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February 2, 2009

Congressional Research Service

Report RL31759

*Reconstruction Assistance in Afghanistan: Goals, Priorities,
and Issues for Congress*

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Updated February 26, 2003

Abstract. Most observers agree on the need for substantial, long-term reconstruction and the need for international support for Afghanistan, but questions are raised about the funds required, the priorities, and the coordination necessary for this process. This report examines U.S. foreign aid to Afghanistan in the context of the international effort and explores the major issues for Congress.

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Reconstruction Assistance in Afghanistan: Goals, Priorities, and Issues for Congress

Summary

Afghanistan has taken the first step toward reconstruction. According to many observers, the most serious challenge facing Afghans and Afghanistan today remains the lack of security. Most experts agree on the need for substantial, long-term reconstruction with international support, but questions are raised about the funds required, the priorities, and the coordination necessary for this process. This report examines U.S. foreign aid to Afghanistan in the context of the international effort and explores the major issues for Congress.

As a result of decades of violent conflict, Afghanistan is in great need of substantial reconstruction, from roads and schools to a broad range of development projects encompassing the whole country. Decades of civil war and proxy regional wars have created four intertwining and competing economies in Afghanistan revolving around war, drugs, agriculture, and humanitarian aid that drive conflicting incentives for Afghans and their neighbors. Effective reconstruction assistance could reconfigure these economies and provide incentives for viable economic growth.

The international recovery and reconstruction effort in Afghanistan is immense and complicated, with the Afghan government, numerous U.N. agencies, bilateral donors, many international organizations, and countless non-governmental organizations (NGOs) working to help Afghanistan. The international community and the Afghan government have sought to establish coordinating institutions and a common set of goals in order to utilize donor funds most effectively. Officially, international assistance is coordinated through the United Nations Assistance Mission in Afghanistan (UNAMA), though there are other coordinating institutions tied to the Afghan government.

Donor countries have committed \$1.7 billion and, from that, disbursed \$1.5 billion. Key areas of concern include whether the funding levels to Afghanistan are adequate and how much is being used for reconstruction. Some have argued that the majority of FY2002 funds—as much as 70%—went towards humanitarian aid.

The next major donor conference for Afghanistan will take place in March 2003. Some of the major reconstruction programs are government capacity building, women's programs, employment generation, road construction, agricultural rehabilitation, urban reconstruction, energy, education, health, communications, and media. There is concern about creating enough momentum behind reconstruction initiatives in the short term and sustaining international focus on Afghanistan in the long term, particularly in light of a possible war in Iraq. This report will be updated as events warrant.

Contents

Introduction	1
Background: Past Forms of Assistance to Afghanistan	1
Current Forms of Assistance	3
Humanitarian Assistance	3
Military Assistance	4
Reconstruction Goals	6
Institutional Mechanisms	6
U.S. Institutions	6
International Institutions	7
Pre-existing Institutions	8
New Coordinating Institutions	9
Donor Conference and Trust Funds	10
Coordination Challenges	11
Funding	12
International and U.S. Funding Levels	12
Pledge Fulfillment Problems	12
Questions about Funding Levels	13
Making Reconstruction a Funding Priority	14
Congressional Action	14
FY2001 Appropriations	14
FY2002 Appropriations	15
FY2002 Supplemental Appropriations	15
FY2003 Appropriations	15
Other Legislation	16
Reconstruction Assistance	16
Reconstruction Priorities	17
Reconstruction Programs	18
Government Capacity Building	18
Women's Programs	20
Employment Generation	21
Road Construction	22
Agricultural Rehabilitation	22
Urban Reconstruction	24
Energy	24
Education	24
Health	25
Communications and Media	25
Issues for Congress	25
Reconstruction Goals	25
Reconstruction Priorities	26
Funding	27
Donor Conferences and Trust Funds	28
Military Role in Humanitarian Assistance	28
Afghanistan and Possible Iraq War	28

List of Tables

Table 1. Lead Countries by Sector	18
Appendix - Afghanistan Assistance Donor Funds Committed and Disbursed by Country as of February 10, 2003	30

Reconstruction Assistance in Afghanistan: Goals, Priorities, and Issues for Congress

Introduction

Afghanistan has begun the slow process of reconstruction. According to many observers, the most serious challenge facing Afghans and Afghanistan today remains the lack of security. While the Taliban regime fell and the new government has celebrated its first anniversary, Afghanistan is still in a peacebuilding process, an essential part of which is reconstruction. Most observers agree on the need for substantial, long-term reconstruction and the need for international support, but questions are raised about the funds required, the priorities, and the coordination necessary for this process. This report examines U.S. foreign aid to Afghanistan in the context of the international effort and explores the major issues for Congress.

Background: Past Forms of Assistance to Afghanistan

The United States, other countries, and international relief organizations have long been active in providing assistance to the Afghan people.¹ During the 1980s, the United States along with other countries had funded, through Pakistan, the mujahedin forces fighting against the Soviet Union, as well as providing humanitarian aid to the large refugee camps in Pakistan. After the Soviet Union left Afghanistan and dissolved, the United States sharply reduced its programs. From FY1994, the United States Agency for International Development (USAID) did not have a mission in Afghanistan, but continued to provide aid mainly through U.N. agencies and non-governmental organizations (NGOs). During the violent civil war that lasted throughout the 1990s, the United Nations continued to seek a peace agreement, which would allow for sustained reconstruction. However, with the failure of several peace agreements, the international donor community focused primarily on humanitarian aid because the conditions were not stable for long-term development and donors did not want to provide assistance to the Taliban, which came to power in 1996. Between 1996 and 2001, the United States alone provided half a billion dollars in emergency aid to Afghanistan.²

¹ For further information on Afghanistan, please refer to CRS Report RL30588, *Afghanistan: Current Issues and U.S. Policy*, by Kenneth Katzman; and CRS Report RL31389, *Afghanistan: Challenges and Options for Reconstructing a Stable and Moderate State* by Richard Cronin.

² USAID, "U.S. Agency for International Development: Afghanistan Recovery and Reconstruction Strategy," document provided during briefing given by Andrew S. Natsios, October 18, 2002, p. 4.

The assistance situation changed dramatically once the Taliban was removed from power, allowing for the implementation of humanitarian assistance and the development of reconstruction plans. These plans quickly took shape with the Bonn Accord on December 5, 2001, which led to the formation on December 22, 2001 of an interim government led by Hamid Karzai. The central government was further strengthened in June 2002 through the *loya jirga*, which was attended by 1,550 delegates. It chose a new government to run Afghanistan for the next two years during which time a new constitution is to be drafted and elections are to be held. At the *loya jirga*, Karzai was chosen to lead the new government named the Islamic Transitional Government of Afghanistan (ITGA). The Afghan government has been working with the international donor community on reconstruction programs and plans, since a major donor conference in January 2002 in Tokyo and subsequent ongoing meetings with international donors.

As a result of decades of violent conflict, Afghanistan is in great need of substantial reconstruction, from roads and schools to a broad range of development projects encompassing the whole country. According to USAID, the decades of civil war and proxy regional war have created four intertwining and competing economies in Afghanistan.³ These economies create conflicting incentives for Afghans and their neighbors and have a determining influence on the future of Afghanistan.

- There is the war economy, an economy of arms trafficking, looting, kidnaping, black market activity, and the brokering of violence. Different factions, funded by neighboring countries, control border crossings, generate revenue from trade and illicit smuggling, support militias through arms purchases, and thus fuel violence. Some contend that this economy creates incentives for the continuation of conflict;
- Connected with the first is the drug economy.⁴ Poppy trade provides substantial income for some Afghans, but also has led to skyrocketing addiction rates in the region and created incentives leading away from other forms of agriculture critical to the sustained livelihood of the country;
- As a result of decades of conflict, deep poverty, and on-going drought, many Afghans rely on the benevolence of the international community, which has created a humanitarian aid economy. While humanitarian aid is essential in the short-term, the influx of money and people can create distortions in local markets and provide few incentives for local production. As a result, development aid agencies will be critical to assisting Afghans with local production;

³ For further discussion of these economies, see USAID, "U.S. Agency for International Development: Afghanistan Recovery and Reconstruction Strategy," October 18, 2002.

⁴ For more information, please refer to CRS Report RL31710, *Afghanistan: Prospects for Opium Eradication* by Rensselaer Lee.

- Agriculture has always been a mainstay of the Afghan economy, and, before the civil war, Afghanistan had been self-sustaining in agricultural production. In addition, Afghanistan also has other economic sectors, though much weakened by war. The most vibrant sector is transportation, which has long traversed Afghanistan and connected Central Asia with the Middle East and South Asia, but Afghanistan also has coal mines, oil and natural gas reserves, and a carpet weaving industry.

Effective reconstruction assistance could reconfigure these economies, reduce the war and drug economies, and provide incentives for viable economic growth.

Current Forms of Assistance

Before reconstruction recently got underway, the United States and the international community provided other forms of assistance: humanitarian, military, and security. During the height of the anti-Taliban war and with the preparations for both winters (2002 and 2003), the focus of assistance was on the continuation of the war and on humanitarian aid and quick-impact projects. Humanitarian, military, and security assistance continue.

Humanitarian Assistance. The United Nations and other organizations have provided Afghans humanitarian assistance since at least 1979, when the Soviet Union invaded Afghanistan.⁵ As a result of this long-term involvement, the United Nations and other organizations had a basic institutional network in the region to provide and expand humanitarian assistance.

