

Preparing for Afghanistan's Reconstruction



COMMITTED TO AFGHANISTAN Hamid Karzai, Afghanistan Interim Administration (AIA) Chairman (right) with ADB President Tadao Chino (center) and Haji Muhammad Mohaqqueq, AIA Deputy Chairman and Minister of Planning at the International Conference on Reconstruction Assistance to Afghanistan, held in Tokyo on 20–22 January 2002

At a Tokyo conference in mid-January, 60 nations pledged a combined US\$4.5 billion over the next 5 years for the reconstruction of Afghanistan. The pledges include US\$296 million in funding from the US in 2001, US\$500 million from the European Union this year, US\$500 million from Japan over the next 30 months, US\$500 million from Iran over the next 5 years, and US\$220 million from Saudi Arabia over the next 3 years.

The pledges from the US and other partners followed discussion of a preliminary needs assessment conducted by the Asian Development Bank (ADB) in partnership with the World Bank and the United Nations Development Programme (UNDP).

ADB President Tadao Chino noted that Afghanistan is one of ADB's founding members, "and we are glad that the day draws near when ADB can once again work with [the] Afghan people for the country's development." He explained to conference participants that the needs assessment outlines "a development approach that will serve to guide investments in the rehabilitation and reconstruction" of the country.

The major elements outlined in the plan include

- a strategy for mainstreaming women into Afghan political and economic arenas, including providing women with access to both educational and employment opportunities;
- rebuilding the infrastructure, including roads, the civil aviation system, water

and sanitation, and the energy and communications sectors;

- building schools, training teachers, and providing boys and girls with access to education; and
- restoring the public health system, which currently ranks 173rd worldwide.

The needs assessment also highlights the need to create political and economic institutions in the country, including an updated legal system and an independent judiciary, a central bank and currency reform, and an effective media.

President Chino outlined the four guiding principles of ADB's development proposal. The first element, he said, is to ensure that the reconstruction process is led "by Afghan men and women in all stages, from planning to implementation." Second, "appropriate policy and institutional frameworks" must be put in place to support investments in reconstruction. Mr. Chino stressed that "effective reconstruction is impossible without good governance."

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Building from the Ground Up

The Asian Development Bank (ADB) is “the multilateral development bank for the region, and we’re well qualified to play a key role in the reconstruction effort in Afghanistan,” according to Karti Sandilya, head of the North American Representative Office (NARO). ADB “has a proven track record in financing infrastructure projects, and we have gained experience from our work in other postconflict situations, such as Cambodia and East Timor,” he said.

Mr. Sandilya reiterated that ADB intends to work closely in the reconstruction effort with the Afghan Government and locally based nongovernment organizations. He said, “We don’t want to run Afghanistan from the outside, because that never works. So our challenge is to build the local capacity from the ground up, including putting in place a national umbrella framework of institutions to knit Afghanistan into a country.”

The challenge in Afghanistan is formidable, and the needs are staggering. For example, the country does not have many to pay civil servants in the emerging public sector and, besides, most of them do not even have desks and chairs. Funding is coming, temporarily, from a small United Nations trust fund. In the longer term, the international community is exploring funding mechanisms for the rebuilding effort, including bilateral



Karti Sandilya, NARO Resident Director

assistance and/or a reconstruction trust fund.

Mr. Sandilya cautioned against any instinct to create too big a government in Kabul, or to give the Government sole responsibility for the reconstruction effort. Rather, it will be important to create a viable private sector and to carve out a role for civil society. He noted that experience from other postconflict reconstruction efforts shows that too much reliance on the public sector tends to stifle private sector economic development.

On a related note, Mr. Sandilya stressed that if Afghanistan can be successfully rebuilt, it could have “a very powerful and favorable effect on the development of the former Soviet republics along its borders.” ■

Civil Society Provides Input

The Asian Development Bank’s (ADB) preliminary needs assessment was developed over a 2-month period leading up to the Tokyo conference. Its outcome reflects the views of numerous stakeholders, including members of the Afghan civil society.

