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**Summary of Discussions and  
Recommendations to the Italian Presidency of the G8**

Prepared for Ipalmo, Argo and Carnegie Europe  
By Shahrbanou Tadjbakhsh  
Institut d'Etudes Politiques (Sciences Po), Paris  
[shahrbanou@yahoo.com](mailto:shahrbanou@yahoo.com)

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## **Executive Summary**

The success of international efforts to foster security and economic growth in Afghanistan is increasingly linked to wider stabilization and development in the states in its proximity. In order to elucidate the challenges in the region and draw recommendations for the Italian G8 Presidency, an Experts Meeting on Afghanistan and Regional Stabilization was organized by Ipalmo, ARGO and Carnegie Europe on May 28-29th 2009 in Rome.

Participants noted five areas of interest that could be taken into consideration at the June 2008 meeting of G8 Foreign Ministers in Trieste.

### **1) The countries of the region are interlinked in a regional security complex which requires a regional approach in response**

Instability in Afghanistan has had an immediate and primary negative bleed-out effect on the security situation of the immediate neighborhood. Porous borders, trafficking of narcotics, weapons and criminal activities, including terrorism and extremism, are of concerns to the countries that also share immediate borders: Pakistan, China, Iran and the Central Asian republics of Tajikistan, Uzbekistan and Turkmenistan. But as each of these countries is locked in a security complex with its own neighbors, a larger circle of countries are potentially affected, including India and Russia.

Although it is necessary to look at Afghanistan from a broader perspective, any regional strategy must distinguish between short term and intermediary goals of stabilizing countries that are in immediate danger and longer term strategy to involve a larger group of countries that could participate in the development of the region. In the meantime, the problem of coordination, leadership, prioritization and cohesion between various international and regional efforts needs to be addressed. Trust is the most important currency that needs to be enhanced in the region and can be fostered through a collaborative and comprehensive strategy of strategic engagement.

### **2) Constructive action by the states of the region and existing regional institutions need to be reinforced.**

Any grand strategy from the outside could not ultimately be successful if it did not build on the existing processes and without the direct help of the countries involved. The international community can encourage these processes by recognizing constructive roles, providing market and investment opportunities, and helping settle disputes.

Trust building in the region could also be promoted through tapping into, coordinating, and providing political and economic support to the programs, projects, strategies and agreements of the various existing regional institutions that are active in the region.

### **3) Border management is necessary to curb illicit trafficking while encouraging a better flow of resources across the region.**

Borders are emotive issues in the region given that many were carved out by imperial powers, dividing communities and ethnic populations in the creation of nation states. Although present day borders cannot be redrawn, border disputes need to be recognized and dealt with as much as possible .

Failure to adequately control regional borders has in the meantime facilitated the growth of illicit trafficking in narcotics, weapons, and humans, including criminal groups and terrorist activities. Streamlining various efforts for integrated border management is needed to combat criminal activity without limiting the flows of legal trade, cultural and community ties across borders which could help bring economies out of isolation.

### **4) Security remains a major priority in the region**

Security remains a primary concern to the countries in the region and has implications for a wide range of countries. Development projects cannot be successful in the absence of sustainable security. At the same time, however, current securitization strategies need to be reexamined as they have not proven effective at best, and have fed into additional fears among countries of the region and communities. More integrated approaches are needed for the security problems of the region, with more reliance on national ownership.

### **5) Greater economic cooperation would increase welfare for populations while encouraging cooperation and trust in the region.**

A more comprehensive approach is necessary for the revision of international development engagement with the region. Too much aid had been wasted through lack of coordination, corruption, duplication, and lack of coherence. A strategic rethinking of priorities, methodologies, delivery and coordination is necessary. The economic potential of the region, including human and natural resources, needs to be tapped into more effectively.

More than aid, trade within the region and with extra regional blocs is key to economic development. Increased cross-border exchange of goods and shared work opportunities would provide a means to encourage cooperation and trust in the region. For this to happen, Cross-border roads need to improve, more investments are urgent to develop border areas, and agriculture projects are needed, not only to facilitate trade in products but also ensure food security in Afghanistan and provide alternative livelihoods for narcotics production. Agriculture projects however need to fit the topography of the region and introduce advanced methods. Investor confidence needs to be guaranteed through the exploration of insurance funds, guarantees and legal frameworks for private investment.

A more efficient system of delivery needs to be designed and reinforced for the distribution of energy resources throughout the wider region. Renewable sources of energy also need to be explored further. Finally, investments into education, especially at the primary level, is key to combating extremism and promoting human resource development.

