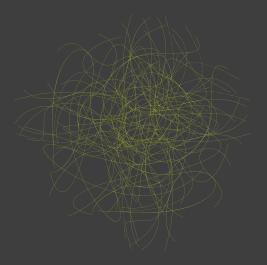
Sources of Tension in Afghanistan and Pakistan: A Regional Perspective

Afghanistan & the Regional Powers: An Overview of 2013

**Malaiz Daud** 

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## AFGHANISTAN & THE REGIONAL POWERS: AN OVERVIEW OF 2013

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### Introduction

This report is the overview of key findings of the Quarterly Monitoring Briefs (QMBs) of CIDOB's "Sources of Tensions in Afghanistan and Pakistan: A Regional Perspective" project for the year 2013. The Briefs served to highlight the level of involvement of Russia, China, India, Saudi Arabia and Iran in Afghanistan. They also covered regional dynamics and cross cutting issues as well as important events and developments inside Afghanistan.

The overview focuses on both Afghanistan's bilateral relations with the aforementioned five key regional powers as well as Afghanistan's domestic issues with regional implications and vice versa.

## A Dynamic Year of Regional Diplomacy

2013 proved to be a dynamic year for public diplomacy surrounding Afghanistan. The year saw a number of bilateral and multilateral events concerning Afghanistan take place in the region. Some of these events included international partners and Western powers too. Afghanistan was discussed during almost all bilateral visits conducted between leaders of the regional powers. The planned 2014 withdrawal of the international military forces from Afghanistan seems to have been a major driver in making Afghanistan centre-stage in many discussions. In addition to primary mechanisms such as the "Istanbul Process", there were numerous Track II events that focused on Afghanistan.

## Afghanistan Prominent on the International Stage

All in all, Afghanistan featured prominently on a number of regional platforms. Major events pertaining to Afghanistan's current situation and its future outlook started off with the Ministerial Conference of the "Heart of Asia" participating countries in April to recognize completion of the first step of the "Istanbul Process", adopting Implementation Plans of the Confidence Building Measures (CBMS)<sup>1</sup>, followed by the meeting of the International Contact Group on Afghanistan and Pakistan (ICG) —

 https://www.facebook.com/ MoFA.Economic.Cooperation/ posts/577432065621301 comprising of 50 countries – in May in Berlin² and in September in New York³, the 12<sup>th</sup> Meeting of Foreign Ministers of Russia, India and China⁴ and the "Doing Business with Afghanistan" International Conference⁵ both in November in Delhi. The year was capped off by a UN General Assembly Resolution "reaffirming commitment to Afghanistan's peaceful, prosperous future"⁶. The Afghan government not only participated in most of the aforesaid platforms but also held bilateral meetings on different levels with their counterparts from the regional powers in question, the most significant of which were President Karzai's meetings with his Indian, Russian, Chinese and Iranian counterparts.

This all happened against the backdrop that years of civil war and Taliban rule, which had practically paralyzed Afghan state institutions. Afghanistan's Ministry of Foreign Affairs almost became defunct during Taliban's years of isolation. While Afghanistan was represented by Taliban in three countries, there were a few embassies and representations elsewhere run by the so-called Northern Alliance.

After the Bonn Conference, the new administration's tasks included dealing with a broad array of foreign actors, necessitating a revamped foreign relations and diplomatic arm. The Afghan Ministry of Foreign Affairs has since come of an age in terms of taking the lead in the sphere of diplomacy. It has not only managed to ensure government representation in gatherings outside Afghanistan but has also convened several high-profile summits in Afghanistan. The International Kabul Conference of 2010, which took place in the Ministry in Kabul, most probably was one of the most high-profile summits the history of the region with up to 75 foreign ministers and other dignitaries in attendance.

# Decrease in Aid, Unemployment and its Implications for the Region

Afghanistan's heavy reliance on aid in the past 12 years has created a bubble economy whose sustainability is facing a serious threat now that the international forces are scheduled to leave the country at the end of 2014. With the troops gone, the funding will most certainly drastically decrease and the economic activities created to support the military presence will vanish. Fearing a drop in the stability, Afghan investors are already relocating to other countries. Dubai has become a favourable destination<sup>8</sup>. The net result of all this will be job losses.

