



AFGHANISTAN

PRELIMINARY NEEDS ASSESSMENT FOR RECOVERY AND RECONSTRUCTION

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EXECUTIVE SUMMARY

More than two decades of conflict and 3 years of drought have led to widespread human suffering and massive displacement of people in Afghanistan. Resolution 1378 of the UN Security Council provides the opportunity and framework for recovery and reconstruction efforts to buttress the political settlement.

Afghans themselves need to manage the process of reconstruction and the international community is committed to help. To this end, a Steering Committee of donor governments requested the Asian Development Bank (ADB), the United Nations Development Programme (UNDP), and the World Bank to conduct an urgent preliminary needs assessment for consideration at a Ministerial Meeting in Tokyo on 21-22 January, 2002.

The purpose of the assessment is to help determine the requirement of external assistance to support Afghanistan's economic and social recovery and reconstruction over the short and medium term. The assessment does not cover humanitarian assistance. It identifies a program of activities that encompass both short-term priorities and options for longer-term development initiatives. Accordingly, the estimated funding requirements cover 1, 2.5 (expected term of the Transitional Administration), 5 and 10 year horizons.

Given past turmoil in Afghanistan, much of the available data on the country is out of date. In view of the time and security constraints, it was impossible to field-test the available information. All data and conclusions in this document should therefore be treated as indicative.

Consultations were held with Afghan civil society representatives in Islamabad and Tehran and the views of members of the Interim Administration were solicited in Kabul. More detailed consultations, as well as fieldwork, will be undertaken after the Tokyo meeting to flesh out the reconstruction program and firm up the funding requirements.

The Development Framework

Investments in rehabilitation and reconstruction should

- involve Afghan men and women at all stages (in planning, design, and implementation);
- be contingent on having appropriate policy and institutional frameworks in place;
- incorporate substantial components of institutional support to local communities and emerging government institutions; and
- promote human rights and social inclusion, including support and protection of vulnerable groups.

The reconstruction program would also help reverse environmental degradation in rural areas and facilitate private sector engagement in rebuilding the economy.

Key members of the Afghan Interim Administration consulted in Kabul expressed commitment to cooperate with all the potential partners for recovery and reconstruction, namely

communities, nongovernment organizations (NGOs), international development agencies, and the private sector (domestic and international). Institutional capacity needs to be established for approving and managing reconstruction contracts with the private sector, and for transferring resources to communities and strengthening local institutions.

Security, Justice and Human Rights

The Bonn Agreement has infused a new sense of hope for Afghans to live in an environment that is safe from physical violence and arbitrary coercion. The first step is to create the conditions in which the fragile political process can gain strength and proceed with assurances. Priorities include physical security—removal of the threat of mines and of the war economy promoted by drug production. The requirements for the short and long term include organizing a security force and finding alternative livelihoods for thousands of ex-combatants.

Afghanistan had been the source of 80% of the world's poppy production. The ban imposed by the Taliban had been enforced effectively. Now, though, land previously planted with poppy, particularly in the southwest and northeast of the country, is likely to revert to that use. This resurgence of drugs poses a serious threat to the political process underway. Effective enforcement of the ban on poppies is essential.

Currently, Afghanistan is the most mine- and unexploded ordnance (UXO)-affected country in the world. There are some 200,000 survivors of mine/UXO accidents, and the death and injury rate ran at 150-300 per month prior to the current crisis. In addition to the human toll and loss of livestock, mines/UXO pose problems for the return of internally displaced persons and refugees, and for agriculture operations and rehabilitation of rural infrastructure. Fortunately, mine action in Afghanistan has been extremely cost-effective with experienced UN and NGO teams. The focus should be on expanding the mine action program such that the country could be free from the impact of mines and UXO in 5-7 years.

Governance and Economic Management

The Bonn Agreement provides the basis for a widely respected and understood legal framework. In addition, establishing the rule of law will require a supreme court and lower courts, a human rights commission, as well as procedures for resolving rural and urban land disputes.

The disruption of the last two decades offers an opportunity to rebuild government structures. Recreating the government activities and systems of public management of the 1970s seems neither necessary nor desirable. Good governance to suit Afghanistan's current needs would call for

- a limited, but effective state that takes full advantage of existing capacity at the community level;
- a balance of centralized and decentralized functions;
- simple and transparent procedures to minimize corruption and discrimination;
- effective aid management within a lean government bureaucracy; and

- limited policy interventions to reflect essential actions in the near term.

During the early years when the Afghanistan Government is unable to collect substantial tax revenue, it is essential that the international community provide funding to cover the recurrent costs of basic functions of government, including salaries of teachers and health workers.

It is also important for the central Government to be responsive to the regions, districts and communities. Transfer of resources to local institutions is expected to help achieve real benefits in various sectors such as school construction, road access, water supply and sanitation.

For the economy to stabilize and begin to grow, attention is needed to restore critical economic and financial functions. Here the focus should be on strengthening the central agencies, Da Afghanistan Bank and the Ministry of Finance, strengthening the payments system, and implementing the basic regulatory framework for commercial banking. Early attention is also required for creating a sound investment climate aimed at the re-emergence of an efficient and thriving private sector.

