

Seminar on Heart of Asia and Connectivity

3 December 2016, Amritsar, India.

Summary of Proceedings



RIS
Research and Information System
for Developing Countries
विकासशील देशों की अनुसंधान एवं सूचना प्रणाली



Ministry of External Affairs
Government of India



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Preface

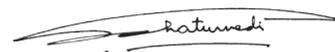
Amritsar, a great place famous for the Golden Temple, also lends to the theme of connectivity, which is central to the Heart of Asia Conference, having been a stop on the old Grand Trunk (GT) Road that once seamlessly connected Bangladesh to Kabul. The Heart of Asia (HoA) also called as Istanbul process, was launched in 2011 with 14 participating countries and around 16 supporting countries. A large number of regional and international organisations including the UN are part of this initiative. The HoA process aims at strengthening trust and promoting confidence through sustained interactions in the region. In fact, it has emerged as an important initiative for discussing issues related to regional security, economic and political cooperation.

Under the HoA, six confidence building measures (CBMs) have been identified. Out of this, two key pillars are related to regional economic cooperation and they are represented by the themes of regional infrastructure; trade, commerce and investment opportunities. It has explored projects like CASA 1000 and TAPI as key regional initiatives. The HoA process has made significant strides and we need to move forward on the theme of connectivity which I am sure runs across all the six CBMs identified under the process. The other important themes are counter terrorism, counter narcotics, disaster management, education, regional infrastructure and, of course, trade, commerce and investment opportunities.

RIS in association with the Ministry of External Affairs, Government of India and Federation of Indian Chambers of Commerce and Industry (FICCI) organised the Seminar on Heart of Asia on 3 December 2016 at Amritsar, Punjab. A lot of participants from different Asian regions and India took part in deliberations. The sole focus of the Seminar was on connectivity in the region to enhance trade, commerce and investment. This would require greater political will, more space for the activities of the private sector, platforms for their interactions and, of course, coordination among agencies like customs, banking, food and technical standards, etc. Four broad themes were identified, which tried to capture the broad ideas related connectivity and exploring borders as bridges for connecting our respective economies and people in the region. Given the tough terrain, multi-modal transport connectivity and transit are the key areas of priority, along with trade and investment. The last session of the Seminar discussed issues related to economic and development cooperation. The substantive implementable recommendations that come out at the end are presented in the final section of this summary as key takeaways from the Seminar.

I am sure that this report would be found interesting and useful by all stakeholders.

I would also take this opportunity to convey thanks to RIS research team for successful organization of the Seminar and gratefulness to the PAI Division of the Ministry of External Affairs, Government of India, led by Joint Secretary Mr. Gopal Bagle.



Sachin Chaturvedi
Director General, RIS

INAUGURAL SESSION

On the eve of the Sixth Ministerial Conference of the Heart of Asia – Istanbul Process (HoA-IP), RIS in association with FICCI and Ministry of External Affairs, Government of India, organized a Seminar on Heart of Asia and Connectivity on 3 December 2016 in Amritsar, Punjab, India.

The basic objective of the Seminar was to provide policy inputs to the Ministerial Conference of the HoA-IP. The conceptual basis of this endeavor was laid down in the ‘Concept Paper’ which was circulated as the backgrounder for the Seminar (**Annexure I**). The Seminar had more than 75 participants, including speakers from Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan and India. These included diplomats policy-makers, academia, businesses and media. The list of participants has been approved in **Annexure III**.

As is evident from the Agenda (**Annexure III**), in a novel way, the Seminar focused on ‘Connectivity’ beyond the narrow sense of transport connectivity by having a full session on ‘Connectivity of Ideas and Borders as Bridges’ which followed the Inaugural Session.

Sachin Chaturvedi

In his Welcome Address, Prof Sachin Chaturvedi, Director General, RIS underscored the relevance of choosing Amritsar as the historic and probably the most relevant location for organizing the HoA-IP Ministerial Conference. He referred to the seamless connectivity that had existed since the time of the Grand Trunk Road connecting Afghanistan with Bangladesh via India. The need of the hour, he added, is to restore these important connectivity linkages within the ambit of regional cooperation that go beyond the considerations of economics. While, regional trade, investment, infrastructure, and overall development cooperation need focus, energy security is one of the important pillars of cooperation, including implementation of the TAPI project. In this context, Prof. Sachin Chaturvedi also highlighted the importance of the concept ‘Peace-creating Prosperity’ which is being argued by Dr. Ram Upendra Das.



Sachin Chaturvedi
Director General, RIS



Goutam Ghosh
Director, FICCI



Manpreet Vohra
India's Ambassador to Afghanistan



Ram Upendra Das
Professor, RIS

Goutam Ghosh

Delivering Welcome Address Mr. Goutam Ghosh, Director, FICCI emphasized that the Heart of Asia has evolved as a new agenda for regional cooperation which places Afghanistan as the centre-piece of process engaging 4 stakeholder countries for result-oriented cooperation towards a peaceful and stable Afghanistan and a secure and prosperous region as a whole. India's engagement in the Trade, Commerce and Investment (TCI) CBM within the Heart of Asia process as the lead country complements to bilateral development cooperation with Afghanistan, including in the spheres of infrastructure, connectivity and capacity building. India is also working with Afghanistan and Iran to develop trilateral transit. Participation in development of the Chabahar Port will augment India's connectivity with Afghanistan and beyond.

Manpreet Vohra

The Seminar was inaugurated by Mr. Manpreet Vohra, India's Ambassador to Afghanistan. In his Inaugural Address, Ambassador Vohra highlighted two dimensions that impinge directly on the imperative of connectivity viz. the security dimension and the geo-strategic and political dimension. (For full speech please see **Annexure IV**). Connectivity infrastructure within Afghanistan, be it power transmission lines coming from Central Asia or the various highways and arterial roads, is always under constant threat, he said. We see power lines frequently disrupted and roads often blocked. Such security uncertainties have a direct bearing on various physical connectivity projects. The same is the case with many transnational investment projects that can connect our businesses and people and spread the virtues of new economic activity and profit-making in an obviously resource-rich country. Similarly, connectivity that already exists is also being denied to Afghanistan for extraneous political reasons. The prime example of this is the denial to Afghanistan by Pakistan of the access to the largest regional market. Traditionally, the largest buyer of Afghanistan's export, India is willing and capable of playing its due role in helping Afghanistan convert the disadvantages of geography into opportunities for regional economic development, he commendable.

Ram Upendra Das

Dr. Ram Upendra Das, Professor, RIS while proposing the vote of thanks emphasized the relevance of 'Peace-creating Prosperity' in the region including the rationale behind having a session on the connectivity of ideas and borders as bridges, among others.

SESSION: I

Connectivity of Ideas and Borders as Bridges



Ambassador Gautam Mukhopadhyay
Former Ambassador of India

Gautam Mukhopadhyay

Chairing the session, Ambassador Gautam Mukhopadhyay recalled how among the Heart of Asia (HoA) countries there have been historical linkages in various realms of ideas and human existence that covered a wide range from language, religion, history, culture, secularism, literature, music and musical instruments to trade, business, and commerce. These together form a common pool of realities connecting regions and creating “Borders as Bridges”. Over time these historical links have got fragmented and we need to initiate processes that transcend the narrow divides among peoples of these countries and focus on peace-creating prosperity, headed.



Nazir Kabiri
Senior Adviser to the Minister of Finance, Afghanistan

Nazir Kabiri

In his remarks Mr. Nazir Kabiri, Senior Adviser to the Minister of Finance, Afghanistan, expressed concern over the fact that today Afghanistan is being pushed out of South Asia. At the level of idea, he felt, Heart of Asia needs to be considered as a process of political and security cooperation. It is a positive process that needs to be evaluated and reinforced. In addition, philosophy of regional integration /connectivity needs to be harnessed for peace building and prosperity.



Laura G. Yerekesheva
Deputy Director, UNESCO

Laura G. Yerekesheva

Dr. Laura G. Yerekesheva, Deputy Director, UNESCO Chair Coordinator, Institute of Oriental Studies, Kazakhstan, was of the view that the formulation of the concept “connectivity” leads to the shift of traditional perspective of interaction. Instead of simply drawing mechanical links among some parts to be connected, there should be more profound, steady and deep interaction among people leading to the amalgamation and creation of certain shared

space. This way, she stressed, the links and results that may evolve could obtain entirely new dimension and quality due to the new context and content. She emphasized that adequate emphasis must be laid on creating joint spaces of interaction in culture, academic research, education, business, among other areas.