Since the fall of the Taliban regime and the establishment of a new government, this institutional network has been utilized. The Afghan government and the international donor community have sought to focus on reconstruction, but humanitarian relief assistance continues to be greatly needed. The overwhelming majority of assistance (outside of military aid) to date has been spent on humanitarian needs. The United States has been the largest contributor of humanitarian assistance to Afghans.⁶

Refugees and internally displaced persons (IDPs) have been the focus of much humanitarian assistance. These groups have been returning to their homes in unexpectedly high numbers. The U.N. High Commissioner for Refugees (UNHCR) reports that since March 1, 2002, more than two million Afghan refugees have repatriated mainly from Pakistan but also from other neighboring countries. This is more than double the number expected by UNHCR. As of August 2002, another 230,000 IDPs returned to their homes with the assistance of the International

⁵ Between 1997 and 1999, Afghans in Afghanistan and in surrounding refugee camps received approximately \$300 million in total aid each year. Haneef Atmar and Jonathan Goodhand. 2002. "Aid, Conflict and Peacebuilding in Afghanistan: What Lessons Can Be Learned?" *International Alert*.

⁶ Specific funding amounts are provided in a later section.

Organization for Migration (IOM).⁷ Returnees require continuing humanitarian aid, but they also need transitional assistance for resettlement, such as housing supplies, seeds and agricultural resources, jobs, and other services. With the return rate higher than expected, UNHCR and other aid agencies remain very concerned that they cannot provide returnees with the same level of resources as previously and that returnees are also returning to a lack of adequate resources.

At the same time, there are many other refugees and IDPs who have still not returned to their homes and require humanitarian assistance. The difficulties of winter are affecting large proportions of the Afghan population, not only returning refugees and IDPs. In response, aid agencies have prepositioned food, clothing, and other items, particularly in areas typically isolated during the winter. Furthermore, the region has been affected by a severe drought since 1999. While some areas have improved, the drought continues, which means that some areas cannot return to previous levels of agricultural production and continue also to rely on humanitarian assistance.

Military Assistance. The international military involvement in Afghanistan, Operation Enduring Freedom (OEF), began on October 7, 2001. Twenty-seven nations have deployed more than 14,000 troops in support of OEF.⁸ Of these twenty seven, 14 NATO members, NATO Partners, and other countries have been involved through special operations forces, the provision of planes and ships, and operations involving surveillance and interception. OEF continues with 9,000 U.S. troops and about 2,500 non-Afghan, non-American troops. These troops in Afghanistan continue to search for Taliban and al Qaeda fighters and weapons caches in southern and eastern Afghanistan.⁹ According to the Department of Defense (DOD), the cost of the war in Afghanistan has been \$12.595 billion for the United States in FY2002.¹⁰

According to the Afghan government, the United Nations, and international NGOs, the lack of security remains the most serious challenge.¹¹ Former commanders maintain control over their own areas and continue fighting with their rivals, which further makes difficult the extension of the national government, the provision of humanitarian assistance, and the initiation and implementation of reconstruction. With the continued fighting and insecurity, the process of demobilization and integration of combatants has been slow, but on January 10, 2003, the United Nations and the Afghan government announced a plan for 250,000

⁷ USAID, *Afghanistan – Complex Emergency Situation Report*, Dec. 18, 2002, p. 1.

⁸ “Operation Enduring Freedom: One Year of Accomplishments,” [http://www.whitehouse.gov/infocus/defense/enduringfreedom.html].

⁹ James Dao, “U.S. Shifts Emphasis in Afghanistan to Security and Road Building,” *The New York Times*, Nov. 12, 2002.

¹⁰ DOD Report to Congress, *Defense Emergency Response Fund, FY2002, September Execution Report, Briefing to Congressional staff*, Dec. 19, 2002.

¹¹ Care International, “Policy Brief,” Jan. 2003; U.N. Security Council, “The situation in Afghanistan and its implications for international peace and security: report of the Secretary-General (A/57/487-S/2002/1173),” Oct. 21, 2002.

militiamen to hand over their weapons in exchange for cash, vocational training, and employment assistance.¹²

The main programs to improve the security situation have been the insertion of the International Security Assistance Force (ISAF) and the creation of an Afghan National Army (ANA) and police force.¹³ ISAF is a U.N.-mandated, multinational force deployed in and around Kabul as a peacekeeping force since December 20, 2001. Twenty-three countries, mostly NATO allies, have contributed troops or personnel to the 4,500-strong force. The mission of the ISAF is to (1) assist the interim Afghan government in building a national security infrastructure, (2) assist in the country's reconstruction, and (3) assist Afghanistan in training its future security forces. At the end of June 2002, the United Kingdom handed over to Turkey the command of ISAF. Germany and the Netherlands took over command of ISAF on February 10, 2003. U.S. troops provide some assistance to the ISAF (i.e., logistical, intelligence, and quick reaction force support), but they do not engage in peacekeeping.

President Karzai, U.N. officials, and others have asked that ISAF be expanded, so that peacekeeping could take place outside of Kabul, but there has been a lack of international consensus on this issue.¹⁴ In response to security concerns, the Pentagon has initiated a shift from an emphasis on military action to one on reconstruction and security. While U.S. military action continues under OEF, by February 2003 the U.S. military planned to put 75% of its effort towards reconstructing security services and supporting civil reconstruction through "provincial reconstruction teams," which would join civilian and military efforts in regional areas outside Kabul.¹⁵ The United States will also be centrally involved in the training of the ANA. According to government officials, the United States will keep some troops in Afghanistan for several years.¹⁶

¹² "Afghans, UN embark on mammoth disarmament plan," *Reuters*, Jan. 10, 2003, [<http://www.reliefweb.int>]. Before this announcement, smaller disarmament programs had been implemented, such as more than 6,000 small arms and 30 tanks collected in Kunduz since Nov. 10, 2002. USAID, *Afghanistan – Complex Emergency Situation Report*, Dec. 18, 2002.

¹³ The creation of the army and police force are discussed later in the report.

¹⁴ "Pentagon Plans a Redirection in Afghanistan," *The Washington Post*, Nov. 20, 2002. According to Joseph J. Collins, U.S. deputy assistant secretary of defense for stability operations, "I think the physical expansion of ISAF is a dead letter because nobody wants to do it." James Dao, "U.S. Shifts Emphasis in Afghanistan to Security and Road Building," *The New York Times*, Nov. 12, 2002.

¹⁵ U.S. Dept. of State, "Fact sheet details U.S. support for rebuilding Afghanistan," Jan. 9, 2003.

¹⁶ "U.S. Shifts Emphasis in Afghanistan to Security and Road Building," *The New York Times*, Nov. 12, 2002.

Reconstruction Goals

The international recovery and reconstruction effort in Afghanistan is immense and complicated, with the Afghan government, numerous U.N. agencies, bilateral donors, many international organizations, and countless NGOs working to help Afghanistan. The international community and the Afghan government have sought to establish a common set of goals in order to utilize donor funds most effectively. In agreement with many in the international donor community during its six-month tenure, the first transitional government identified intended outcomes of the reconstruction process: political stability and security, access to basic services, an adequate standard of living for its people, economic growth, and, in the long term, independence from foreign aid.¹⁷

However, these goals are broad and abstract because Afghanistan not only experienced 23 years of war but also was one of the less developed countries even before the war. Particularly in the case of Afghanistan, humanitarian assistance, reconstruction, and development are not easily separable. Humanitarian assistance can overlap with the goals of reconstruction, such as by repairing water systems to provide clean water or by providing basic building materials to repair housing. Reconstruction and development further blend in the case of Afghanistan. These efforts run on parallel and sometimes overlapping tracks.

Institutional Mechanisms

To understand the reconstruction process in Afghanistan, it is useful to be familiar with the different institutions involved in the process and their own particular institutional mechanisms for conducting and coordinating post-conflict reconstruction. Many of these mechanisms were put into place during earlier reconstruction attempts in Afghanistan or were a result of lessons learned from other post-conflict countries. Building on these initiatives, the international community sees Afghanistan as a test case for new forms of donor coordination. As a result, not only is Afghanistan the beneficiary of past practices, but also the international community, including the United States, has invested itself in the success of Afghan reconstruction.

U.S. Institutions

Before 2001, U.S. aid to Afghanistan mainly flowed through U.N. agencies and NGOs, but the U.S. role increased dramatically since Operation Enduring Freedom (OEF) began.¹⁸ U.S. government funding has come from three main agencies –

¹⁷ The World Bank reported these goals in its “Afghanistan: Preliminary Needs Assessment for Recovery and Reconstruction,” II. The Development Framework, [http://lnweb18.worldbank.org/SAR/sa.nsf/Attachments/df/\$File/n-df.pdf].

¹⁸ USAID established a Disaster Assistance Response Team (DART) office in Pakistan in June 2001 in response to the humanitarian emergency in Afghanistan from the regional drought that had become a serious threat by 1999. Other than this office, the United States

USAID, the State Department, and Department of Defense (DOD) – and follows several routes to Afghanistan. First, the United States provides bilateral aid to Afghanistan. These bilateral funds are either distributed to NGOs, which provide services in Afghanistan, or directly to the Afghan government. At USAID, funds are distributed through the Office of Foreign Disaster Assistance (OFDA), the Office of Transition Initiatives (OTI), the Office of Food for Peace (FFP), Economic Growth Agriculture and Trade (EGAT) Bureau, and the Asia Near East (ANE) Bureau.¹⁹ At the State Department, funds are distributed through the Bureau for Population, Refugees, and Migration (PRM), Bureau for International Narcotics and Law Enforcement Affairs (INL), and Humanitarian Demining Programs (HDP). DOD provides funding through its Overseas Humanitarian, Disaster and Civic Aid (OHDACA) program, which includes three segments: the Humanitarian Mine Action Program, the Humanitarian Assistance Program, and Foreign Disaster Relief Assistance.²⁰ Military and security assistance are also provided through the DOD. Other funds are distributed through U.S. Department of Agriculture (USDA) and the Centers for Disease Control and Prevention (CDC).

