Prospects for Regional Integration in South & Central Asia
Development Advocate Pakistan provides a platform for the exchange of ideas on key development issues and challenges in Pakistan. Focusing on a specific development theme in each edition, this quarterly publication fosters public discourse and presents varying perspectives from civil society, academia, government and development partners. The publication makes an explicit effort to include the voices of women and youth in the ongoing discourse. A combination of analysis and public opinion articles promote and inform debate on development ideas while presenting up-to-date information.

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Pursuing a Connectivity Paradigm
Perils and Promise

By Knut Ostby
Resident Representative
UNDP Pakistan

This last October, I visited the Peshawar Museum to see its exquisite collection of Gandhara art. Gandhara was a mostly Buddhist region, with great Indo-Greek artistic traditions, which existed in parts of modern Afghanistan and Pakistan from approximately 1500 B.C. until 1000 A.D. Seeing how these ancient artifacts depict a lively cultural, political and economic exchange between civilizations in East and West, brought my thoughts to the fact that our lives and destinies are interconnected across the world. The peoples of South, Central and West Asia have enjoyed active exchanges, trade and interaction for many thousands of years. This region has also given birth to a number of thriving empires, which steered the processes of civilization and development, ultimately leading to the creation of nation-states that function as regional neighbours today. Having worked for the UN in Iran, Kazakhstan, Afghanistan and Pakistan over almost three decades, I can personally attest to the interconnectedness and resilience of culture, traditions and human enterprise, in the past as well as today.

Fast forward to this October during the ICC T20 cricket World Cup in Dubai, the Afghanistan team won against Scotland, but later lost a friendly, but very closely fought game against Pakistan. Notwithstanding the traumatic circumstances of Afghanistan, the fact that it has developed such a high-caliber international cricket team, is evidence that human commitment can prevail and give results in the most challenging of situations. The fact that friendly games like these can take place between neighbours despite their mutual issues, is but one example of how people still can, and will come together in peaceful cooperation.

Unfortunately, these are not the sort of headlines on Afghanistan that we have generally seen in the international media on during the past four decades, which have remained focused on an unending cycle of conflict and human suffering. The people of Afghanistan have endured violent conflict more or less continuously since 1978 – for 43 years. The latest developments have brought more uncertainty to the question of how Afghanistan will be governed in future, what opportunities women and men will have to earn a living, get an education, and engage in cultural and civic activities. Today, as much as 97 percent of Afghanistan’s population is at risk of sinking below the poverty line by mid-2022. Afghanistan is ranked 169th out of 189 countries in the human development index of UNDP’s Human Development Report 2020. Coupled with COVID-19’s fallout, rising inflation, food insecurity, the violence continuum, and population displacements, it continues to be threatened by disastrous consequences.

Immediate humanitarian needs are clearly visible in today’s situation and humanitarian assistance is urgently needed. Development assistance needs to continue on an urgent basis. The situation has led to increased development needs for people at grassroots levels, and the response to this should be based on people’s needs, not on politics.

At risk are also Afghanistan’s immediate neighbours, notably Pakistan, Iran, Uzbekistan, Tajikistan and Turkmenistan that have borne the heaviest burdens of conflict-induced regional crises and fragility. Lack of stability and violent conflicts put dimensions of peaceful and constructive engagement at risk. The
In this issue of Development Advocate Pakistan (DAP), dedicated to the themes of regional connectivity in South and Central Asia, a wide range of national and international contributors are sharing their views and making suggestions related to the challenges and opportunities faced by Afghanistan and its neighbouring countries, and how they might be tackled. Perfect and comprehensive solutions may be difficult to find overnight. But that should not stop us from identifying the building blocks and starting with certain core solutions that bring peoples and countries together, creating a vibrant space where peoples, ideas, goods and services can seamlessly flow and collaborate, thus creating collective hope and progress.

Today’s globalized world is increasingly connected, not only across borders, but across the air and cyber spaces as well. More and more, actions taken by one country affect all others. In this interconnected global space, solutions lie in multilateral and regional approaches, in countries coming together for joint action to face off common challenges.

Migration and trade across borders in the region have been among the important factors bringing development and prosperity for thousands of years. Waterways, roads, airways, trade and commerce, and topography binds countries in the region together with a natural opportunity for cooperation and exchange. A number of initiatives are already in place to create a stronger regional connectivity. Besides the natural migration and people-to-people exchanges, some large-scale schemes include plans for roads, railways, power lines, pipelines, mineral extraction and so on.

Yet, the challenges represented by conflict can be overcome. We should not make the mistake of believing it will be easy, after so many years of violence and destruction. But the fundamental enablers and building blocks for people to create their livelihoods and to develop as a society, remain in place with natural resources, knowledge and traditions among people, and a strategic geographic position in a dynamic region. People of the countries in the South, West and Central Asian region have a strong wish for peace; thousands of years of their collective engagement and exchanges proves that there is also a strong will and viable business rationale to work with each other across borders.
We are alarmed that the current trajectory of conflict, uncertainty, drought and COVID-19 pandemic could endanger fragile development gains, including the rights of Afghan women and girls. The international community must stand by, and continue to support, the people of Afghanistan at this time,” said UNDP Administrator Achim Steiner.

Over the past 20 years, the life expectancy at birth extended by nine years in Afghanistan. The years of schooling increased from six to 10, and the gross national income per capita more than doubled, according to UNDP’s Human Development Report.

The unfolding humanitarian and development emergency, accelerated by paralysis of state institutions, could erase hard-won development progress over the past twenty years.

The Afghan people need development and humanitarian support now more than ever, and we are committed to continue our efforts to address early recovery, COVID response, and prevent large scale displacement and vulnerabilities; it is our moral imperative to stay and deliver, responding to these critical needs.

Achim Steiner
Administrator
United Nations Development Programme

Disclaimer: The ‘UNDP Statement on Afghanistan’ was originally released on August 20th, 2021. It is available at https://www.undp.org/speeches/undp-statement-afghanistan
Afghanistan as a Regional Connector
Prospects for Peace and Socio-Economic Stability

“ A peaceful, stable and strong Afghanistan is tantamount to peace, stability, and a strong economy for the whole region. ”

By Deborah Lyons
UN Secretary-General's Special Representative for Afghanistan

Afghanistan has long been a crossroad of cultures, trade and commerce on the Eurasian continent, connecting Central and South Asia, China, and the Middle East. Its potential as a regional connector is critical for Afghanistan and of real importance to the wider region.

Over the past decades, regional and neighbouring countries have advanced multiple Afghanistan-centered economic connectivity projects in the region, promoting cross-border transit, trade and transport, as well as political, cultural and people-to-people contacts. Today, Afghanistan faces a humanitarian and development emergency. We must protect the progress of the last two decades. And to do so, regional and local economies must remain functional, to ensure that the people can work in their communities, have access to basic services, basic income, and social protection.

Regional countries continue to play a vital role in helping Afghanistan stabilize and integrate more fully into the region. A further destabilization of the Afghan economy would have devastating consequences for the people, particularly for the most vulnerable groups – women, religious and ethnic minorities, and victims of war – and risks to destabilize the neighbouring countries with a massive outflow, and a potential rise in cross-border drug-trafficking and terrorism. Many Afghanistan-centered regional connectivity projects have been promoted in recent years. In the context of new realities in Afghanistan, the potential of these projects in supporting regional prosperity and stability, as well as enhanced socio-economic cooperation, must be reassessed and reinforced.

A peaceful, stable and strong Afghanistan is tantamount to peace, stability and a strong economy for the whole region.

The United Nations Security Council mandated UNAMA to “support regional cooperation, with a view to promoting stability and peace, […] and to work towards a prosperous Afghanistan.” In line with this mandate, UNAMA has actively advanced regional cooperation and connectivity by participating in, and supporting important political and economic formats created by the countries of the region. The Mission has also worked closely with diplomatic representatives of the six countries neighbouring Afghanistan, and with the United Nations Resident Coordinators and United Nations agencies, funds and
The United Nations strongly believe in the tremendous potential of regional cooperation and connectivity, which should be utilized to guarantee the medium to long-term support that the Afghan people will need to revive their country's economy, and build sustainable peace and stability.

With Afghanistan facing a looming economic crisis, Afghanistan's neighbours and countries of the vast region have sent strong signals that they will stand by the Afghan people during these difficult times. The United Nations will work closely with regional countries to maintain dialogue with the Taliban de facto authorities, to affirm the need for peace and stability through the protection of fundamental rights, an inclusive government, as well as regional cooperation.

The United Nations strongly believe in the tremendous potential of regional cooperation and connectivity, which should be utilized to guarantee the medium to long-term support that the Afghan people will need to revive their country's economy, and build sustainable peace and stability. UNAMA and the United Nations family stand ready to continue our cooperation and engagement with all relevant stakeholders in this area. Jointly, we must stand in solidarity with the Afghan people.

Today, Afghanistan faces a humanitarian and development emergency. We must protect the progress of the last two decades. And to do so, regional and local economies must remain functional, to ensure that the people can work in their communities, have access to basic services, basic income and social protection.
Throughout history, trade and economic exchange and interaction have propelled economic production, growth and prosperity. The post-World War II explosion in international trade in Europe, Asia and the Americas, was due in considerable measure to the economic integration of regional economies, and the formation of trading areas such as the European Union, ASEAN, and others. Building on those, economic integration has been promoted at the global level through continental and inter-continental trade and investment arrangements, the General Agreement on Tariffs and Trade (GATT), and World Trade Organization (WTO) Agreements, and more recently, the Trans-Pacific Partnership (TPP) and Russia Pakistan Economic Corridor (RPEC) agreements, as well as China’s Belt and Road Initiative.

Although the COVID-19 pandemic disrupted global supply chains, and slowed the pace of trade and economic integration, the historical process of globalization is unlikely to be reversed. Indeed, with the arrival of the digital age, national and regional economies are likely to face greater pressure for physical and virtual integration, in order to accelerate productivity and preserve returns on investment.

The regions adjacent to Pakistan – South Asia, Central Asia and West Asia – are among the least economically integrated in the world, in terms of trade, investment, finance, infrastructure, regional value chains, labour mobility and social integration. Therefore, unlocking the potential for such regional integration, within and between these regions, would provide a significant impetus to economic growth, productivity and prosperity.

Pakistan is located at the center of these three regions and has the most to gain from their internal integration and their connection to each other, and beyond to other regions: Europe, Asia and Africa. This is the basic premise and promise of the concept of “geo-economics” propagated by the Government of Pakistan.

The greatest progress in promoting connectivity has been made under the umbrella of the China-Pakistan Economic Corridor (CPEC), with the construction of the road connection between China, through Xinjiang province, to Pakistan’s main centers and the ports of Gwadar and Karachi. This will be reinforced by a rail connection with the implementation of the ML1 project. Gwadar also aims to become a transshipment hub for trade in goods as well as energy products between China and the Gulf, and could equally provide

By

Ambassador Munir Akram
Permanent Representative of Pakistan to the United Nations in New York

The greatest challenge remains to promote economic integration among the members of the SAARC region, and its connectivity with Central and West Asia.
The promotion of these multiple pathways to regional and international connectivity will be at the center of Pakistan’s diplomacy, in the coming years.

With the enhanced possibilities for peace in Afghanistan, there are realistic prospects of implementing the connectivity projects with Central Asia — the Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline, the CASA-1000 project to provide 1500 MW of electricity from Tajikistan and Kyrgyzstan to Afghanistan and Pakistan, the construction of a railway between Uzbekistan, Afghanistan and Pakistan. Simultaneously, there is an emerging consensus to extend the CPEC corridor to Afghanistan.

The greatest challenge remains to promote economic integration among the members of the South Asian Association Regional Cooperation (SAARC) region, and its connectivity with Central and West Asia. Both aspects of South Asian connectivity have been held back by the tensions between India and Pakistan over Jammu and Kashmir, and the less than generous positions taken by the regions’ largest economy with regard to trade arrangements with other South Asian countries. Unblocking the way to South Asian ‘connectivity’ could offer the most significant opportunities for trade and investment for all of this region’s economies, especially for Pakistan and India.

Trade links between Pakistan and the Gulf countries are fairly robust and would be expanded with Gwadar’s use for oil and petroleum exports via pipelines to China, which is part of the CPEC vision. The overland projects through Iran — in particular the Iran - Pakistan gas pipeline and upgraded rail connection extending to Turkey — could also be implemented once the sanctions against Iran imposed by certain powers are lifted, and commercial financing becomes available.

Unblocking the way to South Asian ‘connectivity’ could offer the most significant opportunities for trade and investment for all of this region’s economies, especially for Pakistan and India.

The promotion of these multiple pathways to regional and international connectivity will be at the center of Pakistan’s diplomacy, in the coming years.
Regional Connectivity
Road to Future Prosperity

Along with Afghanistan, Pakistan is committed to working with all Central Asian states, Iran and other regional neighbours, in facilitating people-to-people contacts, investment, trade and transit, and knowledge and technology transfer, for the benefit of peoples of the region.

A peaceful, stable, sovereign and prosperous Afghanistan is fundamental to the success of Pakistan’s multipronged initiative for fostering socio-economic connectivity and cooperation in the greater Southwest and Central Asian region. Following the recent events in Afghanistan, Pakistan recognizes its emergency and humanitarian needs, and has come forth to support the country in this time of crisis. The Government of Pakistan would continue to do its best to help Afghan brethren during the prevalent challenging environment. This follows Pakistan’s dispatch earlier this year of life-saving equipment to Afghanistan to tackle the COVID-19 emergency.

Pakistan is committed to supporting inclusive political processes in Afghanistan that bring peace, development, prosperity, safety and empowerment to all its citizens. Pakistan also urges the international community to play its role in helping the people of Afghanistan to avert a possible humanitarian crisis.

In heralding a new chapter in our brotherly relations with Afghanistan, Pakistan seeks to place at the center, the human security and sustainable development of our citizens, including better access to health and education. We are cognizant that the Coronavirus pandemic has put people’s needs right at the centre of policy agendas for both Pakistan and Afghanistan, and we are framing our strategic approaches accordingly. The coronavirus pandemic has occasioned a global debate on the world’s post-COVID futures. The arguments for pursuing value-based international cooperation and multilateralism outweigh moves towards insular protectionism.

For long-term regional stability and prosperity, Pakistan has proactively adopted a regional approach and framework for post-conflict Afghanistan and the greater Southwest and Central Asian region. Pakistan has always promoted regional integration and peace (e.g. ECO, SAARC, SCO, pipelines, trade and transit) as principles for using geography for collective good. It recognizes the significance of a prosperous and peaceful Afghanistan that would provide impetus to economic integration, strong people-to-people linkages, and enhanced trade in the region. Therefore, it is imperative to realize common regional challenges and opportunities, and work collectively in supporting regional partners.

Pakistan’s strong desire to enhance bilateral trade and transit, which will particularly bring prosperity to the people living in bordering areas, is highlighted through its approved extension of the Afghanistan Pakistan Transit Trade Agreement (APTTA) for another six months. It has also changed the bonded carrier regime system for Afghan transit trade to meet traders’ demands, and opened Torkham border for all trade and transit traffic, and for ease of movement for Pakistanis and Afghans returning to their countries, including students and patients.

Along with Afghanistan, Pakistan is committed to working with all Central Asian states, Iran and other regional neighbours in facilitating people-to-
people contacts, investment, trade and transit, and knowledge and technology transfer, for the benefit of peoples of the region.

Reaffirming Pakistan’s commitment to a peaceful and stable Afghanistan, Prime Minister Imran Khan has assured of Pakistan’s steadfast support for efforts in this direction. We have entered the ‘Asian Century’ in which our region is playing a pivotal role for the socio-economic connectivity and development, not only of our country, but also our friendly neighbours. We need to develop regional cooperation and collaboration models that bring phenomenal dividends to the people of Pakistan, Afghanistan, and our entire region.

With an eye on a visionary long-term prosperous future for both our countries, our approach is to leverage economic cooperation, regional integration and connectivity through transit trade routes, infrastructural support and construction of special economic zones. Additionally, we are working to establish a full-spectrum bilateral relationship that places human security and dignified development and empowerment of the citizens and communities of both our countries, at the center of our efforts.

Pakistan has decades of relevant governance and human development experience, tools, capacities and value propositions to bring to the table for a dynamic peace, economic and development partnership with Afghanistan. In addition to government channels and platforms, we are also committed to supporting exchanges and collaborations between parliamentary, civil society, academic, scientific, arts and media communities; youth and women leaders; entrepreneurs; and legal and business groups, between our countries.

Pakistan fully supports people-to-people exchanges, dialogues and collaborations with Afghanistan that seek to bring peace and end the suffering of its people. We believe a people-centered approach that puts a premium on these public and entrepreneurial constituencies will reduce the trust deficit, bring ‘normalcy’, development, growth and employment that both our countries desperately need. We believe that Afghanistan offers a clear and present opportunity for Pakistan to program a framework for human security and sustainable development, that can yield benefits for our entire region.

