



Economic opportunities in rebuilding **Afghanistan**

May 12, 2002

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Mumbai • Silicon Valley



Economic opportunities in rebuilding Afghanistan

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Nishith Desai Associates (“NDA”) is a multi-disciplinary law firm with a fervent commitment to research in existing and developing areas of law, based in Mumbai and Silicon Valley. NDA specializes in globalization of Indian corporates, information technology, international financial and tax laws, corporate and securities laws, media and entertainment laws and telecom laws. It has structured and acted as legal counsel for a large number of private equity funds for India. It recently acted as underwriter’s counsel in Infosys Technologies and Satyam Infoway’s American Depositary Receipt (“ADR”) offerings in the USA. It also represented Wipro, Rediff.com and Silverline Technologies in their ADR listings. Amongst others, NDA was involved in the first cross-border stock swap merger out of India *i.e.*, BFL’s acquisition of MphasiS, besides Silverline’s recent acquisition of Seranova Inc in an ADR stock swap deal. The firm has also been involved in the acquisition of IMP Inc. by Teamasia and PMC Sierra’s acquisition of SwitchOn Network. NDA was recently awarded the “Global Counsel 3000” by the Practical Law Company, for its leading practice in select areas of law. It is also a recipient of the “Indian Law Firm of the Year 2000” award by the International Financial Law Review, a Euromoney Publication.

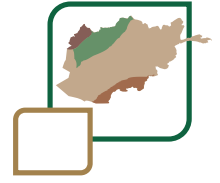
The Strategic Initiatives Team of NDA is involved in active research on areas of the firm’s legal practice, assisting in public policy reformation and promoting awareness within and outside the firm on various legal issues. Our research focus is aimed at spreading awareness on issues, which not only have a significant impact on the international business community, but also on society at large. NDA has set up a special team to study the economic opportunities for Indian corporates arising in the rebuilding of Afghanistan .

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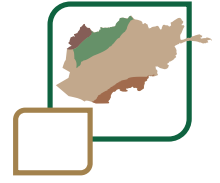
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1. EXECUTIVE SUMMARY



GENERAL

More than two decades of conflict and drought have led to widespread human suffering and massive displacement of the people of Afghanistan.

- Agriculture and livestock have been severely affected due to war, drought and other natural calamities.
- The country does not have significant trade activities, despite being rich in natural resources (including minerals, precious stones and natural gas / petroleum reserves).
- Economic institutions such as a central bank, treasury, tax collection mechanisms are either weak or missing.
- Basic infrastructure has been destroyed.

POLITICAL SCENARIO

The Bonn Agreement entered into by various member countries of the United Nation, has established a provisional administration in Afghanistan, pending the formation of permanent government institutions.

- The Afghanistan Interim Authority (“AIA”), headed by Mr. Hamid Karzai, is the repository of Afghanistan sovereignty.
- An Emergency Loya Jirga (traditional grand assembly) is to be convened shortly to decide on a broad based Transitional Authority to lead Afghanistan until such time as a full representative government can be elected by the people, no later than two years from the convening of the Loya Jirga.

NEEDS & OPPORTUNITIES

Infrastructure

Transport

- Construction of highways (cumulative length of approximately 21,000 kms) connecting Kabul with all major cities is critical.
- Railway gauges need to be laid between Kabul and Kandahar and in the northern region.
- At least 45 airports need to be constructed.

Water & Sanitation

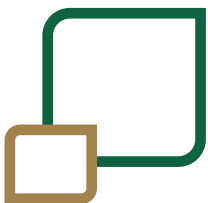
- There is an urgent need to provide water supply to approximately 420,000 people.
- Repairs to the urban piped systems are needed.
- Thousands of wells and hand pumps need to be constructed.
- Hygiene awareness programmes need to be conducted.

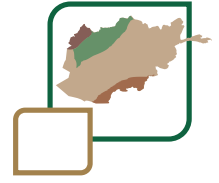
Housing

- Clearing of debris is critical.
- Housing strategies and housing projects (including finance schemes) are needed to repair or build thousands of houses.

Energy

- Power stations with 1000W capacity requiring an investment of over USD 2 billion are required within the next two years.
- Storage facilities for the petroleum sector need to be built or repaired.





Telecommunication

- The postal delivery system needs to be re-established.
- Radio broadcast services, cable networks, communication systems, cellular phone networks *etc.* require immediate attention.

Trade & Industry

Trade needs to be developed to reduce the dependence on imports and to generate employment. Some of the industries that need to be developed on a priority basis include bus and truck manufacturing plants, motorbike and bicycle manufacturing plants, drinking water plants, tractor and agricultural equipment assembly plants, telecommunication and computer equipment plants and printing companies for daily newspapers, magazines and books.

Health

The health situation in Afghanistan is critical due to war and conflict, limited access to safe water, low educational attainment, poverty and an inadequate health system. The priority areas include:

- Immunization campaigns particularly polio and measles vaccinations, vitamin A supplementation *etc.*
- Female doctors, nurses and mid-wives are urgently needed to help Afghan women during pregnancy and childbirth.
- Treatment facilities are needed (including supply of essential drugs) to prevent outbreaks of various communicable diseases including cholera, typhoid, measles, meningitis and hemorrhagic fever.
- Rehabilitation and construction of hospitals across the country.

Education

The education system in Afghanistan has nearly collapsed. Concentrated efforts are needed in the following areas:

- Establishment of an education system with special emphasis on the education of girls, night schools for adults and vocational training.
- Rehabilitation and construction of schools, hostel buildings and at least five universities.
- Training schools for teachers, printing of textbooks and stationary.
- Scholarship packages.

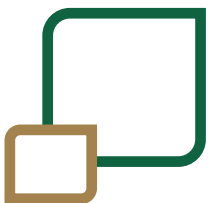
Agriculture & Food Security

Of the 65 million hectares of land in Afghanistan, approximately 12% is arable, 3% is forest, 46% is pasture and the remaining is mountainous and barren land. Agricultural infrastructure and irrigation systems have been destroyed. The priorities include:

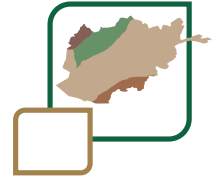
- Rehabilitation and improvement of existing irrigation systems and development of irrigation infrastructure.
- Improved seeds, fertilizers and pesticides.
- Soil conservation programmes, reforestation programmes, water resource conservation systems.

Commitments

A large number of countries and multilateral organizations have made commitments and offered contributions for the development of Afghanistan. This report contains an overview of such efforts.



APPROACH & METHODOLOGY



The report on the “*Economic Opportunities in Rebuilding Afghanistan*” is prepared in pursuit of our endeavor to get a deeper sight into the needs and opportunities in Afghanistan and to consider the prospects for the private sector in rebuilding Afghanistan.

The methodology adopted in preparing this report was to first understand the current situation in Afghanistan, both economic and political. Thereafter, we reviewed the reports prepared by various institutions, assessed the current situation and the poor conditions of living of the Afghan people. This helped us identify the preliminary needs and opportunities for reconstruction in the country. Based on this research, we prepared a concept note briefly listing the sectors in which there exists potential for the private sector. We received a favorable response from those who read the concept note. Further, most of them expressed their eagerness to participate in the reconstruction of the country.

Having received such tremendous response to this initiative, we undertook a detailed study into the following areas:

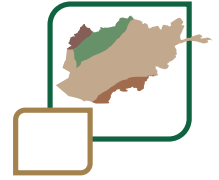
- Political and economic history of Afghanistan, the previous rulers, the emergence of the *mujahideen*, the Taliban rule *etc.*
- The formation of the Interim Authority of Afghanistan by the United Nations, including an examination of the Bonn Agreement and the Security Council Resolution.
- The current legal framework of the country and the Constitution of 1964.
- Speeches, statements and press releases by international figures and country representatives at the various forums, organized since September 11, 2001.



- Reports on the damage caused due to the war, the available natural resources *etc.*
- The efforts undertaken by all the United Nations agencies, either by themselves or with the support of various nations and/or non-government organizations.
- The support offered by various multilateral agencies and the various assessment reports prepared by them.
- Contribution and commitments by some of the nations of the world community.
- The concentrated efforts of the non-governmental organizations worldwide.
- Analysis of a range of websites to revalidate and confirm all the findings.

We have examined the following reports and updates:

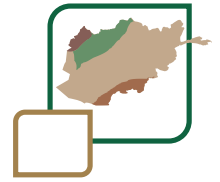
- United Nations Development Bank (“**UNDP**”), Asian Development Bank and World Bank; Afghanistan Preliminary Needs Assessment For Recovery And Reconstruction.
- World Bank; Transitional Support Strategy, March 2002.
- Board of the Afghan Assistance Co-ordination Authority; National Development Framework, April 2002.
- World Bank; Brief Overview of Afghanistan’s Economy.
- World Bank; Afghanistan World Bank Approach Paper.
- World Bank; The Socio-Economic Impact of Mine Action in Afghanistan: A Cost Benefit Analysis.
- World Bank; Afghanistan “Watching Brief” Reports.
- United Nations; Immediate and Transitional Assistance Programme for the Afghan People 2002.
- United Nations; Immediate and Transitional Assistance Programme for the Afghan People 2002: Updated Financial Requirements.
- Torek Faradi, Economic Advisor to the Afghanistan Interim Authority, Blue Print for Rebuilding Afghanistan.
- World Health Organization (“**WHO**”); Health in Afghanistan: Situation Analysis.



- WHO; Pharmaceutical Situation in Afghanistan: A Preliminary Assessment.
- WHO; World Health Organization Emergency and Humanitarian Action; The Reconstruction of the Health System in Afghanistan: Challenges and Opportunities.
- The Library of Congress; USA; Country Study & Guide for Afghanistan.
- Save the Children, USA; Afghanistan: Children in Crisis.
- Elizabeth Winter (British Agencies Afghanistan Group); Education for Afghans: Working Group Report.
- Sakwa Bunyasi; Agriculture Recovery and Food Security Working Group Report of the World Bank.
- WHO; Special Report Emergency Health Supplies.
- United Nations Children's Fund; ("UNICEF"); Afghanistan Crisis Donor Update.
- UNICEF; Afghanistan Situation Report.
- UNICEF; Afghanistan Update: UNICEF Activities for Children.
- UNICEF; Afghanistan Emergency Update.
- United Nations High Commission for Refugees ("UNHCR"); World Wide Refugee Information; Country Report Afghanistan.
- UNHCR; Afghanistan Humanitarian Update No. 53.
- Afghanistan Information Management Service; Directory of Organizations Working For Afghanistan.
- United Nations Office for Co-ordination of Humanitarian Affairs; Consolidated Inter-Agency Appeal for Afghanistan 2000.
- United Nations; Donor Alert Update: to Support an Inter-Agency Emergency Humanitarian Assistance Plan for Afghans In Afghanistan and in Neighboring Countries.
- United Nations Office for Coordination of Human Affairs; OCHA in 2002: Activities & Extra Budgetary Funding Requirements.

Based on this study, we have prepared this report, which outlines the economic opportunities in the reconstruction and rehabilitation of Afghanistan. Each section of this report is a summary of the detailed study that we have conducted. However, if required by our readers, we shall be glad to provide further details.

3. THE TEAM



This report has been co-authored by Anu Narula and Parveen Nagree-Mahtani.

The authors would like to thank Sandeep Farias and Nishith Desai for their invaluable advice and professional guidance, and acknowledge the support and assistance of Shardul Shah and Sankalita Kedia. In addition, the authors would also like to extend a special thanks to Parag Bhuptani for the conceptualization and execution of the design.