Second, Afghanistan also receives U.S. aid through multilateral institutions. The most important avenue is through the United Nations and its affiliated agencies, such as U.N. High Commissioner for Refugees (UNHCR), U.N. Development Program (UNDP), the World Food Program (WFP), and World Health Organization (WHO), and through international financial institutions, such as the World Bank and the International Monetary Fund (IMF). Some U.S. funding for Afghanistan comes from U.S. dues and additional voluntary donations to the United Nations through the State Department's International Organizations account or, in the case of UNHCR, through the State Department's Migration and Refugee Assistance (MRA) account and Emergency Refugee and Migration Assistance (ERMA) Fund. Funds for the World Bank and other international financial institutions are allocated through the Treasury Department within the foreign operations appropriation bill.

International Institutions

For countries emerging from conflict, the international donor community has established a series of institutional mechanisms for developing and coordinating reconstruction. Though adapted to specific situations, these institutional mechanisms are generally the same. In general, the international donor community is considered to be made up of international organizations and donor countries. This section provides an overview of the institutional map of the international donor community working with Afghanistan.

relied on the United Nations and others to provide assistance.

¹⁹ In June 2002, the DART office was replaced by the USAID Office for Foreign Disaster Assistance (OFDA), which continues to monitor the humanitarian situation and coordinate the response with the broader humanitarian community.

²⁰ See the DOD's budget justification for FY2003:
[http://www.dtic.mil/comptroller/fy2003budget/budget_justification]

Pre-existing Institutions. Many institutions were in place before September 11, 2001. The United Nations and the World Bank demonstrate the largest institutional presence in conflict and post-conflict areas, though many NGOs and other international actors have long played an essential assistance role in Afghanistan. In Afghanistan in 1988, the Geneva Peace Accords were signed, which led to the Soviet withdrawal. With the peace accord in place, the United Nations established an active presence in Afghanistan. The United Nations commonly maintains separate offices for (1) political and peace processes (Pillar I) and (2) humanitarian and reconstruction operations (Pillar II). Since 1988 in Afghanistan, these offices had received a series of different names, but most recently the Pillar I office was run by the United Nations Special Mission to Afghanistan (UNSM) and the Pillar II office was run by the United Nations Office for Coordination of Humanitarian Affairs (UNOCHA).

With each attempt at a sustainable peace, the United Nations sought to implement reconstruction. As the U.N.'s development agency, UNDP in 1993 conducted a major study for the immediate rehabilitation and long-term reconstruction of Afghanistan in response to peace accords in that year. As a result, UNDP and others had systematically examined the humanitarian and reconstruction needs of a post-war Afghanistan, but the peace process did not hold and fighting began again.

In 1997, there was hope again for a peace accord.²¹ In Afghanistan, UNDP developed its Strategic Framework, a new coordinating structure aimed to bring coherence to multilateral, bilateral, and non-government efforts. The UNDP planned to reorient international development according to this new structure, and thus Afghanistan played an important role in these new ideas and programs. As part of this framework, the United Nations organized the International Forum on Assistance to Afghanistan in Turkmenistan, which led to the Afghanistan Support Group (ASG). Made up of the 15 largest donor countries and the EU, ASG met (until recently) twice per year and focused on coordination of humanitarian relief efforts.²² Since September 11, 2001, this formal coordinating structure for humanitarian and reconstruction efforts has been utilized.

The World Bank has also had a continuing role. For countries in conflict, the World Bank generally puts them in "Watching Brief" status, during which the World Bank monitors the country's economy and provides analytical support to international relief agencies at work within its borders, thus supporting preparation efforts for reconstruction. In 1997, Afghanistan entered Watching Brief status, which, beyond monitoring, also provided funds for training of Afghan women's non-governmental organizations based in Pakistan and for training of Afghan teachers in refugee camps also in Pakistan.

²¹ As part of the peace process, the "Six Plus Two" contact group, which included the United States, Russia, and six neighboring countries, had its first meetings. This and other contact groups formed the basis of the current peace accords in Afghanistan.

²² A year later, the Afghanistan Programming Body (APB) also was formed, which developed policy and consensus within the assistance community. At that time, Japan chaired both the ASG and APB.

New Coordinating Institutions. In November 2001, with the possibility of the fall of the Taliban and a potential opening for sustainable reconstruction work, the international donor community quickly began new initiatives. The donor countries formed the Steering Group for Assistance in the Reconstruction of Afghanistan in Washington, DC, chaired by the European Union, Japan, Saudi Arabia, and the United States. The Steering Group began an assessment of Afghanistan's needs. To coordinate donor activities on a more operational level, the Steering Group in January 2002 formed the Implementation Group, which met quarterly in 2002 in Kabul, providing further support to the Afghan government.

The World Bank with other multilateral organizations organized several conferences where Afghans, NGOs, and donors discussed reconstruction. The World Bank also prepared a Transitional Support Strategy (TSS) that outlines a range of tasks, while the UNDP organized an Immediate Transitional Assistance Program (ITAP). The ITAP sets out immediate tasks and quick-impact programs. In March 2002, the United Nations formed United Nations Assistance Mission in Afghanistan (UNAMA) bringing together the political (Pillar I) and humanitarian/reconstruction (Pillar II) efforts. Lakhdar Brahimi, Special Representative for the Secretary-General to Afghanistan, organized the Bonn Accord signed on December 5, 2001 and now directs UNAMA.²³

Currently, the international donor community has put great emphasis on “ownership” – meaning leadership and control – of reconstruction efforts by the country itself. The Afghan government has taken on an increasingly central role in reconstruction planning and the management of aid funds. In February 2002, the Afghan government established the Afghan Assistance Coordination Authority (AACA) that interacts with donor coordination groups to regulate aid traffic and seeks to ensure that the aid provided supports some government programs and is not fragmented or subject to donor competition. AACA monitors aid flows through a database – funded and provided by UNDP – that tracks donors, their pledges, and programs.²⁴ The database is considered to be about 70% accurate. The Afghan government has also developed its own priorities in its National Development Framework (NDF), which is going through further revision to become the National Development Budget (NDB) by March 2003.

Consultative Groups are institutional mechanisms associated with the World Bank that provide more control to countries receiving assistance than the “Watching Brief” status because country representatives are members of consultative groups. On December 18, 2002, the ASG dissolved itself and turned over its responsibilities to the new Consultative Group based in Kabul and led by Afghan finance minister,

²³ This accord was signed in Bonn, Germany on December 5, 2001 and the interim government began, led by Hamid Karzai, on December 22, 2001. The Emergency *Loya Jirga* in June 2002 was another step in this process towards elections in 2004. The peace process mainly involved the four groups involved in previous peace talks and did not include the Taliban. “United Nations Talks on Afghanistan,” The Ministry of Foreign Affairs of Japan, December 6, 2001, [http://www.mofa.go.jp/region/middle_e/afghanistan/untalk0112.html].

²⁴ For further information, see the AACA website: [<http://www.afghanaca.org>].

Ashraf Ghani.²⁵ This Consultative Group will differ from the usual model in that consultative Groups primarily focus on economic development, but the Afghan group will also maintain an emphasis on humanitarian needs because of continuing serious humanitarian concerns.²⁶

Donor Conference and Trust Funds. In addition to providing their own assistance to Afghanistan, international organizations and international financial institutions have administered donor conferences, trust funds, and humanitarian and reconstruction programs. With the Bonn accord and interim government in place, the UNDP organized a donor conference, in which the interim government presented its reconstruction plans and country representatives and international NGOs made pledges in order to show international support for those plans. These pledges represent amounts that countries were willing to earmark for Afghanistan. At the first major donor conference, which took place in January 21-22, 2002 in Tokyo, the ITAP was presented and funds pledged. Sixty-one countries and twenty-one international organizations pledged \$1.8 billion for 2002. The U.S. government alone pledged \$297 million, just under 25% of total pledges. The cumulative total was \$4.5 billion, with some states making pledges over multiple years and commitments of different time frames. The next major donor conference is scheduled for March 2003, during which the Afghan government will present its National Development Budget (NDB) and donors direct their pledges toward specific priorities in the NDB.²⁷

The international community has placed great emphasis on paying the Afghan government's current expenditures, most importantly the salaries of government employees, in order to build up government capacity and sustain momentum. Towards this end, several trust funds have been established. Trust funds allow for rapid distribution of monies because they remove the administrative requirements of multiple funds. Donor countries decide to contribute to these trust funds and urge others to make contributions. UNDP created the Afghan Interim Authority Fund (AIAF) for donor contributions to the first six months of governmental operations and other related activities, mobilizing \$65.8 million for immediate operating costs. AIAF paid the salaries of over 100,000 civil servants in the first two months of the government, repairs of ministry and state buildings, the operation of the Emergency *Loya Jirga* Commission, the provision of basic equipment and vehicles for ministries, and the preparation work of experts for the establishment of a Civil Service Commission.²⁸

²⁵ Walter Gibbs, "Donor Group Gives Karzai Control of Aid," *The New York Times*, December 19, 2002. The Implementation Group was also supposed to have dissolved itself by December 2002.

²⁶ "Building upon Existing Structures: A Government Led Consultative Group in Afghanistan," Oct. 13, 2002, [<http://www.afghanaca.org>]. For more on consultative groups, see [http://www.areu.org.pk/a_to_z/terms/cg.html].

²⁷ There have been other donor conferences, such as one on December 17-18, 2002 where UNDP's Transitional Assistance Program for Afghanistan (TAPA) for 2003 was presented and \$1.2 billion pledged, but it is not clear that these pledges represented new funds.