Social Protection, Health, and Education

Social protection is necessary for many vulnerable groups including women, refugees and internally displaced people, the disabled, orphans, and ex-combatant children. Central to the recovery strategy is the building of community and individual assets, leading to the resumption of sustainable livelihoods. Activities could include public works programs (food-for-work and cash-for-work), microcredit support (especially for women), skills training and vocational support. In addition, support to key civil service institutions should include affirmative action to increase female employment at all levels.

Improving the health status of Afghans is a pressing priority. Life expectancy at birth is 44 years, 1 in 4 children dies before age 5, 1 in 12 women dies in childbirth, and the population growth rate is 3%.

In health, the most urgent mission is to revive the preventive and public health services, including a few low-cost interventions that have high payoff. This means expanding the basic programs of immunization; reproductive health; communicable diseases control (polio, measles, TB, HIV/AIDS); maternal and child health (supplementary and therapeutic feeding, emergency obstetrics care); health and hygiene education and communication; and refresher training for existing health workers, many of whom will be women. Afghanistan will also need the capacity to deal with war-related catastrophic health problems (reconstructive surgery, artificial limbs, mental trauma care). This program will require government provision of the recurrent costs of reviving the public health delivery system (salaries, transport, vaccines, drugs, contraceptives, other supplies, and facility rehabilitation).

Afghanistan's education system is also in a state of virtual collapse. The gross enrolment ratio in primary education is 38% for boys and 3% for girls. Rebuilding the education system is one of the country's immediate priorities. The most urgent task is to rapidly expand primary and secondary education. This involves reactivating government schools, re-hiring teachers, providing them with essential teaching materials and using whatever spaces are available for conducting lessons. While the program needs to be 'Learning for All', the emphasis should be on getting school-age girls back to school. Also important is the rehabilitation of Kabul University

and regional colleges. All of this will require funds for teacher salaries, learning materials and such minimal rehabilitation as to provide an acceptable learning environment. Maximum use needs to be made of ongoing community and NGO programs that are already providing education. Beyond the immediate recovery period, there is a long agenda to address: preschool classes, revamping the curriculum, establishing systematic teacher training, developing better textbooks, and promoting adult learning.

Infrastructure

The ravages of war not only devastated Afghanistan's infrastructure and deferred maintenance, it also prevented new investment that would have raised services above prewar levels. In fact, it is difficult to understate the low base from which reconstruction will begin. Only 23% of the population has access to safe water and 12% to adequate sanitation; only 6% of Afghans had access to electricity in 1993 and energy consumption (45 kWh per capita) was among the lowest in the world; and there are only two telephones per thousand people (compared with 24 in Pakistan, 35 in Tajikistan, and 68 in Uzbekistan). It is estimated that much of the primary road network of 2500 kilometers needs rebuilding.

The short-term priorities vary across the sectors, and for network (national/urban) compared with nonnetwork supply (particularly in rural areas). They include

- removing transport bottlenecks, such as collapsed bridges, disintegrated pavements, and damaged tunnels, to restore normal traffic operations on the main road network;
- installing emergency air traffic services for international and domestic air traffic;
- undertaking essential repairs to urban piped water systems, and improving access to water in priority rural areas;
- repairing power supply, especially for health facilities, water supply, key government offices, businesses and, where possible, private residences; and
- establishing emergency radio broadcast services.

Longer-term priorities in infrastructure could include construction of new highways, a rural access road construction program, rehabilitation of key airports, improving water access for more than 2 million people in rural and urban areas, and countrywide expansion of broadcast services.

Agriculture, Food Security, and Natural Resource Management

Although Afghanistan's agriculture system is robust and resilient, crop production and livestock have suffered badly due to drought (over 50% decline in grain production in the last 2 years). Prior to the onset of drought, however, agriculture had made a good recovery from war-related loss of productive capacity in the 1980s and early 1990s. Despite environmental degradation caused by the war, and the problem of mines and UXO, there is no reason why Afghan agriculture cannot recover again.

In the short term, the priorities would be

- in the crop sector, supply of essential inputs (seed, fertilizers, tools) and raising seed production;
- in the livestock sector, collecting data on stocks and pasture conditions, and restoring veterinary services; and
- in the horticulture sector, an inventory of existing orchards, and supply of propagative material and seeds.

Effective enforcement of the ban on poppies is essential. However, the challenge in the agriculture sector is to provide alternative livelihoods to farmers and seasonal workers who depend on the poppy harvest.

In most parts of the country, water is an even more critical resource than land. Rainfall is scant and highly variable. Irrigation is vital for agriculture. The immediate task is collection of reliable baseline information on what currently exists to help prioritize repair of small irrigation schemes. A national assessment of groundwater resources should also be undertaken as a matter of urgency.

Over the longer term, attention could be given to improved technologies, medium and large irrigation/hydropower schemes and expanded watershed management, and establishment of export-oriented markets.

Cost Estimates

The projected funding requirements of the Afghanistan reconstruction program are estimated on a commitment basis. Actual disbursements relative to investments may experience a variable lag depending on the nature of the projects. Recurrent expenditures, however, are not likely to experience such disbursement lags.

Projected cumulative funding requirements are as follows:

(US\$ million)

Scenario	1 Year	2.5 Years	5 Years	10 Years
Base Case	1,700	4,900	10,200	14,600
Low Case	1,400	4,200	8,300	11,400
High Case	2,100	6,500	12,200	18,100