## **Summary of Recommendations to the G8**

- A Contact Group of relevant countries could be set up by the G8 in charge of designing, lobbying for and implementing a comprehensive and cooperative regional strategy.
- A framework of cooperation and dialogue between the countries of the region with extra-regional entities and the international community needs to be enhanced. Initiatives could include encouraging cooperation, dialogue, pooling of resources and sharing of best practices between existing institutions such as the UN, NATO, EU, OSCE, and SCO, ECO and CSTO.
- Dialogue and cooperation within the countries of the region should be facilitated through setting up technical regional forums and identifying and funding cross border programmes.
- The efficiency and legitimacy of the Afghan state needs to be enhanced through accelerated capacity building for its institutions.
- The G8 should encourage constructive engagements of the countries of the region with Afghanistan. These include: conditionality imposition on aid for Pakistan, responsabilization of the Indian government, cooperating with Iran on anti-narcotics programmes, encouraging and working with Chinese economic investment and bringing the Central Asian countries into the reconstruction efforts of Afghanistan by using their technical know how and human resources.
- The G8 should encourage streamlining efforts of regional organizations, widen approaches and seek more coordination and funding for the different initiatives. Joint initiatives between regional organizations should be encouraged, such as for example, EU-SCO-OSCE cooperation on border management, NATO-CSTO cooperation on training of security forces and ECO-EU-SAARC-RECA cooperation on economic integration, transport, energy. The creation of steering groups of key regional organizations for streamlining agreements, strategies and programmes should be encouraged.
- The resolution of border disputes need diplomatic solutions, be they on the Afghan-Pakistan border or the India-Pakistan one, which the proposed Contact Group at the G8 could tackle as a matter of priority. Experiences from regional organizations such as the EU and SCO should be studied and extended to the regional dialogue on a multilateral basis and legal frameworks for border disputes need to be strengthened.
- Existing initiatives to support border management by regional organizations should be coordinated, strengthened, financed and extended.
- Law enforcement agencies should be supported in all the countries of the region through capacity building and encouraging national governments to curb corruption, including through increasing salaries.

- To curb trafficking of narcotics, the G8 and the international community needs to reaffirm the importance of reducing the demand for narcotics in consuming countries, while at the same time studying more the feasibility of reducing production through various means.
- In the long term, the increase in military troops in the region by the US and NATO needs to focus more on training, mentoring and building capacity for national entities and gradually fostering stronger ownership of the police and military.
- Interdicting the production and trafficking of small arms in the region must remain strongly on the agenda of the international community.
- The strategy of aid to the region has to be more efficient in terms of delivery and has to concentrate more on concrete infrastructure development, capacity building, agriculture, mining, dam creation and other sustainable long term projects instead of quick fixes and emphasis on imposition of political models.
- Access to international markets for local products of the region should be ensured, through lower tariffs and preferential treatment on the conditions of opening up markets between Afghanistan, Pakistan and India and setting up a regional free trade regime for Afghanistan.
- Projects that foster the management and distribution of resources, including energy, water and electricity should be encouraged and investments sought for them. Technical expertise needs to be fostered to carry out cost-benefit analysis of the distribution of natural resources while building capacity for enforcement of agreements through regional institutions and sub-regional negotiations.
- Bilateral and multilateral agreements for intra regional trade need to be drawn and enforced with G8 support. Market access for countries of the region needs to be facilitated through the EU and other regional trading blocs over which G8 members have influence.
- The G8 and the international community could seek more investments into joint sub-regional projects across border areas, with an emphasis on infrastructure development for trade, transit and transport specifically through infrastructure development of roads to link to the ports of Gwadar/ Karachi and Chabahar.
- Agriculture projects should be explored more, both within Afghanistan and across borders, but taking into account the specific topography of dry lands. Irrigation projects are needed for communities to take better advantage of land.
- FDI to the region should be encouraged for the private sector through strengthening and coordinating regulatory frameworks.
- The G8 should be encouraged to invest much more on primary education to build on human resources.

## SUMMARY OF DISCUSSIONS AND RECOMMENDATIONS

### **Introduction**

The success of international efforts to foster security and economic growth in Afghanistan is increasingly linked to wider stabilization and development in the states in its proximity. It is with this realization that both the United Nations and the new administration in the United States have adopted a regional approach for the stabilization of Afghanistan.

Supporting regional cooperation was added for example by the Security Council to the mandate of UNAMA in Resolution 1806 (20 March 2008). The implementation of the mandate requires both launching a political dialogue on the question of Afghanistan through shuttle diplomacy between regional capitals, and fostering regional cooperation on issues such as narcotics, refugees, energy, infrastructure and trade as confidence building measures towards regional security. The UN has additionally created a Regional Center for Preventive Diplomacy for Central Asia based in Ashgabat, Turkmenistan, with the mandate of initiating regional dialogue and projects around common threats. The United States, in its own revised strategy, has fielded an Envoy for Afghanistan and Pakistan, Richard Holbrooke, tasked with negotiating a regional peace strategy. The Russians and Chinese, on their part, have intensified regional cooperation through the Shanghai Cooperation Organization (SCO) on common initiatives on counter-narcotics, anti-terrorism and curbing of cross border criminal networks with the Central Asian republics and have made overtures to Afghanistan through appointing a Contact Group and inviting Afghanistan to join SCO initiatives.

In order to elucidate the challenges in the region and draw recommendations for the Italian G8 Presidency, an Experts Meeting on Afghanistan and Regional Stabilization was organized by Ipalmo, ARGO and Carnegie Europe on May 28-29th 2009 in Rome. The meeting was meant as an opportunity for experts from the region to share their analysis in an open and productive exchange of views, under Chatham House rules, and suggest innovative approaches that could be taken into consideration at the June 2008 meeting of G8 Foreign Ministers in Trieste.

