

DFID

Transitional Country Assistance Plan

Afghanistan

2003-2004

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CONTENTS

Abbreviations / Glossary page 2

Summary 3

PART I – CONTEXT

The Challenge 4

Risk Analysis 8

What we have learnt 10

PART II – UK ASSISTANCE PLANS OVER POVERTY STRATEGY PERIOD

UK Development Partnership 11

Programme Resources 16

PART III – ANNUAL PLAN (FY 2003/04)

Monitoring the impact of DFID activities on Poverty Strategy outcomes 17

Implementing the Country Plan 21

Annexes

1 – Progress on PSA/SDA Targets

2 – Consultation Process

3 – Country Plan Expenditure Profile

4 – Input required from other DFID Departments to support Plan Delivery

5 – Detailed Risk Analysis

6 – Focus areas of other donors

Abbreviations

ADF	Afghanistan Development Forum	LSP	Livelihoods and Social Protection
ANA	Afghan National Army	MOD	Ministry of Defence
ARCSC	Administrative Reform and Civil Service Commission	MRRD	Ministry for Rural Rehabilitation and Development
ARTF	Afghanistan Reconstruction Trust Fund	NDB	National Development Budget
ATA	Afghanistan Transitional Administration	NDF	National Development Framework
CBO	Community Based Organisation	NEEP	National Emergency Employment Programme
CG	Consultative Group	NRM	Natural Resources Management
DDR	Disarmament, Demobilisation and Reintegration	NSP	National Solidarity Programme
DFID	Department for International Development	PAREM	Public Administration Reform and Economic Management
FCO	Foreign and Commonwealth Office	PPA	Participatory Poverty Assessment
GCPP	Global Conflict Prevention Pool	PRGF	Poverty Reduction Growth Facility
HAAG	Humanitarian Assistance Advisory Group	PRSP	Poverty Reduction Strategy Paper
HIES	Household Income and Expenditure Survey	PRT	Provincial Reconstruction Team(s)
HIPC	Heavily Indebted Poor Country	SOE	State Owned Enterprise
ICRC	International Committee of the Red Cross	SSR	Security Sector Reform
IDP	Internally Displaced People/Person	TA	Technical Assistance
IFRC	International Federation of the Red Cross	VAM	Vulnerability Analysis and Mapping

A Summary

1. Afghanistan is one of the world's poorest countries and is emerging from over twenty years of internal and external conflict. There is now an opportunity to help to rebuild a peaceful and stable Afghanistan, with a growing economy and steadily improving life opportunities. It is a huge challenge but with commitment, determination and partnership between Afghanistan and the international community, it can be done.

2. Afghanistan is in a transitional stage. The political transformation process is essential to poverty reduction and development in Afghanistan. The challenge is to address both short term and longer-term needs. Afghanistan needs an effective state, with authority across the whole country, which is democratic and accountable, can guarantee security and the rule of law for its citizens, addresses the needs of the poor and ensures an enabling environment for private sector economic growth.

3. Impressive progress has been made since November 2001, through the efforts of the UN and local and international NGOs. The Afghan Transitional Administration (ATA) is now rightly taking the lead in directing the development process, through their National Development Framework. We must empower them to do so whilst recognising, and helping them to overcome, their current capacity constraints. A healthy and open partnership between the ATA and donors will be crucial. Delivery will continue to rely on a wide variety of actors, including the UN, NGOs and civil society organisations and the private sector, as well as sustained financial support from the international community.

4. Security concerns remain a major challenge. Although Kabul is relatively peaceful, fighting and banditry continues in some parts of the country. This undermines the political transition, economic investment and development. There will be a major effort in 2003 to extend security, stability and government authority across the country, to reform the Afghan National Army and to demobilise ex-combatants. We will work to support this.

5. DFID will work closely with other British Government Departments to deliver the UK's overall objective of a stable, secure and prosperous Afghanistan. We will also work closely with the rest of the international community in Afghanistan to complement and add value to others' efforts to reduce poverty. DFID's programme for the next two years will focus on:

- Financial support for the National Development Framework
- Political and technical support for the political transition process, including security sector reform
- Technical support for state-building: economic and financial management and public administration development
- Support for sustainable livelihoods development for poor Afghans, by working with both the government and the private sector
- Humanitarian assistance

PART I – CONTEXT

B The Challenge

6. Afghanistan is one of the world's poorest countries. Accurate data is lacking but estimates of Afghanistan's annual GDP per capita range between \$150-\$180¹. An estimated 60-80% of the population (estimates vary from 20 to 26 million) lives below the \$1/day extreme poverty line or consumes less than the minimum daily calorific requirement. It has some of the world's highest child and maternal mortality rates and lowest literacy rates, and life expectancy is estimated at just 44 years. Reducing poverty in Afghanistan is an urgent and complex challenge.

7. A peaceful and more prosperous Afghanistan is also important for global and regional stability. The international community helped to bring down the regime which gave shelter to some of the world's most destructive terrorists and caused deep suffering to the people of Afghanistan. We have a significant interest in supporting the establishment of effective, democratic governance in Afghanistan, which can deliver better services to poor people.

8. Instability in Afghanistan affects, and is affected by, neighbouring countries. Its location also means that political, social and economic developments in Afghanistan will impact on, and be impacted by, developments in South and Central Asia, China, Russia, the Gulf and the Middle East.

9. Afghanistan is also the world's largest opium producer. This is a major international, regional and domestic concern. It fuels conflict, perpetuates inequality and encourages corruption. It is one of the many consequences of lack of effective law enforcement.

A country in transition

10. Afghanistan is emerging from two decades of conflict during which its political, administrative, social, economic and physical infrastructure was badly damaged. There is a new opportunity to address these long-term problems, following the fall of the Taliban. The challenge is to meet the urgent humanitarian needs of the population and at the same time to support the political transition process in Afghanistan and build the institutions and frameworks that will deliver longer term development.

11. Important progress has already been made since November 2001. The Bonn Agreement in December 2001 put in place a process for a political transition in Afghanistan. An Interim Administration was appointed for an emergency six-month period, and a broad-based Transitional Administration was established at a traditional *Loya Jirga*, which also elected President Karzai, for a two-year period from June 2002. Full elections are to be held in June 2004 to select the first fully democratic government of Afghanistan. In the meantime, a new constitution must be agreed. It is essential that this political process consolidates

¹ These estimates exclude opium poppy cultivation and narcotics production

a peaceful political settlement across the country and promotes the human rights of everyone (especially women and minority groups) in Afghanistan.

12. The deployment of the International Security Assistance Force (ISAF) has had a very positive, stabilising effect, in and around Kabul. However, regional leaders, drug gangs and bandits continue to hold sway over much of the country, meaning security in some parts of the country is unpredictable. Thousands of ex-combatants need to be disarmed, demobilised and reintegrated into civilian life. The key to achieving reform in Afghanistan is establishing security and law and order across the whole country.

