



USAID: Rebuilding Afghanistan

Progress Update for June 19 – July 2, 2003

Issue 19

Strengthening the Afghan Government

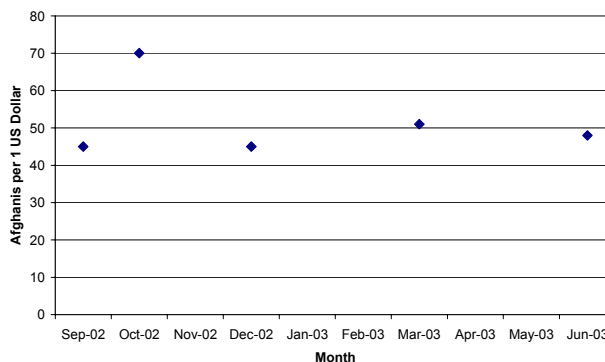
Program Goals

- Improve Afghan government's access to sources of revenue through Afghanistan Reconstruction Trust Fund (ARTF) contributions and customs operations improvements.
- Support the Bonn process, specifically the Constitutional process, the June 2004 elections, and the Human Rights and Judicial commissions.
- Establish a free and independent media in Afghanistan.
- Build up Afghan government's infrastructure and improve its operations for legitimate government functions.

Recent Progress

- Two important indicators show increasing stability and confidence in the Afghan economy. The general price level in Afghanistan declined between April and May by 2 percent; the food item component declined by 3 percent. The Afghani exchange rate against the U.S. dollar has shown stability during June and even slight appreciation. USAID's economic governance team helps increase the Government of Afghanistan's capacity for macroeconomic analysis and statistics as tools of monetary policy in Afghanistan.
- The Afghan Minister of Finance endorsed USAID's advisors overall approach to tax administration reform. Central to the approach is creation of a Large Taxpayer Unit (LTU). LTU's are a critical component of efficient tax administration, as a small number of the largest taxpayers usually contribute up to 80% of a country's total tax revenues.
- Nine bank supervisor trainees from Da Afghanistan Bank (Afghanistan's Central Bank) spent one week at a commercial bank conducting a targeted examination as part of a USAID training course. A well-trained bank examination staff, with comprehensive policies and procedures, is the cornerstone of an effective bank supervision process, which in turn will minimize bank failures and encourage needed capital to flow into the banking industry.

Afghani Exchange Rate Against the US Dollar: Selected Rates Between September 2002 and June 2003



Notes:

1. Exchange rates for September 2002 through March 2003 from Asia Development Bank, "Asian Development Outlook 2003: Afghanistan," exchange rate for June 2003 from reporting cables from USAID's economic governance team.
2. September 2002 rate is prior to currency conversion in which 1000 old Afghanis were exchanged for 1 new Afghani; rate for September 2002 is shown as if it were in new Afghani for graphic clarity.

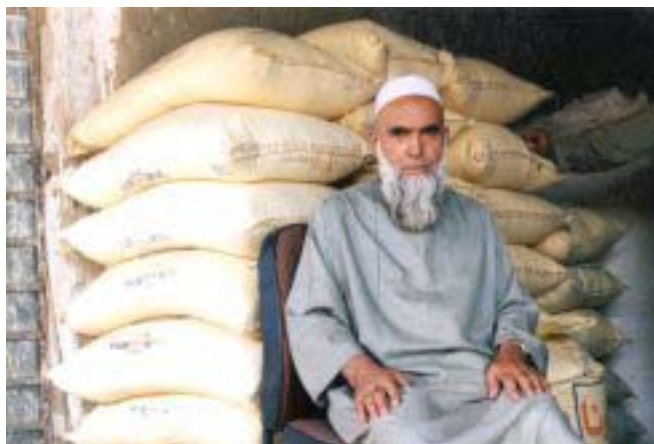
Revitalizing Agriculture/Creating Jobs

Program Goals

- 100% increase in average productivity for 500,000 farm families through improved technologies, better infrastructure, and access to markets.
- 615 irrigation projects to increase water use efficiency by 50% and agricultural productivity by 20%.
- 1000 km of improved village feeder roads.
- 1000 village agricultural market centers.

Recent Progress

- USAID has made a three year \$150 million award for the Rebuilding Afghanistan's Agricultural Markets Project (RAMP). A wide range of for-profit and not-for-profit, international and local organizations will be engaged to provide services for infrastructure rehabilitation, credit and financial services, and technical assistance.



USAID trained fertilizer dealers and helped reestablish the agricultural inputs market through a fertilizer voucher program.

Expanding Educational Opportunity

Program Goals

- 1,000 schools rehabilitated or constructed
- 15 million textbooks printed and distributed for 2003 school year
- 30,000 classroom teachers trained
- 60,000 students integrated in school at age-appropriate levels through accelerated learning programs

Recent Progress

- USAID will train teachers in appropriate teaching methods through a radio-based teacher training course. The course will air weekly and target rural teachers who have no access to training opportunities because of geographic isolation. To date, USAID has written 60 scripts and broadcasts are expected to begin in late July.



Wind-up radios which do not require batteries similar to this one will be distributed as part of the radio-based distance learning program.

Increasing Access to Basic Health Care

Program Goals

- 400 health centers renovated or constructed in needy areas
- 13 million women and children with access to basic health care through grants to NGOs to operate clinics
- 3,300 new community health workers trained; 180 midwives trained; 4860 clinic staff trained
- Make oral rehydration salts, iodized salt, contraceptives, mosquito nets, and other health products available at reasonable prices using existing trading and marketing system
- Develop public health education program with the Ministry of Health (MOH); strengthen MOH capacity at the national, provincial and district levels for guiding health care

Recent Progress

- USAID will issue between \$15 and \$25 million in grants to NGOs to provide basic medical services to rural, underserved areas under the first year of the REACH program, awarded in May. Other donors, including the European Community and World Bank, will make grants in a parallel effort to expand access to the basic health service in other provinces. Over the next three years, this infusion of resources and technical assistance will greatly improve availability of health services to rural areas in Afghanistan.



USAID grants will provide basic health services in rural areas to reduce infant mortality.