This present report summarizes first the discussions under five cluster areas before setting out the recommendations on which the experts agreed at the conclusion of the day and a half, closed-doors meeting.

### **1) The countries of the region are interlinked in a regional security complex which requires a regional approach in response**

Although the War on Terror that started with September 2001 was meant to address the dangers that the capture of weak or non-existent states by globalized extremist networks presented for international security, it has become increasingly clear that instability in Afghanistan has had an immediate and primary negative bleed-out effect on the security situation of the immediate neighborhood. Participants argued that it is high time to look at

Afghanistan from a broader perspective, while recognizing that military responses are not enough.

The alarming rate with which Taliban activities have become radicalized in Pakistan is the most obvious example. However, the concerted circles do not stop at Pakistan. Porous borders, trafficking of narcotics, weapons and criminal activities, including terrorism and extremism, are of concerns to the other countries that also share immediate borders besides Pakistan: Iran, China and the Central Asian republics of Tajikistan, Uzbekistan and Turkmenistan. As each of these countries is locked in a security complex with its own neighbors, a larger circle of countries are potentially affected. The bombing of the Indian embassy in Kabul in July 2008 brought the India-Pakistan conflict into the Afghan scene. The vulnerability of the Central Asian republics is of concern to Russia, which traditionally has considered these regions as part of its southern frontier zones for its own shared ethnic populations. Collectively, not only are all these countries vulnerable to the escalation of instability in Afghanistan, but they can also contribute to stabilization and development efforts, if nothing else than to protect their own future. In short, because they share borders, histories, ethnic populations and common threats, the countries of the neighborhood are inter-linked in a common regional security complex: their security problems cannot be analyzed nor resolved apart from one another. They have responsibilities that cannot be neglected and the G8 should encourage initiatives to bring them individually and collectively into a framework that constructively engages with the stabilization and development of Afghanistan.

Although the priority should be put on the immediate stabilization of Pakistan, participants argued that a regional strategy should take into consideration the potential vulnerabilities as well as opportunities that the wider neighborhood represents. Inter-connectiveness comes not only from shared security concerns, but also common economic, communication, ethnic, cultural and religious factors. If these factors do not sufficiently facilitate the transformation of inter-dependence into full-fledged integration, cooperation is needed at the very least.

Benefits of cooperation are many: Improving trade and transport, efficient use of water and energy to boost regional economies, etc. The price of non-cooperation is also high: Cross border conflict of course, but also loss of economic opportunities, natural disasters, environment destruction, spread of disease, illegal migration to name a few.

Participants argued however that the design and implementation of regional strategy is not without its pitfalls. A number of participants warned that a regional approach may potentially create more confusion. To some, only the few players that are directly concerned with the insecure situation of Afghanistan, starting specifically with Pakistan and India, need to be brought to the table, and bilateral agreements need to be reinforced alongside multilateral ones. Focus has to remain on stabilizing Afghanistan and preventing the descent into chaos of Pakistan which is experiencing at the moment existential problems. To these critiques, any efforts to create larger groupings would result in endless conversations with no results as it would be difficult to reach wide consensus. Others however disagreed: Leaving out key players that had more long term stakes would not be recommended. Central Asian countries, for example, may not want to directly take part in solving the security problems of

Afghanistan but they care about what is happening: transiting of drugs, terrorism activities and proliferation of arms are issues of direct concerns for the security of not only Pakistan and Afghanistan, but also of a wider circle of countries, including Iran, Central Asian republics, China and Russia. Participants agreed that the less players directly involved in regional frameworks, the more chances of success, but key countries should not feel themselves isolated.

The solution would perhaps be to set up different platforms for dialogues between various groupings on specific problem areas, with a “a la carte” or “flexible geometry” approach. More mechanisms are needed to fill the absence of framework of cooperation between regional actors and external stakeholders. Ultimately, though, regional stability and development has to be driven by the region and not from the outside, but extra-regional institutions could play a role in facilitating these processes.

In the meantime, participants noted that there is no coordination, no prioritization and no effective strategy, not only within the region, but also among international actors. Leadership is missing at the regional level, and the effectiveness or legitimacy of extra-regional actors, such as the United States, or of global institutions such as the UN is under question. The UN for example, has been mandated by the Security Council to play a role in promoting regional cooperation in the region but had not been very effective so far. The US has defacto leadership in terms of investments and interests. But objectives and motivations for engagement have to be clarified more. If the motivation would be to strengthen the capacity of Afghan institutions so that there would be a stable state that could protect itself, continued US engagement is needed. Yet, did the US have the resources and motivations to continue until such goals were reached?

For the moment, participants lamented that there is a lack of clarity about what the ‘region’ consisted of. Participants raised a number of scenarios hampering cooperation: Many countries, especially Iran, the Central Asian states, Russia and China, do not want to be brought into the equation if securitization means militarization. Trust and dialogue is missing among the states to address common vulnerabilities. There is even a lack of clarity about on how common the threats are and what the costs, as well as the benefits of cooperation would be. This problem is worsened in the security sector by the lack of capacity in many cases and by the absence of common standards. Questions about neutrality and sovereignty have created weaknesses in trust. Pre-conditions for trust enhancement is seriously suffering with the non-resolution of a number of open conflicts, such as the Kashmir issue between Pakistan and India and the questioning of the Durand line between Pakistan and Afghanistan. The mistrust between the international community and a number of countries of the region also has an impact on the legitimacy of cooperation: the war of words on the nuclear affair between Iran and the international community, competition over resources that sees a more assertive engagement of China, question marks about the scope of Russian influence in Central Asia, and the presence of NATO and American troops in the region are all unresolved matters that had their direct impacts on trust enhancement.

