

Excellencies (the Chair and hosts: President Karzai, Chancellor Merkel, Foreign Ministers Zalmay Rassoul and Guido Westerwelle), fellow foreign Ministers, Heads of delegations, friends and colleagues,

We are getting together in Bonn once again after 10 years for another historic and fateful moment in Afghanistan's recent history, a moment of hope as well as anxiety. What we decide here today, will decide the fate of Afghanistan and the region, and probably beyond, for at least another generation. Therefore, we must decide well and wisely.

Over the last 30 odd years, Afghanistan has seen domestic political struggles, destabilizing foreign intervention of various kinds, internal conflict and civil war, repressive fundamentalist rule, and foreign interference in Afghanistan's internal affairs on a large scale. These left the Afghan state and society devastated, and Afghanistan itself a staging ground for regional and international terrorism.

The task before Afghanistan and the international community since the end of 2001 therefore, has been to reverse that fate and set Afghanistan firmly on the road to recovery, reconstruction, security, development and prosperity.

Much has been achieved since then: a new democratic Constitution adopted, Presidential and Parliamentary

elections held twice around, new institutional foundations laid, schools, health centres and roads built, school enrolment up, girls educated, health services brought to people, infant mortality reduced, women restored to public life, and large numbers of refugees and expatriates returned to rebuild a new Afghanistan of their hopes. The physical and socio-economic security provided by international forces and international assistance program has been a sine qua non for these dramatic improvements.

But much remains to be done, and there have been reverses in the security situation on the ground and in public faith in the future of Afghanistan. Ten years is too short a time to rebuild a country even with the best will and efficiency in the world. The international community needs to stay engaged in Afghanistan for the long term, for both its security and development.

Let us not forget why the international community came to Afghanistan. It came because Afghanistan, under the control of an extremist ideology and under the influence of foreign countries, had become a sanctuary for International terror. Terrorism radiated outwards to the region, affecting firstly India, and then other countries. It culminated in the September 11, 2001 terror attacks. The international community then decided that this would not stand, that this bastion of extremism and terrorism was a threat to mankind and had to be replaced.

Today, we have to ask ourselves, if that job is done, whether we have succeeded in eliminating terrorism, and the safe havens and sanctuaries from where it is emanating, right from its source. We have to ask whether, if we withdraw our holding hand, Afghanistan will be able to withstand the forces of (radicalism), extremism and violence, and stand on its own feet. The answer to that question should decide the nature and level of our long-term engagement with Afghanistan.

Fortunately, this extraordinarily well attended Bonn Conference, for which we congratulate the Government of the Islamic Republic of Afghanistan and thank Germany, is an expression of the international community's determination, that even as it reduces its footprint in Afghanistan, it does not abandon Afghanistan as it did in the 1990's. It marks a political commitment to stay engaged with Afghanistan well into the future.

The strategic partnership agreement that Afghanistan has signed with India, and will in due course sign with the US, EU, France, the UK, Australia (etc) is an encouraging pointer in this direction.

But political commitment and conference decisions alone are not enough. We need to back up our commitments with both resources and actions. We need to avert the possibility that Afghanistan is let down or made to feel abandoned by a withdrawal of assistance, at least in terms

of quantity if not quality, of international assistance required, in the era after 2014.

There is a real danger that as international forces withdraw from a combat role and in numbers, there will be a transition 'recession'; i.e. that attention and aid will decline, just as the Afghan government's security demands increase. We should not make the mistakes of the past and let Afghanistan slip back. We must ensure that Afghanistan's security is ensured through non-interference in its internal affairs. It also needs support for economic development. The World Bank study on the looming recession and the fiscal gap that needs to be bridged during this period of transition is a timely warning of the danger of leaving the country to its own devices. We hope that the upcoming conferences in 2012, the Chicago conference in May (on security), the Kabul conference in June (on regional cooperation) and the Tokyo conference in July (on development), will ensure the continued engagement of the international community in Afghanistan's growth.

