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Regional Integration of Afghanistan Under Taliban 2.0

Moheb Jabarkhail





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Moheb Jabarkhail

Moheb Jabarkhail is an Afghan-American policy analyst, advisor, and researcher on Afghanistan's policy issues, currently based in the United States. His latest publication, "Afghanistan and the Way Forward: Incorporating Indigenous Knowledge into Policymaking," featured in the *Global Policy Journal*, explores the developments in Afghanistan following the Western withdrawal and offers key policy recommendations. Moheb has also contributed extensively to the field through policy briefs, newspaper articles, and opinion pieces that address issues such as democracy, regional cooperation, human security, and development in Afghanistan. His research particularly focuses on identifying opportunities for economic development and integration, highlighting the collaborative potential between Afghanistan and its neighboring countries in fostering mutual economic growth and stability.

Jabarkhail's study focuses on examining the potential opportunities for regional economic integration involving Afghanistan. It delves into how regional economic integration is seen as a collaborative necessity by both Afghanistan and its neighbors.



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Abstract

This research paper examines regional integration in Asia, focusing specifically on the integration efforts concerning Afghanistan before and after the regime changes in 2021. It begins by defining regional integration as a multifaceted socio-economic and political process.

The paper further explores the theoretical frameworks that support regional integration and collaboration among countries. Building on this theoretical foundation, the paper discusses the critical roles of regional efforts and institutions in facilitating and promoting cooperation. Additionally, it provides a historical context to enhance understanding of regional integration and cooperation in broader Asia. Moreover, the research highlights regional initiatives aimed at integrating Afghanistan and outlines the country's efforts to improve regional connectivity and trade relations.

Regional cooperation with Afghanistan resumed in the 2000s following the return of the Taliban (referred to as Taliban 1.0), but security concerns in Afghanistan posed challenges throughout the twenty years leading up to the return of Taliban 2.0 in 2021. Since then, Western sanctions on Afghanistan's banking sector and the non-recognition of the Taliban 2.0 regime have led regional countries to engage cautiously with the Taliban while refraining from formally recognizing their government. In conclusion, the paper outlines the challenges and constraints facing regional integration. It also offers several policy recommendations to provide strategic guidance for promoting Afghanistan's integration into the regional and global economy.

Introduction

Regional integration in the immediate region surrounding Afghanistan is limited but open to substantial potential and opportunities. Afghanistan, specifically, is located at the crosspoint of Central Asia, South Asia, East Asia, and the Middle East; this important geographic location provides it a unique characteristic to serve as a land bridge and crossroads for regional connectivity. This importance is often discussed in the literature and outlined in political commentary; however, due to prolonged years of instability in Afghanistan and divergent political landscapes in the region, Afghanistan's role and capacity have not been fully developed, used, or promoted. The removal of King Zahir Shah, Afghanistan's last monarch, from power in a coup d'état in the late 1970s resulted in prolonged political instability and insecurity which posed serious challenges and constraints to regional integration and collaboration in and with Afghanistan. Since then, wars, external interventions, internal political and security challenges, and a failing state in Afghanistan deterred regional integration and broader engagement with Afghanistan. However, despite Afghanistan's challenging circumstances, the concept of regionalism and successful regional integration still holds the promise of progress and stability as it can connect Afghanistan to regional markets and enhance its role in facilitating broader engagement of the region for trade and investment opportunities within and through Afghanistan.

Historically, Afghanistan was part of a historical transit route, the Silk Road, for trade between

Central and South Asia. This route encompassing Afghanistan used to connect regional trade in spices and precious stones between Central and East Asia regions. However, this land route lost significance because of the infrastructure needs and the political changes in the region as well as trade diverting to cargo ships through the Indian Ocean. Revitalizing a similar crossroads route or bridge between the regional economies could provide all regional countries in the region including Afghanistan that could improve trade relations with and between key economic blocks and powers in the region including India and China. Increased trade, investment, and infrastructure development could also boost local economies and promote further integration resulting in better relations and welfare for all in the region. However, the pathway to successful regional integration of Afghanistan is fraught with challenges, including political conflict, security concerns, and underdeveloped infrastructure among the neighboring countries. Further, the return of the Taliban 2.0 to power in Afghanistan and the nonrecognition of their government creates further challenges for successful integration especially when the West has imposed sanctions on Afghanistan.

This paper explores regional integration with Afghanistan, examining the opportunities and challenges that shape regional collaboration and cooperation. It also evaluates how regional integration has evolved in contemporary times and how regional countries work and collaborate with Afghanistan to promote regional trade and investment opportunities. Seeing regional collaboration and integration as a win-

win scenario for all countries involved, this paper researches and explains the historical context and efforts as well as the theoretical frameworks that promote regional integration in Asia. Concerning recent developments in Afghanistan, this paper examines how regional countries collaborate with the Taliban 2.0 government there and whether the Western sanction on Afghanistan presents constraints to integration. Finally, several policy recommendations provide insight and guidelines for promoting Afghanistan's regional integration and reconnecting Afghanistan to the international community and the global economy.

Defining Regional Integration

Regional integration refers to the collaborative efforts of countries in a specific region to enhance economic, political, and social interactions and activities. At the core of this process is the concept of "region," which applies to historical and cultural factors that influence people and customs in specific parts of the world collectively (Loewen and Zorob 2018). Various forms of interactions occur within and between regions, encompassing economic, political, and societal aspects, which become more intensified and dependent over time leading to increased integration of the regions producing the concept of regionalism. Regionalism, therefore, refers to the political and economic mechanisms that guide and enhance inter-dependence and interactions between regions across various social, political, and economic activities (Brook 1998). The reason for engaging in regionalism may vary but depends

on the countries' collective objectives. According to Brook, countries may engage in regional integration and collaboration to achieve their shared foreign policy objectives that could not be achieved on their own. Working towards foreign policy goals, countries develop collaborative mechanisms to align policies with each other and work together in mutual collaboration towards shared policy goals. This collaboration and cooperation on foreign policy objectives then further expands to tackling security challenges that require further integration of the country's economic and political agendas (Brook 1998). Collective focus and work towards achieving political, security, and economic goals require extensive collaborative management processes and institutions in the regions, which then also further promote and facilitate regionalism, mutual dependence, and shared policies (Dent 2002). The State or government plays a vital role in establishing and strengthening friendly relations extending from political and economic interactions to collaboration on several other social and policy goals.

Regional integration also comes about due to the unsuccessfulness of global institutions to establish and promote regional collaboration. Global institutions such as the United Nations, the International Monetary Fund (IMF), and the World Trade Organization (WTO), contribute to promoting global trade, economic and political stability and facilitating the provision of needed finances for economic development (Loewen and Zorob 2018). However, these global institutions remain less useful and effective in promoting bilateral or regional collaboration and integration beyond the auspicious of multilateral cooperation (Brook 1998).



Accession of Afghanistan to the World Trade Organization, 2015. (WTO/ Admedia Communication).

