

AGREED MINUTES
9TH SESSION OF PAKISTAN- AFGHANISTAN JOINT ECONOMIC
COMMISSION HELD IN KABUL, AFGHANISTAN
ON 22-24 FEBRUARY, 2014

The 9th Session of Pakistan - Afghanistan Joint Economic Commission (JEC) was held in Kabul, Afghanistan on 22-24 February 2014 to further enhance mutual cooperation and strengthen brotherly ties between the two countries. Senator Mohammad Ishaq Dar, Minister for Finance, Revenue, Economic Affairs, Statistics & Privatization and Co-Chair of Pakistan - Afghanistan Joint Economic Commission led the Pakistani delegation, whereas the Afghanistan delegation was led by Dr. Hazrat Omar Zakhilwal, Minister of Finance and Co-Chair of Pakistan- Afghanistan Joint Economic Commission. During his stay in Afghanistan, Senator Mohammad Ishaq Dar called on President of Afghanistan. Senator Ishaq Dar and Minister Zakhilwal also jointly inaugurated the resumption of the work on the Torkham- Jalalabad dual carriageway project and the Nishtar Kidney Centre undertaken through Pakistan's development assistance for Afghanistan. List of Pakistan and Afghanistan delegates of the 9th Session is at **Annexure- I & II respectively.**

2. The opening session of the JEC on 23rd February 2014 was co-chaired by Dr. Hazrat Omar Zakhilwal, Minister of Finance of Afghanistan, and Senator Mohammad Ishaq Dar, Minister for Finance, Revenue, Economic Affairs, Statistics & Privatization of Pakistan.

3. After the opening session on 23rd February 2014, technical experts from both sides discussed the agenda items for the JEC. The item-wise discussions held and decisions taken were as under:

AGENDA ITEM 1: COMPLETED PROJECTS AND GENERAL ISSUES

REVIEW OF IMPLEMENTATION STATUS OF DECISIONS TAKEN IN 8TH SESSION OF THE JEC HELD IN JANUARY 2012

4. The implementation status of decisions taken at the 8th Session of the JEC and the meeting that followed in August 2013 were reviewed. The meeting expressed satisfaction on the implementation of various decisions. Generally, slow progress was

noticed on the implementation of various projects of reconstruction and rehabilitation of Afghanistan due to financial constraints. However, it was heartening to note that despite financial constraints in the country, Prime Minister of Pakistan has generously enhanced the overall size of portfolio of development projects in Afghanistan from US\$ 385 million to US\$ 500 million as a gesture of goodwill.

5. The decisions of the 8th session where intervention was still required were reflected in the agenda of the 9th session as well, so that their progress could be monitored in light of deliberations of the current session.

HANDING OVER OF NISHTAR KIDNEY CENTRE

6. Pakistan side conveyed that all measures be taken expeditiously to complete the Nishtar Kidney Centre and/or as a General Hospital.

7. Pakistan side reported that Afghan doctors and staff trained by the Government of Pakistan for the Kidney Center were not traceable. Pakistan side proposed to Afghan government to arrange trained staff while the government of Pakistan will work towards supply / installation of medical equipment.

EARLY PROVISION OF EXTERNAL ELECTRIC CONNECTIONS

8. During the meeting between Finance Ministers of Pakistan and Afghanistan held in Islamabad on 28th August 2013, the Afghan side was earlier requested to provide external electric connections to ongoing projects namely; (i) 100 Beds NaebAminullah Khan Logari Hospital at Logar (ii) Hostel Building for 1000 Student at Rehman Baba School (iii) 200 Beds Jinnah Hospital at Kabul to facilitate construction work. It was resolved that the Afghan Government would provide external connections for these projects.

9. During the 9th session of JEC, it was decided that external connections for these projects would be provided by the Afghan side in the next three months.

TECHNICAL ASSISTANCE / CAPACITY BUILDING

Scholarship Scheme (3000) for Afghan Students

10. The Pakistan side confirmed that a PC-I for extension of scholarship scheme from 2000 to 3000 was under the process of approval. However, it was decided to resolve the issue of scholarships for around 472 students who have already been enrolled by the Inter Provincial Coordination Division of Pakistan by soliciting anticipatory approval of the competent forum.