Afghanistan’s population is roughly 36 million, making it the youngest country in South Asia, having an average age of 18+ years. This demographic dividend can be a force multiplier for the country. Similarly, with a population of more than 207 million, Pakistan is the second youngest country in our region after Afghanistan, with 68 percent below the age of 30 years. Forecasts on Pakistan put the country at a unique point where its demographics can become its most important dividend. Youth are the drivers of economic, social, institutional and political change. They need to be addressed as a matter of top national policy priority and human security by Pakistan and Afghanistan, as two pivotal countries of South Asia.

Through our robust investments in bilateral trade, education and health sectors, we are particularly focused on creating economic development, jobs and financial inclusion for women and young people, so they can play a constructive role for enhancing our region’s position in the global markets.

Pakistan’s development assistance to Afghanistan has reached USD 1 billion, for which empowering women and youth is a central goal. Our efforts are geared towards investment in infrastructure, education, health, agriculture and capacity building of Afghan professionals. Pakistan has made singular contribution in Afghanistan’s education by extending 6,000 fully funded scholarships to Afghan students while 100 seats have been reserved for women annually. Last year, more than 700 Afghan students joined Pakistani universities to pursue their education here. Pakistan is also assisting Afghanistan in capacity building in the fields of agriculture, banking, railways, military and diplomacy.

Our joint efforts need to be deepened and strengthened further. Pakistan is ready to provide thought, institutional, technical, and vocational support. We understand that Afghanistan is now on the path of post-conflict transition towards positive peace through engagement and collaboration with communities. So we are committed to investing focus on research and capacity-building initiatives for negotiations, peace-building, stabilization and reconstruction processes that place people and communities at the centre.

Pakistan’s own counter-terror experience of two decades has shown us that violence occurs due to weak governance. Foreign military deployments cannot resolve these problems, and local populations need to develop and administer systems of governance themselves. A meaningful agenda for policy negotiations on governance, human security and development of Afghanistan, should replace the long continuum of violence that Afghanistan has suffered from for three decades. Pakistan stands committed to play a central role towards that goal.
“To realize its geostrategic destiny as the potential “Zipper of Eurasia”, Pakistan must continue its pursuit of connecting a variety of stakeholders through identifiable, shared economic interests.”
To move past challenges to connectivity in a region bristling with geostrategic challenges, the primacy of geo-economics and regional connectivity is crucial to policy agendas, especially when climate shocks, gender indexes, post-pandemic learnings and low human development indicators, scream a code red for the entire planet.

Manifestoes for change arise from the identification of a collective need in a given moment in history. Policy communities and political leaders in South and Central Asia have long argued for regional integration as a growth multiplier for their emerging economies, yet have remained locked in political conflicts that prevent them from bending history towards an optimal future, where markets and ideas have built bridges to prosperity. The idea of regional integration is neither new or existential, it has only re-emerged with added salience in the region since 2009, when despite conflicts, connectivity was defined as integral to taking South and Central Asia into the future. With the ramping down of SAARC by the turn of the century, new frameworks have emerged to give under-utilized Asian economies the engine of connectivity, and for all of the potential templates of integrated growth, the most cited regional bloc remains the European Union (EU). Despite Brexit, the EU has long stood as a potent symbol of regional integration since the 1950s. After the devastations of the Second World War led the European nations to forge an economic alliance in 1951 through the European Coal and Steel Community, the European Economic Community (EEC) grew into the European Union as we know it today, triggering a new model of co-existence.¹

This arc of integration proved to be a template of hope for others who joined, also seeing connectivity as an opportunity to trigger economic and social reforms. A framework for interconnected economies and single markets was taken past the idea stage, ensuring political stability and development in the region. Today, the interconnected crises of pandemic shocks and the climate emergency should lead us to re-evaluate both priorities and planning for a new world.

Competitive connectivity is the arms race of the twenty-first century.²

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As a theory, connectivity has emerged as an unchallenged path to maximizing regional economies, and for moving past new systemic threats like climate stress and water deficits, it is crucial as a joint resource-sharing plan to fight fragility of both populations and eco-systems. Despite the rebirth of hypernationalism across the world, business activities continue to recognize little bias, either in race, faith or identity, and in order to grow as economies, regional connectivity is now widely seen as a key intersect on which development in any region should pivot.³ Over time, Pakistan too has realized that connectivity is among the most important trends of the 21st century, and has spent an intermittent decade working on connecting itself to the Central Asian Republics (CARs) via Afghanistan.

Given its prime strategic location, Pakistan can potentially bring together several countries in Eurasia and beyond, in a new age that is characterized by win-win outcomes instead of zero-sum returns. The obvious question of course, is how such an ambition can power forward in the absence of stable political governments caught in global cross-currents, especially considering the turmoil in Afghanistan, and the legacy conflict of Kashmir between India and Pakistan. At the same time, the hardest counterfactual to conflict is that countries in the region are still looking to embrace the idea of competitive connectivity instead of prioritizing traditional security. There is a broad realization that human security needs to be the new normal, especially after the big health shock the pandemic gave the world. Countries with low capacity to develop health resilience and vaccine sources could well save thousands of lives just by collaborating for pandemic preparedness, while others with better biopharmaceutical investments could assist in eliminating vaccine disparities. The data is compelling and persuasive. Global security risks such as the pandemic require cooperation, not military posturing or hard policy responses.

With global economic integration continuing apace despite the U.S.-China trade decoupling, regional connectivity at the very least provides a path to promote economic globalization, free trade, open economies, and cross-border cooperation. Pakistan’s most recent push towards regional connectivity however, is not a novel idea, as the quest to integrate with neighbours and have more efficient trade can be traced back to the days when the Karakoram Highway (KKH) was completed in 1974. In fact, in the late 1990s, a National Trade Corridor initiative was launched which could not meet much success due to budgetary constraints and gaps between federal-provincial and interprovincial coordination. By 2006, an economic union of SAARC, called SAFTA (South Asian Free Trade Association) was initiated, but lobbies resistant to change in both countries ensured that tariff challenges ultimately went into what is known as a “political black box”. Before the broader CPEC platform was agreed upon in 2013, political consensus on the groundwork was laid earlier in 2009. Since then, all Pakistani governments have tried to work the connectivity platform as a policy, and in facilitating a broad vision of economic interdependence.⁴

Societies need political consensus and leadership to build on commercial and economic reforms. South Asia is unfortunately trapped in the unhelpful visor of long, bitter strategic rivalries.

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Connectivity has emerged as an unchallenged path to maximizing regional economies, and for moving past new systemic threats like climate stress and water deficits, it is crucial as a joint resource-sharing plan to fight fragility of both populations and eco-systems.

now spurred further by religious extremism that blocks space for rational discourse. Public policy frameworks for structural impediments such as the energy crisis and infrastructural roadblocks, iniquitous and cumbersome taxation systems, low investment, declining exports and competitiveness obviously need to be tackled at the earliest, but these are all driven by political will and capacity to change.⁵

In a world where sects, class, castes, race, gender and faith identities do not drive all politics, much can be achieved, even in the increment. Once a policy envelope for inclusive action is curated, it would be imperative that a push towards connectivity also factors in social and environmental safeguards at the policy and regulatory levels. Considerations related to gender, social inclusion, the environment, and disaster risk reduction should be placed at the centre of this enterprise. Cooperation in the areas of clean technologies, renewable energy, green construction, and energy conservation can jumpstart sustainable development and can also prioritize human security along with economic growth. Such an approach is in line with today’s global security policy discourse which emphasizes the need for addressing economic and human development to maximize national potential. Few countries have brokered the right tradeoffs between growth, carbon emissions and environmental protection. Eventually, climate stress adds many layers of vulnerability to large, under-resourced populations, that no amount of disaster preparedness or healthcare can overturn. It is crucial to build these vulnerabili-
ties into connectivity projections.

To realize its geostrategic destiny as the potential “Zipper of Eurasia”⁶, Pakistan must continue its pursuit of connecting a variety of stakeholders through identifiable, shared economic interests. CPEC is clearly an opportunity in terms of improving Pakistan’s logistics infrastructure and attracting foreign investment.⁷ Islamabad should build upon this connectivity momentum and explore synergies between its many development partners. The Pakistan-Afghanistan-Uzbekistan (PAKAFUZ) railway line announced in February this year, is a good start, which can prove to be a landmark development in terms of connecting South and Central Asia. For instance, Russia is interested in reaching the Indian Ocean Region (IOR) through PAKAFUZ, and so is the U.S. as a means for expanding its economic influence in the post-withdrawal Afghanistan and

Public policy frameworks for structural impediments such as the energy crisis and infrastructural roadblocks, iniquitous and cumbersome taxation systems, low investment, declining exports and competitiveness, are all driven by political will and capacity to change.

Several actors in the region are starting to realize the benefits of forging interdependency. The Iran-China agreement is another example of this, where it is reported that China will invest USD 600 billion in Iran during the next 25 years.¹⁰ The idea is simple, the wider the net of connectivity is cast, the more exponential the dividends for all those involved. Similarly, the transit trade agreement between Uzbekistan and Pakistan¹¹ is a noteworthy development, as it opens up the Gwadar port to CARs. Through the Central Asia Regional Economic Cooperation (CAREC) Program, Pakistan is working on establishing its national road corridors which is connected to CAREC Corridor 5. This will benefit the region as now landlocked CAREC partners will have greater avenues for trade with the Middle East.¹² The gains from such frameworks will not be limited to South and Central Asia as they will also extend across the Eurasian landmass. Energy connectivity — both trade and infrastructure — offers the most immediate returns to regional cooperation. In 2010, total energy trade within the region accounted for just five percent of intra-regional trade, but in 2012, it represented more than 42 percent of South Asia’s global energy imports. Energy trade connectivity is mutually beneficial for the region, because the countries with the highest energy endowments (CARs) are not those where demand is growing fastest (India, Pakistan, and Bangladesh).¹³

¹² CAREC Program. Read more at https://www.carecprogram.org/?page_id=9
To move past challenges to connectivity in a region bristling with geostrategic challenges, the primacy of geo-economics and regional connectivity is crucial to policy agendas, especially when climate shocks, gender indexes, post-pandemic learnings and low human development indicators scream a code red for the entire planet. Pakistan is obviously not alone in looking to build resilience in a tough neighborhood, by linking goods, markets, energy, people, and ideas as a pathway to economic growth. For Pakistan to successfully integrate itself in global value chains, supply chain barriers to trade would also need to be addressed. Institutional linkages between the federation and provinces have to be improved, whereas tariff consistency and trust deficits in a predictable contractual environment would have to be removed. Lagging on metrics such as logistics and connectivity can raise trading costs by as much as 30-40 percent.¹⁴ While these will require long term structural adjustments, simply streamlining and expediting customs procedures would help in reducing trade costs significantly. Building on past initiatives, and moving past bottlenecks on older Central and South Asian projects like TAPI and regional electricity transfer grids via CASA-1000, will be key if any drive towards integration is to be successfully realised.

Let us use our geography, for once, to change our destiny for the better.¹⁵

In addition to infrastructure and energy projects, digital connectivity is the new multiverse of business opportunities that the pandemic has put front and center for all of humanity to think about and use for redistributive justice of social investments. South and Central Asia is no exception, yet, e-commerce remains hugely unexplored as a business and trade freeway. More importantly, it can help make the international trading system more inclusive, for example, by allowing micro,

small, and medium enterprises to access new markets and by letting consumers break through geographic barriers to reduce search and transaction costs. Actors in the region could consider emulating something akin to the European Union’s Digital Single Market proposal, given the enormous room for growth. Harnessing digital connectivity can also provide transformational opportunities for more flexible employment to otherwise marginalized socio-economic groups, such as women; or otherwise benefit those living in remote areas.¹⁶

Urgently needed at this point are collective models for dealing with mutual security threats as well as carbon-reduction goalposts. Given the current economic turmoil and humanitarian crisis in Afghanistan, the threat of violence spilling across borders is very real, and regional actors should consider formulating a security entente to deal with current and future threats that could imperil peace and stability. Putting the girl child in school may not sound like a security imperative for South and Central Asia, but it is an urgent priority to address the needs as well as capacities for the agricultural, manufacturing, service and care economies of our region to grow. Interdependence may well sound like a clichéd target but it is the only path to a sustainable future. Existential lessons from the pandemic should remind us that many crises know no borders, and that regions that renew their resources together rise faster than nations alone.

“Cooperation in the areas of clean technologies, renewable energy, green construction, and energy conservation can jumpstart sustainable development and prioritize human security, along with economic growth. Such an approach is in line with today’s global security policy discourse which emphasizes the need for addressing economic and human development to maximize national potential.”

AFGHANISTAN EMERGENCY RESPONSE

UNHCR Situationer

Afghanistan is experiencing a humanitarian and displacement crisis. Over half a million Afghans have been newly displaced inside the country in 2021, and Afghan women and girls make up the majority of those displaced. Families speak of having to flee at a moment’s notice, even when faced with the risk of improvised explosive devices and attacks by armed groups during their flight.

This latest wave of violence comes on top of recurrent natural disasters such as the current devastating drought. The COVID-19 pandemic has also had far-reaching health impacts, as well as socio-economic repercussions. Less than four percent of the population is fully vaccinated.

Afghans already constitute one of the world’s largest refugee populations worldwide. Some 90 percent of Afghan refugees are hosted in neighbouring Iran and Pakistan, with more than 2.2 million registered in the two countries. Another three million people were already displaced inside the country before new fighting broke out this year.

Afghanistan’s children are growing up amid this crisis. Some 65 percent of the Afghan people – in and outside of Afghanistan – are children and young people, anxious about their future in the face of insecurity and economic challenges.

The resilience of Afghan families is being stretched to a breaking point. The situation in Afghanistan was already complex, and failure to resolve the current instability, will lead to new displacement.

What is UNHCR doing?

Activated emergency response to protect the most vulnerable and assist newly displaced Afghans with life-saving shelter, food, water, and core relief items, both within Afghanistan and in neighbouring countries.

Preventing the spread of COVID-19 remains a priority. To help reduce the risk as much as possible, UNHCR is providing buckets and jerry cans in its relief kits to displaced families. UNHCR has also established hand-washing stations and distributed hygiene kits including soap and face masks. In addition, there is provision of emergency cash support to help displaced families mitigate the socio-economic impact.

UNHCR has also undertaken protection monitoring covering 32 provinces in 2021, and as part of the broader UN effort, helped assess the needs of almost 400,000 internally displaced people since the start of the year.

Source: UNHCR Portal, Afghanistan Emergency. Read more at: https://www.unhcr.org/afghanistan-emergency.html
Pakistan

Pakistan has hosted Afghan refugees for more than 40 years, and today hosts 1.4 million registered refugees.

**Registered Afghan Refugees in Pakistan**

1,435,026

(As of 31st August 2021)

**Afghan Refugees by Age-Gender**

Source: UNHCR Pakistan Statistics, Operational Data Portal. Available at: https://data2.unhcr.org/en/country/pak
**AFGHANISTAN EMERGENCY RESPONSE**

## Afghanistan

### Registered Returnees to Afghanistan in 2021
- **1,270**
  - (As of 4th October 2021)

### Refugees in Afghanistan in 2021
- **72,375**
  - (As of 4th October 2021)

### New IDPs in Afghanistan in 2021
- **665,182**
  - (As of 4th October 2021)

### Afghanistan Funding (2021)
- **USD 127,013,517**
  - Total appeal

  - **Gap: 41%**
  - **USD 52,175,837**
  - Received to date: 59%
  - **USD 74,837,680**

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As Afghanistan’s primary export is agriculture, it supplies agricultural products primarily to countries within proximity. The country’s main export destination is Pakistan, receiving 43 percent of exports as of 2018. Pakistan’s exports to Afghanistan are also substantial, alongside Iran and Kazakhstan. Afghanistan’s bilateral trade with countries has prompted investment from regional partners such as India, resulting in a potential boost in GDP if actualized. Despite recurrent border closings and trade disruptions, regional partners have largely maintained their commitment to Afghanistan by signing agreements such as CASA-1000. Through this venture, Afghanistan and Pakistan are meant to receive the surplus of clean energy produced in Tajikistan and the Kyrgyz Republic, thereby simultaneously boosting electricity trade, and alleviating economic concerns caused by a lack of electricity.

Afghanistan’s economy is connected to several neighbouring countries through economic cooperation, international trade, migrant workers, and remittances. The recent power shift in Afghanistan has culminated in an uncertain socio-economic climate, with the future of development gains brought into question. The rupture in connectivity with domestic and international markets has compromised productive activity, while raising production costs, and limiting access to value chains at both the national and international level. A decline in domestic production (between 4 and 13 percent from 2020 based on our assessment), is likely due to these interruptions in the supply chain; given that agriculture is the primary source of income for most Afghans, this disruption could exacerbate food insecurity concerns.