²⁸ UNDP, "Afghanistan Fact Sheet," [<http://www.undp.org/afghanistan/FactSheet-final.doc>]

On July 22, 2002, the Afghanistan Reconstruction Trust Fund (ARTF) succeeded the AIAF. ARTF provides funds for the government's budget, investment activities and programs including quick-impact recovery projects, funding to support the participation of Afghan experts residing abroad, and training programs for Afghans. Contributions from donors to date have totaled some \$95 million, and over \$200 million more is expected.²⁹ In addition, the Law and Order Trust Fund for Afghanistan (LOTFA) is beginning to cover the basic needs of the police in the Kabul region. UNDP manages this fund in cooperation with the Afghan government and the UNAMA. Activities to be covered through LOTFA include the rehabilitation of police facilities, payment of salaries, training and capacity-building, and procurement of non-lethal equipment. The idea is that sufficient resources will be provided to this fund to allow funding activities to be expanded to other provinces soon.³⁰

Coordination Challenges. From decades of experience in Afghanistan, the international community has developed coordinating mechanisms and institutions, which have helped to move the reconstruction process forward. Coordination is an important goal and, as has been demonstrated in previous conflicts, coordinated activities generally lead to fewer unintended consequences, quicker learning processes, and more effective results.³¹ The institutional networks have altered over time with UNAMA taking on the main coordinating role in March 2002.

Some observers argue that the Afghan government, international organizations, NGOs, donor countries, and others are following their own priorities and programs, and are not coordinated enough.³² Some have suggested that complete coordination may be both unnecessary and ineffective, especially when different organizations do not share common goals or strategies.³³ For example, the United Nations, the United States, and others have supported regime change in Afghanistan, which has led to a specific strategy to bolster the regime change with reconstruction. For those in Afghanistan and the region who do not support this goal of regime change or for those who have been marginalized by regime change (such as former supporters of

²⁹ See Afghanistan Reconstruction Trust Fund Contributions, [<http://www.worldbank.org/artf>].

³⁰ U.N. Security Council, "The situation in Afghanistan and its implications for international peace and security: report of the Secretary-General (A/57/487-S/2002/1173)," Oct. 21, 2002, section 16.

³¹ "In the past, international action has often been part of the problem rather than the solution. It has been half-hearted, uncoordinated, often one-sided and has frequently created the wrong kinds of incentives. Continued support by the international community for a UN-led peacebuilding process is essential." Haneef Atmar and Jonathan Goodhand. 2002. "Aid, Conflict and Peacebuilding in Afghanistan: What Lessons Can be Learned?" International Alert, p. 7.

³² Sue Lautze et al. "Qaht-E-Pool 'A Cash Famine' Food Insecurity in Afghanistan, 1999-2002," May 2002; Nicholas Stockton, Strategic Coordination in Afghanistan. "Strategic Coordination in Afghanistan," Afghanistan Research and Evaluation Unit, August 2002.

³³ Nicholas Stockton, Strategic Coordination in Afghanistan. "Strategic Coordination in Afghanistan," Afghanistan Research and Evaluation Unit, August 2002.

the Taliban regime), supposedly neutral, non-partisan humanitarian assistance could appear partisan. Coordination is a complicated matter, but some would argue that there should be coordination only among like-minded organizations, such as among humanitarian groups, separate from the coordination of political groups, and separate from the coordination of military oriented groups.³⁴

Funding

International and U.S. Funding Levels

Areas of concern include whether the funding levels to Afghanistan are adequate and whether funding is being used for reconstruction. The Afghan government's donor assistance database, which keeps track of aid flows, provides a picture of international funding levels. (For a list of the funds committed and disbursed by country, see the appendix of this report.) It should be recognized that these numbers are self-reported by countries, may include double counting (such as country pledges that flow through U.N. organizations), and may cover non-monetary items (such as food aid or donation of used goods). In addition, some new projects have not yet been included, such as a road project proposed by Iran.

Donor countries have committed \$1.7 billion and, from that, disbursed \$1.5 billion. The top donor countries (in descending order by funds committed) are as follows: the United States, European Commission, Japan, Germany, United Kingdom, Saudi Arabia, the Netherlands, Italy, France, and China.³⁵

Pledge Fulfillment Problems. With donor countries committing \$1.7 billion and disbursing \$1.5 billion, the numbers approach the \$1.8 billion pledged at the donor conference in Tokyo in January 2002. Throughout the year, however, the Afghan government expressed disappointment and even exasperation for delays in the delivery of funds that slowed reconstruction and, therefore, undermined popular support of the government. According to the Afghan government, as of October 11, 2002, about 67% of the pledges had been disbursed.³⁶ Some of these delays could be explained by the donor countries' need to obtain Congressional or Parliamentary support and appropriations for funds, which takes time. Yet, efforts have been needed to make certain countries deliver their pledges. In addition, some countries have changed their pledges. For example, for the Kabul-Kandahar-Herat road project, Saudi Arabia has changed its \$50 million pledge to a \$30 million low-interest loan.³⁷

³⁴ Nicholas Stockton, "Strategic Coordination in Afghanistan," Afghanistan Research and Evaluation Unit, August 2002, pp. 45-46.

³⁵ This information comes from the AACA donor database. While the database states that the European Commission committed \$376 million and disbursed \$242 million, it is difficult to ascertain whether this money is different from the totals given by each individual EU country.

³⁶ Afghan Assistance Coordination Authority, "Transitional Government: Preliminary Analysis of Aid Flows to Afghanistan," Oct. 11, 2002.

³⁷ "Saudis Alter Promise to Help Afghans," *The Washington Post*, Dec. 22, 2002.

In response to Afghan government requests, the U.S. Defense Department and State Department have assigned senior officials to raise money from other countries for reconstruction, particularly for the training, equipping, and housing of the Afghan national army. Two of these senior officials went to the Persian Gulf to fund-raise and obtained several new pledges.³⁸

Questions about Funding Levels. Despite the seemingly large pledges, many observers have argued that even the pledged amounts are not adequate. According to the preliminary needs assessment presented in January 2002 by the UNDP, the World Bank, and the Asian Development Bank (ADB), Afghanistan would need \$15 billion over the next 10 years.³⁹ U.S. Secretary of State Colin Powell stated that Afghanistan would need \$8 billion over the next five years.⁴⁰ The Afghan government, however, seeks much more money and resources for reconstruction, arguing that 23 years of war necessitates increased funds. The Afghan government seeks \$22 billion over the next decade and \$45 billion over twenty years.⁴¹ Donor countries at the Tokyo conference pledged around \$4.5 billion, about one third of the UNDP-WB-ADB \$15 billion estimate, though the \$1.8 billion pledge for the first year met the estimated levels. The U.N. Secretary-General has criticized these pledging levels: “the [Afghan] Government, regrettably, remains very much under-resourced. The total needs of a country recovering from over two decades of conflict, destruction and drought outstrip even the \$1.8 billion generously pledged at the donor conference held in Tokyo on 21 and 22 January 2002.”⁴² In sum, the long-term funds pledged have not reached the amount deemed necessary by the UNDP, World Bank, and ADB.

Observers also have found that, in comparison with other countries, Afghanistan has received smaller pledges and less funding. The pledges calculated as per capita annual allocations are far smaller in Afghanistan than in many other post-conflict situations – \$42 for Afghanistan, versus \$195 for East Timor, \$288 for Kosovo and \$326 for Bosnia.⁴³ As part of this funding, the numbers of peacekeepers have also been comparatively low. The number of people per peacekeeper has been in Kosovo 48 people, in Bosnia 58 people, in Sierra Leone 304 people, and in Afghanistan 5,380 people.⁴⁴

³⁸ “U.S. Shifts Emphasis in Afghanistan to Security and Road Building,” *New York Times*, Nov. 12, 2002.

³⁹ “Donors receive estimates of Afghanistan’s reconstruction ahead of Tokyo conference,” UNDP Press Release, Jan. 15, 2002, [<http://www.undp.org>].

⁴⁰ “Afghanistan: EU Puzzled by Kabul’s Call for \$45 Billion in Aid,” *RFE/RL*, Jan. 14, 2002.

⁴¹ “Diplomats’ Calculators Work Overtime on Afghan Aid,” *Reuters*, Jan. 18, 2002.

⁴² U.N. Security Council, “The situation in Afghanistan and its implications for international peace and security: report of the Secretary-General (A/57/487-S/2002/1173),” Oct. 21, 2002, section 55.

⁴³ Arthur C. Helton and Jennifer Seymour Whitaker, “Nation-Busting from Afghanistan to Iraq,” *International Herald Tribune*, Nov. 15, 2002.

⁴⁴ Care International, “Policy Brief,” Jan. 2003, p. 4.

Making Reconstruction a Funding Priority. The Afghan government has particularly complained that donors have not provided adequate funding for reconstruction. The overwhelming majority of U.S. funding dedicated to Afghanistan has gone to DOD's spending for the war against the Taliban and al Qaeda and DOD's continued activities. For FY2002, the amount is \$12.595 billion.⁴⁵ That total is about 24 times greater than the \$531 million that the U.S. government spent in FY2002 on humanitarian and reconstruction assistance.⁴⁶

The Pentagon has indicated that some troops are now aiding in road construction and other reconstruction projects as well as performing their normal duties. The \$6.1 billion that DOD received for Afghanistan and the global war on terrorism in H.J. Res 2, P.L. 108-7, the FY2003 Consolidated Appropriations Resolution, covers DOD's continuing costs of deploying forces in Afghanistan and heightening security in the United States in the first quarter of FY2003.

In non-military assistance, most funding – some say 70% of FY2002 funds – went towards humanitarian aid—usually considered urgent food, shelter, and medical care.⁴⁷ The majority of this assistance was food aid, which is essential for humanitarian crises but, according to experts, is problematic in the longer term for reconstruction. According to this view, food aid in a non-emergency situation undercuts market prices for food and decreases the incentive for agricultural production.⁴⁸

In addition, the Afghan government argues for a different process of funding. Since humanitarian aid generally moves through the United Nations and non-governmental organizations, the Afghan government does not have access to these funds or control over how they are distributed. Moreover, it cannot use these funds to increase capacity building in the government and therefore cannot demonstrate government effectiveness to the Afghan population.

Congressional Action

FY2001 Appropriations. The United States has long been the major donor and contributor to the Afghan people. According to USAID, during FY2001 the U.S. government provided \$184.3 million in humanitarian assistance to Afghanistan.