13. At the moment, the capacity of the Transitional Administration, and its authority outside the Kabul region, is very limited. The government's writ does not extend into the provinces. Regional leaders control much of the country, including customs paid at the borders of Afghanistan which is the country's main source of revenue. Afghanistan needs to reform its public administration and establish sound revenue collection and public expenditure management systems. This is essential for the delivery of effective public services, stimulation of local economies including through public works, and establishing the necessary legal and institutional infrastructure for economic activity to flourish.

The National Development Framework

14. An early priority for the Transitional Administration was to prepare a National Development Framework (NDF), setting out policy commitments and priorities for reconstruction and poverty reduction. The NDF is country-driven, focused on a limited number of priorities and looks to the long term. However, it is not a detailed or comprehensive Poverty Reduction Strategy, as one would expect from a HIPC country. Detailed poverty data on Afghanistan is simply not available. So it does not set over-arching targets. It has had to be drawn up rapidly to respond to Afghanistan's urgent needs. So participation in producing the Framework has been limited. "Ownership" within individual ATA ministries therefore varies. But it is an appropriate and helpful framework for long-term development in Afghanistan.

15. The Transitional Administration has demonstrated a clear desire to assume responsibility for the development of Afghanistan. Whilst recognising that the government has limited capacity to deliver services, the ATA wants to guide and co-ordinate donor assistance. Donors welcome this. They recently decided to wind up the donor-led Afghanistan Support Group mechanism and replace it with a government-led Consultative Group mechanism (which led to the first Afghanistan Development Forum (ADF) in March 2003). They have also responded with significant support to fund the ATA's recurrent and development budget. The challenge is to ensure this consultative process works well in practice.

16. The main instrument for policy co-ordination will be the National Development Budget (NDB), which was presented to donors at the ADF. The NDB translates the priorities of the NDF into specific programmes and projects, following consultation both within government, including with provincial authorities, and

with donors, through Consultative Groups in each of the priority areas (see table below).

Pillar 1 - Humanitarian and Human and Social Capital	Pillar 2 - Physical Reconstruction and Natural Resources	Pillar 3 - Private Sector Development, Governance and Security
Refugee Return	Transport and Communications	Trade and Investment
Education and Vocational Training	Water and Sanitation	*Governance and Public Administration
Health and Nutrition	Energy	*Security and Rule of Law
Livelihoods and Social Protection	Urban Development	
Cultural Heritage, Media and Sports	Natural Resource Management	

** “underlying foundations” in the NDF, but fully integrated in the NDB*

17. This framework is intended to ensure a both practical and strategic approach which works across government ministry boundaries to set clear objectives and priorities in each of these important areas and to co-ordinate development assistance to them. However, many of Afghanistan’s complex problems span even these broad areas and need to be tackled in a multi-dimensional way.

18. Annex 6 shows how donors are co-ordinating with and complementing each other by focusing their efforts in a limited number of these Consultative Groups. For example, multilateral donors like the European Commission and the Asia Development Bank, to which DFID contributes resources, are focusing on areas such as health services and transport, where DFID is not heavily involved itself. Other large bilateral donors, such as the US, are focusing on education. At the same time, DFID is co-ordinating closely with the US and World Bank on public administration reform and with the European Commission and others on sustainable livelihoods.

19. The NDB sets out objectives for each of these priority areas. Some are more specific, quantitative and timebound than others. The Consultative Groups are analysing the NDB in more detail with the ATA, to agree benchmarks for performance, set priorities for assistance and to maintain ongoing dialogue and monitoring of progress between donors and the ATA.

20. The ATA has identified six National Development Programmes as first priorities for 2003/04. Five of these are infrastructure programmes in the areas of education, urban development, water, governance and transport. The sixth priority comprises a National Solidarity Programme and a national Emergency Employment Programme, designed to empower local communities and create livelihood opportunities for poor people across the whole of Afghanistan.

21. Gender and human rights are seen as key cross-cutting issues in the National Development Framework. It remains to be seen whether this mainstreaming approach is effective or just represents lip-service.

22. Addressing the cultivation of opium crop and the illicit production of narcotics is another important cross-cutting objective for Afghanistan. The UK is working closely with the ATA and other donors to mainstream a national drugs strategy across the various National Development Programmes.

Resources required

23. The Transitional Administration presented its budget for 2003/04 at the ADF. The Ordinary or Recurrent Budget for 2003/04 is \$550m, of which the ATA intends to raise \$200m from domestic sources. The Development Budget is a further \$1.7bn. Both are expected to rise in future years.

24. At the ADF, donors pledged nearly \$1.9bn dollars for 2003/04 for Afghanistan. This is an increase on what was disbursed in 2002/03 (\$1.8bn) and represents nearly 90% of what the ATA has requested from donors. This is a testament both to the international community's commitment to Afghanistan and its belief in the changes taking place there. The challenge in the short term is to ensure that these resources are directed towards the ATA's priorities as set out in the Budget at the ADF. The challenge in the longer term is to ensure that this level of support is maintained or increased in future years as Afghanistan makes progress and can absorb more.

25. The ATA has asked donors to provide financial support through the Afghanistan Reconstruction Trust Fund (ARTF) to fund both recurrent expenditure and development programmes. At the ADF, donors pledged to direct some \$170m through the ARTF. This is less than 50% of what the ATA needs or would like. In order to encourage donor support for the recurrent budget, the ATA must demonstrate progress in reform of the public administration as well as increase and diversify its own domestic revenues.

C Risk Analysis

26. At the ADF in March 2003, Afghan Finance Minister Ghani identified three possible medium-term scenarios for Afghanistan. He said that,

“with a national vision, wise policy choices and co-ordinated and cogent international support, Afghanistan could become a self-sustaining, moderate Islamic, western friendly state... [Otherwise] Afghanistan at best will become another development failure, lurching from crisis to crisis and at worst a narco-mafia state, with a criminal elite and no respect for rule of law or civil and human rights.”

27. So the risks are high and they are interlinked. Yet they can be reduced as long as there is the political will in Afghanistan and the international community remains fully engaged over a sustained period. This is a fundamental UK objective. It also means that DFID (and the UK Government as a whole) will need to be prepared to take some risks in Afghanistan, if it is not to miss the current opportunity for change in that country.