The list of complexities and potential complications is long, and their resolutions cannot be expected either within a short span of time nor by any one country or institution alone. However, this should not discourage the G8 to take decisive steps towards a regional strategy. Identifying entry points within this complex web, prioritization, differentiation between timelines and scope of engagement and a balance between policy frameworks, diplomacy, and cooperation projects is necessary. What should be retained is that a regional strategy cannot be limited to the implementation of isolated and small scale projects or initiatives, be they in the field of development or military security. Although these may have some impact on alleviating immediate grievances, without taking into consideration the wider implications and linkages, isolated initiatives would be ineffective at best and could lead to potential negative externalities at worse.

### **Recommendations for the G8**

The G8 should make efforts towards enhancing a platform that begins to build trust in the region. Crisis could be turned into an opportunity to lead to other types of cooperation in this interlinked region. A regional approach needs to concentrate on long term strategic outcomes, with selective short term and intermediary steps.

The G8 should provide investments and incentives, but the underlying success depends on strategic diplomacy. Participants recognized that high level diplomacy and discussions on security were the prerogatives of the UN Security Council, but the G8 could also play an important role in weighing in on strategic and political processes while itself directly following a specific set of functional goals directly. It could help facilitate a platform for other actors to take responsibilities for political, economic and security initiatives and to facilitate the ultimate goal of a regional integration system. Such conditions could be improved if the G8 and the international community, including the International Financial Institutions (IFIs) would be more generous in terms of financial, technical and human contributions in directing strategic development and political goals.

#### *Specific recommendations:*

The G8 should encourage/initiate strategic diplomacy at three levels in order to foster trust:

- Engaging a direct, institutionalized, *vertical dialogue between the G8* countries and selected non-G8 concerned countries, namely China, Pakistan, Iran and India, on roles and responsibilities for the stabilization and development of Afghanistan. In concrete and immediate terms, the G8 should set up a *Contact Group* of relevant countries, in charge of designing, lobbying for and implementing a cooperative regional strategy. By the end of the Italian Presidency, the Contact Group should have organized its first meeting. For the sake of continuity, the Italian Presidency needs to ensure that dialogue and follow up is sustained beyond the first year through institutionalization of such a Contact Group at the G8.
- Enhancing a framework of cooperation and dialogue *between the countries of the*

*region with extra-regional entities* and the international community. Initiatives could include encouraging cooperation, dialogue, pooling of resources and sharing of best practices between existing institutions such as the UN, NATO, EU, OSCE, and SCO, ECO and CSTO. Existing initiatives for peace in Afghanistan, such as the 6+2 initiative started by the UN in the past and currently pursued by Uzbekistan for example could be encouraged.

- Fostering trust building *within the countries of the region* by facilitating dialogue and cooperation. Initiatives could include setting up technical regional forums and identifying and funding sub-regional programmes.

## **2) Constructive action by the states of the region and existing regional institutions need to be reinforced.**

One question that remained in the minds of participants was how much external leadership was in fact in harmony with the needs of Afghanistan and those of the region. They argued that external agents should build on the momentum towards better cooperation in the region but should not disrupt processes from the outside. The right strategy requires a fine balance between international and locally-led action: Neither too much emphasis on international projects nor relying solely on the good will of local actors are viable strategies. For regional integrated systems to work, one participant stressed for example that one important precondition was missing in the region: the sense of community, the “we” feeling among nations. External players could contribute to this process if they wished so, but ultimately, regional ownership has to be fostered. Regional peace could only be achieved if benefits from confidence building measures went directly to regional actors and populations.

Participants noted that any grand strategy from the outside could not ultimately be successful if it did not build on the existing processes and without the direct help of the countries involved. This meant encouraging countries that had played a constructive role in the stabilization efforts of Afghanistan, not ignoring the national problems that many of the states faced internally, nor the open conflicts between them. It meant encouraging trust building among the countries so that they would cooperate without suspicion. This process could be facilitated through giving opportunities (for example through promoting regional trade and encouraging investments) and strengthening the position of the countries of the region at the international level. Countries of the region need to be more positively engaged and refrain from using Afghanistan to settle their other scores with others.

### *Individual countries*

There was general agreement that a strong government is needed in Afghanistan in order to maneuver between the different interests in the region to draw on the positive trends.

There was also consensus that Pakistan needs to be saved from the danger of failure. By helping Pakistan defeat extremism, the international community would facilitate the eradication of the danger of further radicalization in the region. This however does not mean

direct interference in Pakistan, warned some experts. There were other types of incentives that should be pursued, such as conditional aid for example, and preferential treatment for Pakistan and lowering tariffs for its exports, mainly cotton, to Europe. Pakistan had supported Afghanistan through the provision of food items. It could facilitate transiting of exports from Afghanistan through the Karachi port. But for Pakistan to restructure its conflictual approach towards Afghanistan, India and the US, the resolution of civil-military relations in Pakistan is necessary.