The limitations of global organizations to facilitate bilateral integration or resolution to regional problems more effectively, countries have opted for localized regional initiatives to create and promote regionalism and engage in Regional Integration Agreements (RIAs) that further define, enhance, and establish regional integration (Loewen and Zorob 2018). Operating under the RIAs, countries in Asia established and reported to the WTO over ninety-six bilateral Free Trade Agreements (FTAs), with an additional sixty-one in the process of notification (ADB 2016). The FTAs were formed in various regions of Asia, including Central and West Asia, East Asia, Oceania, South Asia, and Southeast Asia. The considerable number of regional agreements confirm that regions are eager to cooperate within their areas on trade and other mutually beneficial matters, promoting regional connectivity and integration through these agreements. Regionalism, therefore, comes about

from the desire and collaboration of countries in a region to collaborate towards their shared goals beyond and outside the facilitation of the global multilateral institutions.

The process of integration occurs at various levels and stages. Integration may begin with establishing economic objectives such as more trade. The collaboration on economic objectives usually translates to further cooperation on environmental, social, security, and defense matters. The process involves reducing and eliminating barriers to integration and encouraging cooperation at both macro and micro levels of engagement on economic, political, or social matters (Loewen and Zorob 2018). Initially and early in the process of regional integration, countries opt for facilitating trade and focus on eliminating tariffs and non-tariff barriers such as better infrastructure and customs reforms which encourage more trade. Building

on the trust created and promoted through trade facilitation results in further collaboration on economic reforms and integration among countries which allow for better political and eventually security matters to the block cooperating under their defined regional integration umbrella (Brook 1998). Building economic relations and promoting trade, therefore, are prerequisites to improving trust building and better integration among diverse neighbors; this collaboration at different levels then necessitates further regional integration.

Theorizing Regional Integration

Two theories explain the phenomenon of regional integration. The first is the Economic Opportunity Cost Theory, which argues that regional integration fosters sustainable peace and reduces the likelihood of violent conflicts within a region. It argues that mutual interaction, collaboration, and economic integration are crucial for promoting economic development and growth among countries that might otherwise remain isolated, underdeveloped, and susceptible to conflicting interests (Amir, 2016). As a liberal theory, it suggests that economic integration often begins with bilateral trade and economic interdependence, which then extends into collaboration on other political, cultural, and security matters among countries. This leads to sustained stability and peace (Amir, 2016; Caporaso, 1998). The theory indicates that economic interdependence, fostered by increased trade and collaboration at the regional level, decreases the likelihood of conflicts among countries. If countries

realize that resorting to violence to resolve conflicts is more costly than maintaining peaceful relations, they are likely to seek peaceful resolutions instead of resorting to military action (Amir, 2016; Caporaso, 1998). Consequently, this liberal theory argues that regional integration promotes peace, as the cost of violence becomes too high for countries within an integrated region.

Another theory explaining regional integration is the Functionalism Theory. This theory suggests that regional integration leads to greater economic and political stability, as well as the establishment of a supranational entity that facilitates cooperation among countries within a region (Amir, 2016). According to this theory, integration creates a spillover effect, where cooperation in one area encourages collaboration in other areas. This comprehensive integration provides mutual benefits for all countries involved (Gartzke, Li, and Boehmer 2001). Furthermore, the theory posits that integration fosters a shared identity and collaboration through a supranational institution, which helps resolve conflicts peacefully and reduces tensions among participating countries. Overall, functional collaboration contributes to broader stability and peace, while cooperation on contentious issues within the supranational entity enhances integration (Amir, 2016). The European Union (EU) serves as a prime example of this theory. Within the EU model, collaboration among sovereign states promotes national identity and fosters alliances for development and greater integration (Caporaso, 1998). As a supranational institution, the EU facilitates cooperation, and consensus-building, and provides



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a platform for debating potentially conflicting matters. The Functionalism Theory argues that the supranational framework has helped establish a shared European identity, resulting in collaboration and integration that have contributed to a peaceful, developed, and cooperative region in Europe.

Historical Context for Regional Integration in Asia

Regional integration in Asia emerged in the mid-20th century. National governments interested in promoting regional connectivity in their region started what is known as the first wave of regionalism in the 1950s and 1960s (Brook 1998). At the time, several governments realized that the Asian regions were less integrated compared with other

parts of the world and that mutual collaboration was necessary to promote trade and development. Therefore, they started to establish formal bilateral and multilateral regional agreements to enhance regional trade and economic activity (Loewen and Zorob 2018). During these early efforts for regional integration in Asia, countries also aimed to break from their colonial past and address shared security issues in a Cold War context as sovereign states without further reliance on their past colonial rulers for guidance and support. Countries began to create regional institutions that could facilitate integration. In the Middle East, for example, several countries worked towards establishing the League of Arab States (LAS) that sought to promote pan-Arab trade and collaboration; in Southeast Asia, national governments established the Association of Southeast Asian Nations (ASEAN) framework, which aimed to facilitate regional trade and integration (Loewen and Zorob 2018).

This first phase of regionalism in Asia was a good start; however, it did not robustly promote full integration and collaboration among countries in Asia.

The second phase of regional integration in Asia began in the 1980s and is considered more successful in facilitating collaboration among Asian nations. During the late 1980s, industrialization in several countries and an increased need for trade became key factors driving the development of regional alliances in Asia. The success of industrialization in various East Asian countries led to rapid economic growth and resulted in thriving economies known as the “Asian Tigers.” The swift industrialization and growth of Hong Kong, Singapore, South Korea, and Taiwan created new opportunities for trade and economic activities, necessitating a more integrated approach to regional connectivity, trade, and investment (Loewen and Zorob, 2018). Cross-border production networks require national economies and activities to communicate across borders, fostering greater economic connectivity and collaboration for trade. Moreover, other countries, such as Japan and China, also pursued regional economic and political integration facilitating the establishment of numerous trade agreements that promoted economic activity, trade, and investment in their respective regions (Brook, 1998; Loewen and Zorob, 2018). Overall, the second phase of integration in Asia, which evolved in the mid-1980s, marked a significant advancement in promoting regional connectivity and trade.

An essential factor that facilitated regional integration during the second phase of regionalism in Asia was the need for collaboration on

financial matters. The 1997-1998 Asian Financial Crisis compelled countries in the region to recognize that they could not address the crisis on their own; they required collaboration and a full embrace of the importance of financial cooperation to recover from it. This included finding new ways and opportunities to leverage regional financial resources for investment and infrastructure development (Loewen and Zorob, 2018). As a result, countries focused on enabling their banking sectors to interact more freely with one another, facilitating cross-border investments, and promoting economic activities such as trade across borders more swiftly. This was particularly notable in the context of the ‘tiger’ economies in the region (Palmer, 1991; Loewen and Zorob, 2018). Consequently, countries negotiated bilateral and multilateral free trade agreements (FTAs) aimed at attracting financial resources and investment in infrastructure. Notable FTAs that emerged during this period include the ASEAN Free Trade Area (AFTA) established in 1992 and the South Asian Free Trade Agreement (SAFTA) in 2006 (Palmer, 1991; Hurrell, 1995). These FTAs played a crucial role in promoting trade and free investment across borders. Further, new regional organizations, such as the Economic Cooperation Organization (ECO), established in 1985, the South Asian Association for Regional Cooperation (SAARC), and the Shanghai Cooperation Organization (SCO), also emerged in the mid-1980s promoting further regional cooperation on economic, trade, and other matters (Palmer, 1991, 10). The Asian financial crisis thus created favorable conditions for promoting robust integration and the formation of new formal institutions that facilitated regional integration in East Asia. However, the success of these integration efforts remained

constrained to East Asia, while other parts of Asia did not achieve significant positive results toward regional connectivity and integration.