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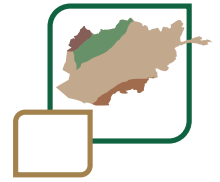
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Nishith was on the Securities and Exchange Board of India (“SEBI”) Committee set up to evolve ESOP guidelines in India. He was also a member of the committee appointed by SEBI for synchronization / review of the various venture capital guidelines prevalent in the country. He has conducted lectures on various issues including M&A, Venture Capital Funds, e-Commerce, ESOPs etc. at various national and international forums.

4. INTRODUCTION



Located in southern Central Asia, Afghanistan shares its borders with north-west Pakistan, eastern Iran, southern Turkmenistan, Uzbekistan, Tajikistan and a small part of western China. It is a landlocked country with mountains that cover two thirds of its surface. The rest of the landscape is made up of desert and fertile plains. The country can be divided into three distinct regions - the Central Highlands, the Northern Plains and the South-western Plateau.¹

The population of Afghanistan is approximately 22.5 million² with 78% of the people living in rural areas and the remaining 22% in cities.³ Afghanistan's ethnically and linguistically mixed population consists of Pashtuns as the dominant ethnic group, accounting for approximately 38% of the population. Tajik (25%), Hazara (19%), Uzbek (6%), Aimaq, Turkmen, Baluch and other small groups also are represented⁴. There are more than thirty languages spoken by the Afghans of which Dari and Pashtu are the official languages.

1. Oxfam; *Afghanistan in Crisis: Geography & Environment*; available at

<http://www.oxfam.org.uk/coolplanet/kidsworld/Afghan/afghanpeop.htm> accessed on March 18, 2002.

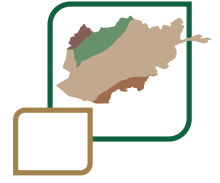
2. Population Division and Statistics Division of the United Nations Secretariat; *Indicators on population*; available at <http://www.un.org/Depts/unsd/social/population.htm> as quoted in Center for Economic and Social Rights; *Afghanistan Fact Sheet # 1: Basic Information and Key Indicators*; available at <http://www.cesr.org/Emergency%20Response/fs1jpeg.htm> accessed on March 17, 2002.

3. Population Division of the United Nations Secretariat, available at <http://www.un.org/Depts/unsd/social/hum-set.htm> as quoted in Center for Economic and Social Rights; *Afghanistan Fact Sheet # 1: Basic Information and Key Indicators*; available at <http://www.cesr.org/Emergency%20Response/fs1jpeg.htm> accessed on March 17, 2002.

4. Jim Lobe & Abid Aslam; *Self-Determination Regional Conflict Profile: Afghanistan: Foreign Policy in Focus*; available at <http://www.fpif.org/selfdetermination/conflicts/afghan.html> as quoted in Center for Economic and Social Rights; *Afghanistan Fact Sheet # 1: Basic Information and Key Indicators*; available at <http://www.cesr.org/Emergency%20Response/fs1jpeg.htm> accessed on March 17, 2002.

See also Oxfam; *Afghanistan in Crisis: People & Society*; available at <http://www.oxfam.org.uk/coolplanet/kidsworld/Afghan/afghangeog.htm> accessed on March 17, 2002 and US Department of State; Bureau of South Asian Affairs; *Background Note: Afghanistan*; October 2001; available at <http://www.state.gov/r/pa/bgn/5380.htm> accessed on March 17, 2002.

5. HISTORY



POLITICAL HISTORY

Afghanistan was under the rule of Muhammad Zahir Shah, who came to power in 1933 and reigned until 1973⁵. Zahir's cousin, Sardar Mohammad Daoud, served as his Prime Minister from 1953 to 1963. During his tenure as Prime Minister, Daoud allegedly supported the creation of a Pashtun state which eventually resulted in his dismissal in 1963. In 1973, he seized power from Zahir Shah, who fled the country finding refuge in Italy. Later, in 1978, the Peoples Democratic Party of Afghanistan ("PDPA") overthrew and murdered Daoud. Nur Muhammad Taraki, Secretary General of the PDPA, became Prime Minister of the newly established Democratic Republic of Afghanistan. In 1979, Hafizullah Amin, who had earlier been the Prime Minister and Minister of Defense, seized power from Taraki.



King Muhammed
Zahir
Shah

In 1978, Soviet Union entered into a bilateral treaty of friendship and cooperation with Afghanistan. However, the relations got strained and in 1979, a large number of Soviet soldiers invaded Afghanistan and killed Hafizullah Amin. They replaced Hafizullah Amin with Babrak Karmal. The Karmal regime lasted till 1986, after which he was replaced by Muhammad Najibullah, the former chief of the Afghan secret police.

In 1988, the Governments of Pakistan and Afghanistan, in co-ordination with the United States and Soviet Union serving as guarantors, signed the Geneva Accords that ensured Soviet withdrawal from Afghanistan thereby ending the conflict. The *mujahideen* was not a party to the 1988 agreement and consequently, refused to accept the terms of the accords.

Najibullah remained in power until 1992. In 1992, Rabbani was elected President of Afghanistan.⁶ In 1994, the Taliban, emerged as an increasingly powerful force. In September 1996, the Taliban captured Kabul and declared themselves the legitimate government of Afghanistan, imposing Islamic law in almost two-thirds of the country that they controlled.⁷ By the end of the 1990s, the Taliban controlled 85-90% of the country. However, their government was not generally recognized by the international community.⁸

ECONOMIC HISTORY

Economically speaking, Afghanistan has been one of the world's poorest countries. Until 1978, Afghanistan was largely self-sufficient in food and was a significant exporter of agricultural products. The main source of income in the country has been from the agriculture sector. Corn, rice, barley, wheat, vegetables, fruits, nuts, cotton and tobacco are some of the major crops that were produced in the country. Afghanistan is a land that is rich in natural resources, which include minerals, precious stone deposits, natural gas and petroleum reserves.

Afghanistan was a large recipient of foreign aid during the Cold War period. As a result of foreign aid, the country had a relatively good road network, as well as some other infrastructure including irrigation and hydroelectric facilities. This modern infrastructure, however, did not extend beyond the main arteries and urban centers. Social and other services such as education and health were largely limited to the relatively small urban sector.⁹

5. Human Rights Watch; *Backgrounder on Afghanistan: History of the War*; October 2001 available at <http://www.hrw.org/backgrounder/asia/afghan-bck1023.htm> accessed on March 17, 2002.

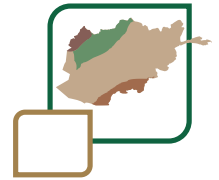
6. US Department of State; Bureau of South Asian Affairs; *Background Note: Afghanistan*; October 2001; available at <http://www.state.gov/r/pa/bgn/5380.htm> accessed on March 17, 2002.

7. *Encyclopedia Afghanistan History*; available at <http://www.infoplease.com> accessed on February 4, 2002.

8. *Encyclopedia Afghanistan History*; available at <http://www.infoplease.com> accessed on February 4, 2002.

9. John Wall and William Byrd; *Brief Overview of Afghanistan's Economy*, October 5, 2001; available at [http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/96/\\$File/afOvervw.pdf](http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/96/$File/afOvervw.pdf) accessed on February 4, 2002.

6. THE PRESENT



POLITICAL SCENARIO

On December 22, 2001, the United Nations initiated talks in Bonn, Germany, culminated in the signing of an Agreement on Provisional Arrangements in Afghanistan Pending the Re-Establishment of Permanent Government Institutions ("**Bonn Agreement**"). The Afghanistan Interim Authority ("**AIA**") is to be the repository of Afghan sovereignty and shall represent Afghanistan in its external relations. It shall occupy the seat of Afghanistan at the United Nations and in its specialized agencies, as well as in other international institutions and conferences throughout the interim period.

As per the Bonn Agreement, the AIA shall be presided over by (a) Chairman, (b) a Special Independent Commission¹⁰ for the convening of the emergency Loya Jirga, and (c) a Supreme Court of Afghanistan and such other courts as established by the AIA.

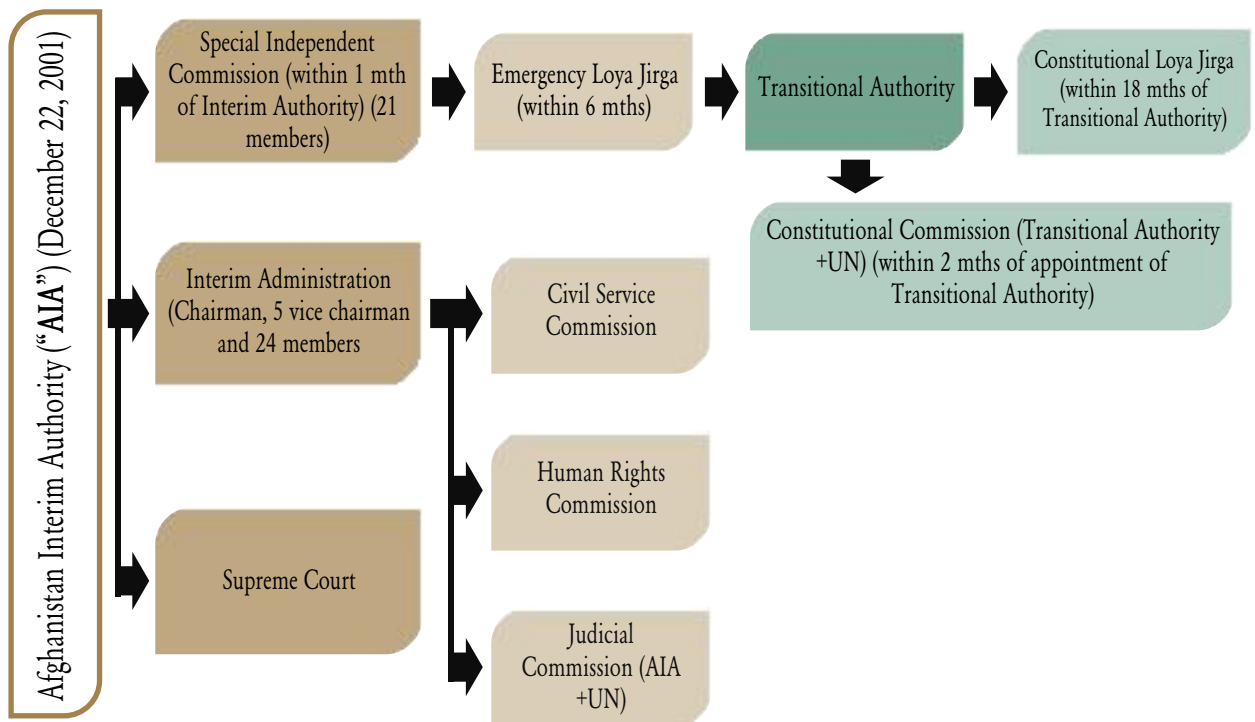


U.N. Afghanistan envoy Lakhdar Brahimī signs the Bonn Agreement.