The on-going conflict in Kashmir, although it should not be seen as directly linked to the Af-Pak equation, remains a sore point for both Pakistan and India. Participants hesitated to encourage the G8 countries to divert attention and meddle in the Kashmir problem, especially through the military, but recognized the wider implications. The widespread availability of small arms was one such implication, as was the bombing of the Indian embassy in Kabul.

The G8 could encourage India in the meantime to be more conciliatory towards a regional peace accord. India, however, was not only concerned about border regions, mentioned an expert. It had traditionally a good relationship with the Afghan governments, except with the Taliban regime. It is today the 5<sup>th</sup> largest donor in Afghanistan, with heavy emphasis on education programs, roads, etc. India's continued investments in Afghanistan, although providing more fuel for rivalry with Pakistan, is motivated by its interests in curbing the negative influence of extremists, including the Taliban, and curbing drug trafficking. From the Indian point of view, said the expert, economic development, enhanced by trade, would improve the lives of people and at the same time have a major influence on curbing violence. The challenge was to break down the illegal economy that was sustaining extremist groups.

As far as Iran was concerned, some participants warned against the negative interference in Afghan politics, especially by non-state agents such as revolutionary guards. At the same time however, one expert laid out the concrete steps that the Iranians had taken for Afghanistan, including lending support to the American toppling of the Taliban back in 2001, building roads and hosting millions of refugees. Iranian experiences could be beneficial for international efforts to combat the narcotics trade, production and consumption. The expert lamented however that the lack of appreciation of the positive role of Iran in the past by the international community had put a damper on the logic of cooperation. Yet, the security fears of Iran from the border regions cannot be ignored. Cooperation on Afghanistan with Iran, said the expert, would open up the possibilities of cooperation in other fields, such as potentially a more positive dialogue on the nuclear question. Among the projects that could be pursued are drug control initiatives and infrastructure building through extending the roads that could provide access to sea for the landlocked countries through the Chabahar port, which the Iranians could build up specifically for this purpose.

As far as the Central Asian republics were concerned, participants agreed that they had to be brought into the regional solution more constructively, using their technical know-how and human resources, as well as access to their natural resources such as gas, electricity and water. But for this to happen, more investments are needed in Central Asian infrastructures, and better frameworks of distribution are necessary.

China, in the meantime, is planning large investments in Afghanistan into plans for a railway network, into mining, etc. as pointed out by an expert. According to some participants, the Chinese diplomatic and economic presence is large, effective and subtle, and is seen in many parts as a counterweigh to the American footprint. But bilateral cooperation is not enough in this region. The expert mentioned how China sought better cooperation with the US, the EU and NATO, if not bilaterally, through the SCO.

Russia is a player that could bridge a number of initiatives. Through its G8 membership, it should be encouraged to take a more active positive role in the region. As an SCO member and one seeking better relations with NATO through the new US administration, Russia could be a channel for improved China-NATO cooperation, mentioned an expert. Another expert warned that western allies should not repeat the mistakes of the Soviet Union by trying to impose an ideology (such as democracy, or socialism) in an Afghan society that was deeply traditional. Lessons learned from the Soviet Union should be studied more carefully.

Experts exposed the numerous bilateral agreements that existed already between the various countries of the region. The problem of lack of implementation of these agreements however was often mistrust, lack of political will, and lack of resources.

### *Regional Institutions*

Trust building in the region could be promoted through the various existing regional institutions that are active in the region. All the states are part of different existing regional organizations simultaneously, ranging from ECO, SCO, OSCE, CIS, CSTO, RECA, SAARC, etc. Through these initiatives, political agreements and conventions have been signed, and regional or sub-regional projects initiated, many of them engaging with Afghanistan, which is a member of SAARC and ECO and is on its way towards obtaining observer status at the SCO. These organizations have initiated numerous platforms for dialogue, bilateral and multi-lateral agreements and sub-regional and regional projects.

Their successes however leave much to be desired: problems include the lack of implementation of joint agreements, shortages of funding, overlap of mandates and activities, lack of coherent coordination and mistrust among these organizations. The problem of non-compliance is both of economic and political nature. Many of the conventions are not ratified, summit follow up is lacking, and lack of funding the on-going problem. It is also unclear how much genuine capacity some of these institutions bring to the table. For example, views about the effectiveness of the SCO were mixed among experts. Some mentioned that the organization did not have the necessary resources or strength. Others disagreed that resources were not the problem, but lack of a comprehensive strategy and political will were more problematic. That depended on consensus among the powers leading the SCO, such as China and Russia but it also depended on how much the US, NATO and European powers were ready to engage with the SCO and its key members. Cooperation with NATO, noted one participant, would be more likely with the CSTO than with the SCO.

What was clear however was that there was a large depository of initiatives and experiences directly in regional institutions that could be tapped into better. The proliferation of regional and sub-regional initiatives could be a huge opportunity if they were better coordinated.