At a key meeting in Peshawar in November 2001, senior officials from ADB, the United Nations Development Programme, and the World Bank listened to representatives of Afghan nongovernment organizations operating both inside the country and across the border in Pakistan. More recently, as the three principal international organizations work to refine their initial needs assessment, a five-member ADB team headed to Kabul to talk with officials from the interim government and others who will take a lead in the reconstruction process.

Sultan Hafeez Rahman, Director of ADB’s South Asia Department Operations Coordination Division and head of the Kabul team, said, “We are delighted to discuss ADB’s operations and programs not only with the interim administration but also with people who would be involved in the reconstruction.” ■

ADB Hosts First Ministerial Conference

On 25–26 March 2002, the first Central Asia Ministerial Conference on Economic Cooperation was convened at the Asian Development Bank (ADB) headquarters in Manila. High-level government delegations from the People’s Republic of China, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan participated in the Conference. The Conference was also attended by multilateral and bilateral development partners.

The Conference sought to provide guidance in prioritizing regional investment needs and in effectively mobilizing resources to finance them. It also provided a unique opportunity for countries and funding agencies concerned to discuss areas for better coordination and to explore new prospects for cooperation in the context of the reconstruction of Afghanistan. ■

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The third principle guiding the reconstruction plan is the need for “substantial institutional support” for local communities and emerging government institutions to be vibrant and sustainable in the long term. Finally, Mr. Chino stressed that investments in rehabilitation and reconstruction must “promote human entitlements and social inclusion” for all Afghans.

The ADB President also identified several priority areas for the organization’s operations. Mr. Chino explained that ADB’s immediate priorities would be focused on rebuilding irrigation systems and roads—projects that are essential to the national economic recovery. In addition, they create job opportunities for people in local communities. Within the social sector, he said that high priority needs to be given to restoring basic education—including nonformal education. ■

Rebuilding Afghanistan's Infrastructure

After 23 years of almost constant warfare, Afghanistan's physical infrastructure have been badly ruined. Numerous bridges have been damaged or totally destroyed. The national road network is in terrible shape. A round-trip truck ride between Peshawar and Kabul, which used to take less than a day, now takes 4 days.

In the civil aviation sector, the situation is no better. While there are technically 48 airports in Afghanistan, only about half have paved runways. Those that were functional before October 2001, including international airports at Kabul and Kandahar, were destroyed by bombs.

As a result of the lack of physical infrastructure, many rural villages are completely inaccessible in the winter. Within these communities, living conditions are often terrible. There is virtually no electricity, and water and sewage systems are so dilapidated that less than a quarter of the population has access to safe water.

The situation in the cities is not significantly better. A joint ADB-United Nations Development Programme-World Bank assessment of the situation in Afghanistan found that one fourth of urban homes are seriously damaged or destroyed, and 50% of houses have no solid waste collection. In addition, only about 20% of urban households have access to piped water; far fewer have any electricity.

To address these problems, ADB has identified several priority projects, including

- removing collapsed bridges, damaged tunnels, and other bottlenecks;
- restoring and upgrading roads connecting major cities, and import/export routes; and
- making essential repairs to urban water systems, and improving access to water in 420,000 priority rural communities.

In addition, ADB recommends that Emergency Air Traffic Services be installed for both international and domestic air traffic, as a functioning civil aviation system is needed to ferry supplies into and around the country. ADB has also identified the need to focus on strengthening the Government's ability to manage civil aviation and regulate air safety.

ADB has experience working on a diversity of infrastructure projects. In

Nepal, for example, a recently completed ADB-funded project has expanded access to safe water supply and improved sanitary conditions in about 1,500 rural communities, such as constructing water supply sources (including community taps), basic storm water drainage, and sewerage with communal septic tanks and public latrines. Training was also provided on how to protect their water supply and properly maintain their new equipment.

