

Afghanistan

The Development Challenge: Afghanistan remains at or near the bottom of every socio-economic indicator used to measure human and economic progress. The country's overall human misery index is among the highest in the world. As just one grim reminder of the harshness of this long-suffering land, one of four Afghan children dies before the age of five. Reasons for poor health status include an infrastructure damaged by 23 years of conflict, no preventive care, the unavailability of treatment facilities and drugs, and the lack of appropriately trained health care personnel. Civil war and drought destroyed productive agricultural assets; crops were uprooted, livestock lost, and farmers heavily indebted. Eighty percent of schools were either severely damaged or destroyed at the end of Taliban rule, and girls were denied an education. In addition to the infrastructure damage caused by the long conflict, Afghanistan is recovering from the institutional devastation. When the USAID team arrived in Kabul in January 2002, the nation was without a viable security apparatus, courts, or functioning ministries. Compounding these challenges, Afghanistan has some of the harshest climatic conditions and most difficult terrain on earth, some of it laced with millions of unmarked landmines. The security situation in the country also poses a challenge as the Taliban and their allies do all they can to disrupt the paving of highways, rebuilding of schools (burning several of the schools as a signal to the people not to cooperate with the international community), and the establishment of free and fair elections.

The USAID Program: When the USAID office re-opened in January 2002, the first objective was to prevent a major humanitarian crisis. Programs were put in place immediately to ensure sufficient supplies of food and shelter, especially for returning refugees and displaced persons, and to prevent the outbreak of hunger and epidemic diseases.

The USAID/Afghanistan mission is now working on the building blocks of a reconstructed Afghanistan. The new phase of reconstruction builds on achievements in the past year: the building of schools and clinics; the immunization of children; the development of infrastructure; and the introduction of a new, stable currency. The six building blocks of the current program are:

1. **Infrastructure.** Highways and roads are the commercial lifelines in Afghanistan. USAID is rebuilding key road links, including the Kabul-Kandahar-Herat highway, contributes to the revitalization of the economy and reunification of the country's people. These roads also provide access from the vast rural areas to markets, health services and schools.
2. **Agriculture and Rural Development.** USAID has emphasizes agricultural recovery and rural reconstruction to assist the 85% of Afghans who participate in the agricultural sector. Revitalizing Afghanistan's Agricultural Markets (RAMP) is a three-year program aimed at increasing food security and incomes of Afghanistan's rural population through increased agricultural productivity and output and effective linkages between producers, processors and markets.
3. **Education.** Working with communities that demonstrate a commitment to education, USAID is rebuilding schools and providing textbooks, teacher training and accelerated learning for over-aged students, to ensure that schools are functional centers of learning. A main focus is on women and girls long denied an education.
4. **Economic Governance.** USAID is strengthening Afghanistan's economy by creating jobs in a variety of sectors, enabling Afghans to support their families and help rebuild their country. USAID programs also focus on currency and banking reform, investment law reform, sound budgeting procedures by the Afghan government and related "economic governance" initiatives.
5. **Health Care.** The objective of USAID's health care program in Afghanistan is to reduce the mortality and morbidity of women and children. USAID has built and renovated health centers in needy areas to increase women and children's access to basic health care. Grants are provided to NGOs to operate clinics and train new community health workers, midwives, and clinic staff. USAID is helping build Ministry of Health (MOH) capacity at the national and provincial levels.

6. Reconstituting the Basic Organs of Governance. USAID is working to support the Bonn process, including the Constitutional, Human Rights, Legislative and Judicial Commissions, the June 2004 presidential elections, and a free and independent media. USAID is also working to build the capacity of the ministries to carry out legitimate government functions and support reconstruction of the judicial infrastructure.

Other Program Elements: In addition to USAID/Afghanistan's health program, the Bureau for Global Health's programs include purchase of contraceptives (\$2.5 million), and buy-ins to UNICEF's polio eradication program (\$1.5 million), the universal salt iodization to combat iodine deficiency (\$250,000), and the World Health Organization's malaria prevention program (\$500,000). In addition, \$2 million from the Global Displaced Children and Orphans Fund (DCOF) is being used for the care and protection of war-affected children and \$1 million from the Victims of War Fund is being used in a pilot program to train orthopedic technicians and provide support to fledgling Afghan disability councils. The Office of Foreign Disaster Assistance continued its humanitarian support for refugees, internally displaced persons and other disenfranchised segments of the Afghan population and to cover some of Afghanistan's emergency winter needs. Another \$17 million was obligated to continue the implementation of quick impact projects by the Office of Transition Initiatives. Bureau for Economic Growth, Agriculture and Trade (EGAT) used both an Indefinite Quantity Contract (IQC) task order and a buy-in to the Consortium for Elections and Political Process Strengthening (CEPPS) to support the Support of Democracy Initiative (SDI). Lastly, \$40 million in P.L. 480 was granted to the World Food Program.

