

First Meeting on the Afghan Reconstruction Steering Group (Outline)

January 7, 2002

1. Time and Place

20 (Thu) - 21 (Fri) December, Brussels

2. Attending Countries and Organizations

- Co-chairs: Japan, the United States of America, the European Union (EU) (Belgian Presidency + European Community (EC)) and the Kingdom of Saudi Arabia.
- Afghan Interim Authority (represented by Hedayat Amin Arsala, Vice Chair of the Interim Authority and Finance Minister), 33 nations, 12 international organizations, non-governmental-organizations (NGOs).

3. Main Points Discussed

- **Preliminary needs assessment and priority sectors**

(1) Examples of priority sectors: education, landmines, health and nutrition, energy, water and sanitation, shelter, employment, and assistance for local public bodies. Japan pointed out the importance of community building and a regional strategy.

(2) The following are the main points:

- a. Though a needs assessment is incomplete, estimates in sectors for which a study has been completed indicate a total budget of approximately 1.63 - 2.26 billion dollars over the next two and a half years.)
- b. Estimates were made for an average of 1 - 2 billion dollars per year of demand for aid over the next 10 years.
- c. Mr. Marc Malloch Brown, Administrator of the United Nations Development Programme (UNDP), stated that he expected 9 billion dollars of aid demand over the next five years.

- **Emergency Assistance for the UN Afghan Interim Authority Fund**

A fund amounting to 20 million dollars was established to cover administration costs over the coming six months. By the end of the meeting, 17 million dollars had been pledged, including one million dollars from Japan.

- **Funding Mechanisms**

Existing bilateral assistance and MDB mechanisms should be primary vehicles for financing recovery and reconstruction. Also, a single trust fund entrusted to the World Bank will be established. Such a fund will serve (1) as a vehicle for small donors as well as donors without a presence in Afghanistan (2) as a means of helping to help ensure that needs not otherwise addressed by traditional donors are filled (e.g., budgetary requirements recurrent costs).

- **Main Responses of Japan**

(1) Japan announced a 1 million dollar contribution to the UN Afghan Interim Authority Fund.

(2) Japan formally announced the hosting of the International Conference on Reconstruction Assistance to Afghanistan in Tokyo on 21 and 22 January.

(3) Japan emphasized the importance of community building, education, medical care and health, and landmine clearance.

Attachment 1: Demand for aid shown in the World Bank, UNDP, Asian Development Bank (ADB) in preliminary needs assessment.

1. Demand for the next two and a half years

- Total: 1.63 - 2.26 billion dollars + a (in sectors for which the study is incomplete)
- Including quick impact projects: 582 - 812 million dollars + a (in sectors for which the study is incomplete.)
- The above figures only refer to the main sectors where study has been advanced and does not include calculations of such sectors as security, the judicial system, finance, and governance, where work has not yet been completed.

Education: 190 - 250 million dollars

Health: 230 - 290 million dollars

Roads: 150 - 250 million dollars

Energy: 200 - 280 million dollars

Landmines: 170 - 200 million dollars

Agriculture: 150 - 190 million dollars

Employment (public works projects): 220 - 320 million dollars Etc.

2. Demand for the next five years

- 9 billion dollars

However, the basis for this calculation is still unclear. This figure was given at a press conference by Mr. Marc Malloch Brown, the Administrator of the UNDP.

3. Demand for the next 10 years

Total: 10 - 20 billion dollars, 1 - 2 billion dollars annually, 40 - 80 dollars per capita. This calculation of the figure is based on comparisons with reconstruction assistance implemented in the Kingdom of Cambodia, the Republic of Lebanon, the Republic of Mozambique and the Republic of Rwanda, and the populations and GDPs of these countries. Based on this comparison, necessary annual assistance per capita is worked out and multiplied by the population of Afghanistan.

Attachment 2: Contributions to the UN Afghanistan Interim Authority Fund

Japan:	1 million dollars
U.S.A:	1 million dollars
United Kingdom of Great Britain and Northern Ireland:	3 million dollars
French Republic:	1 million euros
Federal Republic of Germany:	2 million euros
Republic of Italy:	1 million dollars
EU:	2.5 million euros
Kingdom of the Netherlands:	1 million dollars
Kingdom of Norway:	11 million dollars
Swiss Confederation:	250,000 dollars
Kingdom of Denmark:	700,000 dollars (approx)

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