Overview of Regional Integration in post-Taliban 1.0 Afghanistan

Afghanistan remained disconnected from regional integration efforts in broader Asia due to war and internal political instability in the 1980s. As the first and second phases of integration expanded in Eastern Asia and the surrounding regions, Afghanistan experienced regime changes, Soviet Union invasion, state failure, and the rise of militancy in response to countering communist ideology in Afghanistan (Atzili 2007). Afghanistan's neighbors and other countries in the surrounding region, therefore, mostly focused their regional policies on containing the impact of the state's failure and subsequent fall out of war, migrants, and militancy from Afghanistan to their countries (Goodson 2001). The instability and state failure in Afghanistan made the neighboring countries concerned and weary of spillover effects such as increased trafficking, cross-border extremism, and refugee flows from Afghanistan (Atzili 2007; Fearon and Laitin 2003). With years of war and internal instability in Afghanistan continuing through the late 20th century, and a lack of a reliable government to establish central authority and enforce the rule

of law against insurgents, criminals, and warlords, regional countries sought to coordinate their efforts and policies away from integration with Afghanistan to managing and reducing the spillover effects. The takeover of governance by the Taliban 1.0 in the mid-1990s created further constraints for regional integration with Afghanistan.

The removal of the Taliban from power in 2001 provided a new opportunity for regional cooperation and integration with Afghanistan.

The removal of the Taliban from power in 2001 and the subsequent establishment of a post-Taliban and internationally recognized administration provided a new opportunity for regional cooperation and integration with Afghanistan. Neighboring countries in Central and South Asia started exploring new avenues for supporting reconstruction efforts in Afghanistan, as well as building trade and economic ties with the war-torn country (Goodson 2001). In response, the Karzai-led government in Afghanistan also supported integration and worked towards connecting Afghanistan's economy to the region; the new government sought to establish and transform Afghanistan into a land bridge between Central and South Asia and eying on facilitating trade, energy transfer, and gas pipeline projects through Afghanistan (Barzegar 2014). Several challenges, however, posed difficulties and constraints to

immediate integration and required heavy international investment and assistance for building and repairing the heavily damaged infrastructure in Afghanistan. In addition, Afghanistan needed to enact regulatory reforms allowing and promoting trade and investment in Afghanistan. The post-Taliban 1.0 government in Afghanistan sought to cultivate and expand friendly economic and political relations with its neighbors, including Iran, Pakistan, China, and the Central Asian countries, and integrate Afghanistan's economy into their economies to promote mutual collaboration and development (Goodson 2001). Additionally, concerning its proximity to the convergence of several regions—the Middle East, South Asia, and Central Asia/Western China, Afghanistan's new government sought to foster economic and political integration with these countries possessing varying military capacity, economic portfolios, and security interests (Barzegar 2014). The regime changes in Afghanistan in the early 2000s therefore provided a new opportunity and interest for promoting regional integration.

Another notable change during the post-Taliban 1.0 Afghanistan was the country's inclusion into several regional organizations promoting regional integration. Afghanistan soon became a member or was reinstated into the Shanghai Cooperation Organization (SCO), Central Asia Regional Economic Cooperation (CAREC), South Asian Association for Regional Cooperation (SAARC), and several other processes such as the Heart of Asia – Istanbul Process, Moscow Format that focused on integrating Afghanistan politically, commercially and financially into the region (Barzegar 2014). Afghanistan was making incremental progress

and countries in the region expanded trade and economic relations with Afghanistan. However, despite the progress and the inclusion or membership in several of the regional organizations, overall progress and full integration remained constrained. Challenges such as a resurgent Taliban insurgency, insecurity, limited infrastructure challenges, economic underdevelopment, and political instability continued to create hurdles for full integration. Many regional countries were cautious and limited in their role and initiatives in Afghanistan in post-Taliban 1.0 Afghanistan. Regional integration efforts therefore remained limited to cooperation in cross-border security areas, with little additional contribution to Afghanistan's geoeconomic development or integration.

Collaboration with Iran

Iran supported establishing the new post-Taliban 1.0 government in Afghanistan. Adhering to the international community's goal of establishing and strengthening a democratic government in Afghanistan in the early 2000s, Iran provided facilitation and supported the transition. Despite being US-led, Iran's support aimed to seize on the political opportunity to facilitate a functioning government in its western neighborhood and help emerge Afghanistan from the long-lasting conflict and political instability (Goodhand 2005). The government of Iran aligned with the interim government of Hamid Karzai and provided aid, technical equipment, and supplies to Kabul government offices to strengthen the new government and build cordial relations with Afghanistan

(Loewen and Zorob 2018). Iran's support continued to look for building cordial relations and promoting trade and economic relations with Afghanistan in a post-Taliban 1.0 setup.

Iran's efforts for regional connectivity and integration with Afghanistan resulted in increased trade relations between Iran and Afghanistan.

Iran's efforts for regional connectivity and integration with Afghanistan resulted in increased trade relations between Iran and Afghanistan. Building on the political support from Iran, Iranian traders and investors leveraged the opportunity to participate in joint investment opportunities in Afghanistan, sponsor food-items trade fairs, open cement-producing factories, extend purchase credits to traders, and provide training to commercial pilots in Afghanistan (Goodhand 2005). Consequently, Iranian trade with Afghanistan expanded, and Iranian exports of food and electronics products dominated the market in Afghanistan, particularly in Western Afghanistan; according to some statistics, 85 percent of food products and 90 percent of basic electronic goods such as cables, sockets, and plugs in western provinces of Afghanistan were imported from Iran. Building on the trade opportunities, Iran also opened its Chabahar port to

Afghan traders; the port provides an alternative route to the Pakistan port in Karachi for Afghan traders to export and import goods from other countries as well. Particularly Pakistan. Further, Iran's integration and cooperation efforts extended to the financial and infrastructure sectors in Afghanistan; Iran's Arian Bank opened a branch in Kabul in 2004, and the Iranian power company began supplying electricity to Herat in 2005 (Goodhand 2005). The Iranian government also funded several road-building projects on the Afghan border and inside Afghanistan to facilitate infrastructure development. All these measures helped in building cordial relations between Iran and the new government in Afghanistan, and they provided the needed enabling environment for increased trade and economic relations between the two countries.

Pakistan-Afghanistan Relations

Pakistan's cooperation and regional diplomacy with Afghanistan remained inconsistent in a post-Taliban 1.0 Afghanistan. Pakistan was one of the three countries that had officially recognized the Taliban government in Afghanistan; however, after the US-led coalition removed the Taliban 1.0 government from power in 2002, Pakistan found itself in a difficult position to alter its support away from the Taliban whom it had supported for years and to engage with the new Western-backed government in Afghanistan (Khalilzad 2016). Despite previous support to the Taliban 1.0 regime and being its main diplomatic channel in the late 1990s, Pakistan promised to change course and provide



Barack Obama, Hamid Karzai and Asif Ali Zardari in trilateral meeting on May 6, 2009. Pete Souza/White House

relief aid & training to help rebuild Afghanistan's national police and army and facilitate better economic relations with Afghanistan (Khalilzad 2016). However, mistrust between Islamabad and Kabul emerged and shadowed the building of better bilateral relations between the two countries. The two countries began to have divergent objectives for a post-Taliban 1.0 Afghanistan resulting in a build-up of political mistrust between the two sides.

