

Research Paper

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Reconnecting Afghanistan

Lessons from Cross-border Engagement



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Summary

- For centuries, Afghanistan was a hub of connectivity – for goods, religions and culture – both between Asia and Europe, and within Asia itself. Its centrality diminished during the colonial era, and in recent times, four decades of conflict have cemented Afghanistan’s status as peripheral rather than integral. For Afghanistan to be economically sustainable, it will need to regain its status as a hub. Several large-scale infrastructure projects, in varying degrees of development, are now aiming to achieve that – in particular, by making Afghanistan a conduit between energy-surplus countries in Central Asia and energy-deficit states in South Asia.
- Among Afghanistan’s neighbours there is a re-emerging recognition that their own interests are better served by engaging with Afghanistan than by isolating it. However, there remains a widespread notion of ‘zero-sum connectivity’, whereby cooperation – exporting power, for instance – in one direction is seen to come at the expense of cooperation in another. In addition, there is some justification for viewing cooperation – relying on imports from a particular country, for example – as creating a vulnerability for the recipient rather than leading to a mutually beneficial relationship.
- This paper examines several examples of ongoing engagement between Afghanistan and its neighbours, with the intention of:
 - documenting the processes through which engagement took place, to enable potential replication;
 - demonstrating that engagement with Afghanistan can bring positive economic benefits; and
 - exploring whether these examples of ‘local’ cross-border cooperation have implications or learnings for more large-scale infrastructure projects.
- In many cases, the initial response (whether from government or from local communities) to cross-border initiatives has been sceptical. Yet once in place, these initiatives have created positive sentiment among both officials and communities. The importance of the ‘demonstration effect’ is likely to be as important for large-scale initiatives as for smaller projects.
- The creation of people-to-people contacts helps to erode stereotypes that have fed into broader narratives regarding Afghanistan. Many of the successful cross-border initiatives have approached Afghans as consumers rather than objects or even victims. Rather than approaching the country solely as a conduit, spreading the benefits (of energy access or goods) within Afghanistan may facilitate greater local ownership for large-scale projects.

- There is merit in focusing on the provision of healthcare and energy access in particular as a means of increasing the reach, and thereby entrenching, the Afghan state. The provision of both is largely politically neutral, and difficult for opponents of the state to argue against. Healthcare needs are significant. There is a growing sense in South Asia, and a re-emerging sense in Central Asia, that energy trading is the entry point for regional cooperation.
- Successful connectivity does not simply arise from building physical infrastructure. It requires legal and regulatory alignment, along with the development of appropriate skills to enable benefits to be spread. Relatively simple logistical issues cause many of the existing barriers. For instance, it is easier to develop border markets if vehicles can drive into those markets, and easier still if they can drive across the border. The need to have passports stamped at the border is a significant deterrent to cross-border interaction: regular traders will frequently need to renew their passports, which is a burdensome activity in Afghanistan and many of its neighbouring states.

1. Introduction

Cultural similarities are shared across borders in South and Central Asia, but often those borders act as barriers, rather than as the means of connection. Historically, both regions have been associated with homogeneous political units: much of South Asia was incorporated into British India, while the Central Asian republics were subsumed into the Soviet Union. On gaining independence – the former in the 1940s, the latter in the 1990s – the newly sovereign countries within each region each sought to define themselves and forge a sense of national identity. This was often pursued through a series of nation-building projects that frequently served to heighten each country's sense of difference from its neighbours. So, despite cultural similarities between countries, freedom of movement (of goods, services and people) has become the exception rather than the norm, and border regions are perceived in generally negative terms.

Afghanistan, which has cultural links with countries to its north and its south, sits between Central and South Asia – or, by a more positive framing, forms part of both. For centuries, the country was an *entrepôt* for goods, people and ideas. During the colonial era, international borders were imposed upon it in order to create a closed buffer between the Russian and British Empires. Numerous railways with different gauges were built running towards Afghanistan's borders but stopping short of actually crossing them. Connectivity into Afghanistan began to be seen as a threat – a means of facilitating invasion – rather than an opportunity.

After decades of conflict, in the 21st century Afghanistan finds itself peripheral to both South Asia and Central Asia – clear-cut, if poorly integrated regions – as well as its other neighbours, China and Iran. There is a tendency, not without justification, for Afghanistan to be seen as the source of regional instability rather than a potential opportunity as a hub for mutually beneficial connectivity and cooperation. Thus, Afghanistan is blamed as the source of Islamist fundamentalism as well as a vast illicit narcotics economy that harms each of its neighbours and nurtures far-reaching corruption. Even if some elites in neighbouring states currently do benefit from engagement, these issues scarcely serve to encourage positive thinking towards Afghanistan. Furthermore, while there may be an alternative view – that events in, or goods and ideas emanating from, Afghanistan simply exacerbate existing domestic problems¹ – that view also fails to provide significant cause for optimism.

The benefits of people-to-people contact in complementing official bilateral relationships are well known. Public diplomacy cannot simply comprise the one-way delivery of messages; instead, it requires sustained engagement and the strengthening of networks. For countries like Afghanistan, this is paramount if its neighbours are to play a positive role in the country's future. The starting point is, however, low. While conflict in Afghanistan is an undoubted reality, it has also served

¹ See Bohr, A. and Price, G. (2015), *Regional Implications of Afghanistan's Transitions: Pakistan, Kyrgyzstan and Tajikistan*, Research Paper, London: Royal Institute of International Affairs, <https://www.chathamhouse.org/publication/regional-implications-afghanistans-transitions-pakistan-kyrgyzstan-and-tajikistan> (accessed 13 May 2019).

the domestic interests of Afghanistan's northern neighbours to emphasize the fragile security of Afghanistan over its economic potential, for instance. In particular, the threat posed by radical Islamism to the Afghan government epitomizes, for their secular regimes, the worst-case scenario.

Normalizing external perceptions of Afghanistan – and of Afghans themselves – is thus a necessary component in encouraging more positive external engagement, which in turn is a precondition for the establishment of a sustainable Afghan state. While political stability is the short-term imperative, in the longer term economic sustainability depends on Afghanistan being reframed as a means of regional connection, or as a pivot, between Central and South Asia. This in turn implies rethinking the status of the border regions through which such connectivity will have to take place.

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Afghanistan's borders were artificially drawn and imposed on it in the late 19th century as Russia and Britain sought to separate themselves with a buffer state. Thus, the Wakhan corridor was added to Afghanistan in the 1890s to ensure that the British and Russian empires were not contiguous – not because of any prior control from Kabul. Afghanistan's border with China remained unmarked until the 1960s.

On one level, it is the shared ethnicity across its borders, and the porous nature of the frontiers themselves, that give Afghanistan a relatively higher level of integration with certain of its neighbours than is the case for other landlocked countries within the region. However, official people-to-people contacts are stymied by visa requirements and other bureaucratic hurdles, underpinned by real or exaggerated security concerns.

To Afghanistan's north, despite shared ethnicities, the Central Asian states have tended to deal directly with Uzbek, Turkmen and Tajik strongmen in Afghanistan, rather than explore the possibilities provided by 'bottom-up' interactions with Afghan communities. In contrast, Pakistan has at times seen the sharing of Pashtun identity across its border with Afghanistan as a threat rather than an opportunity to develop links based on shared linguistic and cultural traits. In a similar vein – and in addition to the threat posed by narcotics smuggling between the two countries – the shared Sunni faith across the Iran–Afghanistan border represents an extra perceived threat to Tehran.

On some issues, Afghanistan's neighbours have benefited from its instability. For instance, water is an increasingly contentious issue in each of Afghanistan's neighbouring states. According to the World Resources Institute,² of Afghanistan's neighbours only Tajikistan and China are not faced with an 'extremely high' level of water risk. As the upstream riparian state, the destruction of water infrastructure in Afghanistan during decades of conflict has served to benefit its downstream neighbours. Afghan reconstruction – necessary if the agricultural population is to benefit from irrigation – is thus a sensitive issue.

² World Resources Institute (2013), 'Water Stress by Country', <https://www.wri.org/resources/charts-graphs/water-stress-country> (accessed 13 May 2019).

Similarly, although Iran and Pakistan have particular concerns regarding their large Afghan refugee populations, certain groups within both countries have clearly benefited from their presence. For instance, landlords in Peshawar, capital of Pakistan's Khyber Pakhtunkhwa province, have profited from renting homes to wealthier Afghans. Employers in both countries can 'take advantage of cheap and effective immigrant labour'.³

For Afghanistan's economy to be sustainable and secure, it will have to reverse long-standing conceptions and reposition itself as central – and vital – to its neighbours. A great deal of effort has been spent in recent years trying to make Afghanistan pivotal rather than peripheral to its neighbours. Yet the re-emergence of a new Silk Road goes against the dominant view both in Afghanistan and in the region at large.

Iran and China aside, Afghanistan's other neighbours have been engaged in nation-building projects; Pakistan since the 1940s and the Central Asian Republics since the early 1990s. Self-reliance has at times constituted an integral part of such projects. Rather than being seen as a means of building confidence, cross-border collaboration has often been seen as increasing the vulnerability of one country to the whims of another. In Central Asia, benefit-sharing schemes involving electricity and water were terminated to promote self-sufficiency, even though this resulted in sporadic shortages in the supply of both. Now, however, there are signs that this approach is starting to change across both South and Central Asia. Power trading currently takes place among India, Bangladesh, Bhutan and Nepal, while the Central Asian Republics appear similarly to be reverting to the shared systems from which they benefited during the Soviet era.

The successful reinvention of the Silk Road is likely to be based on power – literally involving pylons and pipelines – rather than goods. Three major initiatives at varying stages of development aim to move electricity and gas from Central to South Asia. Construction of the Pakistan section of the Turkmenistan–Afghanistan–Pakistan (TAP, or TAPI with India) pipeline was due to begin in Pakistan during 2019, with work already ongoing on the Turkmenistan and Afghanistan sections. Given an amelioration of relations between India and Pakistan, the scheme could potentially continue into India. The Central Asia–South Asia 1000 (CASA-1000) and the Turkmenistan–Afghanistan–Pakistan 500 (TAP 500) energy transmission lines are scheduled to begin functioning in 2020 and 2021 respectively. The Turkmenistan–Uzbekistan–Tajikistan–Afghanistan–Pakistan (TUTAP) project is intended for completion in 2022. In addition to providing it with electricity, these projects will secure significant transit fees for Afghanistan. Furthermore, they could serve to enable an integrated market in energy linking South and Central Asia.

Afghanistan has large undeveloped mineral resources, including copper, iron and rare earth elements. In total, these are reputed to be worth some \$1 trillion. Improvements in overland connectivity could facilitate the development of these minerals, and Afghanistan could thus benefit from engaging in several regional connectivity initiatives that are already at the development stage. Potential game-changers in this regard include the so-called Lapis Lazuli corridor (which runs west from northern Afghanistan through Turkmenistan, Azerbaijan, Georgia, Turkey and thence to Europe); the construction of direct road and rail links between Herat and the Iranian

³ Margesson, R. (2007), *Afghan Refugees: Current Status and Future Prospects*, Congressional Research Service Report for Congress, <https://fas.org/sgp/crs/row/RL33851.pdf> (accessed 13 May 2019).

port city of Chabahar (which would provide an alternative to Afghanistan's current reliance on Pakistan for access to the Indian Ocean); and China's Belt and Road Initiative, within which connectivity through Pakistan, via the China-Pakistan Economic Corridor, is a key component. Railway connections to Iran and Central Asia are also in various stages of development.

While progress is being made on many of these long-awaited initiatives, the pace has generally been slow. This, in turn, has hindered the various large-scale mining projects that have been mooted for Afghanistan; these have stalled, since they are contingent on better connectivity and reliable supplies of power. Security concerns, together with other technical and pricing issues, have also contributed to the delays. Until the mining projects are realized in their entirety, they remain symbolic of the difficulties that currently face the country.

Afghanistan has found itself caught in a double bind. Economic development has been obstructed by its neighbours' uncertainty regarding its political direction, leading them to underinvest in its economy. Yet Afghanistan's inability to develop its economy, in turn, feeds insecurity. Of late, however, many of its neighbours appear to have recognized that Afghanistan's security, and hence their own, will benefit from greater connectivity, providing an opportunity for Afghanistan to reposition itself as central to the wider region, rather than a problem to be managed.

Afghanistan has found itself caught in a double bind. Economic development has been obstructed by its neighbours' uncertainty regarding its political direction, leading them to underinvest in its economy. Yet Afghanistan's inability to develop its economy, in turn, feeds insecurity.

Notwithstanding the many and diverse challenges hindering the repositioning of Afghanistan at the macro level, this paper documents several ongoing examples of successful and mutually beneficial cross-border collaboration between Afghanistan and its neighbours. Much of Afghanistan's electricity is imported from Central Asia. Currently the end user of power, Afghanistan should eventually be able to generate revenue from carrying Central Asian power into energy-scarce South Asia. To be sustainable, this will require local ownership within Afghanistan in particular; the expanded provision of energy within Afghanistan is likely to be an important factor enabling it to act as a conduit. In this context, the paper explores the development of off-grid energy trading between Tajikistan and the adjoining Afghan province of Badakhshan, one of the poorest in the country.

A number of border markets have been set up that allow Afghans to trade with their neighbours, or to import and export goods from further afield, taking advantage of price differentials. As with energy, Afghanistan could in time become the link for merchandise trade between Central and South Asia; this would likewise generate domestic revenue. While existing border markets may currently be on a small scale, there is a powerful symbolism in demonstrating that Afghanistan can be a consumer or exporter of licit wares, and in changing the prevailing negative narrative.

The paper outlines efforts to develop a shared approach for Iran and Afghanistan to manage the Helmand river and Sistan lakes, with the desiccation of the latter over the past decade creating a major environmental challenge. Given the sensitivities, politics and history involved

in this particular ecosystem, there are implications, in terms of approach, for other shared environmental challenges. Widespread environmental degradation, exacerbated by years of conflict, provides yet another barrier to creating a sustainable Afghan economy.

Also examined is Afghan medical tourism. The destruction of medical facilities within Afghanistan during years of conflict has forced many Afghans to travel abroad for treatment. While the narrative arises frequently that Afghans represent a burden for neighbouring countries, medical tourists provide a source of income for those same countries. This paper also notes the development of specific cross-border medical linkages between Afghanistan and Tajikistan.

These initiatives can serve to enhance prosperity in Afghanistan's peripheries, and in turn enhance the reach of, and thus help entrench, the Afghan state. Most importantly, the paper assesses the extent to which existing examples of cross-border cooperation provide lessons for replication on other borders, as well as for the larger-scale and long-standing infrastructure initiatives that are vital for Afghanistan's long-term economic security.

The notion that Afghanistan can be a source of licit benefits for its neighbours is far from mainstream opinion. And yet there are examples where it is exactly that.

The nature of news media means that success stories tend to be far less well publicized than are failures. Across South Asia, this frequently leads to lower expectations and provides excuses for issues such as poor service delivery. In the case of Afghanistan, the tendency is even more pernicious. The notion that Afghanistan can be a source of licit benefits for its neighbours is far from mainstream opinion. And yet, as this paper documents, there are examples where it is exactly that.

The purpose of this paper is to promote a better understanding of the processes involved: the challenges that were faced and the benefits that have accrued. The future sustainability of Afghanistan's economy will be predicated on the degree to which it is integrated with its neighbours. An autarchic Afghanistan will remain rural and poor, and will be forced to rely on handouts from one or more global powers. The country's location will need to become an asset rather than a barrier, if this is not to be the case. Once connected, Afghanistan can begin to capitalize on its other potential comparative advantages – its mineral resources and, notably, its people – ensuring that it reaps a demographic dividend from having one of the most youthful populations in the world.

Methodology

Afghanistan's economic stability is likely to depend on bringing to fruition certain large-scale infrastructure projects, many of which have been in gestation for years. This paper has set out to explore whether ongoing, smaller-scale examples of cross-border engagement can provide lessons or ideas that could facilitate progress on the larger projects. In addition, and more broadly, a stable Afghanistan will call for positive bilateral relations with its neighbours, which

are unlikely to develop if it continues to be conceived as a source of public ‘bads’. Thus this paper has set out to document examples where this is not the case, and to suggest means by which they could be replicated.