Gulnora Kudratova

Ms Gulnora Kudratova, Deputy Director, Business Women Association of Tajikistan expressed concern over the fact that despite the long common border linking Afghanistan three of the five Central Asian states (Turkmenistan, Uzbekistan and Tajikistan) trade linkages remain extremely limited. Likewise, in terms of cross-border investment projects, current international data does not record any flows between Central Asia and Afghanistan. These, she said, show that there is something tremendously lacking at the level of inter-connected minds in the region. Another idea that is often missed out is about investing in girls' education which is critical to addressing girls' needs and concerns. It has been shown that girls who go to school and stay in school are more likely to find jobs as adults, get married older, have fewer children, and are able to earn more for their families and communities. Beyond protective security measures, she opined the only way to ensure women's human rights in Afghanistan and to truly empower women in the long run is through offering primary, secondary, and higher education that will foster literacy, free-thinking, and knowledge of international human rights standards.



Gulnora Kudratova
Deputy Director, Business Women Association of Tajikistan



SESSION: II

Multimodal Transport Connectivity and Transit



Dr. Pritam Banerjee
Senior Director, DHL

Pritam Banerjee

According to Dr. Pritam Banerjee, Senior Director, DHL the Sea-Road/Rail multi-modal linkage between West-East Indian ports and Chabahar is business-feasible since it is an agglomeration of India's outbound cargo to South Europe (Rail), Central Asia, Russia and North Europe (Rail-Road). To make this successful a 'Proof of Concept' needs to be done that may include three steps: (i) run a regular shipping service (once or twice a week) with some subsidy; (ii) undertake a 'micro-level' operation study to understand the problems of using this port as a multi-modal point and; (iii) focus on TIR convention and other forms of Customs facilitation in the North-South Corridor. In addition, for developing Air Corridor for high value-low volume goods one can explore: (i) There should be some forms of agreement that reduces the cost of ground handling, terminal charges, etc. (ii) Indian post should and become an aggregator of smaller parcel export/import working with Indian post. Indian Postal Service could also offer Afghanistan reduced fee for Indian side operations. (iii) Finding ways by which cost of processing for allied agencies, for example FSSAI for Afghan exports of dry fruits or other food products can be reduced through institutional measures. One way would be to set a FSSAI office in Kabul that would handle all the processing and certification.



Saroj Ayush
Consultant, UN-ESCAP South and
South-West Asia Office

Saroj Ayush

Ms. Saroj Ayush, Consultant, UN-ESCAP South and South-West Asia Office, emphasized that to connect South and Central Asia there is a need to find and develop the cheapest and shortest routes possible which are essentially land routes. These have the potential to convert land-locked countries into a land-linked countries. Currently, the trade volumes are insufficient but these

will follow once land infrastructure is adequately developed. For this to be viable the work by the UNESCAP in terms of Trans-Asian Highway and Trans-Asian Railway Network needs to be focused at the operational levels. Thus, there is a need to have regional framework agreement including bilateral agreements that become building block to the regional endeavors. Further these could be situated in the multimodal context of rail-road-sea connectivity. In effect, regional investment projects and their feasibility must be explored on a fast-track basis.

Dzharkinai Musaeva



Dzharkinai Musaeva
International Ataturk-Alatoo
University, Bishkek, Kyrgyzstan

The fact that Kyrgyzstan is located at the heart of Central Asia was highlighted by Prof Dzharkinai Musaeva, International Ataturk-Alatoo University, Bishkek, Kyrgyzstan, and such a geographic location has enormous transit potential and brings solid economic advantages for the Heart of Asia countries, when viewed from the other side of the map. To further enhance the regional trade in HoA countries, the prospects of development of air transportation, which is associated with the project ‘Cargo-Kyrgyzstan’, could be harnessed with the help of adequate investment, especially by construction of a cargo terminal with expected volume of cargo operation to the tune of 2.5 million tonnes.

Temsunaro Jamir



Temsunaro Jamir
Deputy Commissioner & Under
Secretary, Central Board of Excise and
Customs, Govt. of India

Ms. Temsunaro Jamir, Deputy Commissioner & Under Secretary, Central Board of Excise and Customs, Govt. of India, was of the view that the multi-modal transport as a solution can be recommended only if it is financially and economically viable. This needs to be studied. There is also need to have harmonization and standardization of customs procedures across the countries of HoA. In addition, mutual recognition of controls and regulations should be evolved for making multi-modal connectivity a viable proposition.



SESSION: III

Trade and Investment Connectivity



Sachin Chaturvedi
Director General, RIS



Sandeep Kumar
Commissioner, Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Govt. of India.



Solieva Mehriniso
Deputy Head of Govt. Relations, Om Drishian International Ltd

Sachin Chaturvedi

Professor Sachin Chaturvedi, Director General, RIS laid emphasis on the trade facilitation infrastructure that may augment trade and have positive spillovers for investment. This should include common documentation, document preparedness, Indian version of EDI as an alternative to ASYCUDA and the overall development assistance to Afghanistan in this context.

Sandeep Kumar

Mr. Sandeep Kumar, Commissioner, Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Govt. of India highlighted that infrastructure need not necessarily be a bottleneck in our region impeding trade and investment flows. In our region there are instances when a truck crosses border per minute which is better than the border between US and Canada where it is 4 minutes per truck. Without belittling the imperatives of trade and investment facilitating infrastructure to be set in place it is possibly equally important to focus on the capacity-building of Afghan officials. In this context, improvements in bureaucracy and work-ethics are crucial. Focus must be on volume so that infrastructure corridors can become viable.

Solieva Mehriniso

Ms Solieva Mehriniso, Deputy Head of Govt. Relations, Om Drishian International Ltd. (India-based Company), Tajikistan highlighted that supporting development of Afghanistan and boosting its foreign and domestic investment is considered as the key factor for developing her country's fragile economy. However, the major barriers to investment in Afghanistan are instability, insecurity, lack of financial resources, infrastructure

and difficult life conditions. Today the main issue is regulation of the environment of Afghanistan in order to encourage and attract investors and investment in Afghanistan. The strategic vision towards energy sector that can provide citizens of Afghanistan with adequate energy and facilitate growth of the economy with long-term reliable and affordable energy access based private sector and public sector investment. The overall energy sector goals include rehabilitation and expansion of the public power grid and attraction of private investments. Afghanistan has significant minerals in sectors like celestite, chromite clay, glass, sand, coal, uranium, lithium, thorium, copper, gold and rare earth elements that need to be worked out for production and trade.



Sumeer Bhasin
Director, Annar Group

Sumeer Bhasin

Mr. Sumeer Bhasin, Annar Group highlighted the importance of including private players' opinion in policy making to reduce differences that exist in what we discuss and what actually happens. Further, he emphasized on capacity constraints faced by the Afghan people in documentation and implementation process which needs to be taken care of. Also, there is a need for equipping Afghanistan with better healthcare and medical facilities.



Abdul Hassib Rahimi
CEO, Kabul Chamber

Abdul Hassib Rahimi

Mr. Abdul Hassib Rahimi, CEO, Kabul Chamber emphasized the importance of Chabahar port as an excellent opportunity that the region can utilize for investment, trade and thereby strengthening regional integration. He further recommended that a common platform, where business communities of different regions can come along and share their expertise, knowledge and technology to make Afghanistan as a manufacturing hub, be created.



SESSION: IV

Economic and Development Cooperation



Gulshan Sachdeva
Professor, Centre for European Studies, JNU

Gulshan Sachdeva

Professor Gulshan Sachdeva, Professor at the Centre for European Studies, Jawaharlal Nehru University highlighted that HoA is very important despite the fact that there are several economic groupings. This is due to HoA countries' share in Afghanistan's trade being very high close to approximately 80 per cent. In order to scale up economic cooperation in HoA, it is recommended that a new Confidence Building Measures focusing on Development Cooperation is initiated.