The Afghan economy slowed down in 2013. With unemployment already a major issue, further cuts will pose a serious challenge. Government policies have fallen short of curbing the potentially negative trend. The impact of unemployment will be multifaceted, from an increase in criminal activity to growth of the illicit economy, to an upsurge in disenchantment with the government. However, one aspect that will have regional implications would be an outpouring of young men in search of jobs to the neighbouring countries, Gulf States and India. Afghanistan already has one of the highest refugee ratios per capita. Many young Afghans are doing laborious jobs in Iran<sup>9</sup> and the Gulf States. Indeed, "with 36,600 asylum claims lodged in 2012, Afghanistan remained the most important source country of asylum-seekers in the 44 industrialized countries", 10 a trend that is expected to have continued in 2013.

- http://unama.unmissions.org/ Default.aspx?ctl=Details&tabid=12 254&mid=15756&ltemID=36817
- http://unama.unmissions.org/ Default.aspx?tabid=12254&ctl=Det ails&mid=15756&ltemID=37288&la nguage=en-US
- http://mea.gov.in/bilateraldocuments.htm?dtl/22469
- **5.** http://mfa.gov.af/en/news/minister-afg-in-2
- **6.** http://www.un.org/News/Press/docs/2013/ga11457.doc.htm
- **7.** http://www.thekabulprocess.gov.af/index.php/conferences/kabul-2010
- 8. http://www.bbc.co.uk/news/business-24489843
- http://www.unhcr.org/cgi-bin/texis/ vtx/refdaily?pass=463ef21123&id= 50c6d7fb5
- **10.** http://www.unhcr.org/5149b81e9. pdf

## **Capital Flight**

The Afghan business community has flourished due to military and civilian presence of the international community in Afghanistan since 2001. The construction market has boomed. Afghanistan had only 50 km of paved roads in 2002. USAID alone has built or rehabilitated 1,800 km of road ever since. Logistics, security, food, even wedding industry<sup>11</sup> have seen an upward spiral.

In addition to traditional business entities, many budding businessmen and women have reportedly made fortunes<sup>12</sup>. Their investments have transcended national boundaries. There are also many joint business ventures between rich Afghans and foreign firms. However, the Afghan business community fears their investments may not be secure once the international troops pull out. The lack of trust in the Afghan state is demonstrated by the fact that all business in Afghanistan is done in foreign currencies – predominantly the US dollar. This strategy would safeguard the private sector from certain economic shocks. Now, these businessmen and women are increasingly looking for new markets in which to invest their capital. Many of them have already relocated to Dubai. Small investors have penetrated the housing market of Turkey. Overall, capital flight is increasingly undermining economic viability of the current Afghan state, as well as serving a blow to people's confidence in their government. Each year an estimated \$8 billion is flown out of the country in cash<sup>13</sup>, illustrating the gravity of the situation.

## Regional Constraints and Opportunities for the Afghan Private Sector

A secure transit route - or lack thereof - is the biggest constraint to Afghan traders. The Pakistani government's behaviour in 2013 could best be described as unpredictable vis-à-vis its commitments to allow Afghan traders' goods pass via the port of Karachi. Pakistan refrained from allowing Afghan goods to transit overland into India, despite signing a transit agreement with the Afghan government – under pressure from the US – to this effect. Afghan traders have already accrued immense losses because of demurrage levied on their stranded goods in the Karachi port this year.

Iran, on the other hand, tried to take advantage of the trade stalemate between Pakistan and Afghanistan to present Chabahar port as an alternative to Karachi. It announced a special incentives package for Afghan traders to use Chabahar for transit of their goods. India chipped in by providing funding to upgrade infrastructure and facilities in Chabahar so that it becomes the main hub for business transactions of Afghanistan with the rest of the world. The road from Chabahar to Islam Qala – the border crossing between Iran and Afghanistan – was paved with Indian funding.

## **Challenges of the Afghan Mining Sector**

Afghanistan's minerals are still to a large extent untapped. The extent of Afghan minerals and their estimated worth has been determined by two studies. The first one was conducted in 1980s by the Soviet Union

- http://www.smh.com.au/world/ afghanistans-rich-new-elite-goesfor-broke-at-wedding-ceremonies-20110719-1hn3o.html
- **12.** http://www.theguardian.com/ world/gallery/2013/jun/28/ afghanistan-new-rich-in-pictures
- http://www.reuters. com/article/2012/03/13/ us-afghanistan-economyidUSBRE82CODJ20120313

and the second one was conducted by the 2010 by the USA<sup>14</sup>. Once the latter confirmed the existence of large amounts of precious minerals, the Afghan government realized it may have found a source of revenue sizeable enough to completely transform its economy.

