

Data Sheet

USAID Mission:	Afghanistan
Program Title:	Infrastructure, Economic Governance & Democracy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	306-003
Proposed FY 2004 Obligation:	\$94,401,000 DA; \$740,051,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$75,884,000 DA; \$207,000,000 ESF
Year of Initial Obligation:	FY 2003
Year of Final Obligation:	FY 2006

Summary: Significant amounts of infrastructure have been damaged in fighting or have deteriorated due to lack of maintenance over the past 22 years. Rehabilitation is urgently needed, both for economic reasons and to demonstrate the benefits of cooperating with the international community. A functioning economic system is critical to mobilizing domestic and foreign investment to finance Afghanistan's growth and ensure political stability.

Inputs, Outputs, Activities:

FY 2004 Program:

Rehabilitation of Economic Facilities and Services (REFS) (\$28,649,000 DA, \$365,400,000 ESF). The REFS program promotes economic recovery and political stability by repairing infrastructure. This helps lower transportation costs, increase the availability of water and sanitation services, and increase access to education, health and local governmental services. The program will restore electrical transmission systems and repair/reconstruct irrigation systems, dams/diversions and canals critical to the reactivation of the agricultural sector. The projects will maximize the use of local labor, and contractors are expected to use local staff to the greatest extent possible, giving them progressively greater skills and responsibility over the life of the program. Projects include rehabilitation of between 600 and 1000 kilometers of primary/secondary road and associated bridges, construction or renovation of up to 250 schools and 250 clinics, rehabilitation of up to 30 MW of hydropower generation facilities, and repair of up to 500 kms of irrigation canals. Because of increased population migration into urban areas, USAID will also fund urban water and sanitation programs. Implemented by Louis Berger, other contractors TBD.

Sustainable Economic Policy and Institutional Reform Support (SEPIRS) (\$36,629,000 DA, \$123,000,000 ESF). The SEPIRS program will build the capacity of economic management institutions to implement economic reform measures essential for the recovery and growth of the economy. USAID will support revenue enhancements, budgeting and expenditure controls, enhanced central bank operations, the development of a viable payment system, trade and investment promotion, the development of a legal framework for investment, and improvements in organizational and operational efficiencies of public utilities. USAID will also support an effective property registry and titling program, revitalization of industrial parks, credit, financing, and business capacity training programs for small and medium enterprises, and development of a national strategy on enterprise competitiveness. USAID also contributes to the Afghan Reconstruction Trust Fund (ARTF), providing budgetary support to Afghanistan.

Support to Democratic Initiatives (\$29,123,000 DA, \$92,000,000 ESF). Technical assistance and training will be provided to the Constitutional, Judicial, and Human Rights Commissions, as well as the Secretariat of Administrative Affairs in the Office of the President and other institutions. USAID will provide technical assistance to the national electoral body to help establish the foundation for a fair and competitive electoral system leading to 2004 elections. USAID will train political parties and civic leaders in domestic election monitoring, and conducting a civic education campaign to promote a politically active citizenry. New activities will be implemented in the areas of local government, conflict prevention, and civil service reform. Implemented by the Asia Foundation, NDI, MSH, IFES, IRI, IOM and Internews.

Disarmament, Demobilization, and Reintegration (DDR) of Afghan militias (\$30,000,000 ESF), will be implemented by UNDP. Provincial Reconstruction Teams (\$42,000,000 ESF) projects will extend reconstruction into difficult areas, implemented by UNOPS and IOM.

Other Activities (\$87,651,000 ESF). USAID and State Department are coordinating the allocation of the remaining ESF funds for FY 2004 among projects within this program.

FY 2005 Program:

Rehabilitation of Economic Facilities and Services (\$27,699,000 DA). The REFS program will continue to repair existing facilities that have a significant impact on reactivating the economy. The project includes an institutional development component, which will develop the capacity of private sector firms, public utilities, and ministries. USAID/Afghanistan will continue to rehabilitate primary/secondary roads and associated bridges begun in FY 2004, renovate or construct up to 300 additional schools and health clinics, and repair up to four water systems.

Sustainable Economic Policy and Institutional Reform Support (\$25,535,000 DA). Under the SEPIRS program, USAID support will modernize tax administration and the implementation of a consumption tax and a simple income tax. Support to the banking sector will improve and modernize bank operations. Bank supervision and licensing activities will be fully functional, several new banks will be licensed, and several existing banks will be liquidated or restructured. Trade policy reform and investment promotion area will benefit bilateral and regional trade cooperation agreements, preparing Afghanistan to apply for WTO accession, increasing competitiveness of selected Afghan products and services, attracting investment in revitalized industrial parks, and increasing skills of women entrepreneurs. In the legal and regulatory area, transfer of Afghan Telecom assets will be completed, a market-oriented legal and regulatory framework established in telecom, oil and gas and power sectors, and the property registry and titling program will provide the public with efficient and secure proof of ownership of property.

Support to Democratic Initiatives program (\$22,650,000 DA). This program will continue to bolster targeted Afghan governmental and non-governmental institutions. Physical infrastructure rehabilitation projects will continue in the justice sector. USAID will work toward successful parliamentary elections in 2005 by providing technical assistance to an Afghan electoral commission in the areas of voter education, capacity building, and comparative study tours to similar developing Muslim democracies. Following the parliamentary elections, training for newly-elected parliamentarians will be provided to strengthen the legislative institution and promote a politically active citizenry. A local government initiative will focus on improving service delivery, administrative reform, and public participation at the sub-national level. Conflict prevention initiatives will expand to include all regions of Afghanistan, and will include components on peaceful, positive-sum competition as a lead up to the 2005 parliamentary elections.

Other Activities (\$207,000,000 ESF). USAID and State Department will coordinate the allocation of remaining FY 2005 funds to projects within this program.

Performance and Results: USAID developed and managed the operational planning and logistics support for the Constitutional Loya Jirga on behalf of the UN and the Constitutional Commission Secretariat. USAID provided critical technical assistance to the Constitutional drafting process, resulting in a draft Constitution. USAID refurbished or built new judicial facilities in four provinces, as well as managing the currency conversion process on behalf of the Central Bank, providing staffing and distribution to exchange 13 trillion Afghanis. USAID built and furnished the Kabul Women's Resource Center, on behalf of the Ministry of Women's Affairs. One hundred and forty two schools, daycare centers, and vocational schools, and 72 health clinics, birth centers, and hospitals were reconstructed or rehabilitated. Over 11,000 water projects were completed, including the rehabilitation of irrigation canals, springs, wells, dams, reservoirs, and urban water systems. USAID financing supported the first layer of pavement on 389 kilometers of the Kabul-Kandahar road.

US Financing in Thousands of Dollars

Afghanistan

306-003 Infrastructure, Economic Governance & Democracy	DA	ESF	IDA
Through September 30, 2002			
Obligations	0	23,205	8,372
Expenditures	0	2,243	2,837
Unliquidated	0	20,962	5,535
Fiscal Year 2003			
Obligations	5,214	259,244	35,355
Expenditures	20	117,916	28,627
Through September 30, 2003			
Obligations	5,214	282,449	43,727
Expenditures	20	120,159	31,464
Unliquidated	5,194	162,290	12,263
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2004 NOA			
Obligations	94,401	740,051	0
Total Planned Fiscal Year 2004			
Obligations	94,401	740,051	0
Proposed Fiscal Year 2005 NOA			
Obligations	75,884	207,000	0
Future Obligations	0	0	0
Est. Total Cost	175,499	1,229,500	43,727