The Bonn Agreement provides that an Emergency Loya Jirga, which means a Traditional Grand Assembly, shall be convened within six months of the establishment of the Interim Authority. The Emergency Loya Jirga shall decide on a Transitional Authority, including a broad-based transitional administration, to lead Afghanistan until such time as a fully representative government can be elected through free and fair elections which is to be held no later than two years from the date of the convening of the Emergency Loya Jirga. The Interim Authority will cease to exist once the Transitional Authority has been established by the Emergency Loya Jirga. In order to adopt a new Constitution for Afghanistan, a Constitutional Loya Jirga shall be convened within eighteen months of the establishment of the Transitional Authority. The Bonn Agreement

also contains provisions for the establishment of a multilateral security force to be deployed in Kabul for six months and for the establishment of independent Civil Service and Human Rights Commissions.

The following is the diagrammatic representation of the political structure under the Bonn Agreement.



¹⁰ List of members of the Special Commission available at <http://www.eurasianet.org/loya.jirga/commission.shtml> accessed on May 7, 2002.



POLITICAL SCENARIO

The Bonn Agreement mandates that all actions undertaken by the AIA shall be consistent with Security Council Resolution 1378 dated November 14, 2001¹¹ and any other relevant Security Council resolutions relating to Afghanistan. The main provisions of the Security Council Resolution 1378 is as follows:

- The United Nations shall support the establishment of the transitional administration leading to the formation of a government.
- The Afghan forces should refrain from acts of reprisal and should adhere to their obligations under the international humanitarian law.
- The United Nations should play a central role in supporting the efforts of the Afghan people in the establishment of the government.
- Member States could provide support to the government of Afghanistan as well as humanitarian assistance.

The legal framework that shall be applicable until the adoption of the new Constitution shall be as follows:

- The Constitution of 1964¹², shall be in force to the extent that its provisions are not inconsistent with those contained in the Bonn agreement, except for those provisions relating to the monarchy and to the executive and legislative bodies.
- The existing laws and regulations shall continue to be applicable to the extent that they are not inconsistent with (a) the Bonn agreement; (b) the international legal obligations to which Afghanistan is a party; and (c) the Constitution of 1964. However, the AIA is empowered to repeal or amend any such laws and regulations.¹³

Afghanistan is in the process of being granted the most favored nation status.¹⁴ The AIA has established an Afghanistan Assistance Coordination Authority (“**AACA**”). The AACA is responsible for leading the AIA’s efforts in reconstruction, including developing a National Development Framework based on an assessment of needs, aid coordination and procurement.¹⁵



Chairman:
Hamid Karzai

Mr. Hamid Karzai has been appointed as the prime minister of Afghanistan. The composition of the Interim Administration is as follows:¹⁶

Vice-Chairmen: Vice-Chair & Women’s Affairs:	Dr. Sima Samar
Vice-Chair & Defence:	Muhammad Qassem Fahim
Vice-Chair & Planning:	Haji Muhammad Mohaqqeq
Vice-Chair & Water and Electricity:	Shaker Kargar
Vice-Chair & Finance:	Hedayat Amin Arsala
Members: Department of Foreign Affairs:	Dr. Abdullah Abdullah
Department of the Interior:	Muhammad Yunus Qanooni

11. Security Council Resolution 1378 available at <http://www.un.org/Docs/scres/2001/res1378e.pdf> accessed on March 17, 2002.

12. Constitution of 1964 available at <http://www.afghan-web.com/history/const/const1963.html> accessed on March 21, 2002.

13. Bonn Agreement; available at <http://www.uno.de/frieden/afghanistan/talks/agreement.htm> accessed on February 5, 2002.

14. AIA; *National Development Framework*; available at [http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/frame/\\$File/ndf.pdf](http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/frame/$File/ndf.pdf) accessed on May 7, 2002.

15. World Bank; *Transitional Support Strategy*; available at [http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/\\$File/aftss.pdf](http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/$File/aftss.pdf) accessed on May 7, 2002.

16. Annexure IV, Bonn Agreement available at <http://www.uno.de/frieden/afghanistan/talks/agreement.htm> accessed on February 5, 2002. See also Interim Government of Afghanistan 2001-02 available at <http://afghanland.com/history/interim.html> accessed on Feb 22, 2002.

THE PRESENT



POLITICAL SCENARIO

“Early Support is crucial to make sure that the new authorities can establish the basic framework of the Government.”

- James D. Wolfensohn,
President, World Bank

Members:

Department of Small Industries:	Aref Noorzai
Department of Information & Culture:	Dr. Raheen Makhdoom
Department of Communication:	Ing. Abdul Rahim
Department of Labour & Social Affairs:	Mir Wais Sadeq
Department of Hajj & Auqaf:	Mohammad Hanif Balkhi
Department of Martyrs & Disabled:	Abdullah Wardak
Department of Education:	Abdul Rassoul Amin
Department of Higher Education:	Dr. Sharif Faez
Department of Public Health:	Dr. Suhaila Seddiqi
Department of Public Works:	Abdul Khaliq Fazal
Department of Rural Development:	Abdul Malik Anwar
Department of Urban Development:	Haji Abdul Qadir
Department of Reconstruction:	Amin Farhang
Department of Transport:	Sultan Hamid Sultan
Department for the Return of Refugees:	Enayatullah Nazeri
Department of Agriculture:	Seyyed Hussein Anwari
Department of Irrigation:	Haji Mangal Hussein
Department of Justice:	Abdul Rahim Karimi
Department of Air, Transport & Tourism:	Abdul Rahman
Department of Border Affairs:	Amanullah Zadran
Department of Mines & Industries:	Muhammad Alem Razm
Department of Commerce:	Seyyed Mustafa Kazemi

ECONOMIC SCENARIO



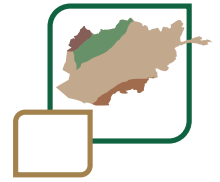
The economy of Afghanistan today, is in a state of collapse. Afghanistan has been hit by severe, protracted droughts, which started in 1999 and has lasted until the present. Agriculture, including livestock, is highly vulnerable to natural calamities. The key economic institutions of Afghanistan such as a central bank, treasury, tax collection and customs are extremely weak. Basic infrastructure such as roads, bridges, telecommunications, electricity *etc.* have been destroyed due to the war.¹⁷

However, the AIA has expressed a strong commitment to private-sector led growth, trade promotion and openness and sound policy reform to boost the economy. In a step in this direction, it has undertaken some actions to promote trade and investment, including signing the Multilateral Investment Guarantee Agency convention, and securing an Overseas Investment Guarantee Corporation guarantee.¹⁸

17. John Wall and William Byrd; *Brief Overview of Afghanistan's Economy*, October 5, 2001; available at [http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/96/\\$File/afOvervw.pdf](http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/96/$File/afOvervw.pdf) accessed on February 4, 2002.

18. World Bank; *Transitional Support Strategy*, available at [http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/\\$File/aftss.pdf](http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/$File/aftss.pdf) accessed on May 7, 2002.

7. NEEDS & OPPORTUNITIES



"We have a responsibility to think in terms of solutions."

- Dr. Jakob Kellenberger
President, International
Committee of Red Cross.

The reconstruction and development needs of Afghanistan are enormous. The establishment of a supportive investment climate is important, so that the private sector led economy, plays a major role not only in the industrial and commercial sectors, but also in the rehabilitation and expansion of infrastructure and social services. The reconstruction program shall also help reverse environmental degradation and reduce poverty in the country.

A INFRASTRUCTURE

After two decades of war it is difficult to overemphasize the low base from which reconstruction in Afghanistan should begin. Most Afghans have little or no access to basic infrastructure. There is tremendous potential for development in the infrastructure sector by the private sector, national and local government authorities, communities and non-governmental organizations. Issues, opportunities and constraints for infrastructure development vary across sectors, and between urban and rural locations.

Transportation

For a mountainous country like Afghanistan, roads and airports are essential for connectivity facilitating international trade and national integration. The immediate priority is to implement short-term projects to remove all bottlenecks caused due to collapsed bridges, disintegrated pavements and damaged tunnels. Another priority is road rehabilitation and upgradation of core highway networks comprising the national Ring Road (Herat to Shiberghan) and border links.¹⁹

Some of the specific infrastructure requirements, which need immediate attention are:²⁰

- **Highway Projects:** Highways should link all major cities with Kabul. It has been estimated that the cumulative length of the highways would be approximately 21,000 km (paved: 2,793 and unpaved: 18,207 km).²¹
- **Railroad projects:** Railway gauges need to be laid:
 - from Kabul to Kandahar;
 - in the northern region of the country.
- **Airport Projects:**
 - Construction of airports in all major cities. It has been estimated that at least forty-five airports and three heliports are needed in Afghanistan.²²
 - Maintenance of airplanes
 - Training for technical and ground administrative personnel as per international standards.

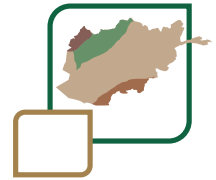


19. *Afghanistan Preliminary Needs Assessment For Recovery And Reconstruction* by UNDP, ADB and World Bank referred to in the Ministerial Conference on Reconstruction Assistance to Afghanistan available at <http://www.adb.org/Documents/Speeches/2002/ms2002002.asp> accessed on February 5, 2002. See also Torek Faradi, Economic Advisor to the AIA; *Blue Print for Rebuilding Afghanistan*; January-February, 2002.

20. Torek Faradi, Economic Advisor to the AIA; *Blue Print for Rebuilding Afghanistan*; January-February, 2002.

21. Central Intelligence Agency; *The World Fact Book Afghanistan* (1998 estimates) available at <http://www.cia.gov/cia/publications/factbook/geos/af.html> accessed on February 7, 2002. See also United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

22. Central Intelligence Agency; *The World Fact Book Afghanistan* (2000 estimates) available at <http://www.cia.gov/cia/publications/factbook/geos/af.html> accessed on February 7, 2002.



Water & sanitation

Merely 23% of the populations of Afghanistan have access to safe water and only 12% have access to adequate sanitation. There is an urgent need for providing water supply to approximately 420,000 people in the rural areas.²³ An additional 80,000 to 100,000 wells are required across the country.²⁴

Priorities in the water and sanitation sector in the initial years should consist of the following:

- Repairs to the urban piped systems and purchase of spare parts for piped water supply system.
- Boring of wells and installation of hand pumps.²⁵
- Conduct "hygiene awareness programs".



Housing

A quarter of the Afghan populations do not have homes to live in. It has been estimated that 900,000 houses in urban areas have been severely damaged due to war.²⁶ This sector perhaps needs maximum attention since economic development of any country cannot be achieved without the rehabilitation of its people.

Some of the priorities in this sector are:²⁷

- Formulation of housing strategies and planning housing projects.
- Import of building materials.
- Clearing of debris from housing areas in association with organizations carrying out de-mining operations.
- Offer appropriate finance schemes for grants and loans for home construction and repair.

Energy

Only 7% of the population of Afghanistan have access to electricity and are the lowest consumers in the world.²⁸ In order to enhance the productive lifestyle in Afghanistan, there is need for installing power stations with 1000 MW capacity, requiring an investment of over USD 2 billion within the next ten years. Opportunity also lies for supply of electricity in the urban areas, especially in mountainous regions where village level hydroelectricity is technically possible. The immediate priority is to improve the production, transmission and delivery of electricity.

The country has proven resources of natural gas, which is currently being utilized in the northern areas under a system of state-owned enterprises. Sustainable exploitation of natural gas requires a systematic review, development of appropriate policies and a series of projects to promote the best use of natural gas for the country.²⁹



23. *Afghanistan Preliminary Needs Assessment For Recovery And Reconstruction* by UNDP, ADB and World Bank referred to in the Ministerial Conference on Reconstruction Assistance to Afghanistan available at <http://www.adb.org/Documents/Speeches/2002/ms2002002.asp> accessed on February 5, 2002.

24. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

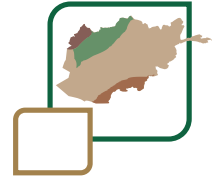
25. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

26. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

27. Torek Faradi, Economic Advisor to the AIA; *Blue Print for Rebuilding Afghanistan*; January-February, 2002. See also United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002 and Photius Coutsoukis; *Afghanistan Communications 2000*; available at http://www.photius.com/wfb2000/countries/afghanistan/afghanistan_communications.html accessed on March 8, 2002.

28. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

29. AIA; *National Development Framework*; available at [http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/frame/\\$File/ndf.pdf](http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/frame/$File/ndf.pdf) accessed on May 7, 2002.



Energy

In the petroleum sector the priority is to restore the supply of petroleum fuels for cooking, heating, and transport. This will require repairs or creation of storage facilities, bottling facilities, and distribution outlets. The gas pipeline in the north of the country is destroyed and out of a total installed capacity of about 450 MW, only about 100 MW is available for consumption.³⁰ This will require the development of policies on exploration, granting of concessions and exploitation.

Telecommunications

The telecommunications sector in Afghanistan is barely functional and inadequate. In 2001, there were only five radio stations operating in the country. The tele-density in Afghanistan is merely two telephones per thousand people.³¹ There is a need for restoration and expansion of the telecommunications infrastructure in the country, such as, the initial set up of broadcast services, distribution of radios and the countrywide coverage of broadcast services.

The World Bank has identified this sector to be primarily dominated by private players.³² There is, however, an urgent need for policy framework issues to be resolved by the AIA.

The immediate priorities in this sector consist of the following:

- Installation of radio broadcast services, including wireless high frequency transmitters and receivers. It has been estimated that the country will need approximately 500,000 lines.³³
- Cable networks in the cities.
- Private Branch Exchange (“PBX”) systems for government networks including local switchboards.³⁴
- Interstate satellite communication system, which should be integrated with the local landline exchanges.³⁵
- Rehabilitation of the postal delivery system.
- Establishment of cellular phone network. Tremendous opportunity lies in this area due to the fact that resurrection of the local phone network would be a difficult task in light of the mountainous topography of the country.
- Professional training of personnel.



30. Torek Faradi, Economic Advisor to the AIA; *Blue Print for Rebuilding Afghanistan*; January-February, 2002.

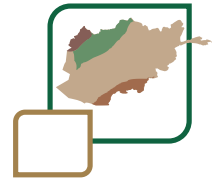
31. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002. See also Photius Coutsoukis; *Afghanistan Communications 2000*; available at http://www.photius.com/wfb2000/countries/afghanistan/afghanistan_communications.html accessed on March 8, 2002.

32. *Afghanistan Preliminary Needs Assessment For Recovery And Reconstruction* by UNDP, ADB and World Bank referred to in the Ministerial Conference on Reconstruction Assistance to Afghanistan available at <http://www.adb.org/Documents/Speeches/2002/ms2002002.asp> accessed on February 5, 2002.

33. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

34. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

35. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.



B TRADE & INDUSTRY



The trade and industry sector constitutes only 28.5% of the Gross Domestic Product of Afghanistan.³⁶ Exports amount to approximately USD 80 million (excluding opium) which include fruits and nuts, hand-woven carpets, wool, cotton, precious and semiprecious gems. The major markets for Afghan products are Central Asia, Pakistan, Iran, European Commission and India.³⁷

The development of this sector will necessarily reduce the need to import products from abroad at a higher cost. Additionally, it shall also create job opportunities for the Afghan people. The industries that need to be developed on a priority basis are automobile manufacturing plants, drinking water plants, printing companies for daily newspapers, magazines and books, TV, radio and computer assembly plants, tractor and agricultural equipment assembly plants.³⁸

C HEALTH

"We must address the challenges & seize the opportunities at the sametime, thus attempting to close the 'gap' between emergency & development response."

- United Nations

The health status of the Afghans ranks among the poorest in the world. War and conflict, food insecurity, limited access to safe water, poor sanitation, lack of education, poverty and an inadequate health system, have contributed to this situation. In health, the foremost priority would be reproductive health, including emergency obstetrics care, diseases control, child health, immunization, maternal health and specialized health services for persons with injuries/disabilities. Suitable drinking water and sanitation must be made available to ward off digestive and respiratory illnesses. In addition to the above, fuel, medical transportation and medical aid centers with trained staff are needed across the country.

Child Mortality

The life expectancy rate for children in Afghanistan is among the lowest in the world. According to estimates, almost 25% of the children do not survive beyond the age of five. Lack of basic health care and malnutrition contribute to the high death rates.³⁹ Malnutrition is widespread, affecting on an average 15-25% of the children. In addition, immunization campaigns need to be carried out throughout the country, particularly for polio vaccination, vitamin A supplementation and measles vaccination.

Reproductive Health

Afghanistan has the second highest maternal mortality rate in the world. It has been reported that the maternal mortality ratio per 100,000 live births is 17,000. Less than 15% of deliveries are attended by trained health workers.⁴⁰ Female doctors, nurses and midwives are urgently needed to help Afghan women during pregnancy and childbirth.

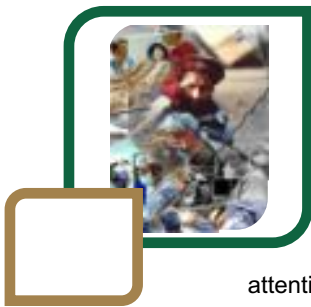
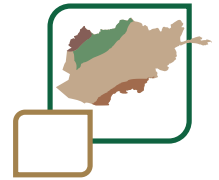
36. Asia Source: *Afghanistan: Economy*; available at http://www.asiasource.org/profiles/ap_mp_03.cfm?countryid=32 accessed on March 17, 2002. See also Central Intelligence Agency; *The World Fact Book*; available at <http://www.cia.gov/cia/publications/factbook/geos/af.html> accessed on March 17, 2002.

37. US Department of State; Bureau of South Asian Affairs; *Background Note: Afghanistan*; October 2001; available at <http://www.state.gov/r/pa/bgn/5380.htm> accessed on March 17, 2002.

38. Torek Faradi, Economic Advisor to the AIA; *Blue Print for Rebuilding Afghanistan*; January-February, 2002.

39. World Health Organization; *Health in Afghanistan Situation Analysis*; available at <http://www.who.int/disasters/repo/7543.doc> accessed on March 4, 2002.

40. World Health Organization; *Health in Afghanistan Situation Analysis*; available at <http://www.who.int/disasters/repo/7543.doc> accessed on March 4, 2002. See also NGO Conference in Tokyo on the Reconstruction of Afghanistan; Sector Working Session; *Public Health*; December 11-13, 2001; available at <http://www.japanplatform.org/accounting/afghanconference/english/publichealth.html> accessed on March 8, 2002.



Communicable Disease Control

Afghanistan has a very high rate of communicable diseases. Approximately 14,600 adults die of tuberculosis and two to three million people suffer from malaria every year. Outbreaks of cholera, typhoid, measles, meningitis and hemorrhagic fever claim thousands of lives each year.⁴¹ Immediate treatment and supply of essential drugs are needed to keep in check the rate of communicable diseases.⁴²

In view of the above, some of the specific requirements in the health sector, which need immediate attention are:

- Professionally trained personnel.
- Essential drugs, necessary supplies and equipment.
- Programs for eradication of polio, elimination of measles, rolling back of malaria, supply of vitamin A supplement etc.
- Identify and thereafter initiate appropriate control programs for sexually transmitted diseases and AIDS.⁴³
- Rehabilitation and construction of hospitals:⁴⁴
 - Eight hospitals in Kabul each having a capacity of 400 beds at least.
 - Three hospitals in the Jalalabad area each having a capacity of 400 beds at least.
 - Three hospitals in the Kandahar area each having a capacity of 400 beds at least.
 - Three hospitals in the Herat area each having a capacity of 400 beds at least.
 - Two hospitals in Mazar-e-Sharif each having a capacity of 400 beds at least.
 - One hospital in Kunduz having a capacity of 400 beds at least.
 - One hospital in Bamyán having a capacity of 400 beds at least.
 - One hospital in Badakhshan having a capacity of 400 beds at least.

D EDUCATION

Currently, Afghanistan's education system is in a state of virtual collapse. Since 1978, there has been a steady demolition of the educational infrastructure in Afghanistan. The country has the highest illiteracy rate in Asia, for both men and women.⁴⁵ The literacy rate for men is 47% while for women it is as low as 15%.⁴⁶ The enrolment in primary education is as low as 39% for boys and 3% for girls. Only 11% of the girls in Afghanistan can

41. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002. See also World Health Organization; *Health in Afghanistan Situation Analysis*; available at <http://www.who.int/disasters/repo/7543.doc> accessed on March 4, 2002.

42. World Health Organization; *Pharmaceutical Situation in Afghanistan: A Preliminary Assessment; A WHO Fact Finding Mission*; January 14-23, 2002 available at <http://www.who.int/disasters/repo/7563.pdf> accessed on March 4, 2002. See also World Health Organization Emergency and Humanitarian Action; *The Reconstruction of the Health System in Afghanistan: Challenges and Opportunities*; January 2002; available at <http://www.who.int/disasters/repo/7581.pdf> accessed on March 4, 2002 and NGO Conference in Tokyo on the Reconstruction of Afghanistan; Sector Working Session; *Public Health*; December 11-13, 2001; available at <http://www.japanplatform.org/accounting/afghanconference/english/publichealth.html> accessed on March 8, 2002.

43. NGO Conference in Tokyo on the Reconstruction of Afghanistan; Sector Working Session; *Public Health*; December 11-13, 2001; available at <http://www.japanplatform.org/accounting/afghanconference/english/publichealth.html> accessed on March 8, 2002.

44. Torek Faradi, Economic Advisor to the AIA; *Blue Print for Rebuilding Afghanistan*; January-February, 2002.

45. The Library of Congress; *Country Study & Country Guide for Afghanistan*; available at <http://www.1uptravel.com/country-guide-study/afghanistan/afghanistan68.html> accessed on March 11, 2002 (1996 estimates).

46. Save the Children, USA; *Afghanistan: Children in Crisis*; available at http://www.savethechildren.org/afghanistan/AFGHANISTAN_CIC.pdf accessed on March 11, 2002.



D EDUCATION



read and write.⁴⁷ There is an urgent need to rebuild the entire education system, with the focus being on primary education. According to the Education for All Assessment (2000) for Afghanistan, there is a similar need for technical and higher education.⁴⁸ The quality of education is poor due to a combination of factors, such as lack of learning materials, limited number of teachers and and poor physical infrastructure.

Education is important for the long-term social and economic development of Afghanistan. The linguistic diversity prevalent in the country, such as Dari, Pushtu and other significant linguistic groups including Turkish languages, should also be taken into consideration whilerehabilitating this sector.⁴⁹

In order to achieve this objective, concentrated efforts by private players would be needed in the following areas:⁵⁰

- Formalize the education system with special emphasis on the education of girls and night schools for adults.
- Rehabilitation and construction of school and hostel buildings and teaching aids.
- Training of teachers, managers and experts in the areas of pedagogy.⁵¹
- Mass production of textbooks, stationary and furniture for schools.
- Conducting of educational programs and setting up mechanisms for timely payments to persons working in this sector.⁵²
- Vocational training and non-formal education for those who have been left out from education or require more technical skills training
- Provision of daycare centers and kindergartens
- Introduction of scholarship packages.⁵³
- Technical Schools such as mechanical training, plumbing, carpentry and computer (software and hardware).