11. Afghan side has emphasized that instead of awarding scholarships in social and natural sciences, some students may also be considered for applied sciences. The matter was discussed in detail with Afghan side and it was agreed that Ministry of Higher Education, Government of Afghanistan and Pakistan Embassy in Kabul will streamline the selection criteria in various disciplines and will furnish a final report by the end of March 2014. Afghan side has requested to extend the scholarship scheme for Masters and Doctorate level students, if possible, and sought cooperation between the universities in Pakistan and Afghanistan to enhance the quality of academic curriculum in Afghan universities. Both sides agreed that further modalities would be explored to firm up a plan.

12. Afghan side has proposed the following additional facilities for hostel with Rehman Baba School, which the Pakistan side has agreed to consider:

- a. Provision of furniture for 2000 students instead of 1000 students.
- b. Provision of electricity connection from existing network to Rehman Baba Hostel Building, which may include one electricity tower, transformer and allied facilities.
- c. Provision of a gymnasium for students.

AGENDA ITEM 2: TRADE AND COMMERCE

BILATERAL TRADE

13. Both sides agreed to enhance bilateral trade through trade facilitation and by reducing the cost of doing business. It was agreed that avenues of trade facilitation would be explored through logistic hubs (dry ports/parking lots/ cold storages/reefer containers, one window operations) on both sides.

14. It was agreed by both sides that since SAFTA covers bilateral market access arrangements between the two countries, therefore a separate document was not necessary to be developed. A MoU between customs to customs may resolve the issue at hand.

UPDATE ON IMPLEMENTATION OF ELECTRONIC DATA INTERCHANGE (EDI) CONNECTIVITY

15. It was agreed by both sides that the meeting of the custom committee will be convened in March 2014. The meeting would roll out final launching of EDI. This committee would also consider signing of MoU for bilateral customs cooperation. The committee would deliberate upon all the issues raised by both sides being encountered regarding implementation of APTTA and a status report on progress of resolving the issues would be shared a week before convening the APTTCA meeting.

16. Afghan side raised the issue of removal of negative list on Transit trade.

17. It was discussed that facilitation to Afghan Transit may be extended by Pakistan side through provision of two off-dock terminals, one in KPT and the other in PQT specifically reserved for transit trade.

18. It was discussed that Pakistan Government would consider to facilitate non-charging of demurrage in case of any delays caused due to customs.

PAK-AFGHANISTAN TRANSIT TRADE (APTTA)

19. It was agreed that the discussions on the Afghanistan-Pakistan-Tajikistan Trilateral Transit Agreement would be considered.

20. The draft of the Double Taxation Agreement was received and formally acknowledged by the Afghanistan Revenue Department and after its review it would be shared with the Pakistan side for further discussion either through Video Conferencing or face-to-face meeting.

21. It was agreed that all the issues raised by Afghan side on implementation of APTTA, bilateral trade facilitation and otherwise would be considered in relevant experts meeting to be scheduled over next two months to address Afghan concerns.

22. The following timelines were agreed as a way forward:

- a. APTTA Rules notification by Afghan side—end March 2014.
- b. Custom Committee meeting to discuss MoU on bilateral as well as transit trade by end of March 2014 as well as roll out of EDI.
- c. 5th APTTCA meeting to be convened on mutually agreed upon date in April 2014.

23. Both sides of the Committee meeting acknowledged the good role played by the Pakistan-Afghanistan Joint Chamber of Commerce and Industry (PAJCCI) in enhancement of bilateral and transit trade.

AGENDA ITEM 3: RECONSTRUCTION ACTIVITIES IN AFGHANISTAN

ROADS AND COMMUNICATIONS

24. Torkham-Jalalabad Additional Carriageway (ACW): Pakistan side informed that since the work on Torkham-Jalalabad Road was stopped in 2008, the cost of the project has escalated. This necessitates reworking of the costs plus remobilization of the contractor. All the relevant Ministries/Agencies are processing the case. As such work on this project is likely to resume within four months. Afghan side emphasised that resumption and completion of the work be expedited. Efforts be made to complete the project before end of 2015. Both sides agreed to resolve all issues in this regard expeditiously.

25. Proposed Peshawar-Kabul Motorway: Pakistan side informed that NHA has prepared a PC-II for carrying out feasibility study and design. Procurement of Consultant will be completed in 2 months. However, Afghanistan side will need to provide all the necessary security and visa facilitation for the consultants in carrying out feasibility study. Both sides agreed to nominate focal persons by 5th March 2014 for formulating TORs for carrying out feasibility study. The focal persons will be

responsible to facilitate the consultants and for expeditious completion of the study. The cost of feasibility study will be borne by Pakistan.