Much of the promised Pakistani assistance to the new government in Afghanistan did not materialize. The emerging divergent foreign policy objectives between Islamabad and Kabul on various bilateral matters such as Afghanistan's relations with India, Pakistan's arch-rival, border security, and recognition, Pakistan's support for the resurgent Taliban insurgency, and Afghan refugees in Pakistan all contributed to the

build-up of disagreements and divergence in policies. These issues kept the governments in Kabul and Islamabad away from building fully cooperative relations (Khalilzad 2016). The private sector in Pakistan, however, sought more investment and trade opportunities in Afghanistan; they started to lobby the Pakistani government to promote and take a more positive approach towards Afghanistan so that Pakistani traders could benefit from the renewed economic circumstances in Afghanistan (Neumann, 2007). In response to the demands of the private sector in Pakistan, the Pakistani government opened Consulates in Afghanistan's provinces to facilitate trade relations and allowed Pakistani Banks to open branches in Afghanistan. Consequently, Pakistani traders began supplying Afghanistan with food products and consumer goods, leading to an increase in the official trade value to USD 1.2 billion by 2006 (Loewen and Zorob 2018). However,

despite the budding trade relations, mistrust between Kabul and Islamabad ballooned and continued to stall full cooperation between the two neighboring countries.

One notable agreement between Afghanistan and Pakistan facilitating regional cooperation and trade is the bilateral trade agreement between Afghanistan and Pakistan, the Afghanistan-Pakistan Transit Trade Agreement (APTTA). The trade agreement facilitates trade between the two countries and provides the baseline for economic cooperation and activity. This agreement was first signed in 1965 and was reinstated after several years of negotiations, including mediation by the former US Secretary of State, to facilitate trade and cooperation between the two countries after the regime change in Afghanistan. The APTTA includes the following provisions:

- **More ports and carriers:** The agreement allows for more ports and carriers to be used, including Afghan trucks.
- **More border crossing points:** The agreement increases the number of border crossing points between the two countries.
- **Transit of Afghan exports:** The agreement allows for Afghan exports to be transported through Pakistan to the Wagah border with India, as well as to the seaport cities of Karachi and Gwadar.

- **Transit documentation:** The agreement aims to simplify, harmonize, and increase transparency in transit documentation and procedures.

- **Freight transport:** The agreement aims to promote freight transport.
 - Smuggling prevention: The agreement aims to prevent smuggling.

Despite being an important agreement for mutual collaboration and trade promotion between Afghanistan and Pakistan, progress on implementing APTTA is weak and usually affected by political mistrust and disagreement between Kabul and Islamabad.

Beyond the trade agreement, the US also promoted cooperation on security matters between Afghanistan and Pakistan. Establishing a trilateral military collaboration agreement in 2003, this agreement was meant to facilitate coordination on security issues related to the shared border and resurgent Taliban insurgency from the Af-Pak border areas (Khalilzad and Byman 2000). The agreement also required both sides to share intelligence regarding the rising insurgency in Afghanistan, which was planned and operated from Pakistan (Khalilzad and Byman 2000). Despite sustained efforts to promote collaboration through the trilateral mechanism, progress was slow and relations between Afghanistan and Pakistan soured; Afghan officials

accused Pakistan of supporting the Taliban, who engaged in cross border raids and suicide bombings against the Afghan and coalition forces in Afghanistan. Pakistan, on the other hand, accused Afghanistan of collaborating with India to support ethnic Pashtun and Baluchi separatist insurgencies in Pakistan (Khalilzad and Byman, 2000). The trilateral military agreement and mechanism, therefore, failed to enable full collaboration between the three sides.

Integration and collaboration efforts between Afghanistan and Pakistan remained limited due to the political mistrust between the governments of the two countries.

Integration and collaboration efforts between Afghanistan and Pakistan remained limited due to the political mistrust between the governments of the two countries. No meaningful mechanism emerged or existed to promote better relations between Pakistan and Afghanistan, and the continued disagreements on security matters as well as the accusations of insurgency support affected bilateral relations and integration efforts. Several times, Pakistan would not adhere to the APTTA agreement and blocked overland shipments of aid and goods, especially from India to Afghanistan. Pakistan also banned cement shipments to Afghanistan and placed restrictions on Afghan trucks preventing agricultural goods from

reaching Pakistani markets (Zingel 2014). In 2006, Pakistan also blocked the extension of South Asian Free Trade Association (SAFTA) benefits to Afghanistan which aimed to enhance Afghanistan's trade with Pakistan and other South Asian countries. The sour relations between Afghanistan and Pakistan continued throughout the Karzai-led government and the subsequent Ghani-led governments in Afghanistan and the two countries failed to build cordial relations or to promote regional connectivity and integration.

India- Afghanistan Relations

India actively sought collaboration with the new post-Taliban 1.0 government in Afghanistan. India was one of the first countries to reestablish ties with Afghanistan after the Taliban 1.0 government and as early as 2002, India opened consulates in Herat, Balkh, Kandahar, and Nangarhar provinces of Afghanistan (Fair 2010). By committing and providing substantial development assistance to Afghanistan, India also extended its support to development and reconstruction efforts in Afghanistan. Between 2001 and 2004, India spent an estimated USD 400 million in Afghanistan on hospitals, roads, irrigation projects, and military equipment (Fair 2010). India also supported building trade relations with Afghanistan through promoting economic activity and trade fairs in Afghanistan; the Confederation of Indian Industry organized a "Made in India" trade fair in Kabul in 2002 and sought to utilize the Dubai-Afghanistan route to ship food via Dubai-based traders to Afghanistan. India also extended its support to infrastructure development in Afghanistan. In 2003,



China's Special Envoy Yue Xiaoyong meets with Acting Deputy Prime Minister of the Afghan Interim Government Mawlawi Abdul Kabir, November 2024. (Ministry of Foreign Affairs of the People's Republic of China)

for example, India signed an agreement with Afghanistan and Iran to construct a road from Zaranj to Dilaram, connecting Afghanistan's main ring highway with Iran and its port in Chabahar (Goodhand 2005). Besides, India's Border Roads Organization (BRO) completed approximately 280 km of the road by 2005, and Indian and Turkish firms were contracted to pave about 556 km of the ring road from Kandahar to Herat (Fair 2010; Goodhand 2005). India continued to support the new Afghan government's efforts to rebuild infrastructure such as financing to build the national parliament building in Kabul and building hydro dams in Afghanistan. India's engagement with the new government in Afghanistan for economic recovery and building trade relations remained the hallmark of cordial collaboration between Kabul and Delhi throughout the 20 years of the post-Taliban 1.0 era in Afghanistan.