On the air traffic front, the Siem Reap Airport Improvement Project in Cambodia improved airport safety as a result of upgraded navigational aids, aeronautical communications, and air traffic equipment. In addition, the terminal's operational buildings are being upgraded. Once the Project is completed, it is expected to boost employment and help increase the country's foreign exchange earnings. ■

Portugal Becomes 60th ADB Member

On 2 April 2002, Portugal became the 60th member of the Asian Development Bank (ADB). The membership became effective upon completion of all formalities, including payment of the first installment of its subscription to ADB's capital stock.

Portugal has subscribed to 12,040 shares of the capital stock. ADB's authorized capital stock is 3,490,994 shares equivalent to US\$43.5 billion. ■

ADB's Nutrition and Development Series Launched

The Asian Development Bank's (ADB) Nutrition and Development Series was launched in Washington, DC on 26 March. The Series began in 2001 and covers work on the impact of malnutrition on poverty and depressed human and economic development in Asia and the Pacific. It is intended for ADB member countries, development partners, and scholars interested in applying science and technology to investment decisions.

The six-volume series are the result of collaboration between ADB, the United Nations Children's Fund (UNICEF) and the International Food Policy Research Institute (IFPRI) which hosted the launch. Major themes of the work include

- targeting nutrition improvements at poor women and children, with benefits to families, communities, and nations throughout the life cycle;
- reviewing and applying scientific evidence on nutrition impact for policies, programs, and developmental

assistance that will raise the quality of human resources; and

- creating opportunities for public, private, and civil sector partnerships that can raise the dietary quality of the poor, and enhance the learning and earning capability of poor children.

Joseph Hunt, ADB Health and Nutrition Advisor; Per Pinstrup-Andersen, IFPRI Director General; and Werner Schultink, Senior Advisor, Nutrition Sector, UNICEF, addressed the participants in the 2-hour seminar. The ADB-produced film "Hidden Hunger," about micronutrient malnutrition in Central Asia, was also shown.

Copies of each of the six volumes and the film can be obtained directly from the ADB headquarters in Manila at <http://www.adb.org/publications>. To place an order, e-mail adbpub@adb.org using orderform.xls as an attachment. ■

Visit ADB Online at
<http://www.adb.org>

Restoring Public Health

Even before the most recent war, Afghanistan's health care system was on life support. In June 2000, the World Health Organization ranked the country 173rd out of 191 countries worldwide. Since then, the situation has gone from bad to worse.

Take, for example, maternal and infant care. As many as 16,000 women die yearly as a result of childbirth, and the Asian Development Bank (ADB) estimates that more women likely died last year as a result of childbirth than were killed by war. Infant mortality rates are at 16.5%, compared with 9% in Pakistan and 2.6% in Iran. Malnutrition is a significant problem, and measles and other preventable diseases remain major killers.

Afghanistan's devastated health infrastructure needs to be rebuilt. Few public health facilities are left in the country, generally operating without running water or proper sanitation. In addition, most existing health care facilities are in urban areas, leaving 60–70% of the population with little access to care. Doctors and other medical professionals are also urgently needed as many fled the country during the past 2 decades.

In response to these problems, ADB has identified several key priorities for rebuilding Afghanistan's public health system, including

- restoring basic health care services
- upgrading medical facilities and
- creating a public health framework.

In its needs assessment report on the sector, ADB also highlights the need to establish a ministry of health to develop national policy and standards, and to monitor the quality of medical services across

Snapshot: Afghanistan's Health System on Life Support

- **Life Expectancy**
44.2 years (men), 45.1 years (women)
- **Maternal Care**
1 in 12 mothers likely die in childbirth
- **Infant Mortality** 165/1,000
- **Child Mortality**
About 25% of children born today will die before age 5
- **Killer Diseases**
malaria, cholera, tuberculosis, meningitis, hepatitis, typhoid, childhood respiratory infections, and diarrhea

the country. ADB recommends that a ministry be established that includes both a central office and regional offices.