Other Donors: The challenges of Afghanistan's reconstruction call for an unprecedented response by the international community. The multilateral Afghanistan Reconstruction Trust Fund (ARTF) was set up in May 2002 to provide support to Afghanistan in three main areas: recurrent costs of the government, investments, and financing the return of expatriate Afghans.

Along with the United States, 21 donors pledged \$430 million to the ARTF. Other donors are Bahrain, Canada, Denmark, European Commission, Finland, Germany, India, Ireland, Italy, Japan, Kuwait, Luxembourg, Netherlands, Norway, Portugal, Saudi Arabia, South Korea, Sweden, Switzerland, Turkey, and United Kingdom. About \$276 million has been received to date. The Transitional Islamic State of Afghanistan (TISA) maintains an inventory of donor-funded activities through the Afghan Assistance Coordination Unit, a subordinate office of the Ministry of Finance. TISA has published a National Development Framework to guide the country's rehabilitation. The ARTF is jointly managed by the Asian Development Bank, Islamic Development Bank, United Nations Development Program, and the World Bank, which also administers the fund.

In addition to the ARTF, there are over 80 other bilateral, multilateral, non-governmental, and private donors to the political and economic reconstruction of Afghanistan. The largest of which, after the United States, are the World Bank, the European Commission, the Asian Development Bank, Japan, the United Kingdom, and Germany. The Bonn Conference in 2001 determined leadership roles for each of the major G-7 donors. The US has taken the lead in establishing the Afghan National Army. USAID has taken a leadership role in major infrastructure projects, such as the Kabul to Kandahar road, and in supporting a democratic political transition. The World Bank coordinates other large infrastructure projects, and has taken the lead on developing local governance. The EC has a leadership role in governance, health and education, the ADB has contributed funds towards education, Japan is coordinating the demobilization, disarmament and reintegration (DDR) of soldiers, and Germany is the lead on developing a national police force. Other donors are providing technical assistance for the institutional strengthening of the Afghan government, to increase its ability to govern transparently and effectively and to deliver social services.

Data Sheet

USAID Mission:	Afghanistan
Program Title:	Agriculture
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	306-001
Proposed FY 2004 Obligation:	\$48,000,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$45,190,000 DA; \$11,000,000 ESF
Year of Initial Obligation:	FY 2002
Year of Final Obligation:	FY 2006

Summary: Restoring food security is USAID's highest priority. USAID Afghanistan's objective is to provide farmers access to higher yielding technologies and market outlets for their production, so as to improve food availability and purchasing power. Afghanistan's rural sector employs some 80% of the country's citizens, and traditionally produced more than half of Afghanistan's GDP. The agriculture sector is now de-capitalized and many productive assets have been destroyed. Crops have been uprooted, livestock has been lost, farmers are heavily indebted, and years of drought have compounded rural sector poverty.

Inputs, Outputs, Activities:

FY 2004 Program:

To ensure that Afghans have food security without distorting the development of the local economy, USAID plans to continue the Food for Peace contribution to the World Food Program (WFP), which is largely implemented by NGOs, on a highly targeted basis. A new element of the P.L. 480 program is the proposed \$5 million monetization, with the proceeds used to fund development activities.

Rebuilding Afghanistan's Agriculture Markets Program (RAMP) (\$48,000,000 DA). The primary objective of the RAMP program is to increase the marketable output of the agriculture sector in Afghanistan by more than \$250 million over three years. This will be accomplished through a series of intermediate results including increased agricultural productivity, increased access to inputs and input sales, increased processing and marketing efficiency, and access to operating capital through the provision of credit. Other results include improved roads and irrigation systems, increased number of financial intermediaries and trained loan officers, and the development of processing, marketing and storage facilities for agricultural products. The RAMP program will identify activities in target areas in conjunction with collaborating Ministries, including Agriculture, Irrigation, Finance, and Reconstruction and Rural Development, as well as local NGOs and other donors and members of the development community in Afghanistan.