Physical connections via borders have long enabled a potential for sustained benefit through trade, both legal and illicit. Another concern is potential increase in illicit smuggling of opiates and heroin due to economic crisis and uncertainty in Afghanistan. The total area under opium poppy cultivation in Afghanistan increased by 37 percent hectares when compared to 2019, and reached 224,000 hectares in 2020. The farm-gate value of opium production in 2020 was estimated at USD 350 million (equivalent to around 50 percent of official export value).

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The estimated wealth of Afghanistan’s natural resources could also serve to boost GDP of the entire region through mineral trade. Afghanistan’s mining roadmap has revealed deposits of raw materials worth billions of dollars, as is also the case in Turkmenistan. Upon partnership and extraction from the Afghan-Tajik Basin, both countries are set to make exponential financial gains. Other resources such as natural gemstones, are already traded with

In times of crisis, neighbouring countries have accepted Afghan refugees, with Pakistan currently housing the largest number at 1.45 million.

By
Abdallah Al Dardari
Resident Representative
UNDP Afghanistan

KEY MESSAGE
Regional Cooperation and the Afghanistan Crisis Post August 2021
As circumstances evolve in Afghanistan, the support of neighbouring countries becomes even more crucial for the stability of the region. It is through sustainable cooperation and regional economic integration, that these countries intend to promote stabilization in Afghanistan.

Pakistan, albeit unmonitored. The legalization of such trade pathways could substantially boost the GDP of both countries involved.

Furthermore, the natural landscape between Afghanistan and Pakistan is one that prompts the fostering of bilateral cohesion and cooperation, to the ends of mutual sustenance from the Kabul River. Considering that both countries are primarily agricultural economies, water resources are a crucial asset, and their management is pivotal for the stable functioning of both Pakistan and Afghanistan. With climate change exacerbating environmental concerns such as drought, it is crucial for both countries to devise water treaties that are mutually beneficial and sustainable.

With disruptions in supply chains and production, it is unclear when financial outlets will return to normal. This might also compromise long term bilateral trade due to price hikes, given that it has become more expensive to sustain and transport goods across borders. Furthermore, the flow of international aid has ceased for the time being, leaving people in dire need of income.

It is by providing opportunities through which Afghan refugees can earn a sustainable and respectable living, that we can move towards restoring the new normal.

Based on the UNDP team’s assessment using a multi-country computable general equilibrium model (A-GTAP CGE), even a temporary fall in Afghanistan’s trade with Pakistan, for example by around 30 percent due to disruption in international foreign exchange flows, closing of business, disruption in supply chains, etc., would lead to a significant loss in GDP – around four percent from 2020. If it is compounded with loss of efficiency in public expenditures and interruptions in domestic connectivity due to uncertainty, Afghanistan’s GDP may decrease by 11 percent in 2021. Poverty impact would be dramatic – a 15-20 percentage point increase from its 72 percent level in 2020.¹

In times of crisis, neighbouring countries have accepted Afghan refugees, with Pakistan currently housing the largest number at 1.45 million. According to UNHCR, this number is now likely to increase due to administrative changes in Afghanistan. Pakistan has seen the entry of approximately 9,290 Afghan refugees as of 10th September 2021. Many Afghans have been living in Pakistan for decades after political instability drove them to seek refuge outside the country. Many remain in touch with relatives back in Afghanistan, prompting the need for reliable financial exchanges via remittance.

During the pandemic and the resulting loss of employment as well as border closings, remittance became increasingly important to keep households afloat. In 2020, remittances into Afghanistan were estimated at USD 789 million.² Recent political changes in Afghanistan have made remittances more important than ever.

It is incumbent upon the international community, keeping the interests of the Afghan people at heart, to prioritize the wellbeing of Afghan civilians who have been displaced, by providing support through special allocated budgets, and job creation in the long run. It is by providing opportunities through which Afghan refugees can earn a sustainable and respectable living, that we can move towards restoring the new normal.

2. Migration Data Portal (2021), “Remittances to Afghanistan are lifelines: They are needed more than ever in a time of crisis.” Available at https://www.migrationdataportal.org/blog/remittances-afghanistan-lifelines
Connectivity as an Accelerator to Sustainable Human Development

In the case of Iran, the COVID-19 pandemic is eroding safe jobs and disposable income, adding pressure on existing social services, with repercussions on the economic and human security nexus, and exacerbating household vulnerabilities in many ways.

The United Nations Secretary-General stated at the 2019 High Level Political Forum that, “inequality between and within countries is disturbingly high”, and that “development is not sustainable if it is not fair and inclusive.”

Iran’s economy features a sizable hydrocarbon, agriculture, and services sector; however, oil and gas still account for 78 percent of the country’s exports. While the economy recorded a recovery following the adoption of the Joint Comprehensive Plan of Action (JCPOA) in 2016 and 2017, the situation has deteriorated sharply since 2018. The COVID-19 shock, in particular, affected Iran’s economy deeply, through multiple channels, including tourism, trade and investment, and commodity prices. The pandemic compounded the adverse effects of existing unilateral sanctions imposed on the country.

The coronavirus pandemic has exposed deep flaws in our societies, on how we interact amongst ourselves and how we interact with nature: instead of the planet shaping humans, humans are shaping the planet¹, resulting for first time, in a decline in human development. This region, like the rest of the world, lives in a vicious circle; the more natural resources are used in a non-sustainable way, the deeper the inequality gap leading to displacement and conflict.

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Iran’s poorest province in terms of human development (Sistan and Baluchestan), is bordering Pakistan and Afghanistan. The adverse effects of climate change, prolonged periods of drought and water stress, as well as mismanagement of natural resources, have hand-in-hand amplified the desertification process, leading to growing magnitude and frequency of sand and dust storms. This phenomenon not only leads to environmental challenges, but also to a lack of

By

Claudio Providas
Resident Representative
UNDP Iran

UNDP, together with the Government of the Islamic Republic of Iran and other partners, are working together to increase capacity for economic diversification in rural and deprived areas, increasing for some, the sustainability in the management of natural resources.

Better connectivity are enablers of development. The neighbouring countries share similar environmental challenges, and communities across borders are linked by tradition and family ties. Area based approaches, growth triangles and similar initiatives, could lead to improvements in trade, inclusive access to markets and value chains, investment frameworks, and trust building mechanisms for addressing more complex issues. Finally, regions concerned can leverage each other’s resources in a complementary manner, like in the case of water and energy.

Regional stability and improved connectivity have obvious benefits and multiplier effects on addressing development and humanitarian challenges, beyond the impact of the COVID-19 pandemic. Transfer of knowledge and technology, capacity building and development financing, have to be looked at as regional priorities, with significant benefits of the countries concerned.

UNDP, together with the Government of the Islamic Republic of Iran and other partners (Bilateral donors, the EU, and private sector), are working together to increase capacity for economic diversification in rural and deprived areas, increasing for some, the sustainability in the management of natural resources. For example, and as a result of these joint initiatives, water use for irrigation in Urmia has decreased by 30 percent, and the use of pesticides by 40 percent. Another example, business innovation and entrepreneurship, including sustainable and digital solutions for micro, small and medium enterprises (MSMEs), and connecting rural to urban markets, are part of an integrated approach delivering greener jobs. It is expected that 10,000 new jobs will be created in 2021, through our COVID-19 Rapid Socio-Economic Response initiative. There are other successful initiatives and projects being implemented in Iran focusing on energy efficiency and women’s economic empowerment, which can be replicated in the region. Connectivity, therefore, plays an influential role in shaping regional integration.

Sustainable development does not stop at the border. Solutions and knowledge exchanges amongst the concerned and neighbouring countries should be promoted as a way to build resilience and achieve inclusive development results.
Despite visible progress in the last decade, Central Asian countries remain among the world's least connected economies, scoring below 60 percent in terms of the ratio of access to global gross domestic product (GDP).² Likewise, Central Asia (CA) ranks poorly on the World Bank's key trade and transport indices³, including the indicators of: efficiency of border crossing and customs clearance procedures; quality of related infrastructure; timeliness of Shipments, etc. While Turkmenistan compares favourably to the majority of its neighbours, its score trails behind for its income group and regional aggregate, if Europe is included.

Improved regional connectivity leads to growth and development by accelerating countries’ efforts in trade, energy, food and water security, and other areas critical for human development.

During the COVID-19 pandemic, greater connectivity and the efficient operation of international corridors, became even more critical in increasing countries’ capacity to respond to emergency situations and accelerate recovery efforts.

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This suggests that Turkmenistan, as well as the CA region as a whole, have yet to take full advantage of development opportunities, by strengthening regional connectivity in a holistic way.

While the region faces some insurmountable obstacles to greater economic integration such as remoteness from major production hubs and its landlocked location, these can and shall be compensated for by the right policy mix, allowing for improved connectivity with the region, and beyond.

In its efforts to enhance regional connectivity and collaboration, Turkmenistan has been active through high-level policy dialogues, regional initiatives such as CAREC⁴, and investments in regional and national infrastructure. All of the aforementioned have benefited from extensive collaboration with the UN, UNDP, and other development partners.

As part of its contribution to global policy, Turkmenistan initiated UN General Assembly resolutions on transport connectivity (2014⁵, 2015⁶ and 2017⁷), as well as hosted high-level conferences (2014⁸, 2016⁹), that played

By

Natia Natsvlishvili

Resident Representative a.i.

UNDP Turkmenistan¹

(Until September 2021)

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1. I thank my colleagues Jahan Saparmamedova, Communications Associate UNDP Turkmenistan; Rovshen Nurmuhametov, ARR UNDP Turkmenistan; Ben Slay, Senior Economist RBEC UNDP; and, Hurshid Rustamov, Economist, UN Turkmenistan, for their review and advice.
2. OECD International Transport Forum Indicators. Available at https://www.itf-oecd.org/tags/indicators
4. CAREC. Read more at https://www.carecprogram.org/
6. Towards comprehensive cooperation among all modes of transport for promoting sustainable multimodal transit corridors: Resolution adopted by the UN GA, 2015
7. Strengthening the links between all modes of transport to achieve the Sustainable Development Goals: Resolution adopted by the UN GA, 2017
8. The International Conference on the Role of Transport and Transit Corridors, 3-4 September 2014, Ashgabat, Turkmenistan

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7. Strengthening the links between all modes of transport to achieve the Sustainable Development Goals: Resolution adopted by the UN GA, 2017
8. The International Conference on the Role of Transport and Transit Corridors, 3-4 September 2014, Ashgabat, Turkmenistan
10. Strengthening the links between all modes of transport to achieve stable and reliable international transport for sustainable development during and after the coronavirus disease (COVID-19) pandemic: Resolution adopted by the UN GA, 2020

an important role in strengthening international cooperation on transport connectivity in the region and beyond. Amid the global COVID-19 pandemic, Turkmenistan intensified its international efforts, and facilitated adoption of the resolution aiming at mitigating the long-term economic and social consequences of the pandemic.

To emphasize the importance of regional connectivity to remove trade barriers and create regional value chains, the leaders of the five Central Asian countries met in Turkmenistan on 6th August, 2021. While the situation in neighbouring Afghanistan was at the top of the agenda, the gathering of the heads of states covered other areas of human development including trade, energy, transport, and increase of export-import transactions.

Turkmenistan continues to invest in national infrastructure and policies, particularly digitization, to boost digital connectivity inside the country and with the outside world. The current joint support of UNDP and UNCTAD in introduction of the Single Window for import and export operations, to considerably ease trade logistics and reduce timelines, is a good example of optimizing conventional ways of doing business across borders, and enhancing overall trade ties and connectivity. Turkmenistan has recently acceded to the Revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures, and is considering the perspectives for joining the Framework Agreement on Facilitation of Cross-border Paperless Trade in Asia and the Pacific, which altogether constitute important steps by the country towards enhancing digitization, and simplification of trade and transport procedures.

While improved regional connectivity brings multiple benefits to participating states, it is also associated with risks and challenges. Essentially, the connectivity agenda needs to be inclusive and in no way should widen gaps in economic and social development between countries; the environmental consequences of increased trade and transit deserve separate attention; and, its impact on the local labour market should be taken into account. Therefore, the connectivity policy mix should be considerate of all of its benefits and risks.

More so, with the COVID-19 pandemic undermining progress made towards achieving Agenda 2030, all Central Asian countries are working on long-lasting solutions to overcome the socio-economic consequences of the pandemic. Risk-informed enhanced regional connectivity and cooperation, is considered as one of the solutions to help build better towards a more sustainable and resilient, post pandemic world.

“Improved regional connectivity leads to growth and development by accelerating countries’ efforts in trade, energy, food and water security, and other areas critical for human development.”
Beyond Borders
Pakistan and Intra-Regional Cooperation: Barriers and Dividends

Opportunities and Dividends

- Uzbekistan
  - Bilateral Trade
  - Transport Infrastructure: Rail, Road and Aviation
  - Cooperation in the field of military education
  - Cultural tourism
  - Business investments
  - Ease-in-cross border good transportation
  - Transfer of knowledge and technology

- Turkmenistan
  - Energy trade and infrastructure (gas and electricity)
  - Transport connectivity
  - Increase of export-import transactions
  - Transfer of knowledge and technology
  - People-to-people contact
  - Access for Pakistan to Central Asia (for instance, through rail links that can link Iran and Kazakhstan)
  - Build cooperation ties between countries (reference to Pakistan-India relations)

- Tajikistan
  - Energy cooperation (especially electricity infrastructure)
  - Cultural tourism and people-to-people contact
  - Bilateral trade
  - Gateway to Central Asia
  - Investment opportunities (including for business and entrepreneurship)

- Kazakhstan
  - Bilateral trade
  - Transfer of knowledge and technology
  - Transit traffic

Risks and Challenges

- Uzbekistan
  - Difficulty in transit due to war torn Afghanistan
  - Illicit drug-trafficking

- Turkmenistan
  - Geo-strategic and political preferences (Pakistan bears different regional and political outlook on neighbouring countries)
  - Security issues (limiting full fruition of projects)

- Tajikistan
  - Drug-trafficking
  - Cross-border crime
  - Extremism/terrorism

- Kazakhstan
  - Radicalization/terrorism

Sources Consulted:
Opportunities and Dividends

Kyrgyzstan

- Exploring trade routes
- Institutional and regulatory weaknesses

Opportunities and Dividends

Iran

- Regional security dynamics
- Iran-Saudi Arabia tensions

Opportunities and Dividends

Afghanistan

- Political instability
- Threat perceptions have limited the prospects for economic engagement, and both sides have used trade access as leverage to secure bilateral concessions
- Illicit exchange of goods and narcotics
- APPTA-restricted movement on routes throughout Afghanistan and Pakistan
- Cross-border security
- Refugee influx

Opportunities and Dividends

India

- Territorial conflicts (Kashmir and Sir Creek)
- Security challenges
- Energy deficits
- Resource shortages (water scarcity)
- Strategic uncertainty
- Geo-political tensions

Opportunities and Dividends

China

- China’s debt-trap diplomacy and access to strategic assets
- Lack of long-term structural reforms e.g. power generation
- U.S.-China rivalry and its impact on Pakistan’s strategic relations and interests

Opportunities and Dividends

Russia

- Spread of terrorism/insurgency (post-Afghanistan collapse)
- Illicit drug smuggling

Opportunities and Dividends

- Bilateral trade
- Agri-food trade
- Transit traffic
- Transport infrastructure via sea and land

Opportunities and Dividends

- Energy trade
- Economic trade/engagement
- Transfer of knowledge and technology

Opportunities and Dividends

- Transit and economic trade
- Cross-border connectivity
- Dominant trucking industry

Opportunities and Dividends

- Cultural collaborations
- Media diplomacy
- Tourism
- Trade
- People-to-people contact

Opportunities and Dividends

- Transit, bilateral and economic trade
- Energy and infrastructure sector development
- Employment and economic opportunities
- Conventional and unconventional warfare
- Support in economic and political diplomacy

Opportunities and Dividends

- Sea route access
- Sea-based resources exploration (fishing industry)
- Trade
- Investment
- Cultural and educational tourism
- Defence cooperation

Risks and Challenges

Risks and Challenges

Risks and Challenges

Risks and Challenges

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Risks and Challenges

Investment in regional knowledge networks will be crucial to sustain Pakistan's key position in new regional markets. Pakistan must benefit from China’s phenomenal research and development expertise in all spheres, and link up its universities and think tanks with south and west Asian neighbours.
Emerging Economic Corridors
An Opportunity for Enhanced Trade and Human Development

“Pakistan will have to strengthen the structure and orientation of its bureaucracy towards a pro-growth system.”

By Haroon Sharif
Former Minister of State for Investment
Member of Prime Minister’s Task Force on Economic Diplomacy
Senior Advisor, Finance for Development, UNDP Pakistan

As the momentum of global economic gravity continues to shift towards China and East Asia, the contours of a new economic and political geography within South Asia are also becoming visible with enhanced connectivity among western China, Pakistan and Central Asia.