The project involved mapping out, through desk research, a long list of examples of positive cross-border interaction, before examining a selection of case studies. Fieldwork was conducted in Dushanbe and Khorog in Tajikistan, and in Shighnan district in the Afghan province of Badakhshan.

As part of the fieldwork, interviews were conducted with a wide cross-section of stakeholders, including representatives of the international donor community,⁴ staff managing various cross-border projects, and Afghans benefiting – directly or indirectly – from such projects. The discussions notably included a group of Afghan women about how cross-border connectivity affected their community-level savings programme, and a visiting delegation from the Badakhshan provincial government that was assessing health and education facilities in Shighnan. The security situation precluded fieldwork in other districts of Badakhshan.

Clearly there are cultural specificities that characterize the Afghan–Tajik border region. In particular, it is pertinent that the Afghan side of the border is better connected to Tajikistan than it is to the rest of Afghanistan. However, some of the approaches used to establish successful initiatives in a region of shared ethnicity and language seem pertinent to Afghanistan’s other border regions.

The paper draws on existing data, much of which – particularly in relation to trade – appear potentially unreliable and not necessarily representative. Nonetheless, although quantification of the benefits may be challenging, interviews in the field suggested that the benefits of cross-border engagement – both in terms of welfare and in improving cross-border perceptions of the neighbouring state – were substantial.

While the assumption that improved connectivity brings net economic benefits holds true, in recent years greater attention has been devoted to the question of where those benefits accrue: whether centres benefit over peripheries, or whether one country benefits over another. These questions certainly apply to Afghanistan, where the lack of governance in peripheral regions has led to a reliance on illicit trade. Of course, illicit trade, too, can benefit from improved connectivity; however, it is generally the case that improved connectivity facilitates better governance, while an economy supported by illicit trade breeds insecurity and prevents political stability. A sustainable Afghan economy would require improved connectivity between Central and South Asia and the development of licit trade to counter trafficking.

⁴ Including: USAID (United States Agency for International Development), GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), DFID (UK Department for International Development), EU (European Union), JICA (Japan International Cooperation Agency), SDC (Swiss Agency for Development and Cooperation), and IOM (International Organization for Migration).

2. Energy Trading

In contrast to the current levels of economic interaction between the countries of South Asia, a resilient Afghan economy would most likely be predicated on the country's centrality in the transmission of energy between resource-rich and resource-poor regions. Afghanistan is located geographically between energy-surplus countries in Central Asia (with Iran, additionally, to its west), and energy-deficit countries of South Asia. However, progress on large-scale energy transmission projects such as CASA-1000 (for electricity), or the TAP/TAPI gas pipeline, has been slow thus far, despite the fact that implementation of these megaprojects would benefit each of the participating countries (with Afghanistan benefiting both from increased energy access and from transit fees) and should serve to improve regional trust.

The countries of Central Asia benefited from a relatively sophisticated mechanism of power trading when they were part of the former Soviet Union. This is currently being re-established, after several countries pushed for self-sufficiency in the period immediately following independence in the early 1990s. However, cross-border power trading is a relatively new phenomenon in South Asia. Until recently most countries in that region recorded power deficits, rendering any discussion of power-trading opportunities largely redundant. A surge in production in India, partly driven by increased capacity in renewables, overestimates of projected demand and the rehabilitation of India's northern power grid, have facilitated bilateral energy trading with Nepal and Bangladesh. A template of sorts has been provided by the example of Bhutan, which has exported much of its hydroelectricity production to India. Power is not traded across the border between India and Pakistan for now; but elsewhere, progress towards a South Asian regional energy market has been relatively rapid.

In the mid-1990s, just 0.01 per cent of the population of Afghanistan had access to electricity. This started to increase from 2001, so that by 2009 45 per cent of the population had access, and by 2014 almost 90 per cent could access some degree of power.

While the large projects provide Afghanistan with the role of a conduit between Central and South Asia, Afghanistan also represents a significant potential market in its own right. Access to electricity was destroyed by decades of conflict. In the mid-1990s, according to the World Bank,⁵ just 0.01 per cent of the population of Afghanistan had access to electricity. This started to increase from 2001, so that by 2009 45 per cent of the population had access, and by 2014 almost 90 per cent could access some degree of power. However, the number connected to the

⁵ World Bank, International Energy Agency and the Energy Sector Management Assistance Program (2019), 'Access to electricity (%)', Sustainable Energy for All (SE4ALL) database, World Bank, <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=AF> (accessed 13 May 2019).

grid is much less (in 2013–14 just 27.9 per cent,⁶ estimated to have risen to 32 per cent⁷ by 2018). Grid supplies are rationed, and electricity consumers remain concentrated in the main cities, the majority in Kabul. Off-grid electricity comes from a variety of sources, including mini-grids, generators and batteries, along with renewable energy from solar and wind installations.

There have been significant moves to improve Afghanistan's grid. In 2010 the Indian-funded transmission line between Pul-e-Khumri and Kabul was completed. This enables power from Afghanistan's northern neighbours to be exported into Afghanistan. Most of Afghanistan's electricity is currently imported either from the Central Asian Republics or from Iran. As Afghanistan's domestic grid system is improved, the prospects are enhanced for it to benefit from the megaprojects as a consumer.

The main energy source, however, is traditional biomass, which is estimated to account for some 85 per cent of energy production at present. The use of traditional biomass – mainly wood and dung – along with coal for heating, and kerosene (peat oil) for lighting, has negative implications for individuals' health, the Afghan economy and the environment. The cold winter weather in upland areas means that some households consume as much as 10 tonnes per year, and firewood shortages are commonplace. When demand is high, half a tonne of firewood can cost as much as \$100. Put another way, the amount of biomass used to heat Afghanistan is 50 per cent more by weight than the amount of wheat harvested.

According to the World Health Organization (WHO), more than 95 per cent of Afghans burn solid fuel for heating purposes.⁸ Furthermore, WHO holds smoke inhalation responsible for 54,000 Afghan deaths each year.⁹ (For the purposes of comparison, the UN Assistance Mission in Afghanistan has estimated that just over 32,000 Afghan civilians were killed in conflict between January 2009 and December 2018.)¹⁰ Afghans typically use a wood-burning *bukhari* – a drum-shaped metal stove, or a *sandali* – a pit of burning coal. Smoke inhalation from these devices can cause bronchitis, cardiovascular disease, lung cancer and pneumonia. They also emit greenhouse gases and frequently cause burns. Women and children – who spend more time in the home – are worst affected, and the majority of deaths occur in children under five. Various initiatives are under way to introduce clean cooking stoves.

⁶ Krishnan, N., Tan, X., Wieser, C., and Yde-Jensen, T. (2018), *Afghanistan's Displaced People: A Socio-Economic Profile, 2013-2014. Key Findings from the 2013-14 Afghanistan Living Conditions Survey*, Washington, DC: 2018 International Bank for Reconstruction and Development/The World Bank, <http://documents.worldbank.org/curated/en/294921533557045480/pdf/129249-ALCS-2013-14-note-CLEAN-UPDATED.pdf> (accessed 28 May 2019).

⁷ Smart Energy International (2018), 'ADB co-funds Afghanistan's \$80m energy contracts', 25 April 2018, <https://www.smart-energy.com/industry-sectors/energy-grid-management/afghanistan-adb/> (accessed 28 May 2019).

⁸ Rehfuss, E. (2006), *Fuel for life: household energy and health*, Geneva: World Health Organization, <https://www.who.int/airpollution/publications/fuelforlife.pdf> (accessed 13 May 2019).

⁹ Nichols, M. (2011), 'Winter brings fiery killer into Afghan homes', Reuters, 13 January 2011, <https://www.reuters.com/article/us-afghanistan-winter-deaths-feature/winter-brings-fiery-killer-into-afghan-homes-idUSTRE70C0V220110113> (accessed 26 Jun. 2019).

¹⁰ United Nations Assistance Mission in Afghanistan (2018), *Afghanistan: Protection of Civilians in Armed Conflict: Annual Report 2018*, Kabul: United Nations Assistance Mission in Afghanistan and Office of the United Nations High Commissioner for Human Rights, https://unama.unmissions.org/sites/default/files/afghanistan_protection_of_civilians_annual_report_2018_final_24_feb_2019_1.pdf (accessed 8 Mar. 2019).

Afghan homes without access to electricity rely on kerosene for lighting. Kerosene is Afghanistan's third largest import, at a cost of almost \$600 million in 2016.¹¹ Burning kerosene adds to indoor air pollution and black (pure) carbon emissions, while kerosene poisoning is a risk, particularly for children.

The felling of fruit and nut trees by Afghan farmers in order to harvest their wood for firewood is a practice that is likely to have a serious impact on farmers' incomes in the future, with potential revenue streams being literally burnt.

The felling of fruit and nut trees by Afghan farmers in order to harvest their wood for firewood is a practice that is likely to have a serious impact on farmers' incomes in the future, with potential revenue streams being literally burnt. Pistachios, which currently grow wild, are one of Afghanistan's highest-value crops; however, in Badghis province (to take one example), the area covered by pistachio trees was estimated in 2018 to have fallen to just 28,000 hectares from around 90,000 hectares a few years earlier,¹² with most of the trees being cut to provide wood for fuel.

The reliance on wood as a fuel source has also inflicted a great deal of harm on the environment. According to the United Nations Environment Programme,

[T]ree cover in Afghanistan in the 1950s was estimated at ~3.3 million hectares and is currently estimated at less than 1 million hectares. From 2000–2005, the rate of deforestation was ~3%, which equates to an annual removal of ~30,000 hectares of forest. The primary factors causing this loss of forest and woody cover is overgrazing/overbrowsing by goats and unsustainable firewood collection.¹³

Now, barely more than 1 per cent of the country is forested, as trees are felled both for timber – frequently smuggled into Pakistan – and fuel. (Tree felling was officially banned in 2006, but continues nonetheless, with the profitable industry run by timber 'mafias'. Timber smuggling provides sources of funding for various armed groups, and, allegedly, for corrupt government officials.)

Some projections suggest that Afghanistan's forest cover will have disappeared in less than 30 years.¹⁴ In 2009, it was estimated that the province of Nangarhar had lost 90 per cent of its forest cover since 1989. Deforestation also harms Afghanistan's air quality, and, through the resultant erosion of topsoil, affects farmers' livelihoods and increases the impact of floods. Hundreds of people have been killed annually in recent years as a result of flooding. The ongoing depletion of forest cover places parts of Afghanistan at risk from desertification.

¹¹ World Integrated Trade Solution (undated), 'Afghanistan Trade at a Glance: Most Recent Values', <https://wits.worldbank.org/CountrySnapshot/en/AFG/textview> (accessed 13 May 2019).

¹² World Food Programme (2017), *Badghis Emergency Assessment Report November 2017*, Afghanistan Food Security Cluster and World Food Programme, <https://reliefweb.int/sites/reliefweb.int/files/resources/badghis20emergency20food20security20assessment20201720report.pdf> (accessed 13 May 2019).

¹³ UNEP and NEPA (2008), *Afghanistan's environment 2008*.

¹⁴ UN News (2012), 'UN-supported project brings Afghans one step closer to cleaner cooking stoves', 28 February 2012, <https://news.un.org/en/story/2012/02/404992-un-supported-project-brings-afghans-one-step-closer-cleaner-cooking-stoves> (accessed 21 May 2019).

Deforestation also affects Afghanistan's biodiversity. In other countries that have areas of conflict or that are post-conflict, conservation projects have been implemented that link species protection to local people's livelihoods (rather than focusing on the protection of certain environments). By developing ecotourism and sustainable forest management, conservation is seen as a means of developing civil society and governance structures. While this may seem overly aspirational in the case of Afghanistan, efforts by the United Nations Development Programme (UNDP) to protect snow leopards in the Wakhan Corridor, in the northeast of the country, have had some successes. Local people have been involved in the project working as rangers to patrol the park, while pens have been constructed so that livestock herders do not need to kill leopards to protect their animals.¹⁵

In sum, the provision of alternative energy sources for local populations is a vital factor in protecting Afghanistan's forests. Afghanistan has significant needs for electricity, whether on- or off-grid, and the benefits from greater energy provision would be substantial and multi-layered. Most electricity is currently imported, and the vast majority of domestic generation on-grid comes from hydropower.

Table 1: Sources of Afghan grid electricity, 2015/16

| Imports (GWh) | 3,767 | Domestic generation (GWh) | 1,007 |
|---------------|-------|---------------------------|-------|
| Uzbekistan | 1,284 | Of which hydro | 967 |
| Turkmenistan | 1,184 | Thermal | 40 |
| Iran | 827 | | |
| Tajikistan | 471 | | |

Note: As of 2015, Afghanistan had installed hydropower capacity of 254 MW and 312 MW of thermal capacity. The thermal plants are primarily diesel-powered, and hence expensive to operate.

Source: World Bank (2018), *Afghanistan Renewable Energy Development Issues and Options*.¹⁶

Much of Afghanistan's hydropower infrastructure has been damaged by conflict; and attempts to renovate or build new infrastructure have riled downstream neighbours, which have benefited from increased water supply owing to disrupted upstream water storage. The rest of domestically sourced power comes from fossil fuels from two oil-fired power stations near Kabul (two gas-powered power stations are planned) and renewables.

According to the Ministry of Water and Energy,¹⁷ Afghanistan has the potential to produce 222,000 MW of electricity from solar, 68,000 MW from wind, 23,000 MW from water (though some estimates are higher) and 4,000 MW from biomass annually.

¹⁵ UNDP Afghanistan (2016), 'Snow leopards in Wakhan: UNDP talks big cats and conservation on Mitra TV (Video)', UNDP Press Center, 5 October 2016, <http://www.af.undp.org/content/afghanistan/en/home/presscenter/IntheNews/snowleopard.html> (accessed 13 May 2019).

¹⁶ World Bank (2018), *Afghanistan Renewable Energy Development Issues and Options*, Washington, DC.: World Bank Group, <http://documents.worldbank.org/curated/en/352991530527393098/pdf/Afghanistan-Renewable-Energy-Development-Issues-and-Options.pdf> (accessed 13 May 2019).

¹⁷ UNDP in Afghanistan (2017), 'The Power of Nature: How Renewable Energy is Changing Lives in Afghanistan', 13 September 2017, <http://www.af.undp.org/content/afghanistan/en/home/presscenter/IntheNews/renewable-energy-in-afghanistan-atn.html> (accessed 13 May 2019).

A number of off-grid renewable energy projects are being developed across Afghanistan. UNDP alone has implemented several projects across the country providing clean energy to more than 500,000 people.¹⁸ For instance, the Kabul suburb of Sang-e-Nawishta is powered by two wind turbines. In total, UNDP has implemented 100 small solar projects, 44 biogas plants and 240 micro-hydropower projects.

Afghanistan has the potential to produce 222,000 MW of electricity from solar, 68,000 MW from wind, 23,000 MW from water and 4,000 MW from biomass annually.

However, potential consumption is much higher than current production. Central Asian power exports to Afghanistan are significant and growing. In 2015/16, Afghanistan imported a total of 3,767 MW of electricity from its Central Asian neighbours and Iran (see table below). Demand for energy in Afghanistan is likely to increase considerably as the country continues to experience a high rate of population growth and growing urbanization – not least because of internal displacements.

The system of power trading operated between the Central Asian Republics during the Soviet period (known as the Central Asia Power System – CAPS) offered a good example of benefit-sharing, with 83 power stations across Central Asia producing 25,000 MW.¹⁹ During the winter, Kirghizia (now Kyrgyzstan) and Tajikistan stored water in reservoirs and imported power and fuel from Kazakhstan, Turkmenistan and Uzbekistan. In the summer months, Kirghizia and Tajikistan provided water for irrigation to Kazakhstan and Uzbekistan, along with electricity generated by hydropower.