Roads and irrigation structures in Afghanistan are in dire need of repair due to prolonged conflict and neglect. RAMP will rehabilitate secondary and tertiary roads in order to increase market access and improve efficiency in transport for agricultural producers. Quality assurance measures are being taken through the provision of a "Road Construction Training" for implementing partners, conducted in collaboration with UNOPS. Rehabilitating damaged and silted irrigation structures will increase the agriculture production capacity in the country by increasing land area under cultivation and increasing the production capacity of existing cultivated lands. The program initiated by USAID late in FY 2003 will include an intensive effort to identify, demonstrate and disseminate new and improved agricultural and production technologies in rural areas. The demonstrations will focus on new seed varieties, fertilizer applications, the use of crop protection technologies, water management techniques, and equipment and machinery credit. To ensure adequate supplies of new seed varieties, the program will support an extensive network of village-based seed production enterprises. Extension staff and mass media will be used to introduce information on new technologies and markets to farmers and local processors.

RAMP will also develop the business skills of input dealers, market intermediaries, and agro-processors to expand the value and volume of traded inputs, equipment, machinery, and processed products. Assistance will be provided to enterprises for specific product processing and market identification aimed at meeting the cost and quality requirements of local, regional, and international markets. The Microfinance Investment and Support Facility Afghanistan (MIFSA) will provide credit services to small and medium scale enterprises. This will be tied in with business development services. MIFSA is also supported by the World Bank, the ARTF, and the Japanese Social Development Fund.

RAMP implementing partners are Chemonics (prime), Louis Berger, and other subcontractors TBD.

FY 2005 Program:

Rebuilding Afghanistan's Agriculture Markets Program (RAMP) (\$45,190,000 DA, \$11,000,000 ESF). USAID's flagship program for the agricultural sector and rural economic development will be established in several regions across the country and will implement a range of interventions. The program will mount up to 400 demonstrations, including new and improved seed and fertilizer varieties, protected agriculture technologies, improved irrigation and water management techniques, farm mechanization, and crop management. These demonstrations will expose over 150,000 farmers to affordable new technologies and enhance farm productivity throughout the target areas. The program will also build the capacity of private sector input dealers to meet demand, both through exposure to these demonstrations and with business and marketing skill development. The program will actively strengthen farm output and enterprise capacity by identifying and exploring regional and international markets for value-added products. The program will focus intensively on a few (3-5) agricultural sub-sectors, with the objective of assisting those sub-sectors to achieve greater productivity, improve quality, and increase comparative advantages for Afghan products for better competition with neighboring countries. Production and processing activities will be supported by credit programs that meet critical needs for operating and investment capital. The RAMP program will collaborate directly with Ministries -- including Agriculture, Irrigation, and Reconstruction and Rural Development -- as well as local NGOs, donors, and other members of the development community in Afghanistan. Identified projects in rural infrastructure, including dams, roads, and bridges, will be carried out by implementing partners selected through a competitive bidding process. These projects will be funded through a variety of mechanisms, including the Rehabilitation of Economic Facilities and Service Program (REFS) and new contracts. Implementing partners are Chemonics (prime) with subcontractors TBD.

Performance and Results: USAID contributions in seeds and fertilizer last spring contributed to an 82% increase in crop production from the previous year. This increase in production is expected to reduce the number of Afghans dependent on food aid by 4 million -- from approximately 10 million last winter to 6 million currently. Seed and fertilizer were distributed to 113,000 farmers in 12 provinces. The estimated increase in wheat crop production from this contribution is 42,000 metric tons (MT), which translates into an additional \$69 net income per farmer where the average income is \$180 a year. In addition, the USAID Afghanistan programs provided 11.2 million work days, drawing labor away from poppy production. Through these programs, Afghans rehabilitated over 7,400 wells, irrigation canals, karezes, dams, reservoirs, and water systems. USAID programs also promoted high value crop diversification (i.e., grapes, olives, peanuts) in poppy-growing areas for approximately 18,000 farmers. Since the alternative crops program started, cotton production in the program area increased from 6,000 MT to 20,000 MT and a crushing facility in Helmand was opened to produce and market peanut and high value crops produced with USAID assistance. Income generation programs that benefit women, such as food processing (100 widow women, processing raisins in Kandahar); poultry production (200 women receiving breeding chickens); and widows' bakeries in Kabul, Mazar-I-Sharif, Kandahar, and Herat (employing 1,100 widows) were launched.

