



IMPLEMENTATION OF THE AFGHANISTAN COMPACT

JOINT COORDINATION AND MONITORING BOARD (JCMB)

3 OCTOBER 2007

KABUL – AFGHANISTAN

REPORT TO THE JOINT COORDINATION AND MONITORING BOARD (JCMB) VI

I. INTRODUCTION

1. The *Afghanistan Compact* was agreed 19 months ago in London between Afghanistan and the international community. An annual report detailing progress against benchmarks was endorsed at the JCMB V meeting held on 1 May 2007 in Kabul. The sixth meeting of the JCMB is not a full reporting forum; since the annual JCMB meeting, Working Groups have been meeting on a regular basis. The information presented below is primarily to update members on the status of short-life benchmarks and actions taken on decisions from JCMB V and outstanding actions from JCMB IV. The key issue for this JCMB meeting is Regional Economic Cooperation, in addition to elections, anti-corruption and counter narcotics.

2. In the months since the first annual JCMB meeting in May (JCMB V), the Government-led Working Groups and more technically oriented teams, with support from the JCMB Secretariat, have been instrumental in assessing progress, identifying bottlenecks and proposing corrective measures for action to implement the benchmarks. The Working Groups have provided crucial inputs to almost fifty ministerial and agency strategies. High-level participation from the Government side has meant that discussions and decision making among line ministries, inter-ministerial groups, and international partners have become more tightly focused on policy and performance-based results, thus helping make more direct progress towards Compact benchmarks. However, both the Government and international partners have looked for ways to make the JCMB mechanism even more effective. They have specifically asked it to become more of a 'problem solver' in addressing critical challenges and policy disagreements in areas such as counter-narcotics, policing, governance, anti-corruption, and security.

3. During the past six months, preparation of the Afghanistan National Development Strategy (ANDS) has substantially advanced, with increased ownership from ministries and Government. Sub-national consultations have been conducted in all 34 provinces on the ministry strategies initiated by ANDS and the Ministry of Rural Rehabilitation and Development (MRRD) complimented by a media awareness campaign with community, district and provincial structures and involving the international community, private sector

and civil society. Some 11,600 people within the latest round of sub-national consultations alone, of whom 46% were women, participated in a process that led to the review and reprioritization of existing Provincial Development Plans (PDPs). This has strengthened linkages between provincial departments and the Kabul-based ministries and significantly strengthened Provincial Development Committees and Governors' Offices for development planning. Expectations have been managed rather than raised; it is now a crucial responsibility for the Government of Afghanistan to build on the ANDS process and to ensure the international community affirms on-going support to ANDS once it is realized.

4. In parallel, ANDS and the Ministry of Finance (MoF) have intensified efforts to ensure timely integration of sector strategies' into the national budget. The draft Macro-Economic Framework has been completed with the aim of identifying priorities within the fiscal envelope for costing and implementing the national development strategy. Three sector strategies – education, health and transport/roads- have been selected as 'fast track strategies' to enable their integration into the 1387 budget. The major challenge will now be to reach consensus, and integrate PDPs into the sector strategies and cost and prioritise these in line with the fiscal envelope.

5. High-level Conferences in the JCMB format have been held to support and accelerate the development agenda between Afghanistan and the international community.

- I. At the sidelines of the 62nd General Assembly in New York on 23 September 2007 a high-level meeting was held to reaffirm the continued commitment to the Afghanistan Compact, and the partnership between Afghanistan and the international community. The meeting highlighted the need for a progressively Afghanistan-led development strategy supported by the international community, focusing on the four main issues of security, counter narcotics, governance and regional co-operation. A major output of this Conference was the strengthening of the JCMB as a central coordination and monitoring mechanism. (annex 3)
- II. The Rome Conference, held on 2-3 July 2007, re-energised the development of the justice sector, and gave clear direction for the completion of the justice sector strategy and national programme. (annex 4)
- III. A high-level meeting 'The Conference on 'Disbandment of Illegal Armed Groups (DIAG) for the Stabilisation of Afghanistan: Co-ordination with Police Reform' was held in Tokyo on 21 June 2007. Participants reaffirmed a comprehensive approach with close coordination of DIAG, police reform and other Security Sector Reforms (SSRs). (annex 5)
- IV. The 'Enabling Environment Conference, held on 4 - 5 June 2007, was based on an ANDS draft policy paper; 'A Policy for Private Sector Growth and Development', presented by the Government. A detailed draft action matrix was agreed to, based on the proposals included in the policy paper, and consultations conducted at the Conference. (annex 7).

