



## Center for Strategic & Regional Studies

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Weekly Analysis is one of CSRS' publications, which significantly analyses weekly economic and political events in Afghanistan and the region. The prime motive behind this is to provide strategic insights and policy solutions to decision-making institutions and individuals in order to help them to design best policies. Weekly Analysis is published in local languages (Pashto and Dari) and international languages (English and Arabic).

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## Preface

After the formation of the National Unity Government (NUG), the US changed its decision about withdrawal of its troops for several times. However, when Donald Trump came to power in the US, his previous controversial remarks regarding Afghanistan increased the concerns of the Afghan government. This concern was, to some extent, real and Trump was reluctant in withdrawing or maintaining its presence in Afghanistan. That is why the new US policy was delayed for eight months.

Finally, Trump announced his policy towards Afghanistan and South Asia. According to the new strategy the US will keep its long-term presence in Afghanistan and will continue the war in this country. Hence, the policy was welcomed by the Afghan government and, in the meanwhile, some voices against the policy were also heard. About the new strategy one can say that it is “new but old strategy.” Nonetheless, it seems that some changes are brought in the new strategy. What are the significant changes in the new policy? To which direction will the new strategy lead Afghanistan and the region? These and other similar questions are analyzed in the first part of the Weekly analysis of the Center for Strategic and Regional Studies.

In the second part of the analysis, you would read about the mining sector, its illegal extraction and the existing corruption in this sector. Some reports indicate that due to wide spread corruption in the mining sector, the Afghan mineral resources are being illegally extracted and looted and this trend still continues. The level of corruption in the mining sector, and solutions to end it, are issues that are analyzed in the second part of the analysis.

## The New US Strategy for Afghanistan: Old Wine in a New Bottle



The US President Donald Trump announced the new US strategy for Afghanistan and South Asia on 22 August 2017. This strategy is announced after eight months waiting and during this eight month the delay of this announcement was highly discussed and many proposals were offered. For instance, the complete withdrawal from Afghanistan, the privatization of the war and augmentation of the number of the soldiers in this country.

The announcement of the new strategy was followed by comments in favor and against it both within and outside the country. The Afghan President Ashraf Ghani and the Afghan Chief Executive Dr. Abdullah Abdullah warmly welcomed the new strategy, while the former Afghan President Hamid Karzai condemning the strategy said that it was focused on killing and the perpetuation and expansion of the war rather than pursuing peace. In addition, releasing a statement, the Taliban have also said that the new US strategy meant the continuation of the “occupation” of Afghanistan and have threatened that as long as one US soldier remained in Afghanistan, they would continue their fight.

Pakistan and India have also reacted to the new US strategy. The statement of the Pakistani Ministry of Foreign Affairs reads that the US ignored the sacrifices of Pakistan and that they are disappointed from the US. India, on the other hand, has welcomed the new strategy and has said that India wanted what Trump has decided.

The main points of Trump's strategy for South Asia and Afghanistan, its difference with the previous strategy, and whether or not the new US strategy will bring peace and security in Afghanistan are issues that are analyzed here.

### **Washington's previous Afghan policy**

After 2001, the US directly got engaged in Afghanistan. Therefore, Afghanistan was an important part of the US foreign policy in the past 17 years. It was due to this policy of the US that Gorge W. Bush started the processes of war and nation building in Afghanistan. After 2004, Bush started increasing the number of US troops in Afghanistan. However, in the second term of Bush's presidency, Afghanistan was no longer the Afghanistan of 2001-2004; war and insecurity had been intensified. The Taliban was accepted as a political and military force and negotiation over opening their political office in Qatar commenced.

The other US President Barak Obama won the election, to a greater part, due to his slogans about ending the war in Afghanistan and Iraq. In 2009, Obama announced his Afghan policy. In this policy besides increasing the number of US forces in Afghanistan, a schedule for their withdrawal was also included. In the meanwhile, the Americans started negotiations about signing long-term strategic and security agreements with the Afghan government. Although Obama failed to sign the agreement with Hamid Karzai, after the formation of the NUG, it was signed within 24 hours after its formation.

These two US Presidents focused on increasing the number of forces in Afghanistan during their tenure; however, Obama's policy also included a date for withdrawal of the US soldiers and the strategic future of the US in Afghanistan until 2024.

