

ISLAMABAD Tuesday November 27 – The three-day international conference “Preparing for Afghanistan’s Reconstruction”, opened to a packed audience of about 330 people this morning.

Delegates were urged to put the future of Afghanistan front and center of their agendas as they removed their different agency hats and looked forward together to rebuild this war-shattered country.

The conference is being attended by a large number of Afghans from NGOs, the assistance community and civil society.

World Bank Vice President for South Asia Mieko Nishimizu said the conference offered an opportunity for the entire assistance community to listen and to take its knowledge of Afghanistan to a new level of preparedness.

“And I do mean listen,” she said. “I did not come to this conference to tell you how the World Bank and other donors are going to rebuild Afghanistan. How dare we think about rebuilding Afghanistan without listening to the sovereign people. How dare we continue the very exclusion that has blighted the lives of the Afghan people for so long.”

Yoshihiro Iwasaki, Asian Development Bank Director Programs West, endorsed this sentiment saying the ADB’s assistance would evolve “in full partnership with the men and women of Afghanistan. We will also fully collaborate with the other IFIs and other international and bilateral partners.”

David Lockwood, UNDP deputy Director for Asia and the Pacific said the next three days would be a first step towards an Afghan-driven needs assessment. “The Afghans are a proud nation who resent and resist attempts by outsiders to plan their lives. If we are going to help break the cycle of increasing desperate dependency on external assistance, we have to act quickly, and with a clear plan of action which can be readily supported by all parties and factions, and can therefore be adopted easily by the interim authority and supported financially by donor countries.”

A number of speakers shared the experience of the international community in dealing with post-conflict reconstruction elsewhere.

Dr. Iwasaki reviewed the ADB’s experiences with post-conflict rehabilitation in Cambodia, Tajikistan and East Timor. In rehabilitating the agriculture, education, transport and power sectors, the ADB had undertaken detailed appraisals and implementation had proven very successful. However, lead times had been long and extended institutional support had been required. In Tajikistan, a quick-disbursing policy and institutional support program was implemented for the transport and power sectors. This program was vital for putting modern systems in place, providing incentives for efficiency and achieving cost recovery. In East Timor, the ADB is assisting the transport,

power, telecommunications, water and sanitation, and microfinance sectors. Physical implementation is proceeding well, but failure to establish a policy framework for cost recovery has unnecessarily burdened the budget. The experience in these post-conflict situations underscores the importance of policy and institutional support programs, even alongside humanitarian assistance, to ensure that rehabilitation and recovery efforts are effective and sustainable.

Mr Zubair Iqbal represented the International Monetary Fund and expressed his institution's hope that this conference would begin to clarify the respective roles of the various institutions which would be involved in Afghanistan's reconstruction. While a precise articulation of specific initiatives would have to wait for a more concrete assessment of ground realities when peace was restored, he said the Fund's role would be aimed at three areas. These were: the establishment of a functional financial and payments system; a reactivation of governmental institutions to ensure delivery of essential government economic services; and, the improvement of capacity to implement macroeconomic policies to ensure that reconstruction takes place in a non-inflationary environment.

Speaking in the session on lessons from international experience, Dr Paul Oquist of UNDP warned against "quick fixes" and donor fatigue arguing that there should be a "post-war" concept of special institutions and resources over a considerable period of time. He said post-war Japan and Germany were good examples of countries which had been able to transform destroyed industrial infrastructure into an opportunity to construct modern, competitive economic and industrial infrastructure. Afghanistan does not have a government apparatus, he said, but that can be transformed into an opportunity to create a modern, participatory and responsive state for the 21<sup>st</sup> Century.

Mr William Byrd, World Bank Acting Country Manager for Afghanistan, said that aid management and funding during post-conflict reconstruction would be a critical measure of whether the assistance community became part of the solution for Afghanistan rather than part of the problem. He envisaged three essential pillars. One was that, following the emergence of a political mandate for the leadership of the country, this nascent government develop a reasonably comprehensive and realistic budget that was unified and transparent. Second, within the government there should be a reconstruction agency or similar arrangement which would guide reconstruction expenditures and make sure they were aligned with the country's reconstruction strategy. The third pillar concerned the international community which Byrd suggested might channel a substantial proportion of its assistance through an umbrella trust fund in ways that were neither earmarked nor tied. Rather than donor money spilling into myriad specific reconstruction programs and activities, the trust fund would ensure alignment with the overall strategy and coordination of many differing donor requirements.

The conference is presently discussing the challenges for the immediate post-conflict recovery period in Afghanistan in a number of thematic groups.