

Case Study Afghanistan

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by Dr. Uwe Kievelitz and Sonja Vorwerk

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0 Preface

The following work has been developed in the context of a consultative study carried out by the German Agency for Technical Cooperation (GTZ) on behalf of UNDG/UNDP and The World Bank. In July 2003 these multilateral organizations contracted GTZ in order to develop a practical guide for future Needs Assessments in post-conflict settings, based on a review and analysis of past experiences as well as research on other assessment methodologies in the context of humanitarian aid and development cooperation. The German Ministry for Economic Cooperation, BMZ, additionally supported the in-depth analysis of the four case studies in Afghanistan, East Timor, Liberia and Sri Lanka by co-financing the work of GTZ, with a particular focus on the involvement of bilateral donors in PCNA.

We would like to thank our interview partners from the Government of Afghanistan, UNDP, the World Bank, ADB, the Afghan Women Network, GTZ and BMZ.

Please note, that the mission report (Working Paper 3) has been integrated into the case study Afghanistan (Working Paper 8) at hand.

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1 Introduction

"It is the process, not the product."
William Byrd

Afghanistan has been, and continues to be, a most challenging case of reconstruction after more than 20 years of an "internationalized civil war". It is thus not surprising that undertaking a needs assessment for this country, in order to support it in finding its way back into the international community, was a highly complex process ridden with difficulties. Therefore, the case of Afghanistan features prominently in the GTZ study on lessons learnt from former World Bank/UNDP led needs assessments.


In the context of the study, Afghanistan also featured as a case example in which the view of the national partner in needs assessment was systematically researched. It is GTZ's basic understanding that the assessment of needs, even in an especially difficult case such as an immediate post-war situation, needs to take serious account of the view of the local leadership and population involved, in order to be "grounded" in the local context and reality. It is the foundation of acceptance and further engagement of the respective partner country with the international partners in the needs assessment. Therefore, the view of national leaders on the undertaken needs assessment is an important aspect of the overall review on needs assessments.

In consequence, the data analysis of the case of the Afghanistan needs assessment process included not only a visit to Washington, D.C. and New York for a review of material and discussion with experts from UN and World Bank on the "Preliminary Needs Assessment" of 2001;¹ it also included a field study which was financed separately by the German Ministry for Economic Cooperation, BMZ. From November 9 to 16, 2003, a mission was undertaken to Kabul in order to assess the first needs assessment in post-conflict Afghanistan with a particular view on the local perspective, interpretation and assessment regarding

- the methodologies, strategies and concepts used in the needs assessment;
- the needs assessment process;
- the (technical) quality and relevance of its analysis and recommendations;
- the conflict-sensitivity of process and content.

A number of high-key interview arrangements could be made: These have been from the national side the Deputy President Mr. Arsala, the Ministers for Finance, Reconstruction, Rural Development, and Education, national staff involved in the needs assessment and two representatives of the Afghan Women Network. At the Kabul headquarters of World Bank and UNDP discussions were held with the Country Directors and staff of the World Bank which had been involved in the first and the ongoing second needs assessment. The condensed time frame did not allow contacting other bilateral donors aside from colleagues of the German Technical Cooperation (GTZ) and the BMZ. For details regarding the persons met, refer to annex 1.

¹ For the documentation, see: U. Kievelitz (2003): Mission Report to World Bank/Washington D.C. and UNDP/New York for Development of Needs Assessment Methodology (Working Paper No. 1 – Needs Assessments in Post-Conflict Situations). Eschborn.

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2 Post-conflict context of the needs assessment

The conflict and its political context

The history of the political and social conflicts in Afghanistan is long and complex. After 23 years of an “internationalised civil war”, the country has to be called a failed state with widespread human suffering, massive displacements of population and huge reconstruction needs. The presently estimated 25 million inhabitants live, except in the few major cities of the country, mostly from agriculture and pastorals, with the illicit poppy cultivation for the international drug market being the only substantial income mechanism. Major infrastructure is eroded, degraded or destroyed; state institutions are only slowly starting to be functional again above the local level, with social services in very poor shape. As a consequence, all major indicators of human development are extremely low, resulting in a ranking of the country among the very least developed countries.

