

India-Afghanistan Relations

Political and Cultural Relationship:

India and Afghanistan have a strong relationship based on historical and cultural links. The relationship is not limited to the governments in New Delhi and Kabul, and has its foundations in the historical contacts and exchanges between the people. In recent past, Indo-Afghan relations have been further strengthened by the Strategic Partnership Agreement signed between the two countries in 2011. As Afghanistan was preparing itself for three simultaneous political, security and economic transitions in 2014, India had allayed its fears about its future by making a long-term commitment to the security and development of Afghanistan. The Strategic Partnership Agreement (SPA) between the two sides, inter alia, provides for assistance to help rebuild Afghanistan's infrastructure and institutions, education and technical assistance to rebuild indigenous Afghan capacity in different areas, encouraging investment in Afghanistan's natural resources, providing duty free access to the Indian market for Afghanistan's exports support for an Afghan-led, Afghan-owned, broad-based and inclusive process of peace and reconciliation, and advocating the need for a sustained and long-term commitment to Afghanistan by the international community. As the lead country for Trade, Commerce and Investment CBM of Heart of Asia Process, India hosted Senior Officials Meeting of the Heart of Asia countries in New Delhi in January 2014. MoS Gen V K Singh led the Indian delegation to participate in Heart of Asia Ministerial Meeting in October 2014 in Beijing and the London Conference in December 2014.

There also exists a high-level political engagement with Afghanistan, which is reflected in the large number of bilateral high-level visits. There have been frequent high level visits from both sides, including among others, Prime Minister in May 2011; Vice President in March 2014 and September 2014, External Affairs Minister (EAM) in January 2011, February 2014 and September 2014 ; National Security Adviser (NSA) in March 2011, February 2013 and October 2014; Special Envoy to PM to Kabul in June 2011 for a meeting of the International Contact Group; Foreign Secretary in September 2011, August 2013 and May 2014; Minister of Law & Justice in September 2011 and June 14, Minister for Steel in April, and by Shri S. Ramadorai, Adviser to the Prime Minister of India in the National Council on Skill Development and Shri M.S. Swaminathan, Chairman of National Farmers Commission.

Hon'ble EAM Smt. SushmaSwaraj visited Afghanistan and called on the President Karzai and jointly inaugurated a monumental Afghan Flag on 10 September 2014. This flag, a symbol of Afghan unity and nationhood was organized with assistance from various sponsors including the Flag Foundation of India. India announced US \$ 1 million for creation of a national public park around the flag. Indian initiative was widely appreciated by Afghans and the international community. EAM also

inaugurated the new chancery complex in Kabul from which the Embassy has started operating since July 2014. She pointed out that this was the clearest statement of 'no exit' policy by India.

From the Afghan side, high level visits to India included Former President Hamid Karzai's visit in May, 2013, following closely after his state visit in November, 2012, when he delivered the prestigious MaulanaAbulKalam Azad Memorial lecture, had intensive discussions with political and business leaders and oversaw the signing of four MoUs with India. India also hosted the Upper House of the Afghan Parliament, Meshrano Jirga, for a study visit from 11-18 February, 2013. The former President Hamid Karzai visited India to attend the swearing in ceremony of the Prime Minister ShriNarendraModi in May 2014. Mr Karzai visited India in November 2014 to participate in HT Leadership Summit and also attended the 125th Birth Anniversary of the First PM Pt Nehru, organized by the Indian National Congress. PM Modi met the new President Dr Ghani on the sidelines of the SAARC Summit in Kathmandu in November 2014. Gen. Karimi's visited IMA Dehradun as the Chief Guest at passing out parade in December 2014 and also met with COAS Gen Suhag.