26. Road Link between Pakistan and Tajikistan: Since no response has been received from Afghanistan side as yet, Pakistan side reiterated that an early reply be furnished with regard to proposed feasibility study of the link road between Pakistan and Tajikistan. Afghan side informed that the route Sherkhan-Ninjpayan border has already been identified as CAREC corridor so it can ultimately be used as a road link by Tajikistan-Afghanistan and Pakistan

27. Additional trade-transit corridor through Bannu-GhulamKhan-Khost Road/Rail link: Both sides agreed to examine the proposal through mutual consultations in order to come up with a viable solution before the next JEC session.

RAILWAYS LINKAGES BETWEEN PAKISTAN AND AFGHANISTAN

28. Torkham-Jalalabad new rail link: Pakistan side pointed out that the feasibility for new rail link between Peshawar and Jalalabad has been approved by the competent forum of the Government of Pakistan. It was requested that the title of the feasibility study should be rail link between Peshawar and Jalalabad instead of Torkham-Jalalabad. Afghan side agreed to change title to Peshawar to Jalalabad. Afghan side informed that a feasibility study, through financing by Government of China, has already been carried out from Jalalabad to Torkham. Afghan side also agreed to share this feasibility study with Pakistan side. It was assured by Pakistan side that they shall take into consideration this study while carrying out feasibility study on their own.

29. It was also agreed by both sides that focal persons from Ministry of Railways and Afghan Railway Authority shall be nominated by 5th March 2014 to facilitate sharing of information and defining terms of reference for the feasibility study. Moreover, both parties shall make efforts to secure financing for construction of new rail link in their respective territories from international financing agencies.

30. Chaman to Spin Boldak new Rail link: Pakistan side pointed out that the project was originally approved in 2004 but could not be undertaken due to non-provision of NOC from the Government of Afghanistan and right of way. As almost 10 years have passed the cost of project has now escalated to more than three times. After the last meeting of Afghan Finance Minister with Pakistan Finance Minister in August 2013, the project proposal has been revised and is now under consideration of the competent forum for approval.

31. Afghan side apprised that land has now been acquired from Waish at Pak-Afghan Border near Chaman up to Spin Boldak for laying of new track. It was emphasized by the Afghan side to start construction at the earliest. Afghan side stated that they are pursuing for financial assistance from ADB and other institutions for construction of new rail link from Spin Boldak to Kandahar.

32. Pakistan side stated that construction activities for new rail link between Chaman and Spin Boldak are likely to start by June 2014 or earlier if the revised project proposal is approved by the competent forum of Government of Pakistan, and funding for the project is made available.

33. Afghan side requested the Pakistani side to provide technical support and capacity building to the newly established Afghanistan Railway Authority (AFRA) by providing relevant training and development opportunities for AFRA staff. This request will be considered by Pakistan.

AGENDA ITEM 4: PAKISTANIS WORKING IN AFGHANISTAN

Reciprocity of Visa to Pakistan laborers/traders

34. Pakistani engineers and staff face delays in the issuance of work visas for working on development projects. The Afghan side was asked to simplify their visa procedures for Pakistani workers and issue one year multiple visas

35. Afghan side agreed to issue visas on reciprocal basis to Pakistani workers.

Security and Safety of Pakistani contractors

36. Inadequate security issue was raised with the Afghan authorities on several occasions and sensitized that Pakistanis constitute the highest number of foreigners working in Afghanistan on various projects. Afghan government needed to strengthen security provisions for the Pakistani workers. The Afghan side responded that they would look into the matter.

AGENDA ITEM 5: WATER & POWER/ENERGY

JOINT POWER PROJECT ON KUNAR RIVER

37. Both the countries have shown their interest for the proposed project for the mutual benefits of the countries. Afghan side informed that the pre-feasibility study of Kunar Hydropower Project has been completed; and the feasibility study of one location is also completed. For this, it was suggested to constitute a joint working group to further expand the cooperation in this project. The working group may include representatives of Ministries of Energy/Water & Power, Foreign Affairs, Finance, and officers of WAPDA/DABS. Afghan side intimated that the World Bank has shown their willingness to extend technical support for the project in case of cooperation between Afghanistan and Pakistan.