Amit Pasari
CEO
XS Infosol Pvt. Ltd., India

Amit Pasari

Shri Amit Pasari, CEO, XS Infosol Pvt. Ltd., India emphasized the fact that a stable economy is the foundation of any kind of development. However, economic stability cannot be achieved unless the government policies and the regulatory ecosystem favour and encourage growth of business, especially in the MSME sector. In this context, given India's constant and remarkable growth and development in ICT sector, it is recommended that India contributes towards economic development of Afghanistan through its assistance in ICT, especially in the field of education. Through skill formation this can contribute to job creation in Afghanistan, especially of women. In addition, Kabul can be made a software hub for the Middle-East region. Furthermore, there is need for establishing Fiber Connectivity between India and Iran that could connect Afghanistan. Establishing an Indo-Afghan Web Trade Portal is also recommended to establish Business-to-Business connect.



Dr. Askhat Kessikbayev
Permanent Secretary,
International Turkic Academy
Turkic World Educational,
Kazakhstan

Askhat Kessikbayev

In his intervention, Dr. Askhat Kessikbayev Permanent Secretary, International Turkic Academy (Turkic World Educational and Scientific Cooperation Organization-TWESCO), Kazakhstan, said that we truly share the perspective of “Borders serving as Bridges” as the economic, physical and transport connectivity between sub-regions of Asia including Central Asia and Indian Peninsula should be developed only with the connectivity of ideas. This new philosophy might serve to enhance a peaceful development, close cooperation and the sharing of idea of “unity in diversity” between our cultures and countries in the face of emergence of new challenges and threats. Developing long-term economic projects and providing the basic conditions of existence to the majority of the population is necessary to maintain stability and economic growth in the country. For this purpose economic cooperation between the countries of the region is very important. In this regard, efforts should come from Kazakhstan, Turkey, India and Pakistan to strengthen stability and improve the welfare of Afghanistan. It needs to be mentioned that last year, the HoA Conference on Afghanistan was held in Pakistan. An example of economic cooperation is the agreement on the establishment of “Lazurite corridor”, signed by Afghanistan, Turkmenistan, Azerbaijan, Turkey and Georgia on 19 November 2016. The project would enable Afghanistan to get the shortest access to the Black and Mediterranean seas. A preliminary agreement was signed on the fourth working meeting of delegations of member countries in Azerbaijan. According to the report of the Afghan Foreign Ministry, the agreement concerns simplification of customs and visa regime for businessmen. This project is an extension of the idea of the Great Silk Road, connecting South and Central Asia to Europe, and the geographical position Afghanistan will be the main link between them. The name reflects the fact that in ancient times through this route Afghan lazurite and other semi-precious stones were exported.



Dr. Almazbek Beishenaliev,
Vice Rector, International Ataturk-
Alatoo University, Bishkek, Kyrgyzstan

Almazbek Beishenaliev

Professor Dr. Almazbek Beishenaliev, Vice Rector, International Ataturk-Alatoo University, Bishkek, Kyrgyzstan emphasized that geography is the main driver of cooperation in HoA region. In fact, geography is destiny and with some intellectual transformation we need to learn to harness our history and integrate economically to achieve peaceful co-existence. It may also be highlighted that Central Asia is ‘central’, only if it allows it to be. Cognizance must be taken of the fact that external powers play in the region by putting one country against another and unless we realize this we would not be able to achieve the objectives of economic and development cooperation.

Najlla Habibiyar

Ms Najlla Habibiyar, President, Howdah Consulting Group, Afghanistan made some suggestions for economic cooperation that include: i) integration of CAREC region through Cross Border Transport Agreement (CBTA); ii) implementation of bilateral transit agreement with Tajikistan; iii) pushing consultations on bilateral transport and transit agreements with Turkmenistan and Uzbekistan; iv) accession to the Transport Corridor Europe–Caucasus–Asia (TRACECA) basic multilateral agreement; and v) Extension of Afghanistan–Pakistan Transit Trade Agreement (APTTA) to include India.



Najlla Habibiyar
President, Howdah Consulting
Group, Afghanistan

Amarjit Singh Sethi

Dr. Amarjit Singh Sethi, Professor, Punjab School of Economics, Guru Nanak Dev University, highlighted the fact that in spite of geographical proximity, common language, good road infrastructure, etc. the trade environment is still not conducive in the region. In this context, the geographically strategic location of Amritsar and Punjab needs to be highlighted. The state of Punjab is known to be the food basket of India (contributing to the tune of 40 per cent to the Central Pool); having the advantage of the availability of surplus food grains (like, Baasmati Rice) vegetables; citrus fruit; milk products; etc. that can be exported to Afghanistan via Pakistan. Thus, the issue of Pakistan granting transit to Afghanistan to trade with India assumes greater significance. Further, what is ideally required is focus on value addition in products and quality control checks for which increased R&D allocations would be needed. In other words, greater trade connectivity can spur food processing industrialization in the region and HoA must focus on this.



Amarjit Singh Sethi
Professor, Punjab School of
Economics, Guru Nanak Dev
University



CONCLUDING SESSION AND WAY FORWARD

Borders as Bridges



Ambassador Gautam Mukhopadhaya
Former Ambassador of India

Gautam Mukhopadhaya

Chairing the session Ambassador Gautam Mukhopadhaya, Former Ambassador of India to Afghanistan recalled some of the major points that had emerged at the Seminar; (i) Afghanistan is being pushed out of the South Asian region due to transit facilities not given by Pakistan to Afghanistan for its business and people-to-people contacts with India. (ii) Historic linkages between South and Central Asia in the realms of culture, literature, music, art etc. need to be revived to reconnect the regions in HoA framework. (iii) Peace-creating Prosperity must be worked upon rather than considering peace and stability as a pre-condition for economic cooperation and connectivity. (iv) Work on Chabahar port must be expedited under the multimodal framework. (v) Focus should be on digital connectivity as they have potential for enhancing women's empowerment. (vi) Potential for trade and investment needs to be harnessed by adequate emphasis on trade facilitation, mutual recognition agreements and regional framework agreements for transportation including air cargo. (vii) New CBM on Development Cooperation needs to be launched.



Ram Upendra Das
Professor, RIS

Ram Upendra Das

In the Concluding Remarks Dr. Ram Upendra Das, Professor, RIS reiterated that while peace processes are on, one may keep working on development cooperation and economic prosperity in the HoA region since both peace and prosperity reinforce each other. Similarly, isolation cannot be a strategy since isolation is the root-cause of fragmentation and violence in the region. While Pakistan must not isolate Afghanistan and allow it to trade with India, others may also not isolate Pakistan and adopt an inclusive approach. Terror can be dealt with sternly but with others, economic cooperation must be the focus. Economic cooperation

can raise levels of economic activity, hence generate employment, which in turn can help divert the youth to take up fair and peaceful means of income generation rather than adopting an unfair and violent route. It is in this context that connectivity of ideas and borders as bridges become new and more relevant ways to perceive the potential for economic cooperation in HoA connecting South and Central Asia and other sub-regions.



A. Gitesh Sarma
Additional Secretary, Ministry of
External Affairs, Govt. of India

A. Gitesh Sarma

The Valedictory Address was delivered by Mr. A. Gitesh Sarma, Additional Secretary, Ministry of External Affairs, Govt. of India. According to him, the Seminar was a timely and valuable initiative by two institutions that we in India are justifiably proud of. One is an autonomous policy research institute that specializes in issues related to international economic development, trade, investment and technology. The other has the distinction of being the largest and oldest apex business organization in India which has also been making laudable contributions in the sphere of policy debate in the country (For full address, please see **Annexure V**).

The choice of Amritsar is relevant both from the perspective of the connectivity it offers to the wider region as well as for the historical legacy of trade and people-to-people engagement that it fostered between India and Afghanistan. It is a safe assertion to make that enhancing connectivity is integrally linked with India's roadmap to economic development in over the next decade. India's bilateral engagement with Afghanistan is a prime example of an entirely cooperative approach towards upgrading connectivity. Together with Iran and Afghanistan, we are working to utilize the immense opportunities for connectivity afforded by the Trilateral Agreement for Establishing Transit and Transport Corridor anchored in Chabahar port. We are confident that the successful implementation of this initiative would bring immense benefits to land-locked Afghanistan. The Ministry of External Affairs, Government of India stands solidly behind this effort which would help raise understanding among the scholarly and business communities and spread the word about the coordinated and concerted push that the international community can give to Afghanistan's endeavors to achieve prosperity particularly through special focus on connectivity.