Led by China’s Belt and Road Initiative (BRI), this fascinating transition is already having a remarkable influence on the thinking patterns, politics, cultures and economic developments in this region. For a region that has remained in the grip of internal and geo-political conflicts for years, it is perhaps an opportunity to leverage its potential for economic prosperity, stability and human development.

These changing times certainly pose a big challenge to both public and private sector leaders, to get out of their historical baggage and start capitalizing on new economic opportunities and models of engagement with multiple players in the next many years to come. Renowned historian Peter Frankopan reminds us that although many of us think globalization as a fairly modern phenomenon, yet 2000 years ago, it was a fact of life, one that presented opportunities, created problems and prompted technological advances. It is pertinent to note, that after the booming times of the old silk route, these emerging new economic corridors are once again driven by the dynamics of economic proximity, rather than a security led paradigm.

China’s flagship BRI and the strategic China Pakistan Economic Corridor (CPEC), have laid solid foundations for emerging regional connectivity. The success of CPEC as a transformational investment, is critical for both China and Pakistan, to demonstrate their ability to steer this region towards a sustainable growth path. Pakistan is struggling to design and implement structural reforms to increase its institutional capacity, for maximizing CPEC outcomes for the benefit of its ‘over a hundred million’ young labour force. CPEC should not be seen merely as infrastructure investments, it must reflect President Xi’s vision of tackling corruption, cleaner environment and uplifting the quality of life for the marginalized.

The Need for Structural Reforms

For Pakistan, three areas of structural reforms need urgent attention for managing this extraordinary transition. First, Pakistan will have to strengthen the structure and orientation of its bureaucracy towards a pro-growth system. The existing system has little understanding of the already changed and continuously evolving global

There is a need to mainstream the role of private sector in the new economic diplomacy, where geographical proximity will have a central role.

With improvements in connectivity infrastructure, bilateral trade between China and Pakistan is growing and stood at USD 17.49 billion in 2020. Pakistan recorded nearly 70 percent increase in exports to China in the first quarter of 2021, with USD 888 million as compared to USD 526 million in the same period. The overall exports to China in the financial year 2020-21 increased to USD 2.33 billion from USD 1.74 billion in the last year. The projected potential of bilateral trade between the two countries is USD 100 billion.

However, in order to realize this goal, Pakistan will have to increase its per capita income, productivity and quality of exportable goods to meet international standards. Human resource development will play the most crucial role if real benefits of regional connectivity are to be realized with a visible impact on the lives of the poor. The current structure of skills training will have to be shifted from efficiency based, to knowledge based skills, to reap benefits of the fourth industrial revolution.

**Recent Developments**

The recent rather abrupt withdrawal of the U.S. led coalition from Afghanistan needs to be seen in a wider context of the transformational regional transition led by China. With over forty years of

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**economic landscape. For instance, several countries have taken progressive steps in this direction, by merging trade and foreign policy objectives.**

Second, there is a need to mainstream the role of private sector in the new economic diplomacy where geographical proximity will have a central role. The country should be willing to let go of the inefficient sectors which have flourished on patronage and state protection. Pakistan's competitiveness has nose-dived over the past couple of decades, when compared with its peers. The old school of import substitution and protection to local industrial base, has stagnated the growth potential, as such firms will never be able to compete with emerging Asia. If a level playing policy environment is created, the private sector can enhance productivity and ensure job creation by being part of regional value chains.

Third, investment in regional knowledge networks will be crucial to sustain Pakistan's key position in new regional markets. Pakistan must benefit from China's phenomenal research and development expertise in all spheres, and link up its universities and think tanks with south and west Asian neighbours. It is the exchange of skilled youth which will generate ideas and strengthen regional integration for shared growth and stability.
conflict and geo-political power play, Afghanistan’s situation remains a binding constraint to stability and shared economic prosperity in the region. Afghanistan’s economy is expected to nose-dive after the recent capital flight, suspension of aid, central bank reserves of USD nine billion, and International Monetary Fund (IMF) post COVID-19 support package of USD 450 million. Almost 90 percent of the population lives below the two dollars a day poverty line, with heavy reliance on basic agriculture as the main source of livelihoods for more than fifty percent of the population residing in the land-locked conflict-ridden nation.

The Future Outlook

Looking at an optimistic medium term outlook, Afghanistan’s comparative advantage is vested in its central location to connect south and central Asia to the markets in the middle east, and its vast mineral resources estimated over one trillion dollars. Both these strategic endowments directly complement China’s regional connectivity ambitions and expertise to develop supporting infrastructure for mineral development.

At this point, China, Pakistan and other neighbouring countries are best positioned to exploit these precious endowments and link Afghanistan with western China through CPEC. The other low hanging fruits for China’s infrastructure development include building of roads and power sector development. The war torn nation imports 70 percent of electricity from neighbouring countries. Investments in these sectors will not only create jobs for Afghan youth but will also increase people’s confidence in the benefits of regional connectivity as an instrument of economic development and future diplomatic partnerships.

Finally, the emerging opportunities and challenges linked to regional connectivity must be taken into account by multi-lateral development institutions. There is a huge need to invest in innovative instruments for leveraging financing for development within the region. Targeted investments in knowledge sharing, capacity building and technological innovations, will mitigate the risks of climate change and inequality linked to the regional connectivity infrastructure.
Security is the foundational plank for increased trust between Pakistan and Afghanistan.
Finance and banking institutions need to start working in collaboration, in order to facilitate cross border and international trade.

Afghanistan is yet again, going through one of its most difficult periods in history. Much of what was built over the past 20 years, has fallen flat as a result of the breakdown of the State. To rebuild the economy and the country, working to re-boost its relationship with Pakistan will be key.

The first step is re-building the economy. Afghanistan is a landlocked country. It imports its fuel, medicine, energy, food and most of its construction materials. As a result of challenging relations between the countries, trade has fallen from USD four billion a year, to less than a billion.

Trade needs to be restored as it strengthens the overall relationship. For this, the Afghanistan–Pakistan Transit Trade Agreement (APTTA) needs to be revised and approved by Pakistan Parliament for a longer period, so as to give assurance to the business and trade communities.

Finance and banking institutions need to start working in collaboration, in order to facilitate cross border and international trade.

In transit, with the Customs Convention on the International Transport of Goods (TIR Convention) serving as a template, the potential for overland commercial trade must be explored, expanded and executed with a spirit of trade facilitation.

Vast reserves of hydroelectric energy from Central Asia, as well as natural gas from Turkmenistan, still have to find their way into Pakistan, transiting through Afghanistan. Better state security and prospect of strengthened law and order potentially bring us to the realization of this promise, allowing consumers and businesses in Pakistan to have access to better priced energy; an important ingredient of better productivity.

Culture and tourism travel can also boost the services sector for both countries, including the hotel and food restauration industries and services of cultural guides. Another step is to make travel of Pakistani citizens to Central Asia possible safely, through overland routes in Afghanistan. The Tashkent conference of July 16, 2021 offered a great format for increased collaboration in the region.

Medical tourism already represents expenditures of Afghans in Pakistan, but this can expand further with facilitated mutual visa regimes for therapies. In general tourism, Afghanistan itself has beautiful scenery and vistas. Cultural travel could offer joint business opportunities for increased tourism.

Security is the foundational plank for increased trust between the countries. Much more needs to be done for better coordination among security services in order to allow for the fulfillment of all economic promises.

We are looking forward to better relations among the two countries. In today’s world, trade and economic progress, as levers of poverty reduction, have a strong economic angle. Both countries can strive to realize it.
“In recent years, small steps have been taken to prepare the grounds for a more integrated region. These include the development of the Turkmenistan-Afghanistan-Pakistan-India gas pipeline (TAPI) and the CASA-1000 electricity-sharing initiative involving Kyrgyzstan, Tajikistan, Afghanistan, and Pakistan.”
Assessing Prospects for Regional Connectivity in a Taliban-Led Afghanistan

The Taliban have never opposed infrastructure and connectivity projects, so long as they advance national development goals.

Can Afghanistan emerge from 40 years of war to become a key node for regional connectivity?

It is a question that has been posed many times in the past. And until recently, it came across as a mere abstraction — an idea that sounded desirable in theory, but wholly unrealistic in practice. Afghanistan, after all, was convulsed by a conflict that showed no signs of ending, with few chances of the improved security situation necessary for the development of infrastructure projects.

In the aftermath of the Afghan state’s sudden, stunning collapse, which resulted in the Taliban taking power and declaring an end to its long-running conflict, the question has taken on greater importance. However, while the chances of advancing regional connectivity have improved, major obstacles lie ahead. Consequently, transforming visions of connectivity into reality, will remain a long-term prospect. Additionally, the Taliban’s ascension to power means that Washington’s role in any new regional connectivity projects, will be limited.

First, the good news. In recent years, small steps have been taken to prepare the grounds for a more integrated region. These include the development of two key U.S-backed projects, the Turkmenistan-Afghanistan-Pakistan-India gas pipeline (TAPI) and the CASA-1000 electricity-sharing initiative involving Kyrgyzstan, Tajikistan, Afghanistan, and Pakistan. Just over the last few months, several new connectivity agreements were inked on infrastructure development, including a February railway project accord involving Afghanistan, Pakistan, and Uzbekistan.

Additionally, the Taliban have never opposed infrastructure and connectivity projects, so long as they advance national development goals. The group has formally endorsed TAPI — a U.S.-supported project. Last year, a top Taliban leader met with the head of the International Development Finance Corporation, a new U.S. government agency meant to support developing world infrastructure projects.

So, it is no surprise that since taking power, the Taliban have vowed to engage with Beijing on infrastructure projects. Given China’s strong technological capacities, its ability to rapidly deploy large amounts of capital, and its undisputed status as the top global infrastructure producer, any connectivity effort in Afghanistan stands to strengthen with a Chinese role. That is clearly something the Taliban will support.

By Michael Kugelman
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However, big obstacles remain. One is security. The Taliban may have ended their war, but do not enjoy a monopoly over the use of violence in Afghanistan. The horrific Kabul airport attack in August offered a tragic reminder of the Islamic State-Khorasan threat. IS-K, a Taliban rival, could ramp up attacks to undermine the new Taliban government. Additionally, hardline Taliban members keen to keep fighting, could shift allegiances to IS-K, strengthening that group further. Internal divisions within the Taliban, exacerbated as the group worked to establish its government, could play out violently. Private criminal gangs — which have reportedly previously targeted electricity pylons in Afghanistan — also pose a threat to connectivity projects. Other potential spoilers — such as anti-Taliban elements — do as well.

Another challenge will be political. The Taliban will struggle to consolidate their power. The group has inherited a serious economic crisis worsened by the imposition of Western sanctions on the new Taliban regime. The Taliban lack the experience to fix it; its governance prowess lies in administering swift justice, not crafting economic recovery plans. Many of the technocrats who could be helpful have either left the country or will be afraid to work in a Taliban government.

An inability to ease the economic crisis; continued security threats that could make Afghans feel their government cannot protect them; and internal dispute that distract the Taliban from governance, mean that Afghanistan’s Taliban will struggle to consolidate their legitimacy. Public anger and armed resistance could ensue. A Taliban weakened by struggles to consolidate power, will be a poor interlocutor for the resistance could ensue. A Taliban government.

Another obstacle is the absence of a regional consensus. Afghanistan’s neighbours have given lip service to the importance of connectivity, and several projects are under way, but there has not been substantive discussion on the way forward — in great part because connectivity has long been an abstraction. Afghanistan’s regional partners should not bank on U.S. support for connectivity projects. Prospects for their success will hinge on Afghanistan and its neighbours, and not on a distant superpower that has largely disengaged.

However, with Afghanistan’s war — at least for now — having ended, there is still a major opportunity. Regional players should establish mechanisms for regular consultations on connectivity prospects, with the Heart of Asia-Istanbul process and Shanghai Cooperation Organization — two key Afghanistan-focused organizations — serving as institutional hosts. If it maintains political power, the Taliban could eventually be incorporated into these discussions. To be sure, bringing the Taliban into such talks would require the countries involved, to recognize the Taliban regime. Since most regional players — aside from India — are unlikely to place many conditions on recognition beyond security assurances, this should not be a problem.

The United States, by contrast, is unlikely to recognize the Taliban government anytime soon. It will look for Taliban assurances on human rights and power-sharing that are unlikely to emerge. Additionally, Afghanistan under the Taliban, will likely see a deeper Chinese footprint, which will crowd out Beijing’s U.S. rival. Consequently, Washington will maintain its backing for the existing TAPI and CASA-1000 projects, but it will not support new connectivity initiatives in the Taliban era.

And yet, U.S. contributions to Afghanistan-centered regional connectivity were never going to be large to start with — not when its Chinese and Russian rivals have consolidated their influence in a South and Central Asian region where the U.S. footprint has long been small, excluding its growing partnership with India. That presence will shrink even more following the U.S. withdrawal. Indeed, one of U.S. President Joe Biden’s main justifications for leaving Afghanistan, was to focus on other priorities elsewhere.

Additionally, while Washington wants to use infrastructure development as a tool to counterbalance China, it intends to center this effort in East Asia, in the Indo-Pacific, which it views as a more strategically critical space than South and Central Asia — because it is home to key U.S. treaty allies.

Afghanistan’s regional partners should not bank on U.S. support for connectivity projects. Prospects for their success will hinge on Afghanistan and its neighbours, and not on a distant superpower that has largely disengaged.
During conflict, people, especially women, lose their rights.
However, the reality is different. In countries under conflict, such as my country Afghanistan, women’s rights and freedom will be restricted because of the seriousness of the security situation. Increase in sexual and gender-based violence is a natural consequence of conflict. With familial restrictions placed by the men upon the women, owing to a concern in the safety of the latter, freedom of women and girls is heavily compromised during such times. Conflict causes a lot of humanitarian disasters and crises, including forced internal displacement and migration.

The Universal Declaration of Human Rights

The Universal Declaration of Human Rights, approved by the United Nations General Assembly on 10th December 1948, outlined the rights and freedom everyone is entitled to, regardless of their gender, skin colour, language, religion, geographical location, and political system.

The first part of the preamble reads: "Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world."

This is the strongest human rights document to which all governments around the globe agreed to and gives us all the right to be part of every decision in relation to our lives and a part of the socio-economic, cultural and political aspects of our respective countries.

However, the reality is different. In countries under conflict, such as my country Afghanistan, women’s rights and freedom will be restricted because of the seriousness of the security situation. Increase in sexual and gender-based violence is a natural consequence of conflict. With familial restrictions placed by the men upon the women, owing to a concern in the safety of the latter, freedom of women and girls is heavily compromised during such times. Conflict causes a lot of humanitarian disasters and crises, including forced internal displacement and migration.

The Impacts of Conflict on Rights

Conflict impacts people differently. The impact on the human rights of women is more severe, with increase in child marriage, forced child marriages, forced prostitution, and human trafficking. Families are separated from each other. They lose their livelihoods and usually end up in camps housing people with different languages, ethnicities, and cultures. They do not get access to education, healthcare, shelter, clean water and, importantly, toilets for women and adolescent girls.

Justice:

Access to justice is a basic human right and need. Social justice is an important part of life. People lose this basic right, when there is no rule of law. Human society, without the rule of law, makes people vulnerable. In the absence of justice and rule of law, society mirrors a jungle.

Peace:

To live in peace is a basic human right.
right. Peace does not only mean the end of war. Peace means to live with dignity and be free from fear and wants. To build a peaceful society, we need to bring people – women included – into the peace process. Women must have full and meaningful participation at all levels, for sustainable peace to be possible. Women’s participation should not merely be symbolic.

**Recommendations**

Unfortunately, we live in a world dominated by men. A patriarchal society is the cause for a majority of the people being unable to abide free from fear and wants, and the discrimination and violation of human rights of women continues with impunity. My recommendations include:

- Recognize the existence of women and their abilities as equal individuals with dignity.

- Include them as equal individuals in every socio-economic, cultural and political process in the country; do not use their presence symbolically.

- Support them politically and financially, and do not put them in a position without political and financial support just to establish them as a failure.

- Commit honestly on the principle of human rights. Do not use it to ‘look good’. Implement it in action so as to achieve a positive result in your society.

- Do not use the excuse of ‘respecting the religion and culture of countries’ in not promoting human rights.

- The principle of human rights is a set of values for any and every human being, and not limited to any particular society or culture.

To conclude, it is not possible to sustain peace and uphold human rights with proportions of the population. It is imperative that everyone be taken under the umbrella of human rights and treated equally. This may seem like an impossible task, but we have to work towards ensuring human rights for all and making the impossible, possible.

"It is imperative that everyone be taken under the umbrella of human rights, and treated equally."