II. SUMMARY

6. The key issues highlighted in this update report are:

- **Regional Economic Cooperation** – Without access to regional and international markets, economic development will be hindered; regional priority projects need to be expedited;
- **Elections** – Swift decisions on the election law, streamlining the electoral calendar and on voter registration methodologies are needed;
- **Counter-Narcotics** – Record high opium poppy cultivation, especially in the South West, has once again underscored the urgency of implementing an integrated and effective counter-narcotics strategy;
- **Senior Appointments** – The senior appointment mechanism has been passed by Cabinet and is pending final approval;
- **Disbandment of Illegal Armed Groups (DIAG)** – The JCMB is asked to endorse a proposal to extend the deadline of the DIAG benchmark to March 2011 in light of a new policy framework and enforcement plan;
- **Ministry of Interior** – Institutional development and strategic level capacity building support for the Ministry of Interior continues to be an overriding priority; support is also required for the new Independent Directorate for Local Administration;
- **Afghan National Police** – The discrepancy between the police payroll and census figures needs to be resolved as soon as possible; an assessment of the quality and structures of the police should be presented at JCMB VII.

III. ISSUES FOR JCMB ATTENTION

7. The following issues affect the implementation of the benchmarks agreed in the *Afghanistan Compact* and require the attention of JCMB VI: regional economic cooperation (as requested by the last JCMB), elections (given the imperative for decisions to be made on the electoral timeline and framework), and counter-narcotics (where better policy coordination is required to address the explosion of the narcotics industry in conflict-affected areas).

Regional Economic Cooperation

8. An arid, land-locked country, Afghanistan's development will be impeded without access to regional and international markets. However, given its location at the nexus of four of the world's most populous and resource rich regions – Central Asia, South Asia, the Far East and the Middle East – Afghanistan has the potential to function as a key regional business hub and trade route once again.

9. Afghanistan policy is to leverage its geo-strategic location as a positive characteristic for Regional Co-operation. The attached draft Regional Economic Cooperation Strategy (annex 10) articulates a vision of a "Modern Silk Road". The Afghan Government's goal is to contribute to regional stability and prosperity, and to enhance the conditions for Afghanistan to resume its central role as a land bridge and business hub between Central Asia and South Asia, and the Middle East and the Far East, as the best way of benefiting from increased trade and export opportunities. The strategy acknowledges that this vision will be feasible if Afghanistan succeeds in restoring stability and developing the needed physical and legal infrastructure. This is the first ever regional cooperation strategy developed in Afghanistan; it has been consulted widely among regional and international partners, and the Government seeks their backing for its realisation.

10. All of the countries of the surrounding regions stand to benefit if the political opportunity of the Peace Jirga convened jointly by Afghanistan and Pakistan and led by Presidents Karzai and Musharraf in August can be translated into the concrete gains of regional economic cooperation. Specific priorities at the Peace Jirga were expediting the clearance of transit goods between the two countries, involving Afghanistan in Pakistan's energy and trading corridors, studying the feasibility for extending a railroad from Peshawar to Jalalabad, issuing visas for traders and businessmen, expediting the setting up of a joint chamber of commerce, and cooperating in identifying Reconstruction Opportunity Zones. The third Regional Economic Cooperation Conference (RECC) is expected to take place in Islamabad in early 2008. It is important that the preparatory work commences as soon as possible. The Afghanistan Compact benchmark relating to regional economic cooperation (Benchmark 8.5) focuses on facilitating trade and transit through Afghanistan, increasing the amount of energy available through adequate transition infrastructure and power purchase agreement as well as entering agreements on labour migration.