### **Recommendations for the G8**

#### *Individual countries*

The G8 could help the international community recognize the constructive role that the countries of the region could and should play in the stabilization and development of the region. It could do so by encouraging such engagement through a “carrot and stick” strategy with individual countries within a regional framework focusing specifically on Afghanistan. It could also do so by seeking out best practices to build on.

Specific recommendations include:

- Strengthening the efficiency and legitimacy of the Afghan state through building further capacity for its institutions so that it could better engage with diplomacy with other states of the region.
- Encouraging access to international markets to Pakistani products, and encouraging lower tariffs and preferential treatment, on the condition of opening up markets between Afghanistan, Pakistan and India and setting up a regional free trade regime for Afghanistan.
- Encouraging conditionalities on aid targeted for Pakistan.
- Working with the Indian government to responsabilize it further to support investment in Afghanistan, especially on education.
- Cooperating with Iran on anti-narcotics programmes in Afghanistan and building trust for further areas of entente.
- Encouraging and working with Chinese economic investment
- Bringing the Central Asian countries into the reconstruction efforts of Afghanistan by using their technical know how and human resources, and lending support to projects that foster the management and distribution of resources, including energy, water and electricity.
- Given that energy is in shortage in Afghanistan, the G8 could actively seek investments to establish trans-Afghan energy corridors and building transit routes and energy corridors for the distribution of energy (especially gas and electricity) to the south.

#### *Regional organizations*

As far as regional organizations are concerned, the G8 should encourage streamlining efforts,

widen approaches and seek more coordination and funding for the different initiatives. Where possible, political pressure should also be put for compliance of agreements.

Specific recommendations include:

- Encouraging the creation of a steering group of key regional organizations for a general point of agreement on regional stabilization and development strategies and programmes.
- Encouraging follow up and implementation of regional agreements and regional projects, including pooling of resources, better investment, and improving legal frameworks. This could be pursued by the G8 through the EU and the UN.
- Seeking out specific joint initiatives between regional organizations, such as for example,
  - EU-SCO-OSCE cooperation on border management
  - NATO-CSTO cooperation on training of security forces
  - ECO-EU-SAARC-RECA cooperation on economic integration, transport, energy.

### **3) Border management is necessary to curb illicit trafficking while encouraging a better flow of resources across the region. Borders however remain emotional issues**

Borders are emotive issues in the region given that many were carved out by imperial powers, dividing communities and ethnic populations in the creation of nation states. Nowadays, failure to adequately define and control regional borders facilitates the growth of the trafficking industry, allows terrorist networks to flourish, and threatens the statehood of individual countries. At the same time, however, interdiction and border management initiatives should not hamper opportunities for cross-border trade necessary for economic development and access to ports for many of the land-locked countries, especially Afghanistan.

Participants discussed the problems of borders in this region around two cluster problem areas: 1) the need to clarify borders and resolve disputes, and 2) the need for better management of border to avoid illicit trade (drugs, weapons, transnational organized crime and smuggled goods).

#### *a) Border disputes*

Border disputes among Afghanistan and Pakistan and between Pakistan and India are decisively hampering regional trust building. Participants discussed at length the problem of the Durand line, signed more than 115 years ago and still an emotive issue among Pashtuns. One participant provided explanations why the division continued to create strong emotions among divided communities and how successive Afghan governments had not recognized the

line on the request of the Loya Jirga as far back as 1949. If the Durand line had served the British interests at the time it was drawn, the participant asked how the legal neutrality of Afghanistan could be revisited today.

Although most participants agreed in principle on the untouchability of borders and that redrawing or redefining borders was not desirable or feasible, it was clear that better communication and large scale inter-Pashtun dialogue, easy movement and development of common significant projects in agriculture, are necessary as well as some international efforts to discuss with regional partners how better to efface the Durand line concept, seen by the local populations more as a residual colonial power arbitrary separation, than as a factor of delimitation of two states and an element of stabilization of the area.

#### *b) Border management*

Porous borders have allowed for the trafficking of narcotics. Since the 1990s, the region has been caught between a hub of production (Afghanistan) and a hub of consumption (Europe, Russia). Drug trafficking provides a major financial income for organized crime, money launderers, extremists and terrorists, posing a potentially serious threat to the stability of states. In addition to increased criminalization of cross-border trade, transit societies are increasingly plagued with associated problems of corruption and consumption.

Porous borders have also allowed for the proliferation of light weapons, armed insurgencies, and trafficking of human beings. If lack of procedures, technical facilities and cases of corruption hamper proper management, restrictions over border regimes also create difficulties for economic communities. Experts noted for example that a security belt around Afghanistan was not a good idea at all. More cooperative ways needed to be found to enforce trust, encourage trade and the free movement of people, while interdicting illicit trafficking. An integrated border management without limiting the flows of legal trade, cultural and community ties across borders could facilitate trade and exchanges in the region and help combat regional criminal activity while bringing economies out of isolation.

Participants agreed that there is a need to simultaneously foster better dialogue and cooperation between law enforcement entities of regional states on specific border issues and to enhance the technical cooperation necessary to address transnational issues. Curbing corruption is also necessary and could be promoted through better salaries and training for border guards.