"Women must have full and meaningful participation at all levels, for sustainable peace to be possible."
At the core of every intervention, both countries must bring together women in the region with the aim of understanding the broader concept of regional connectivity. The gender lens in the Pakistan-Afghanistan border region must focus on bilateral dialogue and challenges.
Pakistan and Afghanistan

Creating Women-Centered Economic Cooperation

“Building on elements aimed at women’s empowerment should be an integral part of regional economic progress.”

Afghanistan has experienced decades of conflict and lawlessness, and is now in dire need to ensure effective use of its untapped resources to support its economy. Regional connectivity initiatives could supplement Afghanistan and Pakistan’s economic cooperation in the future, and reduce insecurity.

Moreover, for greater regional integration, the establishment of infrastructural and economic ties through engaging existing organizations/platforms and public engagement, can help increase mutual understanding on social and cultural issues. Such an all-inclusive approach towards regional connectivity and integration, will lead to greater security and stability, as well as sustainable development.

Bridging the Gap

Pakistan and Afghanistan serve as a bridge between South Asian and Central Asian countries, considering the geographical locations and political histories. Therefore, promoting regional connectivity in the South Asian-Central Asian Region contains the potential of advancing economic development and peace in the entire region.

Furthermore, past tensions in few local countries obfuscate the task of regional cooperation. However, the recent conflict-ridden history of the region increases the need for interrelationship.

Women and Connectivity

To promote regional connectivity, Pakistan and Afghanistan must focus on strengthening people-to-people connections. However, in building these engagements, there is a dire need of equally engaging women, given they are key stakeholders. At the core of every intervention, both countries must bring together women in the region with the aim of understanding the broader concept of regional connectivity. The gender lens in the Pakistan-Afghanistan border region must focus on bilateral dialogue and challenges. Many organizations and networks are already serving as a platform and facilitating different initiatives across the region, as well as building ties among the public. There is a need to engage with, and strengthen these exciting initiatives, which will help create an environment fostering peace and cooperation in Afghanistan and Pakistan.

In addition to introducing new programs, attractive to both private and public investors, there is a need to establish regional economic cooperation forums in areas for infrastructure development, skill development, agriculture develop-
Building on elements aimed at women's empowerment should be an integral part of regional economic progress. These efforts should include women; it will contribute to women's economic empowerment. Major aspects of these programs should focus on promoting access to economic markets, targeted training in literacy and business management skills, access to economic financing, and removing the legal barriers to women's economic participation.

Ideally, this is the right time to establish Pak-Afghan Women's Network with branches and focal persons in each province in both countries, to continue sharing knowledge and information, that will further strengthen ties in the long term.

All the initiatives should be reinforced by the recognition that women are capable to become influential economic drivers across the region, by tackling the barriers in their participation including, better connections between the women of Pakistan and Afghanistan, which can enable them to realize their full potential.

Building on elements aimed at women's empowerment should be an integral part of regional economic progress. This is the right time for Pakistan and Afghanistan to redefine their regional cooperation strategy and ensure women's engagement in all regional cooperation and investment projects, given that women have much to add and stand to benefit from their success. Ideally, this is the right time to establish Pak-Afghan Women's Network with branches and focal persons in each province in both countries, to continue sharing knowledge and information, that will further strengthen ties in the long term.

The Future for Afghanistan

Afghanistan has a long journey to shift from a country dependent on aid, to a trade and transit economy. The end of the Transformation Decade is closely approaching, and in the coming years, there will be a significant decline in aid. Regulating Afghanistan's economic path in the near future is dependent on infrastructural development, reforms, addressing regional trade rivalries, improving management, building local capacities, and ensuring better governance.

Afghanistan should essentially develop its proactive policies and domestic capacities to entice others to connect with its initiatives. Given the existing security and economic situation, there is less motive and interest for other countries to make an offer to Afghanistan. Analytically speaking, Afghanistan cannot solely address the hurdles to achieve its full potential as a regional hub and needs a regional approach to turn its problems into core capabilities. In order to transform...
Afghanistan and Pakistan should undertake joint plans to ensure that gender diversity serves as an advantage for economic development in the full implementation of all regional cooperation and investment projects.

Afghanistan needs to establish a program for women’s economic empowerment through regional economic cooperation, and must initiate joint ventures with Pakistan, such as assisting women-owned small and medium enterprises (SMEs) with value chain development, and access to regional and global markets, by connecting them with regional and international networks. The presence of local women-owned SMEs from Afghanistan and Pakistan in the supply chains of multinational enterprises will raise their international competitiveness. Pakistan has great experience to share with Afghanistan when it comes to ensuring engaging women as key stakeholders in nationwide programs.

Pakistan’s example of the Benazir Income Support Programme (BISP), a program that is focused on women’s economic empowerment and access to finance and skills, is helping income generation at the lowest level, especially in rural areas, can be replicated in neighboring Afghanistan. Likewise, the Lady Health Workers (LHWs) program, which has succeeded in providing maternal and childcare facilities, helping in nationwide polio campaigns, and now serving in the COVID-19 pandemic, can also be replicated in Afghanistan. It has taken years for Pakistan to properly produce programs such as BISP and LHWs. Training exchanges between Afghan and Pakistan governments can be initiated for greater capacity building.

Ideally, this is the right time to establish a Pak-Afghan Women’s Network with branches and focal persons in each province in both countries.
Pakistan’s economy is comparatively developed, but both countries suffer from inflation and a trade deficit. Difficulties in Afghanistan exist at the infrastructural and bureaucratic level, and there are subnational differences.
The Future of Security in Afghanistan and the Region

Now, like always, security must come before a significant uptick in connectivity and economic activity can take place.

The events of this summer in Afghanistan present many challenges for security and regional connectivity, but also offer opportunities. Overall, violence levels in Afghanistan have plummeted since August, and all of the country’s provinces fall under the de facto control of one government, with relatively uncontested territorial control, making overland transit in the country safer. The de facto Taliban-led government in Afghanistan benefits from bilateral relations with its neighbours, but it still lacks de jure legitimacy, and its ties with groups like Al-Qaeda present a significant roadblock to foreign investment and development in Afghanistan. Terrorism remains a considerable threat even to the Taliban government itself, and the Islamic State in Khorasan Province (ISKP or ISIS-K) has conducted several attacks in the last month. Now, like always, security must come before a significant uptick in connectivity and economic activity can take place.

For progress to be made, it is important for Afghanistan’s leadership and the international community, to have a clear-eyed understanding of the country’s circumstances. It is an aid-dependent landlocked country with a fledgling economy, poor infrastructure, and few local industries. These realities will only be compounded by the brain drain following the Taliban takeover, and the absence of women from the Afghan workforce. Afghanistan is unlikely to become a ‘hub’ of connectivity or commerce, but it could become a key link in the chain of a more integrated regional economy, if the right steps are taken.

One of the key problems with the approach of both Afghanistan and Pakistan to regional economic connectivity, is the assumption that it is a catalyst for security, when in reality, security is a prerequisite for greater integration into global supply routes. It is true that economic integration and security are mutually reinforcing developments, but the barrier of insecurity will usually take precedence over the opportunity of investment when weighed by state and private investors.

Pakistan and Afghanistan, both suffer from crony capitalism and a significant informal economy, are respectively ranked 108 and 173 in the World Bank’s Ease of Doing Business Index.¹ Pakistan’s economy is comparatively developed, but both countries suffer from inflation and a trade deficit. Difficulties in Afghanistan exist at the infrastructural and bureaucratic level, and there are subnational differences.

By Adam Weinstein

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Contrary to popular belief, China was not the first country to use the Silk Road as a metaphorical framework for large-scale connectivity projects. The United States had its own initiative for Afghanistan known as the New Silk Road, but it died on the vine because it was missing the most important thing: connectivity and substantial foreign investment.³ The intention of these connectivity projects is to drive markets and exert influence regardless of how they are advertised by the countries promoting them. China and other regional countries have a significant competitive advantage, and greater incentives to drive such projects in the region.

For example, getting electricity is easier in Kabul compared to Kandahar, but receiving a construction permit or registering a property, is easier in the latter.² Prospects for substantial domestic or international private investment remain grim in the near future. This is why investment through state-led undertakings like the Belt and Road Initiative are so attractive to recipient countries in the Global South, despite poor loan concessionality.

Contrary to popular belief, China was not the first country to use the Silk Road as a metaphorical framework for large-scale connectivity projects. The United States had its own initiative for Afghanistan known as the New Silk Road, but it died on the vine because it was missing the most important thing: connectivity and substantial foreign investment.¹ The intention of these connectivity projects is to drive markets and exert influence regardless of how they are advertised by the countries promoting them. China and other regional countries have a significant competitive advantage, and greater incentives to drive such projects in the region.

So far, China’s official statements have adopted a cautious tone about investing in Afghanistan which marks a continuation of its approach over the last two decades. Foreign Minister Wang Yi announced just USD 31 million (200 million yuan) in food and medical supplies to Afghanistan. For context, the United States pledged USD 64 million in humanitarian assistance, which will be routed through international organizations and NGOs.⁴ When speaking about infrastructure development, Zhao Lijian conditioned it on ‘security conditions’ being in place.⁵ Wang Yi added that China, Russia, Iran, and Pakistan must join forces to convince the United States to ‘assume the responsibility for the reconstruction of Afghanistan, and to


“ Afghanistan is unlikely to become a 'hub' of connectivity or commerce, but it could become a key link in the chain of a more integrated regional economy, if the right steps are taken.”
Hurdles aside, observers have pointed to taxes levied by overland transit and the development of extractive industries, as Afghanistan’s only clear pathway out of a rentier economy, given that its main exports are dried fruits and nuts, and 40 percent of its economy is grant-based.⁷ The Taliban appear to appreciate this conundrum even if they lack the technocratic know-how to implement the changes necessary to make it a reality. On 6th February, as intra-Afghan talks came to a grinding halt, Mullah Baradar led a Taliban delegation to Turkmenistan allegedly to discuss the construction of a Turkmenistan-Afghanistan-Pakistan-India (TAPI) natural gas pipeline.⁸ The Taliban were back in Turkmenistan six months later in July, at the request of the Turkmen Foreign Ministry as fighting in northern Afghanistan increased, potential for a civil war appeared to be looming, and nearby Tajikistan sent over 20,000 troops to its border with Afghanistan. But projects like TAPI have moved at a snail’s pace and ultimately, security must come before pipelines.

Connectivity in Afghanistan is likely to be stymied by insecurity and insufficient governance in the near future, but these challenges should not be misconstrued as tipping the scale in favour of unsustainable aid models. The reality is, Afghanistan’s only pathway out of total dependence on the international community, is to become integrated with it through largescale infrastructure projects. Therefore, it is important that the region and world adopt a long-horizon approach to connectivity in Afghanistan, that prioritizes future gains over present liabilities.

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Connectivity in Afghanistan is likely to be stymied by insecurity and insufficient governance in the near future, but these challenges should not be misconstrued as tipping the scale in favour of unsustainable aid models.

As Afghanistan’s economy collapses, Afghans are trying to flee across the border.
All eyes are currently on Afghanistan, where the Taliban recently returned to power in a dramatic fashion. But important developments are also underway across the border in Pakistan, whose Tribal Areas are undergoing some of the most profound legal and administrative changes in more than a century.

Under British colonial rule, the former federally administered tribal areas (FATA) were governed indirectly by political agents in accordance with Pashtun customs. The disputed border with Afghanistan (known as the Durand Line after the British diplomat who delineated it) was porous, allowing tribes who straddled the frontier to cross freely. This system became controversial. The political agents had draconian judicial and administrative powers, including the ability to impose collective punishments, while the local people, particularly women, were deprived of basic rights. The lack of border enforcement allowed militants and criminals to come and go as they pleased.

Pakistan inherited this framework at independence and retained it for decades, until the region’s autonomy made it a safe haven for terrorist groups after the U.S. invasion of Afghanistan in 2001. The Pakistani military launched successive operations in the border region, culminating in the expulsion of the Tehrik-i-Taliban Pakistan (TTP).

With the region secured, the state then moved to extend its writ. In 2018, the 25th amendment was passed, merging FATA with Khyber Pakhtunkhwa province and bringing the tribal areas under the full jurisdiction of Pakistan’s constitution, as the Newly Merged Districts (NMDs). In 2017, Pakistan also started to fence the 2600-kilometre border with Afghanistan so as to prevent infiltration by militants, smugglers, and illegal migrants. At least 90 percent of the structure is reportedly complete, with the remaining portion set to be finished this year. The border fence appears to be unpopular with local tribes, who live on either side of the frontier and could previously cross unimpeded. But now families and communities are divided, and farmers separated from their land. Commerce has also been disrupted, as the fence closed off informal border crossings and forced goods through costlier official routes.

Nevertheless, and in the long run, these changes could bring security, human rights and regional economic integration to one of the most impoverished parts of the country, which has suffered tremendous loss of life, internal displacement, and material destruction from years of violence. The NMDs have ranked lowest among Pakistan’s...
In particular, this is a challenging situation for Pakistan’s NMDs, which hope to benefit from the regional connectivity push through their inclusion in CASA-1000 that brings surplus electricity from Central to South Asia.

As Afghanistan’s economy collapses, Afghans are trying to flee across the border. Pakistan already hosts over two million refugees and has refused to accept any more. Numbers crossing have apparently been low since the Taliban’s seizure of power. But the

UNHCR is trying to persuade Pakistan to soften its stance, and the European Union is reportedly planning to provide financial assistance to Afghanistan’s neighbours to host refugees.

Whatever happens, new divisions are emerging between two countries and peoples that have long been deeply intertwined. Policy ambitions for pursuing regional connectivity as a panacea for these long-standing cross-border socio-economic and political challenges, will need to be well-informed and well-accepted by the local populations residing in the border areas.


Energy, Technology, and Services
Building Blocks of Regional Connectivity

“The rhetoric of staying isolated has become obsolete, because the world has realized that comprehensive development is possible, only when the whole region develops collectively.”

Globalization and Connectivity

Globalization has completely revamped the global structure and world order. Countries that believed in isolationism, and reached the heights of glory through it, now stand ready to open up to the rest of the world and consider globalization and mutual development imperative for national development. At present, the world is more interconnected than ever. Connectivity and interdependence has helped countries unleash their true economic potential.

Central and South Asian countries, in particular Pakistan, Afghanistan, and Iran, have been quite unfortunate over the past two decades, as they faced stunted economic growth, due to regional unrest and domestic issues. While some nations made progress at the national level, nothing great could be achieved by the region as a whole, as the eventual fate of regional connectivity depends upon how closely regional countries cooperate to reinforce networks in basic regions. These include, exchange and transport network, Information and Communication Technology network (ICT), energy availability, and people-to-people services.

Energy and Connectivity

The advancement in innovation, research, and development, has allowed these Asian countries to visualize an ‘energy organization’ amongst themselves, which could decrease the gap in the energy market, by transferring power from energy-rich nations, to energy-poor nations. An “Asian Energy Highway” could join various sorts of energy transmission organizations, including pipelines and cross-border power frameworks across the region. The most effective way to solve the region’s energy crisis, could be through the development of a regional power matrix, linked with a regional power market. A regional power source is essential to connect sustainable power sources to a huge enough market, to diminish speculations. In this manner, the overall sustainability of such projects can be improved. Belt and Road Initiative (BRI) can be one good example in this regard; the key objective of the BRI in Central Asia was to provide energy supply routes across the region.

Likewise, owing to rapid political changes in the region, a new model for regional development has emerged. Summits held by Central Asian leaders in Kazakhstan and Uzbekistan, mentioned the need for cooperation in the energy sector, by expanding opportunities for energy, trade etc. Most of the Central and South Asian countries including Kazakhstan, Turkmenistan, Uzbekistan, and Pakistan, have abundant natural resources, which if developed efficiently through country
An ‘Asian Energy Highway’ could join various sorts of energy transmission organizations, including pipelines and cross-border power frameworks across the region.

Additionally, projects like CASA 1000 (Central Asia-South Asia power project) can help not only in large-scale energy development, but also in improving Central Asian trade with Afghanistan and Pakistan. CASA-1000 and TUTAP (Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan electricity project) alone, can add USD 2.6 billion more to the gross benefits of Central Asian countries, if they are put into operation.

The inter-regional electricity trade between Central Asian countries is extremely limited.¹ It comprises of Afghanistan taking energy from Central Asian Republics, and Pakistan from Iran. To reduce energy shortages in Afghanistan and Pakistan, it is important to increase the capacity of this trade, by upscaling the bilateral trade agreements to multilateral agreements. Moreover, different countries are rich in different energy resources. For example, Kazakhstan has huge coal resources meanwhile, countries like Uzbekistan and Tajikistan, have great power generation capacity when it comes to gas and water. By sharing these power sources and trade, each country can benefit from the other. Similarly, Pakistan is known to have huge coal resources available, and through trade with Iran (rich in natural gas) and Afghanistan, these three countries can benefit from each other immensely.