"The fighting may have destroyed the buildings & infrastructure, but it hasn't destroyed our spirit to learn."

- Mohammed Aslin Arjan,
Director of Education,
AIA.

47. 2000 UNESCO Education For All Report on Afghanistan as quoted in Save the Children; USA; *Urgent Need in Afghanistan- At a Glance: Education Programs for Afghan Children and Women* available at <http://www.savethechildren.org/afghanistan/ataglace.htm> accessed on March 11, 2002. See also United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002 and *Afghanistan Preliminary Needs Assessment For Recovery And Reconstruction* by UNDP, ADB and World Bank referred to in the Ministerial Conference on Reconstruction Assistance to Afghanistan available at <http://www.adb.org/Documents/Speeches/2002/ms2002002.asp> accessed on February 5, 2002.

48. UNESCO; *Support Strategy For Educational Reconstruction In Afghanistan*, Paris; January 11, 2002; available at http://www.unesco.org/education/news_en/ed_reconstruction_afghanistan.rtf accessed on March 5, 2002.

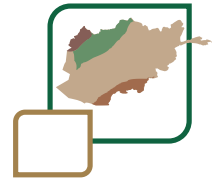
49. UNESCO; *Support Strategy For Educational Reconstruction In Afghanistan*, Paris; January 11, 2002; available at http://www.unesco.org/education/news_en/ed_reconstruction_afghanistan.rtf accessed on March 5, 2002

50. UNESCO; *Support Strategy For Educational Reconstruction In Afghanistan*, Paris; January 11, 2002; available at http://www.unesco.org/education/news_en/ed_reconstruction_afghanistan.rtf accessed on March 5, 2002. See also United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

51. Elizabeth Winter (British Agencies Afghanistan Group) *Education for Afghans Working Group Report* delivered at *Preparing for Afghanistan's Reconstruction*; A Conference Co-hosted by the UNDP, World Bank and ADB November 27-29, 2001 available at <http://lnweb18.worldbank.org/sar/sa.nsf/Countries/Afghanistan/7C8DBDD2FA85951A85256B21001C1FC2?OpenDocument> accessed on March 11, 2002.

52. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

53. NGO Conference in Tokyo on the Reconstruction of Afghanistan Sector Working Session; *Education*; December 11-13, 2001; available at <http://www.japanplatform.org/accounting/afghanconference/english/education.html> accessed on March 8, 2002. See also Torek Faradi, Economic Advisor to the AIA; *Blue Print for Rebuilding Afghanistan*; January-February, 2002.



EDUCATION

- Rehabilitation and construction of universities.⁵⁴
 - One multidisciplinary University in Kabul.
 - One University in Jalalabad.
 - One University in Herat.
 - One University in Mazar-e -Sharif.
 - One University in Kandahar.

E AGRICULTURE & FOOD SECURITY



Source:
Federation of American Scientists
Agricultural Monitoring

Around 85% of the population of Afghanistan is engaged in the Agricultural sector.⁵⁵ According to the Food and Agriculture Organization (“FAO”) of the United Nations, there are 65 million hectares of land in Afghanistan,⁵⁶ of which approximately 12% is arable, 3% is forest, 46% is pasture and the remaining is mountainous and barren land.⁵⁷ A combination of drought and civil conflict has devastated the agricultural infrastructure, including the irrigational systems and livestock production in the country. Since rainfall is scant and varies throughout Afghanistan, agricultural production is mainly dependent on irrigation.

More than 3.8 million Afghans currently rely on food from the international community. It has been estimated that north-western Afghanistan has 25-50% of the food required for a year and serious food shortages exist across the rest of the country.⁵⁸

Some of the priorities in the agricultural sector are as follows:⁵⁹

- Rehabilitation and improvement of existing irrigation systems and development of irrigation infrastructure.
- Improved seeds, fertilizer, and pesticide and establishment of seed banks etc.
- Tools, equipments and farm machinery.
- Revival of agriculture research institutes.
- Implementation of soil conservation programs.

54. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

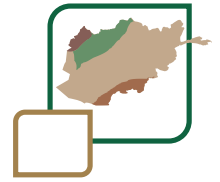
55. NGO Conference in Tokyo on the Reconstruction of Afghanistan Sector Working Session; *Agriculture/Livestock Farming*; December 11-13, 2001; available at <http://www.japanplatform.org/accounting/afghanconference/english/agriculture.html> accessed on March 8, 2002.

56. *Science Consortium Established to Rebuild Afghanistan's Agriculture*; News Release; February 14, 2002; available at <http://www.futureharvest.org/news/afghanistan.shtml> accessed on March 8, 2002.

57. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

58. Andrew Wilder; *Save the Children; USA; Urgent Need in Afghanistan - Save the Children's Congressional Testimony* <http://www.savethechildren.org/afghanistan/savetestifies.htm> accessed on March 11, 2002.

59. NGO Conference in Tokyo on the Reconstruction of Afghanistan Sector Working Session; *Agriculture/Livestock Farming*; December 11-13, 2001; available at <http://www.japanplatform.org/accounting/afghanconference/english/agriculture.html> accessed on March 8, 2002. See also *Afghanistan Preliminary Needs Assessment For Recovery And Reconstruction* by UNDP, ADB and World Bank referred to in the Ministerial Conference on Reconstruction Assistance to Afghanistan available at <http://www.adb.org/Documents/Speeches/2002/ms200202.asp> accessed on February 5, 2002 and Torek Faradi, Economic Advisor to the AIA; *Blue Print for Rebuilding Afghanistan*; January-February, 2002



AGRICULTURE & FOOD SECURITY

- Implementation of reforestation programs.
- Water resource conservation and management programs.⁶⁰
- Repair and build roads, culverts, bridges, fords, *etc.* connecting the agricultural land to nearby villages and cities.⁶¹

Afghanistan cannot rely solely on short-term humanitarian assistance to achieve food security. There is need for a holistic strategy with the participation from the local communities.

60. Sakwa Bunyasi; *Agriculture Recovery and Food Security Working Group Report of the World Bank*; The Conference on Preparing for Afghanistan's Reconstruction; November 27-29, 2001; Islamabad; available at <http://lnweb18.worldbank.org/sar/sa.nsf/Countries/Afghanistan/1A21AEA1393A864B85256B200015CC32?OpenDocument> accessed on March 8, 2002.

61. United Nations; *Immediate and Transitional Assistance Programme for the Afghan People 2002*, January 2002; available at http://www.reliefweb.int/library/documents/2002/un_afg_21jan.pdf accessed on March 5, 2002.

CONTRIBUTIONS & COMMITMENTS



A NATIONS



United States of America

The United States has played a pivotal role in coordinating the international effort in the reconstruction of Afghanistan. It has pledged USD 296.75 million towards such rehabilitation.⁶² In addition, it has also announced a USD 50 million line of credit to Afghanistan and has committed USD 100,000 as subscription fee for Afghanistan to become a member of the World Bank's Multilateral Investment Guarantee Agency, to enable it to obtain political insurance for private investment.⁶³

Some of the US initiatives in Afghanistan are as follows:⁶⁴

- USAID's International Disaster Assistance and Development Assistance/Child Survival and Health shall use USD 84 million to promote agriculture and livestock rehabilitation and improve health, by conducting measles vaccination campaigns.
- The U.S. Department of Agriculture shall provide USD 45 million as food aid. In addition, it has distributed 1,500 tons of wheat seeds to about 30,000 Afghan families, which was funded with a contribution of about USD 1 million from the United States.⁶⁵
- Promoting education, by providing nearly 10 million textbooks and training of teachers.
- Providing assistance in the implementation of the provisions of the Bonn Agreement, by developing the capacity of the AIA.
- USD 77 million shall be utilized to help Afghanistan in the transition from relief to recovery activities.
- USD 52.6 million shall be used to support the repatriation of Afghan refugees.
- The U.S. Department of Labor, in cooperation with the Afghan Ministry of Labor, shall set aside approximately USD 3 million to implement job generation and technical assistance programs in Afghanistan.
- The United States Government has sent "fly-in" surgical teams to perform surgeries and ophthalmologists to provide eye exams and eye glasses.
- USD 15 million shall be allocated for development of a criminal code and promoting good governance.
- USD 7 million shall be used for de-mining activities and mine awareness programs.



Britain

The United Kingdom has pledged 200 million pounds over the next five years for reconstruction and humanitarian assistance to Afghanistan, at the Tokyo conference in January, 2002. In addition, it shall contribute 20% of the European Union pledge of USD 1 billion, as well as significant sums through the World Bank and Asian Development Bank.⁶⁶ This money has been allocated for both reconstruction and humanitarian

62. US Department of State, International Information Programmes; *Powell Announces U.S. Giving \$296 Million for Afghan Aid*; January 21, 2002 at the Tokyo Conference; available at

<http://usinfo.state.gov/regional/nea/sasia/afghan/text/0121pwlaid.htm> accessed on March 20, 2002.

63. White House, *Fact Sheet: Assisting People of Afghanistan*, January 28, 2002, available at

<http://www.whitehouse.gov/news/releases/2002/01/20020128-9.html> accessed on March 17, 2002.

64. White House, *Fact Sheet: Assisting People of Afghanistan*, January 28, 2002, available at

<http://www.whitehouse.gov/news/releases/2002/01/20020128-9.html> accessed on March 17, 2002.

65. US Department of State, International Information Programmes; *U.N. Agency Provides Wheat Seeds for Spring Planting in Afghanistan*; March 12, 2002; available at <http://usinfo.state.gov/regional/nea/sasia/afghan/text/0312wheat.htm> accessed on March 20, 2002.

66. British Information Services; *The UK in Perspective*; January 29, 2002; available at

http://www.britainusa.com/government/SearchResults.asp?link=-1&Article_ID=1372&TableName=tblBIS_Articles accessed on March 20, 2002. See also 10 Downing Street Newsroom; *UK commits £200m for Afghan reconstruction*; January 21, 2002; available at <http://www.number-10.gov.uk/news.asp?newsID=3458> accessed on March 20, 2002.



Britain

assistance, and shall be funneled mostly through the United Nations agencies and non-governmental organizations.⁶⁷

The government has also committed a further 20 million pounds to support the AIA,⁶⁸ in the establishment of an independent Civil Service Commission, Judicial Commission, Commission on Human Rights and for the convening of the Emergency Loya Jirga as set out in the Bonn Agreement.⁶⁹

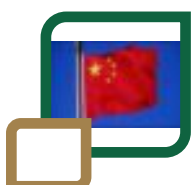
Canada



Canada has committed to donate Canadian dollars 100 million at the Tokyo conference, to help rebuild Afghanistan. This contribution shall be made available within one year. Some of this contribution shall be made through an international development agency, while some shall be placed in a trust fund administered by the World Bank.⁷⁰

The Canadian International Development Agency has delivered USD 1.5 million to support the AIA.⁷¹ The Canadian Foodgrains Bank has committed to send 5,000 tonnes of wheat and lentils to the Afghan people.⁷²

China



The Chinese government has committed to offer USD 150 million in aid to Afghanistan for its reconstruction efforts.⁷³ Further, it has pledged USD one million to the AIA and 30-million yuan worth (approximately USD 3.6 million) of goods to Afghanistan.⁷⁴ China has also committed to send a peace-keeping team, medical team and mine-clearance team to Afghanistan.⁷⁵

67. Yahoo Inc, *Britain Pledges \$288 Million for Afghanistan*, January 20, 2002 available at <http://ca.news.yahoo.com/020120/5/hgla.html> accessed on February 20, 2002.

