



PNoWB Briefing: the International Community's Role in Rebuilding Afghanistan

Updated: 5 February, 2010

Background

After 32 years of conflict that has devastated much of the human, physical and institutional infrastructure, Afghanistan today has a fragile regime and is one of the most impoverished countries in the world.

One-third of the population is literate; for women and girls, the statistic drops to 16%. Many Afghans lack access to basic services, most notably in rural areas. Thirty-three percent of the population is without sustainable access to clean water, and rural households often face food insecurity. According to UN statistics, people living in Afghanistan have one of the lowest average life expectancies in the world -- 44 years -- and one of the highest under-five mortality rates -- estimated at 257 per 1,000 live births -- on par with the grimmest figures in sub-Saharan Africa.

Afghanistan's national budget is financed 90 percent by foreign assistance and multi-lateral donors. Aid to the country in 2008-2009 amounted to \$6.3 billion, representing 45 percent of Gross Domestic Product and making Afghanistan one of the world's most aid-dependent countries.

The recent re-election on November 2, 2009 of President Hamid Karzai was surrounded by controversy and accusations of election fraud. Uncertainty surrounding the makeup of his administration further compounded the many governance problems facing Afghanistan. In addition, the country is a hub for narcotics and weapons trafficking, further exacerbating security concerns; opium cultivation dominates the economy and provides funding for the Taliban and insurgent groups.

Afghanistan's instability has spilled over into neighboring nations. Porous borders allow for free movement between countries, including Iran and Pakistan. Shared borders, common histories and cross-border ethnic populations necessitate regional approaches to issues of governance, security and economic growth.

The London Conference on Afghanistan

Leaders from more than 70 nations met in London on January 28, 2010 to discuss how to support Afghanistan as it seeks to rebuild a stable and secure state. Hailed as a 'potential turning point' for the country by the British Ambassador to Afghanistan, the London Conference represents the first time the Afghan government is setting its own development agenda. The day-long event was aimed at delivering and coordinating international support

to enable President Karzai to address the priority issues set out in his inauguration speech: security, governance and development, and regional relations. The conference – which was organized around these three main topics -- built on previous commitments outlined in the 2006 Afghanistan Compact, a document emerging from a similar international summit held in the United Kingdom four years previous.

Conference Outcomes

The agreements reached at the conference between the international community and the Government of Afghanistan are meant to provide the country with a solid base to increasingly take the lead in bringing security, prosperity, rule of law, human rights and good governance to the whole of the country. Specifically, during the conference the following elements were agreed:

- Better coordinated development assistance to be increasingly channeled through the Government of Afghanistan, supported by reforms to structures and budgets.
- An enhanced sub-national government to improve delivery of basic services to all Afghans.
- Support for the Afghan government's national Peace and Reintegration Program, including financial support for a Peace and Reintegration Trust Fund, to offer economic alternatives to those who renounce violence, cut links to terrorism and agree to work within the democratic process.
- Support for increased regional co-operation to combat terrorism, violent extremism and the drugs trade, to increase trade and cultural exchange and to create conducive conditions for the return of Afghan refugees.
- Measures to tackle corruption, including the establishment of an independent Office of High Oversight and an independent Monitoring and Evaluation Mission.
- To develop a plan for a phased, province-by-province transition to Afghan-led security to begin (provided conditions are met) by late 2010/early 2011.
- Targets for significant increases in the Afghan Army and Police Force taking total security force numbers to over 300,000.
- Confirmation of a significant increase in international forces to around 135,000 to support the training of Afghan forces.
- A civilian surge to match the military surge, including new civilian leadership of the international community's programs, a new UN representative and more civilians on the ground to support governance and economic development.

In addition, the IMF and World Bank during the conference announced \$1.6 billion in debt relief for Afghanistan through the Heavily Indebted Poor Countries initiative.

The Role of the International Community Moving Forward

Conference participants emphasized that the Government of Afghanistan and the international community are entering into a new phase on the way to full Afghan ownership, and re-affirmed the goals of greater Afghan leadership, increased regional cooperation and more effective international partnership. Participants committed to making intensive efforts

to ensure that the Government of Afghanistan is increasingly able to meet the needs of its people by developing the country's institutions and resources.

In light of these commitments, coordinating and aligning foreign assistance – and increasing the Government of Afghanistan's capacity in this area – will be a priority in the coming months and years. Currently, about 20 percent of international aid for Afghanistan is channeled through the government in Kabul, while two-thirds flows through the country's "external budget" due to concerns about corruption and the government's capacity to use the funds. Donor nations recognize that this parallel budget system undermines the government's legitimacy in the eyes of Afghans, and there is pressure to work more closely with the Afghan finance ministry. The World Bank has called for the percentage of development aid channeled directly through Kabul to increase, while civil society organizations such as the Agency Coordinating Body for Afghan Relief (ACBAR) have called for measures to increase transparency surrounding the management of aid, including enforcing professional standards, codes of ethics and disciplinary measures within the administration as well as in the private sector.

Bilateral and multilateral funders as well as International Financial Institutions (IFIs) that provide technical assistance – including the World Bank, IMF and regional development banks – will be called on to support Afghanistan in the creation of its development strategy. These institutions play an important role in providing not only financial support but also technical assistance and knowledge transfer in a wide array of fields, ranging from judicial, tax and labor reform to transportation, basic services provision and infrastructure development. Furthermore, IFIs will need to work with the Government of Afghanistan on developing the private sector, which is vital to replacing the currently thriving black market with a formal economy.

Participants and representatives at the London Conference will convene again in the spring -- this time in Kabul -- to assess progress to date in this ambitious agenda, which is widely regarded as a last chance for a stable and strong Afghanistan.

More Information

→ *Afghanistan: the London Conference*: <http://afghanistan.hmg.gov.uk/en/conference/>

→ *Afghanistan Reconstruction Trust Fund*: <http://go.worldbank.org/GO3S1MDO60>

→ *Asian Development Bank in Afghanistan and the Country Partnership Strategy*: <http://www.adb.org/Documents/Brochures/AFG/AFG-Program-Feb2009.pdf>

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