Following the dissolution of the Soviet Union, CAPS gradually disintegrated, with Uzbekistan and Kazakhstan eventually pulling out in the late 2000s. The single central management system collapsed, and technical problems, coupled with the desire of the newly independent Central Asian republics to promote a sense of nationalism and self-reliance, led to the rise of autarchic systems.

Rebuilding a similar regional power-trading system that includes Afghanistan – which at present can only play one of two roles, that of downstream consumer, or that of conduit – appears challenging. Yet Afghanistan is becoming a significant consumer of Central Asian power. In part Afghanistan has benefited from its neighbours' historical experience of CAPS, receiving some of their surplus resulting from the break-up of the system. Some steps are being taken to reintegrate the power systems of Central Asia, and in November 2017 it was announced that the Uzbek and Tajik energy grids were to merge.²⁰ As the tendency shifts away from autarchy and back towards cooperation, it will be imperative that Afghanistan (and the countries of South Asia) become an integral part of the resultant mechanism. There is a risk that cross-border engagement is conceived in zero-sum

¹⁸ Ibid.

¹⁹ Tomborg, I. (2012), 'Energy industry in Central Asia – challenges and prospects', Russian International Affairs Council, 26 April 2012, <https://russiancouncil.ru/en/analytics-and-comments/analytics/energy-industry-in-central-asia-challenges-and-prospects/> (accessed 26 Jun. 2019).

²⁰ Eurasianet (2017), 'Uzbekistan, Tajikistan Power Grids to Reunite in Boon for the Region', 8 November 2017, <https://eurasianet.org/uzbekistan-tajikistan-power-grids-to-reunite-in-boon-for-the-region> (accessed 13 May 2019).

terms whereby, for instance, energy is exported to Afghanistan at the expense of another country. Building a more multilateral energy grid reduces this risk, and counters the risk that importing power from one country creates a vulnerability to political shifts in the upstream producer.

Uzbekistan is currently the largest provider of electricity to Afghanistan. A 440-km high-voltage transmission line connecting the two countries was completed in 2008, linking Kabul and five Afghan provinces with Uzbekistan. By 2011 the line had a capacity of nearly 300 MW. Uzbek power supplies have been reliable, though there are commercial reasons for this. The collapse of CAPS meant that Uzbekistan had a certain amount of surplus power available to export, while Afghanistan had few alternative suppliers during winter. This enabled Uzbekistan to charge a high rate for power supplies²¹ – around \$0.10 per kilowatt hour (kWh), or roughly double the rate charged by Tajikistan and Turkmenistan.

However, in 2018 the cost of Uzbek electricity was lowered to \$0.05 per kWh, bringing it in line with its neighbours. Uzbekistan's state-run power company, Uzbekenergo, has also begun building a 260-km transmission line between Surkhan in Uzbekistan and the Afghan town of Pul-e-Khumri (to connect with the Indian-constructed line running from the latter to Kabul). This will enable a significant expansion of Uzbek power exports, and could potentially be extended to Pakistan. The project may also enable the electrification of the railway connecting Hairatan, in Balkh province and on the border with Uzbekistan, with the provincial capital of Mazar-i-Sharif, reducing transport costs on that route.

Tajikistan's exports complement those of Uzbekistan. Most of its energy comes from hydropower – the country is home to 4 per cent of potential global hydropower.²² This potential includes the massive Roghun hydropower project, which could generate 3,600 MW. However, it was bitterly opposed by Islam Karimov, the former Uzbek president. The current Uzbek government has not clarified its stance towards Roghun. Peak supply in Tajikistan is reached in summer, although in the winter months Tajikistan experiences energy shortages. Were intra-Central Asian power trade to be revived in the absence of expanded power generation capacity, Tajik and Uzbek exports to Afghanistan could be jeopardized.

Were intra-Central Asian power trade to be revived in the absence of expanded power generation capacity, Tajik and Uzbek exports to Afghanistan could be jeopardized.

Turkmenistan has the world's sixth largest gas reserves, and has invested heavily in gas-fired power stations, enabling it to export power to Afghanistan as well as Iran. Turkmenistan is connected to Afghanistan by existing transmission lines between Ymamnazar, on its southeastern border, and the Afghan town of Andkhoy (in Faryab province); and between Serhetabat, in the extreme south of Turkmenistan, and Herat, Afghanistan's third largest city. However, these cables are

²¹ Aminjonov, F. (2016), *Afghanistan's energy security: tracing Central Asian countries' contribution*, Kabul: Friedrich-Ebert-Stiftung Afghanistan Office, <https://library.fes.de/pdf-files/bueros/kabul/12790.pdf> (accessed 10 Mar. 2019).

²² Energypedia (undated), 'Tajikistan Energy Situation', https://energypedia.info/wiki/Tajikistan_Energy_Situation (accessed 13 May 2019).

not able to deliver the 300 MW exports agreed under the Asian Development Bank's (ADB) TUTAP Power Interconnection Framework.²³ In 2018 work started on a high-voltage transmission line which would enable Turkmen exports to Afghanistan to increase substantially – and potentially to overtake those of Uzbekistan.

The break-up of CAPS, and the subsequent desire of the Central Asian countries to be self-sufficient, have led energy exports to be seen as providing leverage, while energy imports create vulnerabilities. Given the necessity of energy security for economic stability, there is a need to develop a sense of co-dependency, rather than the current patron-client relationships that exist, to a greater or lesser extent, in each case.²⁴

Large-scale projects also face security threats. For instance, in early 2018 the Taliban attacked the transmission lines connecting Uzbekistan and Tajikistan to Kabul four times within a one-month period.²⁵ While such attacks, and the resultant damage to infrastructure, are routinely claimed by and blamed on the Taliban, some hold that beneficiaries of the status quo – in particular diesel 'mafias' selling fuel for small generators – could have been to blame.

Two of the long-awaited megaprojects are gradually coming to fruition, enabled in part by the increased interconnectedness of Afghanistan's electricity grid. In February 2018 a framework agreement was signed for the TAP Power Interconnection Project. The first phase will use infrastructure constructed as part of the TUTAP Power Interconnection Project, enabling power to be exported from Turkmenistan to Afghanistan and Pakistan. This is due to be completed by 2021. The second phase, scheduled for completion the following year, will transfer power from Turkmenistan into Herat, Kandahar, and through Spin Boldak (all in Afghanistan); and to Chaman and Quetta in the Pakistani province of Balochistan. In total, around 500 km of transmission lines will be constructed, enabling up to 4,000 MW of power to be exported to Afghanistan and Pakistan. This project will help facilitate the TAP project.

These projects will then link into the Central Asia–South Asia power project (CASA-1000) by transferring any surplus power in winter. CASA-1000 is predicated on the fact that Central Asia has a power surplus in summer, when the countries of South Asia have power shortages.

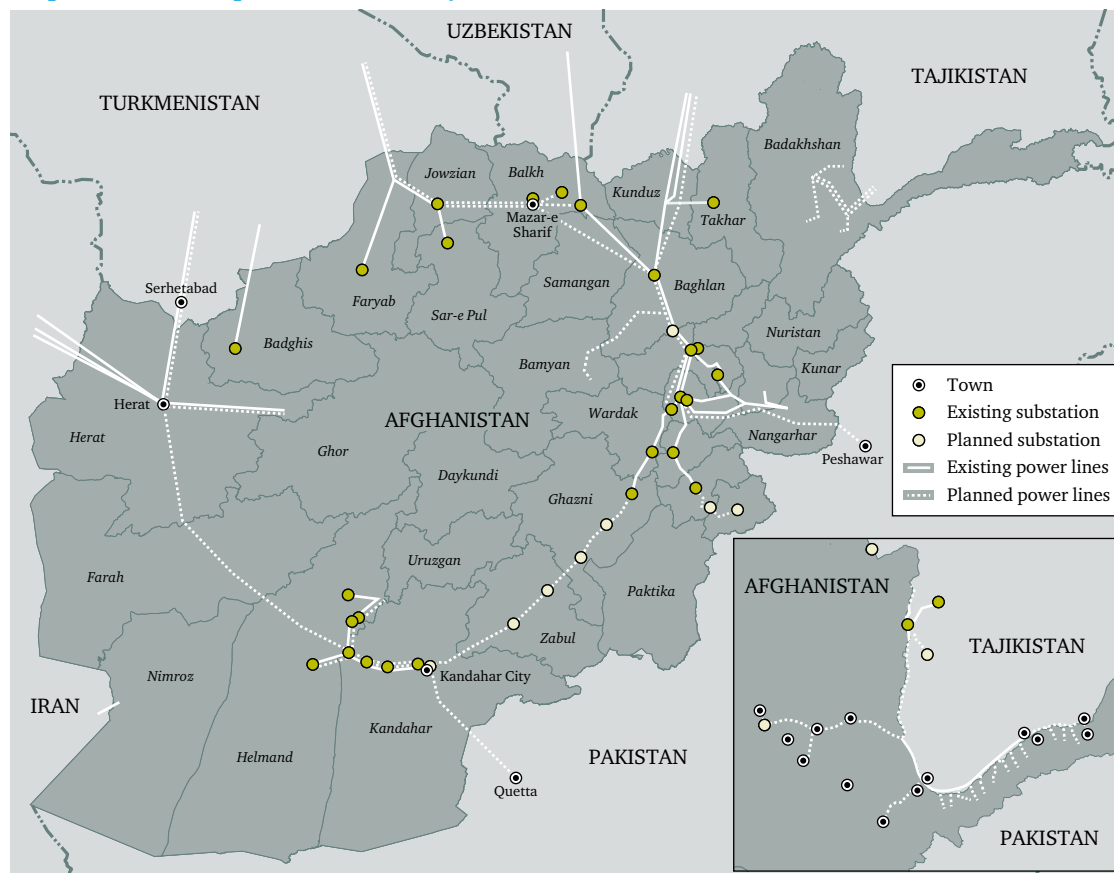
Substantial efforts – both internally and through these large-scale projects – are being directed at connecting Afghanistan's grid with those in neighbouring countries, so that Afghanistan can act as the conduit between Central and South Asia. At the same time, Afghanistan's mountainous terrain provides ample scope for the development of off-grid electricity, as do several of the more remote areas bordering Afghanistan, such as Gorno-Badakhshan Autonomous Oblast, officially called the Viloyati Mukhtori Kuhistoni Badakhshan (Kuhistoni Badakhshan Autonomous Region, or VMKB), in southwestern Tajikistan.

²³ Central Asia Regional Economic Cooperation (CAREC) program (2017), 'Energy Sector Progress Report and Work Plan (August 2016–May 2017)', Senior Officials' Meeting, 20–21 June 2017, <https://www.carecprogram.org/uploads/Energy-Sector-Progress-Report-and-Work-Plan-August-2016%E2%80%93May-2017.pdf> (accessed 13 May 2019).

²⁴ Fieldwork for this project noted that while Afghans in border areas greatly appreciated having an electricity supply from Tajikistan, they were concerned that Afghans were not 'equal' in the bilateral arrangements.

²⁵ Synovitz, R. (2018), 'Taliban Attacks Short-Circuit Kabul Power Plays', Radio Free Europe/Radio Liberty, 21 April 2018, <https://www.rferl.org/a/taliban-attacks-short-circuit-kabul-power-plays/29173009.html> (accessed 10 Mar. 2019).

Map: Current and planned electricity network



Source: Chatham House, incorporating information from Special Inspector General for Afghanistan Reconstruction (SIGAR) and Infrastructure and Cities for Economic Development (ICED). The boundaries and names on this map do not imply endorsement or acceptance by Chatham House.

VMKB and the neighbouring Afghan province of Badakhshan have low population density: VMKB comprises 45 per cent of Tajikistan by area, but is home to just 3 per cent of its population – and has mountainous terrain. It also suffers harsh winters, with average night-time temperatures falling below -15°C – sometimes down to -30°C – and high levels of poverty. As of 2013, 51.5 per cent of the population were below the poverty line,²⁶ and in 2009 one in four children suffered from stunting.²⁷

Gorno-Badakhshan is not connected to the main Tajik electricity grid, since the connection between Tajikistan and Afghanistan runs south from Sangtuda, in eastern Tajikistan, to Kunduz. During the Soviet era, homes and businesses in the autonomous region received a large amount of heavily subsidized electricity and fuel, the latter including coal, diesel, oil and gas. Diesel generators produced 70 per cent of electricity during that period. Supplies of subsidized energy

²⁶ Asian Development Bank (2016), Country Partnership Strategy: Tajikistan 2016–2020, Poverty Analysis (Summary), August 2016, <https://www.adb.org/sites/default/files/linked-documents/cps-taj-2016-2020-pa.pdf> (accessed 13 May 2019).

²⁷ World Bank and UNICEF (2012), *Situational Analysis, Improving economic outcomes by expanding nutrition programming in Tajikistan*, https://www.unicef.org/tajikistan/Tajikistan_Nutrition_Report_Eng.pdf (accessed 13 May 2019).

ceased after the collapse of the Soviet Union in 1991. During the subsequent five-year civil war in the region, much of the transmission infrastructure was destroyed, so that by the early 2000s only around 13 per cent of households received a reliable energy supply, and even then for only 12 hours per day.

As in Afghanistan, the absence of electricity led to rapid deforestation as people turned to wood to fuel their heating and cooking during winter. Around 70 per cent of the region's forests were destroyed between 1992 and 2002; respiratory illnesses from smoke inhalation increased in parallel. Some households felt they had no option but to chop down productive assets – fruit and nut trees – to burn as fuel. Lack of power meant that many schools and businesses were forced to close. Those that remained open were heated by low-quality coal, risking respiratory illness. Since 2010, the use of coal in schools in the region has fallen substantially.

In 2002 the government of Tajikistan, the Aga Khan Development Network (AKDN) and the International Finance Corporation formed Tajikistan's first public-private partnership, Pamir Energy, with the support of the World Bank and the Swiss State Secretariat for Economic Affairs.²⁸ The company was awarded a 25-year concession, giving it responsibility for the generation, transmission and distribution of all electricity in VMKB.

Since the project was launched, Pamir Energy has developed innovative schemes at each stage of the process and has introduced creative methods to collect payments. In terms of generation, it has renovated 11 micro-hydropower plants, which increased installed capacity from 27 MW to 44 MW. New turbines were installed at the main generating plant, Pamir I, which generates 28 MW and is able to retain water. This enables it to augment river flow by up to 40 per cent during winter, when low river levels can hamper power generation. As regards transmission, 4,300 km of transmission lines have been built or upgraded, and this had reduced line losses from 39 per cent in 2006 to less than 11 per cent by 2018.

**There is a disinclination to pay for an unreliable or irregular service.
If a reliable service is provided, whether for water or power, consumers
become more inclined to pay.**

On the distribution side, collection rates are enviable within the region, at around 100 per cent, up from 62 per cent in 2002.²⁹ This is even more impressive given the heavy Soviet-era subsidies, where those with access to electricity paid less than 10 per cent of the cost of production. Meters were outdated and unable to measure production. Consequently, the starting point was that local populations were averse to paying for their electricity consumption; theft was commonplace, and line losses were high. In addition, as in many cases in South Asia, there is a disinclination to pay for an unreliable or irregular service. If a reliable service is provided, whether for water or power, consumers become more inclined to pay.

²⁸ Asian Development Bank (2014), 'CAPE Tajikistan, Linked Document 10', <https://www.adb.org/sites/default/files/linked-documents/10-Energy-Sector.pdf> (accessed 13 Mar. 2019).

²⁹ Ibid.