ADB proposes to spend US\$33.6 million immediately to tackle the most pressing public health concerns, including funding salaries for workers in the sector. The project would have several key short-term objectives, such as increasing access to essential services to 50% of the Afghan population and putting in place programs to retrain nurses, midwives, technicians, and other workers in basic health care services. In addition, ADB hopes to help implement child vaccination campaigns for polio and measles.

ADB's recommendations for restoring the public health system in Afghanistan build on the organization's past successes at improving health care in other Asian nations. In Bangladesh, for example, the establishment of maternal and child health centers as part of ADB's First Health and Population Project led to an increase in immunization rates for tuberculosis, polio, measles, and other diseases that exceeded expectations. In Sri Lanka, new health care centers in remote areas have reported similar successes. ■

Ensuring Educational Opportunities

At the Tokyo donors' conference on rebuilding Afghanistan in January, Asian Development Bank (ADB) President Tadao Chino said, "Our first priority in the social sector will be the rehabilitation of the education system, which is now in a state of total collapse. ADB's immediate focus will be on the rebuilding of basic education, including nonformal education."

Consider the need: in Afghanistan today, only 38% of boys are enrolled in primary schools. Among girls, only 3% currently receive any education. Furthermore, even fewer Afghan children attend secondary schools.

While the lack of basic literacy is a severe problem, the long-term implications of a nonfunctioning educational system are

equally troubling. With only a few of the country's children in school, the educational system has turned few home-grown graduates at a time when teachers and other professionals are desperately needed to help rebuild Afghanistan.

ADB has identified some priorities for improving Afghanistan's educational system:

- improving the quality of primary education;
- increasing access to education, particularly for girls;
- reviving and expanding preschool education; and
- capacity building, including school construction and teacher training.

ADB, in cooperation with the World Bank and the United Nations Development

Programme, is recommending that immediate efforts be concentrated on expanding access to primary education. While the long-term goal is to achieve gender parity, within the first two-and-a-half years, the objective is to place 55% of boys and 20% of girls into schools. This will also require building new schools and repairing existing facilities, developing curricula, and providing desks, pens, paper, and other basic school supplies.

With a priority focus on basic education, ADB has also identified the need to provide basic education and skills training to teenagers and young adults who have missed educational opportunities under previous regimes. The university system must also be rebuilt—both physically and in its capacity to train teachers, administrators, doctors, engineers, and other professionals. ■

NARO Spotlight: Asia Critical to Reducing World Poverty

One half of the world's population and two thirds of the world's poor are in Asia, yet at the International Conference on Financing for Development in Monterrey, Mexico many delegates have said the focus is elsewhere.

Africa has been getting a lot of attention. And "rightfully so," Karti Sandilya, the Asian Development Bank's (ADB) Resident Director for North America told *The Earth Times*. But he added, "While Africa gets a lot of attention, one must not lose sight of the fact—and I don't think people do lose sight of the fact—that more of the world's poor are in Asia than Africa."

In Asia, huge poverty-stricken populations are found in Bangladesh, People's Republic of China (PRC), India, Indonesia, and Viet Nam, to name a few. Mr. Sandilya said, however, that in the PRC and India, where the largest number of poor people live, there is strong economic growth. In terms of the Millennium Development Goals, he said, the prospect for reducing poverty throughout Asia is very positive.

"Asia is a region that is doing economically quite well," he said. "In East Asia, the Millennium Development Goal of halving poverty by 2015 has already been achieved, and South Asia looks on target as well."

At the news conference on the eve of the summit, United Nations spokeswoman Susan Markham was asked whether the presence of only a few Asian heads of state at the Monterrey conference was a cause for concern. Ms. Markham replied that it was not an issue, and that representation of the area was indeed strong.

Mr. Sandilya likewise allayed concern over the lack of Asian ministers: "The document consensus has already been approved, so it's more an issue of standing up and being counted. Perhaps the Latin American venue is too far—I don't think there's a reason to be concerned."

Mr. Sandilya said ADB has played a particularly active role throughout the conference. "The role of ADB is to tell people about the importance of the region we serve and how important that is for achieving the regional development goals

and reducing poverty," he said. "We are also here to push for the region's need for resources, and to learn what others are doing—to learn what Latin America is doing, what Africa is doing—and translate that knowledge in our own region."

