

I. INTRODUCTION

1. More than two decades of conflict and three years of drought have led to widespread human suffering and massive displacement of people in Afghanistan. Many parts of the country are vulnerable to famine, the infrastructure base has been destroyed or degraded, and human resources have been depleted. State institutions have become largely nonfunctional and the economy increasingly fragmented. The social fabric has been weakened considerably, and human rights undermined, with women and minorities being the principal sufferers. Prior to 1979, Afghanistan was among the poorest countries of the world. Since then, its economic and social indicators have only deteriorated further.

2. Resolution 1378 of the UN Security Council provides the opportunity and a framework for recovery and reconstruction efforts to buttress the political settlement. While Afghans themselves need to manage the process of reconstruction, the international community is committed to help. To this end, at a meeting in Washington, D.C. on 20 November 2001, a Steering Committee of donor governments requested the Asian Development Bank (ADB), United Nations Development Programme (UNDP), and World Bank (WB) to urgently conduct a preliminary needs assessment for the reconstruction of Afghanistan. At a subsequent meeting of the Steering Committee in Brussels, on 20-21 December 2001, the ADB/UNDP/WB team was asked to provide an early view of the broad funding requirements by 10 January 2002. This was duly done. The present document is the preliminary needs assessment on recovery and reconstruction that will inform the Ministerial Meeting of the Steering Committee to be held in Tokyo on 21-22 January 2002. It does not include an assessment of food needs or support for refugees that has been done separately by UN agencies.

3. Work on the preliminary assessment was initiated by the ADB, UNDP, and WB before the establishment of the Afghan Interim Administration (AIA) on 22 December 2001 and since that time, consultations with members of the AIA have been initiated. The AIA will provide leadership in the second phase of the comprehensive needs assessment, with continued support from UNDP, WB, ADB, and the international community. Due to time constraints within which the exercise was undertaken and because security conditions prevented data collection inside Afghanistan, recommendations must be regarded as indicative. The objectives of the needs assessment are to

- (i) outline strategic choices for reconstruction and development, including broad policy and institutional options;
- (ii) present the donor community with indicative funding requirements over 1 year, 2.5 years (corresponding to the mandate of the transition government), 5 years, and 10 years, with indicative sector breakdowns. Estimates are made for investments, recurrent costs and technical assistance requirements; and
- (iii) identify initial priorities with cost estimates, highlighting activities that need to start immediately.

4. In preparing this assessment, a program of activities has been identified to meet recovery and reconstruction needs in Afghanistan. The primary focus was on the term of the AIA—the next 6 months and transitional arrangement for the next 2.5 years—where the further strengthening of the AIA should result in the smooth transition from emergency relief to economic and social recovery. In addition to identifying quick-impact interventions, the program has been placed in a longer term context, with 5- and 10-year horizons. Hence, the assessment covers options for medium-term investment programs as well as longer range funding requirements. To the extent possible, an attempt has been made to specify the sector outputs

and outcomes that the program can be expected to deliver. It is hoped thus to respond to the Steering Committee's concern that the reconstruction effort provide a positive vision for a future Afghanistan.

5. In view of the turmoil in Afghanistan over the past 20 years, systematic data collection has not always been possible. Moreover, available information can be contradictory; national "statistics" have been extrapolated from surveys with limited sample size. No fieldwork has been possible, given time and security constraints, to improve on this existing information. Hence, all data and projections contained in subsequent chapters should be treated as indicative.

6. Consultations with Afghans were held in Islamabad (27-29 November 2001) and in Tehran (7-8 January 2002) together with a wide range of civil society representatives, as well as in Kabul and Peshawar in December and January. The assessment team also participated in the year-end meeting at the Afghanistan Support Group in Berlin on 5-6 December 2001. Later, in Kabul (7-8 January 2002), the perceptions and views of some members of the AIA were solicited. These have been duly taken into account in preparing this needs assessment. However, due to the pressure of deadlines for preparation for the Tokyo conference, the process has been less than ideal. More detailed consultations will be held with Afghan stakeholders after the Tokyo meeting to confirm the priorities within the proposed reconstruction program and firm up medium and longer term funding requirements.