Goutam Ghosh
Director, FICCI

Goutam Ghosh

Mr. Goutam Ghosh, Director, FICCI proposed Vote of Thanks.

Key Takeaways

The following are the takeaways from the Seminar on Heart of Asia and Connectivity.

Connectivity of Ideas and Borders as Bridges

- The concept, '*Connectivity of Ideas*' captures the fact that connectivity is not just transport connectivity. It entails connectivity in terms of economic connectivity such as development cooperation and linkages traversing trade in goods, services' trade and investment; hard and physical infrastructure; trade facilitation, digital connectivity and soft infrastructure; and people-to-people connectivity through educational linkages, tourism including medical tourism, among others.
- The formulation of the concept "connectivity" leads to the shift of traditional perspective of interaction. Hence, there is a need to have more profound, deep and steady interactions among people leading to the amalgamation and creation of certain shared space.
- The philosophy of "Borders serving as Bridges" as the economic, physical and transport connectivity between sub-regions of Asia including Central Asia and Indian Peninsula might be developed only with the connectivity of ideas. Therefore, at the level of ideas, Heart of Asia process should be considered as a process of political cooperation and security cooperation as well as economic cooperation and hence, needs to be evaluated and reinforced.
- Further there is a need for quick operationalization of existing programmes like Trans-Asian Highway, UNESCAP's Trans-Asian Railway Network programme and others to enhance peaceful development and close cooperation among the regions.
- Historic linkages between South and Central Asia in the realms of culture, poetry & literature, music, art etc. need to be revived to reconnect the regions in HoA framework. Therefore, there is a need to put adequate emphasis on creating joint spaces of interaction in culture, academic research, education, business, among other areas to create a common pool of realities connecting regions.
- '*Peace-creating Prosperity*' must be worked upon rather than considering peace and stability as a pre-condition for economic cooperation and connectivity. Philosophy of regional integration/connectivity needs to be harnessed for peace-building and prosperity.
- As a matter of approach, inclusion should be preferred by Pakistan, over isolation, in terms of providing transit rights to Afghanistan to trade with India.
- Beyond protective security measures, the only way to ensure women's human rights in Afghanistan and to truly empower women in the long run is through offering primary, secondary, and higher education that will foster literacy, free-thinking, and knowledge of international human rights standards.
- Focus on digital connectivity as they have potential for enhancing women's empowerment.

Multimodal Transport Connectivity and Transit

- To make Chabahar successful a 'Proof of Concept' needs to be done that may include the three steps:
 - (i) Run a regular shipping service (once or twice a week) with some subsidy;
 - (ii) Undertake a 'micro-level' operation study to understand the problems of using this port as a multi-modal point'; and
 - (iii) Focus on TIR Convention and other forms of Customs facilitation in the North-South Corridor.
- There is a need to find and develop the cheapest and shortest routes possible, which are essentially land routes, to connect South Asia and Central Asia. These routes will have the potential to convert land-locked countries into land-linked countries.
- To further enhance the regional trade in HoA countries, the prospects of development of air transportation, associated with the project 'Cargo-Kyrgyzstan', could be harnessed with the help of adequate investment; especially by construction of a cargo terminal with expected volume of cargo operation to the tune of 2.5 million tonnes.
- There is a need to have regional framework agreement including bilateral agreements that become building block to the regional endeavours. These could be situated in the multimodal context of rail-road-sea connectivity.
- Harmonization and standardization of custom procedures across the countries of HoA should be emphasised. In addition, mutual recognition of controls and regulations need to be evolved for making multi-modal connectivity a viable proposition.
- There is need for establishing Fiber Connectivity between India and Iran that could connect Afghanistan. Establishing an Indo-Afghan Web Trade Portal is also recommended to establish Business-to-Business connects.

Trade and Investment Connectivity

- Regional trade, investment, infrastructure, and overall development cooperation need to be focused, keeping energy security as one of the important pillars of cooperation, such as implementation of the Turkmenistan, Afghanistan, Pakistan and India (TAPI) project.
- Trade facilitation infrastructure such as common documentation, document preparedness, Indian version of Electronic Data Interchange (EDI) as an alternative to automatic systems for customs data (ASYCUDA), may augment trade and have positive spillovers for investment and can initiate a boost in the overall development assistance given to Afghanistan.
- It is equally important to focus on the capacity-building of Afghan officials. In this context, improvements in bureaucracy and work-ethics are crucial.
- Regulation of the environment of Afghanistan is required, in order to encourage and attract investors and investment in Afghanistan. In this context, there is a need for developing a strategic vision to the energy sector that could provide citizens of Afghanistan with energy

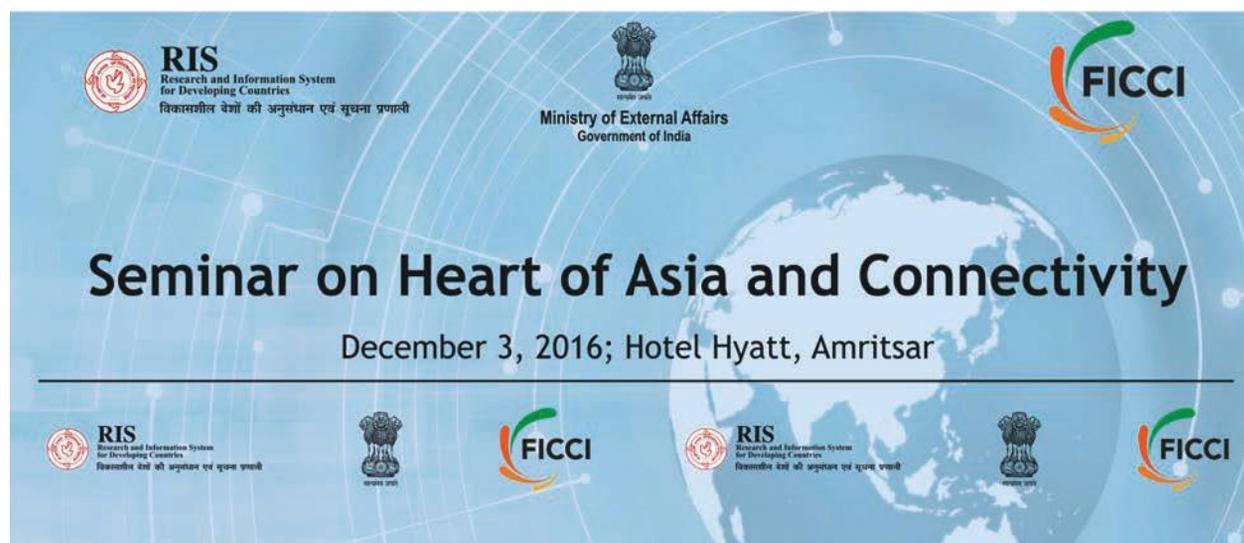
and facilitate the growth in the economy with long-term reliable and affordable energy access based on market-based private sector investment and public sector.

- Creation of a common platform where business communities of different regions can come along and share their expertise, knowledge and technology to make Afghanistan as a manufacturing hub.

Economic and Development Cooperation

- Economic cooperation can raise levels of economic activity; hence generate employment, which in turn can help divert the youth to take up fair and peaceful means of income generation rather than adopting an unfair and violent route, viz. focusing on 'Peace-creating Prosperity'.
- In order to scale up economic cooperation in HoA, it is recommended that a new CBM focusing on Development Cooperation is initiated.
- Given India's consistent and remarkable growth and development in ICT sector, it is recommended that India contributes towards economic development of Afghanistan through its assistance in ICT, especially in the field of education and thereby can contribute in job creation in Afghanistan, especially of women.
- Economic cooperation between the countries of the region should be strengthened for developing long-term economic projects which is necessary to maintain stability and economic growth in the country.
- The agreement on the establishment of "Lazurite corridor", signed by Afghanistan, Turkmenistan, Azerbaijan, Turkey and Georgia on 19 of November 2016 would enable Afghanistan to get the shortest access to the Black and Mediterranean seas. According to the report of the Afghan Foreign Ministry, the agreement concerns simplification of customs and visa regime for businessmen.
- Geography is the main driver of cooperation in HoA region. In this context, there is a need to harness region's history and integrate economically along with some intellectual transformation to achieve peaceful co-existence.
- Some suggestions for economic cooperation includes:
 - (i) Accession to the Transport Corridor Europe-Caucasus-Asia (TRACECA) basic multilateral agreement;
 - (ii) Extension of Afghanistan-Pakistan Transit Trade Agreement (APTTA) to include India and;
 - (iii) Integration of CAREC region through Cross Border Transport Agreement (CBTA);
- Focus on value addition in products and quality control checks for which increased R&D allocations is required. Further, greater trade connectivity can spur food processing industrialization in the region and HoA must focus on this.