The phase of political destabilization started already with the 1973 coup of Mohammed Daoud against the 40 year long rule of King Zahir Shah. But only the Soviet invasion in 1979, in the aftermath of a successful coup against the Soviet-backed Daoud, initiated the beginning of a ten-year long civil war in which different groups of *mujahedeen*, backed by mainly US-American and Pakistan financial and military support, tried to oust the Soviet occupation forces. When the Soviet forces decided to withdraw in 1989, acknowledging that they could not take over the control of country, Afghanistan was already left with hundreds of thousand people killed and millions of mines. What followed in the next years was a continuation of the war between different factions over the political control of Kabul and the country, during which a major part of the capital and the surrounding countryside was devastated, and an increasing polarization of the fighting parties along regional and ethnic lines occurred. Since 1994, a new political grouping called the *Taliban* developed in the refugee camps along the Pakistan border which was grounded in Islamic fundamentalism. Supported by the Pakistan secret service ISI, this group quickly succeeded with its military strife in Afghanistan and by 1997 had gained control over most parts of the country, where it established a state based on Islamic fundamentalism and application of strict *sharia* law, leading to increasing repression of the population. Except for Pakistan, Saudi Arabia and the UAE, the regime was internationally not recognized. This fact, along with its increasingly obvious support of the international terror activities of the *Al Qaida* group, led to a UN embargo already since 1997.

But only the 11 September 2001 attacks on the United States brought Afghanistan back into the focus of the international community, which decided that the United Nations would have a prominent role in defining the framework for a political transition, as well as facilitating physical reconstruction. Against a backdrop of the military defeat by the US-led coalition of the Taliban regime, the broad direction for a political transition and the role of the UN was determined by mid-November. With the signature of the Bonn Agreement on 5 December, the foundations were laid for more detailed planning for a UN assistance mission as well as a needs assessment process. At the same time, a political perspective was developed by the establishment of a transitional administration and the definition of a political road map which included an Emergency *Loya Jirga* as an indigenous mechanism for an elected interim administration, plus the preparation for commissions for the major political issues, such as the development of a new constitution.²

² For an assessment of the UNAMA mission, see the detailed report: UN (2003): A Review of Peace Operations: A Case for Change. Afghanistan. London.

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Despite the complex issues underlying the conflict, there was widespread agreement within the international community for a joint approach to the reconstruction of Afghanistan's state and economy. There was a sense that the international community had failed Afghanistan in the past, and this had contributed to the country becoming a sanctuary for militants and terrorists. As a consequence, the World Bank, UNDP and the Asian Development Bank were asked to carry out a Preliminary Needs Assessment as soon as possible in order to establish the major reconstruction needs of Afghanistan.

Humanitarian considerations

The humanitarian context of Afghanistan at the time of the needs assessment can be characterized as follows:

- It was a failed state with no functional and legitimate government structures;
- Peace negotiations had not been held, rather one conflict faction, the Taliban, had been defeated;
- The existing institutions had a very restricted absorption capacity;
- Financially the country was in ruins and not able to pay salaries to government employees;
- Much of the country was still in the hands of regional commanders, and thus the security situation was very precarious;
- A very serious humanitarian situation was prevailing in much of the country with several million refugees and serious food shortages;
- There were high infrastructure reconstruction needs after 23 years of war, both in Kabul and in the countryside;
- The economy was mostly characterized by illegal activities focusing on the regional and international drug trade.


In this situation, carrying out a needs assessment seemed to be extremely difficult, all the more under the serious time restrictions given. Travel in the country was largely impossible, so that most of the needs assessment was carried out as a desk study and by means of conferences in neighboring Pakistan, where most of the refugees were residing.

3 The needs assessment process

Mandate

In October 2001, a Steering Committee of donor governments (U.S., Japan, EU, and Saudi-Arabia) requested the ADB, UNDP and WB to conduct an urgent preliminary needs assessment for consideration at a Ministerial Meeting in Tokyo on 21-22 January, 2002.

Resolution 1378 of the UN Security Council from November 14, 2001, provides the opportunity and framework for humanitarian assistance as well as recovery and reconstruction efforts in Afghanistan to buttress the political settlement. It calls on nations to provide urgent humanitarian assistance to the Afghan people as well as fund short- and long-term reconstruction and rehabilitation projects. While Afghans themselves need to manage the process of reconstruction, the international community was committed to help.

