

Berlin Conference

05/04/04

Total wanted by Afghanistan: \$27.5bn **Pledged:** \$8.2bn
Total needed for 2004/5: \$4.4bn **Pledge for 2004/5:** \$4.4bn

The Berlin Conference was not only significant for the raising of reconstruction funds for Afghanistan, but it is also an important milestone and an opportunity to assess what has happened over the past 2 years and what will happen in the future. The Berlin Conference had three major aims, the first is the raising of reconstruction funds, secondly, seeking a long-term commitment from the International Community to Afghanistan and its needs, thirdly, it begins the serious planning for the post-Bonn phase of the reconstruction.

The 54 nations that have met in Berlin represent the G8 countries, all of Afghanistan's neighbours, all of NATO and the EU in addition institutions such as the UN and World Bank were represented. The amount that was sought for the next 7 years of reconstruction is around \$27.5bn, which is about \$4bn a year. In comparison with the Tokyo Conference, \$4.5bn was pledged which was supposed to finance 5 years of post-Taliban reconstruction.

The reason for the large increase in requested funding is two-fold. Firstly as CARE have argued, we now understand the needs of Afghanistan to a much greater extent and therefore can budget more accurately. Secondly, the Tokyo pledges did not include security costs, while the new budget, based on 'Securing Afghanistan's Future' does include security costs.

It is worth remembering that the International Community pays \$13bn a year to run its military operations in Afghanistan and that the \$27.5bn for 7 years is equivalent to \$100 per Afghan per year, according to the World Bank. Before the conference Ashraf Ghani was expecting pledges for 2004/5 would fulfill the requirement of \$4.4bn and that total pledges would be around \$11.5bn for the next 3-5 years.

However there have also been several key developments associated with the conference. The first and most important was the final publication of a document produced by the World Bank, the UN and the Afghan Government entitled 'Securing Afghanistan's Future' (SAF). Secondly the NGO community has used the conference as an opportunity to put pressure on donor country ministers and the Afghan Government to be more aware of the issues facing Afghanistan. Thirdly, there have been some developments in the deployments of the international military presence.

1. Securing Afghanistan's Future (SAF)

The Afghan Government, World Bank, ADB and the UN wrote SAF in an attempt to systematically assesses each sector of Afghanistan and states what the planned objectives are for its reconstruction. The main goal of the reconstruction is to lift 80% of Afghans out of poverty within 7 years. It claims that an economic growth rate of at least 9% is necessary for the benefits to be realized fast enough to keep Afghans committed to the reconstruction effort. It divides the reconstruction in to three pillars to how SAF sees Afghan Reconstruction;

1. Human capital and social protection (health, education, social security \$7bn)

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2. Physical capital (infrastructure, essential services \$13bn)
3. Security, law, private sector development and public administration (\$7.5bn)

SAF's premise is that Afghanistan will become a free market orientated economy with a small 'enabling' state.

There are several key issues with the SAF, not only in its budgets, but its general focus. NOVIB has recently released a discussion document about SAF challenging the free-market paradigm that is being pushed by the international community noting that there is no history of the free-market in Afghanistan, and reconstruction seems to be following an Anglo-Saxon model of what constitutes an 'ideal' state.

Correspondingly the growth rate of 9% that SAF claims is necessary is expected to be fuelled by the private sector with the Government acting only as a regulator. NOVIB argues that other experiences of reconstruction and fast economic growth have required extensive state intervention and not less. Indeed SAF does not recognize that in a world economy which has become more unequal, rather than less, free-market economics may hamper Afghan reconstruction.

NOVIB also argues that SAF does not take in to consideration the fact that the Afghan Government does not have actual control of the whole country and is therefore not necessarily well placed to implement or oversee the ambitious plan. Connected to this, NOVIB is concerned that the SAF describes the security problem in terms of a 'sectoral problem' and possibly does not understand the gravity of the problem.

Finally there is little to put Afghanistan in the context of its neighbours, who on the whole, are neither free-market economies or considered democracies and SAF does not deal with the issues raised by the security, political, power, gender, ethnic and physical situations that Afghanistan finds itself in today.

2. NGO Community response

'Civil Society Participation in Afghan Peace Building and Reconstruction.'

Aside from the discussion paper released by NOVIB there has been a conference for Afghan civil society workers held by Swiss Peace in Berlin a few days before the Donor Conference entitled 'Civil Society Participation in Afghan Peace Building and Reconstruction.'

Much of the conference was spent discussing implementation on the Constitution and the DDR process, which it called the 'de facto peace process', without which there will be no peace in Afghanistan. In addition the participants called for postponing the elections again from their new September deadline to give more time to prepare Afghanistan and Afghans for them.

The recommendations from the conference are another criticism to the SAF, and challenges the 'sectorising' of the security issues by claiming that without a completed DDR programme and defactionalised AMF there can be no 'free and fair' elections. Finally they demand the expansion of International Peace Keeping operations 'along similar lines to those in Kabul' across the country.

'The Cost of Doing too Little'

CARE has released a policy briefing calling for a full endorsement of the SAR JANN is a network of Japanese NGOs that work in Afghanistan. It aims to provide information about the security, political and reconstruction situations in Afghanistan. If you have any comments or queries please contact jann@jca.apc.org

budget predictions and expansion of International military commitment in Afghanistan. The policy brief is based on a longer research paper published by New York University, NYU. It makes the argument that if donors do not engage fully with Afghanistan then it will slide back into lawlessness and that the increase in the drug trade is a serious threat to the reconstruction process. Finally CARE again makes the comparison of Afghanistan with other countries who have received reconstruction aid and points out that Afghanistan does not receive the same level of money per person as East Timor, Bosnia, Rwanda or the West Bank.