Energy

11. Afghanistan has the potential to become the main route for trading energy between hydropower and hydrocarbon rich Central Asia and energy deficient South Asia where demand outstrips domestic supply. The CASA1000 project under which Pakistan will initially purchase 1000 MW of electricity from Kyrgyzstan and Tajikistan, transmitted via Afghanistan, is now at a pre-feasibility study stage; an assessment will take place in Kabul in mid-November. The tenth joint Turkmenistan, Afghanistan, Pakistan and India (TAPI) meeting on a natural gas pipeline to transport natural gas from Turkmenistan through Afghanistan into Pakistan and India is likely to take place in Islamabad before the end of 2007; the framework between the parties is still to be finalized in what has been a very slow process. The deterioration of security in the South and East of Afghanistan is a key constraint especially for the TAPI project, which would generate revenue, employment and energy for Afghanistan and the region.

12. Afghanistan's own electricity needs continue to be unmet due to supply and distribution constraints. The North East Power System (NEPS) project, which will transmit power to Kabul and other urban centres in the North East from Uzbekistan, Turkmenistan and Tajikistan, will address Afghanistan's needs in part. Uzbekistan has

recently committed to build the needed transmission within its territory (150 MW by December 2008 and 300 MW by 2010). Turkmenistan has indicated that it will proceed with a 500 kv line to supply Afghanistan. However, there are two key bottlenecks that need to be tackled. First, while Tajikistan has expressed its readiness to sign a power purchase agreement in the near future, negotiations over commercially viable power purchase agreements with Uzbekistan and Turkmenistan have been slow. An agreement on power purchase with Uzbekistan must be in place to take advantage of the power transition as soon as possible. Second, while work is ongoing to upgrade transmission networks across the North East, there is an imperative for continued focus on the lack of funding to address the inadequate distribution networks in the urban areas to be served by NEPS, as highlighted at JCMB V.

Trade

13. Transit time through Afghanistan has already been significantly lowered through a 54 percent completion of the ring road and its links with neighbouring countries. With improved security and the dismantling of illegal checkpoints, the completion of the national ring road and its link roads providing a connection to neighbouring countries, expected in 2009, will lower transit times even further. A number of new transit highways have been officially opened this year, as has the Sher Khan Bandar bridge connecting Afghanistan and Tajikistan. The land acquisition and demining of the Iranian funded Herat-Sangan railway project has started; with the Iranian section already under construction. The remaining 40% on Afghan territory has yet to be funded. A Memorandum of Understanding was signed between Afghanistan and Pakistan on the Chaman-Spinboldak railway. Iran has also started construction of the first two sections of the Khaf-Herat railway on its territory. The problem of financing the 40 percent share of the project has yet to be resolved. A feasibility study on connecting Afghanistan to the system of north-south transport corridors and the trans-Siberian railroad might be an option. However, these infrastructure upgrades need to be coupled with more efficient customs and border posts, with streamlined border crossing formalities on both sides of the border, as well as infrastructure upgrades in the surrounding regions. The Government is working on a plan for secure international road corridors with efficient cross border ports, and the implementation of the Automated System for Customs Data (ASYCUDA) has started. The Border Management Initiative is focused on setting up effective border crossing facilities.

14. Progress has also been made towards accession to the World Trade Organisation, a long-term goal of Afghanistan. A Law on Transit Duty was passed by the Lower House of the Afghan National Assembly (Wolesi Jirga) on 23 September 2007. A number of bilateral and multilateral trade and transit agreements have been signed in 2007 with neighbouring countries. In July, the Protocol of the First Session of the Joint Intergovernmental Commission on Trade and Economic Cooperation was signed between Afghanistan and Uzbekistan. The protocol intends to create the necessary conditions for rapid transportation and transshipment of goods between the two countries. An agreement was also signed in July 2007 between Turkmenistan and Afghanistan on transit traffic. Following the official opening of the Sher Khan Bandar Bridge, a transit agreement is currently being drafted between Afghanistan and Tajikistan. Afghanistan and Pakistan have expressed readiness to review the

Afghanistan Trade and Transit Agreement signed in 1965. Its updating will require strong political will from both governments and the support of the business communities: the process should be advanced. As a result of the last JEC meeting, trucks are authorized to carry transit goods from Afghanistan to Wagah on the Pakistan-India border without transshipment at Peshawar. Another positive development has been the development of the Regional Opportunity Zone (ROZ) concept to facilitate trade contacts on the Afghanistan-Pakistan border.