⁴⁵ DOD Report to Congress, Defense Emergency Response Fund, FY2002, September Execution Report, Briefing to Congressional staff, Dec. 19, 2002.

⁴⁶ Others have stated that it is 30 times more. "Nation-Busting from Afghanistan to Iraq," *International Herald Tribune*, Nov. 15, 2002.

⁴⁷ In October 2002, Afghanistan's foreign minister, Abdullah Abdullah, said that some 70 percent of the \$4.5 billion pledged at the donors conference in January 2002 in Tokyo was designated for humanitarian organizations. Jim Abrams, "Afghan Official Presses U.S. on Aid," *AP Online*, Oct. 21, 2002.

⁴⁸ Sue Lautze et al. "Qaht-E-Pool 'A Cash Famine' Food Insecurity in Afghanistan, 1999-2002," May 2002, p. 39.

FY2002 Appropriations. On October 4, 2001, President Bush announced an initial U.S. commitment of \$320 million in humanitarian assistance to Afghans both inside and outside Afghanistan's borders. Multiple U.S. agencies are providing some form of humanitarian and reconstruction assistance, which cover a wide variety of aid, services, and projects. Overall, the United States provided over \$530 million in FY2002 Afghan humanitarian assistance directly through government agencies or as a result of grants to international organizations and NGOs, a total above the original commitment of \$320 million.

At the first major donor conference held in Tokyo in January 2002, donor countries and other organizations pledged a total of \$1.8 billion for 2002. The cumulative total pledged at Tokyo was 4.5 billion with some states making pledges over multiple years and commitment of different time frames. The U.S. government pledged \$297 million, funds which were drawn from existing sources - either from the \$40 billion Emergency Terrorism Response supplemental (P.L. 107-38) that was passed shortly after the September 11, 2001 attacks⁴⁹ or from regular FY2002 appropriations, P.L. 107-115, passed on January 10, 2002.

FY2002 Supplemental Appropriations. Both the House and the Senate proposed higher aid levels for Afghanistan reconstruction and security funding than the President's FY2002 \$250 million Emergency Supplemental request. The FY2002 Supplemental (P.L. 107-206, H.R. 4775) did not set a specific amount for Afghanistan, but it appears that amounts for economic, humanitarian, and security aid intended by Congress totaled \$304 million. Because of an executive-legislative dispute over "contingent emergency" funds in the Supplemental Appropriation, including some money for Afghanistan, not all of the amount intended by Congress was available. In September 2002, the Administration allocated \$258 million for Afghanistan, slightly above the requested level, but below the amount assumed by Congress. This assistance is in addition to the \$297 million in FY2002 funding previously allocated.

FY2003 Appropriations. No figures were provided in the Administration's request for Afghanistan for FY2003, although the Administration told Congress that its request included about \$140 million, \$98 million of which would come from Foreign Operations appropriations accounts. On September 12, 2002, the Administration pledged an additional \$80 million for road reconstruction through USAID.

The Senate version of the FY2003 foreign aid appropriations (S. 2779, S.Rept. 107-219) recommended a slightly higher level, \$157 million for Afghanistan, and the House version (H.R. 5410) recommended almost double the request, \$295.5 million. Recent indications by the Pentagon of a likely shift in strategy in Afghanistan, where troops will assist with initial reconstruction projects, raise the possibility of additional funds being made available through the Department of Defense. However,

⁴⁹ Shortly after September 11, 2001, the Congress approved the Emergency Terrorism Response supplemental (P.L. 107-38), which from its \$40 billion total allocated \$1.5 billion to foreign operations.

both House (H.R. 5410) and Senate (S. 2779) Foreign Operations bills, as reported in 2002, expired with the end of the 107th Congress.

On January 23, 2003, the Senate adopted a revised FY2003 Foreign Operations measure as part of H.J.Res. 2, a continuing appropriation bill to which the Senate had added full text of the 11 funding measures that had not been enacted for that fiscal year. The new bill was similar, but modified in several ways what the Senate Appropriation Committee had reported last year in S. 2779. H.J.Res. 2 recommended \$220 million for Afghanistan, more than double what the Administration had assumed in its request and \$63 million higher than the Senate bill in the 107th Congress. The Senate measure further included several provisions emphasizing the needs of Afghan women and children by earmarking as much as \$75 million of the total for these groups. The House bill from the 107th Congress (H.R. 5410) had recommended \$295.5 million for Afghanistan, nearly triple the Administration's request. In H.J.Res. 2, P.L. 108-7, the FY2003 Consolidated Appropriations Resolution, \$295.5 million was appropriated for humanitarian and reconstruction assistance in Afghanistan.

Other Legislation. There have been several authorizing bills. *The Afghan Women and Children Relief Act of 2001* (P.L. 107-081) is legislation signed into law on December 12, 2001 to authorize the provision of educational and health care assistance to the women and children of Afghanistan. No specific amount was authorized.⁵⁰

The Afghanistan Freedom Support Act of 2002 (P.L. 107-327, S. 2712), passed by Congress on November 15, 2002 and signed by the President on December 4, 2002, authorizes an additional \$3.3 billion for Afghanistan over four years. Included is \$2 billion for humanitarian, reconstruction, and enterprise fund assistance through FY2006 and \$300 million in drawdown from U.S. military stocks of defense articles and equipment for Afghanistan and other countries and organizations participating in restoring Afghan security. The legislation also includes a Sense of Congress that calls for an expanded ISAF with an authorization of an additional \$1 billion over two years.

Reconstruction Assistance

The Afghan government and the international community are seeking to move more quickly to reconstruction. As already stated, reconstruction must cope with the destruction of 23 years of war and with the distortions in the Afghan economy, in which the war and drugs compete to the detriment of agriculture and other economic activities. The Afghan government faces a daunting task. Reconstruction is seen as the single most important factor in sustaining peace.⁵¹ According to many observers,

⁵⁰ The State Department July 2002 report *U.S. Support for Afghan Women, Children, and Refugees* was mandated by this legislation.

⁵¹ See "Afghan War Faltering, Military Leader Says; Myers Cites Al Qaeda's Ability to Adapt," *The Washington Post*, Nov. 8, 2002.

successful reconstruction will stop disillusionment with the new system in Afghanistan and will keep Afghanistan from again becoming a haven for terrorists. It is important to remember that, while Afghans signed the Bonn Accord in December 2001, Afghanistan is still in a crucial peace-building stage. Some point out that the collapse of law and order in the 1990s was a key factor behind the Taliban's military successes in subsequent years.⁵²

Quick-impact programs (with a time frame of four to six months) initiated the post-emergency transition toward reconstruction and constituted the initial part of more long-term programs in education, health, poppy eradication, and other areas. These projects also provide an important basis for further reconstruction.⁵³ Numerous small-scale and some large longer-term, mostly road, projects are underway.

There are several issues of concern for the international community, the Afghan government, and observers beyond the funding challenges discussed above. First, the lack of security has threatened the progress of reconstruction. Second, not much obvious progress has been made on reconstruction because there have been many small programs and few large programs. According to some observers, Afghans have become frustrated with what they perceive as little evidence of reconstruction. There are many possible explanations for the perceived lack of progress: lack of security, lack of human and physical capacity to implement substantial reconstruction, inadequate funding levels, and funding predominately going towards the continuing humanitarian crisis and towards the administrative costs of the international donor community, rather than towards reconstruction projects. Both security and progress on reconstruction are necessary in order to maintain international donor interest in Afghan reconstruction, encourage private investment in Afghanistan, and maintain Afghans' hope in improvement in their country and their own lives.

Reconstruction Priorities

The goals of the reconstruction process are broad and abstract. These goals cover recovery, reconstruction, and development. The international community and the Afghan government have sought to establish priorities. The international community initially divided up the reconstruction effort so that each donor country was the lead for specific project areas. Table 1 shows the distribution of the reconstruction effort.

⁵² See U.N. Security Council report, "The situation in Afghanistan and its implications for international peace and security: Report of the Secretary-General (A/57/487-S/2002/1173)," Oct. 21, 2002, section 52, [<http://www.reliefweb.int>].

⁵³ The State Department and USAID have funded quick-impact projects. In December 2002, USAID funded its 200th quick-impact project in Afghanistan. "Fact Sheet: USAID on Rebuilding Afghanistan," Jan. 9, 2003, U.S. Dept. of State, International Information Programs.

Table 1. Lead Countries by Sector

Reconstruction Sectors	Lead Countries
Communications -Radio -Television	United States Japan
Legal and Judicial System	Italy
Narcotics	United Kingdom
Roads -Main Northern -Main Southern	EU, World Bank Japan, Saudi Arabia, U.S.
Security -Army -Demobilization -ISAF -Police	U.S. Japan U.K. (to June 2002); Turkey (to Feb. 2003); Germany and the Netherlands (from Feb. 2003) Germany
Trade	Germany

In 2002, the Afghan government has established its national priorities in the National Development Framework (NDF) and other documents. These priorities are as follows:

1. National Solidarity Program and Emergency Public Works Program
2. Education Infrastructure Program
3. Urban Infrastructure Program
4. Water Resource Investment Program
5. National Governance Infrastructure Program: government building construction, transparency, and capacity building.
6. Transport Project: roads, bridges, and airports.⁵⁴

At the same time, the TAPA put together by UNDP and the Afghan government incorporated these priorities and added other programs. The TAPA is broader than the NDF, including funds for refugee and IDP returns, culture and media, mine action, and narcotics control. Below there is a discussion of most cited priority areas.

Reconstruction Programs

Government Capacity Building. A representative national government that is considered legitimate by the majority of the population and that can effectively provide services is considered an essential element of reconstruction in Afghanistan.

⁵⁴ Interim Administration of Afghanistan, "Executive summary and national priority projects," Oct. 12, 2002, [<http://www.reliefweb.int>].