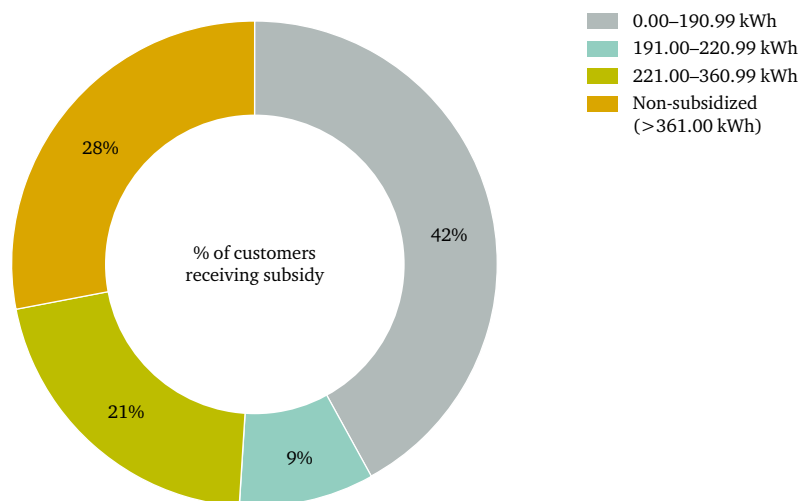
The process followed by Pamir Energy involved installing new metering systems at each level: generation, transmission, distribution and for consumers. Old meters have been recalibrated and new smart meters installed, so that more than 96 per cent of electricity is individually metered. Pamir Energy staff take monthly readings from the smart meters using electronic devices. These data are transferred to the billing system within five to eight seconds in order to calculate the consumption of each household, and clear, accurate bills are produced. Consumers are informed of their electricity usage and its cost via a text message sent to their mobile phone. The use of smart meters allows the company to regulate supply, and they can also be used to cut the electricity supply to customers in default.

Customer service call centres provide access to customer services, and record reports of any incident affecting infrastructure or supply lines, as well as faults. Pamir Energy has also installed an integrated network of CCTV cameras at important facilities to remotely monitor operations.

As the sales teams started engaging with consumers, their willingness to pay increased and theft began to be seen as a crime. Information was also disseminated through various media to explain the new approach. Consumers are also being encouraged to participate in various energy-saving schemes. The main one is the Customer Support Scheme, which is in force during the winter months (December to February).

Pamir Energy has two separate tariffs: one for domestic residential consumers, and the other for businesses and government. The Customer Support Scheme benefits those residential consumers who consume smaller amounts of electricity during the three winter months (see Figure 1), with the subsidy ranging from \$0.0265 out of the full tariff of \$0.0275 per kWh for the lowest-user category, up to 190.99 kWh, to \$0.0225 per kWh for households using up to 360.99 kWh. Households using 361 kWh or more receive no subsidy. Almost 72 per cent of residential customers receive some level of subsidy under the scheme.

Figure 1: Residential energy consumers receiving energy subsidies over three months in winter 2017/18



Source: Pamir Energy.

Thanks to the metering technology used, electricity theft is no longer a serious problem in the VMKB; it now accounts for 0.6 to 0.8 per cent of connections – around half the rate that occurs in the UK.³⁰ The meters are sealed, and while some customers attempt to open the boxes and illegally procure power, this can be readily detected. Each month, Pamir Energy analyses electricity consumption (both from consumers and from transformer substations) to see if there are any significant variations in consumption, compared to prior periods. This is the most common way to detect electricity theft.

Communications are key to the success of the venture. Pamir Energy's marketing department issues monthly publications, which explain the charging structure and highlight methods of saving energy, for example by the use of low-energy appliances and by improving insulation. Pamir Energy has been able to generate additional revenue by selling carbon credits abroad. This provided €1.25 million for the 10-year period between 2005 and 2015. Emission reductions were equivalent to 281,336 tonnes of carbon dioxide.

In 2008, Pamir Energy began exporting Tajik power to Afghanistan – over the Panj river that serves as the border. At present there are eight cross-border transmission points, supplying 4 per cent of Afghan Badakhshan's population. In contrast to their counterparts in Tajikistan, many of the Afghan communities that now benefit from these exports had never received electricity before. By 2016, 96 per cent of households were reported to be receiving uninterrupted supplies of electricity, and by 2018 Pamir Energy provided energy to 208,000 people in Tajikistan and 40,000 people in Afghanistan.

Electricity from Tajikistan is cheaper than the government-supplied electricity in other districts of Badakhshan, which do not benefit from cross-border power facilities. Residents of Shughnan district, for example, pay 3 afghanis (Af) for each kWh of electricity from Tajikistan. According to the members of the local community development council (CDC), a monthly bill for a typical family using electricity for cooking and lighting would be around Af700 (\$9, at a conversion rate of \$1 = Af79). The commercial rate for buying electricity from Tajikistan is Af7 per kWh. In contrast, residential electricity in the provincial capital of Faizabad costs Af45 per kWh, and provision is limited. In August 2018 residents of Faizabad received electricity between 6pm and 10pm daily; this electricity is supplied by the Afghan government and is generated using diesel. The tariff, at \$1 per kWh is one of the highest in the world. The availability of Tajik electricity in the border regions of Badakhshan has made these areas more desirable than the interior of the province.

Pamir Energy, in close cooperation with the government of Tajikistan, recently secured additional financing from the World Bank to provide electricity to the remaining 4 per cent of the population in the most remote areas of VMKB. It will provide off-grid solutions applying a hybrid model of hydro, solar, wind and storage generation for these communities, thereby fully electrifying VMKB.

³⁰ According to the energy price comparison site UKPower.co.uk, electricity theft costs each UK consumer £20 per year, as against an average bill of around £1,100. See UKPower (2018), 'Energy theft – are you at risk?', 20 September 2018, https://www.ukpower.co.uk/gas_electricity_news/energy-theft-are-you-at-risk/ (accessed 26 Jun. 2019).

On the Afghan side of the border, the government of Afghanistan and the Aga Khan Fund for Economic Development are negotiating a 30-year agreement similar to that which exists with Tajikistan. This would involve a new subsidiary of the AKDN – Badakhshan Energy – being granted the energy-related assets currently managed by Afghanistan’s national utility company, DABS. The proposed agreement, expected to be signed later in 2019, has three objectives: to increase electricity generation by enhancing capacity; to construct transmission lines to create a regional grid connected to Tajikistan; and to electrify the entire project. Given the scale of the challenge in remote areas, the works will be rolled out in phases.

Pamir Energy has recently begun construction work on the 11 MW Sebzor hydropower project in VMKB, just 18 km from the Afghan border. Existing power generation is sufficient to enable 100 per cent electrification in VMKB, and for around 47 per cent in Afghan Badakhshan (covering more than 468,000 people).³¹ The Sebzor project will be critical in meeting the likely increase in demand over the medium term.

By 2025 the company hopes to have extended its grid into Gilgit-Baltistan and Chitral in northern Pakistan – areas that are currently poorly served in terms of energy provision.

In fuel-scarce communities, the cost of fuel can form a significant proportion of household expenditure, and the self-supply of biomass fuels can occupy much of a family’s time.

While communities in these mountainous cross-border regions may be poor, the economics of energy provision make sense and the provision of electricity can sharply reduce household expenditure. The cost of renovating the power supply in the VMKB was \$108 million.³² For 208,000 consumers, this works out at \$519 per head. In fuel-scarce communities, the cost of fuel can form a significant proportion of household expenditure, and the self-supply of biomass fuels can occupy much of a family’s time. A typical month’s electricity costs just \$15, but the cost of diesel generators and fuel, kerosene or other energy sources can be as much as \$98 per month.³³ In some villages without power, around four to five hours per day can be spent collecting wood to burn – a task usually carried out by women. Either way, the provision of electricity can substantively improve livelihoods.

Beyond the actual time taken to collect firewood, the provision of electricity also frees up time hitherto occupied by a range of other tasks: cooking over a wood fire, heating water, washing clothes and so forth. As well as facilitating household tasks, the provision of electricity enables IT and mobile phone services to function. Previously, many businesses were forced to shut down during the winter months. With electrification, the number of small enterprises increased from 640 to 2,300.³⁴

³¹ Aga Khan Development Network (AKDN) (2017), ‘Pamir Energy Transforming Lives through Hydropower’, https://www.akdn.org/sites/akdn/files/media/publications/2017_06_pamir_energy_-_brief_0.pdf (accessed 13 May 2019).

³² Ibid.

³³ Aga Khan Foundation (undated), ‘Pamir Energy Wins 2017 Ashden Award for Increasing Energy Access’, <https://www.akf.org.uk/news/pamir-energy-wins-2017-ashden-award/> (accessed 13 May 2019).

³⁴ Jumaev, D. (2016), ‘Case 19, Tajikistan Energy Sector Pamir Private Power Project (PPPP)’, United Nations Economic Commission for Europe, https://www.unece.org/fileadmin/DAM/ceci/documents/2016/PPP/Forum_PPP-SDGs/Presentations/Case_19_Tajikistan_Energy_Sector_Daler_Jumaev.pdf (accessed 13 May 2019); and interview, June 2019.

Social indicators have also improved as a result of the provision of electricity. Schools can be equipped with computers. Now, every school in the VMKB has at least one computer. For border districts in Afghanistan, the impact has also been significant. For instance, in Shighnan district in Badakhshan, girls now freed from some of their previous domestic tasks have been able to attend English and computing classes along with their male peers. Afghan staff at these training and learning centres insist the provision of reliable electricity has fundamentally transformed lives for young people. The ability to study at night has correlated with a rise in educational achievement.³⁵ Healthcare and medical facilities are able to offer better services when power supplies are reliable – ensuring, for example, that medicines can be kept in chilled conditions. Some donors have provided equipment that would be unusable in the absence of a regular electricity supply. There are specific positive health outcomes given the reduction in smoke pollution. Environmentally, the reduced demand for firewood complements reforestation efforts taking place in the region, which serve to reduce the threat from landslides. The provision of electricity has also changed the general quality of life in the region. Without electricity, families previously used to cook during daytime and sleep as soon as it was dark, but now they can enjoy more family time – and even watch television.

Lessons learned

Culturally sensitive community engagement is necessary to ensure local support for new initiatives. Initially, local populations may be sceptical of the motivations behind projects. The same lesson applies to local governments, which need to have some degree of ownership.

A long-term approach and commitment is clearly preferable to a more transient interest. This allows for a more holistic approach whereby, for instance, energy projects are not seen as standalone but are linked to broader means of delivering economic growth and social improvement.

Simplicity is key, both in explaining the rationale and logistics of a project, and in subsequent engagement through billing and customer support.

The provision of power can have a significant transformative effect beyond what may have been initially envisaged. Increased educational opportunities and healthcare possibilities can be achieved. Meanwhile, in cold regions the time or money freed from gathering or buying firewood can significantly increase economic well-being, with further beneficial impacts on the environment, for instance.

The absence of electric power can – in part at least – explain why some districts are poor. Ability to pay therefore – in particular with some targeted subsidization for the poorest communities – may be higher than might have been expected. Treating development through the prism of consumers – despite apparent lack of ability to pay – may result in more positive developmental outcomes.

³⁵ Ibid.

As with many non-governmental, cross-border initiatives in South Asia, the cross-border element stemmed from the recognition that capacities in one country could be used to meet the needs of populations living across the border. This is not usually the case in this part of the world, where, in general, the complexity of cross-border operations deters organizations in one country from expanding into another.³⁶

As with trade, there is a difference in interpretation between ‘national’ and ‘local’ trade. Thus, electricity transmission lines running to Kabul have been subject to insurgent attacks as a means of targeting or undermining the Afghan government, even though the Taliban have indicated their support for large-scale infrastructure projects. Other cross-border power-trading mechanisms could be targeted similarly in order to reduce revenues that support the government. However, if local communities are benefiting, then there would appear to be little logic in non-state armed groups targeting electricity supplies.

A growing acceptance in South Asia – and a re-emerging acceptance in Central Asia – of the benefits of cross-border power trading suggest that energy can serve as an entry point to other forms of cross-border exchange or management. This could encompass areas that are currently more politically sensitive – if not downright controversial – such as water or transport.

³⁶ For instance, Chatham House has documented examples of organizations providing flood warnings in one country then subsequently extending the warnings to vulnerable communities downstream in lower riparian countries. However, these examples are rare: most organizations operate in just one country.

3. Border Markets

Intra-regional trade is of minor importance in both South and Central Asia, reflecting their commonly perceived status as being among the least integrated regions in the world. The Central Asian states trade in similar products – primarily natural resources – and consequently have a low degree of trade complementarity, with the result that intra-regional trade accounts for just 7 per cent of total trade. The proportion of intra-regional trade in South Asia is even lower, at around 5 per cent of the total, for similar reasons – along with politics. Historically, textiles were one of the most important export items for each country in South Asia. This was taken to imply that the benefits of liberalizing inter-regional trade would be limited.

In South Asia, in almost every case, the border needs to be reframed as a potential source of profit rather than as a locus for illicit activities, such as cattle smuggling between India and Bangladesh, the conveying of weaponry and militants across the Line of Control separating Indian and Pakistani Kashmir, or, in the case of Afghanistan, the opium trade. Local border markets, often intended for the exchange of locally grown or manufactured products, have become increasingly common; these facilitate local-level connections and stimulate border economies. For the landlocked Central Asian countries, the inability to conduct trade beyond the neighbourhood without transiting third countries is a significant impediment to that trade. In an effort to break the cycle, since 2017 Afghanistan has opened up various ‘air corridors’ with India (to overcome political difficulties with Pakistan), along with, among others, Turkey, Saudi Arabia, the EU, Kazakhstan and the United Arab Emirates. However, while these may be cost-effective for high-value products, they are of little benefit for lower-value agricultural products.³⁷

Local border markets, often intended for the exchange of locally grown or manufactured products, have become increasingly common; these facilitate local-level connections and stimulate border economies.

The lack of complementarities in existing exports can explain the current poor levels of intra-regional trade. However, in recent years it has become clearer that liberalized trade would involve a different set of products that are not currently traded. The World Bank³⁸ recently estimated that intra-regional trade in South Asia could increase threefold if barriers to trade were reduced. In a development supportive of more liberalized trade, some regional value chains have started to emerge within the South Asian textile industry, and – once border trade becomes normalized – there should be a wider scope for other regional value chains, as part of the next stage of regional connectivity.

³⁷ Majidyar, W. (2018), ‘Afghanistan’s economic gain and loss from “National Air Corridor Program”’, *Foreign Policy Journal*, 16 November 2018, <https://www.foreignpolicyjournal.com/2018/11/16/afghanistans-economic-gain-and-loss-from-national-air-corridor-program/> (accessed 14 May 2019).

³⁸ Kathuria, S. (ed.) (2018), *A Glass Half Full: The Promise of Regional Trade in South Asia*, South Asia Development Forum, Washington, DC: World Bank.

While the countries of South and Central Asia have traditionally been seen as competitors in terms of their export baskets, in recent years there has been a growing recognition that economic benefits can ensue from trading a different set of products in local border markets – in particular, locally produced agricultural goods. Cross-border trading, which has usually involved goods produced within 30 km of the border, has taken place illicitly for decades; however, in recent years ‘formal’ border markets have started to appear across South and Central Asia. Bazaars started to re-emerge in Central Asia following the collapse of the Soviet Union, while various border *haats* (markets) have arisen since the early 2010s between India and Bangladesh, and even across the Line of Control in Kashmir.

According to the World Bank, the effectiveness of border markets depends on a number of factors: the ease of access (or, conversely, the restrictions on movement), as determined by visa requirements; the extent of unofficial payments to border officials, and the delays they entail; and freedom to move vehicles across the border. However, the linked benefits from border trade are substantial: ‘By strengthening commercial ties, cultural understanding and deepening community relationships, cross-border trade nurtures amicable relations between neighbouring countries.’³⁹ This can lead to more integrated economic and social development, and ease government-to-government relationships. In addition, border markets both require trust to work properly and in turn, they help to build trust between neighbours of different nationalities.

The border markets of South and Central Asia vary between those characterized by trade in local products, and those specializing in trade in ‘national’ exports, or indeed goods from third countries. Where border connections have facilitated ‘local trade’, the impact on local populations has been positive, as consumers on both sides are able to take advantage of price variations between countries. Furthermore, the border markets have created an environment in which cross-border trade becomes normalized, creating relationships that can help to resolve tensions along the border.