A number of multinational efforts are currently undertaken around Afghanistan. These include initiatives of the UN, the EU and the OSCE between Afghanistan and Central Asia and SCO between Central Asian countries and China. The various initiatives however need to be coordinated, financed and extended. Participants also argued that OEF and NATO troops in Afghanistan need to lend support to border control and better integrate efforts that are being carried out bilaterally, for example, through joining forces with the EU border control programs and coordinating training for national military and police forces so that they could effectively man the Pakistan-Afghanistan border.

### **Recommendations for the G8**

- The resolution of border disputes needed diplomatic solutions, be they on the Afghan-Pakistan border or the India-Pakistan one, which the proposed Contact Group at the G8 could tackle as a matter of priority. Some regional organizations, such as the SCO, had successful experience with the delimitation of borders and settling of border disputes between China and Central Asian republics. The EU had its own experiences with solving border problems towards integration both at the level of single nations and through the Helsinki process. Such experiences could be extended to the dialogue that should follow the present exercise, on a multi-lateral basis, although participants agreed that the G8 should not be encouraging the redefinition of borders. The countries concerned should be encouraged instead to strengthen the legal frameworks for border disputes. Documents need to be studied jointly on the Durand line for example, legal capacity provided so that international laws could be followed, treaties guaranteed by international bodies, and contents of agreements publicized for the general public.
- To encourage better management of existing borders, the G8 could strengthen, finance and facilitate the extension of existing initiatives that had been set to support border management. These include training for customs and border police and legislative and regulatory systems, initiated by the EU through BOMCA, OSCE, SCO and CARICC.
- Law enforcement agencies should be supported in all the countries of the region through capacity building and encouraging national governments to curb corruption through the increasing of salaries. Cooperation among law enforcement bodies could also be encouraged through regional organizations such as SCO, OSCE and CARICC.
- To curb trafficking of narcotics, the G8 and the international community need to reaffirm the importance of reducing the demand for narcotics in consuming countries, while at the same time studying more the feasibility of reducing production through various means.
- The G8 and the international community should seek more investment and technical assistance for infrastructure projects that facilitate trade, transit, and transport. Infrastructure development should be void of ideology in the region. Road construction and repair is necessary to be extended in Afghanistan, Pakistan and Iran to link up to the ports of Gwadar/ Karachi and Chabahar.

### **4) Security remains a major priority in the region**

Participants collectively agreed that security remains a primary concern to the countries in the region and has implications for a wide range of countries. Development projects could not be

successful in the absence of sustainable security: Fears of terrorist attacks and sabotage hampered investment trust.

At the same time, however, participants also noted that the current securitization strategy needs to be reexamined as it has not proven effective at best, and has fed into additional fears among countries of the region and communities. The presence of American troops in the region was creating concerns for Iran, Russia and China for example, although one participant insisted that it was not the mere presence of troops but potential offensive strategy for regime change elsewhere that comprised specific fear for the Iranians.

An expert familiar with communities in Afghanistan explained how militarized counter-narcotics and counter-insurgency strategies had created backlashes among targeted communities: grievances of farmers whose crops were destroyed and families subject to aerial bombardments had fed into the insurgency movements. For policing drug production as much as for countering insurgencies, a robust national strategy, putting people and communities at the center and supporting alternative livelihoods was needed and a stronger Afghan state needed to take better control.

Another participant proposed that security sector reforms need to be pursued in order to build the capacities of Afghan troops and police and to avoid Afghanistan becoming a failed narco state. Overall, there is no trust between institutions and leadership, especially among the security apparatus, neither within Afghanistan nor within the region.

Yet, terrorist methodologies, such as suicide bombings, in the region were largely exported from the Middle East, noted some participants. The proliferation of small arms, and the domestic illegal production of weapons, was a factor that worried a number of countries in the region, explained one participant. There may be up to 10 million illegal weapons circulating in Pakistan, noted one participant. The danger from these tools of violence needed to be raised at the international level.

Overall, there was general consensus that more integrated approaches are needed for the security problems of the region, with more reliance on national ownership. The deployment of additional troops, under the surge strategy of NATO and the US administration, needs to be accompanied by increases in diplomacy as well as targeted economic assistance. PRTs for example have to integrate more development experts and less military ones if they were to be successful in their heart and mind operations.

#### **Recommendations for the G8**

- The G8 countries should continue to be aware that stabilization of the region is in the long term security interests of all. Extremism is the biggest threat to the region, and the G8 needs to highlight this.
- In the long term, the increase in military troops in the region by the US and NATO needs to focus more on supporting national entities and gradually fostering stronger ownership of the police and military. Troops need to engage in more trainings and

mentoring for capacity building and national ownership.

- Regional security arrangements need to be better explored by G8 countries.
- Interdicting the production and trafficking of small arms in the region must remain strongly on the agenda of the international community.

#### **5) Greater economic cooperation would increase welfare for populations while encouraging cooperation and trust in the region.**

Although security is a priority for economic growth and progress in the region, stabilization should not be at the detriment of development initiatives. A more comprehensive approach is necessary in the revision of international development engagement with the region.

If security could be enhanced through development, uncoordinated development projects could also potentially lead to conflicts. As one participant argued, for example, increased development initiatives in the agriculture sector in Afghanistan and along border regions, although strongly needed, would require more water. In order to prevent water shortages and distribution from becoming conflictual among communities, it is necessary to enforce agreements, bring Afghanistan into discussions on water in Central Asia, and find a better distribution strategy throughout the region.