For many decades, Afghanistan has been a failed state. Critical to the strength and sustainability of the government, Afghanistan established and continues to develop many national institutions, such as the *Loya Jirga*, effective ministries, a Central Bank, and a national army.

The international community has placed great emphasis on paying the Afghan government's current expenditures, most importantly the salaries of government employees. Towards this end, UNDP created the Afghan Interim Authority Fund (AIAF) and the Afghanistan Reconstruction Trust Fund (ARTR), as well as the Law and Order Trust Fund for Afghanistan (LOTFA). To develop and strengthen government institutions, the international community has entered into partnerships with ministries and organizations in the Afghan government in order to do capacity building and thus transfer needed skills and knowledge. The Bonn Agreement also mandates the establishment of a number of commissions to create new institutions in the government and implement major reforms of existing institutions. These commissions include a Human Rights Commission, a Judicial Commission, a Constitutional Drafting Commission, a Defense Commission, and numerous other commissions.⁵⁵ The United States is giving \$5 million to help facilitate the work of these commissions.⁵⁶ U.N. High Commissioner for Human Rights (UNHCHR) and international donors have sought to strengthen the Human Rights Commission so that it can implement an effective human rights program, which would include investigating past and present abuses, educating the public about human rights, and training Afghans in the principles of international human rights law.⁵⁷

As the lead country in army training, the United States has worked with other countries to provide training and assistance in the formation of the ANA. The plans are for an army of 70,000 soldiers, and as of January 9, 2003, the U.S. and other forces had trained and equipped four battalions with 1,600 soldiers.⁵⁸ The U.S. government is also providing additional money for military infrastructure, including \$16 million for barracks, dining facilities, and training areas.⁵⁹

On October 7, 2002, the Central Bank of Afghanistan introduced its new currency, the Afghani, in the hopes of stabilizing prices and exchange rates. The new

⁵⁵ U.N. Security Council, "The situation in Afghanistan and its implications for international peace and security: report of the Secretary-General (A/57/487-S/2002/1173)," Oct. 21, 2002, section 19.

⁵⁶ U.S. Dept. of State, "Fact sheet details U.S. support for rebuilding Afghanistan," Jan. 9, 2003.

⁵⁷ U.S. State Department, "Fact Sheet: U.S. Catalogs 2002 Humanitarian Successes in Afghanistan," January 16, 2003.

⁵⁸ U.S. Dept. of State, "Fact sheet details U.S. support for rebuilding Afghanistan," Jan. 9, 2003. As of October 2002, 38 countries had offered assistance in the training or equipping of the ANA. [<http://www.defendamerica.mil/specials/oct2002/sp101502a.html>]

⁵⁹ U.S. Dept. of State, "Fact sheet details U.S. support for rebuilding Afghanistan," Jan. 9, 2003.

notes were printed in Germany.⁶⁰ The United States has been the primary donor in the currency conversion process, providing technical expertise, equipment, transportation for delivery of currency, monitors to ensure the destruction of old notes, and other activities. The Central Bank has had to extend the currency exchange period and continues to exchange and destroy old notes. The United States is providing \$3.3 million to cover the costs of this extended exchange period.⁶¹ However, the value of the Afghani has been unstable. At least as of late November, the value of the Afghani had plunged and caused consumer prices to rise sharply.⁶²

Women's Programs. U.S.-funded projects emphasize women's participation in general, and some also benefit women's programs specifically, such as refugee care and resettlement, health, and job training.⁶³ Overall, the situation for women in Afghanistan has seen improvement since the fall of the Taliban, but a great deal needs to be done to change the basic standard of living and means of livelihood for the average Afghan woman. This involves a wide range of issues, from education, family care, and health to participation in the political process.⁶⁴

With regard to reconstruction in FY2002, USAID announced two grants totaling \$64,000 to support the refurbishing of the Ministry of Women's affairs building and to provide the then Afghan Women's Affairs Minister, Sima Samar, with basic office equipment, a vehicle, phone and other start-up capital. Coordinated through its implementing partner, the International Organization for Migration (IOM), the project has two goals: to rehabilitate the building complex and to provide technical advisors to help establish operations and programs.

In the FY2002 Emergency Supplemental (P.L. 107-206, H.R. 4775), \$2.5 million was appropriated from ESF funds to support the construction of women's resource centers.⁶⁵ The plan is to establish one center in each of Kabul's districts

⁶⁰ "Afghanistan redenominates currency," *BBC News*, September 4, 2002, [http://news.bbc.co.uk/2/hi/business/2236075.stm].

⁶¹ U.S. Dept. of State, "Fact sheet details U.S. support for rebuilding Afghanistan," Jan. 9, 2003.

⁶² "A Year after Taliban, Daily Life in Kabul is Struggle for Most," *The Washington Post*, Nov. 20, 2002.

⁶³ The Department of State report, "U.S. Support for Afghan Women, Children," and Refugees provides useful information related to women's programs including a matrix with specific details on projects and sources of funding. See [http://www.state.gov].

⁶⁴ The Afghan Women and Children Relief Act of 2001 (P.L. 107-081) is legislation signed into law on December 12, 2001 to authorize the provision of educational and health care assistance to the women and children of Afghanistan. No specific amount was authorized. The State Department July 2002 report "U.S. Support for Afghan Women, Children, and Refugees" was mandated by this legislation.

⁶⁵ Other specific grants include a USAID-IOM grant of \$13,000 that supports the rehabilitation of the training center of a local NGO, Ariana, which provides a range of educational and vocational courses to women, and funding for the Afghan Women's Network which provides training for job skills and participation in the political process. See USAID information at [http://www.usaid.gov/afghanistan/empoweringwomen.html].

with a long-term goal of building one in each of Afghanistan's 32 provinces. These centers are to provide a range of training and other initiatives focused on women, including health and education.⁶⁶ The FY2002 Emergency Supplemental also allocated \$1.6 million to the State Department in support of the U.S.-Afghan Women's Council, which focuses on programming and implementation of projects at the women's centers mentioned above. Established in January 2002, the Council draws on leaders from business, government, and the media in both the United States and Afghanistan who work together to facilitate public-private partnerships between the two countries, to develop resources, and to provide opportunities for the participation of women in the rebuilding of Afghanistan.

In *The Afghanistan Freedom Support Act of 2002* (P.L. 107-327), \$15 million is authorized "to be appropriated to the President to be made available to the Afghan Minister of Women's Affairs." No specific figures for women's programs in Afghanistan were provided in the Administration's budget request for FY2003. The Senate measure (revised FY2003 Foreign Operations measure as part of H.J.Res. 2) included several provisions emphasizing the needs of Afghan women and children by earmarking as much as \$75 million of the total for these groups.⁶⁷ In H.J.Res. 2, P.L. 108-7, the FY2003 Consolidated Appropriations Resolution, \$5 million was earmarked from the Economic Support Fund for the Afghan Ministry of Women's Affairs, including support for the establishment of women's centers in Afghanistan.

Employment Generation. As many as 4 million refugees have not returned to Afghanistan. While lack of security partly explains this, Afghanistan also lacks employment opportunities. Many Afghans have migrated to Iran because of the economic opportunities there. Some refugees in Pakistan near the Afghan border refuse to return because they have employment and jobs are scarce in Afghanistan.⁶⁸

According to Andrew Natsios, head of USAID, the largest employers in Afghanistan are the Afghan government and the U.N. Mine Action Center.⁶⁹ Beyond these employers, the rehabilitation of the agricultural sector could provide many Afghans with some form of livelihood. A rehabilitated agricultural sector could offer not only much needed food and cash, but also employment for demobilized fighters, returning refugees, and many others. This in turn could diminish the attractiveness of returning to war or drug production and strengthen the basis for peace-building.

⁶⁶ These activities are expected to be coordinated with the respective government ministries when overlap in programming occurs.

⁶⁷ The Afghanistan Freedom Support Act of 2002 (P.L. 107-327), legislation passed by Congress on November 15, 2002 and signed by the President on December 4, authorizes \$15 million "to be appropriated to the President to be made available to the Afghan Ministry of Women's Affairs." Although the appropriations process is not yet complete, it is likely that monies will be administered through USAID, and in turn, through NGOs working in Afghanistan.

⁶⁸ UNHCR, "UNHCR Afghanistan Humanitarian Update No. 67," Jan. 3, 2003, [<http://www.reliefweb.int>].

⁶⁹ "Reconstruction and Rebuilding Efforts in Afghanistan," Remarks by Andrew S. Natsios, USAID Administrator, Dec. 23, 2002, [<http://www.usaid.gov>].

International organizations and NGOs have been providing both food-for-work and cash-for-work programs to reconstruct Afghanistan and to provide resources to Afghans. Many are now calling for a focus only on cash-for-work programs because these programs do not undermine local agricultural prices. The Afghan government and others are calling for a mass cash-for-work program to combat both the high levels of unemployment and the “cash famine.”⁷⁰

Road Construction. Road and bridge construction, as well road clearing, particularly during the winter snows, have been another major employment area for Afghans. Such infrastructural work is also important for the Afghan economy and the extension of the Afghan government across the nation. Afghanistan lies at the intersection of historic trade routes connecting Central Asia, the Middle East, Pakistan, India, and China. Transportation has long been an important revenue creator for Afghanistan. After years of civil war, major roads are now a focus of reconstruction work.

The United States, Saudi Arabia, and Japan have funded the reconstruction of the major Kabul-Kandahar-Herat road, which was originally built by the United States and the Soviet Union in the 1960s. While Japan and Saudi Arabia are providing \$50 million each, the United States has provided \$80 million, making it the United States’ largest single aid project in Afghanistan since the anti-Taliban war. Reconstruction of this road began on November 10, 2002 and is expected to be completed in three years.⁷¹ The Russians helped rebuild the Salang Tunnel, connecting Kabul with Northern Afghanistan and on to Central Asia, while the United States is providing \$1.6 million to keep it open during the winter. Recently, Iran announced it will fund and oversee the reconstruction of a 62-mile road from Herat to the Iranian border.⁷² The European Commission, the Swedish government, and Pakistan have begun emergency rehabilitation of the Kabul-Jalalabad-Torkham road in Eastern Afghanistan, and full construction will start next year.⁷³ Other road construction, as well as bridge construction, is taking part in different areas of the country.