There are some concerns that easing the flow of goods would also ease the flow of illicit goods for which previously closed borders are notorious. However, the facilitation of licit cross-border trade does not necessarily encourage illicit trade, which frequently flourishes precisely because of the closed nature of borders. Poorly maintained infrastructure translates into a limited government presence and provides a more favourable environment for non-legal trade than better maintained and policed open borders. Meanwhile licit, perishable items are often unviable export items if transit times and customs procedures are too prolonged. Smuggling – whether of Indian ephedrine, used to make methamphetamine in Myanmar, of gold from Nepal into India or of Afghan opium – benefits from poor physical infrastructure and weak governance structures. Steps to improve formal connectivity have at worst a neutral impact on illicit activity and most likely serve to impede smuggling.

Once termed the ‘roundabout of the ancient world’, Afghanistan has after years of conflict become disengaged from the modern globalized economy. But historically, Afghanistan was pivotal to the trade that took place between Europe and Asia.

³⁹ Kaminski, B. and Mitra, S. (2010), *Skeins of Silk: Borderless Bazaars and Border Trade in Central Asia*, Washington, DC: World Bank.

Afghanistan was centrally placed on the ancient Silk Road, with routes to the important Central Asian (now Uzbek) cities of Samarkand and Bukhara, as well as to China, India and Persia. Most of the trade between these regions had, by necessity, to pass through Afghanistan. Furthermore, goods from Afghanistan – notably lapis lazuli – were traded internationally as long ago as 2500 BCE. Trade between China and the Roman Empire traversed Afghanistan during the peak of the Silk Road era – from the first century BCE to the third century CE. Along with goods, an abundance of different ideas, religions and cultures were transmitted along the Silk Road, and through Afghanistan.

In the 15th and 16th centuries, the Silk Road faced competition from shipping, which became a cheaper way of transporting goods than overland. Yet archaeologists have discovered the remains of more recently constructed caravanserais across Afghanistan, suggesting that the Silk Road continued to flourish much later than was previously thought. These large walled wayside hostels were located a day's travel apart, providing accommodation and protection for traders along the Silk Road. It was political developments, rather than economics, that finally ended the Silk Road, as Afghanistan became a buffer state separating the British and Russian empires in the 19th century, rather than a region central to pan-Asian trade.

The dominance of politics over economics in determining Afghanistan's trading patterns became even more apparent during the 20th century. When Pakistan unofficially closed the border in 1950, trade shifted north to the then USSR. In 1980, 87 per cent of Afghanistan's import trade – primarily manufactured products and military equipment – and 59 per cent of its exports – mainly agricultural products along with natural resources – were conducted with the Soviet Union. Following the Soviet withdrawal from Afghanistan, Pakistan became its major trading partner, and remains so to this day in terms of total trade, although Iran is the largest source of imports. (Historically, the border with Iran has generally been the least important economically.)

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There is clear value in demonstrating the benefits of trading ties – not least given the need for Afghanistan to be more open. This is despite its location between two of the least connected regions of the world, South and Central Asia, with the Central Asian states remaining influenced by autarchy while political tensions mean that Pakistan is averse to opening up trade links with India. At the same time, Afghanistan's neighbours frequently interpret greater connectivity as a public 'bad'. The ideas that spread in the era of the Silk Road made Afghanistan an *entrepôt* between different cultures and religions. In recent years, however, it has been seen as the source of radical Islamist ideology, as well as of opium: drug addiction is an increasing problem in each of Afghanistan's neighbours as a result of slippage from the opium trade. While opium trading is likely to benefit some corrupt officials in Afghanistan's neighbouring states, the effect of this is to undermine good governance.

A sustainable Afghan economy would almost certainly mirror the dual economies evident across South Asia. For the foreseeable future, most people will remain dependent on agriculture for their livelihoods. In parallel, other products (notably, textile products in much of South Asia) would be manufactured for higher-value markets. In the case of India, certain services are increasingly linked into global supply chains.

With few exceptions, mainstream agricultural production has struggled to move up the value chain, and each country faces common challenges, notably the lack of storage facilities, concerns over water availability and soil quality. The circumstances can foster a situation in which rent-seeking ‘middlemen’ have a significant advantage over local producers, meaning that the returns to farmers are well below prices paid by consumers.

In the case of Afghanistan, these hurdles have been exacerbated by conflict and the ensuing lack of governance. In response, Afghan producers have cultivated opium – a crop which overcomes some of the barriers faced by farmers across the region, but which reinforces conflict and undermines governance.

The challenges facing Afghan agriculture are manifold. Years of conflict have damaged the physical infrastructure – notably irrigation systems – along with the institutional infrastructure around the agri-food industry. Low levels of investment have led to a situation in which Afghan agriculture struggles to compete with regional competition, particularly from Iran and Pakistan. Planned or unplanned border closures can leave produce rotting in trucks. Migration has left farms untended and taken away farming expertise, and much land is unusable, because of land disputes, insecurity or landmines. The Afghan government meanwhile lacks the capacity to provide the technical support that farmers in other countries receive. Each of these factors has hindered efforts to encourage higher-value agricultural production, such as that of saffron, pomegranates or pine nuts.

Any steps to bring producers closer to consumers are positive, and the development of border markets – along with power trading – is one of the more positive developments in regional cooperation in recent years.

There are no standard procedures governing the various border markets: each of the recently established markets has specific rules. For instance, one between India and Bangladesh stipulates that no trader can purchase products worth more than \$50; trade across the Line of Control⁴⁰ is limited to 21 items, and 1.5 metric tonnes. The Khorgas crossing point, between China and Kazakhstan, allows duty-free access for goods worth less than \$1,000 and weighing less than 50 kg. Several border markets – such as those spanning the Line of Control – are intended specifically

⁴⁰ Since 2008 a form of barter trade has existed at two locations across the Line of Control, which separates Indian and Pakistani Kashmir. Goods exchanged include onions, coconut, garlic and ginger. Despite their geographic proximity, the neighbouring regions can benefit from comparative advantage in specific agricultural products. Trade across the Line of Control began as a confidence-building measure between India and Pakistan. Trade is allowed between Uri and Muzaffarabad, and between Poonch and Rawalakot. The opening up of trading on these traditional merchants’ routes followed a ban of more than 60 years. Trade was initially allowed for two days per week, extended in 2011 to four days. By 2015 goods with a value totalling almost \$700 million had been traded at the two border crossings. See Conciliation Resources (2016), *Trading Confidence: A Compelling Case for Cross Line of Control Trade*, <https://www.c-r.org/downloads/Trading%20Confidence%20Web.pdf> (accessed 13 Mar. 2019).

for goods produced in neighbouring areas, creating, at times, concern regarding rules of origin. Such border trade makes transport costs largely irrelevant and allows sellers to exploit price differentials between neighbouring countries.

Afghanistan's mountainous terrain, notably its border with China, inhibits its trade routes. At present Afghanistan has 10 border crossings with its northern neighbours: two with Uzbekistan and eight with Tajikistan. The two major trading posts are Hairatan, for trading with Uzbekistan, and Sher Khan Bandar on the border with Tajikistan. Afghanistan's exports to the Central Asian Republics are vastly outweighed by its imports, particularly from Uzbekistan, though this reflects 'standard' trade for which data are recorded. According to the World Bank,⁴¹ around 40 per cent of Afghanistan's trade is unrecorded: this category includes border trade.

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Afghan traders entering Uzbekistan cannot bring in goods worth more than \$25 from neighbouring countries, or worth more than \$100 from Afghanistan.⁴² Over the past couple of years, however, Uzbekistan has opened up to greater engagement with Afghanistan, and there are suggestions that these restrictions may be significantly relaxed. Tajikistan currently operates a more liberal policy, with 35 products being exempt from customs duties and other import taxes. Afghanistan restricts imports by weight: an individual cannot bring more than 50 kg of goods into the country. Costs are also heightened by charges for offloading and loading goods, since trucks are prevented from entering, and are certainly not permitted to cross the border markets.

Border markets require connectivity. In the case of Afghanistan's northern neighbours, this means bridges across the Amu Darya river. The first bridge was opened in 2002. The AKDN, working with the governments of Afghanistan and Tajikistan, constructed the bridge in Tem district, near the Tajik town of Khorog.

Once the bridge was constructed, a weekly market was established, creating jobs and providing a venue for trade. There are currently five bridges and associated markets between the two countries, and a sixth bridge is under construction. Around 1,000 traders take advantage of these markets every week.⁴³

⁴¹ Cited in UN Special Programme for the Economies of Central Asia (SPECA) (2016), *Strengthening Trade and Economic Ties between Afghanistan and Central Asia*, background paper to SPECA Economic Forum, 22–23 November 2016, Ganja, Azerbaijan, https://www.unece.org/fileadmin/DAM/SPECA/documents/ecf/2016/Session_1_Background_paper_1_English.pdf (accessed 14 May 2019).

⁴² Kaminski, B. and Mitra, S. (2012), *Borderless Bazaars and Regional Integration in Central Asia: Emerging Patterns of Trade and Cross-Border Cooperation*, Washington, DC: World Bank, <http://documents.worldbank.org/curated/en/108461468016850647/Borderless-bazaars-and-regional-integration-in-Central-Asia-emerging-patterns-of-trade-and-cross-border-cooperation> (accessed 14 May 2019).

⁴³ Aga Khan Foundation (undated), 'Energy & Infrastructure, Our approach to energy & infrastructure', <https://www.akf.org.uk/examples-of-our-work/infrastructure/> (accessed 14 May 2019).

A wide range of goods are traded, both local products – mainly agricultural in origin – and goods from further afield for which traders can exploit price differences and variation in taxation systems in both countries. The markets have served to foster better bilateral relations at local level, following an initial period of scepticism. Afghans expressed satisfaction in being better connected to their Tajik neighbours, while Tajiks expressed pride in being able to contribute to Afghanistan's development. Given the remote geography and historically marginalized demography in the Afghan province of Badakhshan, the border markets have functioned as platforms to empower social interactions and also create incentives for local entrepreneurs.

The volume of trade has gradually increased, and procedures for entry to the markets have been simplified. This has been achieved largely by adopting innovative methods of constructing border markets within the neighbouring state's territory, without the requirement for visas. Afghans are able to access the border markets by showing other forms of identification, circumventing the need to have passports stamped on crossing the border. Since the primary aim of traders is to interact with customers and sell products, the border markets facilitate both of these without the need to engage governments in tricky – and possibly prolonged – discussions on a liberalized visa regime.

A further four Afghan–Tajik border markets have been set up next to the bridges at Darvaz, Langar, Ishkashim and Shurobod. A sixth is currently under construction. The rules for the markets are similar. Afghans can enter the market without a visa, although they need to show a valid identity paper. They are not permitted to travel beyond the market space. Only Afghan and Tajik traders are permitted to operate. Provided the value of goods traded is less than \$1,000, they can be sold free of taxes. Goods are also subject to the 50 kg weight limit.

The market at Tem is located close to Khorog, the capital of the GBAO. With around 100 traders, and a couple of thousand customers, it was the first market to be opened. The market at Ishkashim is slightly larger. Being closer to the capital of Badakhshan, it has more Afghan traders. A 2016 report prepared by the consulting firm Samuel Hall for the International Organization for Migration suggested that around 60 per cent of the local population bought or sold goods at these markets.⁴⁴ The benefits are particularly profound for some on the Afghan side, who previously might have had to travel for days to reach a domestic market selling similar wares. Reduced transport costs and more free time engender significant economic benefits for this impoverished community.

Many of the products traded – almost half, according to a 2013 survey conducted by the Tajik customs authorities – are transit trade from third countries.⁴⁵ Iranian and Pakistani products are frequently sold by Afghan traders, who in turn purchase goods from Russia and China, as well as from countries in Central Asia. While this may not necessarily benefit local Afghan producers, it is symbolically important to demonstrate the fact that Afghanistan is already the conduit between South and Central Asia.

⁴⁴ Hall, S. (2016), *Assessment of Economic Opportunities Along the Afghan–Tajik Border*, Dushanbe: International Organization for Migration, https://reliefweb.int/sites/reliefweb.int/files/resources/IOMT_border_final_after_publication_FINAL.pdf (accessed 13 Mar. 2019).

⁴⁵ Ibid.

Table 2: Goods typically traded at Afghan–Tajik border markets

| Types of goods sold by Afghans | Type of goods sold by Tajiks |
|--------------------------------|--------------------------------|
| Sterilized milk | Electronic goods |
| Carbonated drinks | Fresh fruit |
| Tea | Dried fruit |
| Soap | Flour |
| Clothes and household items | Clothes and household items |
| Processed and unprocessed food | Processed and unprocessed food |
| Cooking oil | |

Source: Compiled by the authors, partly based on Hall (2016), *Assessment of Economic Opportunities Along the Afghan–Tajik Border*.⁴⁶

Trading in cigarettes, alcohol, precious stones and narcotics is banned. Demand fluctuates seasonally for many products. Afghan demand for food – in particular fresh and dried fruit, flour and processed food – falls in summer and autumn, when there is a surplus of domestic produce. The autumn decline is accentuated as preparations are made for winter. Tea, sugar, cosmetics, rice and soap rank among the goods purchased by Tajiks. In addition to those listed, other goods traded include textiles, construction materials and carpets.

The interaction has also brought social benefits. According to the report, Tajiks, brought up in the aftermath of Soviet central planning, expressed admiration for the entrepreneurialism of Afghans. Afghans, in turn, admired the stability of Tajik society. The markets also facilitate the development of a small accompanying economic ecosystem comprising cafés and small shops. Other service providers, such as taxi drivers, also benefit from the markets, along with those administering the markets and providing security. While there are concerns that greater interaction facilitates smuggling, anecdotal evidence suggests that the creation of licit opportunities reduces incentives for illicit behaviours.

Even though sales volumes may be low, the price differentials enable disproportionate benefits for those engaged in cross-border trade. Given the difficulty of transportation on the Afghan side of the border, there are significant price variations between the different markets for goods sold by Afghans. These price differences can be significant. The 2016 survey⁴⁷ found that milk was 25 per cent cheaper in the border markets than in markets in Tajikistan. Sugar sold at the border markets originating from Afghanistan was also approximately 25 per cent cheaper compared with the prices in Tajikistan. In this regard, Tajik respondents to fieldwork in the GBAO capital of Khorog highlighted the negative impact of market closures on poorer families who usually bought sugar from there.

The provision of opportunities to trade with Afghanistan, of which the markets are one example, has led some young Tajiks to establish businesses selling imported wares. Many of them would earlier have been forced to emigrate in search of employment. The markets themselves encourage entrepreneurialism. In recent years, labour migration from Ishkashim has fallen.

⁴⁶ Ibid.

⁴⁷ Ibid.

Furthermore, the markets allow for a different dynamic between border security forces in both countries. Rather than guarding closed borders, they cooperate to ensure the smooth functioning of the cross-border markets.

The interactions enabled by the markets have thus created an environment in which broader Afghan–Tajik engagement can take place. Along with medical services provided by Tajiks for Afghans, cultural ties have been revived, and some engagement has taken place at the local level on water-sharing, enabled by the contacts forged through the border markets. In short, the border markets have facilitated broader connections to explore the possibility of developing a range of mutually beneficial public services. In the future, provided market opening is guaranteed, a number of potential value chains could be developed that build on the cross-border markets. These include processing of livestock and fruits, beekeeping and handicrafts.⁴⁸

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The markets have also enabled some families to be reunited. The border between Afghanistan and Tajikistan was not demarcated until 1894, before which people crossed freely. The existence of the border markets has provided an opportunity for cross-border discussions and peer-to-peer learnings on a range of issues. In the absence of the border markets, visa restrictions on the Tajik side and security concerns on the Afghan side would have made such dialogue unfeasible.

Despite the shared language and culture, Tajikistan and Afghanistan have different histories, systems of governance and economies providing significant scope for shared learning. Afghanistan's National Solidarity Programme (NSP), established in 2002, provided the framework through which interaction could be structured. Under the NSP, a community-based development programme, the community development councils (CDCs) were established in 5,000 villages across Afghanistan. After being elected, members of the CDCs consulted with the community to establish a list of agreed projects to be carried out with funds from the NSP.