There was no doubt that greater economic integration, increased cross-border exchange of goods and shared work opportunities would provide a means to encourage cooperation and trust in the region. Participants however noted that overall development assistance to the region needs to be rethought: Too much aid had been wasted through lack of coordination, corruption, tied money, duplication, and lack of coherence. There have been numerous projects so far, but a strategic rethinking of priorities, methodologies, delivery and coordination is necessary. The economic potential of the region, including human and natural resources, needs to be tapped into more effectively.

More than aid, trade within the region and with extra regional blocs is key to economic development, noted participants. Participants noted that officially, the amount of trade is more significant with extra-regional actors than within the region. Unofficially however, cross border trade accounts to much bigger numbers. As one participant argued, Afghanistan has become a transit state for imports from Pakistan and Iran: regional economies are decisively interlinked.

Informal activities helped communities sustain themselves but did not often trickle up to help national economies. It is necessary to transform the informal trade, often amounting to illegal economy, to a legal, formalized one. G8 countries and international institutions have a role to play in setting up standards and encouraging proper formalization of cross border trade.

Cross border roads also need to improve in order to facilitate inter-regional trade. One participant showed how there were about 2000 routes across the Pakistani borders. Initiatives to build proper roads, including highways that would link borders to borders to facilitate access to ports need to be planned and implemented at the regional scale. This requires major

investment and proper planning. ECO, SAARC, WTO, SCO and EU have to also cooperate better in order to ‘soften’ up borders for improved trade.

In the meantime, more investments are urgent to develop border areas, which have often been neglected by central governments. Regions that have been left outside of state investments are fast becoming black holes that could provide the conditions for grievances of populations to be exploited by extremists. A prime example is the FATA region and the SWAT valley, where indicators of development lag behind national indicators in Pakistan. As one participant demonstrated, literacy rates in the FATA region are for example 35%, against a national average of 47%. All other socio-economic indicators are similarly low. The story is similar in Baluchistan as well as in southern and eastern provinces of Afghanistan, from where development and humanitarian agencies have withdrawn increasingly due to insurgency activities and where public institutions cannot always reach and deliver.

Agriculture projects are needed, not only to ensure food security in Afghanistan, but also to develop joint projects across borders and facilitate trade in products. Beyond subsistence agriculture, however, participants repeatedly raised the need for advanced industrialized agriculture, including storage, manufacturing, processing, packaging, access to markets, mechanization and equipment.

Overall increases in investments are needed to develop the fields of agriculture, mining and energy, which could generate employment. Investor confidence needs to be guaranteed through the exploration of insurance funds, guarantees and legal frameworks for private investment.

In terms of energy, shortages were noted not only in Afghanistan but also in Central Asia where energy distribution agreements lag and energy is in shortage in some countries during the winter. A more efficient system of delivery and distribution needs to be designed and reinforced within the region besides infrastructure development for energy corridors. Renewable sources of energy also needs to be explored further.

Participants also noted that one of the main deficiencies that hampered development is the lack of education and illiteracy among the youth in Afghanistan and Pakistan. They put great emphasis on the need for education, ranging from more attention to primary education in Afghanistan to investing more on educational exchanges at the tertiary levels among the countries of the region. One participant noted that much greater support was needed to primary education so as to curb the influence of madressahs in the region. Others mentioned that the internet could greatly help the dissemination of information, the changing of mindset, and exchanges among communities, hence functional literacy is key, as is the development of the media to foster key cooperative messages among communities. Human resource development is necessary throughout the region and some countries could help others through curriculum development, scholarships, etc.

### **Recommendations for the G8**

- Aid provided to the region needs to be reexamined in light of the various linkages that

have become apparent. The strategy of aid has to be more efficient in terms of delivery, concentrate more on concrete infrastructure development, capacity building, agriculture, mining, dam creation and other sustainable long term projects instead of quick fixes and emphasis on imposition of political models.

- At the same time, humanitarian aid is necessary to be sustained, especially with the large scale refugee movements and looming humanitarian crisis in Pakistan.
- Bilateral and multilateral agreements for intra regional trade need to be drawn and enforced with G8 support. Market access for countries of the region needs to be facilitated through the EU and other regional trading blocs over which G8 members have influence.
- The G8 and the international community can seek more investments into joint sub-regional projects across border areas, with an emphasis on infrastructure development for trade and transit, at the same time as encouraging countries to invest in their border areas, especially in southern and eastern Afghanistan, in the FATA and Baluchistan regions.
- Agriculture projects should be explored more, both within Afghanistan and across borders, but taking into account the specific topography of dry lands. Irrigation projects are needed for communities to take better advantage of land.
- FDI to the region should be encouraged for the private sector through strengthening and coordinating regulatory frameworks.
- Technical expertise needs to be fostered by the G8 and IFIs to carry out cost benefit analysis of the distribution of the natural resources, including water and energy, with and for the countries of the region, and build capacity for enforcement of agreements through regional institutions and negotiations.
- The G8 should be encouraged to invest much more on primary education to build on human resources.
- People to people exchanges should also be facilitated more.