Agricultural Rehabilitation. Rehabilitation of the agricultural sector is one key element in the reorientation of the Afghan economy away from the war and drug economies. In the past, Afghanistan has demonstrated the ability to be not only agriculturally self-sufficient, but also an agricultural exporter. As of 1978, Afghanistan was largely self-sufficient in food and was a significant exporter of

⁷⁰ Interim Administration of Afghanistan, “Executive summary and national priority projects,” Oct. 12, 2002, [<http://www.reliefweb.int>]. Sue Lautze, et al. “Qaht-E-Pool ‘A Cash Famine’: Food Insecurity in Afghanistan, 1999-2002,” May 2002.

⁷¹ “Afghans Rebuild a Broken Lifeline,” *The Washington Post*, Nov. 11, 2002. However, Saudi Arabia has changed its \$50 million pledge to a \$30 million low-interest loan. “Saudis Alter Promise to Help Afghans,” *The Washington Post*, Dec. 22, 2002.

⁷² “Iran agrees to fund reconstruction projects in Afghanistan,” *Agence France-Presse*, Jan. 13, 2003.

⁷³ European Commission, “Afghanistan, one year after the Bonn Agreement,” Jan. 15, 2003, [<http://www.reliefweb.int>].

agricultural products, especially high-quality fruit, silk, cotton, and other products. Wheat is grown in every region. Fruit trees (such as apricots, almonds, and walnuts) and grapevines were almost universally found as recently as 2001. Different regions produce a variety of crops: corn, barley, rice, cotton, beans, onions, potatoes, sugarcane, and vegetables. In 1997-1998, Afghanistan was 70 percent self-sufficient in cereals. Beginning in 1998, however, a severe drought hit Afghanistan. The drought has now lessened in a few regions, and agricultural production has increased there, but the consequences of the successive years of drought persist and, in many regions, the drought itself continues. The drought and decades of war have made self-sufficiency and export production a longer-term goal requiring substantial resources for crop substitution and the rehabilitation of agricultural production.

One significant and complicated issue is the drug economy. The British government is the lead in this area and focuses on eradication of poppy and on the training of eradication officers. The U.S. government has emphasized providing incentives for alternative forms of agricultural production, such as cotton and grape farming. However, aggressive poppy eradication programs could exacerbate political tensions (by terminating essential cash income for large segments of the population, including powerful vested interests) and precipitate new armed internal conflicts.⁷⁴ Therefore, drug eradication programs raises significant security concerns as well.

To facilitate agricultural production, it is generally accepted that Afghan farming needs substantial infrastructural reconstruction. In addition to road construction and poppy eradication programs, the agricultural sector would benefit from:

- **Water Access.** Lack of water is the most serious obstacle to agricultural production. The irrigation systems need to be reconstructed by drilling wells, rebuilding local irrigation systems, canals, and reservoirs, and promoting water conservation.
- **De-mining.** Land mines remain a huge problem throughout Afghanistan. Afghanistan is believed to have one of the worst mine and unexploded ordnance problems in the world, with 5-7 million still littered about the country. Some say it will take 12 more years and another \$500 million to remove most of the mines.⁷⁵ With over 80% of the Afghan population relying on agriculture for its livelihood, this is a substantial obstacle not only to refugee and IDP returns, but to the basic recovery and reconstruction plans as well.
- **Farming Resources.** Afghan farmers need the means to farm: seeds, new trees to replace those killed by drought, fertilizer, and livestock. USAID has recently funded the implementation of Famine Early Warning System (FEWS) in Afghanistan, which has long been used in other regions, monitoring drought and famine conditions.

⁷⁴ For more information on opium eradication programs and issues of concern, please refer to CRS Report RL31710, *Afghanistan: Prospects for Opium Eradication* by Rensselaer Lee.

⁷⁵ “Afghanistan Politics: Fragile peace must be made to stick,” *The Economist*, Jan. 14, 2003.

- **Debt Relief.** In order to survive the twin devastations of war and drought, farmers and others accumulated substantial debt.⁷⁶ With opium as a significant cash crop distorting the rest of the agricultural economy, farmers need credit and loans to buy seeds, trees, and other items to survive and work outside the drug economy.

Urban Reconstruction. The overwhelming majority of refugees and IDPs are returning to Kabul and other major cities because much of the humanitarian and reconstruction resources are there. This urbanization trend has resulted in an acute housing shortage and the need to invest in basic services, including water, sanitation, and power. Adding to this problem, the international aid community in Afghanistan has enabled an artificial economy to flourish by increasing housing rents, reducing availability, and thus making the current situation even more difficult.

Energy. As of spring 2002, seventy percent of Afghanistan's power was hydroelectric, but the long-term drought has meant that hydroelectric plants have been running at less than full capacity. In addition, years of war significantly damaged the power network. To provide energy to the country, the Afghan government has recently signed agreements with its neighbors to connect its power grids with those of Turkmenistan and Uzbekistan.⁷⁷ USAID, ECHO, and IOM have also provided money for a coal mining and distribution program. Furthermore, Turkmenistan, Pakistan, and Afghanistan have signed an agreement to build a \$3.2 billion natural gas pipeline through Afghanistan.

Education. An initial effort in the area of primary education has been the Back-to-School Campaign run by the United Nations Children's Fund (UNICEF). In March 2002, the Afghan schools officially opened. UNICEF's goal was to help 1.78 million children return to school, but, according to UNICEF, up to three times that number may have returned.⁷⁸ This Campaign has provided Afghan schools with essential materials, including textbooks, blackboards, pencils, notebooks, teaching aids, tents for use as makeshift classrooms, and other teaching and learning materials. USAID provided 10.6 million textbooks at a cost of \$7.75 million, as well as support for the airlift of these textbooks to Afghanistan at a cost of \$742,000. The State Department also contributed \$2 million to the Back-to-School Campaign.

While there have been many successes in primary education, other areas have received less attention and funds. For the further expansion of the primary school system, more teachers are needed. In response to this, the World Bank has been

⁷⁶ Sue Lautze et al. "Qaht-E-Pool 'A Cash Famine' Food Insecurity in Afghanistan, 1999-2002," May 2002.

⁷⁷ "Afghanistan: Bright Future for Mazar as grip power returns," [http://www.irinnews.org], Aug. 28, 2002; "Crumbling Afghan energy plants struggle to bring power to the people," *Agence France-Presse*, April 4, 2002, [http://www.reliefweb.int]. Turkmenistan is overseeing the construction of a new powerline to the Afghan border, which will continue to Herat. This power line is supposed to be operational by late 2003. "Turkmenistan economy: Decimation of imports boosts surplus," *Economist Intelligence Unit*, Jan. 7, 2003.

⁷⁸ UNICEF, "'Back to school' for 1.5 million Afghan children," [http://www.unicef.org/noteworthy/afghanistan/bts/index.html].

funding tertiary education, especially the teaching of teachers. In addition, secondary education is in need of further funding.

Health. Inoculations and basic medical care have helped improve living standards in Afghanistan. For example, nearly six million children have been immunized against polio through a program conducted by the Afghan Ministry of Public Health, WHO, and UNICEF. Over four million children have been immunized against measles. More directly related to reconstruction is building the health care capacity in rural areas and the rehabilitation of hospitals and clinics. Many hospitals and hundreds of clinics have been rehabilitated, especially in Kabul. With these areas receiving funding from many sources, USAID has turned to rural health care, including the training of midwives and planned construction and rehabilitation of up to 600 primary health care facilities.

Communications and Media. A key component of the coordination of reconstruction and the everyday function of the Afghan government is communication. Afghanistan relies on cell phone service – which works best in major cities and is provided through a partnership of the Afghan government and a New Jersey-based company – and satellite phones. Telecommunications is a sector attracting private foreign investment.⁷⁹ Considering radio an important way to connect the country, the United States has taken the lead the radio sector and provided technical and financial support to Radio Afghanistan. As the lead in the television sector, Japan has helped rebuild a television station and supplied technical support and equipment for satellite broadcasting of the Emergency *Loya Jirga* throughout Afghanistan.

Issues for Congress

Reconstruction Goals

What should be the goals of reconstruction in Afghanistan where humanitarian assistance, reconstruction, and development initiatives overlap? Not only did Afghanistan experience a decades long war, it also was a developing country before the war. Therefore, reconstruction and development blend in the case of Afghanistan. There are several issues that Congress could consider. For the United States, is the goal merely “aid-induced pacification” (giving funds to Afghanistan in order to pacify the population and reduce possible security threats from Afghanistan)?⁸⁰ Or is the goal some form of development, providing incentives for livelihoods outside the drug and war economies? How much development should the United States fund under the aegis of reconstruction, leaving other areas to formal development agencies like UNDP?

⁷⁹ Regan Morris, “Telecommunications drawing investors in Afghanistan,” *Associated Press Newswires*, Aug. 19, 2002.

⁸⁰ Nicholas Stockton, “Strategic Coordination in Afghanistan,” Afghanistan Research and Evaluation Unit, Aug. 2002.

In addition to the Administration, some in Congress have talked about developing a Marshall Plan for Afghanistan. So far the calls for a Marshall Plan seems to mean only a sustained, long-term commitment to reconstruction, which in the case of Afghanistan, includes nation building. The Marshall Plan for Europe was substantially different from what is evident in Afghanistan. First, the European Marshall Plan would have been \$103 billion in today's money spread out over four years, which is much more than the amount currently provided by the United States, even including the military assistance. Second, the European Marshall Plan was also a regional strategy for Western Europe, as opposed to a national strategy. Third, Afghanistan is much less developed than Western Europe was at the time, which means that reconstruction will entail much more development.