Labour Migration

15. *Labour migration* between Afghanistan and its neighbours remains largely unregulated, as was highlighted by the recent deportation of thousands of illegal Afghan workers from Iran. Large numbers of Afghans are also working in Pakistan without passports or visas. Remittances from abroad are an important source of income for Afghanistan. The Central Bank of Afghanistan (Da Afghanistan Bank) has paid special attention to the improvement of formal remittances by setting up a special unit for this and encouraging financial intermediaries like Western Union to open more branches in the country. In order to regularise the movement of labour, bilateral labour cooperation agreements or Memoranda of Understanding are required, most urgently with Iran and Pakistan. Models from other countries could be used to develop these agreements. A Memorandum of Understanding on Consular Cooperation was signed between Iran and Afghanistan in 2005; a joint committee was to be formed to reach agreement on the exchange of work force. At a trilateral meeting between Afghanistan, Iran and UNHCR in February 2006, Iran agreed to offer work and residence permits for up to three years to one or two members of returning Afghan families. Afghanistan and Iran were to discuss the practicalities of this arrangement. The formation of the joint committee and work and residence permits are in discussion. Dialogue is waiting to take place between Afghanistan and Pakistan on labour migration, and appropriate provision for Afghan deportees.

16. Afghanistan can also provide opportunities to experts in regional countries; regional experts are affordable and have relevant and transferable skills to help Afghanistan rebuild its economy and institutions. The Cabinet has approved Acts on Foreign National Employment in Afghanistan and Afghan Nationals Working Overseas. Between March 2006 and September 2007, 17,926 work permits have been issued to foreign nationals, generating revenue of over \$1.3 million. Nearly two-thirds of the work permits issued have been to nationals of countries in the region. In late 2006, Afghanistan opened formal dialogue with Iran about the possibility of recruiting educated Afghans residing in Iran to the public and private sectors of Afghanistan. Progress on this should be advanced.

17. The institutional capacity of the Government to negotiate and follow through on bilateral and regional commitments needs strengthening. The implementation of the Regional Economic Cooperation Strategy will require considerable coordination between relevant ministries, capacity building support to achieve this, as well as public awareness. Once the Regional Cooperation Strategy has been costed, adequate funding should be made available to help build capacity in the Government to follow through on regional cooperation issues.

Elections

18. It was agreed at JCMB V that urgent efforts were required to simplify and rationalize the electoral calendar, encourage the review and passage of the new draft Electoral Law, secure financial resources for electoral capacity building and determine the components of a future Voter Registry Project. The draft law has been cleared by the *Taqnin* in the Ministry of Justice and was submitted to the Cabinet on 20 September 2007 for approval. The law is expected to be sent to the Wolesi Jirga in the coming weeks for review debate and passage. The election law cannot be changed within a year of any election. Discussions about the different options for simplifying the electoral calendar through various combinations of Presidential, Provincial Council and Wolesi Jirga elections have included legal, political, climate and security considerations. A decision has now become urgent on both the electoral calendar and the model of voter registration if preparations are to be completed in time for holding elections within constitutional term limits. While partial funding for the coming electoral calendar can be expected from international donors, the cost of the elections will need to be factored into the 1387 budget and serious consideration should be given about issues of sustainability.

