

RECCA VII Declaration

Deepening Connectivity and Expanding Trade through Investment in Infrastructure and Improving Synergy

Preamble

The Seventh Regional Economic Cooperation Conference on Afghanistan (RECCA-VII) was convened in Ashgabat, Turkmenistan on 14-15 November 2017 to further strengthen and enhance regional economic cooperation in support of sustainable development and stability in Afghanistan and across the wider region. His Excellency Rashid Meredov, Deputy Chairman of the Cabinet of Ministers and Minister of Foreign Affairs of Turkmenistan, His Excellency Sarwar Danish, Second Vice President of the Islamic Republic of Afghanistan, and His Excellency Salahuddin Rabbani, Minister of Foreign Affairs of the Islamic Republic of Afghanistan addressed the inauguration session. The Conference was co-chaired by the Ministers of Foreign Affairs of Turkmenistan and the Islamic Republic of Afghanistan. The Conference brought together high-level delegations and senior representatives from over 67 countries and organizations.

The regional and partner countries and organizations participated in RECCA VII,

Thanking the Government of Turkmenistan for hosting and co-chairing this important international gathering in an excellent manner,

Appreciating the active participation of RECCA regional and partner countries and organizations at the Conference,

Reaffirming the commitment to the purposes and principles of the United Nations Charter as well as adherence to universally recognized principles and norms of international law,

Recognizing the inter-linkages between development and security challenges and *acknowledging* that a secure, stable, and prosperous Afghanistan is vital to peace, stability and prosperity in the region as a whole.

Reaffirming that regional economic cooperation and integration offers broad opportunities for growth, and can assist with exploiting and developing the long term economic potential that exists in Afghanistan and the wider region; and *stressing* the need for further advancing regional economic cooperation as an effective means to achieve economic prosperity in Afghanistan and the wider RECCA region.

Acknowledging Afghanistan's central role as an important hub for regional and inter-regional trade, transit, and transport as well as the role that RECCA is playing in sharing the benefits of this centrality in support of sustainable development and stability in Afghanistan and the wider region. In this context, *Expressing* appreciation and strong support for the ongoing efforts and

commitment of the Government of Afghanistan as well as the continued efforts by regional and partner countries and organizations under RECCA.

Emphasizing that RECCA VII builds on the commitments made during the previous six meetings of RECCA (Kabul, 2005; New Delhi, 2006; Islamabad, 2009; Istanbul, 2010; Dushanbe, 2012; Kabul, 2015) as well as the promising progress made with respect to the implementation of the priority projects in areas such as energy; transport networks; trade and transit facilitation, communications and business-to-business partnerships and labor support;

Supporting RECCA's new approach to project implementation including new investment criteria such as the bankability of the projects as well as the diversification of fund mobilization and pursuing innovative financing modalities for infrastructure development, including public private partnership and power purchase agreements, with a view to address the investment deficit;

Underlining the collective commitments made at the Brussels International Conference on Afghanistan towards deepening and strengthening cooperation to achieve Afghanistan's Self-Reliance during the "Transformation Decade of 2015-2024" including the commitments regarding peace, security and regional cooperation;

Affirming that the Heart of Asia-Istanbul Process (HoA-IP) continues to play an important role in promoting regional political, security and economic cooperation through enhancing political dialogue and building trust aimed at promoting peace, stability, and prosperity in Afghanistan and the entire Heart of Asia region, and *stressing* the importance of closer linkages and complementarities between RECCA and HoA-IP;

Acknowledging the importance of removing non-tariff barriers to trade and transit including through bilateral negotiations on customs cooperation as well as effective implementation of bilateral and multilateral transit-trade agreements and their possible expansion to other countries;

Acknowledging the significant contribution that small and medium size enterprises (SMEs) can make to the economic growth and income generation in Afghanistan and the wider region. *Stressing* the importance of market access for SMEs in particular for women entrepreneurs. *Welcoming* in this context, the inclusion of women's economic empowerment as a new component of work under RECCA and the convening of the Special Event on Women's Entrepreneurship on the sidelines of RECCA VII;

