghanistan and Pakistan. The four Governments and representatives of the World Bank and Islamic Development Bank reiterated their support for CASA-1000. RECCA participants support the project.

RECCA participants also reiterated their support for the Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline Project.

Capacity Building and Education: RECCA participants underscored the need to build capacity of Afghanistan's state institutions and improve opportunities for higher education for the Afghan public. They acknowledged that Afghanistan's neighbours were suitably positioned to assist Afghanistan on this score. In this regard, they welcomed the award 1,000 scholarships by Pakistan to Afghan nationals. They supported the Afghan Government's plan to work with donors to deploy Afghan experts living abroad and regional experts in Afghanistan to address the country's capacity building requirements with support of UNAMA.

The participants expressed their support for the Afghan Government's National Skills Development Programme to broaden and improve basic skills and training for unemployed Afghans. In this regard, plans to set up vocational training centres like the one set up by the Agha Khan Development Network (AKDN) and other interested donors and programmes were discussed.

Agricultural Cooperation: RECCA participants underscored the need to develop comprehensive strategies to enhance the region's food security, through among other means, promoting cooperation in the agricultural sector

among Afghanistan and its neighbours, undertaking projects to control spread of animal and plant disease, and supporting the ECO Regional Programme for Food Security as well as other such initiatives on the regional and bilateral planes.

Health: RECCA participants noted that close collaboration with the Global Polio Eradication Initiative has kept polio virus transmission restricted to areas in conflict.

Counter Narcotics: RECCA participants called for further concerted efforts by Afghanistan and its international partners to provide alternate livelihoods and finding regional markets for Afghan horticulture and agricultural produce and strengthen legal and security mechanisms to check poppy cultivation and drugs manufacturing. They welcomed the update on regional initiatives including UNODC's TARCET programme as well as proposals for additional support to the programme. They also took note of plans to expand the capacity of ECO's Drugs and Organized Crimes Control and Coordination Unit with funding from the European Commission.

Refugee Return and Reintegration: RECCA participants agreed on the need to expedite voluntary, safe, dignified and sustainable return of Afghan refugees to their homeland. In this regard they agreed to examine further the proposal from the International Organization for Migration to set up model villages in Afghanistan for returnees. RECCA participants encouraged UNHCR and other international organizations to undertake similar initiatives.

Support for private sector development and involvement: RECCA participants agreed to support initiatives for development of Afghanistan's private sector, as well as involvement of the corporate sectors in trans-regional development projects.

HAVE DECIDED THAT

- 1. Regional countries will continue to undertake stronger and credible confidence building measures vital for sustained and interactive regional cooperation.**
- 2. Concerted efforts will be made to improve the security and integrity of national borders by instituting integrated modern border management regimes and strengthening and harmonizing counter narcotics, law enforcement and customs policies.**
- 3. Afghanistan and Pakistan will continue to enhance their exemplary cross-border collaboration and extraordinary effort to vaccinate**

children against polio in mobile populations through regular coordination of polio campaigns.

4. **High priority will be accorded, in terms of resource allocation and political commitment to the following set of practical short-term projects of benefit to Afghanistan and the region:**
 - a. **Concluding negotiations of the Afghanistan Pakistan Trade and Transit Agreement before the end of 2009, as agreed earlier this month in Washington, DC.**
 - b. **Extension of rail link from Chaman to Kandahar.**
 - c. **In addition, the European Commission will conduct a pre-feasibility study of railways across Afghanistan linking major destinations within Afghanistan and its neighbours.**
 - d. **Expediting the Central Asia – South Asia Regional Electricity Market initiative, in particular the CASA-1000 project for which renewed commitment was expressed by the four participant countries, the World Bank and the Islamic Development Bank.**
 - e. **Establishment of a Customs Academy in Kabul and connecting it to similar institutions in the region for sharing expertise and best practices, with continuing support from the United States, the World Bank, the European Commission and other international donors.**
 - f. **The World Bank will develop a plan jointly with the customs agencies of Afghanistan and Pakistan and Afghanistan and Iran to share customs information electronically.**
 - g. **Pakistan has announced award of 1,000 scholarships to Afghan students in Pakistani institutions of higher learning.**
 - h. **Establishment of model returnee villages in Afghanistan.**
 - i. **Supporting new and approved vocational training centres with support from Pakistan, the AKDN and seeking donor support for the project on sustainable reintegration of the Afghan returnees for self and waged employment programmes.**
 - j. **Encouraging new joint Chambers of Commerce in the region to begin developing specific plans to take forward private sector development cooperation.**
 - k. **Carry out feasibility studies for the development of border economic zones around Afghanistan based on TOR presented by the Government of Afghanistan.**
5. **National focal points will be nominated by participating countries to support implementation of regional initiatives.**
6. **The European Commission agrees to support the Afghan Government to set up an Afghan centre within the Ministry of Foreign Affairs to follow**

up on these initiatives and other Afghanistan related regional economic cooperation issues.

The RECCA participants thanked the Government of Pakistan for extending warm hospitality and making excellent arrangements for the Conference and welcomed the offer of the Republic of Turkey to host the Fourth RECCA.