CASA1000 Project

38. Both Afghanistan and Pakistan have observed that project is progressing successfully. Master agreement between the member states have been signed in the recent meeting held in Washington DC last week, however regarding Power Purchase Agreement (PPA), there were some reservations among Tajikistan, Kyrgyz Republic, and Pakistan on tariff issues for which the World Bank has impressed upon these countries to have a meeting and resolve the differences within a week so that project could be presented before the Board of Directors of the World Bank for approval in its meeting planned in March, 2014.

TAPI Gas Pipeline Project

39. It was observed that the project is progressing successfully and draft agreements are likely to be finalized by the member states. Afghan side suggested that the transit fee should be paid to Afghanistan through transporter and both Pakistan

and other party should pay it to transporter. Pakistan side would consider the Afghan suggestion.

OTHER

40. TUTAP Project: Afghan side has shown their interest in implementation of regional power network extension line between Turkmenistan, Uzbekistan, Tajikistan, Afghanistan, & Pakistan (TUTAP); which will contribute substantially to the economic development of all member countries. Pakistan side agreed to consider the same.

AGENDA ITEMS 6 & 7: COLLABORATION IN INDUSTRIAL, AGRICULTURE AND LIVESTOCK SECTORS

41. A number of proposals for possible cooperation between Pakistan and Afghanistan in the areas of Petroleum & Natural Resources, Industries & Production, Agriculture & Livestock were handed over to the Afghan delegation during the meeting for consideration of the Afghan Government.

PENDING PAYMENT TO PASSCO BY AFGHANISTAN

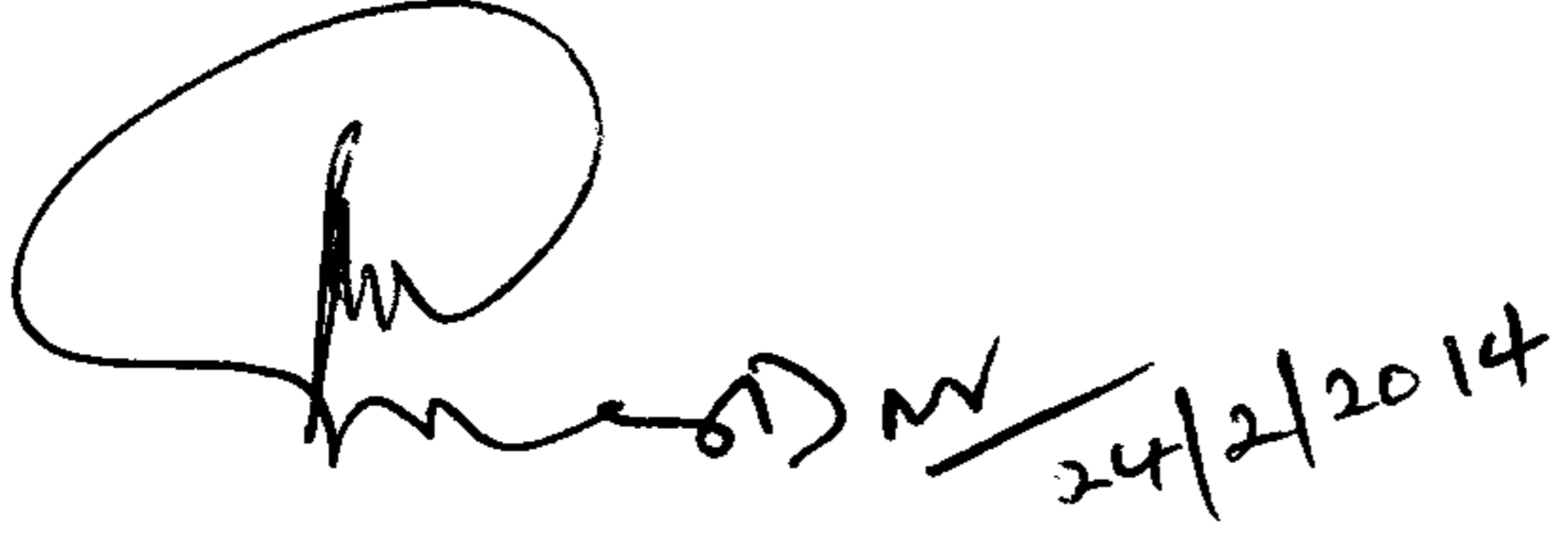
42. Pakistan supplied 50,000 Tons of wheat to Afghanistan in 2009. The amount pending is now US\$ 1.517 million (This includes original amount of US\$ 0.619 million & mark up of US \$ 0.898 million). The issue was raised in the last JEC as well, when the Afghan side responded that they were looking into the matter and would respond by 10th February 2012. The issue was brought to the attention of the Afghan government for further action.