28. The main risks are considered in more detail in Annex 5. They fall in to the following categories:

- **Political will and commitment.** The ATA has many difficult challenges ahead, in implementing the Bonn political transformation process, governance and security sector reform. It will require political courage from the ATA and political support and commitment from the international community, to address these.
- **Security.** Without improved security, the ATA will not be able to implement its development strategy and people will continue to live without rule of law and human rights. There will be a major effort in 2003 to improve security across the country, through the deployment of international joint-civil military Provincial Reconstruction Teams and ongoing Security Sector Reform.
- **Capacity.** There is weak capacity in the ATA to implement its development strategy. Support from the international community must recognize this, be realistic about what is achievable by the ATA in the short term while building its capacity for the longer term.
- **Resources.** Resources are finite and must be used effectively. Domestic revenues must be increased. Current levels of international assistance need to be maintained.
- **Vulnerability.** Millions of people remain extremely vulnerable and could slip back into requiring emergency assistance, which would divert resources from long term development. Disaster preparedness is therefore essential.

- **Narcotics.** The criminal drugs economy fuels many of Afghanistan's worst problems: insecurity, poverty, corruption. As identified by the ATA, there is a real risk of Afghanistan becoming a "narco-mafia" state. It will be important that a comprehensive counter-narcotics strategy is mainstreamed into all government policies.
- **Knowledge.** There is a serious lack of information and basic data on Afghanistan. This risks undermining development programmes and a major effort is needed to start collecting more systematic data on what is happening, what the needs are and who and where the poor people are.

D What We Have Learnt

29. It is early days. One year ago, Afghanistan was receiving only emergency humanitarian aid from the international community. In 2002, it received around \$1.8 billion in emergency and reconstruction assistance. Significant progress has been made as a result. But there has been little yet in the way of systematic evaluation of development co-operation in Afghanistan. This will be important and we will promote appropriate lesson learning and evaluation in Afghanistan through our partnership with the ATA and in our dealings with other donors.

30. However, some initial, if anecdotal, lessons include:

- Lack of capacity and constraints in the operating environment lead to over-optimistic forecasting of delivery of development interventions. We therefore need to be cautious and realistic about how quickly things will happen.
- The status of women and gender equality is too often being overlooked in favour of what is “practical” in the short term.
- Technical assistance and research provided only in English has limited impact. We need to budget for translations into local languages and should guard against assistance being concentrated on those who can speak English.
- The ATA is not homogeneous. We need to recognise its internal dynamics and tensions as well as support change agents.
- The international community needs to be sensitive to the ethnic religious diversity within Afghanistan whilst promoting a tolerant, multi-ethnic society.
- Donor co-ordination is important. It has been good so far but takes ongoing efforts, trust and a good relationship between donors and the ATA.
- It is important that progress is recognised, especially outside Kabul, in order to increase the authority of the centre as well as to maintain public support in Afghanistan and globally for the international community’s presence.
- Knowledge is at a premium in Afghanistan. We need to increase knowledge sharing between all actors.

PART II – UK ASSISTANCE PLANS OVER POVERTY STRATEGY PERIOD

E UK Development Partnership

31. This Transitional Country Assistance Plan sets out our strategy for the next two financial years. This is because Afghanistan remains an unpredictable place and the development partnership between the ATA and donors is still evolving rapidly. In particular it is because we expect that a new Afghan Government elected in mid 2004 will set out a revised and longer-term development policy later in 2004. We will respond with a longer term Country Assistance Plan for Afghanistan by March 2005.

32. As set out in Section B above, there is very great poverty in Afghanistan now, which must be addressed. Progress will only be sustainable if the political transition process succeeds and an effective and accountable state is established, which addresses the needs of the poor and ensures an enabling environment for private sector economic growth. A blend of instruments and approaches is therefore necessary, including financial assistance, joint-donor programmes and direct funding of private sector, NGO and UN implementation. We expect to see this mix change over time, with the amount of international assistance channelled through the government increasing as government capacity is built. In the meantime, other channels of funding will continue to be necessary.

33. Given the need for this blend of instruments, it is particularly important to ensure that assistance to Afghanistan is well co-ordinated, promotes Afghan leadership and is directed at Afghanistan's own priorities. Our first priority is therefore to ensure that there is an effective development partnership between the ATA and the whole international community. This can only be achieved by donors working within the parameters of the Afghanistan National Budget and co-ordinating with each other and the ATA through the Consultative Group process.

34. We want to promote and support this country-led co-ordinated approach by the example we set to other donors. We will therefore collaborate with other donors and pool resources where that is most effective. Elsewhere, we will seek to complement the work of other donors (see Annex 6) and focus our (human and financial) resources on areas which promote change and where we have a comparative advantage.

Afghanistan Reconstruction Trust Fund

35. The Afghanistan Reconstruction Trust Fund is designed to allow donors to pool their support for the National Development Framework and the Transitional Administration, in a way that reduces transaction costs, improves co-ordination and promotes Afghan leadership.

36. We are keen to see the ARTF become an efficient and effective channel for pooling donor resources in support of the National Development Budget. We support the ATA's intention to increase the proportion of the ARTF used to fund

priority National Development Programmes. But this will depend on the level of donor resources channelled through the ARTF as well as the level of domestic revenues raised by the ATA.

37. The ARTF will continue to be used to fund part of the ATA's Ordinary or Recurrent Budget for the next few years, until Afghanistan's domestic revenues can meet these costs. At the recent ADF, donors pledged some 50% of the \$350m requested by the ATA for its Ordinary Budget for 2003/04. Donors are reluctant to meet the recurrent costs of civil service salaries on an indefinite basis and unless they are confident that these civil servants are clearly contributing to the development of Afghanistan. Nevertheless, donors recognise the need not to destabilise a young and fragile political transition process by refusing to finance the Transitional Administration and the remaining gap must therefore be filled. Donors and the ATA have therefore agreed a number of benchmarks for short term Public Administration Reform which can be achieved this year and are set out in the National Budget. Further contributions to the Ordinary Budget should be dependent on implementation of these reforms. Finance Minister Ghani welcomed this approach at the ADF.

38. We plan to provide at least £20m per year to the ARTF. We would prefer most of this to be used to support National Development Programmes but recognise that this will depend on other donors' contributions to the ARTF. At the ADF, we promised an additional £10m for the 2003/04 Ordinary Budget if the ATA remained on track with implementation of civil service reforms. Following the issue of the decree on Priority Reform and Restructuring of the civil service in July 2003, we released those funds to the ARTF. We will agree further benchmarks for additional support in 2004/05 with the ATA in the coming months. We are also providing assistance for public administration reform to ensure these benchmarks can be achieved (see paragraph 44).

Political Transition Process and Security Sector Reform

39. We will work closely with the FCO to assist with the political transition in Afghanistan, which is crucial for longer term change in Afghanistan. Modest amounts of strategic technical assistance could be crucial in this area, in particular to support the ongoing Constitutional drafting and popular consultation process. Elections in 2004 will require substantial financial assistance from donors. The UK will contribute to this.

40. We will also work closely with FCO and MOD to assist with Security Sector Reform (SSR) and Disarmament, Demobilisation and Reintegration (DDR) of ex-combatants in Afghanistan. A DDR expert – funded by the joint FCO-DFID-MOD Global Conflict Prevention Pool - has been seconded to the UN in Kabul.