Welcoming an increasing number of MoUs signed between the Afghan Chamber of Commerce and Industries (ACCI) and Chambers of Commerce in the region and beyond and *supporting* the joint initiative by the RECCA Secretariat and ACCI to establish the RECCA Chamber of Commerce and Industries as a regional network aiming at further enhancing business-to-business dialogue and partnership in support of the priority projects under RECCA;

Welcoming the promising progress made regarding the priority projects under RECCA including the steps taken towards the operationalization of the agreement on the Chabahar International Transport and Transit Corridor; completion of the third section of Khaf-Herat Railway, the award of contract on transmission line in Afghanistan under CASA 1000, the ongoing progress under TAPI and completion of the feasibility studies of TAP 500;

Welcoming the signing of the Lapis Lazuli Route Agreement on the sidelines of RECCA VII as a flagship agreement towards deepening connectivity and expanding trade in the wider region;

Supporting the efforts under RECCA to bring synergy and complementarity between RECCA, HoA-IP and other regional bodies such as CAREC, ECO, OSCE, SAARC, SCO, and UNESCAP as well as among various transport and transit corridors and initiatives including the Belt and Road Initiative, the Chabahar Corridor, the Five Nations Railway Corridor, the Middle Corridor including Baku-Tbilisi-Kars Railway, and the Lapis Lazuli Corridor,

Taking note of various bilateral economic cooperation projects between Afghanistan and neighboring countries in areas such as road connectivity, energy, trade as well as air freight connectivity,

Have stated their commitment towards the implementation of the respective regional cooperation and investment projects and their associated deliverables as listed below:

A. Energy:

1) The Turkmenistan, Afghanistan, Pakistan and India Gas Pipeline Project (TAPI):

- a) Sign the Pipeline System Rules Agreement, a Host Government Agreement and a Transportation Agreement,
- b) Commence the construction work on TAPI pipeline.
- c) Support the TPCL in accelerating pipeline construction and convening more investment road shows around the world to raise additional funds.

2) The Central Asia-South Asia Regional Energy (CASA-1000) Project

- a) Complete the environmental and social impact surveys as well as the design and survey works in Afghanistan HVDC line component,
- b) Finalize the selection and contracting of the project's engineering firm to minimize delays in completing the HVDC line and converter substations in Tajikistan and Pakistan.

3) Turkmenistan-Afghanistan-Pakistan 500-kV Line (TAP 500)

- a) Prepare technical assessment and design plan and assign the consulting company
- b) Finalize the project's coordination and monitoring mechanism

B. Transport Networks

1) Afghanistan Railway Network – Segments connecting Afghanistan to neighboring countries

- a) Complete the detail design and commence the construction of Aqina – Andkhoy – Shiberghan (108 km)
- b) Complete the detail design and commence the construction of Torghundi-Herat (173 Km)
- c) Complete the detail design and commence the construction of Chaman-Spinboldak (11.5 km) – Phase I and Spinboldak to Kandahar (96km) – Phase II
- d) Complete the feasibility study and commence the construction of Jalalabad – Torkham railway line (75 km)
- e) Complete the feasibility study and commence the construction of Lashkargah-Bahram Chah (258 Km)
- f) Complete the feasibility study and detail design of the Chabahar – Zaranj – Farah Railway

2) The Five Nations Railway Corridor

- a) Complete the Fourth Section of Khaf – Herat (Ghorain – Robat Paryan) (36km)
- b) Complete the Kolkhozobod – Panji Poyon-Shirkhanbandar segment (Tajikistan-Afghanistan, (63 km)
- c) Complete the detail design and commence the construction of Sherkhan Bandar – Kunduz – Mazar – e - Sharif (187 km)
- d) Complete the detail design and commence the construction of Mazar-i-Sharif - Shiberghan line (170 km)
- e) Complete the feasibility study and commence the detail design and construction of the Sheberghan - Maimane - Qala e Now – Kushk (472 km)

3) Road Priority Projects:

- a) Complete the civil works for the construction of Baghlan-Bamiyan road
- b) Complete the rehabilitation of the Salang road and tunnel
- c) Complete the remaining section of the Afghanistan Ring Road