Afghanistan PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Child Survival and Health Programs Fund	4,000	48,475	21,000	22,000
Development Assistance	10,701	43,817	150,000	150,000
Economic Support Fund	17,250	49,675	74,558	225,000
ESF - FY 02 Supplemental	88,000	0	0	0
ESF - Emergency Response Fund	0	167,000	153,000	0
ESF - Wartime Supplemental	0	0	672,000	0
International Disaster Assistance	0	60,235	0	0
PL 480 Title II	159,472	47,356	0	0
Total Program Funds	279,423	416,558	1,070,558	397,000

STRATEGIC OBJECTIVE SUMMARY

306-001 Agriculture				
DA	9,985	0	48,000	45,190
ESF	0	0	0	11,000
IDA	0	14,285	0	0
306-002 Basic Education and Health				
CSH	4,000	48,475	21,000	22,000
DA	0	0	2,599	23,926
ESF	0	0	0	0
ESF - Wartime Supplemental	0	0	144,000	0
IDA	0	10,000	0	0
306-003 Infrastructure, Economic Governance & Democracy				
DA	716	43,817	94,401	75,884
ESF	17,250	49,675	72,051	207,000
ESF - FY 02 Supplemental	88,000	0	0	0
ESF - Emergency Response Fund	0	167,000	148,000	0
ESF - Wartime Supplemental	0	0	520,000	0
IDA	0	35,350	0	0
306-004				
DA	0	0	5,000	5,000
ESF	0	0	2,507	7,000
ESF - Emergency Response Fund	0	0	5,000	0
ESF - Wartime Supplemental	0	0	8,000	0
IDA	0	600	0	0

US Financing in Thousands of Dollars

Afghanistan

	DA	ESF
306-001 Agriculture		
Through September 30, 2002		
Obligations	6,920	0
Expenditures	1,317	0
Unliquidated	5,603	0
Fiscal Year 2003		
Obligations	4,781	4,000
Expenditures	8,018	1,364
Through September 30, 2003		
Obligations	11,701	4,000
Expenditures	9,335	1,364
Unliquidated	2,366	2,636
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	48,000	0
Total Planned Fiscal Year 2004		
Obligations	48,000	0
Proposed Fiscal Year 2005 NOA		
Obligations	45,190	11,000
Future Obligations	0	0
Est. Total Cost	104,891	15,000

Data Sheet

USAID Mission:	Afghanistan
Program Title:	Basic Education and Health
Pillar:	Global Health
Strategic Objective:	306-002
Proposed FY 2004 Obligation:	\$21,000,000 CSH; \$2,599,000 DA; \$144,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$22,000,000 CSH; \$23,926,000 DA
Year of Initial Obligation:	FY 2003
Year of Final Obligation:	FY 2006

Summary: Although no current or reliable statistics are available, it is generally agreed that the health and nutritional status of approximately 22 million Afghans is the worst in Asia and among the worst in the world. Life expectancy is 44 years for women and 43 years for men. One in four infants die before their first birthday, compared to one in 45 in neighboring Tajikistan. The average maternal mortality ratio (MMR) is 1,600 maternal deaths per 100,000 live births, one of the highest in the world. Afghanistan's educational system has been devastated by over two decades of war and a succession of governments who have used education as a political and religious tool. An estimated 80% of all school buildings have been severely damaged or destroyed, including primary and secondary schools, teacher training colleges, vocational training institutes, and universities. Of all students in Afghan schools today, nearly 50% are in the first grade. Of those (students in the first grade), approximately one third (or about 440,000 students) is overage many of them 10-14 years old. Many of these overage children will likely drop out before completing the primary cycle. The problem is most severe for girls who were denied education during the Taliban regime. Dropping out or "wastage" is a significant loss to both the individual and the broader society.