China-Afghanistan Relations

China's relations and engagement in a post-Taliban 1.0 Afghanistan remained cautious and limited. China's contributions and involvement in economic activity under the new government in Afghanistan focused primarily on investing and building infrastructure projects; China allowed investments in road construction, hospital building, irrigation, telecom, airport equipment, and police training in Afghanistan (Gall 2004). Additionally, the new government in Kabul signed numerous trade and security agreements with China facilitating further collaboration and encouraging the integration of Afghanistan's economic relations with China. Chinese firms were also successful in securing contracts for infrastructure development projects; one of the most significant investment projects was the construction of a road



On November 26, 2024, Minister of Foreign Affairs of the Republic of Uzbekistan Balaktiyor Saidov met with the Special Representative of the UN Secretary-General for Central Asia, Head of UNRCCA Kaha Imnadsz, Special Representative of the UN Secretary-General for Afghanistan and Head of the United Nations Assistance Mission in Afghanistan Roza Otunbayeva, and Deputy Foreign Ministers of Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan. (Ministry of Foreign Affairs of Uzbekistan)

in Kunduz in northern Afghanistan that was contracted out to Chinese firms in 2003 (Manish and Kaushik 2023). Furthermore, another Chinese firm secured a contract to build a 137 km road connecting Kabul and Jalalabad city in eastern Afghanistan. However, security threats undermined China's involvement in Afghanistan's affairs; a major setback for China in its road-building projects was in 2004 when a terror attack resulted in the death of 11 Chinese construction workers working on a road project in northern Afghanistan (Gall 2004). This incident changed China's involvement and engagement in Afghanistan and made Chinese investors hesitant about further investment and aid in Afghanistan (Manish and Kaushik 2023). However, despite the setbacks, Afghan traders continued to trade with China by importing household goods from China and exporting Afghanistan's fruits and nuts to China (Manish and Kaushik 2023). After initial broader engagement, China's involvement and integration efforts remained constrained due to the security challenges it faced in a post-Taliban 1.0 Afghanistan.

Central Asia's Republics-Afghanistan Relations

Afghanistan's economic activity and trade with Central Asia was minimal during the post-Taliban 1.0 Afghanistan. Looking north toward three Central Asian states—Turkmenistan, Uzbekistan, and Tajikistan, the new government in post-Taliban 1.0 Afghanistan was eager to promote cross-border trade and economic activity with the three countries allowing for diversification of trade routes and building Afghanistan's economic integration with the northern neighboring countries. The three Central Asian republics also participated in talks sponsored by the US and UN to support a stable interim government in Kabul and continued to engage in international forums and conferences to support the new administration in Afghanistan (Yunusov 2023). To boost regional connectivity, Afghanistan activity sought to promote the transfer of energy and gas pipelines from Central Asia to South Asia; some of the major projects including the Turkmenistan-Afghanistan-

Pakistan-India (TPI) gas pipeline, the Central Asia-South Asia (CASA) 1000 electricity transmission project, and the Turkmenistan-Uzbekistan-Tajikistan-Afghanistan-Pakistan (TUTAP) gas pipelines (Yunusov 2023). However, progress on these major regional projects was slow and was hindered by the Taliban insurgency in Afghanistan. Also, further political mistrust among the regional countries continued to blur engagement and collaboration.

Beyond Uzbekistan, however, the other Central Asian countries remained less engaged with Afghanistan.

As a result, most of the engagement of the northern countries with Afghanistan remained confined to participation in international conferences; they also minimized providing any major assistance to the new government in Kabul or engaging deeply in economic development and integration. Uzbekistan and Turkmenistan mostly kept their borders with Afghanistan closed and allowed minimal interaction or engagement, while Tajikistan maintained an open border primarily to maintain connections with ethnic Tajiks across border in northern Afghanistan (Yunusov 2023). However, generally, the Central Asian states limited their engagement to participation in political conferences regarding Afghanistan and focused on minimizing the spillover of conflict from Afghanistan.

Out of the three countries, Uzbekistan presented more interest in engaging economically with the new government in Kabul. In 2016, President Mirziyoyev won the presidency in Uzbekistan and his government sought to improve regional integration, aiming to increase trade with its neighbors and reduce tensions with them. The new Uzbek government also showed more interest in Afghanistan's peace process and actively sought diplomatic engagement and negotiations for peace in Afghanistan (The Diplomat 2023). Therefore, Uzbekistan continued to voice for support Afghanistan's peace process in various regional forums and initiatives and was encouraged to play a leading role in advancing a Central Asian initiative to collaborate for regional peace and security in Afghanistan (Yunusov 2023). Uzbekistan, therefore, hosted regular follow-up meetings, providing consistent political support, promoting regional confidence, and encouraging a peaceful solution to the Afghanistan problem.

One of the major fora to which Uzbekistan facilitated Afghanistan's entry was the Central Asia Regional Economic Cooperation (CAREC) partnership program that promotes regional economic integration in Central Asia. Beyond Uzbekistan, however, the other Central Asian countries remained less engaged with Afghanistan and continued to monitor developments there through participation in regional and international forums.

Update on Regional Integration Under Taliban 2.0

Overview of the Afghan Economy

The Taliban's return to power and takeover of the government there from the Ghani-led administration of the Islamic Republic of Afghanistan on August 15, 2021, has presented new challenges and constraints for regional integration and collaboration. Reestablishing an Islamic Sunni theocracy-based Islamic Emirate of Afghanistan (IEA), the Taliban 2.0 has driven most of the previous government officials out of Afghanistan and has established their unique and Taliban-only caretaker or Interim Administration and highly centralized governance setup. Government affairs are run by the Taliban's Emir, Mullah Hebatullah Akhundzada, from his residing province of Kandahar, and the Afghanistan capital, Kabul where most of the executive branch is managing government affairs. No country thus far has formally recognized the Taliban 2.0 government, although many of the regional countries have started informal engagement with them. The abrupt transition from a recognized and internally supported government to a non-recognized IEA government has had a significant impact on the country's economy. The West has opted for nonrecognition of the Taliban 2.0 government and has imposed sanctions on several Taliban leaders as well as general restrictions on the banking sector of Afghanistan. It has also frozen the national reserves of

Afghanistan disallowing Taliban's access to it.

This international isolation of Afghanistan has negatively impacted the economy in Afghanistan. The sanctions and significant decrease in Western foreign aid to Afghanistan created high budgetary and economic contraction (The World Bank 2024). Additionally, Afghanistan's disconnect from the global banking system and its foreign exchange reserves, with the central bank's assets being frozen has resulted in economic decline and has created profound uncertainty creating investment decline and a rapid flight of capital and human resources from Afghanistan. The World Bank reports that Afghanistan's GDP declined by 20.7 percent in GDP in 2021, followed by a further 6.2 percent contraction in 2022 (The World Bank 2024). This decline is visible in the urban economy of Afghanistan where unemployment and joblessness have soared; the rural economy of Afghanistan, however, has shown some resilience since it has been traditionally an agricultural and subsistence economy. The Afghan economy grapples with higher prices, reduced demand, lower employment, and disruptions to services all of which are impacting households' income and welfare.

The restrictive Taliban policies on women's rights have posed constraints for the engagement of the international community with the Taliban 2.0 government and providing aid to Afghanistan. Since coming to power again in Kabul, the Taliban 2.0 government closed public schools for female students beyond sixth grade and dictates restrictions on women disallowing them from attending jobs in public offices. Recently, they have

ordered the closure of many private institutions where women could study to become midwives (TOLONews 2024). Given concerns about the policies of the interim Taliban Administration (ITA), the international community, including the World Bank, has shifted its approach to supporting Afghanistan. Initially, the limited international aid went only towards basic humanitarian needs in the country and was channeled through off-budget programs providing basic services and livelihoods in Afghanistan (The World Bank 2024). However, the restriction imposed on women in Afghanistan makes it almost impossible for official Western support or aid to be provided to Afghanistan or used there for dealing with the difficult post-West withdrawal from Afghanistan.

The absence of active war in Afghanistan has helped in promoting modest economic recovery.