The Presidential elections were held in 2014 in Afghanistan. After a protracted electoral process for two rounds of elections and UN mediated audit process, a Political Agreement was signed between two leading contenders – Dr Ashraf Ghani and Dr Abdullah Abdullah which led to the formation of national unity government, inaugurated on 29 September 2014. The ceremony was attended by our Vice President Dr Hamid Ansari. Our consistent signaling on the political inclusivity and peaceful transfer of power was addressed and appreciated by all sections of the Afghans. Prime Minister ShriNarendraModi in his congratulatory message wholeheartedly welcomed the agreement between the two Afghan leaders and mentioned that wisdom they have shown respects the strong democratic aspirations of the people of Afghanistan, which was also manifested by the poll turnout. PM also conveyed that India will stand steadfastly with the new government of Afghanistan as it continues the task of building a strong, developed and peaceful nation.

Development Cooperation:

Bilaterally, India has played a significant role in the reconstruction and rehabilitation of Afghanistan. India's extensive developmental assistance programme, which now stands at around US 2 billion, is a strong signal of its abiding commitment to peace, stability and prosperity in Afghanistan during this critical period of security and governance transition. This makes India one of the leading donor nations to Afghanistan, and by far the largest from among the regional countries.

India believes that sustainable development of Afghanistan requires long-term investment in Afghanistan that can help it exploit its natural resource wealth. India is, thus, at the forefront of the promotion of investment in Afghanistan and a consortium of

public and private Indian companies has been selected to make one of the biggest investments in the country's mining sector, in the Hajigak iron ore reserves.

Indian and Afghan authorities consult each other regarding early completion of Salma Dam, New Afghan Parliament building, DoshiCharikar Project, Restoration of store place and it is expected for completion in 2015. India provided high protein biscuits through WFP in schools in Afghanistan in all provinces. India also gave US\$ 1 Million assistance for flood relief programme in Badakshan in May 2014.

India signed MoU for 57 projects in July 2014 and for 13 ongoing small development projects (SDPs) in October 2014 (under US\$ 100 million commitment for SDP) covering Public Health, Education, and community infrastructure in various provinces of Afghanistan.

In July 2014, the Embassy completed the scholarship cycle for the academic year 2013-2014, utilizing all the 1000 slots dedicated to Afghans. Besides a record of 100 % achievement, it also had record number of women students – 125. India also sent more than 500 Officials under ITEC programme for various capacity building courses in India.

Economic and Commercial relationship:

India also realises that stability can result in Afghanistan only if all the major actors and countries have a stake in its stability, growth and prosperity. India has, thus, been championing efforts to attract regional and trans-regional investment into Afghanistan that provides a viable alternative to the dominant narrative of extremism and offers job opportunities to its population, by pioneering events like the Delhi Investment Summit on Afghanistan in June 2012. Recognising that the region holds the key to peace in Afghanistan, India is spearheading commercial confidence building measures in the region within the purview of the Heart of Asia Process. Multilaterally, it helped initiate a dialogue on Afghanistan through [various] platforms like the Afghanistan-India-US trilateral and the Afghanistan-India-Iran trilateral that seek to bring together international partners with disparate worldviews in pursuit of the common goal of securing peace and prosperity in Afghanistan. India also expressed its support to international cooperation on Afghanistan at the UN and at various international conferences focused on the future of Afghanistan, including the seminal Tokyo Developmental Conference in July 2012.

The bilateral trade at 683.02 million US\$ for 2013-14 (\$ 474.25 million export and \$ 208.77 million import by India) is at a modest level given the vast potential between two countries. The top commodities exported by India were man-made staple fibres, cereals, tobacco, electrical machinery, dairy produce, eggs, honey, rubber products, pharmaceuticals, clothing accessories, boilers and machineries whereas the imports mainly comprised of fresh fruits, dried fruits/nuts, raisins, vegetables, oil seeds,

precious/semi-precious stones etc. To achieve the possibilities of trade, India and Afghanistan signed a Preferential Trade Agreement in March 2003 under which India allowed substantial duty concessions, ranging from 50% to 100%, to certain category (38 items) of Afghan dry fruits. In November 2011, India removed basic customs duties for all products of Afghanistan (except alcohol and tobacco) giving them duty free access to the Indian market. India is one of the major export destinations of Afghanistan's goods with. The operation of the Chabahar port in Iran could substantially increase Afghanistan's exports by providing a new transit route for Afghan to trade with India and the rest of the world. Recently Indian government has approved USD 85 Million for upgrading the capacity of Chabahar Port in Iran for an alternate trade transit route for Afghanistan.