Expectations were high in the early stages as the Afghan government looked for firms from Europe and North America to show interest. However, to its dismay, only regional firms put forward bids. A consortium led by the Steel Authority of India (SAI) won the contract for Hajigak iron ore mine<sup>15</sup> and China's China Metallurgical Group Corporation (CMGCC) won the contract for the Aynak copper mine<sup>16</sup> (the former's junior partner in the deal is a Canadian company).

Once the contractors began to operate, many issues surfaced. At the site of Aynak, many ancient artefacts were found, thus, hindering the work of CMGCC. According to *the Diplomat*:

"[T]he 2,600-year-old site contains fortified monasteries, a Zoroastrian fire temple, several Buddhist stupas, more than 1,000 statutes and walls featuring frescoes of donor portraits and scenes from the Buddha's life. Not to mention smelting workshops, miners' quarters (even then the site's copper was well known), a mint, two small forts, a citadel, and a stockpile of Kushan, Sassanian and Indo-Parthian coins"<sup>17</sup>.

The project was also marred by security glitches. The Hajigak project is also feared to face security threats. In this situation, the CMGCC lodged a request for amending its contract, prompting Karzai to forgo what would have been his last appearance in the United Nations General Assembly and instead head to China for the 2013 Euro-Asia Economic Forum (EAEF) meeting<sup>18</sup>; at the sidelines of which the issue of Aynak was discussed. The Indians, aware of the limitations of their project, followed in the Chinese footsteps to demand a revision in terms of their contract as well after India's Finance Ministry withheld funds from SAI whose financial viability plan was deemed inadequate.

## **Religious Radicalization**

Radicalization remained a major issue throughout 2013. Thousands of young Afghans attend *madrasas* in Pakistan. The *madrasas* have a track record of radicalizing its students and also training them in warfare. Every year, hundreds of young men – mostly teenagers or in their early twenties – are radicalized to the point that they risk their lives to attack Afghan and international forces. Would-be suicide attackers captured in 2013 revealed another disturbing aspect to their training - reported sexual abuse<sup>19</sup>.

Pakistani *madrasas* are not expected to go away in the immediate to medium term. Indeed, reportedly they have become a very lucrative business for the religious extremist parties in Pakistan. Owners of *madrasas* amass millions of dollars every year from their fund-raising trips to wealthy Arab states to cater for not only Afghan and Pakistani students, but also Chechens, Uighurs, Uzbeks, even Europeans and Americans<sup>20</sup>. Therefore, it is hard to imagine that they will either be brought under control of the government or dropped altogether. Attempts to control them initiated by General Pervez Musharraf, were in vain<sup>21</sup>.

- 14. http://www.nytimes. com/2010/06/14/ world/asia/14minerals. html?pagewanted=all
- **15.** http://www.reuters.com/ article/2013/10/29/us-afghanistanmines-idUSBRE99S08J20131029
- **16.** http://integritywatchafghanistan. blogspot.de/
- **17.** http://thediplomat. com/2013/06/10/saving-thebuddhas-of-mes-aynak-updated/
- http://www.tolonews.com/en/ afghanistan/12079-karzai-speaksat-eaef-seeks-global-support-tofight-terrorism
- http://centralasiaonline.com/en\_GB/ articles/caii/features/pakistan/ main/2013/10/03/feature-01
- 20. http://www.theguardian.com/ education/2011/oct/11/pakistanstalls-madrassa-reforms-english
- 21. http://www.nytimes. com/2004/01/26/opinion/26ihtedahmed\_ed3\_.html

Another source of concern is the widening divide in the region and in the Middle East, between Sunnis and Shi'as, prompting the Iranian Foreign Minister to categorise it as "the biggest threat to world security" 22. Afghanistan has not yet experienced any serious Shi'a-Sunni tensions. However, it would be interesting to see what the impact of the Shi'a-Sunni tensions in Pakistan, Iraq, Syria and elsewhere may be on Afghanistan in the future.

