

Co-chairs' Summary of Conclusions

The International Conference on Reconstruction Assistance to Afghanistan January 21-22, 2002

1. The International Conference on Reconstruction Assistance to Afghanistan was held, at a ministerial level, on January 21-22 in Tokyo with the participation of the Chairman of the Afghan Interim Administration, H.E. Mr. Hamid Karzai and other representatives of the Administration. Japan, the US, the EU and Saudi Arabia were the co-chairs of the Conference.
2. The Conference provided the Afghan Interim Authority (AIA) an opportunity to reaffirm its determination to pursue the process of reconciliation, reconstruction and development of Afghanistan, according to the Bonn Agreement, and provided the international donor community an opportunity to express its political support for this process with indications of concrete assistance.
3. H.E. Mr. Junichiro Koizumi, Prime Minister of Japan, addressed the Conference at the outset. H.E. Mr. Kofi Annan, UN Secretary General, also spoke before the Conference in the opening session.
4. Ministers and representatives from 61 countries and 21 international organisations attended. The discussions were based on input from the AIA and built on the results of the senior officials' meeting held in Washington on November 20, 2001 and the first Afghan Reconstruction Steering Group (ARSG) meeting held in Brussels on December 20-21, 2001. Afghan and international NGOs held a separate meeting. Experts also met to discuss military demobilisation, military and police training, demining, and counter-narcotics issues and alternative development.
5. The Conference demonstrated the strong commitment of the international community to reconstruction assistance to Afghanistan by making specific commitments and pledges.
6. The Conference stressed the importance of implementation of the Bonn process including the time frame set in the Agreement. Assistance will be conditional on all Afghan parties positively contributing to the process and goals agreed in Bonn with the aim of establishing peace, representative governance and stability in Afghanistan, and eliminating terrorism and narcotics production and trafficking. It

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was noted that, as the efforts for reconstruction proceed, due geographical balance within Afghanistan should be taken into account in resource allocation.

7. Chairman Karzai and other representatives of the AIA made presentations on their vision and policies for Afghan reconstruction and development. They expressed their resolve to pursue the process of reconciliation and reconstruction of Afghanistan on the basis of the Bonn Agreement and to work toward these objectives in close co-ordination with the international donor community.
8. The AIA identified the following several key priority areas for the reconstruction of their country:
 - (1) Enhancement of administrative capacity, with emphasis on the payment of salaries and the establishment of the government administration;
 - (2) Education, especially for girls;
 - (3) Health and sanitation;
 - (4) Infrastructure, in particular, roads, electricity and telecommunications;
 - (5) Reconstruction of the economic system, in particular, the currency system;
 - (6) Agriculture and rural development, including food security, water management and revitalising the irrigation system.

Along with these priority areas, the AIA stressed its commitment to transparency, efficiency and accountability. It strongly underscored the importance of reviving its tradition of private entrepreneurship as an engine of growth. The AIA also emphasised the importance of community building, which underlies all sectors in Afghanistan. The importance of de-mining and assistance to war victims and the disabled was also stressed. Without secure and active communities where refugees and IDPs wish to return, any reconstruction effort will not reach its goal.

The AIA recognised that it holds primary responsibility for reconstruction. The international community concurred and expressed its determination to provide support and closely co-ordinate with the AIA and the people of Afghanistan as they conduct reconstruction efforts.

9. There was a recognition that the United Nations should continue to play a pivotal role. The Conference recognised and greatly appreciated the catalysing role that the Special Representative of the Secretary General, H.E. Mr. Lakhdar Brahimi, has played and will continue to play in promoting peace and stability in Afghanistan. As for reconstruction, which is inseparably linked with the political process, the Conference stressed the need to support activities under the auspices of the Special

Representative. It also welcomed that UNDP had been appointed to lead the early recovery efforts on behalf of the UN system.