Concept Paper



Background

The Heart of Asia has emerged as an important initiative for connecting Afghanistan with the rest of the Asian countries. Obviously enough, in this context, the idea of connectivity assumes key significance. In our understanding, connectivity is not just transport connectivity. It entails connectivity in terms of economic connectivity such as development cooperation and linkages traversing trade in goods, services' trade and investment; hard and physical infrastructure; trade facilitation, digital connectivity and soft infrastructure; and people-to-people connectivity through educational linkages, tourism including medical tourism, among others.

It also has implications for an even deeper level of connectivity i.e. *Connectivity of Ideas*. This may encompass issues of cultural similarities, linguistic affinities and unified 'way of life'. The Asian-ness is best described as connectivity among people believing in peaceful co-existence and 'unity in diversity'. At this stage, it may be highlighted that connectivity needs to be viewed in a perspective of 'Borders serving as Bridges' and culminating into crucial economic, infrastructural people-to-people links across countries of Heart of Asia.

On a different note, connectivity would have to be also explored at two other levels, viz. physical connectivity and economic connectivity, indicating that the concept of connectivity is beyond mere transport connectivity. The physical connectivity entails development of a multimodal transport infrastructure, which was recognized as a major impediment at the Heart of Asia Ministerial Conference held in Almaty (2013). At this meeting, timely implementation of large infrastructure projects for facilitating trade and transit in energy and goods was also emphasized.

In terms of economic connectivity, two dimensions may be highlighted. First, trade facilitation measures strengthen economic connectivity through trade and travel related measures such as customs

cooperation, harmonization of trade and travel procedures, trade facilitation mechanisms, due recognition of regulatory regimes, etc. This may entail digital connectivity to facilitate EDI and many other trade facilitation measures that depend on ICT and other electronic support. Secondly, economic connectivity is enhanced by development projects, which would come in the form of strengthening transport linkages for air, water and rail.

In this context, the role of India becomes crucial as India is geographically situated in a manner that it connects South, Southeast Asia on the one hand with Central and West Asia on the other. India is also a country which is in a position to play a more dynamic role in the connectivity projects, especially given the fact that for India the Heart of Asia, i.e. Afghanistan, is already one of the most prominent destinations of its developmental projects and cooperative endeavors. Due to this, India's role in strengthening connectivity within the ambit of Heart of Asia becomes eminently more pronounced. This assumes even more importance as India has the wherewithal to effectively contribute towards the evolution of various facets of connectivity through mutually beneficial cooperative initiatives.

The Istanbul Process

The term 'Heart of Asia' refers to Afghanistan and its near as well as extended neighbours, however it does not denote a new geographical entity. It takes note of Afghanistan's crucial role as the land-bridge in the 'Heart of Asia', connecting South Asia, Central Asia, Eurasia/Europe and the Middle East. The Istanbul Process (2011) provides a new agenda for regional cooperation in the 'Heart of Asia' by placing Afghanistan at its centre and engaging the 'Heart of Asia' countries and result-oriented cooperation for a peaceful and stable Afghanistan, as well as a secure and prosperous region as a whole.

There are 14 Heart of Asia countries, namely Islamic Republic of Afghanistan, Republic of Azerbaijan, People's Republic of China, Republic of India, Islamic Republic of Iran, Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Russian Federation, Kingdom of Saudi Arabia, Republic of Tajikistan, Republic of Turkey, Republic of Turkmenistan, United Arab Emirates and 17 supporting countries, namely Australia, Canada, Denmark, Egypt, European Union, France, Finland, Germany, Iraq, Italy, Japan, Norway, Poland, Spain, Sweden, United Kingdom, United States of America. These included organizations like, UN, NATO, SAARC, OIC, etc. which are supporting this initiative.

The main meetings were held in Istanbul in Turkey in 2011 — this is the place from where the procedure gets its name from. Subsequently, it was held in Kabul, Afghanistan in 2012; Almaty, Kazakhstan in 2013 and Beijing, China in 2014. The fifth 2015 meet was co-facilitated by Pakistan and Afghanistan and was held on December 8 and 9 in Islamabad. The sixth meeting is to be held in India on 3–5 December 2016.

Indian Initiatives in Afghanistan

India has played an active role in the reconstruction of Afghanistan. Based on the understanding that social and economic development, is the key to ensure that Afghanistan becomes a source of regional stability.

In line with the national development strategy, India partnered with Afghanistan in strengthening several socio-economic, health, education, water supply and many other related programmes for ensuring better quality of life. The programme also include more than 500 annual scholarships for

higher education in India and more than 500 scholarships for training programmes for Afghan public servants in Indian technical and professional institutions. Launching of small development projects, strengthening tube wells, installing solar panels, setting up of computer training centers, building clean toilets by Sulabh international, providing buses and ambulances, etc. are some of the other important areas of engagement. There is also an effort to build institutions like the Parliament building. Strong partnership exists in health sector that include setting up and later renovation of Indira Gandhi Institute of Child Health, Kabul and health centers in Herat and Kandhar, apart from many other institutions. Supply of high-protein biscuits to nearly 2 million school children and several metric tons of wheat are intended to provide nutritional security.

In other areas of development partnership, the recently inaugurated Salma Dam in any case has emerged as a modern landmark of our partnership. The broad based partnership encompasses agriculture, irrigation, power generation, education, transport and telecommunications, civil aviation, industry and rural development. Zaranj to Delaram highway, built at the cost of Afghan-Indian lives, is a symbol of mutual commitment for strong partnership. India has also extended support to civil society organizations while implementing the small development projects. In this context, India and Turquoise Mountain Foundation are working together for the regeneration of Murad Khana, the oldest part of the historic city of Kabul. Similarly, many other small projects are also being supported for strengthening the role of local people and civil society organizations for reconstruction and job creation. For this prominent organizations like SEWA are also being encouraged to work effectively in getting the desired outcomes. Similarly, role of several large and medium NGOs has been crucial for the reconstruction of war-torn Afghanistan's economy.

Trade and Investment Linkages

Over the years Afghanistan has witnessed a declining trend in its total trade with its imports decreasing from USD 10780 million to USD 6637 million in 2015. However, Afghanistan's exports to the world increased to USD 644 Million in 2015 from USD 494 million in 2011 (see Table 1). Constrained connectivity (both physical and economical) is one of the major reasons responsible for decline in Afghanistan's overall trade. Therefore, there is a need to bring reforms in the existing structure of connectivity.

Table 1: Afghanistan's Total Trade

(USD Million)

	2011	2015
Total Exports	494.143	643.958
Total Imports	10780.7	6637.38
Total Trade	11274.84	7281.338

Heart of Asia is a significant trade partner to Afghanistan as we can see through its increasing share as a per cent of Afghanistan's total trade with world (both exports and imports). Thus highlighting the importance of this grouping, this would also help Afghanistan in its economic and social development (See Table 2).

Table 2: Afghanistan's linkages with Heart of Asia initiative countries

	2011	2015
Afghanistan's % share of exports to HOA countries	74.88	88.99
Afghanistan's % share of imports from HOA countries	46.89	78.17
Afghanistan's % share of trade with HOA countries	48.11	79.13

Table 3 highlights Afghanistan's exports to Heart of Asia Countries and their percentage share to Afghanistan's total exports. The table shows that over the years India has evolved as a major trading partner with its percentage share rising from 22.06 per cent in 2011 to 42.13 per cent in 2015, surpassing Pakistan whose share has decreased from 31.23 per cent to 28.86 per cent in the respective years. This fact highlights the importance of India as a major trading destination for Afghanistan.