The absence of active war in Afghanistan has helped in promoting modest economic recovery. The economic conditions began to stabilize in mid-2022 after the resumption of some international humanitarian aid, and the off-budget assistance to Afghanistan coupled with private sector activity amid relative political stability and reduced corruption (World Bank 2024). The Taliban's administration took strict steps to collect domestic revenues, reaching 15 percent of GDP in 2022; however, this was insufficient to take the Afghan economy out of being depressed, challenged with high unemployment and working through a less functional banking sector due to

constraints on international transfers and liquidity concerns (The World Bank 2024). According to the World Bank, structural deficiencies in the private sector coupled with reduced international support will continue to hinder robust economic recovery, and issues such as deepening poverty, high unemployment, and increasing food insecurity may continue to present serious challenges and stagnate economic growth in Afghanistan until at least 2025.

Regional Integration and Engagement with Taliban 2.0

Regional countries demonstrate renewed interest and efforts in engaging with the Taliban 2.0 government in Afghanistan. Many of the regional countries in Central Asia, and South Asia have reached out and started engagement with the Taliban 2.0 government in Afghanistan discussing trade and border management issues. As discussed below, there is varying interest in engaging with the Taliban 2.0 government on trade matters and utilizing Afghanistan's location for enhanced regional collaboration. The Western sanctions on Afghanistan and the Taliban leaders, however, present constraints to building full diplomatic relations or engaging in enforceable contracts with the Taliban as the government of Afghanistan. No country has yet to officially recognize the Taliban 2.0 Islamic Emirate of Afghanistan as a

representative government despite engaging with them on bilateral matters (Khan 2024). Further, the Taliban's rigidity and discriminatory policies on women and girls' education and work further complicate both Western and some of the regional countries' engagement with the Taliban's Emirate in Afghanistan. The prospects of international recognition of the Taliban's government from organizations like the UN, therefore, have also been affected and may not come anytime soon (Khan 2024). Since the government is not recognized formally, it is difficult for regional countries to also engage freely with Afghanistan. Regional connectivity and engagement with the Taliban-run Afghanistan, therefore, has started but is constrained.

Policies towards the Taliban 2.0-run Afghanistan vary among regional countries. Many of the regional countries believe engaging with the Taliban 2.0 regime is necessary as the de-facto authority and government in Afghanistan; however, they are facing challenges in building up a mechanism for cooperation that would need to engage on issues ranging from boosting trade to managing disputes over water and halting transnational militancy (Fu 2024). Regional countries believe that patient deliberation and diplomacy with the Taliban 2.0, rather than isolation, may be better to safeguard their own security and regional interests and hope to utilize their engagement to further influence and moderate the Taliban's behavior and policy approach in the long term (Khan 2024). Some of the regional countries see that engagement is required to deal with the Taliban's preference for transactional relationships; others, such as Iran

and China adhere to the Taliban's standpoint and prefer an alternative to the Western-imposed global order (Fu 2024). Nonetheless, Western-imposed isolation continues to play a significant role in curtailing formal and open relations of the regional countries with Taliban 2.0-governed Afghanistan. Regional countries, on the one hand, are forced to follow Western policies on nonrecognition of the Taliban government; on the other hand, they see the reality of the Taliban ruling Afghanistan and the need to engage with them for their security, and regional collaboration needs (Khan 2024). Overall, regional countries to varying degrees do engage with the Taliban on regional security matters, border management, and regional trade.

Although the trust in the Taliban's approach and ability to deal with other militant groups is divergent among regional countries, concerns remain about the spread of violence to areas such as Kashmir or the Fergana Valley.

Neighboring countries also see engagement with the Taliban as essential for dealing with threats from other militant groups in the region. Although the trust in the Taliban's approach and ability to deal with other militant groups is divergent among regional countries, neighboring

countries are concerned about the spread of violence to areas such as Indian-administered Kashmir or the Fergana Valley in Central Asia (Peng and Rahman 2024). As a result, Central Asian states as well as Pakistan as an eastern neighbor see it important to engage with the Taliban regarding the potential threats and seek their support to disallow the Afghan soil to those militant groups as the Taliban solidifies their control over Afghanistan (Khan 2024). The Taliban 2.0 government has vowed that they will disallow Afghanistan's soil for transnational groups and would not allow them to operate from Afghanistan.

The relative peace in Afghanistan has allowed for regional efforts to promote and expand economic cooperation.

The relative peace in Afghanistan has allowed for regional efforts to promote and expand economic cooperation. Decades of war and instability in Afghanistan had delayed regional efforts to utilize Afghanistan's strategic location for expanding trade and trade routes through Afghanistan. Many of the regional countries are interested in matching or reinventing the historical Silk Routes which they could use to expand trade between Central Asia and South Asia, China, and the Middle East (Alexander 2023). The Taliban's relative success in maintaining central power, maintaining security, and addressing corruption, regional interest has resumed in establishing trade relations, corridors, and implementation of transnational

projects through Afghanistan; regional capitals are exploring commercial opportunities for facilitating the movement of trucks, railcars, gas, and electricity across borders (Khan 2024). The Taliban 2.0 government is also eager to cooperate and support these projects as they are seen as key to generating revenue and building regional relevance (Alexander 2023). Enhanced regional economic connectivity is particularly discussed in the energy sector as Central Asian countries seek new markets for their natural resources while South Asia requires those additional sources; Afghanistan's geolocation is the natural connecting bridge between these regions (Alexander 2023). The region also has strategic reasons to encourage investment in Afghanistan to encourage long-term economic integration resulting in sustainable regional stability (Yawar and Rasooli 2024). Regional thinking and policies hope that the incorporation of Afghanistan into the regional economic framework could enhance regional influence, provide a platform for integrating Afghanistan, and make the Taliban's rule and authority more predictable which could then facilitate and advance longer-term peace and stability.

Bilateral Regional Relations with Taliban 2.0

Iran

Iran has resumed its pragmatic engagement with the Taliban 2.0 government in Afghanistan. Iran, like



Ambassador of the Islamic Republic of Iran, Mr. Alreza Bikhdeh, paid a courtesy call on IEA Deputy Foreign Minister, Al-Haj Sher Mohammad Abbas Stanekzai, January 2025. (Ministry of Foreign Affairs, Islamic Emirate of Afghanistan)

the rest of the international community, has not recognized the Taliban rule in Afghanistan, but they have handed over the Afghan embassy in Tehran to the Taliban 2.0 representative; Iran's Embassy in Kabul is also operational (Rashid 2022). Rashid outlines that the engagement is also a necessity due to the need of both countries to engage in managing the longer border they share, the issues of Afghan refugees and immigrants in Iran, and the transboundary water issues as well as general trade and utilization of the Chabahar port in Iran. Historically, though, the regime in Iran and the Taliban are not traditional friends or allies. A major divergence is the ideological divide between the two regimes. Iran is a Shia Islamic majority country with its regime pursuing a pro-Shia Islamist strict ideology, while Afghanistan is a Sunni Islamic majority country, and the Taliban is a Sunni hardliner group. This is a major ideological divide, and each side could

see the other as an ideological threat. However, despite the divide, Iran acknowledges the need for coexistence with the new rulers of Afghanistan. Consequently, Iran has opted for a tactical flexible approach where it seeks concessions in its interactions with the Taliban, and in return, the Taliban seeks concessions from Iran (Rashid 2022). Iran continues to engage with the government in Kabul pragmatically, and it has sought to normalize relations with the Taliban 2.0 government in Afghanistan.