68. 10 Downing Street Newsroom; *Government assistance to date*; available at <http://www.number-10.gov.uk/default.asp?pageid=5869&this=5868> accessed on March 20, 2002.

69. Department for International Development; *Dfid Pledges Us\$3 Million To Fund The Afghanistan Interim Authority*; December 20, 2001; available at <http://www.dfid.gov.uk/news/PressReleases/files/pr20dec01.html> accessed on March 20, 2002.

70. CTV; *Canada pledges \$100 million in Afghan aid*; January 21, 2002; available at <http://www.ctvnews.com/content/sitesections/1/839791.asp> accessed on March 20, 2002

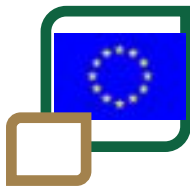
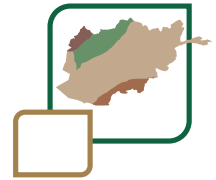
71. Canadian International Agency; *Canada contributes \$1.5 million to Afghanistan Interim Authority*; January 18, 2002; available at http://www.acdi-cida.gc.ca/cida_ind.nsf/852562900065549a85256250006cbb1a/4d4060dd8a2e742b85256b45005d0b01?OpenDocument accessed on March 20, 2002.

72. Canadian International Agency; *Canada helps feed Afghanistan's hungry with Canadian food aid*; December 7, 2001; available at http://www.acdi-cida.gc.ca/cida_ind.nsf/852562900065549d85256228006b10c0/b924c573cf14973585256b1a0065ad8c?OpenDocument accessed on March 20, 2002. See also Canadian International Development Agency, *Canada contributes \$1.5 million to Afghanistan Interim Authority*, January 18, 2002, available at http://www.acdi-cida.gc.ca/cida_ind.nsf/852562900065549d85256228006b10c0/4d4060dd8a2e742b85256b45005d0b01?OpenDocument accessed on March 15, 2002

73. People's Daily; *China to Provide US \$150 Million of Aid to Afghanistan*; January 25, 2002; available at <http://www.cctv.com/english/news/20020125/80591.html> accessed on February 25, 2002.

74. People's Daily, *China to Provide US \$150 Million of Aid to Afghanistan*; January 25, 2002; available at http://english.peopledaily.com.cn/200201/24/eng20020124_89288.shtml accessed on February 25, 2002.

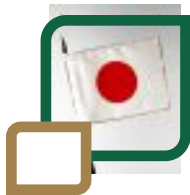
75. People's Daily, *Why China Gives Huge Financial Aid to Afghanistan (II)*; January 31, 2002; available at http://english.people.com.cn/200201/31/eng20020131_89708.shtml accessed on February 25, 2002.



European Commission

The European Commission has pledged Euro 200 million for the reconstruction of Afghanistan. This contribution includes food packages, aid to refugees and displaced people etc. In addition, humanitarian assistance of Euro 25 million will be provided through the European Commission Humanitarian Aid Office in 2002.⁷⁶ The European Commission has delivered aid through 29 partner organizations such as non-governmental organizations, the United Nations High Commission for Refugees, the World Food Programme and the International Committee of the Red Cross.⁷⁷

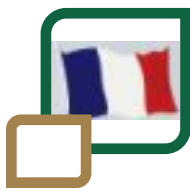
The European Commission has initiated an Initial Recovery Programme for Afghanistan of Euro 57.5 million. This amount will be used for public administration, rural recovery, de-mining activities, urban infrastructure, information and co-ordination.⁷⁸



Japan

Japan has offered USD 500 million over the next 30 months to rebuild Afghanistan.⁷⁹ The aid is to be disbursed for the education sector, health care and empowerment of women. The Japanese government has extended a total of USD 19 million to the United Nations and other international organizations for assistance in mine action.⁸⁰

In addition, it has donated USD 12.6 million to the United Nations Children's Fund ("UNICEF") for polio eradication. This donation follows an earlier contribution of USD 7.8 million by the Japanese government for UNICEF's emergency relief efforts in Afghanistan.⁸¹



France

France has committed to contribute Euros 61 million in aid to Afghanistan's reconstruction. The contribution is to be utilized in the health sector (in partnership with the Ali Abad hospital to which France has already delivered medical supplies and equipment); education sector; agriculture and food sector, infrastructure (rebuilding the Mazar-i-Sharif airport) and support to the AIA.⁸²

76. European Commission, External Relations; *Afghanistan reconstruction: European Commission approves Euro 57.5 million for Initial Recovery Programme*; February 26, 2002; available at http://europa.eu.int/comm/external_relations/afghanistan/intro/ip02_317.htm accessed on February 13, 2002.

77. European Union, External Relations; *European Commission action*; November 23, 2001; available at http://europa.eu.int/comm/external_relations/110901/me01_385.htm accessed on March 20, 2002.

78. European Commission, External Relations; *Afghanistan reconstruction: European Commission approves Euro 57.5 million for Initial Recovery Programme*; February 26, 2002; available at http://europa.eu.int/comm/external_relations/afghanistan/intro/ip02_317.htm accessed on February 13, 2002.

79. BBC News; *Japan bags top role in Afghan recovery*; January 20, 2002; available at http://news.bbc.co.uk/1/hi/english/world/asia-pacific/newsid_1772000/1772239.stm accessed on March 20, 2002. See also Masato Tainaka; *Kabul to get \$1 billion for 1st year*; available at <http://www.asahi.com/english/international/K2002012200445.html> accessed on March 20, 2002.

80. The Ministry of Foreign Affairs, *Japan's Contribution to De-mining Activities in Afghanistan*, January 18, 2002. available at http://www.mofa.go.jp/region/middle_e/afghanistan/min0201/index.html accessed on February 5, 2002.

81. ReliefWeb; *Japan's gift bolsters child health - \$12.6 Million Contribution to UNICEF for Polio Eradication and Key Health and Nutrition Programs in Pakistan, Uzbekistan and Tajikistan*; December 21, 2001; available at <http://www.reliefweb.int/w/rwb.nsf/480fa8736b88bbc3c12564f6004c8ad5/294f816b2ef7fc6a85256b290063053c?OpenDocument> accessed on March 20, 2002. See also UNICEF; *With \$7.8 Million Donation, Japan Provides Major Boost to UNICEF Relief Efforts for Afghan Children*; November 16, 2001; available at <http://www.unicef.org/newsline/01pr89.htm> accessed on March 20, 2002.

82. Embassy of France; *Reconstruction of With \$7.8 Million Donation, Japan Provides Major Boost to UNICEF Relief Efforts for Afghan Children Afghanistan Tokyo International Conference on Aid to the Reconstruction of Afghanistan: Statements made by the Ministry of Foreign Affairs Deputy Spokesperson Paris*, January 22, 2002 available at <http://www.info-france-usa.org/news/statmnts/2002/afghan012202.asp> accessed on February 25, 2002. See also Xinhua News Agency; *France to Extend 61 Million Euro Aid to Afghanistan* available at http://news.xinhuanet.com/english/2002-01/23/content_251265.htm accessed on March 20, 2002.



India

India has committed to offer assistance to Afghanistan under a USD 100 million line of credit (“LoC”).⁸³ This LoC has been operational since the formation of the AIA.⁸⁴ Apart from this, India has also pledged to offer one million tonnes of wheat for displaced Afghans, which it plans to route through the United Nations⁸⁵ and USD one million for meeting a part of the requirements of the AIA.⁸⁶

India has set up a hospital on the outskirts of the town of Parokhor on the border of Afghanistan. The hospital was set up with funding from India some years ago. Though it was shut down for some time, it has been re-opened as part of humanitarian assistance to Afghanistan.⁸⁷

Apart from the above specific commitments, India also plans to take up initiatives in the field of education and health by undertaking the following measures: -

- an artificial limb centre in Kabul.
- six schools and polyclinics each in different cities of Afghanistan.
- training schools for nurses, mobile hospitals.
- an Institute of information technology and vocational education.
- financial and technical assistance to the Kabul University.⁸⁸

B UNITED NATIONS AGENCIES



WHO

The World Health Organization (“WHO”) has its headquarters in Geneva. Dr. Gro Harlem Brundtland is the Director-General of the organization. WHO has official relations with 193 non-governmental organizations.⁸⁹ Tremendous efforts have been undertaken by WHO to improve the health conditions of the Afghan people. It has conducted surveys and prepared an assessment report on the pharmaceutical needs⁹⁰ and a report on tuberculosis in Afghanistan.⁹¹

Since September 11, 2001, WHO has ensured that nearly three million Afghans have access to essential medicines.⁹² WHO is sending emergency health kits (essential drugs), burn dressing modules (sterile dressings)

83. Indian Express Newspapers (Bombay) Limited; *India pledges \$100 million for Afghan reconstruction*; January 21, 2002; available at <http://www.expressindia.com/fullstory.php?newsid=6676> accessed on March 20, 2002. See also Press Trust of India, *India earmarks \$ 100 mn aid for Afghanistan*; December 28, 2001 available at <http://www.indiainfo.com> accessed on February 25, 2002.

84. Xinhua News Agency, *India Outlines 100 Million Dollar Aid Plan for Afghanistan*, December 28, 2001 available at <http://www.xinhuanet.com/english/index.htm> accessed on February 13, 2002

85. Xinhua News Agency, *India Outlines 100 Million Dollar Aid Plan for Afghanistan*, December 28, 2001 available at <http://www.xinhuanet.com/english/index.htm> accessed on February 13, 2002

86. Rediff.com; *India pledges \$100 mn help for Afghanistan*; January 21, 2002; available at <http://www.rediff.com/us/2002/jan/21ny1.htm> accessed on March 20, 2002.

87. Agence France-Presse (AFP), *India opens hospital on Afghan border*, October 9, 2001 available at <http://www.reliefweb.int/w/rwb.nsf/480fa8736b88bbc3c12564f6004c8ad5/7e757c7dd55002b2c1256ae00035746e?OpenDocument> accessed on March 13, 2002

88. Press Trust of India, *India earmarks \$ 100 mn aid for Afghanistan* available at <http://www.indiainfo.com> accessed on February 22, 2002

89. List available at <http://www.who.int/ina-ngo/> accessed on March 18, 2002.

90. WHO; *Pharmaceutical situation in Afghanistan: a preliminary assessment*; WHO fact finding mission 14-23 January 2002; available at <http://www.who.int/disasters/repo/7563.pdf> accessed on March 17, 2002.

91. WHO; *Tuberculosis In Afghan Women*, dated December 19, 2001; available at <http://www.who.int/disasters/repo/7537.doc> accessed on March 17, 2002.

92. WHO; *World Health Organisation Special Report Emergency Health Supplies*; dated February 11, 2002; available at <http://www.who.int/disasters/repo/7603.doc> accessed on March 17, 2002.

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UNITED NATIONS AGENCIES

WHO

and trauma kits (surgical supplies) to Afghanistan.⁹³ Provision of supplies and equipment including anti-malaria supplies are made available on a regular basis.