10th Session of Pakistan – Afghanistan JEC

43. Both sides agreed to hold 10th session of Pakistan – Afghanistan Joint Economic Commission in Islamabad on mutually agreed dates.

44. The minutes were agreed and signed in Kabul, Afghanistan on 24th February 2014.

For the Government of the
Islamic Republic of Pakistan

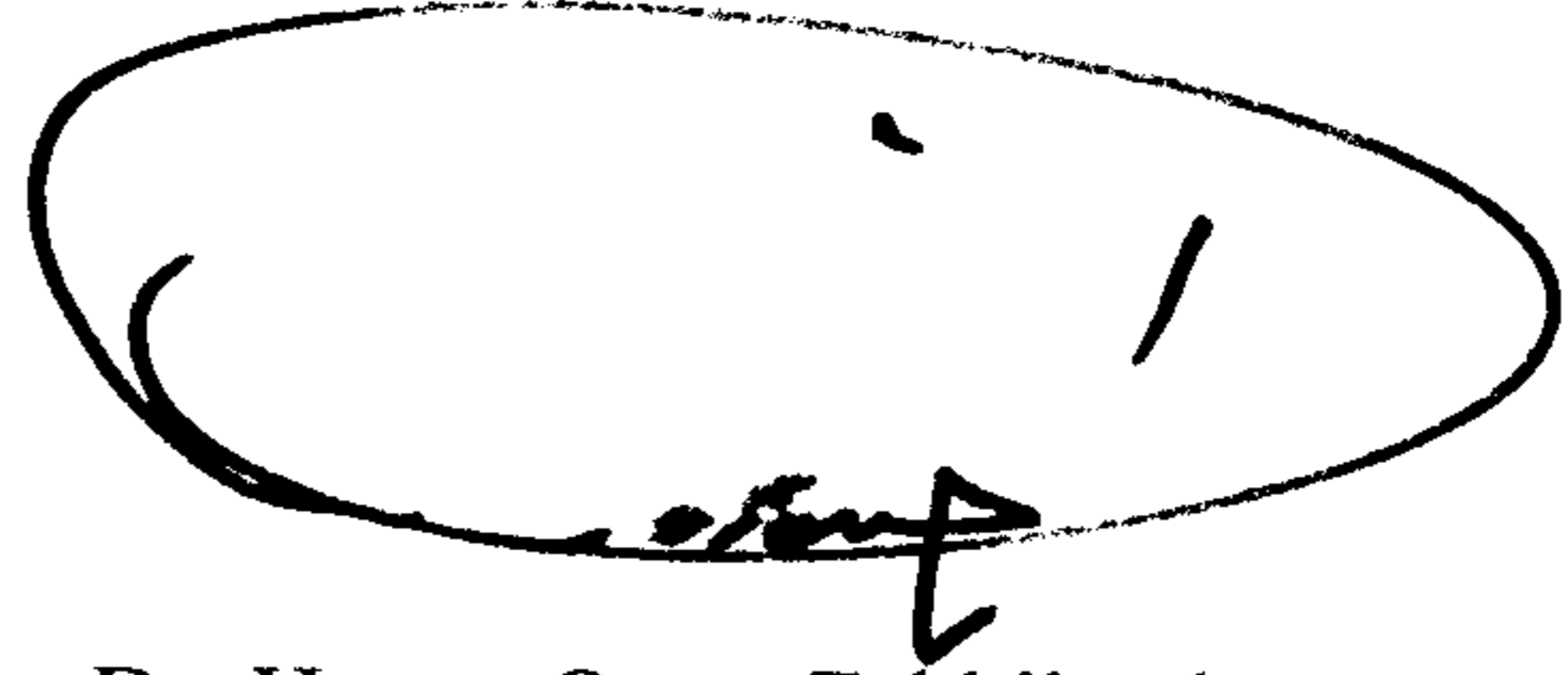


Handwritten signature of Senator Mohammad Ishaq Dar, dated 24/2/2014.

Senator Mohammad Ishaq Dar

Minister for Finance, Revenue, Economic
Affairs, Statistics & Privatization

For the Government of the
Islamic Republic of Afghanistan



Handwritten signature of Dr. Hazrat Omar Zakhilwal.