Afghanistan today faces at least four deficits: a security deficit, a governance deficit, a development deficit, and an investment deficit. All four of these deficits Afghanistan's will require enormous assistance for a long time if it is to address these four deficits adequately.

To address these deficits, Afghanistan needs time,

development assistance, preferential access to world markets, foreign investment and a clear end-state and strategy to make sure that it does not once again plunge into lawlessness, civil war, and externally sponsored extremism and terrorism. Conceptually there is need for something like a 'Marshall Plan' for Afghanistan, involving all the major stakeholders. Afghanistan is not like any other country. It is a Least Developed Country that has suffered three decades of conflict and devastation resulting in the decimation of virtually a generation of not only its citizens and its institutions and infrastructure. It continues to face a potent threat to its security from terrorism and insurgency being fuelled from outside its borders. The international community must ensure that as it reduces its military commitment to Afghanistan, it increases rather than decreases its economic commitment to the security and rebuilding of Afghanistan so that it does not once again slide back to the dark ages of the 1990s.

Of course, such assistance has also to take into account hard global realities of public fatigue and economic and financial crisis in most troop contributing countries, and Afghan responsibilities. It cannot be open-ended. But it also cannot be avoided. In the long run, Afghanistan clearly has to move away from international dependence and take responsibility for its own development. Afghanistan has the natural and human resources to sustain a future of economic growth. Issues of corruption,

investment climate, development of its own resources, rule of law and governance have to be addressed. There have to be "credible mutual commitments", but we should be aware that Afghanistan is not yet an equal partner, and may need help even in fulfilling its own commitments.

In speaking for an international commitment to Afghanistan's security and economic growth we are clear that long-term international assistance to Afghanistan is not offered an expression of our collective munificence. It stems from our shared recognition that instability and radicalism in Afghanistan poses a threat to our common security.

In this context, let me underline that India is willing to contribute its share. In May this year, addressing the Afghan parliament, Prime Minister Manmohan Singh pledged an additional US \$ 500 million to the US \$ 1.5 billion already pledged by India to its development effort for Afghanistan until the period 2014. The Strategic Partnership Agreement signed in October this year commits us to all-round assistance to Afghanistan well into the future.

We offer our growing market to Afghanistan's products. In early November, India announced the virtual elimination of sensitive lists affecting exports of all least developed SAARC countries to India. India is also assisting Afghanistan in building an Agricultural

University to tap the potential in Agriculture in Afghanistan. We have extended our assistance to Afghanistan for capacity building; increased the number of civil scholarships offered to Afghanistan to enable more students from Afghanistan get requisite training in art, culture and technology among other areas to further the process of nation building in Afghanistan. We are also prepared to make long-term investments in Afghanistan. When we last met in Istanbul I mentioned that Indian companies are willing to invest up to US \$ 10 billion in mining, setting up a steel plant, and related infrastructure in Afghanistan. I am happy to announce that the Indian consortium has been awarded the bid for three blocks of the Hajigak iron ore reserves by the Government of Afghanistan.

These are concrete manifestations of our long-term political commitment to Afghanistan. If others do the same, we could set off a virtuous cycle of healthy economic competition in Afghanistan that benefits Afghanistan and the region, indeed, set off, as President Karzai has called it, a cooperative rather than competitive 'Great Game' in the region.

We need to offer a narrative of opportunity to counter the anxiety of withdrawal, uncertainty, instability and foreign interference.

We visualize Afghanistan's mineral resources, agricultural

products and human resources as possible drivers of regional economic development that together with the energy resources of Central Asia, Iran and the Gulf, the growing economic prowess and markets of China, Russia, Turkey and India, could knit the entire region between Turkey in the West, Russia in the north, China in the east, and the Gulf, Arabian Sea and the Indian Ocean in the south, in a web of trade, transit and energy routes and economic cooperation. This vision requires international support in the form of institutional finance and foreign investment.

Let us look at the Bonn conference and the upcoming conferences of 2012 as providing a road map for such future.