Senator Biden proposed a kind of Marshall Plan for Central and South Asia, providing a regional approach to Afghan reconstruction and drawing in its neighbors.⁸¹ Afghanistan's neighbors and other countries have repeatedly supported the decades-long civil war. Pakistan, Iran, Russia, the Central Asian countries, India, and the United States sought to influence the war's outcome. From experiences in other similar situations in Rwanda, Somalia, and Kosovo, scholars have argued that peace processes are most threatened in countries with intervening neighbors. As a result, these scholars have argued for reconstruction efforts in Afghanistan to be coordinated with relevant officials in neighboring countries, so that conflicting programs do not provide opposing incentives and negative consequences. The Congress took steps in this direction with the Afghanistan and Central Asian Republics Sustainable Food Production Trust Fund Act of 2001 (H.R. 3566), but the last action on this bill was in January 2002 when it was referred to the House Subcommittee on International Monetary Policy and Trade. Furthermore, on December 22, 2002, Afghanistan and its six neighbors signed the Kabul Declaration on Good Neighborly Relations, a non-aggression pact.⁸²

Reconstruction Priorities

Security is a top priority in Afghanistan. Plans for the U.S. military to be a part of provincial reconstruction teams stands in contrast to the sense of Congress put forth in the Afghanistan Freedom Support Act, which calls for the expansion of ISAF. With the provincial reconstruction teams now being put together, how does Congress view ISAF?

Demobilization of local militia could be further encouraged through employment generation programs. These programs could also provide incentives for economic activities beyond the drug and war economies. Employment generation is also a

⁸¹ "Biden Proposes Long-Term Humanitarian Relief for Afghanistan and Surrounding Region," Press Release, Oct. 3, 2001, [<http://biden.senate.gov>]; "Biden to propose reconstruction if Afghanistan attacked," CNN.Com, Oct. 3, 2001, [<http://www.cnn.com>].

⁸² This agreement was signed by Afghanistan, Iran, Pakistan, China, Tajikistan, Uzbekistan, and Turkmenistan.

priority area for the Afghan government.⁸³ The Afghan government and others are calling for a mass cash-for-work program to combat both the high levels of unemployment and the “cash famine.”⁸⁴ This mass program might resemble the U.S. Civilian Conservation Corps, established in the 1930s to cope with unemployment from the Great Depression. It employed about three million young men to work full-time for cash on a variety of projects.⁸⁵

The contribution of food aid by the United States and other countries is also an issue for Congress. On the one hand, food aid can undermine market prices and provide disincentives for agricultural production and thus some parts of reconstruction. Other forms of assistance, such as cash-for-work programs, could help Afghanistan reduce its dependence on international assistance. On the other hand, food aid and humanitarian assistance are considered essential in some parts of Afghanistan. The form of assistance is a significant issue for Congress.

Funding

In March 2003, the next major donor conference for Afghanistan will take place. The pledges at the first donor conference in Tokyo in January 2002 nearly met the first year needs assessment conducted by the World Bank, UNDP, and ADB. However, these pledges were primarily used for humanitarian assistance. Furthermore, reconstruction is just now slowly beginning, and there is concern about maintaining donor interest in Afghan reconstruction. Therefore, the pledges at the March conference are particularly important.

In regard to U.S. funding, the Administration’s request for FY2004 for Afghanistan totals \$531 million, not including disaster assistance.⁸⁶ Some members of Congress believe the amounts should be greater with fewer constraints. *The Afghanistan Freedom Support Act of 2002* (P.L. 107-327) authorizes \$3.3 billion over four years. In addition, if a Marshall Plan were to be planned for Afghanistan, then much more money is likely to be necessary. In any case, the amount of the U.S. contribution, and the framework under which it will be provided, remain key questions for Congress.

In addition to concerns about the necessary U.S. aid levels, Congress and others have been concerned about burden sharing. The donor conferences have often not produced the necessary amounts of funds in a timely manner. Late in 2002, the

⁸³ Interim Administration of Afghanistan, “Executive summary and national priority projects,” Oct. 12, 2002, [<http://www.reliefweb.int>].

⁸⁴ Interim Administration of Afghanistan, “Executive summary and national priority projects,” Oct. 12, 2002, [<http://www.reliefweb.int>]. Sue Lautze, et al. “Qaht-E-Pool ‘A Cash Famine’: Food Insecurity in Afghanistan, 1999-2002,” May 2002.

⁸⁵ For further information on the Civilian Conservation Corps (CCC), see the U.S. Forest Service’s history of the CCC: [<http://fs.jorge.com/archives/ccc/US.htm>].

⁸⁶ This figure includes \$150 million for the Economic Support Fund (ESF); \$150 million for Foreign Military Financing; \$150 for Development Assistance; \$20 million for Peacekeeping; \$21 million for Child Survival; and \$40 for Antinarcotics.

United States had to play a role in fundraising. What level of funding should the United States and other countries provide? Should other countries be encouraged to contribute more? How can interest in Afghanistan from the donor community be sustained?

Donor Conferences and Trust Funds

Many inside and outside the Afghan government have criticized donors for not following through on their pledges. However, donor conferences in general exhibit problems, such as slow disbursement of funds, weak mechanisms for pledging and mobilizing assistance, inadequate devices for tracking aid flows, inappropriate forms of aid conditionality, poor articulation between relief and development efforts, and weak coordination within the donor community.⁸⁷ Donors over-pledge, pledge already allocated funds, and slowly or never fulfill their pledges. In the case of Afghanistan, the international community has sought to avoid some of these problems, such as through the creation of the AACA aid database, which has made pledging, tracking, and monitoring more transparent. Whether donor conferences and trust funds are the best way to fund reconstruction has been questioned by some observers who also ask if the United States should give more money to the trust funds. If not, then other potential methods must be examined.

Military Role in Humanitarian Assistance

As of this fall, the Pentagon announced that it was transforming its strategy from military to security and reconstruction goals. DOD has been providing humanitarian assistance to Afghanistan since OEF began, and it seems that this role in a reconstruction framework will increase. In general, militaries worldwide are increasingly providing such assistance because humanitarian agencies increasingly work in war-torn areas. However, many NGOs have argued that the provision of humanitarian assistance by militaries comes at a high cost. Military provision of this assistance associates humanitarian agencies and actors, as well as refugees and other victims, with military objectives and activities, even with particular sides in the war. It is argued that this association may put these agencies and actors in danger. On the other hand, security remains a key factor in the distribution of aid itself and often requires a military presence for it to be effective. It would be useful to examine the costs and benefits of the increased humanitarian programs conducted by DOD in Afghanistan and elsewhere to understand better the impact of the military on non-military assistance programs.

Afghanistan and Possible Iraq War

There is a consensus that Afghanistan requires long-term international attention in order to receive adequate donor funds, have successful reconstruction, and avoid another civil war. Some argue that Afghanistan's situation is precarious. However, discussions and attention have turned to Iraq with the possibility of war there. While

⁸⁷ Stewart Patrick, "The Check is in the Mail: Improving the Delivery and Coordination of Post-Conflict Assistance," Center on International Cooperation, New York University, Dec. 1998, p. 2.

a war in Iraq is projected to cost many billions of dollars, President Bush has stated that the United States will continue to fund and organize reconstruction in Afghanistan. How will the Congress seek to reconcile these two costly programs with the rest of the foreign aid budget and the general budget? Some, including the international community, have raised doubts about the U.S. commitment to Afghanistan as the United States focuses on Iraq and visa versa. Can the United States manage maintain a central focus on Afghanistan at the same time that it takes on Iraq?

**Appendix - Afghanistan Assistance
Donor Funds Committed and Disbursed by Country
as of February 10, 2003**

Country	Funds Committed	Funds Disbursed
Andorra	50,000	50,000
Australia	22,464,310	19,040,510
Austria	2,580,000	1,700,000
Belgium	13,498,758	8,428,774
Brunei Darussalam	435,493	435,493
Canada	19,890,601	17,014,883
Chile	30,000	30,000
China	35,062,700	5,062,700
Czech Republic	141,873	141,873
Denmark	23,437,186	23,437,186
Finland	16,494,636	14,482,136
France	43,200,399	31,165,899
Germany	126,847,715	90,002,975
Greece	1,021,550	1,021,550
Iceland	170,800	170,800
India	21,500,000	21,500,000
Indonesia	40,000	40,000
Ireland	9,948,463	9,831,463
Italy	58,215,594	44,176,723
Japan	235,675,626	174,059,932
Kuwait	2,346,445	2,346,445
Latvia	18,022	18,022
Liechtenstein	62,112	62,112
Lithuania	12,500	12,500
Luxembourg	5,465,009	5,365,009

Country	Funds Committed	Funds Disbursed
Malaysia	1,066,255	66,255
Malta	29,152	29,152
Monaco	91,827	91,827
Morocco	117,608	117,608
Netherlands	66,817,221	60,565,555
New Zealand	680,952	680,952
Norway	20,179,888	19,439,865
Poland	180,046	180,046
Russian Federation	4,000,000	4,000,000
Saudi Arabia	72,495,479	72,495,479
Singapore	1,535,583	1,535,583
Slovakia	131,658	131,658
Spain	6,041,584	6,041,584
Sweden	29,836,135	29,520,345
Switzerland	7,302,092	6,702,092
Thailand	678,000	678,000
Turkey	1,143,551	1,143,551
United Kingdom	126,179,021	116,358,370
USA	725,550,378	714,675,300
Venezuela	1,000,000	1,000,000
Total	1,703,666,222	1,505,050,207

Source: AACA donor assistance database, Feb. 10, 2003, [<http://aacadad.undp.org>].