Table 3: Afghanistan's exports to Heart of Asia countries

	Exports (USD Million)		Share in Afghanistan's Total Exports (%)	
	2011	2015	2011	2015
Azerbaijan	0.02	0.00	0.00	0.00
China	3.97	10.91	0.80	1.69
India	109.01	271.30	22.06	42.13
Iran	13.49	16.05	2.73	2.49
Kazakhstan	3.48	2.91	0.71	0.45
Kyrgyz Republic	0.65	0.79	0.13	0.12
Pakistan	154.34	185.82	31.23	28.86
Russia	25.54	8.28	5.17	1.29
Saudi Arabia	1.19	1.42	0.24	0.22
Tajikistan	40.58	48.85	8.21	7.59
Turkey	4.36	10.81	0.88	1.68
Turkmenistan	0.93	1.10	0.19	0.17
UAE	12.44	14.80	2.52	2.30

However, Table 4 depicts a reversal in the trade destinations for Afghanistan in terms of imports. Both India and Pakistan witnessed an increase in their percentage share in Afghanistan's total imports from 5.12 per cent in 2011 to 8.84 per cent in 2015 and 19.70 per cent in 2011 to 38.53 per cent in 2015 respectively. Pakistan almost witnessed an increase to double the amount which wasn't seen in case of India. Thus highlighting the need for India to boost its exports to Afghanistan for which connectivity issues need to be taken care of.

Table 4: Afghanistan's import from Heart of Asia countries

	Imports (USD Million)		Share in Afghanistan's Total Imports (%)	
	2011	2015	2011	2015
Azerbaijan	110.21	324.76	1.02	4.89
China	253.06	400.75	2.35	6.04
India	551.83	586.80	5.12	8.84
Iran	0.00	0.00	0.00	0.00
Kazakhstan	367.23	392.48	3.41	5.91
Kyrgyz Republic	62.90	75.73	0.58	1.14
Pakistan	2124.08	2557.36	19.70	38.53
Russia	862.10	164.91	8.00	2.48
Saudi Arabia	2.00	2.43	0.02	0.04
Tajikistan	64.37	77.50	0.60	1.17
Turkey	303.57	177.76	2.82	2.68
Turkmenistan	337.36	408.58	3.13	6.16
U A E	15.94	19.30	0.15	0.29

Given the importance of Heart of Asia member countries in trade with Afghanistan in terms of their share in Afghanistan's total trade which accounts to almost 80 per cent, there is a need to identify potential areas of trade along with the promising goods to be traded (both exports and imports) at HS 6 digit level among the countries. Further investments need to be made in trade-creating joint ventures for which specific areas needs to be identified.

Multi-Modal Transport and Transit

For lowering cost of trade, transport connectivity needs to be viewed in a multimodal context given the geography of countries participating in the Heart of Asia initiative. It would be pertinent to discuss all the existing efforts and projects for developing transport connectivity in the region in an integrated manner. This may include the Chabahar Port, International North-South Transport Corridor (INSTC), China-Pakistan Economic Corridor and the Gwadar Port, etc. Considering the export potential of Afghanistan being high value and low volume, Air Cargo and Air Transport Corridor becomes a more viable proposition and needs to be focused.

Energy transport connectivity is yet another important dimension which has a direct bearing on the prospects of development in the region. The major pipeline projects such as TAPI and IPI etc. may be provided a fresh impetus under the initiative.

Financing of transport infrastructure projects is a major constraint which needs to be addressed on a priority basis and in fact becomes a pre-requisite for initiating any new projects at the stage of conducting techno-economic feasibility studies itself.

Transit issues with respect to Afghanistan are very crucial and needs to be discussed. Some of the successful examples of the BBIN MVA could be studied for its application.

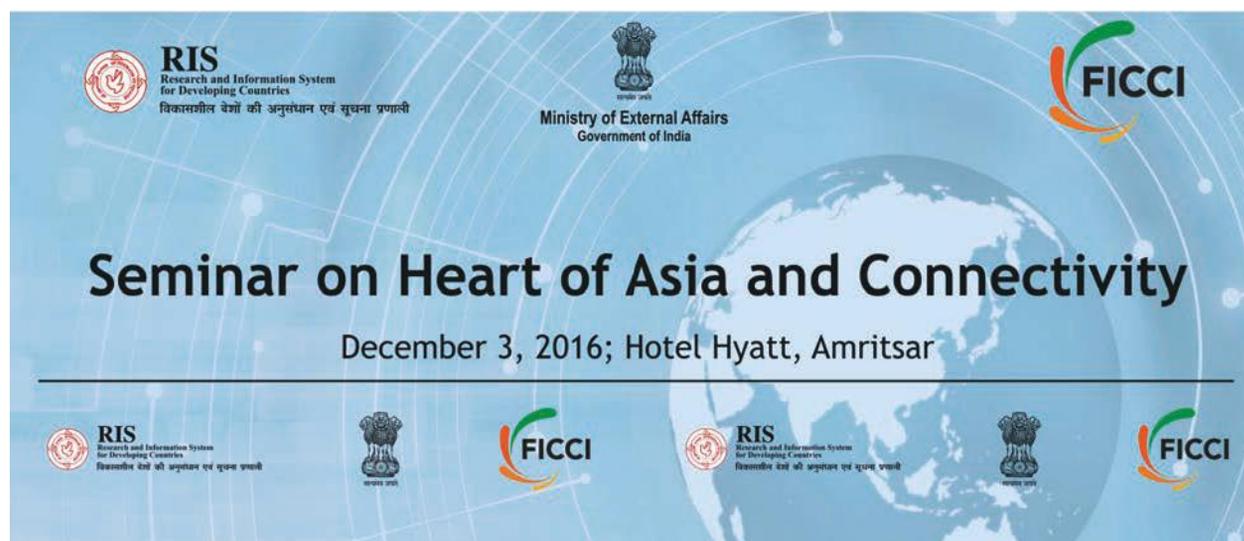
Economic and Development Cooperation

As mentioned earlier, one important dimension of economic connectivity is trade facilitation which needs to be deliberated upon for faster customs clearance, unification of required trade documentation, simplification and harmonization of export–import procedures etc. which would help in reducing time as well as cost. In this context, Capacity Building via skill development and training programmes for young population is an important step that needs to be discussed, which could also help in poverty alleviation and job creation in Afghanistan as well as countries under consideration.

Development cooperation is yet another important dimension that needs to be considered. There are plenty of agreements designed and talked about as development projects to which a fresh impetus needs to be given by linking them in a jumbo regional agreement and this could be studied and explored. Moreover, feeder routes to connect INSTC, Chabahar Port etc. and rail connectivity, digital connectivity, telecom infrastructure are some of the specific areas in which development cooperation could be effected.

Private sector plays an important role in the development of any region therefore there is a need to boost private sector participation in facilitating development cooperation and overall connectivity under the Heart of Asia initiative. But private sector alone may not be able to steer the process at this stage which highlights the importance for discussing Public–Private–Partnerships (PPPs) in various trade, investment, and connectivity related issues.

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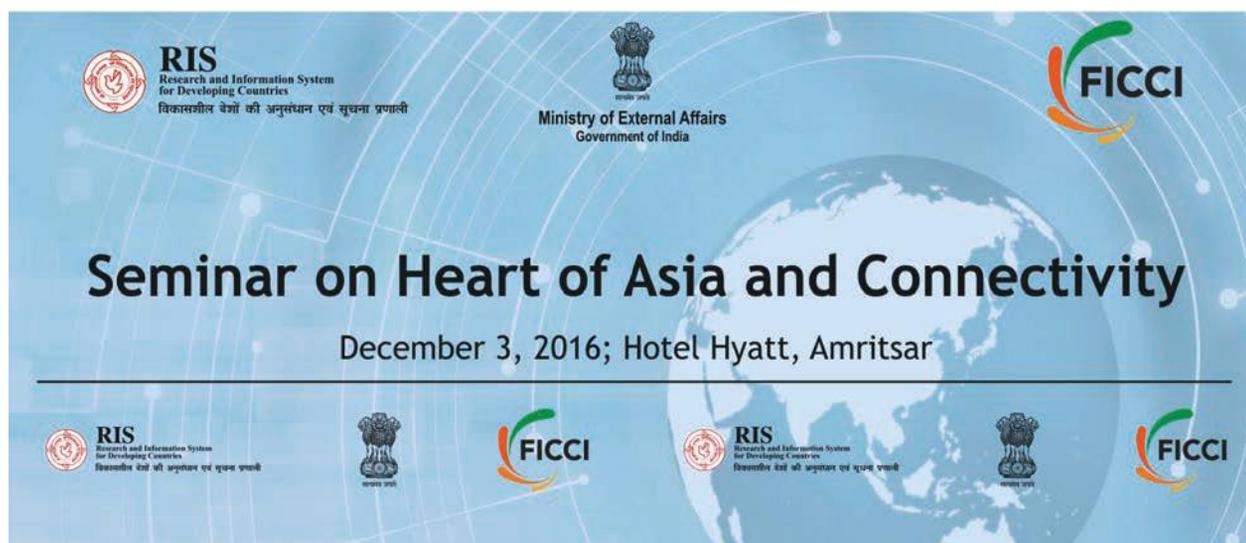
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Agenda