Iran continued its investment in Shi'a groups, as well as some Sunni groups, in 2013. The country funded a seminary<sup>23</sup> in the west of Kabul, which illustrates the extent of its ambitions. To counter the Iranian influence, the Saudis have earmarked 100 million US dollars for a Sunni seminary to be built in Kabul, said to be the biggest in the region. Amrullah Saleh in an article for BBC Pashto service claims that Iran has drawn up lists of Afghan Shi'a clerics with whom they collaborate in one way or another<sup>24</sup>. Many Afghan media outlets are suspected of receiving funds from both neighboring countries and radical groups. The argument seems to hold water, as there are only two media outlets out of more than a hundred that rely solely on commercial revenue.

Last but not least, the radical group *Hizb-e-Tahrir* has apparently been becoming more and more visible, especially, in the northeast of Afghanistan. It is targeting university students and educated youth. *Hizb-e-Tahrir* has a pan-Islamist agenda and believes in the supremacy of Muslims<sup>25</sup>. The Pakistani army court-martialled five of its officers for presumed links with *Hizb-e-Tahrir*<sup>26</sup>. How they will be dealt with in Afghanistan remains to be seen.

- 22. http://www.telegraph. co.uk/news/worldnews/ middleeast/iran/10440580/ Sunni-Shia-tensions-biggest-threatto-world-security-Iran-foreignminister-Mohammad-Zarif, html
- http://www.rferl.org/content/ Controversial\_Madrasah\_Builds\_ Irans\_Influence\_In\_Kabul/2212566.
- http://www.bbc.co.uk/pashto/ interactivity/2013/01/130124\_ afghanistan\_challenges\_and\_iran\_ by\_salih.shtml
- 25. http://www.hizb.org.uk/category/ current-affairs http://www.nytimes. com/2012/08/04/opinion/ hizb-ut-tahrir-threatens-pakistanfrom-within.html
- http://tribune.com.pk/story/417085/ hizbut-tahrir-ties-brigadier-ali-3other-officers-charged-guilty/
- 27. http://edition.cnn.com/2010/ US/01/04/bombing.cia/
- http://www.longwarjournal.org/ archives/2013/10/imu\_claims\_ suicide\_a.php
- http://www.foxnews. com/world/2013/09/08/ pakistan-militants-preparing-forafghanistan-civil-war/

#### Foreign Factor: Preparations in 2013

Violence is widely expected to soar as the date of drawdown of international military forces draws closer. Many contested areas will emerge which the Afghan government and Taliban will rush to secure. Taliban have also vowed to take the violence a notch up to increase pressure on the Afghan government.

However, another more worrying source of violence to the Afghan government that is deemed irreconcilable is foreign fighters. Pakistanis, Uzbeks, Arabs and Chechens have fought alongside Taliban against the international military forces in the past 12 years. If the Afghan Taliban reach a deal with the Afghan government and become part of a power-sharing arrangement, these foreign fighters will have nowhere to go so they will fight on. While number of Uzbeks, Arabs and Chechens on the battlefield are not great, they have served as instructors, advisors and mentors. Nonetheless, they have occasionally conducted targeted attacks such as the killing of seven CIA operatives<sup>27</sup> in eastern Afghanistan and a number of Afghan Uzbek leaders in the north28. The most worrying scenario of all is a potential influx of Pakistanis – both volunteers and paramilitaries in disguise – in Afghanistan. Reports indicate that thousands of Pakistanis from Punjab are in the South and North Waziristan waiting to eventually cross the Durand Line into Afghanistan after the withdrawal of the international troops<sup>29</sup>.

## The Regional Powers at the End of 2013

#### Russia

Russia claims to maintain a hands-off approach because of its recent history with Afghanistan and also remains weary of a sustained US military presence in Afghanistan. It has however actively taken part in counternarcotics operations because of its toll on the Russian society, posing "an internal security challenge" 30. Russian officers were part of a counternarcotics operation in eastern Afghanistan in March of this year.

Its support to the counter-terrorism campaign is slim, but post-2014 Afghanistan is of a great concern for the Russian authorities as they, like the Chinese and Saudis, fear the rise of extremism and Afghanistan's becoming a hotbed for international terrorism. This has translated into Russian's increasing involvement with the countries of the region to ensure stability in Afghanistan, making Afghanistan a top priority during its presidency of the UN Security Council and convening and participating in numerous multilateral and trilateral talks on Afghanistan in the first quarter of 2013.