## Trump's policy for Afghanistan and South Asia

Although before his presidency Trump would vastly criticize the US policy in Afghanistan, when he entered the White House, he had only few comments on Afghanistan. Trump's remarks in the media was also reflected controversially.

After eight months of delay and wait, Trump announced his policy towards Afghanistan and the South Asia. Although Trump could not bring revolutionary changes in the new policy, the new US strategy means the continuation of the old strategy, on the one hand, and some changes on the other hand.

Trump's speech clearly indicates that the US's strategy towards the region will circle around the following points:

**First;** the US ended the program of withdrawing its soldier from Afghanistan and instead defined conditions for its presence and withdrawal from this country.

**Second;** The vague future of the US presence in Afghanistan.

**Third;** Reiterating on increasing the number of troops in Afghanistan.

**Fourth;** Harsh rhetoric against Pakistan.

**Fifth;** war with the Taliban and, in the meanwhile, keeping the negotiation doors open.

**Six;** increasing India's role in Afghanistan.

## Reasons behind the change in Trump's stance

Given the past stances of Trump regarding Afghanistan, the possibility of him withdrawing the US soldiers from Afghanistan was very likely and his some remarks about Afghanistan had even increased the Afghan government's concerns in this regard. However, the following two points are the main reasons behind his decision about the US's long-term presence in Afghanistan:

**The emphasize made by the US Generals and advisors;** in his remarks, Trump said that his original stance was to withdraw from Afghanistan but that it was clear that when someone sat behind the table, decisions changed. Trump was

convinced to maintain the US presence in Afghanistan and hence his policy was changed.

**The threats to the US interests in the region;** Afghanistan is located between Russia, Central Asia, Iran, Pakistan and China and its geographical location is very significant. Since the past several years, some changes are occurring in the region. On the one hand, the issue of the cold war between the US and Russia is emerging once again and both are engaged in various countries such as Ukraine, Georgia and Syria and, on the other hand, China has begun its two projects in the region, the New Silk Road and China-Pakistan economic corridor. In the meanwhile, China is a country to which the US owes a great deal of money and the US is against the Chinese presence in the South Sea of China as well.

### **The new US strategy and its impacts on peace and security**

No revolutionary changes are brought in the new US strategy and it is almost the same old strategy; however, the changes mentioned above could have the following effects on Afghanistan:

**First;** due to an increase in the number of the US troops in Afghanistan, Trump will fail to win the war that he mentioned to “win” six times in his speech. Three to five thousand soldiers will never win the war that hundred thousands of US soldiers could not win in the past.

**Second;** although the new strategy particularly increasing the US forces will increase the Afghan government’s morale and as the government said it would strengthen the “morale” of the security forces, it will have very negative impact on Afghans in areas of peace and war.

**Third;** not specifying a schedule for the withdrawal of the US forces will not only strengthens the anti-war mentality within Afghanistan but it will also increase the concerns of some countries in the region such as China, Russia, Iran, Pakistan and the countries in the Central Asia, and it will probably result in increasing diplomatic and military aids of these countries with the Taliban.

## The Afghan Mines; the treasuries that are being looted



The studies on the mineral resource in Afghanistan so far show that there are 1400 mineral fields and resources in Afghanistan with a value of more than one trillion dollars. However, the illegal extraction of minerals and corruption in the mining sector are factors that have resulted in the robbing of these resources in the country.

Some reports indicate that a number of the high-ranking government officials are involved in the arbitrary extraction of mines. About three years ago, a list of the names of the people involved in the illegal extraction of mine was also prepared, but never published.

Speaking at the academic-research seminar under “challenges, resolutions and the ways to attract the international community’s aids to prevent the illegal extraction of mines,” the acting head of the Afghan Academy of Science Seraya Popal said last week that besides financial exploitation and wasting the national

assets of the country, the illegal extraction of mines have had adverse consequences for the security and the political situation in the country.

Mines and natural resources are the untapped properties of the country that could lead to economic development, prosperity, security, and stability in the country. Nonetheless, the illegal and unprofessional extraction of mine has been continuing over the past four decades, and the perpetuation of this situation will negatively affect the country's economy, revenue, security, etc.