Inputs, Outputs, Activities:

FY 2004 Program:

Rural Expansion of Afghanistan's Community-Based Health Care program (REACH) (\$21,000,000 CSH, \$49,000,000 ESF). REACH is focused on rural primary health care for vulnerable populations, especially women and children. Work is being implemented at the central and provincial levels, in partnership with the Ministry of Health (MOH), to develop a sustainable foundation for a nationwide health care system including cost recovery and privatization. The goal is to improve the health of women of reproductive age and children less than 5 years of age. A key component is performance-based grants to nongovernmental organizations (NGOs) to deliver basic health services including maternal and newborn care, child health care and immunization, public nutrition, control of communicable diseases, supply of essential drugs, and as a second tier MoH priority, mental health care and disability care. The program includes hospital and clinic construction and rehabilitation expanding into urban and peri-urban areas to repair and replace up to 200 damaged or rented health facilities. To improve health services delivered from the newly built or rehabilitated health facilities, the program is supporting the training of community-based health workers and facility-based health care providers as well as providing equipment, supplies and drugs. USAID is developing a standard hospital management training and an infection prevention program to be delivered nationally. To increase the number and quality of available nurses and midwives, the REACH program is assisting four of the Institutes of Health Services, where instructors are taught to provide competency-based training. In addition, USAID is supporting an accelerated health-focused literacy program for rural women, many of whom may subsequently qualify to be trained as healthcare providers under the REACH grants program. Implemented by Management Sciences for Health, subcontractors TBD.

Afghanistan Primary Education Program (APEP) (\$2,599,000 DA, \$95,000,000 ESF). APEP includes construction and rehabilitation of school facilities, printing and distribution of textbooks, accelerated

learning classes for overage, out-of-school students, and radio-based teacher training. A main component of APEP is to improve the quality of and access to primary education for overage learners. APEP will expand its current work from three to twelve provinces and increase the number of students enrolled from 40,000 to 120,000. 45% of these overage students are girls, which APEP intends to increase to 70%. An additional goal for students who complete accelerated learning programs is to transition into an age appropriate level in the formal school system. APEP intends to increase the percentage of functioning school facilities from 34% to 45%. In addition, increased numbers of teachers will receive pre-service and in-service teacher training in order to improve the quality of classroom instruction. The goal is that at least 20,000 teachers will receive training to promote student-centered learning. All aspects of APEP are focused on increasing opportunities for girls and women. Implemented by a consortium led by Chemonics and including other U.S. and Afghan organizations.

FY 2005 Program:

The Rural Extension of Afghanistan's Community-Based Health Care program (REACH) (\$22,000,000 CSH). The REACH program intends to have its greatest impact in FY 2005 through implementation of performance-based grants. The program is structured to improve the performance of NGOs in delivery of health services. Access to health care will continue to improve with the construction and equipping of an additional 100 health centers. USAID will also support social marketing of safe water systems, contraceptives, and insecticide treated bed nets, conduct a national demographic household survey in coordination with other donors and partners, and will help the MOH establish a foundation for the accreditation of health facilities to ensure quality health care delivery. Implemented by Management Sciences for Health, subcontractors TBD.

Afghanistan Primary Education Program (APEP) (23,926,000 DA). USAID will continue to improve the quality of and access to primary education for overage learners. To enable schools to be functional centers of learning in rural communities, USAID proposes to continue its support to the four components of APEP: community-based school construction, textbook production, learner-centered teacher training, and accelerated learning. The program will expand to an additional 500 schools. The accelerated learning and radio-based teacher training will be expanded into additional provinces and deeper into currently targeted provinces. Textbook printing and distribution will include building capacity in the Ministry of Education (MOE) to manage printing requirements in future years and build capacity in the private sector to print the millions of textbooks needed annually. USAID will also build management and technical capacity in the MOE in other educational disciplines. A nationwide systemic program to assure a pipeline of quality teachers will be designed in connection with both ministries and other donors. Pilot projects, particularly in vocational education, will be implemented for overage students who complete accelerated learning programs, but do not enter the formal system. USAID will continue to increase the number of girls who participate in all educational programs. Implemented by a consortium led by Chemonics, including U.S. and Afghan organizations.

Performance and Results: In FY 2003, to address the major problems of child and maternal mortality and morbidity, USAID began the construction of 78 rural health clinics, assisted the MOH to establish construction protocols, established a grant review process with the MOH, and reviewed 33 NGO grant proposals, of which 15 were selected for funding. USAID also extended the grants awarded in FY 2002 to avoid any interruption in service delivery, developed a standardized equipment list, and piloted community mapping as a community-based information management tool. Great strides were made in drug management with the approval of key policy and legislation being adopted which will guide pharmacy policy and availability of essential drugs for the next 10 to 20 years.

USAID also distributed over 11 million textbooks to children nationwide, provided teacher training kits to 30,000 teachers, and trained over 1,300 teachers, including over 900 women. USAID reconstructed 85 schools and provided food, valued at 26% of monthly income, as a salary supplement to 50,000 teachers. USAID also provided food rations as incentive for families to send their daughters to school, and hosted curriculum development workshops for the Ministry of Education.