41. A part of the international effort to improve security and political authority outside Kabul is the establishment of eight joint civil-military Provincial Reconstruction Teams (PRTs) in regional centres around the country. These are intended to extend ATA authority and rule of law, improve the security environment and facilitate SSR and development. The US has already

established three teams. We intend to second DFID experts to PRTs to provide advice and funding for development in these regions.

42. The Global Conflict Prevention Pool over the next two years will support conflict prevention and aim to develop civil society in the run up to elections, as well as continue to support Security Sector Reform in a number of ways: DDR and the establishment of a new, professionally trained Afghan National Army (ANA); Police and Judicial Reform, and; counter-narcotics law enforcement.

Public Administration and Economic Management

43. We will continue to help establish the basic building blocks of accountable government - sound economic and public expenditure management, through continuing assistance to the Ministry of Finance and Central Bank and possibly other line ministries and provincial authorities, in accordance with the priorities identified in the NDB and with other donors through the Consultative Groups. We will continue to support reform of customs and revenue policy, in order to strengthen the domestic revenue base of the ATA.

44. We are providing technical assistance to the Administrative Reform and Civil Service Commission (ARCSC) and the Office of the President and will co-fund a major public administration development programme with the World Bank, in order to promote a more effective civil service and improved service delivery to poor people throughout Afghanistan.

Sustainable Livelihoods

45. With extensive experience in promoting sustainable livelihoods approaches worldwide and in the region, DFID has a comparative advantage in this area in Afghanistan. There is a crucial need to strengthen the capacity of those government ministries directly concerned with rural livelihoods development. In coordination with other donors, we will provide a flexible package of technical assistance and training resources to the Ministries of Rural Rehabilitation and Development (MRRD) and Agriculture and Animal Husbandry (MAAH). We will actively participate in the Consultative Groups for the Livelihoods and Social Protection, and Natural Resource Management, National Development Programmes, and work with all relevant stakeholders to develop and implement a coherent national sustainable livelihoods strategy that is inclusive of agricultural livelihoods, micro-enterprise development and vulnerability/ social safety net issues (which are not explicitly linked in the NDF) and addresses urban as well as rural livelihoods.

46. We will also work both with Afghan stakeholders, the international community and across Whitehall, to ensure that the particular issues associated with counter-narcotics, returning refugees and internally displaced people, DDR and retrenched civil servants, are mainstreamed within an overall national livelihoods strategy.

47. Tackling the drug problem is fundamental to preventing conflict and achieving security, good governance and social and economic development. The UK

supports the Afghan national counter-narcotics strategy to address drugs issues in all areas of policy, including security, law enforcement, demand reduction and alternative livelihoods for those currently involved in poppy cultivation. DFID is contributing £5.4m over three years to the UK Delivery Plan in support of the Afghan national strategy. Another £15m for livelihoods over three years will help to promote sustainable livelihoods based on legal activities either in agriculture, small business or employment. We will work through the Consultative Groups to identify specific issues related to alternative livelihoods for poppy producers and ensure with other donors that these are mainstreamed into national development programmes. We will also pilot livelihoods projects in poppy producing areas.

48. DFID will support the ATA in the development and supervision of its priority investment programmes relevant to rebuilding livelihoods, such as the National Solidarity Programme (NSP) and National Emergency Employment Programme (NEEP). We have contributed £1m to the 'National Area-Based Development Programme', co-funded by the Italian Government and implemented by MRRD/UNDP. This project is intended to build capacity in local government (province and district level) to prepare plans and budgets, and design, administer and monitor livelihoods projects. We will make an initial contribution to the NSP in 2003/04. Further financial contributions to these programmes will depend on their performance.

49. In parallel, we will work with relevant Ministries and agencies to pilot approaches to livelihoods development that can generate lessons that can be replicated and used to inform rural development policy. We are already working with the Aga Khan Foundation in Badakhshan on 'Integrated Rural Rehabilitation to Improve Livelihoods and Curb Poppy Cultivation', and intend to support FAO, and collaborating ATA and NGO stakeholders, in implementing a Development of Sustainable Agricultural Livelihoods project in Eastern Hazarajat – a particularly poor and disadvantaged part of the country. We have also provided short term bridging funding for micro-credit initiatives (through BRAC) and to the development of livelihoods monitoring (through MRRD and the Afghan Research and Evaluation Unit). We will ensure that such interventions remain genuinely strategic and supportive of ATA plans, whilst avoiding an over-bureaucratic approach to pilot work.

Private Sector Development

50. Private sector growth is urgently needed to create employment and livelihood opportunities for former state employees, ex-combatants, returning refugees and internally displaced people, people involved in poppy production and other poor people. We will continue to work with the ATA, other donors and other UK Government Departments to encourage private investment in Afghanistan and engage in policy dialogue with the ATA, through the Consultative Groups, on the development of an enabling environment for the private sector. We are considering whether DFID can add value to the work of other donors by providing additional assistance in this field.

Humanitarian assistance

51. The humanitarian situation in Afghanistan is no longer an emergency. The 2002/03 winter passed without any major disasters and the food supply is improving. The situation has returned to one of chronic vulnerability of millions of people. The ATA is attempting to address this through its major social protection programmes (ie. the NSP and NEEP described above). We will work with them to support these efforts. In addition, the impact of refugee returns in 2003/04 is likely to be significant and we will support UN programmes to help to meet the essential humanitarian needs of refugees, returnees and internally displaced persons. While vulnerability remains high, it is prudent that we hold back some resources in 2003/04 in case of a new disaster. If even greater needs arise, we will call on DFID's emergency humanitarian aid budget.

Empowering Women

52. It is vital that women and girls participate fully in the rebuilding of Afghanistan. We aim to promote this throughout our programme (for example in our technical assistance and capacity building projects) and encourage others to do the same – especially the ATA itself. Vulnerable women, such as widows and women-headed households, will continue to be targeted by a number of our humanitarian and livelihoods programmes. We are also supporting the constitutional consultation process that aims to ensure all groups, including women, are consulted on Afghanistan's new constitution.

Improving Public Information

53. We have learnt that lack of public information about development efforts in Afghanistan – about progress and future plans – risks undermining the progress made so far. We are therefore discussing with the ATA how we can provide modest assistance to their Public Information Unit to improve communication between the ATA and ordinary Afghans.

What we will not do

54. Whilst our first focus is on supporting the establishment of an effective state in Afghanistan, we recognise the importance of civil society development also. The UK is supporting civil society participation in the political process. The National Solidarity Programme (see paragraph 48) is also aimed at developing civil society structures at community level. However, DFID does not have the resources or comparative advantage in Afghanistan to support a specific civil society development programme.