As the Monterrey conference came to a close, the issue of official development assistance (ODA) remained. Whether donor countries reach the target goal of 0.7% of national income, the new aid pledged by Europe and the United States will affect the livelihood of people throughout the world, Mr. Sandilya said.

"ODA helps governments find the resources to make investments in primary health care, primary education, and safe water," he added. "You need economic growth, but you also need investment in health education and water because economic growth needs a healthy, literate workforce." ■

Reported in The Earth Times, 23 March 2002

ADB to Provide TA Grants to Indonesia

The Asian Development Bank (ADB) will provide two technical assistance grants to Indonesia to support the development of small- and medium-sized enterprises (SMEs) in the areas of capacity building for effective business management and the promotion of cleaner production. The grants come from ADB's Asian Currency Crisis Support Facility (ACCSF), financed by the Government of Japan.

The first grant of US\$1.5 million will strengthen SMEs' capacity to manage business effectively and create a better business environment at the local level. The second ACCSF grant of US\$500,000, which accounts for about 77% of the total project of US\$650,000, will assist the Government in minimizing environmental problems associated with SME development and in increasing SME productivity through systematic implementation of cleaner production. ■

Visit the NARO Web Site at <http://www.adb.org/NARO>

ADB's Success Record in Education

The Asian Development Bank (ADB) has considerable experience working with countries in improving their educational systems. In Nepal, for example, ADB recently concluded a 10-year project to help the Government achieve universal primary education. The project consisted of upgrading the physical infrastructure (including building new classrooms, particularly in remote and hard-to-reach rural areas) and education program development (including management training, training for teachers, and producing new educational materials).

During the course of the project in Nepal, about 22,000 primary school teachers underwent a 10-month training program. In addition, some 4,700 headmasters, 300 supervisors, and 100 educational managers attended school manage-

ment and supervision training. More importantly, the program successfully expanded access to education for 149,000 boys and girls in the target regions, with student enrollment up by 22% in 8 of the 11 selected districts.

In the Lao People's Democratic Republic, a project to improve the quality of the nation's education by beefing up the capacity of teachers colleges has strengthened the educational system for instructors and improved the quality of education in the country. In addition to training at the teachers colleges, over 400 teachers and education administrators received fellowships to train in other countries in the region. The project also involved building or upgrading classrooms, libraries, dormitories, and other physical infrastructure at the teachers colleges. ■

■ Publication Highlights

ASIAN DEVELOPMENT

Outlook 2002

Book: US\$36 per copy
CD-ROM: US\$25



This 14th edition of the *Asian Development Outlook* provides a comprehensive analysis of 41 economies in Asia and the Pacific, based on the Asian Development Bank's in-depth knowledge of the region. For the first time, the *Outlook* includes a section on Afghanistan. It also provides a broad diagnosis on macroeconomic conditions and growth prospects as they relate to progress in poverty reduction in the economies of the region.

The *Outlook* features

- A review of global economic trends as well as an overview of aggregate trends and medium-term prospects by main subregion in Asia and the Pacific.
- Macroeconomic profiles and prospects for 41 economies in the region.
- An analysis of preferential trade agreements as they relate to the Asian and Pacific region.
- A statistical appendix detailing historical trends and projections for major economic indicators.

The *Outlook* also includes a special chapter reviewing preferential trade agreements, with particular reference to Asia and the Pacific.

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NEWS FROM

NARO

The quarterly newsletter of the Asian Development Bank (ADB) North American Representative Office (NARO) aims to enhance communications between ADB and its client groups in North America. Articles in the newsletter do not necessarily reflect the official ADB view. We welcome readers' comments and suggestions.

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For coverage of the recent Annual Meeting held in Shanghai from 10 to 12 May 2002, please log on to ADB's special website at <http://adb.sh.gov.cn/annualmeeting/index.html>.