The first CDC was created in Shughnan around 2010, and the current council has been in place since 2014. The CDC invited community leaders from Khorog in Tajikistan to visit various schools and clinics that had been established as part of the NSP. However, visa difficulties meant that the Afghans could not visit Khorog for a similar experience. The Tajik authorities suggested that for information-sharing purposes the existence of the markets provided a space in which experiences and knowledge could be exchanged, and several meetings were held. However, after the NSP ended in 2016, there was a reduction in the resources that would enable such exchanges to take place. Its replacement, the 'Citizen Charter', is not yet in place in Badakhshan's border districts.

⁴⁸ Ibid.

While levels of cross-border community engagement between Badakhshan and contiguous communities in Tajikistan are high, and communities within the Afghan border districts rely on connectivity with Tajikistan for power, this has not translated into government-to-government engagement. Within the communities, this absence is believed to allow Tajikistan to shut down aspects of connectivity (such as the border markets), which Afghans argue is the result of exaggerated security concerns. For instance, Tajik authorities closed the Ishkashim border market in 2016 after the Taliban entered parts of neighbouring Zebak district; and it has remained closed since.

Security threats within Tajikistan have resulted in a crackdown on connectivity with Afghanistan and heightened sensitivity against Afghans entering Tajikistan. The arbitrary closure of the markets makes it difficult for the establishment of long-term, cross-border supply chains, while concerns and misunderstandings persist regarding the regulations governing the markets.

There are a number of challenges that can result in the interruption of trading at the border markets. Market opening times are limited, and there have been instances when the markets have been shut down at short notice by the Tajik authorities. Security threats within Tajikistan have resulted in a crackdown on connectivity with Afghanistan and heightened sensitivity against Afghans entering Tajikistan. The arbitrary closure of the markets makes it difficult for the establishment of long-term, cross-border supply chains, while concerns and misunderstandings persist regarding the regulations governing the markets.

The original vision for border markets included the construction of similar facilities on the Afghan side of the border, so Tajiks could trade in the same way as Afghans. There is enthusiasm among citizens of both countries for this to happen. In the case of the Tem border crossing, the market facilities have been built on the Afghan side; however, they have not yet opened due to security concerns on the part of the Tajik government. Tajikistan argues that the facilities on its side of the border are more secure under the constant watch of Tajik military, and that they have better controls in place in the event of any security-related incidents.

Some Afghans feel that the location of the markets on the Tajik side of the border provides Tajik traders with the 'upper hand'. Specific concerns cited range from issues such as the need for Afghan traders to purchase lunch or dinner on the Tajik side of the border, to the fact that the Tajik authorities are able to determine the functioning of the market: who is allowed to cross the border, when the market opens and closes, and what products may be sold. In addition, Afghan traders have to pay an entry fee to the Tajik authorities in order to set up a stall in the market. Despite these concerns, most Afghans expressed support for the markets even as they currently operate, and many traders profit from the opportunity to sell goods to Tajiks. But with greater liberalization, the scope of the markets could be broadened and their impact increased. In addition, many Afghans noted that donor agencies' depiction of the Afghan-Tajik border as unsafe prevented the creation of more border markets.

Lessons learned

While the construction of hard infrastructure is necessary, it is not sufficient to facilitate seamless connectivity. ‘Soft infrastructure’ – whether human capital or legal frameworks – needs to be developed in parallel. Administrative burdens can also work to limit the impact of connectivity initiatives.

Despite initial hesitation towards greater engagement with Afghanistan, once in place the benefits to both sides generate enthusiasm. Even though the volume of trade is modest, in absolute terms, the economic benefits can be substantial. The markets have also provided space – both literal and conceptual – for other cross-border interactions and the emergence of shared public services.

Regardless of their success, cross-border people-to-people contact mechanisms such as markets remain vulnerable to overarching political or security concerns, whether genuine or exaggerated. Until markets are guaranteed to open at particular times, it is difficult to build genuine cross-border reliance, since market closures will oblige consumers to procure products from alternative sources.

4. Cross-border Ecosystems

Another casualty of conflict has been Afghanistan's now degraded environment. Ruined infrastructure and conflict-related risks such as landmines have affected farming practices. Deforestation has been rampant, as people in many rural areas have few alternative sources of energy to wood; moreover, 'timber mafias' have taken advantage of the absence of governance institutions to smuggle timber across the border into Pakistan. Indeed, while attacks on hydropower projects are frequently blamed on neighbouring downstream countries, some claim that 'diesel mafias' – who smuggle fuel to power generators – are sometimes responsible. This environmental degradation threatens Afghan lives, by making natural disasters such as landslides and avalanches more intense. It also hinders Afghans' ability to earn licit income from agriculture, not least because of deteriorating soil quality.

Environmental degradation threatens Afghan lives, by making natural disasters such as landslides and avalanches more intense. It also hinders Afghans' ability to earn licit income from agriculture, not least because of deteriorating soil quality.

Management of Afghanistan's environment is challenging enough, but a further layer of complexity is added when ecosystems traverse boundaries. Effective management of cross-border ecosystems requires international cooperation if it is to succeed. Given the power, capacity and knowledge asymmetries between Afghanistan and its neighbours, such cooperation is difficult to envisage.

Water scarcity compounds the difficulties in relation to cross-border riverine ecosystems. In countries that are water-scarce, shared rivers are frequently perceived as a zero-sum resource, rather than as potential areas to provide shared benefits. Water is a serious, and possibly growing, source of tension across South and Central Asia. Attempts by upstream countries to construct storage infrastructure are seen to threaten the availability of water to countries downstream.

Upstream Afghanistan has greater water availability than many of its neighbours, but the latter have benefited from the destruction of Afghanistan's existing water infrastructure. Afghan attempts to build or rebuild water infrastructure have incurred attacks on engineers, which in many cases are attributed by Afghans to downstream countries.

In such a context, the outlook for cooperation over the 2,000-sq km Sistan Basin – the endpoint for several Afghan rivers, including the Helmand (called the Hirmand in Iran) – appears bleak at first sight. These wetlands span southwestern Afghanistan and eastern Iran, and end in the Hamoun lakes, one of the few sources of fresh water in the region. The lakes sustain agriculture in both countries, though the land is more fertile – and the agriculture more productive – in Iran.

The Sistan Basin is a region of immense environmental importance and once sustained numerous animal species: more than 100 species of fish swam in the lakes, while numerous mammals – deer, leopards and otters – relied on them as a source of water. In 1975, when the Iranian portion was designated a Ramsar site,⁴⁹ around half a million birds – from 150 or so different species, including flamingos and pelicans – fed in the wetlands as they migrated.

Local populations are also reliant on the basin for their livelihoods, notably through fishing and the use of reeds for cooking, for feeding livestock and for the construction of shelter. Local communities were well adapted to their environment, with livelihoods based on hunting, fishing and farming. Until recently, there were more than 1 million domestic livestock in the region, with farmers also growing several types of fruits and vegetables, including barley, maize and wheat, cotton and sugar cane, and grapes and melons.

The lakes have been a source of tension between Afghanistan and Persia/Iran for more than a century,⁵⁰ and arbitrary borders drawn by outsiders have not helped. Given that the area around Sistan was the only densely populated area lying between Persia and Afghanistan, it was the first to be demarcated.

In the mid-19th century both Afghanistan and Persia sought the allegiance of local rulers. Subsequently, Persia took advantage of instability in Afghanistan and enhanced its presence in the region. However, threatened by an Afghan reaction, in 1868 Persia sought British arbitration (as specified by the 1857 Treaty of Paris, which had ended the Anglo-Persian War).

In 1872, under the so-called Goldsmid Arbitration, Persia was awarded Sistan – an ancient land situated around the lakes, albeit with undefined borders. Land on the right bank of the Helmand river was awarded to Afghanistan. The award, which was held to favour Persia over Afghanistan, also contained a clause stating that ‘no works are to be carried out on either side calculated to interfere with the requisite supply of water for irrigation on both banks of the Helmand’ – although it was not specified what this meant.

The award was flawed, either by design – to maintain British influence – or accident, owing to a lack of information. The landmarks chosen to define the border were often unstable – the edges of lakes that fluctuated in size, or unpredictable rivers.

Culturally, there was little difference between the communities on either side of the river. In 1885, the Helmand river changed course, though both sides continued to accept the old riverbed as the border. However, in 1896 it changed course entirely. Both countries constructed various canals – sometimes for mutual benefit, sometimes not – on their bank of the river. Following a drought in 1901 Persia and Afghanistan traded accusations that the one was carrying out irrigation work to harm the other, and argued over whether the border was marked by the riverbed as it existed in 1872, or the Helmand river as it currently flowed. A severe drought in 1902 led to armed

⁴⁹ Signed in the Iranian city of Ramsar in 1971, the Ramsar Convention on Wetlands of International Importance especially as Waterfowl Habitat is intended to protect wetlands. As of 2014, there were more than 2,300 Ramsar sites around the world. See The Ramsar Convention (2014), ‘Wetlands of International Importance (Ramsar Sites)’, <https://www.ramsar.org/about/wetlands-of-international-importance-ramsar-sites> (accessed 26 Jun. 2019).

⁵⁰ For a fuller explanation, see Mojtabah-Zadeh, P. (1995), ‘Lake Hamun, a Disaster in the Making’, UNEP Newsletter and Technical Publications, <http://www.unep.or.jp/ietc/Publications/techpublications/TechPub-4/lake1-7.asp> (accessed 13 Mar. 2019).

skirmishes, which in turn led to a further British arbitration in 1904, confirming that the old (and dry) riverbed continued to form the border. Finally, the arbitration granted Persia one-third of the flow of the river as it entered Sistan, and made both countries responsible for the supply of water into the existing irrigation network.

Afghan attempts in the 1940s to develop a system of canals for irrigation, as well as a number of major US-backed projects to expand irrigation in Helmand and introduce capital-intensive agriculture to settle nomadic communities, had a significant impact on water availability downstream. A tripartite commission was set up which, in 1951, determined that Afghanistan had to supply Persia (now known as Iran) with a minimum monthly flow. However, Iran rejected the allocation as too low. The dispute flared up again in 1971, when the region was affected by severe drought once again. Iran was awarded a slightly higher water allocation than had been proposed in 1951; however, ratification of the treaty was delayed by political instability in Afghanistan.

In the 1960s Afghanistan demanded credit facilities, assistance and access to Iranian ports in exchange for ensuring that water continued to flow to Iran. Under the Helmand River Treaty of 1973, it was stipulated that 26 cubic metres per second should flow into Iran; it too was not ratified. Political turmoil in both countries soon afterwards left the issue unresolved. In 1998, during a prolonged drought in the region, the Taliban closed the Kajaki dam, reducing the flow downstream. By the time the bilateral relationship had improved in the early 2000s under Presidents Hamid Karzai of Afghanistan and Mohammad Khatami of Iran, the wetlands had been severely damaged by years of drought and were rapidly disappearing.

By 2001 the flow of the Helmand river stood at just 2 per cent of its long-term average; by 2003, 99 per cent of the wetlands had dried up, and by the following year they had largely disappeared.

The periodic occurrence of droughts in the region has meant that at times the lower Hamoun lakes have dried up, although the ensuing damage could be rapidly reversed. The region survived increased use of water for irrigation upstream over the course of centuries, although population growth, coupled with upstream dam construction, has made it more vulnerable to shortages. However, the severe drought that hit the region from 1998 caused significant damage. All of the lakes, including those at higher elevations, started to dry up, with devastating effects both for wildlife and for local populations. By 2001 the flow of the Helmand river stood at just 2 per cent of its long-term average; by 2003 around 99 per cent of the wetlands had dried up, and by the following year they had largely disappeared.

Local animal populations reliant on the bodies of water disappeared; domestic livestock died, and the migratory patterns of birds changed. The region rapidly turned into a dustbowl as vegetation dried up or was collected for fuel. This soil erosion resulted in around 100 towns being submerged by dust. Local populations in Iran migrated – a political concern for largely Shia Iran, since the Sistan basin is situated in one of two Sunni provinces. In turn, the displaced Iranians were replaced by around 300,000 Afghan refugees, fleeing conflict and also facing malnutrition across the border.

Dust storms remain a significant problem: in August 2018 more than 170 people in the Iranian province of Sistan and Baluchestan were hospitalized following one such storm. The remoteness of the region meant that the risks were under-researched. The lack of local knowledge impaired scientists' ability to forecast the damage, or to reverse it, and has enabled both Iran and Afghanistan to provide their own, differing, explanations of the cause of the environmental disaster. Iran blames what it perceives as a long-term decline in water flow on the construction upstream of various infrastructure items. Two dams in the Afghan province of Helmand – at the Kajaki reservoir and the Boghra diversion, both constructed in the 1950s – have provoked ire in Iran, as has the construction of canals for irrigation purposes.

Afghanistan, in contrast, has an entirely different explanation, blaming the drought on low rainfall and Iran's own activities. Much of the water infrastructure on the Afghan side fell into disrepair during years of conflict, while Iran has itself diverted water from the river to fill reservoirs to provide drinking water for the city of Zahedan, the provincial capital of Sistan and Baluchestan.

The ongoing Sistan crisis is taking place within a broader context, in which Iran faces a severe nationwide water shortage. Its most famous lake, Lake Urmia, has almost dried up, having once spanned more than 5,000 sq km. While high population growth has clearly caused increased demand, on the supply side explanations for the phenomenon diverge. Some Iranians claim shortages are a result of conspiracies by Iran's enemies, though others suggest decades of mismanagement and illegal water usage are to blame, at least in part. (The former view reflects a tendency across the region in relation to water – to first blame other countries before taking action to resolve more mundane issues by, for instance, repairing leaking pipes.)

While high population growth has clearly caused increased demand, on the supply side explanations for the phenomenon diverge. Some Iranians claim shortages are a result of conspiracies by Iran's enemies, though others suggest decades of mismanagement and illegal water usage are to blame, at least in part.

In this context, in the early 2000s⁵¹ Iran invited the United Nations Environment Programme (UNEP) to launch a technical dialogue with Afghanistan regarding the basin. UNEP undertook various technical studies, and facilitated two meetings, both in Geneva, with Iranian and Afghan representation, in 2005 and 2006. In parallel, UNEP and UNDP developed a proposal for the restoration, protection and sustainable use of the Sistan Basin.⁵²

The project was intended to allow for the creation of an environmental investment programme, under the Global Environment Facility. However, the dialogue was subsequently put on hold, due in part to the deteriorating security situation in Afghanistan and in part to Iran's own worsening relationship with the international community. The Afghan Ministry of Foreign

⁵¹ Jensen, D. and Hamro-Drotz, D. (2011), 'Lessons Learned on Environmental Diplomacy', Woodrow Wilson International Center for Scholars, <https://www.wilsoncenter.org/publication/lessons-learned-environmental-diplomacy> (accessed 14 Mar. 2019).

⁵² Global Environment Facility (GEF) (2009), 'Restoration, Protection and Sustainable Use of the Sistan Basin, Project Summary', <https://www.thegef.org/project/restoration-protection-and-sustainable-use-sistan-basin> (accessed 14 May 2019).

Affairs intervened to halt cross-border dialogues regarding water, partly because it feared that a lack of capacity on the Afghan side would place it at a disadvantage in any negotiations. Afghan insecurity was further deepened by a widespread belief among Afghans that, in parallel with the relatively positive progress in developing a shared approach towards the Hamoun lakes, Iran was playing a less diplomatic game in undermining Afghanistan's attempts to develop its own water infrastructure.

Various lessons are nevertheless apparent from this attempted initiative. First, technical papers written by neutral experts provided a starting point for a shared understanding of the nature of the problem. They also alerted both countries to the reality that, while there is no single explanation for the current situation, cooperation would be imperative if the basin were to be brought to life. Elsewhere in South Asia, joint teams of scientists from neighbouring countries have worked together to create a shared understanding of specific problems. In the case of Afghanistan, rightly or wrongly, there are concerns that weaker capacity on the Afghan side makes such collaboration more difficult.