55. A number of other, large donors are already heavily involved in the rebuilding of the physical infrastructure of Afghanistan. There is no strong comparative advantage which we could add in this area and it would stretch our own management resources. However, we will take an interest in the government's plans for infrastructure because of its prominence in the overall National Budget and the links to livelihoods opportunities.

56. Given the dreadful social indicators in Afghanistan, we want to be sure that the health and education sectors are being properly addressed. A large number of other donors are engaged in both of these sectors (see Annex 6). However, the national education budget has yet to be finalised and we want to look at this in more detail to ensure that needs are being met.

57. In health, other donors are providing substantial support for health service provision around Afghanistan. However, these donors appear not to be providing the Ministry of Health with the sort of technical assistance that is required to establish a sustainable health system. We are encouraging those donors heavily involved in the health sector to address this issue as an integral part of their support, possibly with some inputs from DFID if necessary, as part of our wider programme of public administration reform.

F Programme Resources

58. At Tokyo, DFID pledged £200 million over five years for development assistance for Afghanistan. In addition to this baseline commitment of £40m per year, we are ready to provide more, in line with need, absorptive capacity and performance. We therefore provided £75 million in 2002/03, including £12.7m to help to clear Afghanistan's historical debts to the International Financial Institutions. The table below indicates the additional amounts which are potentially available for Afghanistan over the following three financial years. Nevertheless, the needs of Afghanistan are such that even more may be needed and it may be a high priority for additional resources from the DG-Programme's Performance Reserve for Asia.

59. The table also shows how the UK will also be contributing to Afghanistan's development through the joint FCO-DFID-MOD Conflict Prevention Pool and through our regular contributions to multilateral institutions.

	FY 03/04	FY 04/05	FY 05/06
DFID Asia Division allocations	£40-55 m	£40-55 m	£40-60 m
Global Conflict Prevention Pool (joint DFID-FCO-MOD)	£16.8m	£18m	tba
Estimated DFID Multilateral contributions (eg EC, IDA)	£40m	£40m	£40m
TOTAL	£97-112m	£98-113m	> £80-100m

PART III – ANNUAL PLAN – financial year 2003/04

G Monitoring the impact of DFID activities on the development partnership and political transition in Afghanistan and National Development Budget outcomes.

Objective: An effective development partnership between Afghanistan and the international community			
Plan Change Forecast Step (by March 2005)	Annual Change Forecast indicators (2003)	DFID supporting interventions	Annual Assessment of progress (to be completed March 2004)
Budget / trust fund support to Afghanistan is the norm for donors.	ATA Ordinary Budget for FY 03/04 fully funded by mid-year.	Contribute <u>up to</u> £30m to ARTF in FY 03/04.	
Effective government led donor co-ordination entrenched	Successful first Development Forum and ongoing co-ordination by local consultative groups.	Active engagement in Kabul in the local CG process.	
National Development Framework implementation by various organisations on track	Key priority programmes funded for at least first operating year.	Active involvement in the development of national livelihoods programmes.	
Basic datasets on poverty established, to inform longer term poverty reduction planning processes	PPA/ HIES survey commenced. First phase of census completed. National Surveillance System up and running	Funding of analysis of the Vulnerability Analysis and Mapping (VAM) data set of 2002	
Afghan government making progress towards a Poverty Reduction Strategy / Poverty Reduction Growth Facility (PRSP/ PRGF)	To be discussed with ATA	To be discussed with ATA	

Objective: Implementation of the Bonn Agreement			
Plan Change Forecast Step (by March 2005)	Annual Change Forecast indicators (2003)	DFID supporting interventions	Annual Assessment of progress (to be completed March 2004)
Democratic, multi-ethnic government established.	New constitution adopted (Oct 03) Voter registration complete for 2004 elections	DFID support for popular consultation process. Wide dissemination of DFID constitutional report. Possible support for election process to be determined.	

Security and law and order established across Afghanistan	PRTs deployed in all eight regions	DFID second experts to any UK-led PRTs	
DDR of 100,000 ex-combatants	DDR plan agreed and started	DDR adviser to UNAMA (GCPP)	

NDB Objective: An effective central Government that re-establishes national unity on the basis of strong institutions

Plan Change Forecast Step (by March 2005)	Annual Change Forecast indicators (2003)	DFID supporting interventions	Annual Assessment of progress (to be completed March 2004)
Strengthened economic and financial management	Key financial management (especially payroll), procurement and accounting reforms in place. Public expenditure planning and budgeting system improved.	Adam Smith Institute TA to support MoF (payroll, restructuring) and Central Bank (accounting and banking supervision). Budget advisors provided to line ministries. Possible project on budget management. Participation in PAREM CG and donor co-ordination – joint monitoring of benchmarks.	
Increased efficiency and effectiveness of civil service to oversee delivery of pro-poor services	Plan for civil service reform agreed and legal framework set. Interim measures taken to improve CS performance. Nominal payroll established.	ASI project to start-up support to ARCSC. Joint WB project on civil service reform (ARCSC, Office of the President and other priority departments). Secondment of governance adviser to WB. Donor co-ordination and joint monitoring of benchmarks.	
Sustainable increase in domestic revenue	\$200 million target met. Strategy leading to fully funding recurrent costs through domestic revenues in place. Agreement on institutional and legal framework for customs and revenue modernisation.	ASI - long term revenue and customs advisers support setting up of revenue commission. Work at Kabul Airport, and Torkham to strengthen administrative processes.	
Private sector led growth and sustainable increase in trade.	Enabling environment improved and private sector investment increased. Foreign banks operating.	Participation in the Trade and Investment CG. TA on SoE reform and privatisation. Possible	

	Privatisation policy agreed. Trade development strategy formulated. Government's role as regulator not operator strengthened.	TA support to Ministry of Commerce. Working with ATA, other donors and Whitehall on encouraging private investment, including possible private sector development project.	
Equitable and effective health services developed addressing priority health and nutrition problems.	MoH's capacity in planning, budgeting and policy making strengthened	Budget support to MoH. TA in hospital management, human resource policy, health finance, budgeting and policy. Possible future TA in these areas and financial support.	

NDB Objective: To enhance human security and support sustainable rural and urban livelihoods.