Technology and Connectivity

Recently, ICT has also evolved immensely and has fundamentally changed ways by which organizations and individuals work and cooperate. The development of the technological sector has driven efficiency and productivity improvements in several sectors of the economy. The expanded growth of ICT connectivity has opened new doors for knowledge and ideas' sharing.

Online communication and advanced ICT technology is helping connect buyers across countries who are separated by logistical and geographical barriers. Countries like Pakistan and Afghanistan, that depend greatly on trade, can efficiently use technology and

Regional connectivity helps to offer services and resources to countries who are physically at a distance from regional production and consumption centers, and opens new opportunities for labor migration, which helps in revenue generation. Migrant, origin, and destination countries, need to work together to take meaningful advantage of labor flows, and mitigate the risks which may accompany greater labor mobility. Different countries in South Asia have expertise in different services – growth and development of the entire region can be ensured through cross-

Improvements in ICT connectivity and transport links have made it easy for people to study abroad or enroll in distance learning programs, as well as contribute to the growth of business and civil society networks.  

By promoting economic and people-to-people connectivity, governments can help their people access the region's vast knowledge and material resources.

However, in many developing Asian economies, internet bandwidth is extremely low, and the prices are tremendously high, which causes a reluctance among people to buy internet devices and technology. Technological connectivity has positive impacts on economic growth and gross domestic product (GDP), as it enables sellers to participate in foreign investments and global partnerships. With increased technological connections among the South and Central Asian countries, employment opportunities and new job roles will be enhanced, which will aid regional countries to develop at a faster pace. According to a report, the ICT sector can help reduce unemployment and create new roles, and help shift the economic paradigm. Improvements in ICT connectivity and transport links have made it easy for people to study abroad or enroll in distance learning programs, as well as contribute to the growth of business and civil society networks.

Services and Connectivity

Another critical aspect for regional connectivity is the services sector. Asia, specifically Central Asia, is an important player in this regard, as it provides various services including transport, hospitality, tourism etc. The travel and tourism industry has been growing rapidly – the region housed almost one fourth of the total global tourists in the last decade.

Regional connectivity helps to offer services and resources to countries who are physically at a distance from regional production and consumption centers, and opens new opportunities for labor migration, which helps in revenue generation. Migrant, origin, and destination countries, need to work together to take meaningful advantage of labour flows, and mitigate the risks which may accompany greater labour mobility. Different countries in South Asia have expertise in different services – growth and development of the entire region can be ensured through cross-

border trade of such services.

The Need for Regional Connectivity

Currently, Asia, particularly the Central and South Asian region, is in dire need of regional connectivity across different domains. Pakistan has signed and implemented many connectivity projects such as CPEC (China Pakistan Economic Corridor), CASA 1000 etc. Despite having certain loopholes, these projects are one of the most important driving forces behind Pakistan’s infrastructural development and attracting foreign direct investment, especially towards export-oriented special economic zones.

Pakistan and neighbouring South Asian countries need more integrated projects for their individual and collective development and growth. Better trade, transport, services, and technological connectivity among nations, will help in economic growth, innovation, social benefits, and overall development. Thus, these countries should make sure to pursue regional connectivity as their prime national interest. By promoting economic and people-to-people connectivity, governments can help their people access the region’s vast knowledge and material resources, as well as foster better understanding about the region’s diverse cultures and value systems.

Looking Towards the Future

However, despite having enormous potential for energy-technology-services induced economic activity and subsequent positive spillover effects, there is one glitch in the whole regional equation – volatile Afghanistan. The war-torn country lies at the pivot of all regional happenings, thus it acts as a roadblock to any regional cooperation, as there are risks and uncertainties involved. Having said that, Taliban have now grabbed the reins of the country’s governance system. For good reason or bad, Taliban’s pro-active diplomacy with neighbouring countries over the years have proved beneficial so far. These helped in cultivating goodwill and trust.

Now, in the current scenario, a regional approach is a must for two reasons. One, to not let Afghanistan once again become the hotbed of militancy. Two, to sustain the economy and governance of Afghanistan, so it does not disturb the stability of the region. If the regional approach materializes as is envisioned at the moment, then regional countries, in particular neighbours, would soon recognize the Taliban government. A formal channel of engagement will commence then, and convergence towards optimizing regional interests will start. On the contrary, huge potential of regional cooperation and utilizing the gigantic benefits would not be realized for a long, long time, and the cost would be much bigger than we can imagine. In conclusion, the onus is not on Kabul, but there is a sense of collective responsibility on the whole region to carve out a better future for coming generations.

Regional connectivity helps to offer services and resources to countries who are physically at a distance from regional production and consumption centers.
New opportunities for expanding the GEP to South Asia are emerging after February’s agreement to construct a Pakistan-Afghanistan-Uzbekistan (PAKAFUZ) railway, and the Western coalition’s withdrawal from Afghanistan.
As it stands, Russia has more influence in de-facto Taliban-led Afghanistan than any country other than Pakistan.

Russia's Greater Eurasian Partnership (GEP) envisions the country functioning as the fulcrum of super-continental integration processes by virtue of its geostrategic location. It officially prioritizes connectivity with the countries of the Association of Southeast Asian Nations (ASEAN), and the Shanghai Cooperation Organization (SCO), but is also intended to connect with the European Union (EU) and the countries of West Asia with time.¹ As part of this vision, Moscow has sought to synchronize its Eurasian Economic Union (EAEU) trade bloc with Beijing's Belt and Road Initiative (BRI), with the primary region of convergence between these two being the Central Asian Republics (CARs).

New opportunities for expanding the GEP to South Asia are emerging after February's agreement to construct a Pakistan-Afghanistan-Uzbekistan (PAKAFUZ) railway and the Western coalition's withdrawal from Afghanistan. Pakistan is both a member of the SCO and hosts BRI's flagship project of the China-Pakistan Economic Corridor (CPEC), so Russia would be able to achieve two of its top strategic goals by connecting more closely with it through PAKAFUZ via post-war Afghanistan. Of course, the situation in that landlocked country must first stabilize, and it remains unclear exactly when that might happen, but the vision is promising enough to be taken very seriously by interested observers.

Russia officially designated the Taliban as a terrorist group back in 2003, but has nevertheless come to cultivate pragmatic political and security ties with them over the past two and a half years, since first hosting its representatives in Moscow in February 2019, as part of the Afghan peace process. The Taliban's lightning-fast takeover of Afghanistan surprised all observers, but perhaps equally surprising was the generally positive assessment of the group that came from Russian officials, like its Ambassador to Afghanistan Dmitry Zhirnov, or Russian Special Presidential Envoy to Afghanistan Zamir Kabulov.² This speaks to the pragmatism and strength of their ties despite the Taliban still officially being considered a terrorist group by Moscow.

As it stands, Russia has more influence in de-facto Taliban-led Afghanistan than any country other than Pakistan.

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Vladimir Putin’s phone call to Prime Minister Imran Khan in late August.³ Both countries want the Taliban to continue fighting ISIS-K, assemble an inclusive government, and stabilize the country.

Should the situation in post-withdrawal Afghanistan improve, PAKAFUZ can begin construction and eventually result in a new trade corridor connecting Central and South Asia. Russian Foreign Minister Sergey Lavrov endorsed this general vision of transregional connectivity during his keynote speech at a topical conference in Tashkent in mid-July.⁴ It also aligns with Pakistan’s new geo-economic grand strategy that was unveiled during the inaugural Islamabad Security Dialogue and jointly articulated by Prime Minister Khan,⁵ Foreign Minister Shah Mahmood Qureshi,⁶ and Chief of Army Staff Qamar Javed Bajwa⁷ They expressed hope that the possible normalization of ties with India could lead to it using their territory to access the CARs.

That would be the best-case scenario from Russia’s perspective, and it might even be willing to employ its diplomatic skills to that end if requested by both countries to do so. India is Russia’s special and privileged strategic partner and has a much larger economy than Pakistan. Their planned North-South Transport Corridor (NSTC) through Iran and Azerbaijan, has not resulted in much, after New Delhi decided to abide by Washington’s unilateral sanctions regime against Tehran. Moreover, the NSTC is multimodal whereas PAKAFUZ – which will eventually connect to the CARs’ existing rail network with Russia – is unimodal, though the two obstacles to it connecting Russia and India are Afghanistan’s difficult security situation and continued Indo-Pak acrimony.

Even if the GEP does not expand all the way to India via PAKAFUZ, it can still succeed in pioneering a Russian-Pakistani corridor that would eventually improve trade between those two and all the countries between them, especially Afghanistan, which urgently needs to reconstruct its economy. That war-torn country could initially profit from transit fees prior to encouraging investment from regional stakeholders like Russia, Pakistan, and the CARs, into improving its production capabilities and enabling it to add value to the goods shared along that route. This is of course an ambitious long-term plan with a presently unclear timeline, but it is nevertheless, the grand strategic vision that Russia hopes to achieve with its GEP in Central and South Asia.

China's drive for regional interconnectivity and economic growth through its Belt and Road Initiative (BRI), such as its pilot project the China Pakistan Economic Corridor (CPEC), is partly seen as an impetus for its policy in Afghanistan by some. For the time being though, it is China's security interests which dominate their relations with Afghanistan."
A lot has been spoken and written about recent events in Afghanistan, following the withdrawal of the United States (U.S.) forces after some twenty odd years. In particular, the collapse of the Afghan army and the absolute takeover by the Taliban, has dominated discussions. The immediate concerns which gripped the U.S. and their allies in the region, were the safe evacuations of their citizens and the safety of those Afghans left behind, who had served alongside western forces. Concerns regarding the freedom of movement for Afghan girls and women, and their continued access to education and employment opportunities, were also raised. Meanwhile, urgent humanitarian assistance, such as the provision of food, clean water, and medicines for the Afghan population, were at first delivered by their neighbour Pakistan, and then promised by China, the United Nations, the U.S. and others. It is in such a scenario, that pundits are speculating who will replace the U.S. in Afghanistan, with China appearing to be a popular choice. In particular, China’s drive for regional interconnectivity and economic growth through its Belt and Road Initiative (BRI), such as its pilot project the China Pakistan Economic Corridor (CPEC), is partly seen as an impetus for its policy in Afghanistan by some.¹ For the time being though, unlike China’s economic interests in Pakistan, the Central Asian Republics (CARs) and Iran, it is China’s security interests which dominate their relations with Afghanistan.² How the Taliban choose to fulfil their commitments, will determine China’s role in Afghanistan.

BRI-related projects may end up costing between USD 1 to USD 8 trillion, before the initiative runs its course in 2049.³ China’s government projected the Silk Road as a joint initiative, which would focus on creating a new Eurasian Land Bridge.⁴ The aim was to establish links with either existing infrastructure projects or those in the pipeline. In doing so, it set out to achieve five major goals: promoting policy coordination, facilitating connectivity, unimpeded trade, financial integration, and people-to-people bonds.⁵ The BRI came about

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3. Florian Schneider (2021), “Global Perspectives on China’s Belt and Road Initiative: Asserting Agency through Regional Connectivity.” Amsterdam University Press.
as a result of economic challenges facing China, and is meant as a profit-making initiative, and not as a ‘gift’ to Pakistan. ⁶,⁷

In 2018, both China’s foreign minister Wang Yi and Yao Jing, China’s ambassador to Pakistan, were quoted in the media welcoming the expansion of CPEC projects to Afghanistan, and even beyond, to Central Asia. ⁸ However, China’s immediate concerns with Afghanistan, following the withdrawal of U.S. forces and Taliban takeover, as explained by their special envoy for Afghanistan Affairs, Yue Xiaoyoung, is much more oriented than economic. ⁹ Their priority, as he laid out, was that the country should not become a safe haven for terrorists. As for China’s economic plans for the country, he said it was something left for Chinese entrepreneurs and businessmen.

Chinese business representatives in Afghanistan known as ‘the China Town in Kabul’ group, and various Chinese academics, following the collapse of the Afghan government, spoke to state media about the need for political stability in Afghanistan before any kind of investments. ¹⁰ Smaller trading opportunities, such as those related to medical supplies and food, they felt, were more possible than large construction projects. Concerns were also raised regarding international sanctions on Afghanistan,¹¹ and that several members of the Taliban interim government were also on UN designated terrorist lists. ¹² As it is difficult to do business with a country and a government under sanctions, it helps to explain China’s insistence on their removal.

China’s immediate concerns with terrorist organizations in Afghanistan, is tied to their war against the ‘three evil forces’ of extremism, terrorism, and separatism in Xinjiang. ¹³ It also forms an important component of the Shanghai Cooperation Organization (SCO), with whose members, China shares concerns about Islamist terrorist groups in the region. ¹⁴ Hence, post-Taliban takeover of Afghanistan, China’s emphasis is strongly on denial of Afghan space to organizations such as East Turkestan Islamic Movement (ETIM), and appear to be in no hurry to officially recognize the new interim government. ¹⁵ Whilst the Taliban have given them reassurances and shown keenness to participate in regional connectivity projects, such as CPEC, the recent involvement of a Uyghur in a mosque bombing with high casualties, shows much more may be needed from them than reassurances. ¹⁶

China’s BRI has helped countries surrounding Afghanistan, develop their infrastructure and energy capabilities, and improve their regional interconnectivity prospects, something Afghanistan also needs. The ‘China-Afghanistan-Pakistan Plus Cooperation’ (CAPPCC) motorway, connecting Peshawar in Pakistan to Kabul in Afghanistan through CPEC, could certainly be a step in the right direction. ¹⁷ However, for the ‘win-win’ formula to work in Afghanistan, apart from security concerns, political stability will also be needed if Chinese companies are to invest in the country and make a profit. Prime example is the stalemate which ensued between the Afghan government and the China Metallurgical Group Corporation (CMGCC) over the Mes Aynak copper mine deal. This is vital, because ultimately, the regional interconnectivity project that is BRI, serves an important function for the Chinese government, in helping with the country’s economic growth. Peace results in security which in turn leads to stability, and it is stability which then allows for major economic initiatives. The hope is, this time, peace will not elude the war-stricken country of Afghanistan and its people.

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9. See interview Jirga Special - The Chinese Special Envoy for Afghan Affairs Yue Xiaoyong, 22nd August 2021. Available at https://www.youtube.com/watch?v=F0qJ5wE8NO0
The traders, tourists and residents of this desert region had to wait for seven long years and experience an assortment of geopolitical events, as well as technical and financial holdups, for the promised highway to be finally built.

Oman and Saudi Arabia, two Gulf Arab neighbours, with a 658-kilometer-long shared border, are experiencing a renewed warmth in relations since Oman’s Sultan Haitham bin Tariq succeeded Sultan Qaboos, who passed away following a terminal illness. Sultan Haitham’s visit to Saudi Arabia was the first by any Oman head of state in a decade, signifying rather frosty relations. Crown Prince Muhammad bin Salman himself welcomed Sultan Haitham at Neom airport, while Saudi King Salman bin Abdulaziz set aside health protocols and held the first ever direct talks since the pandemic began. Sultan Qaboos had a cautious approach signifying through his actions as “if he was both inside and outside the GCC.”¹

Amongst agreements and memorandums of understanding (MoUs) on enhancing trade and investment and promoting culture and sports, the most striking one was to build a 720 kilometers long motorway, snaking through far-off desert villages.² From the southwestern Omani town of Ibri, to the Saudi eastern city of Alkwifrah, this road will bring to life, a region, generally known as an ‘empty quarter’.²

Scheduled for competition by the end of 2021, the logistical artery will cover 580 kilometers in Saudi Arabia and 160 kilometers in Oman. The road will be a substitute for the existing 1,600 kilometers long highway, that criss-crosses through the United Arab Emirates (UAE). The new route will cut the drive time for cargo and commuter traffic by 16 hours. Not only will this road help address urbanization, but also bring tourists to a UNESCO world heritage site named ‘Bat’, housing third millennium BC monumental settlements and necropolises.³ The revival of a protohistoric trading route in the interior of Oman symbolizes the future of connectivity in the Gulf. What can be a better time to commence a tour company to prehistoric sites scattered across the bygone trading route, getting a 21st-century makeover!

By
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Journalist & Academic

With China being Saudi Arabia’s biggest import and export partner, it is only logical for Riyadh to develop and utilize Omani ports for maritime commerce, and realize decades’ old dreams of laying pipelines to hubs like Gwadar.

Changing geopolitical priorities of major powers are also factoring in the improvement of relations with neighbours. Oman’s new leadership is making the necessary but much-delayed course corrections. “Omani foreign policy is basically at the service of Omani political stability, and Omani political stability needs regional stability.”⁵ Muscat is faced with the challenge of shrinking oil prices and fluctuating demand, but also the financial cost inflicted by the COVID-19 pandemic. Oman’s debt-to-GDP ratio skyrocketed from 15 percent in 2014, to 82.1 percent in 2021.⁶

Both the neighbours can wriggle out of the short-term dire challenges (in the case of Oman), and long-term economic transformation (as required and envisaged by Saudi Arabia) by building trading infrastructure, diversifying and enhancing export portfolio, and incentivizing private sectors. If the kingdom seeks to enhance its non-oil economic sway, it must acknowledge the sultanate’s leverage of the geographic location on the Arabian Peninsula’s southeastern corner.