Second, on this particular issue, the technical studies pointed to the fact that the problem was complex and multifaceted; responsibility was shared between the two countries, rather than blame laid squarely on one or the other. Had the latter been the case, the process may well have been curtailed earlier.

Third, while technical or scientific studies provide an entry point to a discussion of politically contentious issues, they remain subject to the vagaries of the domestic political climate. Timing interventions so that the outcomes are realized when the political climate is amenable is a necessary, if almost entirely unpredictable, condition for success.

Since 2014, the Sistan Basin has been revisited as an area of potential cooperation between Iran and Afghanistan. Lessons learned from the earlier engagement have been applied. UNDP shifted focus from the more sensitive cross-border wetlands to focus on Lake Urmia, and developed a strategy combining community participation, the promotion of sustainable agriculture and measures to reduce water consumption. As regards the Hamoun lakes, dialogue is now restricted to contact between experts – among whom there is an acceptance of shared responsibility and of the need to restore the lakes to their former state.

Lessons learned

In cross-border engagement on issues of environmental importance, it appears that evidence from one or other country is less trusted than that provided by a neutral arbiter, or by joint teams of scientists from both countries. However, if evidence is provided by an external agency, it is paramount that both countries accept its findings as neutral. Any shared process also serves as a trust-building measure between communities working on similar issues. As with each example, however, any bilateral process remains vulnerable to the overarching geopolitical environment.

In the case of Afghanistan, a lack of domestic capacity vindicates the use of external agencies. However, ideally this process would in parallel serve to strengthen Afghanistan's future capacity to engage bilaterally on a more level playing field.

Progress is not guaranteed, and remains contingent on the domestic politics of the two countries. Consequently, long-term plans ignoring the agency of the countries in question are less effective than more flexible approaches to take advantage of windows of political opportunity.

In some examples, cross-border engagement has benefited from a sense of altruism. In this case, while there may have been a desire to protect a shared ecosystem, the potential funding available to support continued engagement appears to have provided an additional impetus for the two countries to work together.⁵³

⁵³ Jensen and Hamro-Drotz (2011), 'Lessons Learned on Environmental Diplomacy'.

5. Medical Tourism

Medical ‘tourism’ – travelling to another country for cheaper or better healthcare – is a fast-growing industry globally. Poor healthcare facilities and the absence of certain technologies and expertise in Afghanistan have created an income stream for neighbouring countries as Afghan people cross their borders for medical treatments. Rivalry between India and Pakistan has now extended into competition to attract Afghan patients. Iran, too, is emphasizing its cultural similarities as a means of attracting more Afghan patients.⁵⁴

Pakistan has generally been the most popular destination of Afghan medical tourists, at times accounting for around 90 per cent of treatment-seeking visits. This is despite higher costs – foreigners are charged more than Pakistanis – and the bureaucratic hurdles. Following the Soviet invasion in 1979, a large number of Afghans moved into the Hayatabad suburb of the Pakistani city of Peshawar. As the number of Afghans using medical facilities increased, two specialist hospitals – the Rehman Medical Institute, which opened in 2002, and the North West General Hospital, which opened in 2009 – were established in Hayatabad, at times admitting thousands of Afghans per month. Despite new medical facilities opening in Kabul and Jalalabad, Peshawar was more accessible for many Afghans. This was partly because of the 30-year history of Afghan migration to Peshawar, but also because shared linguistic ties made it easier for Afghans to navigate any complexities encountered in seeking medical services. While the porous nature of the Afghan–Pakistan border facilitated cross-border travel for the purposes of seeking medical treatment, few of these medical tourists possessed any paperwork, which left them liable to be stopped and questioned by police.

In April 2016 Pakistan tightened the visa requirements for Afghans entering the country, as a direct consequence of which the number of Afghans using medical services in Peshawar fell to around 50 per month.

In April 2016 Pakistan tightened the visa requirements for Afghans entering the country, as a direct consequence of which the number of Afghans using medical services in Peshawar fell to around 50 per month. This had negative implications not only in terms of individual Afghan citizens’ health issues, but also in terms of revenues for Pakistani service providers – the Peshawar specialist hospitals cited above and a number of private citizens who supply private transport services to Afghans seeking treatment in the Pakistani province of Khyber Pakhtunkhwa (of which Peshawar is the capital, and into which the border region known as the Federally Administered Tribal Areas was merged in 2018).

⁵⁴ *Tehran Times* (2018), ‘Iran’s small share of Afghan health tourists should be addressed’, 1 December 2018, <https://www.tehrantimes.com/news/430051/Iran-s-small-share-of-Afghan-health-tourists-should-be-addressed> (accessed 14 May 2019).

India, meanwhile, has long promoted itself as a destination for medical tourism, and the costs of treatment there are lower than in Pakistan. The total number of medical tourists visiting India rose from 130,000 in 2015 to 200,000 in 2016.⁵⁵ However, these figures refer to patients entering India with a medical visa. Some reports suggest that the number of international patients was more than double this number.⁵⁶ According to the Indian government, revenues from medical tourism are expected to triple from \$3 billion in 2015 to \$9 billion by 2020.⁵⁷

From 2016 India sought to meet the medical needs of Afghans constrained from visiting Pakistan and introduced a same-day visa policy for Afghan medical tourists. As the number of Afghans using Pakistani hospitals fell, India became one of the main destinations for Afghans seeking treatment. In 2015/16 fewer than 30,000 Afghans were seeking medical treatment in India.⁵⁸ Subsequently these numbers have risen significantly. In late 2018 it was reported that more than 500 Afghans sought an Indian visa from the Indian consulate in Herat every day. Of these, 80 per cent sought medical treatment.⁵⁹

Although healthcare is cheaper, for many Afghans the cost of flying into India, along with the cost of accommodation, is prohibitive. In addition, the language barrier remains a challenge for many Afghans visiting India, although many hospitals do provide Dari/Pashto interpreters for patients from Afghanistan. (Both languages are widely spoken in Peshawar and throughout Khyber Pakhtunkhwa.) In late 2018 the newly appointed health minister for Khyber Pakhtunkhwa, Dr Hisham Inamullah Khan, suggested that the provincial government was proposing to offer incentives for Afghans to use the province's hospitals, with treatment to be offered at district hospitals as well as at the major government-run hospitals in Peshawar. If these proposals are followed through, Pakistan may well revert to being the major destination for Afghan medical tourists.⁶⁰

As well as Afghan medical tourists travelling to healthcare facilities in larger cities in neighbouring countries, there are opportunities for local-level cross-border medical tourism. This is particularly the case in northeastern Afghanistan, which is, to a significant extent, cut off from the rest of the country. Some parts of mountainous Badakhshan, for example, are up to 18 hours' travel time from the provincial capital, Faizabad, in good weather. During the winter months, snow frequently blocks roads, making the journey impossible.

As with trade and energy, cross-border cooperation on healthcare between Afghanistan and Tajikistan has emerged as an extension of the ongoing development of the healthcare sector in southern Tajikistan. During the Soviet period, there had been significant investment in healthcare

⁵⁵ Chowdary, S. (2017), 'Medical tourist arrivals in India up 25%', *Business Standard*, 22 April 2017, https://www.business-standard.com/article/companies/medical-tourist-arrivals-in-india-up-25-117041900577_1.html (accessed 14 May 2019).

⁵⁶ International Medical Travel Journal (2017), 'India Medical Tourism Statistics Released', <https://www.imtj.com/news/india-medical-tourism-statistics-released/> (accessed 14 May 2019).

⁵⁷ *Economic Times* (2017), 'Medical tourism value in India to touch USD 9 bn by 2020: Govt', 18 December 2017, <https://economictimes.indiatimes.com/industry/services/travel/medical-tourism-value-in-india-to-touch-usd-9-bn-by-2020-govt/articleshow/62124646.cms> (accessed 14 May 2019).

⁵⁸ Chowdary (2017), 'Medical tourist arrivals in India up 25%'.

⁵⁹ Singh, V. (2018), 'Pak losing Afghan medical tourism to North India', *The Tribune*, 26 December 2018, <https://www.tribuneindia.com/news/punjab/pak-losing-afghan-medical-tourism-to-north-india/704169.html> (accessed 14 May 2019).

⁶⁰ Yousafzai, S. (2018), 'K-P to focus on 'medical tourism' for Afghans', *Express Tribune*, 12 November 2018, <https://tribune.com.pk/story/1845426/1-k-p-focus-medical-tourism-afghans/> (accessed 14 May 2019).

services in Tajikistan. However, the collapse of the Soviet Union meant that the provision of subsidies to poorer regions such as Tajikistan came to an end, a situation exacerbated by the 1992–97 civil war. In 1995 per capita spending on healthcare stood at just \$28 (in purchasing power parity terms).⁶¹ Budgets for healthcare were hard hit, and health indicators such as maternal and infant mortality began to deteriorate. By 2000 UNICEF estimated that the infant mortality rate stood at 89.0 deaths per 1,000 live births, the worst in the former Soviet Union.⁶²

Years of underinvestment affected the quality of physical infrastructure, such as hospitals and health centres. The government of Tajikistan launched a reform programme intended to create a sustainable and cost-effective system of healthcare, with universal access. By 2013 per capita spending had risen to almost \$170.⁶³ Its priorities included primary care, public health and improved efficiency. As well as investing in healthcare professionals, the reforms aimed to involve the community in healthcare provision. To this end, the government worked in tandem with the AKDN and its agency, Aga Khan Health Services (AKHS) in specific regions, including the GBAO, to rehabilitate the healthcare system.

Cross-border healthcare cooperation between the GBAO and the neighbouring Afghan province of Badakhshan has evolved from these developments. Large areas of Badakhshan have long lacked both medical facilities and trained staff. Patients who lived close to the Tajik border – and very close to the Tajik city of Khorog – were traditionally advised to travel to the provincial hospital at Faizabad, some 18 hours' drive away. Many seriously ill patients would not survive the journey, and as a consequence the province had Afghanistan's highest rates of maternal and infant mortality.

Thank God, for several years now we have not had to experience such pain any more due to the cross-border facility, which means we get Tajik surgeons ... [if the facility ended] we will end up in the situation where our patients would lose their lives despite needing insignificant surgical procedures.

Interview with GP, Shughnan district, Badakhshan province, Afghanistan, August 2018

A cross-border health project was initiated in 2010 with the aim of improving the quality of healthcare in communities on both sides of the Afghanistan–Tajikistan border. Under the project, it has been possible to treat critically ill patients from Afghan Badakhshan in Tajik hospitals; for Tajik health professionals to provide healthcare services in Afghanistan; and for policymakers from both countries to undertake reciprocal cross-border study tours where they can observe healthcare systems in the partner country.

Under the joint healthcare programme, three comprehensive health centres (CHCs), with around 10 beds each, have been established on the Afghan side of the border; these are situated close to the bridges which cross the Pyanj river – and the international border – at Nusai, Ishkashim and Shughnan.

⁶¹ Khodjamurodov, G., Sodiqova, D., Akkazieva, B., Rechel, B. (2016), 'Tajikistan: health system review', *Health Systems in Transition*, 18(1): pp. 1–114, http://www.euro.who.int/__data/assets/pdf_file/0007/308833/HiT-Tajikistan.pdf (accessed 14 May 2019).

⁶² De Haan, S. and Iskhakova, Z. (2006), *Research for Health in Tajikistan: Strengthening the National Health Research System*, Geneva: The Council on Health Research for Development, http://www.cohred.org/downloads/cohred_publications/rp4.pdf (accessed 26 Jun. 2019).

⁶³ Khodjamurodov, Sodiqova, Akkazieva, Rechel (2016), 'Tajikistan: health system review'.

Afghan patients are assessed using three categories, and their treatment proceeds accordingly. If a patient cannot be treated by a CHC in Afghanistan, or is critically ill, they are categorized as ‘emergency’. By means of the programme, the CHC can request the transfer of that patient to an appropriate hospital in the GBAO. The joint healthcare agreement then enables the patient to be treated in the Tajik facility without the need for a visa, and the programme, thanks to its donor funding, covers the cost of their treatment.

Since Afghan CHCs lack the personnel and facilities to provide specialist services, the agreement also provides for Tajik doctors and specialists (such as dermatologists, ophthalmologists and surgeons) to cross into Afghanistan on a routine basis after requests from Afghan CHCs. Routine visits last three to five days, with the Afghan consulate in Khorog providing visas to the Tajik health professionals and specialists.

Thirdly, the programme enables Afghan CHCs to send clinical samples to Khorog hospitals for diagnostics and testing – facilities that do not exist in this part of Afghan Badakhshan. Special insulated containers are provided for depositing samples, with teams from both countries meeting each other at the nearest bridge (which also serves as the border crossing) to transfer boxes.

Since its inception, the programme has provided more than 3,000 consultations and 300 surgeries annually. AKDN has also provided dental care for Afghans, and has enabled Tajik trainers and specialists to provide training to Afghan healthcare professionals.

A Khorog-based hospital can respond to an emergency surgery request in under an hour, while it would take up to 10 hours to transfer the same patient to the nearest suitable surgical facility within Afghanistan. Structural issues within the Afghan system of healthcare governance further complicate this picture, and Afghans have for many years faced considerable difficulties in receiving basic healthcare as a result. For instance, a health facility in Shighnan district in Badakhshan province, which is a day’s drive from the provincial capital of Faizabad, is perceived as needing the same staffing structure (i.e. with no allocation of surgical staff) as a district in Kabul province, which may lie just a 30-minute drive away from Afghanistan’s capital city.

Over the past six years the project is widely viewed as having transformed healthcare in Badakhshan. Healthcare provision has improved as cross-border cooperation has progressed. Access to electricity has enabled Afghan healthcare facilities to provide a range of services that it was not previously feasible to offer, such as ultrasound. While Afghan surgeons are still scarce, Tajik doctors are able to cross the border to assist Afghan healthcare providers in conducting certain surgical procedures such as cataract removal.

Since most Afghans in the border districts do not have passports, it is not possible to organize training for Afghans in Tajikistan. Visa restrictions (and the occasional outright ban on visas for Afghans) make travel to Tajikistan difficult even for those with passports. To mitigate this situation, the AKDN cross-border health programme often provides training opportunities in Faizabad (and occasionally in Kabul) for Afghan health workers and professionals from Badakhshan’s border districts.

Insecurity, or the threat of insecurity, can lead to the border being closed, and these closures can last indefinitely, with scant details being released in such cases about the planned reopening of the border. This brings difficulties for participants in the cross-border healthcare programme. In addition, Tajik doctors travelling to Afghanistan to carry out procedures have to cope with a lack of available medicines within Afghanistan, limiting their ability to provide treatment. Nonetheless, as stated above, access to healthcare for citizens of Badakhshan province has improved markedly in recent years. Some interviewees⁶⁴ were sceptical of the importance of shared culture in encouraging cross-border collaboration. While cultural and linguistic ties were seen as helpful, there remain significant differences in, for instance, systems of education, governance and the social and political environments between the two countries. Indeed, many of the Tajik doctors participating in the scheme are not from the GBAO. Instead, a shared spirit among medical practitioners regarding the importance of providing healthcare was seen as the driving force behind the project's success.

Lessons learned

It is somewhat ironic that India and Pakistan, along with Iran, are in competition to attract Afghan patients. However, this competition provides a positive narrative as regards engaging with Afghanistan. Given that healthcare in Afghanistan is likely to remain poor for the foreseeable future, in an ideal world the three countries could engage in dialogue to assess in which fields they each have comparative advantage.

In some respects, the geography of Badakhshan provides the obvious rationale for cross-border healthcare collaboration. Scattered communities on the Afghan side of the border are at certain times of the year cut off from any access to secondary or tertiary healthcare in their own country, yet medical facilities are available over the border.

Improving access to healthcare in Afghanistan should be a priority on its own merits, but also provides a means of enhancing stability in the country. Conflict has wrecked the country's healthcare system, prompting most medical professionals to leave the country. For those in need of healthcare, the costs involved – in terms of both money and time – can push families into poverty, in turn potentially increasing the risk of radicalization.