Here we have discussed the mineral resources, their extraction and corruption in the mining sector in the country.

### **The Afghan mineral resources**

With mineral resources not so far from the surface and close to its major cities, Afghanistan is one of the unique countries in the region; nevertheless, its people are one of the poorest nations in the world.

In late 18th century, after the industrial revolution in the Europe, for the first time, the English geologists performed some observations on the mineral resources in the central and northern Afghanistan. The outcomes of these studies, conducted in 1890, show that the Hajigak iron mineral field is one of the richest mineral resources in the country. Moreover, Russians, Americans, Germans, and French have also conducted studies about the Afghan mines and have discovered significant deposits of oil, gas, coal, silver, copper, lazuli, gemstone and other valuable materials, most of which are untapped yet.

Overall, 1400 mineral fields are detected so far in the country containing various mineral resources such as iron ore, copper, chromite, lead, coal, uranium, salt, ruby, silver, lithium, emerald, lazuli, aluminum, oil, gas, marble, etc. The US's geological survey has shown that the total value of the mineral resources in Afghanistan is one trillion dollars, but the Afghan government has estimated its value to be three trillion dollars.



Some of the mineral fields in Afghanistan are from the largest mines in the world such as the Aynak copper mine in Lugar, the Hajigak iron deposit in Bamyan and the lithium resources in Nuristan. Moreover, the cobalt and niobium resources are also discovered in the southern provinces of the country; the two substances are pivotal for the modern industry.

### **The illegal extraction of mines in Afghanistan**

From the beginning of the instability until 2001, mining was in the worst condition in the country. Currently, the gemstone and coal resources are illegally and unprofessionally being extracted by powerful people and irresponsible armed groups and are being smuggled in other countries.

After the formation of the new government in 2001, people expected the government to focus more on this sector but after one and a half decade and spending billions of dollars, still, there are reports that the Afghan mineral resources are being looted by influential people and irresponsible armed groups.

The Integrity Watch Afghanistan (IWA), expressing concern about looting the Afghan mineral resources, has said earlier this year that the revenues from the illegal extraction of mines are the main financial resources of the armed opposition of the government and one of the main factors behind the perpetuation of the war and the expansion of corruption in the country. The organization has also added that the improper management in the mining sector will confront the country with major challenges.

In the meanwhile, in a report released in Jaza 1395 (solar month and year), the international organization of Global Witness has said that the income of armed groups from a single small mine in Badakhshan province is equal to the total revenue of the Afghan government from the mining sector. The institution added that “the competition between the economic mafia over controlling the mines of Badakhshan has created such a diversified coalition which in some occasions have aligned the Taliban, the local commanders of Jamiat-e-Islami, and some senior officials of the Afghan government.”

## Corruption in the mining sector

Corruption in the mining industry is one of the serious challenges in the country. In its research report under “Looting the mines and obvious scandal in the Ministry of Mines and Petroleum” released on 11 March 2017, Afghanistan’s Network of Fight Against Corruption says that officials in the Ministry of Petroleum are trying to give the contract of the extraction of 217 mineral resources to the powerful people with ties to the members of the Parliament, ministers and politicians and that these officials have gained an average \$100,000 for given each contract and a total of \$10m.

The findings of the report shows that since the past several years, 11 contracting companies are \$11m in debt from the government and, still, no measures are undertaken to regain this money. The report adds that, currently, 500 trucks loaded with minerals are being smuggled out of the country on daily basis and the employees of the Ministry of Transport, local officials and the security forces receive bribes to let these smuggled commodities pass the borders.

Mine Watch Afghanistan which is a network of 30 civil institutions writes in its fifth report under “the transparency initiative of extractive industries in Afghanistan” that corruption in the Ministry of Mine has reached its heights. According to the report, the Ministry of Mine and Ministry of Finance have failed to assess the revenues of the mines in the country and some current and former ministers and parliament members are involved in the illegal extraction of mines.

Before this, in December 2015, IWA had released a report about five mineral deposits, the contracts of which was signed between the Afghan Ministry of Mines and Petroleum and several corporations. According to the report, political influence and nepotism have played a key role in awarding the contracts. The report writes that the members of both parliament houses and senior government officials protect a large number of mines for their self-interests or the interests of their relatives for illegal extraction.