Counter-Narcotics

19. The southern conflict-affected areas, and Helmand province in particular, have seen an explosion of the narcotics industry alongside lawlessness and terrorist-driven insecurity. Record high opium poppy cultivation has once again underscored the urgency of implementing an integrated counter-narcotics strategy. Such a strategy needs to combine unambiguous Government leadership, supported by the international community, to tackle impunity at the top by dismissing corrupt officials and bringing them to justice, arresting and prosecuting narcotics traffickers, interdicting chemical precursors and laboratories, delivering rural development, and carefully targeted and effective eradication. Poorly conceived and implemented poppy eradication policies have continued to have a negative impact on security and anti-corruption measures. Agreement in principle on an integrated counter-narcotics strategy has not been matched by integrated implementation. Neither has the JCMB mechanism been sufficiently utilised to further dialogue and to coordinate policy among the leading players, despite the identification of an urgent requirement at JCMB III and JCMB IV. The massive year-on-year increase in opium poppy cultivation especially in the conflict-affected provinces has led to the creation of a counter-narcotics pillar under the Policy Action Group (PAG), which is seeking to agree a 12-point action plan. Regional cooperation and intelligence sharing on narcotics trafficking needs to be intensified; agreed regional working groups should be reinvigorated and drug liaison officers and border liaison officers deployed. All of these issues are expected to be addressed in more detail at JCMB VII.

IV. UPDATE ON SHORT-LIFE BENCHMARKS

20. Since JCMB V, the majority of the Compact short-life benchmarks have been met within the prescribed time frame (a complete update of all short-life benchmarks is

provided in Annex 1). On 15 August 2007, the Lower House of the National Assembly (Wolesi Jirga) ratified the UN Convention against Corruption (**Benchmark 2.2**), and significant technical and capacity building support has been provided to members of the National Assembly, including all members of the 36 Standing Commissions and the two Administrative boards (**Benchmark 2.4**). The Supreme Court has adopted a Code of Ethics and has initiated a comprehensive judicial training programme (**Benchmark 2.7.3**). On 3 September 2007, a Land Policy was approved by the Cabinet (**Benchmark 2.8**). The creation of a legal framework to implement the policy should now be accelerated. Policies on water resource management, irrigation, and urban and rural water supply and sanitation have been developed, whereas other policy issues, such as amendments to the water law and ground water policies, are being processed (**Benchmark 3.5**). The National Skills Development Programme (NSDP) completed a labour market study in July 2007 and is currently training more than 10,000 persons using a variety of training providers (**Benchmark 4.3**). Legislation (10 laws) to enable investment by the private sector is expected to be implemented by March 2008 (**Benchmark 8.3**).

21. In light of the new policy framework for DIAG implementation developed at the DIAG conference in June, JCMB VI is asked to endorse a proposal to extend the deadline of the DIAG benchmark (**Benchmark 1.4**) to March 2011. This will bring it in line with the timeline for the development of the ANA and ANP and other security sector reform initiatives.

22. The Senior Appointments Mechanism (**Benchmark 2.1.2**) for political appointments was formally established in September 2006. The Board's rules of procedure have yet to be definitively decided and signed off, and its funding remains to be secured. To date, as a result of the implementation of the mechanism, five Deputy Ministers, several governors and several other high-ranking officials have been recommended by the Board.

23. Difficulties in meeting other benchmarks have also been noted. In the area of mine action and ammunition (**Benchmark 1.6**), the Afghanistan New Beginnings Programme (ANPB) has not yet received satisfactory assurances that all stockpiles of anti-personnel mines have been handed over. Afghanistan will not be able to meet the requirements of the Ottawa Convention (Mine Ban Treaty) or the Compact benchmark until all stockpiles have been verifiably transferred and destroyed. Statistical baselines for quantitative benchmarks were identified by line Ministries in 2006; discussions continue between the Ministries and the Central Statistics Office to finalise reliable statistical baselines (**Benchmark 2.3.2**). The extended deadline (December 2007) for completing the drafting and endorsement of minerals regulations (**Benchmark 3.4**) is not considered feasible. To date, only three state-owned banks have been given conditional licenses and only three unlicensed state-owned banks have been proposed for liquidation (**Benchmark 8.4**).