At the same time, governmental weakness within Afghanistan is seen as a powerful recruiting message for non-state actors. Extending the remit of governance is paramount for the Afghan state. Yet the provision of public goods is a contested issue in many fields of government – such as education which, like security, is regarded as a divisive area. Healthcare (with very few exceptions, notably the issue of vaccination to prevent the transmission of polio) is one of the less politically contentious fields. Any action by Afghanistan's neighbours to support healthcare provision for Afghans should be seen in a positive light.

⁶⁴ For instance, interviewed in August 2018, the head of Shighnan health clinic in Afghanistan reflected on the 'universality' of medics' commitment to save and improve lives; he emphasized the need to strengthen the human and 'organic' force that drives people to improve lives of those in need instead of presupposing cultural similarities would automatically lead to better cooperation. Tajik respondents also expressed similar sentiments. There was a recognition by Afghans and Tajiks who were interviewed that facilitating interactions and people-to-people contacts would foster long-term cordial relations regardless of whether cultural ties are seen as strong.

6. Conclusion

For centuries Afghanistan was integral to the Silk Road, which connected Asia and Europe in terms of trade, ideas, religions and culture. In their role as cultural *entrepôts*, Afghanistan's cities flourished. The rise of shipping led to the gradual decline in the importance of the Silk Road, and Afghanistan's position as tangential rather than pivotal to its neighbours was reinforced by its role as a crucial buffer state, separating the Russian and British empires. Railway lines ended at the Afghan border, in part as a means of impeding potential invaders from north or south.

More recently, decades of conflict have reinforced Afghanistan's status as peripheral. Engagement – each way – has been negative rather than positive. Neighbouring countries' support for various proxies within Afghanistan has served to further undermine stability. Connectivity with Afghanistan has more often been conceived in terms of public 'bads', most notably the opium trade, radical Islamist ideologies and weapons. Meanwhile, progress on many of the long-mooted and potentially positive large-scale infrastructure plans has stalled or been sluggish at best.

Rethinking Afghanistan's borders as opportunities, rather than threats, is a precondition for enhanced connectivity. Fears that better connections ease the outflow of illicit trade – particularly in the case of opium – are not unfounded as regards some ungoverned spaces. However, better connectivity eases the spread of governance to remote areas, and on balance the impact of enhanced formalized trade on the opium industry would be negative, or at worst, neutral.

*Rethinking Afghanistan's borders as opportunities, rather than threats,
is a precondition for enhanced connectivity.*

Contrary to widespread perception, as this paper demonstrates, there are numerous – and growing – examples by which engagement between Afghanistan and its neighbours is taking place and is providing mutual benefits. Furthermore, this is occurring in an environment in which the notion of connectivity as a positive force has greater traction within Afghanistan's neighbourhood than it did even a decade ago.

While a clear shift is under way among Afghanistan's neighbours towards seeing the benefits of connectivity, two notions remain widespread. The first is a zero-sum mindset, whereby cooperation (for instance, in the form of trade in goods or power) in one direction is seen to come at the expense of cooperation in another field. The second is that cooperation (for instance, cross-border power trading) creates vulnerability for the recipient rather than a mutually beneficial relationship. Yet if Afghanistan is to develop long-term economic sustainability, these notions need to be overcome and the country needs to regain the regional centrality it once enjoyed.

The demonstration effect of cross-border projects is important. This is especially pertinent for small-scale projects, while the CASA-1000 energy transmission lines should serve to expedite other large-scale initiatives. The starting point in regard to cross-border cooperation is extremely

low: some Tajik interviewees, for instance, recounted having grown up being literally warned not to look across the border lest they see an Afghan.⁶⁵ More broadly, among local communities in neighbouring countries connectivity with Afghanistan is frequently feared, with the country being seen as the source of opium as well as of extreme religious ideologies – although the extent of the latter is often exaggerated for domestic political purposes.

In many cases, the initial response towards cross-border engagement is scepticism. However, this attitude appears to change once cross-border projects are in place, creating a more positive sentiment among both officials and local communities. Beyond simple economics, altruism appears to play a role in encouraging cooperation.

Furthermore, people-to-people contacts help to erode a number of stereotypes that have fed into broader narratives regarding Afghanistan – many of which date from the Soviet era and are based on the idea of Russia having ‘saved’ Central Asia from the Afghans. For example, Tajik participants who had been in educational exchanges with Afghanistan expressed surprise at the level of educational facilities available in Afghanistan (which partly reflected higher levels of donor support).⁶⁶ A legacy of Soviet rule, for Central Asia, and a legacy of conflict for Afghanistan have meant that Afghans are frequently more entrepreneurial than their Central Asian neighbours. Tolo TV’s expansion into Central Asia, for instance, has had a positive impact (especially through Afghan music), contrasting with often more dour Central Asian TV stations. Thus contact – whether physical or virtual – demonstrates that engagement can provide learnings in both directions.

In the case of Tajikistan, geography provides a powerful argument for cross-border engagement. The terrain of the Tajik–Afghan border, and the fact that movement within northeastern Afghanistan is made easier by transiting Tajikistan rather than Afghanistan, makes the specifics of this border somewhat different than Afghanistan’s other borders. Nonetheless, the approaches taken do provide a template for the development of other cross-border initiatives. Where opportunities can be found to bring both economic and philanthropic benefits, there appears to be an altruistic value in cross-border engagement. Many Tajiks interviewed were happy to have contributed to the welfare of neighbouring Afghans.

The relationship between Tajikistan and Afghanistan differs somewhat from Afghanistan’s relationships with its other neighbours. The isolated nature of the Afghan province of Badakhshan has left it out of mainstream Afghanistan: it was the only province not captured by the Taliban in the 1990s. Its road links are poor, and at some times of year non-existent, making travel within the district easier via Tajikistan. This fact alone – and the resultant requirement for NGOs working in the province to travel through Tajikistan – provided an initial cross-border element to assistance in this region. The context of the GBAO also made a cross-border approach more feasible than along more contested borders.

Shared cultural linkages across the Tajik–Afghan border have parallels with each of Afghanistan’s other neighbours, with the exception of China. However, the politics to the north of Afghanistan differs from that with Iran and Pakistan. In the case of Iran and Pakistan, those inhabiting the

⁶⁵ Interview with female Tajik professionals with extensive experience of managing cross border projects with Afghanistan, August 2018.

⁶⁶ This was reflected in particular in the interviews with Tajik members of AKDN cross-borders initiatives such as SPCE.

border regions are viewed with ambivalence, if not outright suspicion. Sistan is one of Iran's few Sunni-majority provinces. For Tehran, stability in Sistan is desirable in order to ensure that Sunnis do not migrate to other parts of Iran and destabilize Shia-majority provinces. The tribal areas of Pakistan were, until recently, peripheral to the rest of Pakistan and viewed as lawless. In both cases, cross-border cultural linkages are still regarded as a threat rather than an opportunity.

Many of the barriers to better connectivity are relatively simple logistical issues. For instance, it is easier to develop border markets if cars or lorries can drive into the markets, and even easier if they can drive across the border. The need to have passports stamped at the border is a significant deterrent to cross-border interaction: regular traders on both sides of the border will frequently need to renew their passports, which is a burdensome activity. In a similar vein, trade is facilitated by mobile phone coverage. Mobile phones that work on both sides of the border are ideal, but if this is not possible, ease of access to local SIM cards can be an important determinant of success. While these logistical difficulties stem from the securitized nature of the border, enhanced people-to-people ties require some kind of liberalization if they are to be sustainable.

There is a growing sense in South and Central Asia that cross-border energy trading is both feasible and desirable, and Afghanistan is seen as a conduit for several large-scale links. However, the case of Badakhshan – one of Afghanistan's poorest provinces – suggests that Afghanistan can benefit from domestic energy consumption. The geography of Badakhshan is such that it is more feasible for it to be connected with Tajikistan than with a national Afghan grid. In addition, the Pamir Energy experience suggests that, with a certain approach, Afghanistan can represent a profitable market for electricity exports. This finding not only has implications for the economics of the large-scale energy projects; it also suggests that there is scope for the development of cross-border micro-hydropower initiatives, both in the north and potentially in regions bordering Pakistan.

While Afghanistan's borderlands may be poor, lack of access to power is a major contributing factor to their poverty. Winter temperatures fall well below zero, meaning that a significant percentage of household income is spent on firewood, or, as is more often the case, women and children are forced to spend hours collecting wood or dung. Access to power frees up time and/or money for more productive uses.

Winter temperatures fall well below zero, meaning that a significant percentage of household income is spent on firewood, or, as is more often the case, women and children are forced to spend hours collecting wood or dung.

Beyond the economic benefits, people's health and the environment would both benefit from access to electricity. According to WHO, around 54,000 Afghans die annually from the effects of smoke inhalation. By way of comparison, just over 32,000 Afghan civilians died in conflict in the nine years to December 2018. Energy deficiencies have put immense strain on Afghanistan's heavily depleted forests, with knock-on effects for agricultural production. In some cases, fruit and nut trees, which could otherwise be a source of revenue, have been cut down and used as firewood.

Demonstrating the advantages of cross-border cooperation to local communities at a micro level is likely to create a more conducive environment in which to advance larger-scale cross-border cooperation. Providing Afghans with power may serve to garner broad-based support for cross-border power trading initiatives.

Recommendations

Being culturally aware, expecting initial scepticism and planning a long-term engagement with a particular geography would appear to be obvious rules for successful interventions (whether or not they are cross-border in scope). For external donors, demonstrating that an engagement is planned to be long-term may be challenging; the more local the ownership model, the better. This also applies to the employment of local people.

For cross-border interventions, it is imperative to engage with government – whether central or local. In South and Central Asia there will be concern over the motivation behind any cross-border engagement that can only be overcome with government knowledge and support. Simplicity is key in engagement at all levels. The more complex the approach, the greater will be the assumption that there are hidden motivations.

The more localized the project, the greater the sense of, and potential for, local ownership. Intuitively, large-scale ‘national’ or international projects require local beneficiaries. For instance, if communities close to transmission lines do not receive electricity, they will feel less ownership than if they do. Such arguments recur in South Asia: the potential of hydropower in Nepal and of gas in Bangladesh has lain untapped because the existing market is seen to be external. Neither country wishes to provide resources to a neighbour before domestic needs are met. However, the example of Pamir Energy suggests that apparently poor consumers may present a viable market: the provision of power to those without opens up substantial economic opportunities.

Treating local communities as consumers rather than victims may prove empowering. In different contexts, Afghans have demonstrated the ability to pay for healthcare and electricity. If the ‘right’ to access health and power could be entrenched, this could facilitate the enhanced remit of the state in soft-power terms.

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Because of a growing acceptance in South Asia – and fresh acceptance in Central Asia – about the benefits deriving from cross-border power trading, energy can serve as an entry point to other forms of cross-border exchange or management for areas that are currently more politically sensitive, such as water.

It is important not to underestimate the beneficiaries of the status quo, even if the latter appears clearly suboptimal. ‘Mafias’ involved in providing diesel for generators oppose cleaner forms of energy; transport mafias oppose seamless trade across borders; smugglers oppose (generally) better connectivity as it allows for better governance. Such groups may be politically influential in preserving the status quo.

Regardless of their success, forums for cross-border people-to-people contacts such as markets remain vulnerable to overarching political or security concerns, whether genuine or exaggerated. Until markets are guaranteed to open at particular times, it is difficult to build genuine cross-border reliance, since market closures will mean that certain products will have to be procured from alternative sources. Furthermore, reliance can be interpreted as vulnerability, which is not without justification, given that markets have been closed and cross-border electricity exports shut off. Time is a necessary precondition for trust, but one that cannot be expedited.

Energy trading

The provision of power can have a significant transformative effect beyond what may have been initially envisaged. Increased educational opportunities and healthcare advances can be achieved. Meanwhile, in cold regions the time or money freed from gathering or buying firewood can significantly increase economic well-being, with further beneficial impacts on the environment for instance. The absence of power can also help to explain why some communities are poor. Thus, there may be a greater ability to pay – in particular with some targeted subsidization of the poorest communities – than might have been expected.

The provision of electricity can have a significant impact on Afghanistan. More Afghans die from smoke inhalation than from conflict. The need for firewood has a negative environmental impact and consumes time or money in poor communities. The provision of light extends family time and enables children to study. Whether on- or off-grid, the benefits of providing power are likely to vastly outweigh the costs.

Border markets

The construction of hard infrastructure is necessary but not in itself sufficient to facilitate seamless connectivity. ‘Soft infrastructure’ – whether human capital or legal frameworks – needs to be developed in parallel. Administrative burdens can also work to limit the impact of connectivity initiatives.

Many of the impediments to cross-border connectivity are logistical: a requirement to have passports stamped at the border (in countries in which new passports are difficult to obtain) is a clearly identifiable barrier to both traders and consumers; the need to offload and reload goods onto different vehicles adds to the cost of their transport. While there may be (real or exaggerated) security concerns that justify the status quo, innovative thinking (such as allowing other forms of identification to be used to access border markets) can circumvent the overarching official policy.

While there may be initial hesitation towards greater engagement with Afghanistan, once in place the benefits to both sides can generate enthusiasm. The markets have also provided space – both literal and conceptual – for other cross-border interactions.

Cross-border ecosystems

Shared ecosystems can be highly politically contentious, particularly given concerns regarding water availability, and they can fuel regional tension. Yet environmental degradation fuels conflict internally and hinders agricultural productivity. Efforts to convert this vicious circle into a virtuous one, however challenging, are clearly worthwhile.

In relation to many ecosystems that are shared between Afghanistan and its neighbours, the current evidence base on which decisions can be made is low. This provides scope for a neutral, external arbiter to gather evidence. Alternatively, if capacity on both sides is relatively equal, joint teams could be formed to conduct scientific research. Any shared process can serve as a trust-building measure between people and organizations from different countries working on similar issues.

Progress is not guaranteed, and remains contingent on the domestic politics of the countries involved. Consequently, long-term plans that ignore the agency of each of the countries in question are less effective than more flexible approaches to take advantage of windows of political opportunity.

In some examples, cross-border engagement has benefited from a sense of altruism among Afghanistan's neighbours. Potential funding available to support continued engagement may provide an additional impetus for two countries to work together.⁶⁷

Medical tourism

It is somewhat ironic that India and Pakistan, along with Iran, are in competition to attract Afghan patients. However, this competition provides a positive narrative as regards engaging with Afghanistan. Given the paucity of healthcare in Afghanistan for the foreseeable future, in an ideal world Iran, Pakistan and India (along with Afghanistan) could engage in dialogue to assess in which fields of healthcare provision they each have comparative advantage.

⁶⁷ Jensen and Hamro-Drotz (2011), 'Lessons Learned on Environmental Diplomacy'.

In some respects, the geography of Badakhshan provides the obvious rationale for cross-border healthcare collaboration. Scattered communities on the Afghan side of the border are at some times of the year cut off from any access to secondary or tertiary healthcare in Afghanistan, yet medical facilities are available over the border.

Improving access to healthcare in Afghanistan should be a priority on its own merits, but also provides a means of enhancing stability in the country.

Improving access to healthcare in Afghanistan should be a priority on its own merits, but also provides a means of enhancing stability in the country. Years of conflict have ruined the country's healthcare system and prompted most medical professionals to leave. For those in need of healthcare, the costs involved – in terms of both money and time – can push families into poverty, in turn potentially increasing the risk of radicalization.

At the same time, weak governance within Afghanistan is seen as a powerful recruiting message for non-state actors. Extending the remit of governance is paramount for the Afghan state. Yet the provision of public goods is a contested issue in many fields of government. It is not just the provision of security but issues such as education that are regarded as divisive. Healthcare (with very few exceptions, notably the issue of vaccination to prevent the transmission of polio) is one of the least politically contentious fields. Any action by Afghanistan's neighbours to support healthcare provision for Afghans should be seen in a positive light.

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