Dr. Hazrat Omar Zakhilwal,

Minister of Finance

Annex-I**List of Pakistan Delegation**

9th Session of Pak-Afghan Joint Economic Commission (JEC)
held on 22-24 February 2014 at Kabul, Afghanistan

List of Pakistan Delegation for JEC

Sr.	Name	Designation	Ministry / Division
1.	H.E. Mohammad Ishaq Dar	Finance Minister	Ministry of Finance
2.	H.E. Ms. Nargis Sethi	Secretary	EAD
3.	Mr. Shahid Mahmood	Special Assistant to FM	Ministry of Finance
4.	Sahibzada Faiz Mahmood	Joint Secretary	Communications
5.	Ms. Anjum Assad Amin	Joint Secretary	Commerce
6.	Mr. Arshad Maqsood Malik	Chief, Energy Section	Planning & Development
7.	Mr. Imran Ahmad	Joint Secretary	Water & Power
8.	Muhammad Yusuf	Acting DG-Planning	Railways
9.	Mr. Salahuddin	Joint Secretary	Ports & Shipping
10.	Mr. Ziauddin Wazir	Director (AT)	Federal Board of Revenue
11.	Mr. Zubair Motiwala	Co-President	Pak-Afghan Joint Chamber of Commerce & Industry (PAJCCI)
12.	Ms. Faiza Nasir	Secretary General	
13.	Mr. Daroo Khan	Vice President	

Pakistan Embassy, Kabul, Afghanistan

14.	H.E. Mohammad Sadiq	Ambassador
15.	Syed Moazzam H. Shah	Deputy Head of Mission
16.	Mr. Khursheed A. Khan Marwat	Commercial Consular
17.	Mr. M. Aneel Zafar	Second Secretary
18.	Mr. Muhammad Atif	Third Secretary

Annex-II**List of Afghanistan Delegation**

9th Session of Pak-Afghan Joint Economic Commission (JEC)
held on 22-24 February 2014 at Kabul, Afghanistan

Sr.	Name	Designation
1.	H.E. Dr. Hazrat Omar Zakhilwal	Minister for Finance (Afghan Co-chair of JEC)
2.	H.E. Gul Maqsood Sabit	Deputy Minister (Customs), Ministry of Finance
3.	Mr. Nazir Kabiri	Policy Advisor to the Minister of Finance, Ministry of Finance
4.	Abdul Sulaiman Ghafoori	Legal Advisor to the Minister of Finance, MoF
5.	H.E. Ahmad Jan Naeem	Deputy Minister, Ministry of Public Health
6.	H.E. Mozammil Shinwari	Deputy Minister, Ministry of Commerce and Industries
7.	H.E. Noorgul Mangal	Deputy Minister, Ministry of Public Works
8.	H.E. Mohammad Asif Nang	Deputy Minister, Ministry of Education
9.	H.E. Salim Khan Kundozi	Deputy Minister, Ministry of Agricultural, Irrigation and Livestock.
10.	H.E. Shojauddin Ziaie	Deputy Minister, Ministry of Energy and Water (NEW)
11.	Mr. Wahid Waissi	Director of Economic Affairs, Ministry of Foreign Affairs
12.	H.E. Abdul Raziq Samadi	CEO, De Afghan Breshna Sherkat.
13.	Mr. Qurban Haqjo	CEO, Afghan Chambers of Commerce and Industries
14.	H.E. Ambassador Janan Mosazai	Afghan Ambassador to Pakistan
15.	Mr. Khanjan Alokozai	Deputy Chairman, Afghan Chamber of Commerce and Industries
16.	Mr. Wafiullah Iftikhar	Director, Afghanistan Investment Support Agency
17.	Mr. Yama Shams	Director General, Afghan Railway Authority
18.	Mr. Abdul Rahman Mujahid	Director General, Revenue, MoF
19.	Mr. GulPacha	Director (Technical), Customs, Ministry of Finance
20.	Mr. Ismail Rahimi	Director General, Ministry of Economy
21.	Mr. Ahmadullah Afghan	Pak-Afghan Joint Chamber of Commerce & Industry (PAJCCI)

22.	Mr. Dawood Musa	
23.	Mr. Mohammad Yunoos.	
24.	Zeeshan Ibrahimi	Afghan Commercial Attaché, Karachi, Pakistan
25.	Neak Mohammad Mohibi	Program Manager (Infrastructure), MoF