UNICEF

The United Nations International Children's Emergency Fund, which was later renamed as the United Nations Children's Fund ("UNICEF"), works towards protection of the rights and interests of children. UNICEF works in close co-ordination with national governments, non-governmental organizations, other United Nations agencies and private-sector partners. It has contributed in the health and education sector in Afghanistan. To facilitate its activities, UNICEF has set up field offices in Herat, Jalalabad, Kabul, Kandahar, Mazar and Islamabad.⁹⁴ Further, UNICEF prepares monthly updates on the health situation of the children of Afghanistan⁹⁵ and the amounts donated as humanitarian aid.⁹⁶

UNICEF has delivered relief supplies such as winter clothing including blankets,⁹⁷ therapeutic food, basic medicines, chlorine tablets⁹⁸ and health kits⁹⁹ capable of serving the complex emergency needs of 1.25 million Afghan children and women.¹⁰⁰ UNICEF and WHO have been working with national and local health officials in conducting vaccination campaigns to protect children from crippling and deadly diseases and administering doses of Vitamin A supplements.¹⁰¹ Together with the World Food Programme and other partners, UNICEF is helping to reach more than 1.1 million children and women with special food needs.¹⁰²

UNICEF has assisted in the revival of schools in Kabul, Jalalabad and Badakhshan. It also provides textbooks and stationary to the students of these schools.¹⁰³ UNICEF actively supports the 'Back to School' campaign, which is being led by the Afghan government and the Afghan people.¹⁰⁴

93. WHO; *World Health Organisation Special Report Emergency Health Supplies*; dated February 11, 2002; available at <http://www.who.int/disasters/repo/7603.doc> accessed on March 17, 2002.

94. Office addresses available at <http://www.unicef.org/uwwide/saro.htm> accessed on March 18, 2002.

95. <http://www.unicef.org/emerg/Country/Afghanistan/020115.PDF> accessed on March 17, 2002.

96. UNICEF; *UNICEF Afghanistan crisis donor update*; dated March 4, 2002; available at <http://www.unicef.org/emerg/Country/Afghanistan/020304.PDF> accessed on March 17, 2002

97. UNICEF; *UNICEF Afghanistan Situation Report*; November 7, 2001; available at <http://www.unicef.org/emerg/Country/Afghanistan/011107.htm> accessed on March 17, 2002.

98. UNICEF; *Afghanistan Update UNICEF Activities for Children*; dated January 15, 2002 <http://www.unicef.org/emerg/Country/Afghanistan/020115.PDF> accessed on March 17, 2002.

99. UNICEF; *UNICEF Afghanistan Emergency Update, October 1, 2001*; available at <http://www.unicef.org/emerg/Country/Afghanistan/011001.htm> accessed on March 17, 2002.

100. UNICEF; *Unicef Amid Chaos, Unicef Keeps Supplies Rolling Into Afghanistan*; October 12, 2001; available at <http://www.unicef.org/newsline/01pr79.htm> accessed on March 17, 2002.

101. UNICEF; *UNICEF Immunization saves lives*; available at <http://www.unicef.org/noteworthy/afghanistan/immunization/index.html> accessed on March 17, 2002.

102. UNICEF; *UNICEF Special measures for babies and infants*; available at <http://www.unicef.org/noteworthy/afghanistan/ecd/index.html> accessed on March 17, 2002.

103. UNICEF; *UNICEF Afghanistan Emergency Update, October 1, 2001*; available at <http://www.unicef.org/emerg/Country/Afghanistan/011001.htm> accessed on March 17, 2002.

104. UNICEF; *'UNICEF Back to school' for 1.5 million Afghan children*; available at <http://www.unicef.org/noteworthy/afghanistan/bts/index.html> accessed on March 17, 2002.

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UNESCO

The United Nations Educational, Scientific and Cultural Organization (“UNESCO”), has its headquarters in Paris. Mr. Koichiro Matsuura currently occupies the post of Director-General. UNESCO maintains official relations with 344 non-governmental organizations.¹⁰⁵ UNESCO is addressing the needs of Afghanistan and its people especially in the education, cultural heritage and media sector.

UNESCO has entered into a memorandum of understanding with the Minister of Information and Culture of Afghanistan for the rehabilitation of the National Museum of Kabul.¹⁰⁶ The organization shall fund the “Afghanistan Women in Media Network” for women media workers.¹⁰⁷ Further, UNESCO has launched a news service in Kabul and the other regions of the country.¹⁰⁸



FAO

The Food and Agriculture Organization (“FAO”) is one of the largest specialized agencies in the United Nations system and the lead agency for agriculture, forestry, fisheries and rural development. The current Director-General of FAO is Dr. Jacques Diouf. Various international non-governmental organizations share formal relations with FAO.¹⁰⁹ The organization is committed to providing food security to the Afghan people.

Approximately 30,000 families in rural areas of northern Afghanistan have received 1,500 tonnes of wheat seeds and fertilizers by FAO. It has been estimated that farmers would be able to harvest around 16,000 tonnes of wheat from the seeds distributed.¹¹⁰ FAO is also establishing a food security surveillance unit to monitor food and agricultural needs in the country.¹¹¹



UNHCR

The United Nations High Commission for Refugees (“UNHCR”) is headed by High Commissioner Ruud Lubbers. With a mandate to protect the world's 22 million refugees, asylum seekers and internally displaced persons, UNHCR works with a wide variety of partners, ranging from governments to private charities. The organization helps refugees desirous of returning to Afghanistan. For those who opt to go home, UNHCR has decided to open seven voluntary repatriation centres in Pakistan to process 5,000 Afghan refugees per day. More than 133,600 refugees have already been repatriated from Iran under a voluntary repatriation program.¹¹² Further, it plans to assist these refugees to rebuild their homes. The organization has already begun the procurement of pre-treated timber beams for shelter kits.¹¹³

105. List available at <http://www.unesco.org/general/eng/partners/ong/liste.shtml> accessed on March 18, 2002.

106. UNESCO; *Signature between UNESCO and the Afghan administration of a memorandum of understanding for the rehabilitation of the National Museum of Kabul*; available at http://www.unesco.org:83/ev.php?URL_ID=2777&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1016368175 ; accessed on March 17, 2002.

107. UNESCO; *UNESCO launches Afghanistan Women in Media Network*; available at http://www.unesco.org:83/ev.php?URL_ID=2776&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1016368175 accessed on March 17, 2002.

108. UNESCO; *Rebirth of the “Kabul Weekly”* available at http://www.unesco.org:83/ev.php?URL_ID=1843&URL_DO=DO_TOPIC&URL_SECTION=201&reload=1016368417 accessed on March 17, 2002.

109. List available at http://www.fao.org/tc/NGO/5/partners_en.htm accessed on March 18, 2002.

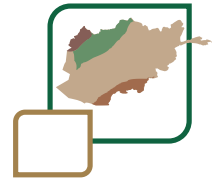
110. FAO; *Wheat Seeds Distributed To 30 000 Rural Families In Afghanistan*; March 12, 2002 available at http://www.fao.org/WAICENT/OIS/PRESS_NE/english/2002/3102-en.html accessed on March 17, 2002.

111. FAO; *Afghanistan Agricultural Relief and Rehabilitation Programme*; available at <http://www.fao.org/reliefoperations/appeals/2002/afghanistan1.htm> accessed on March 17, 2002.

112. UNHCR; *World Wide Refugee Information; Country Report Afghanistan*; available at <http://www.refugees.org/world/countryrpt/scasia/afghanistan.htm> accessed on March 17, 2002.

113. UNHCR; *Afghanistan Humanitarian Update No. 53*; February 15, 2002; available at <http://www.unhcr.ch/cgi-bin/texis/vtx/home/+KwwBme3B1FswwwwwwwwwwFqnN0bltFqnDni5AFqnN0blcFqcwhtrwDo5BwDDzmxwwwwww/o pendoc.htm> accessed on March 17, 2002.

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WFP

The World Food Programme (“WFP”) is the United Nations frontline agency in the fight against global hunger, with its headquarters in Rome. Catherine Bertini is the Executive Director of WFP. The organization has regional offices in Kabul, Jalalabad, Kandahar, Herat, Mazar-e-Sharif and Faizabad.¹¹⁴ WFP works in co-ordination with national governments, United Nations agencies and non-government organizations.¹¹⁵

WFP has provided food aid to approximately 6.6 million people in Afghanistan. The organization shall also conduct a USD 285 million operation, which will continue to deliver emergency food aid.¹¹⁶ The organization has agreed to help the AIA reinforce the civil services in the country. WFP in co-ordination with the Agriculture Development Association (“ADA”), has finalized the registration process for the distribution of food aid in Kandahar. WFP and ADA would be distributing 2,307.85 metric tonnes of wheat to approximately 46,157 families in Kandahar in mid-March, 2002.¹¹⁷



UNOPS

United Nations Office of Project Services (“UNOPS”) is an arm of the United Nations that provides project management services in every field ranging from landmine sector awareness to public sector reform, from informatics solutions to eradicating poverty. UNOPS is the largest service provider in the United Nations system, working on behalf of more than 30 United Nations departments and organizations. It is an entirely self-financed organization and is exclusively dedicated to management services. UNOPS has long and extensive commercial relationships with private sector firms. Each year, UNOPS procures millions of dollars' worth of goods, services and works for the projects it manages.

UNOPS has undertaken the Afghanistan Rural Rehabilitation Programme, to improve the livelihood of poor and disadvantaged groups through participatory sustainable rural development.¹¹⁸ UNOPS has also led the Poverty Eradication and Community Empowerment Initiative (“PEACE”), in association with the Food and Agriculture Organization and the United Nations Organization for Human Settlements. Approximately 2,100 rural and urban community organizations have been supported by the PEACE program.¹¹⁹



UNFPA

The United Nations Population Fund (“UNFPA”) helps developing countries find solutions to their population problems. It is the largest internationally funded source of population assistance to developing countries. UNFPA has its headquarters in New York and Thoraya Ahmed Obaid is the Executive Director. Dr. Olivier Brasseur is the UNFPA representative for Afghanistan. UNFPA funds non-governmental organizations working in the health sector and on gender-related issues.¹²⁰

UNFPA is committed to improve women's health and their social standing in Afghanistan. The organization is providing USD 500,000 worth of life-saving equipment and medical supplies.¹²¹ The organization assesses

114. Addresses available at <http://www.wfp.org/index.asp?section=8> accessed on March 18, 2002.

115. List available at <http://www.wfp.org/index.asp?section=1> accessed on March 18, 2002.

116. WFP; *WFP In Afghanistan: From Relief To Rehabilitation*; February 26, 2002; available at <http://www.wfp.org/index.asp?section=2> accessed on March 18, 2002.

117. WFP; *WFP in Afghanistan: Update from the field no.59*; March 14 2002; available at <http://www.wfp.org/newsroom/frontpage/index.html#> accessed on March 18, 2002.

118. UNDP; *Afghanistan Rural Rehabilitation Programme/Community Self-Help: A Brief Introduction Of UNOPS/ARRP*; available at; <http://www.pcpafg.org/Organizations/unops/>; accessed on March 18, 2002.

119. UNOPS; *Four UNDP Core Products And Services For The Afghanistan Transition*; available at <http://www.undp.org/afghanistan/coreproducts.htm> accessed on March 18, 2002.

120. UNFPA; *UNFPA Advocating Family Planning Worldwide*; available at <http://www.familyplanet.org/featuredproj20.php> accessed on March 18, 2002.

121. UNFPA; *Population Fund Moves Fast to Aid Afghanistan's Recovery*; available at <http://www.unfpa.org/news/2002/features/afghanistan.htm> accessed on March 18, 2002.