With China being Saudi Arabia’s biggest import and export partner, it is only logical for Riyadh to develop and utilize Omani ports for maritime commerce and realize decades’ old dreams of laying pipelines to hubs like Gwadar. When a Saudi pipeline delivers petroleum via Omani territory and all the way to the Makran coast, the kingdom lessens dependence on the volatile Strait of Hormuz. It also augments Riyadh’s significance as an energy supplier for the world’s leading economy, as well as a brotherly Muslim country. Like the pipeline, Saudi maritime trade via Sohar and Muscat to Gwadar and Karachi, can reduce risk, time and cost for China and Pakistan. Similarly, the freight of Chinese merchandises to Saudi Arabia and elsewhere in the Gulf and the Middle East, will reach the Gwadar port using China-Pakistan Economic Corridor.

Saudi Arabia, as well as other Gulf states, plan to build oil storage depots and refineries in Gwadar. If Oman-Saudi connectivity is not isolated from its wider geopolitical and geoeconomics appeal, then the bilateral partnership cannot be inhibited from two-way use of ports and laying of offshore pipelines. For the Gulf, particularly the KSA, Pakistan is the gateway to Central Asia.

Sans outbreak of wars between Iran and its Arab neighbours or Pakistan and India, the only foreseeable impediment in realizing the connectivity paradigm can be respective capitals’ impulsive shift in priorities. The inkling is too far-fetched and refutes the impending geoeconomic compulsions. As the Chinese proverb goes, “a journey of a thousand miles begins with a single step,” the Highway Empty Quarter is the moot point of innumerable geoeconomics ventures.

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Pakistan, Afghanistan and Iran connect deeply via language, food and religion.
Introduction

The importance of regional connectivity in establishing strong regional networks for transferring goods, offering effective services, and connecting people, is undeniable. The importance of connectivity amongst Iran, Pakistan and Afghanistan is paramount, given its economic and security benefits for the whole region.

While development projects in each country offer social and economic benefits for the other, however, at times, political tensions in the region have caused delays. For true fruition of the benefits of regional connectivity, an amalgamation of cultural dynamics, along with strong partnerships, is needed.

Common Threads

Pakistan, Afghanistan and Iran share a relatively long history, as they previously belonged to the Persian Empire (Figure 1).

The countries connect deeply via language, food and religion. Persian or Farsi has played a crucial role in shaping the main language in Iran and Afghanistan and in parts of Pakistan. During the Mughal Era, Persian shaped the language of politics, literature, music and development projects in each country offer social and economic benefits for the other, however, at times, political tensions in the region have caused delays. For true fruition of the benefits of regional connectivity, an amalgamation of cultural dynamics, along with strong partnerships, is needed.

Figure 1. Map of the Persian Empire 500. B.C.

Territory of Persian Empire, started from currently located Libya and Egypt to Syria, Turkey, Iran, Afghanistan and Pakistan

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1. Economic Cooperation Organization (ECO), founded in 1985, is an IGO with country members from South Asia, West Asia, Central Asia, and the Caucasus. It aims to provide a platform to discuss ways to improve development and promote trade and investment opportunities. Iran, Pakistan and Turkey as the founding members, have a key role in ECO.


While the cultural dynamics of Iran, Pakistan and Afghanistan are rich, cultural cooperation is significantly low. Apart from the irregular bilateral cultural exchanges and national cultural promotion of the respective embassies, there is not much activity in terms of cultural cooperation. The following reasons account for this:

Lack of constructive approach towards culture in regional development projects

While regional economic development initiatives do promise cultural cooperation as part of their work, however, it has not been applied constructively in spirit. For instance, even though the Economic Cooperation Organization (ECO)¹ has a cultural department in Iran, nonetheless, it has been a weak cultural actor regionally. The reasons are both political and structural. The United States of America (USA), with the imposition of the sanction regime over Iran, “put an end to Iranian overtures towards revitalization of ECO”.² On the other hand, the structure of ECO is fragile. The ECO’s secretariat and cultural department are located in Iran, its economic bureau is in Turkey, and its scientific bureau, in Pakistan.

Weak Cultural Partnership in the Region

While the cultural dynamics of Iran, Pakistan and Afghanistan are rich, cultural cooperation is significantly low. Apart from the irregular bilateral cultural exchanges and national cultural promotion of the respective embassies, there is not much activity in terms of cultural cooperation. The following reasons account for this:

Lack of an ‘eye-level’ relationship amongst the countries

The lack of an ‘eye-level’ relationship between the three countries, owing to their unequal positions in the international sphere, is prevalent. Afghanistan is suffering from long-term internal conflict as a result of the decades old hostility between the Taliban and Afghan government. Wars and political violence in Afghanistan bred Afghan refugee communities in Pakistan and Iran (who are often not wanted in the host countries), and formed a weak, fragmented and financially dependent state. How can Iran and Pakistan engage in regional cooperation with Afghanistan, on equal footing, when there are Afghan refugees who protest against

“ Iran, Pakistan and Afghanistan can benefit from regional development cooperation more efficiently. Because the countries share cultural dynamics, cultural partnership at a regional level, can be a proper initiative to sustain regional economic collaborations.”
Unless countries do not have an integrated and constructive foreign cultural policy, they cannot implement long-term cultural activities in the region.

On the other hand, although Iran is “seen favourably by the majority in Pakistan...there are significant concerns that Iran’s politics might increase sectarian tensions in Pakistan”.³ Pakistan’s perception in Iran is an unstudied issue; nevertheless, there are instances where Iranians who apply for American and Canadian visa, do prefer to travel to Istanbul or Dubai, as opposed to Islamabad, owing to mistrust in the security system of the country (Given US and Canadian embassies are closed in Iran).⁴ This goes to depict that concrete knowledge regarding Pakistan, is very low in Iran.

The willingness to collaborate culturally, depends on how the countries feel, as equals in the relationship.

Neglect of foreign cultural policy making in the region

The structure of foreign cultural policy is integral in shaping cultural regional connectivity. Iran, Pakistan and Afghanistan do not have integrated cultural plans within their foreign policy. The foreign cultural policy of Iran is “fragmented” due to duality of the “political system” in Iran, where power is divided in democratic and religiously legitimated sectors.⁵ Most cultural activities abroad, are under the jurisdiction and control of the Organization of Islamic Culture and Relations, with branch offices in different countries of the world, called Rayzani. This organization is supervised by the religiously legitimated sector. The Iranian embassies, under the supervision of the democratically legitimated sector, play a smaller role in overseeing cultural implementations. The effectiveness of the foreign cultural policy is limited for the interventions that these two institutions make in each other's work.

Very little is known regarding the foreign cultural policy of Afghanistan. However, owing to its weak and fragmented state, the country could not even construct a strong foreign policy.

Policy making in the field of culture, is neglected hugely in Pakistan. Pakistan's cultural policy was formulated in 1995 and has been revised since, but the final draft was never approved. Following the 18th Amendment in 2010, the issue of culture was devolved to the provinces. However, no province has adopted its provincial policy for culture till now. Foreign cultural policy consequently has not been made in a systematic way, and garners temporary interest from time to time. In 2019, the ministry of Foreign Affairs of Pakistan piloted some initiatives, such as the establishment of the Public Diplomacy Division, to strengthen Pakistan’s diplomacy.⁶ The division disappeared in late 2020, and the head of the division moved to another section of the ministry.⁷

As long as countries do not have an integrated and constructive foreign cultural policy, they cannot implement long-term cultural activities in the region.

The Way Forward

Iran, Pakistan and Afghanistan can benefit from regional development cooperation more efficiently, if the collaborations are implemented continuously. The cooperation is vulnerable due to political tensions in the region. Because the countries share cultural dynamics, cultural partnership at a regional level, can be a proper initiative to sustain regional economic collaborations.

Understanding challenges such as lack of constructive cultural plans integrated within regional cooperation and development, lack of an equal relationship, and lack of integrated foreign cultural policy in Iran, Pakistan and Afghanistan, might assist experts and actors, to design relevant cultural initiatives to sustain regional cooperation. Beyond that, these countries have to fully understand how strategically important they are for each other. Above all, political actors of each country must keep one facet in mind: regional cooperation will accrue unanimous benefits for the entire region.

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4. Based on author’s telephonic interview with a travel agency officer in Iran (11 July 2021).
7. Based on author’s face to face interview with an officer of Ministry of Foreign Affairs Pakistan, from the office of UN Cooperation (23 July 2020).
As a country with a confluence of rich cultures, one sees how Afghanistan has also been doomed by its geography and

In her historical guide to Afghanistan, first published in 1970, Afghan-American historian, Nancy Dupree — who spent decades preserving the country’s heritage, relocating documents to Peshawar, Pakistan temporarily during the conflict years — wrote of developmental and human progress in a section of this fascinating travel guide published by the Afghan Tourism Organization. Her observations captured the spirit of the Afghan people, which remind the reader of the enthusiasm and drive for progress that young generations continue to exude: “A pride of nationhood radiates throughout this country, which offers the spectacle of an awesome scenery, the excitement of a developing present, and the fascination of a rich past. Its citizens, confident and self-reliant, are, however, Afghanistan’s greatest asset.” When I met Dupree in Lahore in 2016, she was nearing ninety and frail in body, though she remained intently involved in her work of mentoring young Afghan historians. She told me about her vast collection of maps, books, photographs and rare folk music recordings which are part of Kabul University’s archives as the Afghan Collection. I promised to meet her in Kabul so she could show me her archives. Dupree passed away the next year and I did not get that opportunity with her. When the Taliban regime first took control, she had moved her document collection to Peshawar and returned to Kabul in 2003. Her relationship with Afghans nurtured a generation of curators, historians, archeologists, and artists working on preserving their cultural heritage. It is partly through her eyes and my interest in the history and politics of Afghanistan, that I began to understand a country through its diverse peoples and their knowledge of the cultures, which are very much their own.

As a country with a confluence of rich cultures, one sees how Afghanistan has also been doomed by its geography and
location, affording ordinary Afghans little peace and security. Afghans have remained wary of Pakistan’s role, blaming it for weak governments, militancy, and violence in their country. For its part, Pakistan having provided sanctuary for millions of Afghan refugees for four decades, rightly has its own political and economic concerns regarding migration and militancy from across the border. Examining the experiences of different people through the spaces where communities live and negotiate conviviality, and where social and political relationships are formed, has been absent in the case of Pakistan and Afghanistan. It is hard not to acknowledge a tenuous relationship exists. There have been few people-to-people exchanges similar to the kind between Pakistan and India supported by civil society or the media, such as Aman ki Asha — a campaign jointly started by the Jang Group in Pakistan and the Times of India in 2010, encouraging mutual peace and developing diplomatic and cultural relations. There has been sporadic, if at all, any meaningful engagement between civil society activists, the media, and young professionals from both countries, though they share mutual interests, concerns, and histories, especially near the border regions. The experience of the ‘other’ has been through mass migration during conflict, people engaging as refugees with another host country’s citizens, and through family and tribal connections. Both sides have often attempted to (mis)understand one another driven by fear, hostility and even a lack of empathy. This kind of communication and exploration of the ‘other’ is intrinsically political, as well as associated with questions of identity, recognition and representation. Further, it is linked to access to resources.

Acknowledging Core Issues of Women, Peace and Security

Bringing groups of individuals from both countries together to develop personal relationships and joint strategies derived from public views, is a critical component of track two diplomacy which can create solidarity between certain groups – women activists and the media, for example – from both countries. It is not too late for this kind of solidarity and understanding in the case of Pakistan and Afghanistan.

For example, women in both countries face regressive conservative forces curbing their rights and freedoms. Women and young people in Pakistan cognizant of violent ideologies of certain groups, resist such societal and structural influences by promoting alternative narratives of democracy and justice. As a suggestion, Aurat March (an
annually held socio-political demonstration on International Women’s Day in Pakistani cities (organizers in Pakistan might share their experiences and tools with Afghan women’s rights groups. My point being, we can learn from each other – Afghan women have lived through intense periods of conflict restricting their rights and mobility. They teach the world lessons in courage, unity and the importance of education. While Pakistani women’s experiences are not nearly as difficult, they fight against violent patriarchal subjugation through self-empowerment avenues fostering pluralism and tolerance in their communities. They can teach the world lessons in persistence. There is much to understand about the everyday spaces, politics and lives of the other. Activists, professionals, journalists and young people in both countries can share their version of rights activism, so the world understands their political geographies and state of uncertainty, beyond just concern with vulnerable groups as victims.

Take the example of women leaders in Pakistan’s conservative tribal regions, who have gradually used their voice at the grassroots level, especially when it comes to political participation and representation. Women from conservative tribal constituencies running as independent candidates in the 2018 election, told me they decided to compete even when their political party did not support their candidature (some parties even colluded to illegally disenfranchise women voters in certain tribal agencies) because they wanted to ensure education and healthcare rights for their communities. Women vociferously demand that their voting rights not be infringed and participate in peacebuilding to safeguard their families and communities, from turning into terror recruiting regions.

Failure of the Media

One cannot place blame on any one people for the public animosity between Afghanistan and Pakistan, but that governments on both sides ensured public diplomacy and people-to-people contact was missing in the relationship between the two countries. Consider that Pakistani media organizations do not have a tradition of sending correspondents to Afghanistan as they might do to certain countries, where a foreign correspondent is often positioned. Gains made in the past two decades in Afghanistan’s private media industry implied it would take more experience and resources to send Afghan journalists to report Pakistan. The ban on broadcasting and print Afghan media in Pakistan, has not helped either. In Pakistan, the media has not reported on the human toll of war and violence, socio-economic marginalization of minorities and women, or the human development and political freedoms gained in the last 20 years, for reasons of lack of access and even political propaganda. At the same time, the Afghan media has no way of informing their viewers on Pakistan’s pressing issues.

Some editors in Pakistan are not often aware of the realities in Afghanistan, especially about society and culture, so the inability to build bridges extends to the media cementing a rather hostile public opinion on both sides. Their counterparts in the Afghan media who have been educated and worked in a system put in place by the West over two decades, question Pakistan’s interest in their country. If Pakistani broadcasters were occasionally invited to Kabul, it was for roundtable security conferences and not to create an understanding of the challenges and sentiments of local people. In one instance, when prominent Afghan journalists participated in a regional festival aimed at forging ties between Pakistan and Afghanistan titled ‘Caravansera’ in Karachi in 2016, they were not permitted to talk about concerns of cross-border terrorism on a panel, because Pakistan’s security agency asked the organizers to refrain from discussing militancy.

As journalists working for Pakistani...
The only way forward is building relationships with groups of activists, women, artists, entrepreneurs, politicians and academics from both countries, to hear more voices and discover the perspectives of others in their struggles against terror, against patriarchal dominations, and for human development.

Building Relationships

As a post structural approach, geographical relationships are specific to historical and cultural circumstances. Migration, rights and citizenship are also included in this discourse on critical political geography. This is clear with globalization having significant impact for political geographies, including the viability of the nation state and changing borders. Therefore, when there is lack of understanding of the other because of years of almost non-existent people-to-people communication and media access to public information, there will be deep seated distrust. Growing up in Pakistan, I had no idea that Afghanistan’s rich history gave it a unique place where great cultures and religions met – Dupree said of the Kushan dynasty, for instance, that ‘they wrote one of history’s most brilliant and exciting chapters in Afghanistan’.

The only way forward is building relationships with groups of activists, women, artists, entrepreneurs, politicians and academics from both countries, to hear more voices and discover the perspectives of others in their struggles against terror, against patriarchal dominations, and for human development. The challenge will be identifying willing stakeholders on both sides and neutral peace-building facilitators. For one, the existing trust deficit between the people of both countries might gradually be addressed through women-led peace-building approaches. While Afghan men and women are rightly furious with Pakistan’s political support for the Afghan Taliban, and are especially angered as they witness the gains made in the past 20 years at risk of disappearing, many Pakistanis understand and denounce – with the same anger – the same militant ideologies, the same repression of human rights. The first step in a long process is relinquishing animosities to come together as people – of diverse religion, ethnicity and cultures – to create a potent force on issues that affect us all.
GOODBYE PAKISTAN
NATIONAL HIGHWAY AUTHORITY
A key aspect of regional connectivity, outside of trade, is people-to-people contact, especially between youth. Afghanistan's youth is vibrant, hungry for opportunity and eager to learn.
An Essential Building Block

The flurry of high-profile visits that punctuated the calendar year 2020, were indicative of the realignment of Pakistan’s foreign policy regarding Afghanistan. Trade took top priority, with both countries striving to enhance trade cooperation and regional connectivity. The appointment of special envoys – Ambassador M. Sadiq from Pakistan and Ambassador Umer Daudzai from Afghanistan – was a welcome first step. This was followed by visits of the Advisor for Commerce and Investment to the Prime Minister, Razak Daud, to Afghanistan; the then-Chairman of the High Council for National Reconciliation, Dr. Abdullah Abdullah to Pakistan; and the Prime Minister of Pakistan Imran Khan’s visit to Afghanistan. These concerted efforts were topped off in October 2020 with a 200-strong Afghan trade delegation (including parliamentarians, traders, and civil society actors), hosted by Khan himself.