Plan Change Forecast Step (by March 2005)	Annual Change Forecast indicators (2003)	DFID supporting interventions	Annual Assessment of progress (to be completed March 2004)
Strengthened capacity in ATA institutions to supervise and implement coherent livelihoods programmes.	Agriculture/ natural resource based interventions mainstreamed into a coherent livelihood strategy. Effective programmes formulated for 1383 Public Investment Programmes.	Capacity building in key ATA ministries, improved coordination through Consultative Groups (Livelihoods and Social Protection, and Natural Resource Management).	
Improved effectiveness of major ATA LSP and NRM programmes in improving livelihoods of Afghans.	Increased employment, improved food security and/or increased opportunities for income generation, as recorded in Programme progress reports.	Financial support to priority LSP/NRM programmes (including through ARTF); participation in programme steering committees and reviews.	
Area-based strategic pilot projects operational, building capacity at province/ district level and developing lessons for future dissemination.	Community institutions (shuras/ CBOs) functioning in target villages, infrastructure improved; income generation opportunities tested and facilitated; as evidenced by project reports and field	(co-)Funding of projects in Badakhshan and Eastern Hazarajat; facilitation of networking and lesson sharing.	

	visits.		
Effective alternative livelihoods interventions for opium poppy producers (and also for returning refugees and demobilised combatants) mainstreamed into the National Development Programmes of ATA.	Cross-cutting issues related to counter-narcotics and alternative livelihoods identified and factored into major development programmes; effective coordination between donors and ATA agencies to ensure balanced and adequate levels of resources allocated to drug producing areas. Evidenced by Alternative Livelihoods Working Group minutes, progress reports.	Promotion of coherent approaches to poppy elimination and alternative livelihoods in UK and Afghan inter-ministerial fora; support to Alternative Livelihoods Working Group and (FCO-funded) Alternative Livelihoods Adviser; inputs to coordination through Consultative Groups and programme steering committees; direct funding of strategic pilot projects.	

NDB Objective: The reintegration of returned refugees and internally displaced people into communities of their choice.

Plan Change Forecast Step (by March 2005)	Annual Change Forecast indicators (2003)	DFID supporting interventions	Annual Assessment of progress (to be completed March 2004)
Reduced depth and breadth of vulnerability.	<p>Social Protection programmes successfully target vulnerable populations.</p> <p>Reduction in food aid dependent people.</p> <p>No new exodus of Refugees or IDPs</p>	<p>Continue to support emergency basic needs, through UN agencies via the NDB plan for refugee and IDP Assistance.</p> <p>Support to ICRC and IFRC to complement UN effort/cover additional areas of concern.</p> <p>Involvement in the HAAG and other consultative groups dealing with humanitarian affairs and refugee/IDP returns.</p>	

H Implementing the Country Plan

Financial Resources

60. We will continue our current strategy of providing a significant part of our financial assistance through harmonised donor channels, including the ARTF, potentially other trust funds, the UN and possibly other multilaterals. This is in order to promote donor co-ordination and country ownership and to reduce the management burdens on both DFID and, more importantly, on the limited administrative resources of Afghanistan. This will also ensure that our programme would be least disrupted in the circumstances that we had to reduce our human resources in Afghanistan due to a possible increase in security risks. We do not therefore intend to develop a significant portfolio of DFID projects or programmes. However, we will continue to provide strategic technical assistance to complement our financial assistance.

Human Resources

61. DFID's Afghanistan Programme Team is currently located partly in Kabul and partly in London. Formal financial and policy responsibility rests in London. This reflects the facts that the programme is still quite new (until 2002 we had a mainly humanitarian operation in Afghanistan, managed from Islamabad), that Afghanistan is a difficult place to post people and that Whitehall interest in the programme has been intense. However, as we move towards a more normal development programme in Afghanistan, the need is increasingly rapidly to strengthen our presence in Afghanistan itself, in order to undertake the sort of policy dialogue and collaboration that is central to a modern development partnership.

62. It is therefore the intention in 2003/04 to strengthen our human resources in Kabul as well as to introduce new team-working arrangements across the two locations. This is with a view to decentralising Programme Management responsibilities to our office in Afghanistan in 2004/05. The aim would be to decentralise to the DFID office in Afghanistan by the end of 2004. However, achieving this will depend on continued and improving security in (and hopefully beyond) Kabul, identifying appropriate accommodation and being able to attract and develop suitable staff (both appointed in-country and UK-based).

Annexes

Annex One – Progress on Public Service Agreement / Service Delivery Agreement Targets (Update Annually)

PSA 2 Objective: REDUCE POVERTY IN ASIA		
PSA 2 - Progress towards the MDGs in Asia		
PSA Sustainable reduction in the proportion of people living in poverty (below \$1/day) from 40% to 32% in South Asia by 2006		
SDA 1 - DFID and HMT will work internationally to ensure that countries accessing IDA resources and their key donors are committed to and supporting effective and sustainable poverty reduction strategies. DFID will provide bilateral support to this end in at least 30 countries.		
Asia Division Delivery Plan	Afghanistan Country Plan	Annual Progress (to be completed March 2004)
To support the implementation of government poverty reduction plans and strategies in at least 5 countries	1. Budget for 2004 is government wide owned and reflects NDF priorities. 2. Coordinated donor government approach to social and economic data collection and analysis to facilitate process leading to a PRGF/PRSP in 2006.	
To provide ongoing support with others for a wider range of aid instruments, based on the primacy of country choice, including movement towards budgetary aid where appropriate	3. Donor contributions to the ARTF cover shortfall in ordinary budget funding in 2003/04 and subsequent years if necessary. Government-donors agree benchmarks for contributions providing incentives for reform but not jeopardising budget predictability. 4. Effectiveness of the ARTF as an aid instrument reviewed by 2005/06. ARTF becoming principal aid instrument in Afghanistan leading towards direct budget support.	
To improve the effectiveness and coherence of multilateral aid for poverty reduction	5. Majority of DFID initiatives are collaborations with major multilaterals and/or other bilaterals (including secondments of staff to World Bank and others). 6. Work with IMF to ensure sustainable debt management strategy agreed taking Afghanistan's huge needs into account and respected by multilateral lenders.	
SDA 4 B - DFID will provide increased support to contribute to effective and equitable health sector programmes, indicated by reduced child and maternal mortality and spread of infectious diseases, improved reproductive health and the development of HIV/AIDS strategies in Bangladesh, Pakistan, India, China, Nepal and Cambodia.		

Asia Division Delivery Plan	Afghanistan Country Plan	Annual Progress (to be completed March 2004)
Ongoing implementation of strategies to reduce levels of child and maternal mortality that recognise the need for multi-sectoral responses, such as improved girls education, women's empowerment and improved access to water and sanitation	7. Ensure the Ministry of Population and Health has support for health policy formulation as well as service delivery.	
SDA 4 C - DFID will provide increased support to contribute to deepening democracy, improving rights of the socially excluded and reducing corruption.		
Asia Division Delivery Plan	Afghanistan Country Plan	Annual Progress (to be completed March 2004)
Improved government transparency, accountability and participation of women and men through support to decentralisation, anti-corruption programmes and public sector reforms, measured where possible by improved ranking on the CPIA table and Freedom House governance assessments	8. DFID contribute with other donors to an effective popular consultation process on the new Constitution (2003) and democratic elections (2004). 9. Agree (2003) and implement (2003-05) joint programme with World Bank to support public administration reform.	
Working to support sustainable livelihoods for poor people with particular attention to social, environmental and economic rights and protection of the poorest and socially excluded and the participation of poor people in decision-making	10. DFID agrees (2003/04) with World Bank, ADB and other donors a common approach to support to ATA to manage the National Development Programmes on 'Livelihoods and Social Protection' and 'Natural Resource Management' leading to better delivery of sub-programmes from 2004/05 onwards.	
Working with government to develop and implement (with FCO and MOD) conflict resolution and prevention strategies	11. DFID contribute to implementation of UK GCPP and Counter Narcotics Strategies for Afghanistan, including through support for Provincial Reconstruction Teams and Alternative Livelihoods.	
Provision of timely and effective humanitarian assistance to vulnerable people	12. Evaluation in 2003/04 of UN humanitarian interventions, including but not only those to which DFID contributes.	