US Financing in Thousands of Dollars

Afghanistan

306-002 Basic Education and Health	CSH	DA	ESF	IDA
Through September 30, 2002				
Obligations	2,000	0	0	7,110
Expenditures	450	0	0	6,240
Unliquidated	1,550	0	0	870
Fiscal Year 2003				
Obligations	4,569	630	0	8,610
Expenditures	427	58	0	8,982
Through September 30, 2003				
Obligations	6,569	630	0	15,720
Expenditures	877	58	0	15,222
Unliquidated	5,692	572	0	498
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2004 NOA				
Obligations	21,000	2,599	144,000	0
Total Planned Fiscal Year 2004				
Obligations	21,000	2,599	144,000	0
Proposed Fiscal Year 2005 NOA				
Obligations	22,000	23,926	0	0
Future Obligations	0	0	0	0
Est. Total Cost	49,569	27,155	144,000	15,720

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

Data Sheet

USAID Mission:	Afghanistan
Program Title:	Program Support
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	306-004
Proposed FY 2004 Obligation:	\$5,000,000 DA; \$15,507,000 ESF
Prior Year Unobligated:	\$2,500,000 ESF; \$654,000 IDA
Proposed FY 2005 Obligation:	\$5,000,000 DA; \$7,000,000 ESF
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2009

Summary: The Program Support objective (PSO) funds activities being implemented exclusively to support the achievement of other programs in Afghanistan. The targets and results of this objective are visible through and attributed to USAID/Afghanistan's three other strategic objectives: Reestablish food Security; Create Conditions for Stability; Rehabilitate Afghanistan as a Nation-State. PSO support to these programs includes training, evaluation, administrative support, and technical support.

Inputs, Outputs, Activities:

FY 2004 Program:

Cross-sectoral staffing needs (\$1,743,000 DA, \$7,000 ESF, \$328,000 IDA). USAID has only recently acquired the space to expand the staff necessary for approximately \$2 billion of USAID-managed assistance in Afghanistan. Funds will go to cross-sectoral staffing needs, such as financial management and contracting.

Army Corps of Engineers (\$5,000,000 ESF). The Army Corps of Engineers will provide support and capacity building to the Ministry of Public Works as well as technical assistance to USAID on infrastructure projects.

Staffing, equipment, and support for the Provisional Reconstruction Teams (PRTs) (\$1,507,000 DA, \$10,500,000 ESF, \$1,901,554 ESF Prior Year Unobligated, \$326,000 IDA). Of this amount, \$8,000,000 in ESF is a congressional earmark from the FY 2004 supplemental for airlift and other support needs for the civilians in the PRTs. USAID is contracting this money for the Department of State personnel as well.

Evaluations (\$750,000 DA). Funds will be used for mid-term evaluations for those programs that are approaching the midway point in their contracts.

UN Humanitarian Air Service (UNHAS) (\$500,000 DA, \$598,446 ESF Prior Year Unobligated). Funds will support the UNHAS, which is a critical link for aid workers to travel to and within Afghanistan.

Program design, implementation, and monitoring (\$500,000 DA). Funds will be used for technical support in the design, implementation and monitoring of programs, and for technical support temporary duty personnel supporting ongoing programs.

FY 2005 Program:

Training, evaluation, administrative support, and technical support to USAID/Afghanistan programs (\$5,000,000 DA, \$7,000,000 ESF). Like FY 2004, USAID will use these funds to support cross-program activities to achieve the sectoral goals listed in other program data sheets.

Performance and Results: This result is being reported through other program data sheets of USAID/Afghanistan.

US Financing in Thousands of Dollars

Afghanistan

306-004 Program Support	DA	ESF	IDA
Through September 30, 2002			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2003			
Obligations	0	0	595
Expenditures	0	0	469
Through September 30, 2003			
Obligations	0	0	595
Expenditures	0	0	469
Unliquidated	0	0	126
Prior Year Unobligated Funds			
Obligations	0	2,500	654
Planned Fiscal Year 2004 NOA			
Obligations	5,000	15,507	0
Total Planned Fiscal Year 2004			
Obligations	5,000	18,007	654
Proposed Fiscal Year 2005 NOA			
Obligations	5,000	7,000	0
Future Obligations	0	0	0
Est. Total Cost	10,000	25,007	1,249