The reports of SIGAR in 2015 and 2016 also indicate that \$488m, appropriated by the US to enhance the capacity of the mining sector in Afghanistan, is wasted. According to SIGAR’s report in 2016, since 2010, 11 projects were implemented in

areas of developing mines, access to energy and geological survey in Afghanistan, three of which, worth \$54.3m, had not achieved their targeted outcomes. Five other projects worth \$121.7m have relatively reached its goals, and only the three remaining projects worth \$39.4m have reached their specified objectives.

The research reports released until today indicate the main factors behind corruption to be mafia, powerful individuals, weak monitoring, and improper management. According to a report of IWA in December 2015, about 50 members of the Afghan Parliament were accused of exploiting the mineral resources of the country for their self-interests.

### **Solutions to prevent corruption in the mining sector**

In this regard a few significant points are noteworthy:

- Creating an effective mechanism to fight corruption in the Ministry of Mines and Petroleum.
- Preventing the influential people, government officials, mafia, and Parliament members from interfering in awarding the contracts of the mine's extraction.
- Undertaking the competitive process of winning the contracts and publicly announcing the outcomes of the process so that all the contractor could know why the contract was given to a particular contractor.
- Creating a single and transparent account to collect the revenues of the natural resource in the country.
- Strengthening the system of monitoring over the extraction of the mineral resources and building a fair mechanism to ensure the interest of the local people.

## A delegation of the Chinese research centers visits CSRS



A delegation of the Chinese researchers, who have come to Kabul in coordination with the Chinese Embassy in Afghanistan, met the leadership and members of the Center for Strategic and Regional Studies (CSRS) in its central office.

In this meeting, on 22 August 2017, they discussed the situation in Afghanistan and the region particularly the Kabul-Beijing relations and they also shared opinions regarding paving the way for the bilateral cooperation between the Chinese research centers and CSRS.

After welcoming the Chinese delegation, the General Director of CSRS Dr. Abdul Baqi Amin said “China is a sincere friend and an important neighbor for Afghanistan; that is why the bilateral relations between the two countries is one of our focused area of research. We have written a comprehensive book about the Afghan-Sino ties, which will soon be published in 400 pages.”

He added, “Currently, the most important issue for us is peace and the stoppage of the war in Afghanistan, and we hope that China will play a constructive role in this regard.” Mr. Amin also said that, in this respect, the civil societies could play a significant role and that, therefore, they have worked in this area and that it was one of the main areas of their research. The chairman of CSRS stated, “Afghans are tired of war and given this need, we expect that a research center in China in cooperation with CSRS will provide the way for such a meeting that would bring together all the engaged parties in the Afghan war. This initiative will help the governments to walk the path of peace constructively.

Head of the Chinese delegation and head of the Center for South Asia Studies at the Chinese Academy of Social Sciences Ye Hailin thanked CSRS for inviting the Chinese delegation and said that they focused on how to improve relations between Kabul and Beijing. He stated that they prioritized economic activities but peace and stability was a precondition for every activity. Mr. Hailin said “Afghanistan is one the important neighbors of China and stability in Afghanistan is very important for China. Therefore, China is inclined to help in the Afghan peace process.” He said that he would discuss with the relevant authorities to organize a meeting regarding the Afghan peace process.

In response to a question by the Chinese delegation regarding the new US strategy, head of CSRS Dr. Abdul Baqi Amin said, “We do not believe that the new US strategy is in the best interest of Afghanistan. In this strategy, the date of the US withdrawal and the number of their US soldiers are not specified. While the long-term presence of the US in Afghanistan is not in the interests of Afghanistan and the region and will prolong the war in Afghanistan, the US wants the continuation of the war in this country. This war will not end with deploying more soldiers. On the other hand, the US has indicated in its new strategy that they do not care about governance in Afghanistan and that they will focus on the war.”

At the end of the meeting, the two sides agreed to sign an agreement regarding bilateral cooperation between the research centers and the Chinese side pledged to share their final thought in this regard as soon as they returned to China.

The End

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**Note:** Please let us know your feedback and suggestions for the improvement of Weekly analysis.