Annex Two – Consultation Process

1. As this Country Plan only covers the next two years until a new Afghan Government is elected and we have a fully decentralised DFID Afghanistan office, the process for developing this plan has been deliberately “light.” Conditions in Afghanistan, especially the lack of security outside Kabul, also make a full consultation process with civil society or the private sector outside Kabul very difficult.

2. However, we have consulted the ATA, other donors and NGOs in Kabul and the UK. The main concerns they raised were the risk to all development efforts in Afghanistan due to the lack of security and the importance of addressing gender issues and developing civil society. The final paper aims to respond directly to these points.

3. The Plan will remain a “living document” and we will update our plans in the light of discussions with non-state partners and other actors during implementation.

Annex Three – Country Plan Expenditure Profile (Update Annually)

£ms	2002/03	2003/04	2004-05
ARTF	15	20-30	20-30
Economic Management and Public Administration Reform	1.25	4.0	3.0
Private Sector	0	0.3	to be determined
Sustainable livelihoods	0.3	5.0	7.2
UK Drugs Strategy contribution	0	1.6	1.9
Political process	0.5	1.5	0.5
Security Sector Reform and PRTs	0	2.0	2.0
Arrears clearance	12.7	0	0
Humanitarian	44.5	5 (+5 reserved)	to be determined
Public Information support	0	0.4	0.3
Other / not yet programmed	0.75	0	10
Total	75	40- 55	40- 55

Annex Four – Input required from other DFID Departments to support Plan Delivery (Update Annually)

1. In the last two financial years (2001/02 and 2002/03), DFID's Afghanistan Programme has evolved, in the light of developments, from being an humanitarian aid effort, managed by the Conflict and Humanitarian Affairs Department (CHAD), to being a more regular development co-operation partnership, managed by the Western Asia Department (WAsD). However, although financial management has now shifter wholly to WAsD, we will continue to need to draw on substantial technical expertise from CHAD as support for essential humanitarian needs remains a major area of our Country Plan.
2. The high level of multilateral involvement in Afghanistan by the UN, the IFIs and the European Community, as well as our intention to fund multilateral efforts rather than bilateral projects, means that WAsD will have to work closely with the relevant departments in International Division.
3. We will work closely with appropriate teams within the new Policy Division, especially in areas where we have agreed specific advisory inputs (eg Education, Justice, Private Sector Development).
4. We will also need to turn to Human Resources Division for support in decentralising responsibilities to the DFID office in Afghanistan.

Annex Five – Detailed Risk Analysis

RISK	IMPACT	PROBABILITY	MITIGATION
Security and the Political Process			
Interference by neighbouring countries or regional instability	High. Instability. Insecurity. Resumption of civil war. Political process stopped.	High. There is continuing concern about interference by certain elements in neighbouring countries.	Effective implementation and follow-up of the December 2002 Declaration of Good Neighbourly Relations.
Security and Rule of Law outside Kabul does not improve	High. Delays the political process, hinders development efforts and discourages private sector investment. Undermines counter-narcotics strategy and entrenches the criminal economy. UN and humanitarian and development NGOs withdraw and aid to vulnerable people is restricted.	High. Evidence of Taliban re-grouping. Resistance of regional leaders and criminal gangs to extension of ATA authority and DDR efforts	Establishment of a professional Afghan National Army and trained police force. Disarmament, demobilisation and reintegration of other combatants. New plans to establish a presence of coalition forces in each of eight regions outside Kabul, through the deployment of joint military-civilian Provincial Reconstruction Teams (PRTs)
Security and Rule of Law in Kabul deteriorates	High. Reduced presence and engagement of key donors.	Medium. Increased attacks on military targets recently.	Continued ISAF presence. Ongoing political process. Diplomatic efforts with Islam/Arab countries post Iraq conflict.
Constitution delayed or “hijacked” by extremists.	High. Impact on election process and human rights.	Low. Effective popular consultation should maintain a balanced constitution. Calendar remains on track.	Support an effective popular consultation.

RISK	IMPACT	PROBABILITY	MITIGATION
2004 elections delayed or unfair.	High. Would undermine international support and the political settlement in Afghanistan	High. Slow start to election preparations by ATA and UN. Need security for a free election.	Election preparations start immediately.
Capacity of the ATA to implement the National Development Framework			
Lack of ATA ownership of the NDF	High. NDF implementation weak or even sabotaged	Medium. NDF developed by Minister of Finance and other Ministers with small number of international advisers. But consultation on the NDB, as well as Consultative Group meetings between ministries and donors, should improve ownership.	Capacity building of ministries so that they can generate their own development programmes, with appropriate assistance.
ATA attempts to implement more of its programme than its own capacity can achieve	High. Implementation of key National Development Programmes would fail. People would be disillusioned.	Medium. ATA seems committed to using private sector, NGOs and UN to implement programmes. But it may overestimate its own capacity.	ATA focuses on policy and regulation. Donors and ATA work with a variety of implementing partners to deliver programmes. Good relations between ATA, NGOs, UN, donors, and private sector. Build capacity of the ATA.
Slow/no reform of ATA public administration	High. Service delivery suffers. Increased corruption. Donors reluctant to fund the Ordinary Budget.	Medium. Initial reforms underway or planned to create a more effective central and senior civil service. But further reforms may have to wait until after elections.	Donors must continue to keep the ATA to a stretching but achievable medium-term programme of public administration reform and provide the necessary support to implement this.

RISK	IMPACT	PROBABILITY	MITIGATION
Key cross-cutting issues (such as gender, environment) are overlooked	High. Programmes will be implemented without reference to key issues and may subsequently have to be revised, supplemented or undone.	Medium. Donors and the new Ministry of Women's Affairs are alert to this. However, pressure for fast implementation may lead to corners being cut.	Cross-cutting Consultative Groups are effective and empowered.