V. PROGRESS UPDATE ON ACTIONS AND DECISIONS DUE BY JCMB VI

24. The separation of civil administration functions from the Ministry of Interior – through the creation of the Independent Directorate for Local Administration under the

President's Office – represents an opportunity for all stakeholders to work on bringing about needed improvements to the remaining functions of the Ministry of Interior, and to bring increased focus on the pressing need for sub-national governance reforms. It is essential that both the new Directorate for Local Administration and the Ministry of Interior receive the support they need for institutional development, policy planning, resource management, and strategic level capacity building. A unified and coordinated approach is required from the numerous members of the international community engaged on both sub-national governance and security sector reform. The strengthening of the institutional capacity of the Ministry of Interior was noted as an overriding priority at JCMB III and IV. However, international support in this area has yet to be clearly defined and implemented.

25. The Mine Action Programme of Afghanistan (MAPA) has not yet been formally handed over to a national institution (**Action 1.2**). A Symposium will be convened by the end of the year with all the main stakeholders to identify the structure that can take over from the UN Mine Action Centre in Afghanistan (UNMACA). The Disbandment of Illegal Armed Groups (DIAG) timeline has been reviewed and a new timeline for achieving the benchmark has been recommended (**Action 1.3**).

26. An initial census of the Afghan National Police (ANP) was conducted in August and September 2007 by the Combined Security Transition Command - Afghanistan (CSTC-A) to confirm the name, ID card status, training received, and possession of weapons and ammunition of policemen listed on the payroll. (Source: Task Force Phoenix Report). The census was conducted in 30 out of 34 provinces. Drawing on preliminary results, it seems that a total of 36,765 uniformed police, border police and civil order police were counted; this amounts to about 80 percent of the payroll in the participating provinces according to payroll numbers used by CSTC-A Task Force Phoenix. Only 48 percent or 15,442 of those present, had ID cards – although 41,000 policemen have been trained in Regional Training Centres and 1,258 officers have been trained by the Kabul Police Academy, and all have been issued an ID card on completion of their training. Even taking account of the provinces that were not counted, there is a considerable divergence with the payroll figure of 59,481 uniformed police, border police and civil order police used by the CSTC-A census. This discrepancy is of serious concern, and the Ministry of Interior and Ministry of Finance will need to harmonise the payroll with actual police numbers. In order to provide the Government with a basis for developing a fiscally sustainable policing plan, a review is needed not just of the numbers but of the quality and structures of the ANP. It should build on ongoing assessments and include all relevant stakeholders under the framework of the International Police Coordination Board (IPCB) (**Action 1.1**). As far as the Afghan National Army (ANA) is concerned, a task force to examine the sustainability, quality and quantity of the ANA was established in September 2007 and is expected to report to JCMB VII (**Action 1.4**).

27. As discussed above, there has been little progress on reorganizing the electoral system (**Action 2.1**). On 4 September 2007, the media law passed through parliament's Upper House (Meshrano Jirga) with several amendments having been added (**Action 4.6**). A Task Force has been established under the Sub-National Governance Working Group to propose additional benchmarks for measuring institutional development

(Action 5.1). The legislation process has been accelerated from 5 bills passed during the course of the first year to 10 bills approved in the first session of the second year **(Action 5.3)**. A National Anti-Corruption Strategy and Action Plan have been drafted; they require concerted Government action to strengthen public reform processes and corruption investigation and prosecution. Government auditing will need to be expanded beyond core budget expenditures **(Action 3.2)**. The Rome Justice and Rule of Law Conference set in motion a series of steps to consolidate the Justice Sector strategy and the national priority programme on Justice, as well as making recommendations on developing a coordinated approach to legal education **(Action 4.4)**. However, there has been little progress in the implementation of the work plan on transitional justice **(Action 4.5)**. Donors have now pledged or provided the necessary support for the *Taqnin* in the Ministry of Justice **(Action 4.1)**. An expert on legal aid services will carry out an assessment of the costs and sustainability of different legal aid schemes **(Action 4.2)**.