Iran's engagement with the Taliban 2.0 could be the convergence of the two sides' desire to seek alternatives to the dominant global influence of the US. While brought together by this unusual convergence of objectives, Iran hopes that the Taliban 2.0 will take its security and political concerns seriously, particularly regarding the threat from the Islamic State-Khorasan Province (ISKP) that poses threats to Iran, dealing

with transboundary water supply from Afghanistan to eastern Iran, and the issue of millions of Afghan refugees in Iran (Barzegar 2014). Economic factors also play a noteworthy role in Tehran's engagement with the Taliban 2.0; Iran looking for further trade and investment opportunities in Afghanistan while the Taliban seeking trade and assistance from Iran especially as it grapples with the absence of Western development aid and disengagement (Rashid 2022). In addition, Iran could also be seeking economic cooperation with Taliban 2.0 to utilize Afghanistan as a potential transit country for Iranian energy and other exports, aligning with India's perspective of Afghanistan as a gateway to Central Asia.

Pakistan

Pakistan's, Afghanistan's eastern neighbor, relationship with the Taliban 2.0 run Afghanistan seems surprisingly less cordial. Pakistan was one of the only three countries that recognized the Taliban 1.0 government in the 1990s in Afghanistan. They also provided consistent secret support to the Taliban insurgency during their 20-long insurgency (Rehman and Mingin 2024). However, Pakistan has not recognized the Taliban 2.0 government in Afghanistan yet, but it has nominated an ambassador to Kabul and has handed over the Afghan embassy and consulates in Pakistan to the representative of the Taliban 2.0 government. Pakistan's relations with the Taliban 2.0 government in Afghanistan are shadowed by Pakistani claims that the return of the Taliban in Afghanistan has given rise to violence in Pakistan by the Tehrik-e Taliban Pakistan (TTP), a militant group operating in Pakistan (Rehman and

Mingjin 2024). Pakistan accuses the TTP is operating from Afghanistan while the Taliban 2.0 rejects those accusations arguing that no TTP is present on Afghanistan's soil and reaffirming the Taliban 2.0 commitment to not allow any militant group in Afghanistan (Rashid 2022).

While political relations are reestablished, Pakistan-Taliban 2.0 relations seem affected by the disagreement regarding the TTP and the rising violence in Pakistan which seems less effective in leveraging its past support for the Taliban.

Pressuring the Taliban politically, Pakistan forcibly repatriated over five hundred thousand Afghan refugees from Pakistan in 2022 and planning to expel another 800,000 (Rid and Sodhar 2024). While political relations are reestablished, Pakistan-Taliban 2.0 relations seem affected by the disagreement regarding the TTP and the rising violence in Pakistan which seems less effective in leveraging its past support for the Taliban. Beyond the disagreement on TTP, Pakistan, and the Taliban 2.0 government have signed several trade agreements. Finalized in negotiations between the Commerce Secretary of Pakistan and the Taliban 2.0 Minister for Commerce, Nooruddin Azizi, in Kabul,

the agreement aims to promote cross-border bilateral trade as well as transit facilitation and Pakistan's participation in regional projects such as TAPI, TAP, CASA-1000, and the Trans Afghan Railway Projects (Rehman and Mingjin 2024). Both sides have also committed to reinstating the Afghanistan-Pakistan Transit Trade Agreement (APTTA) and facilitating better trade relations (Razzaq 2024). However, frequent border closures and terrorism-related blame games have strained trade and economic relations, affecting the trade volume and economic activity between the two countries.

China

China has shown a revived interest in engagement with the Taliban 2.0 government in Afghanistan. Following the US withdrawal from Afghanistan, China and the Taliban 2.0 have built contact, and have committed to strengthening bilateral trade and investment relations. China has introduced an ambassador to Afghanistan under the Taliban 2.0 and has accepted the Taliban 2.0 government's ambassador to China (Qu and Peng 2024). China plans to invest in clean energy, mining, agriculture, digital systems, and smart vehicles in Afghanistan; it has already secured contracts for oil extraction, gold mining, and revival of the on-copper extraction (Qu and Peng 2024). Furthermore, direct flights between Afghanistan and China are restored, and Taliban 2.0 officials periodically attend commercial meetings with Chinese officials. Current trade with China occurs through the Karachi port in Pakistan and the Chabahar port in Iran (Qu and Peng 2024). The Taliban 2.0 government is also interested in connecting Afghanistan to China directly through

the Wakhan-China corridor in western northern eastern Afghanistan where Afghanistan shares a rugged border with China; this route can provide a strategic connection to China with whom the Taliban in Afghanistan are eager to build stronger relations, especially in the absence of similar relations with the West. Overall, China's renewed interest in Afghanistan and collaboration with the Taliban 2.0 government seems to be aligned with the Taliban's desire to integrate with regional economies.

Russia

Russia is also open to engaging with the Taliban 2.0 government in Afghanistan. One of the major political players in the region is the Russian Federation of Afghanistan, which is interested in promoting economic, trade, and political relations with the Taliban 2.0 government after the exit of the Western forces from Afghanistan. Russia is one of the few countries that have kept its embassy open in Kabul and handed over the Afghan embassy in Moscow to Taliban 2.0 appointment diplomats (TOLONews 2023). According to the TOLONews report, Russia and the Taliban's 2.0 Ministry of Industry and Commerce have resumed trade relations. Russia has exported \$224 million to Afghanistan and has allowed for \$3 million in imports from Afghanistan in 2023. This trade volume reflects an 18% increase compared to previous years and outlines that Russia is open to regional integration and engagement with the Taliban 2.0-run Afghanistan. While more trade opportunities are being explored, the Taliban 2.0 government is keen to export fresh and dried fruits to Russia and attract Russian investment in energy and natural

resources exploration and extraction in Afghanistan.

Uzbekistan

Uzbekistan is also engaging and facilitating regional integration and trade with Taliban-2.0-run Afghanistan. High-ranking Uzbek officials have visited Afghanistan since the Taliban's return to power and have signed agreements worth \$2.5 billion for bilateral trade and investment (TOLONews 2024). Uzbekistan has also introduced a new ambassador to Afghanistan and has transferred the Afghanistan embassy in Uzbekistan to the Taliban 2.0 government. Uzbekistan's policy of regional connectivity and integration with Afghanistan builds on its previous efforts with the fallen Afghanistan Republic government to bolster regional trade and utilize Afghanistan's geostrategic location for regional connectivity.

Turkmenistan

Turkmenistan is also engaging with the Taliban 2.0 government in Afghanistan. Turkmenistan accepted a Taliban 2.0 ambassador in March 2022, and officials from Afghanistan's Ministry of Mines and Petroleum recently visited Turkmenistan and signed several memoranda of understanding (MoUs) to strengthen collaboration and cooperation on joint investment projects, cross-border trade activities and continue collaboration on regional energy transfer projects such as TAPI gas pipeline and electricity transmission from Turkmenistan through Afghanistan to South Asia (The Diplomat 2024). Recent TOLONews

reports confirmed that the official agreed to start the gas transfer high-profile project making it one of the largest regional projects to be initiated in Afghanistan after the return of the Taliban 2.0 to governance.