Open letter to Participants in the International conference on reconstruction assistance of Afghanistan

Amnesty wrote this open letter to call attention to the continuing human rights abuses in Afghanistan, and warned the international community to stick to its own Human Rights standards when operating in Afghanistan. The letter goes on to detail specific abuses against women, the disabled and those held in unregulated prisons. It calls for an expansion of the Italian-led effort to reform the judicial system which has not seen as much progress as other areas in the Security Sector Reform (please see the SAR for the details on what has been achieved and compare to other areas in the SSR like DDR, Army or the Police).

3. Military Developments

There have been significant, if quiet, increases in the numbers of troops being deployed in Afghanistan. The US, UK, Italy and Spain have all pledged more troops ahead of the planned announcement by NATO of its plan for Afghanistan. It is expected that there will be a significant increase in the number of soldiers deployed ahead of the elections in September. In addition Afghanistan will be divided in to several zones, North, West, East and South-South-East. The UK has been mentioned as the lead nation in the North, and the US would remain the dominant force in the South-South-East region.

Numbers of extra troop deployments

Country	No of troops deployed	No of new troops	Time of Deployment	Notes
US	13,500	2,000	Immediately	Will be used in Mountain Resolve
UK	400	100	Soon	
Spain	125	125	Aug-04	To be used for 'protecting aid work in the provinces'
Italy		300		

4. Conclusions

It is clear that the Berlin conference has refocused attention on Afghanistan. However the Conference itself did not raise the total asked for, but this was not necessarily the aim.

Donors do not make 7-year pledges; at most they look at 3-5 year pledges. As such the amount raised is significant though falls seriously short for budget requirements for years 3-7, in the third year only 36% (\$1.4bn) has been met. The Afghan Government has filled all its requirements for the coming financial year and the outcome of this year will affect the amount that is subsequently pledged.

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Aside from money, there were also discussions about security, which dominated the second day of the conference. Afghanistan has signed an agreement with its six neighbours; China, Pakistan, Iran, Turkmenistan, Uzbekistan and Tajikistan, to fight the drug trade through increased border security and information sharing. The agreement also allows cross-border operations in an effort to create a 'security belt' around Afghanistan. The agreement will be followed up in June in Kabul with a meeting of Counter-Narcotics Experts from the signatory countries and the UK.

What is most concerning is SAF and to what degree this will be the blueprint for Afghan Reconstruction. The free-market open democracy that is envisioned may bring its own problems to a country that has had no experience with such situations, especially when they are supposed to be implemented incredibly fast and it may lead to some of the aims of the SAF being dropped.

Finally it is encouraging to see the new troop deployments, but much depends on how these extra troops will be used, currently it seems that expansion of the PRT model seems the most likely course, with an announcement on Friday by the US stating that the number of PRTs would be increased to 21, 6 of whom would be lead by ISAF.

Donor pledges from the Berlin Conference

Country	Pledge for 2004	Pledge for 2004-2006
European Union		
Austria	2.4 million	3.6 million
Belgium	4.3	16.1
Britain	215.9	569.1
Denmark	27.8	27.8
Finland	13	37
France	37.2	37.2
Germany	96	288
Greece	3.6	3.6
Italy	56	168
Luxembourg	1.2	1.2
Netherlands	42	120
Portugal	1.2	1.2
Spain	50	60
Sweden	39.3	78.6
European Commission	294	774
EU total:	883.9	2,185.40
 Other major donors		
United States	2,200	2,900
Japan	200	400
Canada	75.2	195.2
Australia	19	
India	90	224
World Bank	285	900
Asian Development Bank:	180	560
Overall total:	4.4 billion	<u>8.2 billion</u>

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Suggested Reading

- Securing Afghanistan's Future – Afghan Government, World Bank and UN
This is the document outlining reconstruction for the next seven years for all sectors
<http://www.afghanistangov.org/>
- Summary of SAF by Asfrac Ghani, two documents, Main Points 1 and 2
<http://www.mof.gov.af/berlin.htm>
- On Securing Afghanistan's Future – Novib - A criticism of SAF
Please ask JANN to forward this discussion paper to you
- Report Card: Progress on Compulsory Education, by the Human Rights Research and Advocacy Consortium
A report on the improvements in the education sector
http://www.careinternational.org.uk/cgi-bin/display_mediarelease.cgi?mr_id=285
- The Road Ahead; The Institute of Peace
A comparative look at Afghan reconstruction with Germany and Japan
<http://www.usip.org/pubs/peaceworks/pwks49.html>
- Conflictual Peace Building PRIO
A report on Afghanistan two years after Bonn prepared by a Norwegian Peace Institute
<http://www.cmi.no/afghanistan/> (this is also a new website about Afghan peacebuilding)
- Open Letter; Amnesty International
Policy statement by Amnesty concerning the Berlin Conference
<http://web.amnesty.org/library/index/engasa110032004>
- Afghanistan Policy Brief March April 2004 CARE about the Berlin Conference
http://www.careinternational.org.uk/cgi-bin/display_mediarelease.cgi?mr_id=286
- Building a New Afghanistan NYU
This document is the basis for much of the CARE Policy Brief
<http://www.mof.gov.af/berlin.htm>