28. Provincial Development Plans (PDPs) for all 34 provinces were drafted during September 2007 **(Action 6.1)**. The Ministry of Education has received additional resources from donors in response to its five-year National Education Strategic Plan **(Action 11.1)**. A working group on refugees was set up under the ANDS structure, and meetings have been held with Pakistan to emphasise the voluntary and gradual nature of refugee returns **(Action 12.1)**. In the area of civil aviation, the existing JCMB mechanism needs to be utilised to move forward on reaching agreement on an oversight system **(Action 7.2)**. The public electricity utility Da Afghanistan Breshna Moassessa (DABM) has not completed its full commercialization process for which there is a one-year transition plan; DABM is currently able to recover 60% of the average cost of supply through tariffs **(Action 7.3)**. By next JCMB, the Ministry of Energy and Water should report of the energy situation, reforms of Ministry, and progress on the energy benchmark. Kabul's power needs are only partially addressed under current plans; the distribution system will become a bottleneck if it does not receive urgent investment because NEPS will be online by December 2008 **(Action 7.4)**. Laws on hydrocarbons and minerals have been passed **(Action 7.5)**.

29. The JCMB has been institutionalised as a coordination and monitoring board within the Afghan Government and by the international community. The Secretariat has confirmed its commitment to driving policy formation on tough issues. In addition, the JCMB will act as a problem-solving body. To facilitate this process, a stronger communication strategy needs to be formulated. JCMB calls on donors to support the JCMB secretariat in this task. A strategy for communicating the Afghanistan Compact will be presented at JCMB VII **(Action 13.3)**.

VI. ACTIONS AND DECISIONS

Security pillar

30. **Ministry of Interior:** An action plan for supporting the institutional development of the Ministry of Interior should be presented by the international community to JCMB VII. This continues to be an overriding priority.

31. **Afghan National Police:** The Ministry of Interior and Ministry of Finance should harmonise the payroll with actual police numbers by JCMB VII (to reach high standards on good governance). The required review of the quality and structures of the ANP should build on ongoing assessments and include all relevant Government and international stakeholders under the framework of the International Police Coordination Board (IPCB). As a matter of priority, fiduciary controls and payroll administration in the Ministry of Interior should be strengthened and progress in achieving this reported back to JCMB VII.

32. **Mine Action:** The timeline of handing over mine action activities to a national institution should be reviewed, as the deadline of September 2007, decided at JCMB V, has passed the Government, in consultation with key stakeholders, should identify an appropriate national structure and present a proposal to JCMB VII.

33. **DIAG:** The JCMB endorses the extension of the timeline for the DIAG benchmark to March 2011 to bring it in line with the timeline for development of the ANA, ANP and other Security Sector Reform (SSR) initiatives.

34. **Regional Cooperation:** Regional Cooperation, including cross-border collaboration, should continue to be enhanced through more effective information and intelligence sharing mechanisms, denial of sanctuary and an end of external support to terrorism.

I. Governance, Rule of Law and Human Rights pillar

35. **Elections:** The JCMB calls for decisions on the electoral calendar and the date of future elections to be made urgently, at the latest by JCMB VII. If the Electoral Law requires changes, these should be made by early 2008. A simple and cost effective voter registry will need to be established in sufficient time to aid operational planning and efficient implementation of the election law.

36. **Senior Appointments Mechanism:** The rules of procedure of the Senior Appointments mechanism for political appointments should be definitively decided, signed off and implemented by JCMB VII, taking into account the relevant benchmarks of the Compact.

37. **Sub-National Governance:** The new Independent Directorate for Local Administration should identify its capacity building and other needs, which should be supported by the international community. This Directorate should play the key role in finalising benchmarks for civil administration on the sub-national level.

38. **Anti Corruption:** The Government should demonstrate its strong commitment to fight against corruption, clarify national and international institutional arrangements in this field, and strengthen the leadership of institutions involved in the fights against corruption. Meaningful progress in these areas should be made by JCMB VII.

39. **Justice and Rule of Law:** Based on discussions at the Rome Conference and subsequent developments, the JCMB calls for consolidation of the ANDS Justice Sector Strategy and of the comprehensive Government-led National Justice Program that is supported by the donors by end of 2007.