On the other hand, Russia is visibly concerned at the prospect of another round of chaos in Afghanistan that may affect adversely<sup>31</sup> the security of Tajikistan and the rest of central Asian states bordering Afghanistan. Russians know from their experience of the Tajikistan and Uzbekistan insurgencies and the Chechen war in the 1990s that its Islamist foes in the Caucuses will find renewed impetus<sup>32</sup> in Afghanistan should instability ensue after 2014.

Russia has always been an important country for Afghanistan, but its importance is further elevated now that the NATO troops are being withdrawn, hence the meeting between President Karzai and President Putin on the sidelines of the SCO summit in Bishkek in September this year<sup>33</sup>. During the former, President Karzai remarked that there was a potential contender for the upcoming presidential election in Afghanistan present in the room. The comment took observers by surprise, since Karzai has refrained from publically supporting any candidate so far, which points to the level of importance the Afghan government, and Karzai in particular, is according to Russia.

## China

China has hitherto firmly sought a safe distance from the "graveyard of empires" <sup>34</sup>. This may now be changing, in part due to their fear of relapse of Afghanistan into the hands of Islamic extremist groups that will encourage "growth of (Uighur) Muslim extremism on Chinese territory, supported from across the border with Pakistan" <sup>35</sup>, using Afghanistan for their training and other support activities. This perception may well have been strengthened by the latest incident in Xinjiang region where 21 people died in clashes, including 15 police officers <sup>36</sup>. The China-India Counter-Terrorism Summit <sup>37</sup> on Afghanistan, together with its first public warning <sup>38</sup> last year to Pakistan on activities of extremists in Pakistan, point to a slight shift in China's views on the security in the region in 2013.

- **30.** http://www.cidobafpakproject.com/content/informe.pdf
- 31. http://en.ria.ru/ russia/20130528/181391339/ Russia-Led-Group-to-Beef-Up-Tajik-Afghan-Border-Security.html
- **32.** http://www.meforum.org/744/ how-chechnya-became-a-breedingground-for-terror
- 33. http://eng.kremlin.ru/news/5984
- **34.** http://thediplomat. com/2013/04/05/chinasafghanistan-challenge/ comment-page-1/
- 35. http://www.cidobafpakproject.com/
- **36.** http://www.bbc.co.uk/news/world-asia-22276042
- **37.** http://articles.timesofindia. indiatimes.com/2013-04-11/ india/38462542\_1\_boundary-negotiations-dai-bingguo-counter-terrorism-talks
- 38. http://www.arabtimesonline.com/ NewsDetails/tabid/96/smid/414/ ArticleID/172107/reftab/69/t/ China-blames-Pakistan-trainedmilitants-for-attack-/Default.aspx

In spite of this, China's alleged dealings<sup>39</sup> with Taliban will not be looked at favourably in Kabul. It does however indicate that China wants to have a stake in Afghanistan post-2014, so that it can not only manage its own Uighur conundrum, by denying dissenting elements an external breeding ground, but also to ensure the viability of its extractive projects beyond the withdrawal of the NATO troops. Publically, it is sending reassuring messages to the Afghan government. For instance, it claims to support an "Afghan-led and owned peace" process in Afghanistan. In the event that China confirms reports of its own talks with the Taliban, this may lead people to believe that the Pakistanis not only managed to persuade the Americans to buy into their peace plan, <sup>40</sup> but also outwitted Afghanistan into making China believe that Pakistan has the right plan for keeping China's interests intact in Afghanistan, as well as in the wider region.

Remarks by President Karzai in September stating that China is "quietly backing the peace process in Afghanistan" <sup>41</sup> are interpreted by observers to imply that China is working behind the scene to convince Pakistan to play a more constructive role in Afghanistan. If true, this would be a major breakthrough, as China holds significant sway in Pakistan. This comes at a time when there is a slight dip in the expectation of getting China invest heavily in Afghanistan. As mentioned above, the Chinese company contracted for extracting copper from Aynak mine has already reneged on its commitments, demanding an amendment to the original contract. China does not treat Afghanistan as an important investment target per se, but rather as part of an integrated mineral zone, because of Afghanistan's proximity to the rich Central Asian sources.