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UNFPA

maternity hospitals and reproductive health care centers on an ongoing basis. Additionally, it shall, in association with the World Health Organization, jointly evaluate training in emergency obstetric care centers.¹²²

UNFPA is rebuilding a vocational school for women and girls. It is also supporting the reconstruction of an office building for Dr. Sima Samar, Minister of Women's Affairs, and providing office equipment and furniture.¹²³



OCHA

The United Nations Office for Coordination of Humanitarian Affairs (“OCHA”) works towards strengthening the United Nations response to emergencies and natural disasters. It liaisons between the United Nations, donors and non-governmental organizations, participating in assistance programmes. OCHA publishes regular updates on Afghanistan highlighting humanitarian needs and responses of the world community.¹²⁴ In addition, it has also set up regional co-ordination offices in Kabul, Mazar-i-Sharif, Herat, Kandahar, Jalalabad, Faizabad and Bamyan, as part of its coordination efforts.

OCHA has co-ordinated and managed mine clearance and awareness programs. This initiative of the OCHA has led to the clearance of over 400 square kilometers of mined areas. Further, educational programs on mine awareness have been imparted to approximately 5.4 million Afghans. Through a small-scale emergency programme, OCHA has provided immediate relief assistance to 400 families in the affected area.¹²⁵



UNDP

The United Nations Development Programme (“UNDP”) is headed by H.E. Mr. Dirk Jan van den Berg, the president of the Executive Board. The UNDP has offices in 132 countries worldwide.

The UNDP is assisting the AIA in public projects in Afghanistan.¹²⁶ The organization has initiated the Recovery and Employment Afghanistan Programme (“REAP”), which supports the municipality of Kabul and the Afghanistan Ministry of Public Works in repairing the district's public works. The six-month programme is expected to generate temporary employment for approximately 14,000 Afghans. REAP is being financed with an initial USD 3 million contribution from Japan and is being implemented by UNDP in partnership with other United Nations agencies and non-governmental organizations.¹²⁷ The UNDP, in co-ordination with the World Bank and Asian Development Bank has conducted an extensive survey and organized conferences for the reconstruction of Afghanistan. It has subsequently prepared the “Afghanistan Preliminary Needs Assessment for Recovery and Reconstruction” report, which formed the basis for the discussions between various nations at the Ministerial Conference on Reconstruction Assistance to Afghanistan held at Tokyo in January 2002.

The UNDP encourages the private sector to actively participate in rebuilding the country. Individuals and companies interested in development opportunities in Afghanistan may approach the UNDP, once they have established the sector and service that they wish to provide. However, corporates/individuals should submit their project proposals in accordance with the specific guidelines laid down by the UNDP.

122. UNFPA; *Kabul Maternity Hospitals Lack Equipment and Supplies Help from UNFPA Is on the Way*; available at http://www.unfpa.org/news/2002/features/afghanistan_04.htm accessed on March 18, 2002.

123. UN Population Fund *Airlifts Equipment and Supplies for Afghan Maternal Hospitals and Women's Ministry* http://www.unfpa.org/news/2002/pressroom/airlifts_afghan.htm119. Updates available at <http://www.reliefweb.int/w/rwb.nsf/VDHALatestEmergencyReports?OpenView> accessed on March 23, 2002.

124. Updates available at <http://www.reliefweb.int/w/rwb.nsf/VDHALatestEmergencyReports?OpenView> accessed on March 23, 2002.

125. OCHA; *OCHA in 2002: Activities And Extra budgetary Funding Requirements*; available at <http://www.reliefweb.int/appeals/ocha2002/pdf/OCHAin2002.pdf> accessed on March 19, 2002.

126. UNDP; *New initiative to help repair Kabul and provide jobs for its residents*; March 5 2002; available at <http://www.undp.org/afghanistan/> accessed on March 18, 2002.

127. UNDP; *New initiative to help repair Kabul and provide jobs for its residents*; March 5, 2002; available at <http://www.undp.org/afghanistan/> accessed on March 18, 2002.



C MULTILATERAL INSTITUTIONS



World Bank

The World Bank has committed to offer USD 500 million to Afghanistan over a period of two and a half years, with an additional USD 50-70 million in the form of grants.¹²⁸ The World Bank has provided a USD 350,000 grant to UNDP for certain economic and sector-wise studies, holding workshops, seminars *etc.*¹²⁹

The World Bank has conducted extensive surveys and prepared detailed reports such as:

- A Brief Overview of Afghanistan's Economy, October 2001.¹³⁰
- Afghanistan World Bank Approach Paper, November 2001.¹³¹
- The Socio-Economic Impact of Mine Action In Afghanistan: A Cost Benefit Analysis, December 2001.¹³²
- Afghanistan Preliminary Needs Assessment for Recovery and Reconstruction, December 2001.
- Afghanistan "Watching Brief" Reports on land mines, economy, health, food security, livestock and education.¹³³

Further, on February 27, 2002, it launched an online directory to facilitate organizations/individuals that are eager to contribute to the reconstruction of Afghanistan to post their details on the website. Thereafter, the World Bank may call upon such organizations/individuals seeking their assistance in this regard.¹³⁴

The World Bank has also set up the Afghanistan Reconstruction Trust Fund ("ARTF"), along with ADB, the Islamic Development bank and UNDP to provide finance for reconstruction programs, including financing a part of the budget of the AIA for the expenditure on salaries, wages, benefits and other payments of its employees.¹³⁵ The ARTF would take over the financing of government salaries from the UNDP Interim Fund (established in late December) in July 2002.

The World Bank has adopted a Transitional Support Strategy ("TSS"), which outlines a program of World Bank Group assistance to Afghanistan for a period of six to nine months. The strategy is to support the peace and reconstruction process in Afghanistan, with instant assistance for improvement in the living conditions of the Afghans, within a sound policy framework.¹³⁶

- International Finance Corporation

The International Finance Corporation ("IFC") is a member of the World Bank group and is the largest multilateral source of loan and equity financing for private sector projects. It has its headquarters in Washington and the president of the World Bank, Mr. James D. Wolfensohn, also serves as its president. IFC intends to assist the

128. World Bank; *Afghanistan: World Bank Proposes \$500 Million offers an additional \$50-70 million immediate grant assistance*; January 21, 2002; available at

<http://lnweb18.worldbank.org/news/pressrelease.nsf/673fa6c5a2d50a67852565e200692a79/b8adeaab5be3f49285256b48004ddd57?OpenDocument> accessed on March 20, 2002.

129. Trade Information Centre; US Dept. of Commerce; *Rebuilding Afghanistan: Financing Information*; available at <http://web.ita.doc.gov/ticwebsite/apweb.nsf/c793d4eedf317b23852566d40069160e/0f1cfa34924c57a385256b5e006c5792!OpenDocument> accessed on March 21, 2002.

130. Available at [http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/96/\\$File/afOvervw.pdf](http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/96/$File/afOvervw.pdf) accessed on March 22, 2002.

131. Available at

<http://lnweb18.worldbank.org/sar/sa.nsf/Countries/Afghanistan/7AA687A0D8FE299985256AFB00742B6D?OpenDocument> accessed on March 22, 2002.

132. Available at [http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/9/\\$File/mines.pdf](http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/9/$File/mines.pdf) accessed on March 22, 2002.

133. Available at <http://lnweb18.worldbank.org/SAR/sa.nsf/All/1F2EDA357FB3C3BE85256AF0007229D5?OpenDocument> accessed on March 22, 2002.

134. The Afghanistan Directory of Expertise can be accessed at <http://www.worldbank.org/afghandirectory>

135. Development Gateway, *General Procurement Notice*; available at

http://www.developmentgateway.org/dgmarket/notice-view?notice_id=180111&full=f accessed on March 22, 2002.

136. World Bank; *Transitional Support Strategy*; available at

[http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/\\$File/aftss.pdf](http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/$File/aftss.pdf) accessed on May 7, 2002.



C MULTILATERAL INSTITUTIONS

- International Finance Corporation

international community effort in rebuilding Afghanistan by providing support for micro and small enterprises, including the establishment of microfinance institutions and project development facilities.¹³⁷

- Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agency (“**MIGA**”) is a member of the World Bank and aims to promote foreign direct investment into emerging economies by offering political risk insurance (guarantees) to investors and lenders, and by helping developing countries attract and retain private investment.

Afghanistan is in the process of completing the membership requirements for MIGA. As soon as it becomes a member, MIGA will be able to offer guarantees against political risks to investors seeking to invest in Afghanistan. MIGA will complement and supplement the private sector initiatives taken by the World Bank.¹³⁸



ADB

The Asian Development Bank (“**ADB**”) is committed to play a key role in the reconstruction of Afghanistan and work with the donor members to provide up to USD 500 million in the form of loans and grants. This amount shall be made available to the AIA over the coming two and a half years.¹³⁹ ADB’s immediate focus shall be on the rehabilitation of irrigation systems, roads, education especially for women, infrastructure and the social sector.¹⁴⁰

ADB, together with other institutions, has sent teams to Afghanistan to conduct site visits for a more detailed and comprehensive needs assessment. This will include consultations with the Afghanistan Interim Administration, Afghan civil society and non-governmental organizations and international assistance agencies. This assessment report is a follow-up of the needs assessment report presented by ADB, in coordination with the World Bank and United Nations Development Programme at the Tokyo conference. The detailed assessment is expected to be completed by the end of April.¹⁴¹

“By working together, we have every chance of mounting the kind of fully integrated approach to recovery that is needed to help the Afghan people reap the rewards of peace.”

-Kofi Annan,
Secretary-General,
United Nations.

137. World Bank; *Transitional Support Strategy*, available at [http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/\\$File/aftss.pdf](http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/$File/aftss.pdf) accessed on May 7, 2002.

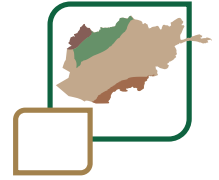
138. World Bank; *Transitional Support Strategy*, available at [http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/\\$File/aftss.pdf](http://lnweb18.worldbank.org/sar/sa.nsf/Attachments/aftss.pdf/$File/aftss.pdf) accessed on May 7, 2002.

139. ADB; *Afghanistan Reconstruction and Recovery*; available at <http://www.adb.org/Afghanistan/reconstruction.asp> accessed on March 22, 2002.

140. ADB; *ADB Team to Kabul to Prepare Projects*; available at <http://www.adb.org/Documents/News/2002/nr2002010.asp> accessed on March 22, 2002.

141. ADB; *ADB to Play Crucial Role in Reconstruction of Afghanistan*; available at <http://www.adb.org/Documents/News/2002/nr2002006.asp> accessed on March 22, 2002.

9. CONCLUSION



With the formation of the Afghan government and the widespread commitment by the international community, there is hope for a better future for the people of Afghanistan. In order to attain success in developing Afghanistan, co-ordination among the various institutions, including the private sector, local communities and non-governmental organizations is vital.

The enormous need for reconstruction in Afghanistan provides ample opportunity for the private sector. Options range from road rehabilitation and debris removal, to electricity and piped water systems, to health and education facilities. All efforts in rebuilding the economy should involve active participation from the Afghan men and women.

While the report outlines various economic opportunities in rebuilding Afghanistan, there are several other fields in which institutions can play an effective role such as social protection and human rights, governance and economic management, drug control and de-mining activities.



"Building an infrastructure for a thriving economy in Afghanistan & giving the Afghans a better economic future seems to be one way to create stability in the country."

- Torek R. Faradi,
Economic Advisor, AIA.