0930–1000 hrs	Registration
1000–1100 hrs	Inaugural Session
	<p><i>Welcome Address:</i></p> <ul style="list-style-type: none"> • Professor Sachin Chaturvedi, Director General, RIS • Mr. Goutam Ghosh, Director, FICCI <p><i>Inaugural Address:</i></p> <p>Ambassador Manpreet Vohra, Ambassador, Embassy of India, Afghanistan</p> <p><i>Vote of Thanks:</i> Dr. Ram Upendra Das, Professor, RIS</p>
1100 –1200 hrs	Session 1 :Connectivity of Ideas and Borders as Bridges
	<p>Chair: Ambassador Gautam Mukhopadhaya, Former Ambassador of India to Afghanistan</p> <p><i>Panellists:</i></p> <ul style="list-style-type: none"> • Mr. Nazir Kabiri, Senior Adviser to the Minister, Ministry of Finance, Afghanistan • Dr. Laura G. Yerekesheva, Deputy Director, UNESCO Chair Coordinator, Institute of Oriental Studies, Kazakhstan • Ms Gulnora Kudratova, Deputy Director, Business Women Association of Tajikistan in Cooperation with Central Asian Countries and Afghanistan

1200– 1330 hrs	Session 2 : Multimodal Transport Connectivity and Transit
	<p>Chair: Mr. Nazir Kabiri, Senior Adviser to the Minister, Ministry of Finance, Afghanistan</p> <p>Panellists:</p> <ul style="list-style-type: none"> • Dr. Pritam Banerjee, Senior Director, Corporate Public Policy (South Asia), Deutsche Post DHL • Ms. Saroj Ayush, Consultant, UN–ESCAP South and South–West Asia Office • Prof Dzharkinai Musaeva, International Ataturk–Alatoo University Bishkek, Kyrgyzstan • Ms. Temsunaro Jamir, Deputy Commissioner & Under Secretary, Central Board of Excise and Customs, Govt. of India
1330– 1430 hrs	Lunch
1430–1530 hrs	Session 3 : Trade and Investment Connectivity
	<p>Chair: Professor Sachin Chaturvedi, Director General, RIS</p> <p>Panellists:</p> <ul style="list-style-type: none"> • Mr. Sandeep Kumar, Commissioner, Central Board of Excise and Customs, Department of Revenue, Ministry of Finance, Govt. of India • Ms Solieva Mehriniso, Deputy Head of Govt. Relations, Om Drishian International Ltd. (India based Company), Tajikistan • Mr. Sumeer Bhasin, Annar Group • Mr. Abdul Hassib Rahimi, CEO, Kabul Chamber
1530 – 1630 hrs	Session 4: Economic and Development Cooperation
	<p>Chair: Professor Gulshan Sachdeva, Professor, Centre for European Studies, Jawaharlal Nehru University</p> <p>Panellists:</p> <ul style="list-style-type: none"> • Shri Amit Pasari, CEO, XS Infosol Pvt. Ltd. • Dr. Askhat Kessikbayev Permanent Secretary, International Turkic Academy (Turkic World Educational and Scientific Cooperation Organization– TWESCO), Kazakhstan • Professor Dr. Almazbek Beishenaliev, Vice Rector, International Ataturk–Alatoo University, Bishkek, Kyrgyzstan • Dr. Amarjit Singh Sethi, Professor, Punjab School of Economics Guru Nanak Dev University • Ms Najilla Habibiyar, President, Howdah Consulting Group

1630 – 1730 hrs	Concluding Session and Way Forward: Borders as Bridges
	<p>Chair: Ambassador Gautam Mukhopadhaya, Former Ambassador of India to Afghanistan</p> <p>Concluding Remarks:</p> <ul style="list-style-type: none"> • Dr. Ram Upendra Das, Professor, RIS <p>Valedictory Address:</p> <ul style="list-style-type: none"> • Mr. A. Gitesh Sarma, Additional Secretary, Ministry of External Affairs, Govt. of India <p>Vote of Thanks:</p> <ul style="list-style-type: none"> • Mr. Goutam Ghosh, Director, FICCI

Inaugural Address

Professor Sachin Chaturvedi, Director General of the Research and Information System for Developing Countries,

Mr. Gautam Ghosh, Director, FICCI,

Distinguished guests and scholars from the Heart of Asia countries,

My friends from Afghanistan,

Ambassador Gautam Mukhopadhyay, one of my worthy predecessors and among our finest diplomats,



Ambassador Manpreet Vohra

Ambassador, Embassy of India, Afghanistan

Ladies and Gentlemen,

It is my pleasure to address this distinguished audience that has been so ably put together by RIS and FICCI on a highly topical issue. I am particularly happy that 'Connectivity' is going to be examined and discussed in all its various facets and dimensions, each relevant in its own way and leading up to the stellar construct of looking towards borders as bridges. While the speakers today will no doubt dwell on various aspects in detail, allow me to focus on just two broad dimensions of the complicated situation in Afghanistan. These are dimensions that I, in my current role, have to grapple with all the time, and they impinge directly on the imperative of connectivity.

First, is the security dimension. As all of you would have noticed, the war situation in Afghanistan is grim. It is perhaps the worst scenario since 2001. This year will end as the bloodiest ever for Afghanistan. The daily average casualties suffered by the Afghan National Defence and Security Forces have reached alarming levels. This attrition rate is rapidly becoming unsustainable. Coupled with insufficient combat support from some of Afghanistan's international partners, what this means is that the Taliban today controls 5-10 per cent more territory than at the end of 2015. And this territory is in the countryside, precisely the areas where the Taliban is able to receive, or extract, support, and sustenance and recruits. It is somewhat delusional to try and claim satisfaction in the belief that large towns or provincial centers have not fallen to the Taliban.

Connectivity infrastructure within Afghanistan, be they power transmission lines coming from Central Asia or the various highways and arterial roads, are under constant threat. We see power lines frequently disrupted and roads often blocked. Such security uncertainties have a direct bearing on various physical connectivity projects that so many countries, regional organizations and International Financial Institutions have planned for Afghanistan. The recognition that each of these is of great economic value not just to Afghanistan but for the entire Heart of Asia region is not in question - there is, in fact, universal consensus - but there is equally the reality that the projects can either not be started or not be completed because of security threats.

The same is the problem with many transnational investment projects that can connect our businesses and people and spread the virtues of new economic activity and profit making in an obviously

resource-rich country. A consortium of Indian companies obtained the rights to the Hajigak iron ore deposits, many years ago. Not a rupee has flown in. The Chinese Mes Aynak copper mine is another example. Not a Yuan has been invested so far. The railway line from Iran entered Afghanistan a couple of months ago, the one from Turkmenistan just last week. But to carry on the line construction on sections within Afghanistan, without which the potential of these vital connectivity projects will not be realized, remains a major challenge.

This is why India at least has been stressing the need to focus single mindedly on bringing peace to Afghanistan. It is the first and foremost requirement without which all our other efforts will flounder. Good governance, corruption free bureaucracy and polity, justice delivery, gender equality, even proper education systems, are all noble objectives to work for and Afghanistan's western partners attempt to do a lot in such areas, but the mistake often made is to think that Afghanistan is a normal country where normal solutions will work and normal standards of public life can be expected. It is not. Afghanistan is a war economy and all the problems of daily life and governance are shaped by this. The war must be ended for normal life to resume and for the various investment and connectivity projects to be executed.