Kazakhstan

Kazakhstan has also shown support for Afghanistan and committed to economic and trade relations with the Taliban 2.0 government. Kazakhstan removed the Taliban from its list of terrorist groups and has accepted a Taliban 2.0 ambassador. The two countries have committed to increasing bilateral trade and have delivered on this agreement as Afghanistan became one of the top ten trading partners of Kazakhstan in 2023 (The Diplomat 2024). Kazakhstan has expressed interest in participating in the reconstruction and development of necessary infrastructure in Afghanistan and investing in the transportation, energy, and agriculture sectors (TOLONews 2024). Kazakhstan has also expressed interest in assisting in the restoration of Afghanistan's railway system and investing in Afghanistan's mines of copper, gold, and precious stones.

Tajikistan

Tajikistan is the only neighboring Central Asian country to oppose the Taliban's return to power. The government in Tajikistan has hosted some of the leaders of the National Resistance Front, an anti-Taliban resistance group. The Taliban controls the Afghan consulate in the eastern Tajik city, but the embassy is run by the ambassador appointed by the

ex-Afghan government. Tensions between Tajikistan and the Taliban 2.0 government continue to exist and both sides have not engaged with each other as other Central Asian countries have engaged with the Taliban 2.0 government in Afghanistan.

Other Regional Countries (Azerbaijan, Türkiye, Qatar, Saudi Arabia, UAE, and India)

Additional countries that have established relations with the Taliban 2.0 government in Afghanistan are Azerbaijan, Türkiye, Qatar, Saudi Arabia, UAE, and India. Azerbaijan has reopened its embassy in Kabul in March, but it is unclear if any Taliban diplomats are present in Azerbaijan. In Türkiye, the Afghan Embassy in Ankara is controlled by the ambassador appointed by the ex-Afghan government. Still, the consulate in Istanbul, Türkiye's largest city, is run by the Taliban. Several exiled Afghan political leaders are believed to reside in Türkiye, including former Vice President Abdul Rashid Dostum. Qatar has hosted the Taliban political office since 2013. The Qatari capital, Doha, was the scene of negotiations between Taliban and U.S. officials that paved the way for the complete withdrawal of all foreign troops from Afghanistan in 2021. Qatar has engaged with the Taliban at the highest level and remains a key international interlocutor for its government, which controls the Afghan Embassy in Doha. Saudi Arabia maintains an embassy in Kabul and continues to offer consular services for Afghans, thousands of whom work in the kingdom as laborers. After the Taliban takeover, Riyadh helped establish an Organization of Islamic Countries mission in Kabul. It is unclear if the Taliban controls all

Afghan diplomatic missions in Saudi Arabia. The United Arab Emirates also maintains an embassy in Kabul, and the Taliban has appointed diplomats to the Afghan Embassy in Abu Dhabi and the consulate in Dubai. Finally, India reopened its embassy in Kabul last year, but the fate of Afghan diplomatic missions in India is unclear as it has not been yet handed over to the Taliban government.

Concluding Summary

Despite the return of the Taliban 2.0 to political power in Afghanistan, there is significant interest and a pressing need among regional countries to engage with Afghanistan and leverage its strategic location to promote regional connectivity and integration. Many countries in the region have unofficially accepted diplomats from the Taliban 2.0 government to their Afghan missions and have reopened their embassies in Kabul. For instance, Russia and China, as two key regional powers, are capitalizing on the political transition in Afghanistan by engaging with the Taliban in trade and investment opportunities, particularly in the mining sector. Other neighboring countries are also interacting with the Taliban 2.0 government, driven by necessity and a pragmatic approach to foster cordial relations with the new rulers in Afghanistan. Among neighboring countries, only Tajikistan has opposed the Taliban government and does not maintain political engagement with it. In contrast, other neighbors have established contact and are engaging with the Taliban 2.0 regime. Beyond Afghanistan's immediate neighbors, countries such as Qatar, Türkiye, the

UAE, India, and Saudi Arabia are also maintaining communication with the Taliban, discussing bilateral matters along with trade and investment opportunities.

Many regional countries are aware of the West's sanctions on the Afghan banking sector and specific Taliban leaders, which complicate their relationships with the Taliban regime and hinder their ability to engage in viable and enforceable contracts with Afghanistan. As a result, many countries are cautious about getting caught in the West-Taliban dilemma and are aware of the nonrecognition policy in the West regarding relations with the hardline regime in Kabul.

Security concerns, along with the Taliban's strict policies on women's rights—which prohibit women from receiving an education beyond the sixth grade and restrict their employment in public institutions—make it difficult for all nations and the international community to engage with the regime in Kabul. Beyond issues related to women's rights, the Taliban 2.0 government is also inclusive only of its own members and ideology, neglecting the diverse population of Afghanistan. Lack of inclusivity and running a theocracy that took power by force, the Taliban's internal accountability is limited to its leadership, lacking any democratic institutions or representation for the Afghan people. These challenges and the Taliban's rigid policies may contribute to the ongoing Western diplomatic disengagement from Afghanistan and the persistence of sanctions that further inhibit the country's integration into regional and global economies.

Policy Recommendations for Regional Collaboration and Integration in Afghanistan

In the context of promoting regional collaboration and integration of Afghanistan into regional and global economies, the following general policy recommendations are proposed:

1. Encouraging an Inclusive Government: The Taliban 2.0 government must shift from an autocratic model to one that is accountable and inclusive, ensuring all Afghans see themselves represented. It is critical for them to reverse discriminatory policies regarding women's rights and to provide verifiable security assurances to the international community, signaling that Afghanistan will not revert to being a threat. Implementing these changes could pave the way for broader engagement with Afghanistan and its full integration into regional and global economies.

2. Promoting Economic Integration: All stakeholders should actively promote the integration of Afghanistan's economy with those of regional neighbors. Enhanced regional trade and economic opportunities could help revitalize Afghanistan's economy and foster stability.

3. Leveraging Afghanistan's

Geolocation: Afghanistan, its neighboring countries, and development partners should capitalize on Afghanistan's strategic geographical position for trade and transit, promoting it as a reliable crossroads for economic activities, akin to a new Silk Road.

4. Improving Security and Stability:

Continuing to enhance security and stability in Afghanistan is essential. The absence of active conflict after 40 years of unrest is a positive development that is vital for economic recovery and integration. All parties must commit to further reformist policies and actively promote peace and stability in Afghanistan.

5. Engaging Multilateral

Organizations: Regional and global multilateral organizations, such as the Asian Development Bank, the World Bank, and the United Nations, could leverage regional interests and needs to foster further integration and collaboration.

6. Investing in Infrastructure:

Investment in infrastructure and capacity development is crucial for achieving full integration. Governments, donor agencies, and private investors should prioritize improving roads and other infrastructure needed to facilitate trade and integration.

The path to recovery and stability in Afghanistan is fraught with challenges, especially given the Taliban 2.0's undemocratic return to power, their implementation of discriminatory policies regarding women's rights, and the prevailing security mistrust. These factors could prolong Western sanctions and disengagement from Afghanistan. However, historical

examples, such as Cuba and North Korea, demonstrate that Western sanctions often fail to bring about regime change and instead primarily impact the citizens of those countries.

The new U.S. administration has a unique opportunity to reassess its policy toward Afghanistan. Using the recommendations presented in this paper, there is an opportunity to develop a comprehensive roadmap for the country's recovery, development, and integration. While the challenges are significant, there is optimism that diplomatic solutions, including track II diplomacy, could help Afghanistan and its partners work together towards a fully integrated future. 

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