India hosted the Delhi Investment Summit on Afghanistan on June 28, 2012 to help forge cross-country partnerships for investment in Afghanistan and to offer a counter narrative of economic opportunities in Afghanistan. Apart from above 100 business delegates from Afghanistan and around 160 from India, around 80 delegates from the countries in the region and beyond, including China, Pakistan and Iran participated in the event. Afghan Ministers of Foreign Affairs, Finance, Mines, Trade and Commerce and Agriculture participated in the Summit.

In the last year, following events of business significance took place:

- a. Business Innovation fair was held in Mazar-e-Sharif in March 2014.
- b. Investment Roadshow in Ahmedabad, 15 Apr 2014 - FICCI in association with Indian Embassy, Kabul, Taskforce for Business and Stability Operations (TFBSO), USA and Global Network, organized a 'Road Show on Investment Opportunities in Afghanistan' on April 15th, 2014 at Ahmedabad. This event was organized under the aegis of the Trade Commerce and Investment Opportunities Confidence Building Measure envisaged under the Heart of Asia Process for Afghanistan.
- c. IPHEX (Indian Pharmaceuticals and Healthcare Expo), Mumbai, 21-23 May 2014. Seven Afghan pharma distributors attended the event.
- d. Signing of MoU by EPAA with FIEO and IIA -The Export Promotion Agency of Afghanistan (EPAA) signed two MoUs with Federation of Indian Export Organisation (FIEO) and India's Importers Association (IIA) at New Delhi on 18 & 19 June 2014.
- e. Participation of Afghan delegation in India Mining Summit - An Afghan delegation led by MrJamil Hares, Deputy Minister, Ministry of Mines and Petroleum (MoMP) and Afghan mining companies attended the 7th "India Mining Summit –organized by ASSOCHAM on August 8, 2014 in New Delhi.
- f. Inauguration of 'India Bazar' - An 'India Bazar' comprising of all kinds of Indian manufactured products was inaugurated in Kabul on 18 Sep 2014.

- g. 'Make in India' Campaign on 25 September 2014 - Indian Embassy in Kabul on organized a 'Make in India' campaign which was attended by more than 80 top ranking Afghan businessmen and members from the Chambers of Commerce and Industry.
- h. Afghanistan Investment Forum in Mumbai - An 'Afghanistan Investment Forum' was organized in Mumbai on 01-02 October 2014 by the Global Network, a private consulting firm based in Ahmedabad with the support of Navi Mumbai Chamber of Commerce and USTFBSO. The event was followed by B2B meetings on 02 October.
- i. India Product Show, Kabul, 2-4 November 2014 - FICCI and ACCI in collaboration with Indian Ministry of Commerce and Industries, Indian Embassy, Kabul organized India Product Show on November 2 – 4, 2014 at Intercontinental Hotel, Kabul.
- j. 34th IITF, 2014 at New Delhi, 14-17 Nov 2014 - 24 Afghan companies attended the 34rd Indian International Trade Fair (IITF, 2014) and showcased their products such as saffron, dried fruits carpet, jewelry and handicraft at PragatiMidan, New Delhi.
- k. 45 Afghan Businessmen participated in PHARMEXCIL 2015 in Gujarat in Jan 2015 & also attended Vibrat Gujrat Summit 2015.

Useful Resources:

Embassy of India, Kabul Facebook Page:

www.facebook.com/IndiaAfghanistan

Embassy of India, Kabul Twitter account:

<http://twitter.com/IndianEmbKabul>

Embassy of India, Kabul website:

<http://eoi.gov.in/kabul/>

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