#### India

- India's actions this year remained consistent with its overall policy of supporting stability, economic development and broader trade in Afghanistan. It entered a number of diplomatic and economic arrangements with Afghanistan to forward its interests in the region.
- What is more, India's response to the opening of the Taliban Political Office and the manner in which it was done was clear and emphatic<sup>42</sup>. But the reality is that it still comes across too dovish to take Pakistan to task over the violence it perpetuates inside India and against Indian interests in Afghanistan Indians are wary of making Pakistan more unstable. Pakistan's attacks against Indian citizens<sup>43</sup> and interests in Afghanistan have largely gone unreciprocated. The final straw in this policy was rejection of Karzai's request for lethal weapons which may have partly stemmed from India's calculation not to provoke Pakistan.<sup>44</sup>

Yet, attacks against its interests in Afghanistan continue. Another attack against the Indian diplomatic mission in the eastern city of Jalalabad was seen by many as evidence of Pakistan's attempts to disrupt Indian support to the Afghan government. India's response was to send its External Affairs Secretary in the aftermath who visited the site of the attack, sending a very strong signal indicating India's unwavering commitment to Afghanistan. This happened in the midst of continued cross-border shelling on the Kashmir sector of Line of Control between Pakistan and Indian forces <sup>45</sup>. The spat was capped off by an uncharacteristically

- **39.** http://www.foreignpolicy.com/ articles/2013/06/20/why\_is\_china\_ talking\_to\_the\_taliban
- http://tribune.com.pk/story/565809/ afghan-revelations-pakistan-ussecret-diplomacy-created-doharoadmap/
- **41.** http://www.pajhwok.com/ en/2013/09/27/china-backs-afghanus-security-pact
- http://www.indianexpress.com/ news/taliban-qatar-office-indiadraws-line-on-afghan-peaceprocess/1132312/
- 43. http://www.brookings.edu/ research/essays/2013/deadlytriangle-afghanistan-pakistan-indiac?utm\_expid=23328448-5&utm\_ referrer=http%3A%2F%2Fwww. brookings.edu%2Fsearch%3Fstart %3D1%26q%3Dbrookings%2Bess
- http://www.firstpost.com/world/ why-india-is-concerned-aboutsupplying-arms-to-afghanistan-800711.html
- 45. http://www.nation.com.pk/ pakistan-news-newspaperdaily-english-online/ national/26-Aug-2013/twowomen-killed-in-indian-fire-at-loc

scathing attack by the Indian Prime Minister in his UNGA speech against Pakistan, labelling the latter as "a breeding ground for terrorism" 46.

#### Saudi Arabia

The most interesting turn of events pertaining to Afghanistan's regional standing is perhaps Saudi Arabia's renewed keenness to be engaged in Afghanistan.

Historically, Saudi Arabia has provided high levels of financial support to Afghans but mostly through Pakistan where they are revered. According to a recent Pew poll, 95 percent of Pakistanis have a favourable view of the Saudi Arabia<sup>47</sup>. Taking in Prime Minister Nawaz Sharif in 1999<sup>48</sup> and facilitating General Pervez Musharraf's return<sup>49</sup> to Pakistan in the first quarter of this year are prime examples of their influence in Pakistan. The Kingdom's recent overtures to the Afghan government are a sign of a break with the past. Its new agreements with Afghanistan cover a broad range of areas<sup>50</sup>, from commerce to youth, culture and sports. Whilst some credit may go to the Afghan President for repeatedly reaching out to the Saudi Royal Family for facilitating peace talks with the Taliban, with an underlying strategy to circumvent Pakistan in relations with the Saudis, it is more likely that Saudi motivation for direct engagement is in response to the abundant Iranian investment in Afghanistan.

However, Pakistan still is the most important ally in the region for Saudi Arabia. Reports suggest that Pakistan, if needed, may even be prepared to supply nuclear warheads to the Saudis based on a tacit understanding and the former's generous funding to the Pakistani nuclear program<sup>51</sup>. Worth noting is that Pakistan is reportedly training Saudi-backed insurgents in Syria<sup>52</sup>.

## Iran

A series of India-Iran-Afghanistan agreements earlier this year are seen by many as an effort by Iran to replace Pakistan as the main linkage for transportation of goods to and fro Afghanistan as Iran strives to broaden its economic interests in Afghanistan.

Iran has also funded numerous cultural ventures to spur support for its interests. Its recent activities of entering into multiple agreements with the Afghan government, but at the same time apparently interfering in Afghanistan's internal politics, can be regarded as a mix of both support to, and derailment of, Afghan state institutions.