10. Strong emphasis was put on the importance of rapidly establishing a sound and comprehensive macroeconomic and monetary framework. Sustainable economic development and the effective use of donor funding urgently require that sound currency arrangements, as well as strong and transparent budgetary and treasury systems, are put in place. Donors pledged to provide the necessary technical and financial assistance to help the AIA to create the essential institutional framework.
11. The Conference recognised the vital importance of security and counter-narcotics issues to the success of reconstruction, and placed special emphasis on providing systematic follow-up and sufficient assistance to ensure steady and irreversible progress.
12. The Conference emphasised the centrality of restoring the rights and addressing the needs of women, who have been the prime victims of conflict and oppression. Women's rights and gender issues should be fully reflected in the reconstruction process.
13. The Conference also stressed the key roles being played by Afghan and international NGOs. In the NGO meeting held on January 20, Afghan and international NGOs participated, and the results of the meeting were reported to the plenary session. The NGO representative reported that Afghan and international NGOs agreed that a focus on education and training is necessary, particularly for women, to build the capacity of the Afghan people to contribute to reconstruction. Continued dialogue and co-ordination between NGOs, international organisations, donors and the AIA are essential to ensure efficient use of resources.
14. The Conference welcomed the preliminary needs assessment prepared by the World Bank, UNDP and Asian Development Bank. Further work on a more comprehensive needs assessment is planned to take place in Afghanistan in full partnership with the AIA in the coming weeks. Participants will review and monitor evolving reconstruction needs and progress reports of various projects at future ARSG meetings.
15. In response to the AIA's vision and policies on reconstruction, participants in the Conference expressed their readiness to help the Afghan people in their reconstruction effort. To make concrete this commitment, pledges and

contributions of over 1.8 billion US dollars for 2002 were announced. Some donors made multi-year pledges and commitments of various time frames. The cumulative amount was more than 4.5 billion US dollars. In addition, some countries offered support in kind without specifying a monetary value. Participants agreed on the urgency of rapid disbursement and the importance of addressing the immediate financial needs for the functioning of the AIA over the next few months.

16. In view of the continuing necessity of humanitarian relief in and around Afghanistan, the Conference also reaffirmed the participants' firm intent to remain engaged in humanitarian assistance. Further, the Conference stressed the need for a strong complementarity between humanitarian assistance, recovery, reconstruction and development.
17. Participants reaffirmed the usefulness of funding mechanisms, the Implementation Group (IG) and a common assistance databank to facilitate the implementation of international assistance as agreed at the first ARSG meeting in Brussels.
18. Existing mechanisms will be a primary vehicle for major donors in financing reconstruction. In addition, a single trust fund will be established; administration of the proposed fund will be entrusted to the World Bank. Decisions about allocation of expenditures will be the responsibility of the World Bank, UNDP, Asian Development Bank and Islamic Development Bank in close co-operation with the government of Afghanistan and in consultation with the Special Representative of the Secretary General. The trust fund should be established in a manner allowing for quick and responsive distribution of its funds, while meeting its fiduciary responsibilities. Participants request that such a fund be established expeditiously.
19. To achieve strategic coherence and co-ordination among the AIA, donors and NGOs, the IG will meet in Kabul. The AIA will chair the IG. The World Bank, UNDP, Asian Development Bank, Islamic Development Bank, and the Afghan Support Group (ASG) Chair will serve as vice-chairs of the IG. The Conference confirmed the roles of, and the need for close co-ordination between, the ARSG and the IG. The IG will be held at least quarterly in Kabul in order to conduct co-ordination among the AIA and donors. The AIA can call additional meetings of the IG, as necessary. The view was expressed on the importance of moving as quickly as possible toward a normal consultative group process for Afghanistan assistance. The AIA Vice Chairman and Finance Minister Amin-Arsala chaired the first meeting of the IG on the margins of the Conference and indicated that the next meeting will be held in Kabul in March.

20. In order to facilitate information sharing, participating governments and international organisations will contribute necessary information on assistance programmes to the common assistance databank to be established by the World Bank and UNDP.
21. The Conference noted the UNDP proposal for a Code of Conduct to avoid distortionary wage and rent inflation caused by the international presence, and urged the IG to work further on the proposal.
22. The next ARSG meeting will be held by the middle of the year to review developments and progress in the reconstruction process.

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