Even after the Taliban takeover, the border at Torkham remained open for one aspect of the bilateral exchange: trade. The Chief of the Army Staff Qamar Javed Bajwa, in a briefing to journalists, established that Pakistan’s biggest concern was trade connectivity. There has been an expected dip, but trade has continued unabated since the August 15 takeover. Shrewd observers will also note that the new Chinese Ambassador to Pakistan, Mr. Nong Rong, appointed a year ago in September, is also an expert in trade and commerce.

All of this points to the simple fact that regardless of who is in control of Kabul, Pakistan’s main priority with Afghanistan is free-flowing and smooth trade to promote regional connectivity and economic interdependence.

People to People Contact: An Essential Building Block

A key aspect of regional connectivity, outside of trade, is people-to-people contact, especially between youth. Afghanistan’s youth is vibrant, hungry for opportunity and eager to learn. The Center for Research and Security Studies (CRSS) has conducted several youth entrepreneurship conferences between the youths of Pakistan and Afghanistan, and ‘plans to do so in the future’.

In every one of these engagements, two facets have always been at the forefront. The first has been the inherent dismantling of misconceptions about one another. The second is collaborating for mutual benefits and learning from each other’s mistakes.

There are many challenges that will hamper organizations like CRSS to leverage the youth dividend. Unfortunately, one major disservice to Afghanistan, in the laundry list of injustices inflicted upon its population, is the considerable brain drain that has happened post-Taliban-takeover. Young entrepreneurs, some of the best Afghanistan has produced in the last two decades, have fled the country fearing for their lives. They now fear that the setups they had so painstakingly put together, may now evaporate in their absence.

Harnessing the Pak-Afghan Youth Dividend

There are many challenges that will hamper leveraging the youth dividend.

By Zeeshan Salahuddin

Research Fellow, Center for Research and Security Studies
Journalist
Another major challenge for youth connectivity, is the issue of women’s rights. This aspect has now become the fulcrum of the global debate on the future of Afghanistan, under Taliban rule. The Taliban also recognize this is as a bargaining chip that can be leveraged to apply selective pressure. The Taliban will most likely capitulate to the external pressure of promoting women’s rights, but in the process, gain political leverage, and possibly legitimacy in some shape. The tragedy of the situation is that by virtue of being played as a bargaining chip, by both global and regional powers, and the Taliban themselves, women have become a commodity, and they will continue to suffer owing to draconian policies and geo-political mind games.

Regional, and eventually global recognition, is another major bottleneck for youth interaction and access. Whether we like it or not, whether we accept it or not, whether we understand it or not, the Taliban are in power in Afghanistan. The Afghan people, having suffered through 42 years of sustained conflict, desperately need international investment, opportunity, and access. None of this will happen if the powers of the world refuse to accept Taliban as the primary political force in control of Kabul, as there is no other way to help ordinary Afghan citizens.

As it stands, the country’s international assistance has been cut off, with billions of dollars in central bank assets held abroad frozen. Inevitably, this has an effect on transactions, bank transfers, and trade. It is also worth mentioning, that we have already seen the world abandon Afghanistan once before in the 90s, and that period represents some of the darkest hours for the Heart of Asia.

Way Forward

The Government of Pakistan (GoP) may be clear in its objectives vis-à-vis Afghanistan, but it needs to do more to promote youth-focused exchanges and promote youth development. For example, GoP can increase the amount and number of scholarships that it offers to Afghan students in its universities. It can also offer training programs, as there is a pronounced skill deficiency in Afghanistan. Collaborations with civil society organizations to promote entrepreneurship through collaborative opportunities between the youth of the two countries, is another aspect.

Youth entrepreneurs from Afghanistan have consistently demanded that a counterpart to Pakistan’s National Incubation Center (NIC) be set up in Kabul. In the past, the NIC has been quite helpful in enhancing the entrepreneurial skillset of the Afghan youth, and can continue to do so, if such exchanges were to become the norm.

A final recommendation would be for the media of both countries, especially in Afghanistan, to play a positive role in promoting cooperation between the two countries. A large amount of the vitriol that exists between the two sides, is due to the massive disinformation industry, that works to actively promote acrimony, propagated in part by major media houses.
Youth are the major stakeholders of today and tomorrow.
Leveraging the Youth Dividend: Challenges and Opportunities

Young people are at the core of today’s great strategic opportunities and challenges.

Youth and COVID-19

The world’s population is ageing fast, and it is estimated that the global population aged 65 and above, will reach 1.3 billion by 2040. A rapidly ageing population may result in severe labour shortage in the global market. COVID-19 has created physical distances among states, impacting international trade through border closures. Cross border trade is an important source of income and goods transfer. This limitation has been a key feature of the Afghanistan-Pakistan border, since the onset of the pandemic.

The physical disconnect between countries has had several trade-offs: reduction in trade and tariff income, falling numbers of air fleets, and a reduction in cross-border trade volume. Revenue in the service sector has also been impacted by restricting Afghan civilians from obtaining medical treatment from hospitals in Pakistan. Since Afghanistan is a landlocked country, the significance of Pakistan in impacting Afghanistan’s economy is instrumental. Nevertheless, a major benefit of the pandemic was the boost in digital connectivity, especially the social media boon.

Leveraging the Youth Dividend: Benefits and Challenges

The potential benefits of engaging youth as agents of regional connectivity will serve to have massive benefits for South Asia, and not just one particular country. Technology can play a vital role in geographical linkages in improving online businesses, aiding communication, and enhancing people-to-people contact. The two forces of youth and technology, when combined, can serve to foster huge academic and cultural regional exchanges of knowledge and activity, thereby creating a higher volume of trade and businesses.

Among factors impacting youth in the region, geopolitics is the major one. This includes the struggle of power in Afghanistan and the Kashmir dispute. These factors dictate the future trajectories of Asian countries in terms of development, regional and sub-regional cooperation, and security.

The youth in the Central Asian states have been isolated to the south by war torn Afghanistan for the past four decades; in the east by rough terrain with nearly impassable mountains, and to the west by Iran – making engagement with South Asia difficult. Integrating the youth from these regions would be a lengthy process, requiring significantly improved and expanded infrastructure across Afghanistan. However, if achieved, this can be the key to unlocking enormous opportunities across the region.

The Way Forward

In order to utilize youth potential to the
Regional connectivity is crucial to harness the economic potential of South and Central Asia's youth bulge. The median age in both regions is 27.6 years. These countries have a strong incentive to partner in support of a stable, peaceful, and developed region, with implementation being key. At the planning level, youth should be more strategically and prominently featured in the Country Development Cooperation Strategy (CDCS), along with other policies and strategies. With expanding youth portfolios, the number of dedicated technical youth specialists in regional and pillar bureaus, is also expected to rise.

Youth are the major stakeholders of today and tomorrow. It is essential that their ambitions and aspirations become part of the current development paradigm. Investing in education is also needed to mitigate the disruptions to human capital brought about by the pandemic, including learning losses and youth disengagement. About 60 percent of low- and lower-middle-income countries have decreased their public education budgets since the onset of the crisis, reversing a decade-long trend of increased funding.

Transformations in demographics and technology, economics and politics, is prompting the rise of a new era. fullest, it is imperative that they are provided a safe environment that safely guarantees their full participation and freedom in governance, peace, and democracy. Young people, especially, suffer from a lack of physical security in their daily lives. Children and youth who witness or experience violence are significantly more at risk for health problems, anxiety disorders, poor school performance, and subsequent personality issues. Policies should aim to incorporate critical youth priorities, and be designed to mainstream effective, evidence-based youth mobilization.

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Seasonal Fruits, Perennial Trade

“IT’s not just my business that’s here, Pakistan is my second home.”

Mairajuddin has run a small-scale fruit vending business in Landi Kotal, district Khyber, for the past four decades. He moved to Pakistan in the 1980s and has been living here since. He mostly imports fruit from Afghanistan’s Nangarhar province, adjacent to the province of Khyber Pakhtunkhwa.

“Grapes are in season these days. After it ends, pomegranates and oranges will start coming. The cycle continues for most part of the year, fruits like apricots, sweet melon or cantaloupe (garma), and apples keep arriving at local markets through formal and informal means,” Mairaj elaborates.

“To purchase fruits for my shop, I travel frequently to Jalalabad, which is just 75 kilometers from the Pak-Afghan border crossing Torkham. But increased restrictions and implementation of strict safety measures due to the COVID-19 pandemic, have made it difficult for me to travel across Torkham daily. To get around this problem, fruit vendors like myself are now relying on our associates in the local market of Jalalabad. Our associates purchase fruits in small quantities, 10 to 20 sacks, on our behalf, and dispatch it to us through goods’ transporters carrying other commodities from Afghanistan.”

“It is not just my business that is here, Pakistan is my second home. For people like me, our families are split between two countries. My distant relatives from the other side stay with us when they visit Pakistan for medical treatment. This border is what keeps our family together.”
My name is Hamza and my family comes from Logar in Afghanistan. After resettling in Pakistan, my family started a restaurant in Peshawar to make ends meet. We opened our restaurant in Board Bazaar because this is where most Afghan people live. For people nostalgic for a taste of Afghanistan, we started serving ‘Mantu’, a traditional Afghan dish. It has been 21 years since we started, and what has surprised us is how popular it has become with Pakistanis. Most of our customers are students, but we see a lot of people coming in who travel long distances to enjoy a bite of our Mantu.

Mantu is a kind of dumpling filled with minced meat and spices, and it is cooked in steam. We serve it with a large serving of French fries and glaze it with mint and tomato chutneys. For those who like their food extra spicy, we have other chutneys.

As Afghans, we have been welcomed in Pakistan for decades. And as Afghan Pakhtuns, we have a special bond with our brothers and sisters in Khyber Pakhtunkhwa. Our connection through food makes life a little more special than it already is, when we break bread for mantus.
My name is Shakila Muzafiri and I am a 21-year-old student studying at University of Engineering and Technology (UET), Peshawar. I am from the Jaghori district in the province of Ghazni in Afghanistan. I came to Pakistan in 2020 on a scholarship sponsored by the Pakistani government and am pursuing a degree in computer science. I chose this field because the world is moving towards technology, and Afghanistan needs to catch up in this sphere. After becoming a computer engineer, I hope to return to my country and serve my fellow Afghans by contributing to the technology sector.

Most women in Afghanistan do not have access to quality higher education. Opportunities for women to follow their dreams and ambitions are difficult to come by. When I learnt of this scholarship in Pakistan, I pursued it eagerly and was able to make my dream of studying at a good university, a reality. My education in Pakistan has empowered me to see big dreams and really chase them. And in this process, I have seen how beautiful Pakistan is. I am sure I will always have fond memories of my time here.
Peace, stability, and a harmonious bilateral relationship, are the seeds for a prosperous harvest to this farmer in Swat. 

Sitting in a tent under the grove of trees in his peach orchard, Jamil Alam, a fruit grower from Swat, is busy sorting the harvest, separating fine quality fruits from the bruised, deformed, and abraded ones, before it gets packaged in bushels. “Growing orchards, taking care of the trees, thinning and pruning, spraying the trees with herbicides and pesticides, and irrigating the area till the final produce comes – all of this is a cumbersome process. But our real challenge lies in making it to the fruit markets and getting rewarded for the fruit of our labour, which is getting good prices for them,” Jamil explains.

The harvesting season of as many as thirteen different types of peaches begins in the month of May and goes on till the end of August. In Khyber Pakhtunkhwa, Swat contributes the highest quantity, approximately 6,000 metric tons of peaches every year, which is then transported to major cities of Punjab and Sindh.

With the harvesting season spreading over a period of four months, and due to competition with other summer fruits, supplies of peaches sometimes exceed demand, resulting in a sharp decline in prices. Farmers can only watch in dismay when prices plummet.

Jamil reveals, “The last two years were different. With trade facilities having improved at Pak-Afghan border crossings, we now have access to the markets in the adjacent Afghan provinces. This year, we saw demand for our fruit from Quetta, the capital of Balochistan, which is another region known for peach production. Now, traders from Quetta also engage in export of our fruits to Afghanistan.”

Peace, stability and a harmonious bilateral relationship are the seeds for a prosperous harvest to this farmer in Swat.
As neighbours, Afghanistan and Pakistan are more likely to succeed if we cooperate and work together. It is vital for the youth of both countries to develop tolerance and respect for each other, regardless of any differences that we may have.

Ayaz Khan is a 24-year-old Afghan refugee who graduated from Quaid-e-Azam University with a bachelor’s degree in Pharm. D. Although his parents are from Afghanistan, Ayaz was born in Kohat and has spent his entire life there. Ayaz considers Pakistan to be his home, but he has always felt excluded because of his refugee status. He believes that the lack of cultural awareness worsened the discord between Afghan refugees and their Pakistani host communities. This inspired him to initiate a discussion between youth from both sides, to encourage good will and understanding amongst them.

Ayaz was one of the winners of the Youth Innovation Challenge, which is a flagship project of UNDP’s Youth Empowerment Program, and received PKR 70,000 to implement a social action project in his community in Khyber Pakhtunkhwa. Ayaz’s project idea aimed to improve the relations between Pak-Afghan youth by engaging them in cultural activities and productive dialogues. He started this project by creating an online community on Facebook and YouTube, which aimed at looking past the political differences, and instead focus on the cultural similarities of the two nations. These social media outlets reached over a thousand accounts within a few months.

To further promote the cause, Ayaz trained over 40 youth volunteers, which included both Afghan and Pakistani nationals, to share their own stories through video interviews and picture messages. They recorded three high quality cultural music videos with Helaa, the band, and arranged a cultural dance program which demonstrated the shared history, religion, and ethnic traditions of Afghanistan and Pakistan. These two activities really resonated with their audiences, and tremendously increased the engagement on their online posts.

Subsequently, they arranged two youth dialogue sessions in Swabi and Kohat, which were attended by over 60 nationals from Afghan and Pakistani origins. They discussed how youth can be involved in creating cross-cultural harmony through such cultural programs and social media.
Young Refugees, Young Dreams

The Story of Ezatullah

Ezatullah, an Afghan refugee hailing from Koz Kunar, Nangarhar Province, Afghanistan, grew up in the city of Peshawar, Pakistan. His parents fled to the Northwest (now called Khyber Pakhtunkhwa) province of Pakistan in the 1980’s. His siblings and him were all born, raised and educated in Pakistan. They continue to live and serve the country, in their respective capacities.

“I have always been extremely heartened by the immense warmth and support given by the people of Pakistan. When I arrived in Islamabad in the pursuit of opportunities, the youth welcomed me with open arms. During my Masters program, I had the opportunity to partake in various seminars and conferences, that allowed me to play my part in delineating Afghan culture and in bringing the two sides closer.”

There are over 2.5 million Afghans living and working in Pakistan as refugees. The Afghans deeply acknowledge Pakistan’s hospitality. Seeing this positive attitude, Ezatullah desired to serve Pakistan more keenly. His selection at UNDP Pakistan allowed him to harness that opportunity. He was able to work in several key thematic areas including, child sexual abuse, women empowerment, exploring ways in leveraging Pakistan’s ‘youth bulge’, advancing youth social inclusion and helping create spaces for youth in the public sphere.

The Story of Wafaa

Wafaa Khatibi is an Afghan refugee who is working as a Social Inclusion Officer with UNDP’s Youth Empowerment Program. Wafaa moved to Pakistan with her family in 2002 at the age of five, due to the continuous unrest in their country. She has spent her whole life in Pakistan, and although she felt at home in Pakistan, she also felt like an outsider in both countries because of her refugee status.

In 2019, she graduated from International Islamic University with a bachelor’s degree in Economics and was awarded a gold medal. Unfortunately, Wafaa faced many obstacles in putting her education to practice since refugees are not legally permitted to start a business or work in the formal job market in Pakistan. However, owing to her dedication and academic achievements, she was hired as a research associate for a renowned research organization.

In March 2021, Wafaa joined UNDP Pakistan, and was excited and honoured to work on meaningful projects of global importance such as climate change and COVID-19 vaccinations. She enjoys working with other youth in bringing about a change, by empowering and engaging vulnerable communities.

“Refugees give up almost everything in the hopes of having a better life. We are out of our comfort zone and willing to work hard for a better future. Pakistan should capitalize on this untapped potential of Afghan refugees by giving them the opportunity to build businesses and ultimately boost the Economy.”