Economic and Social Development pillar

40. **Regional Economic Cooperation:** The JCMB welcomes the upcoming Regional Economic Cooperation Conference in Islamabad in early 2008 expects the Steering Committee consisting of all relevant stakeholders, led by the Ministry of Foreign Affairs and the Pakistan Embassy in Kabul, to consolidate on work done in past conferences and within the Government-led Working Groups identifying specific issues and projects.

41. Relevant ministries should further improve cooperation within the existing Regional Cooperation Working Group and its associated Sub-Working Groups. Ministries should draft an action plan with the sequence steps required to achieve the benchmark.

42. **Energy:** The JCMB calls on Uzbekistan, Turkmenistan, Tajikistan and Afghanistan to conclude commercially viable power purchase agreements by early 2008 for NEPS to be operational. In order to encourage electricity-supplying countries to sign power-purchase agreements with Afghanistan, the JCMB call upon the DABM/MEW in consultation with donors and the northern neighbors to come up with a payment mechanism for power brought in through the NEPS that will assure Uzbekistan, Turkmenistan and Tajikistan of a constant payment stream. The Ministry of Energy and Water's strategy for addressing funding shortfalls for NEPS electricity distribution networks (Including that of Kabul City) should be seriously considered by potential donors and responded to urgently by NEPS would be on line by December 2008, by which time the upgraded distribution network should be in place. Joint technical working groups should be formed between Afghanistan and the countries involved in NEPS, within the framework of the existing bilateral Joint Commissions. Uzbekistan and Tajikistan should ensure that they have sufficient transmission capacity. Negotiations on TAPI should be accelerated.

In addition to this, reforms of the Ministry of Energy and Water, including cost recovery, are currently in progress. By JCMB VII, there should be a complete report of the energy situation and benchmark.

43. **Trade and Transit:** The Ministry of Commerce and Industry and Ministry of Finance should develop a joint action plan by March 2008 for concluding or updating bilateral agreements to simplify border crossing procedures and harmonise custom duties and procedures. Pakistan and Afghanistan should commit themselves to a timetable for the review of the Afghanistan Trade and Transit Agreement including a commitment towards resolving the outstanding overland transit routes within the SAARC framework, and to connect SAARC and ECO member countries. Finally, the Government, in consultation with regional countries and economic organisations, should

explore the potential for establishing an Investment Fund for Regional Infrastructure in Afghanistan.

44. **Labour Migration:** The JCMB calls on Afghanistan, its neighbours and countries in the region to work towards reaching agreements that would facilitate labour flows across national borders within legal frameworks. The work of the established Government-led Working Group should continue.

45. **Refugees:** The JCMB supports the proposal by the Ministry of Foreign Affairs and the United Nations High Commissioner for Refugees (UNHCR) to hold in 2008 an international conference in Kabul of donor countries and international agencies with the aim of facilitating the voluntary repatriation and reintegration of Afghan refugees from Iran and Pakistan with particular emphasis on support for livelihoods, employment, shelter, education and health. The JCMB calls on the international community to take an active part in making the conference a success.

46. **Strengthening capacity for regional cooperation:** The Regional Cooperation working group should prepare and accelerate their action plan to follow with the Economic Regional Cooperation strategy and appropriate assistance needed for the capacity building.

Counter-narcotics

47. **Counter-narcotics:** As the next JCMB meeting will focus on counter-narcotics, the Government, with support of international partners, should, before then, review and prioritise implementation of its National Drug Control Strategy, and formulate a comprehensive approach. The responsibilities of the relevant ministries should be specified, with a strengthened Ministry of Counter-Narcotics playing a leading role. Within the comprehensive approach on counter narcotics, interdiction operations in particular need to be stepped up. Proposals for strengthening regional cooperation on counter-narcotics should be developed and presented to the next JCMB.

JCMB-format Conferences

48. The actions and decisions resulting from the four conferences: New York, Rome, Tokyo, and Kabul to be adopted as part of the JCMB and subsequently implemented.