RISK	IMPACT	PROBABILITY	MITIGATION
Resources			
Lack of resources for Ordinary Budget in 2003/04	High. Salaries not paid leading to instability. Services not delivered. ATA authority undermined.	Medium. ATA misses \$200m domestic revenue target. Donors commit money to own priority projects instead of the ARTF.	Donor assistance for improving customs collection. Improved government authority in the border provinces. Economic growth. Donors increase resources to the ARTF.
Lack of resources for Development Budget in 2003/04	High. Services not delivered. ATA authority undermined.	Medium. Donor pledges at ADF were high. However, some donors may fund their own priority projects at the expense of ATA priority programmes.	Donors increase resources to the ARTF. Consultative Groups ensure that donor support in relevant sectors is directed to ATA priorities.
Donor support declines over the medium term	High. Development programmes starved of resources. Afghanistan remains a chronic “basket-case”; Ghani’s middle-case scenario.	Medium. Current signs are that donors are very committed to Afghanistan. The US has indicated that its commitment to Afghanistan will not be distracted by the conflict in Iraq. However, current levels of commitment are unlikely to be maintained indefinitely. And levels of corruption, so far contained, may start to increase.	Afghanistan must demonstrate to donors that it is a good performer worth backing. There will need to be a healthy long-term partnership between the ATA and donors. This will require transparency and trust on both sides, and confidence that corruption is being minimised. Continued efforts to avoid and reduce corruption and fiduciary risk.


RISK	IMPACT	PROBABILITY	MITIGATION
Afghanistan takes on unsustainable new debts.	High. Damages macro-economic stability.	Low. MoF has been cautious to date and new Asia Development Bank and IDA loans are highly concessional. But Afghanistan still owes a substantial Paris Club debt to Russia	Sustainable debt strategy agreed with IFIs.
Lack of private sector investment.	High. Low economic growth would impact on livelihood opportunities and government revenues, and in the longer term encourage the criminal economy which funds terrorism and warlordism.	Medium. Entrepreneurial spirit is high and there are large opportunities in Afghanistan for investors willing to take risks. But for many, the risks still look too high.	Improve the enabling environment for the private sector and risk perceptions of potential foreign investors. Improve security and infrastructure. Establish micro-finance facilities for SME development. Negotiate new and re-negotiate old transit-trade and trade agreements with neighbouring countries.

RISK	IMPACT	PROBABILITY	MITIGATION
Vulnerability			
Vulnerable people fall back into requiring major emergency humanitarian assistance	High. Up to 4 million people remain extremely vulnerable.	Medium. Emergency phase is over and ATA is attempting to provide social protection through key National Development Programmes. But a catastrophe (eg in winter 2003/04) or unmanageable influx of returning refugees could overwhelm provision. Or reduced security could lead to a withdrawal of major humanitarian agencies. 1.2 million refugees and 300,000 IDPs are expected to return home in 2003.	Disaster preparedness. Integration and management of returnees and IDPs.
Narcotics			
Short term approach to reducing poppy cultivation.	High. Likely to be unsustainable and counter-productive, leading to increased production, further distortion of the Afghan economy, and increased rural poverty and debt. This would also impact on wider international relations of Afghanistan.	Low. As the lead international coordinator on counter-narcotics in Afghanistan, the UK is in a key position to promote a strategic approach leading to a sustainable solution to the drug problem.	Licit livelihoods for people involved in poppy cultivation must be mainstreamed into the overall development effort in Afghanistan.

RISK	IMPACT	PROBABILITY	MITIGATION
<p>Long term Counter-Narcotics strategy fails to eliminate / radically reduce poppy production in 5-10 years.</p>	<p>High. As above. Criminal economy and corruption are entrenched and Afghanistan becomes a “narco-mafia” state.</p>	<p>Medium.</p>	<p>UK as lead nation on counter-narcotics must work closely with the ATA and other donors to ensure that the Afghan Counter-Narcotics strategy is fully mainstreamed and prioritised in government and donor policy and implementation.</p>

RISK	IMPACT	PROBABILITY	MITIGATION
Knowledge			
ATA and donors lack reliable data.	High. Priorities cannot be identified. Progress cannot be demonstrated and analysed. Lessons are not learned.	Medium. Plans for a population count and household listing in 2003 (to facilitate elections in 2004) and a full census by 2007 are not enough.	Analyse data that has been collected in the last 12 months by the WFP and the UN. Central Statistics Office must develop a more comprehensive strategy with donor assistance.
Lack of good public information about reconstruction progress,	High. Public disillusionment, leading to instability and/or fragmentation.	Medium. Lack up to now but donors and ATA are prioritizing this now.	ATA information strategy supported by donor information. Strengthened Office of the President.
Limited DFID/UK knowledge of Afghanistan, especially outside Kabul.	High. More prone to (unforeseen) risks. Miss opportunities. Wrong priorities. Fail to identify and support change agents.	Medium. Relatively new partner country for DFID – limited institutional memory. Security outside Kabul limits access.	Missions to other parts of Afghanistan wherever possible. Improved use of Staff Appointed In Country. Work in collaboration with others. Increased knowledge sharing with others in Afghanistan, UK and elsewhere (eg other Government Departments, donors, academics, civil society).

Annex Six - Focus areas of donors

 Government of Afghanistan: Consultative Group Structure												
Consultative Group Structure covering 12 National Development Programmes												
	1.1	1.2	1.3	1.4	1.5	2.1	2.2	2.3	2.4	3.1	3.2	3.3
	Returnees & IDPs	Education & VT	Health & Nutrition	Livelihoods & Soc Prot	Culture, Media, Sport	Transport	Energy, Mining, Telecom	Natural Res Mgmt	Urban Mgmt	Trade & Investmt	Public Admin & Econ Mgmt	Security Sector
Focal Points	UNHCR	US/ UNICEF	EC/US	EC/WB	UNESCO	ADB/ Japan	WB	ADB	UN Habitat	Germany	WB/EC	
Key Donors	Canada	Denmark	China	Aga Khan	Aga Khan	EC	ADB	Aga Khan	China	India	ADB	Canada
	ECHO	France	France	Canada	France	India	Germany	Canada	ECHO	Iran	IMF	UK
	Japan	Japan	ECHO	Denmark	Italy	Iran	Iran	China	Germany	Pakistan	Norway	USA
	Norway	Korea	Japan	ECHO		Italy	Pakistan	EC	Italy	Turkey	UK	Japan
	Sweden	Norway	Korea	Japan		Kuwait	US	Denmark	Qatar	UK	US	Germany
	Switzerland	Sweden	Turkey	Korea		Pakistan		France	Russia			Italy
	US			Norway		Saudi Arabia		Japan	UAE			
				Sweden		Sweden		Turkey				
				UK		US		UK				
				US								
Other Donors		ADB	ADB		EC						Germany	
		Canada			Germany							
		China, India			Greece							
		Iran, Saudi A,			Japan							
		Turkey, UAE			Norway							
		UK			Switzerland							
					USA							