4) Transport and transit corridors

- a) Implement the MoU signed between China and Afghanistan under the Belt and Road Initiative.
- b) Complete the internal procedures of the contracting parties required for the entry into force of the International Transport and Transit Corridor (Chabahar Agreement), finalize the

additional protocols and complete the infrastructure and facilities required under the agreement in a timely manner,

c) Complete the internal procedures of the contracting parties required for the entry into force of the Lapis Lazuli Transit, Trade and Transport Route (Lapis Lazuli Corridor), complete or improve the transport infrastructure and procedures as required under the agreement in a timely manner,

C. Trade and Transit Facilitation

1) Complete the internal procedures of the contracting parties required for the entry into force of Cross-border Transport Agreement between Afghanistan, the Kyrgyz Republic and Tajikistan and encourage its possible extension to other countries including Kazakhstan.

2) Review the existing transit trade agreements among the RECCA countries with a view to address their implementation bottlenecks as well as their possible expansion to other countries,

3) Build customs facilities at key crossing points, enhance border management capacities, improve customs procedures, customs harmonization and cooperation including customs-to-customs information sharing.

4) Commence a comprehensive feasibility studies for building Special Economic Zones, Multi Modal Transport and Logistics Facilities in priority places including Zaranj and Aqina in Afghanistan.

5) Accelerate accession to and implementation of the TIR Convention

D. Communications

1) Complete the Afghan Fiber Optic Ring and its connection with China

2) Accelerate work on the Digital CASA

3) Implement open access policies towards enhancing regional digital connectivity

E. B2B and Labor Support

1) Strengthen efforts in support of food industry development at a regional level and implement the Afghanistan-Kyrgyz Republic-Tajikistan Agro Food Industry Development project based on the findings of the feasibility study.

2) Enhance Regional Business-to-Business Partnerships and in this context, operationalize the RECCA Chamber of Commerce as a regional network to connect businesses and encourage innovative public-private partnerships and direct foreign investment including in the RECCA priority regional projects.

3) Finalize a model bilateral agreement on labor support and develop a regional labor exchange and support strategy to incentivize greater cross-border labor market cooperation.

Conclusion

The RECCA regional and partner countries and organizations will work collectively to address the implementation bottlenecks, including the investment needs with respect to the above priority regional cooperation and investment projects, through diversification of fund mobilization attracting investment from a diverse public and private sources including from the new investment banks and sovereign wealth funds.

Toward this end, and through a strengthened network of RECCA National Focal Points, the RECCA regional and partner countries and organizations will strive to achieve the above deliverables including through i) the organization of Investment Road Shows and Regional Business Forums; ii) the preparation of Bankable Projects Briefs for Public and Private Investors; iii) entering RECCA into new strategic partnerships with other regional bodies and initiatives and bringing greater synergy among them; iv) bringing synergy among various transport and transit corridors in the wider RECCA region; v) preparation of the RECCA Annual Reviews; vi) strengthening research capacity under RECCA and vii) transforming the RECCA Website into an interactive web-portal for real-time regional investment promotion and knowledge sharing;

The RECCA regional and partner countries and organizations will support the operationalization of the RECCA Chamber of Commerce; the women's economic empowerment activities under RECCA as well as the establishment of a Center for Research and Evaluation in the framework of RECCA.

The RECCA VII participants requested the RECCA Secretariat to explore appropriate ways and means to maximize synergy between RECCA, HoA-IP and other regional platforms and make recommendations for consideration by RECCA.

The RECCA VII participants extended their appreciation to the governments of Turkmenistan and Afghanistan and all partner institutions for convening the Academic Forum, Business Forum, the Special Event on Women's Entrepreneurship, as well as the Exhibition and the Business Matchmaking Event in the framework of RECCA VII and stressed the importance of effective follow-up on the outcomes of these events. They also welcomed the successful convening of the

RECCA Business Forum in Istanbul in March this year and thanked the government of Turkey for hosting this event.

The participants also thanked the RECCA Secretariat for the excellent work including in preparing the conference documents and stressed the importance of continued support to the Secretariat in the new phase of RECCA's development.

The participants took note with appreciation of the multiple interests expressed by RECCA regional countries to host the next RECCA meeting.