Iran also continues to oppose the presence of Western military bases in Afghanistan, engages in talks with Taliban, invites them for conferences<sup>53</sup> in Iran and even, allegedly, supplies arms<sup>54</sup> to them. At the same time, it provides Afghanistan with technical and financial support. Iran and Afghanistan are set to sign a strategic agreement, the draft of which was prepared this year. Issues around the reported maltreatment of Afghan refugees were taken up several times in the Afghan parliament this year. It also created international outcry, with documented cases of serious abuse.

- **46.** http://articles.economictimes. indiatimes.com/2013-09-29/ news/42482070\_1\_jammu-and-kashmir-kashmir-issue-bilateral-dialogue
- **47.** http://tribune.com.pk/story/619174/ pakistans-love-for-saudi-arabia-95favourable-pew-poll/
- **48.** http://www.thenews.com.pk/ Todays-News-2-172992-The-truthabout-Nawaz-Sharifs-exile-deal
- **49.** http://tribune.com.pk/story/525539/ backdoor-deal-saudi-clout-pavingway-for-musharrafs-return/
- 50. http://mfa.gov.af/en/News/19748
- **51.** http://www.bbc.co.uk/news/world-middle-east-24823846
- **52.** http://www.thedailybeast. com/articles/2013/11/16/ prince-bandar-bin-sultan-saudiarabia-s-gatsby-master-spy.html
- 53. http://www.washingtonpost. com/world/asia-pacific/ irans-hosting-of-taliban-reflectsdesire-for-greater-role/2011/09/28/ glQAkmwO7K\_print.html
- 54. http://www.tolonews.com/en/ afghanistan/10771-kandaharpolice-chief-concerned-overpakistan-iran-intervention

Global trends and regional developments in regard to Iran are to be noted for their presumed impact on Afghanistan. A telephonic conversation between the presidents of the USA and Iran<sup>55</sup>, meeting of their foreign ministers on the sidelines of the UNGA<sup>56</sup> and public condemnation<sup>57</sup> by the new Iranian government of Holocaust as a "crime" is a break from Iran under President Hassan Rouhani's predecessor. This - and the expected thaw in US-Iran relations, should it materialize will certainly have a profound impact on Iran-Afghanistan relations. A Jordanian-type deal for subsidized oil with Ba'athist Iraq58 despite UN sanctions between Iran and Afghanistan will immensely benefit the latter. It may however, still be a long way off. Iran has anyway benefited indirectly from US dollars poured into Afghanistan, as indicated by Special Inspector General for Afghanistan Reconstruction (SIGAR)<sup>59</sup>. Afghanistan is also desperate to boost its exports, in which regard, Pakistan is clearly an impediment<sup>60</sup>. The second best option available is obviously Chabahar in Iran.

### Conclusion

In 2013, the region was fixated on Afghanistan as the country's toil towards 2014 gathered momentum. With completion of the security transition and candidates' nomination process for the 2014 presidential and provincial council elections, the country entered a critical era. The future of Afghanistan now depends as much on the outcome of the next year's presidential election as on the ability of its security forces to neutralize threats posed by Taliban and Al Qaeda. Discussions inside Afghanistan surrounding the fate of the long-delayed Afghanistan-US "Bilateral Security Agreement" (BSA) were fierce. BSA will be a key determinant in what direction the country takes. The region is divided on the presence of American military forces in Afghanistan beyond 2014. Afghans, however, see the agreement as a necessary safeguard against the collapse of the state at the hands of Taliban and/or descend into another civil war. All the five key regional powers demonstrated interest in the developments in Afghanistan, albeit of varying degrees. Afghanistan was a topic in most of the bilateral and multilateral interactions.

- **55.** http://www.bbc.co.uk/news/world-middle-east-24304088
- 56. http://www.reuters. com/article/2013/09/26/ un-assembly-kerry-zarifidUSL2N0HM24320130926
- **57.** http://www.haaretz.com/news/diplomacy-defense/1.549555
- 58. http://www.ogj.com/articles/ print/volume-101/issue-43/ general-interest/jordan-again-buyscrude-oil-from-iraq.html
- http://www.sigar.mil/pdf/ alerts/2013-01-30-alert-sp-13-2.pdf
- http://tolonews.com/en/ business/9358-afghan-tradersstruggling-to-pay-karachi-portdemurrage

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