The other dimension is geo-strategic and political. Connectivity already existing and available is being denied to Afghanistan for extraneous political reasons. The prime example of this is the denial to Afghanistan by Pakistan access to the largest regional market and traditionally the largest buyer of Afghanistan's export, which is India. The Grand Trunk Road, including its modern motorway sections, runs all the way from Kabul to Kolkata. From Torkham to Wagah Attari is the shortest, fastest and cheapest mode for Afghan exports to be brought to India, but they are not allowed to, except for a handful of commodities. The reverse route - India's exports to Afghanistan - are completely blocked. This is in utter violation of all norms and the transit rights of land locked countries. Further, despite Pakistan's professed love for its Afghan 'brothers', Pakistan is directly and deliberately hurting Afghanistan with this policy. There are analysts who estimate that Afghanistan's GDP growth rate could be raised significantly just by the removal of this one crucial non-tariff barrier that Pakistan has imposed on it. Of course, Afghanistan and India cannot wait indefinitely for Pakistan to change its regressive behaviour and policies. Which is why alongwith Iran, the Chahbahar project is being pursued by the three countries. An air freight corridor is also on the cards.

India is willing and capable of playing its due role in helping Afghanistan convert the disadvantages of geography into opportunities for regional economic development. But this can still not be a complete substitute for easy road connectivity. Afghanistan-Pakistan Transit Trade Agreement needs to be, and must be, amended suitably.

I am sure the various sessions today will look at these and other issues in detail. I trust there will be some innovative ideas from the deliberations in this Seminar. The panel and panelists represent some of the best experts and practitioners in this field and I am confident that they will contribute specific policy suggestions that can be executed in the short and medium term.

I wish you all success and best wishes.

Thank you.

Concluding Remarks

Dr. Ram Upendra Das, Professor at the Research and Information System for Developing Countries,

Mr. Goutam Ghosh, Director, FICCI,

My good friend Ambassador Gautam Mukhopadhyay,

Distinguished scholars from the Heart of Asia Countries,

Excellencies,



A. Gitesh Sarma

Additional Secretary, Ministry of External Affairs, Government of India

Ladies and Gentlemen,

I am honoured to deliver the valedictory address at today's Consultation Meeting focussing on "Heart of Asia and Connectivity" organised by RIS and FICCI. The Consultation Meeting is a timely and valuable initiative by two institutions that we in India are justifiably proud of. One is an autonomous policy research institute that specialises in issues related to international economic development, trade, investment and technology. And the other has the distinction of being the largest and oldest apex business organisation in India which has also been making laudable contributions in the sphere of policy debate in the country.

I have been briefed about the fruitful discussions since this morning.

This distinguished audience has covered a wide array of topics of contemporary relevance. You have examined the hardware and software of regional interconnectedness: transport and transit, trade and investment, economic and developmental cooperation, and last but not the least, you have looked at the connectivity of ideas and of the import of borders in this context.

But most importantly, the emphasis of today's deliberations have been on the immense possibilities for cooperation between Afghanistan and other regional countries, interested partners and organisations who have been working to assist Afghanistan through its multiple transitions.

The Ministry of External Affairs stands solidly behind this effort which will help raise understanding among the scholarly and business communities and spread the word about the coordinated and concerted push that the international community can give to Afghanistan's endeavours to achieve prosperity particularly through special focus on connectivity.

These deliberations also play a useful role in raising the general awareness about the forthcoming Sixth Ministerial Conference of the Heart of Asia Countries Istanbul Process on Afghanistan that India will be hosting in Amritsar on 4 December 2016 under the theme of "Addressing Challenges, Achieving Prosperity".

The choice of Amritsar is relevant both from the perspective of the connectivity linkages it offers to the wider region as well as for the historical legacy of trade and people-to-people engagement that it fostered between India and Afghanistan.

Distinguished scholars, Excellencies, Ladies and Gentlemen,

It is a safe assertion to make that enhancing connectivity is integrally linked with India's roadmap to economic development in over the next decade.

Earlier in May this year, while speaking at the Chabahar Connectivity Event in Tehran, Prime Minister had elaborated on the essential linkages between connectivity, India's transformations and the global context in which it is situated. He said and I quote, "The world of the 21st century offers unique opportunities. But, it also poses its own set of challenges. Today, the nature of global engagement requires an attitude more suitable to this century, not the mindset of the century gone by. Today, the watch-words of international ties are trust not suspicion; cooperation not dominance; inclusivity not exclusion."

The imperative of enhancing connectivity is therefore self-evident. Equally important is the need for adopting a comprehensive approach to achieving the optimal degree of connectivity.

A broad-brush analysis would yield a large number of elements, including (i) physical connectivity, (ii) digital connectivity, (iii) challenges associated with migration, (iv) the political impetus that can make or break connectivity agendas, (v) disruptive forces such as terrorism, violent extremism and radicalisation, (vi) natural disasters and phenomenon, (viii) the high seas, (ix) outer space and (x) the enablers such as the legal, financial and regulatory frameworks that need to be freshly created to facilitate the harmonious evolution of these elements.

When one looks around the world, it is in Asia that we notice the most energetic and frenetic activity by governments, institutions and civil society towards forging new connectivity agendas such as the International North-South Corridor, Ashgabat Agreement and the like.

Such agendas have both cooperative and competitive elements. It is our ardent hope that the pursuit of these and other similar agendas will occur in a manner and pace that is sensitive to the security and sovereignty concerns of all countries-big or small.

Distinguished scholars, Excellencies, Ladies and Gentlemen,

India's bilateral engagement with Afghanistan is a prime example of an entirely cooperative approach towards upgrading connectivity linkages.

When the Afghan President, Dr. Mohammad Ashraf Ghani visited Delhi from 14 to 15 September this year, Prime Minister announced the allocation of an additional sum of USD 1 billion to assist Afghanistan, particularly in capacity and capability building in areas like education, health, agriculture, skill development, empowerment of women, energy infrastructure and strengthening of democratic institutions.

At present, both governments are engaged in implementing the major decisions reached between the two leaders in September, including the specific initiatives for cooperation in pharma, infrastructure and connectivity.

India's approach also lays particular emphasis on regional initiatives.

Together with Iran and Afghanistan, we are working to utilise the immense opportunities for connectivity afforded by the Trilateral Agreement for Establishing Transit and Transport Corridor anchored in Chabahar port. We are confident that the successful implementation of this initiative will bring immense benefits to land-locked Afghanistan.

It is my fervent hope that even as we embark on implementing our vision for enhanced regional linkages, India and Afghanistan will continue our partnership in infrastructure development which will be guided by the priorities of the Government of Afghanistan.

Distinguished scholars, ladies and gentlemen,

In past year, the scourge of terrorism has assumed highly destructive proportions and represents the single biggest threat to peace, stability and progress in the region and beyond.

There is an urgent need for all concerned to end all sponsorship, support, safe havens and sanctuaries to terrorists.

India advocates a policy of zero tolerance to terrorism that stems from the principles of humanism and respect for life that is part and parcel of our cultural ethos.

Besides national measures entered on the policy of zero tolerance, there is also a need for the international community to come together with a sense of unity and purpose.

The UN Security Council must take the lead through credible and objective listing processes under the 1267 Sanctions Committee.

Another important track would be early adoption of the draft Comprehensive Convention on International Terrorism.

Distinguished scholars, ladies and gentlemen,

Before I conclude let me share my views on the political settlement process in Afghanistan.

Afghanistan is going through a historic political transition. We see our security intrinsically linked with peace and stability in Afghanistan.

At this juncture, our principled position is that a genuine reconciliation in Afghanistan will only be successful if all sides abide by the agreed red lines and the international community continues to support an Afghan-led and Afghan-owned peace and reconciliation process to engage the reconcilable groups.

Care needs to be taken to ensure that gains made over the last decade in democracy, human rights and preserving Afghanistan's unity are not lost. We need to guard against efforts to make militant groups still unleashing violence in Afghanistan partners in power along with the legitimate Afghan government.

We will play our role in ensuring peace and stability in line with the obligations outlined in the bilateral strategic partnership agreement. We expect an early meeting of the Strategic Partnership Council to focus on these important matters.

In conclusion, on behalf of the Ministry of External Affairs let me wish all of you assembled here a happy and prosperous new year 2017.

I thank you.