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Purpose and Scope of the NA

The official purpose of the Preliminary Needs Assessment (PNA), as described in the concept note for the mission, was “to assess Afghanistan’s short and medium-term economic and social recovery and reconstruction needs, not including relief and humanitarian needs, while laying the basis for longer term sustained reconstruction and development.”

The PNA was undertaken with a view to preparing the Tokyo donor conference on 26 January, 2002. Therefore its major purpose had been to ensure substantial international financial support for reconstruction of Afghanistan at the donor conference. It did not include an assessment of humanitarian needs which had been done in a separate effort by UN agencies.

The assessment was to be carried out by the ADB, UNDP, and WB before the establishment of the Afghan Interim Administration (AIA) on December 2001.

In the report of the needs assessment the objectives of the PNA were defined as follows:

- i) outline strategic choices for reconstruction and development, including broad policy and institutional options;
- ii) present the donor community with indicative funding requirements over 1 year, 2.5 years (corresponding to the mandate of the transition government), 5 years, and 10 years, with a breakdown of indicative sector requirements; and
- iii) identify initial priorities with cost estimates, highlighting activities that need to start immediately.

Participation / Involvement

The Preliminary Needs Assessment (PNA) took place without a substantial involvement of the Afghan side, because the Afghan government had not been established at this time. However, an attempt was made to involve Afghans as staff from the different agencies³.

Participating UN agencies (UNICEF, ADB, WB, UNDP, Habitat, WHO, UNFPA, UNOPS) and International Organisations were involved for individual sector work for which they had a mandate.

During the conferences held in Islamabad and Tehran as well as in consultations in Kabul, national Afghan leaders as well as representatives of local and international NGO’s had the possibility to make their concerns being heard and to comment on the first results of the ongoing PNA. Nevertheless, lack of serious involvement on the part of Afghan leaders is seen as a major impediment to the process.


Pre-planning measures/ Data collection

There had been no special phase of pre-planning or data collection previous to the PNA on Afghanistan. Due to the war situation in Afghanistan over the past 20 years, systematic data collection had not been possible.

However, sector-specific as well as consultative work with representatives of Afghan society was undertaken in advance of the PNA by means of the instrument of “watching briefs”⁴ by

³ e.g. Ashraf Ghani, present Finance minister, as then staff member of the World Bank.

⁴ The World Bank may initiate a Watching Brief where normal Bank assistance is no longer possible due to conflict or its aftermath (e.g., Somalia, Haiti). The Watching Brief allows the Bank to maintain a minimum level of engagement, monitoring evolving socio-economic conditions and prospects for change, and to thus be in a better position to re-engage when conditions permit. As part of the Watching Brief, the Bank may support additional activities at the country's request.

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the World Bank. This included one major conference in June 2001 together with UNDP and about 120 participants including Afghan civil society with a focus on perspectives of rebuilding the country.


In addition, a number of sector-specific studies were undertaken on food security, basic social services, mines and on the road sector (from a survey undertaken 1994), drawing on the available data and material. This watching brief process was considered as a very helpful backdrop for the Preliminary Needs Assessment, which had to be undertaken under enormous time pressure.

It can be noticed, however, that the watching brief process focused mostly on specific sectoral issues rather than the more complex institutional issues concerning the form, function, capacity and potential of the governmental and non-governmental structures in the country which are necessary for reconstruction. Thus, the needs assessment mission had hardly any material regarding these issues on which it could rely. Due to the security situation in Afghanistan and the time frame, there had been no field work inside the country except for consultations in Kabul.

Timeline

The timeline for the PNA was very short and tight. The first initiative had been at November 26th, 2001, staff started to work in early December and the donor conference in Tokyo was held at January 20-21st, 2002, where the final report was presented. At the time of commencement of the PNA no Government of Afghanistan (GoAfg) had yet been established. There has been a general consensus emerging in Afghanistan between the representatives of Afghan authorities and those of the donor community that the Preliminary Needs Assessment undertaken in 2001/2 was a rapid and timely undertaken exercise which did raise the consciousness regarding the needs of Afghanistan at the Tokyo conference and helped to raise significant resources. Most commentators understand that it was mainly geared towards this purpose from the beginning. However, in view of the Afghan commentators on the PNA, the time frame of the needs assessment was too short and tight.

Date	Activity/Event
20/21 November 2001	Meeting of the Afghan Reconstruction Steering Group Co-Chairs US, Japan, EU, and Saudi Arabia. They requested the UNDP, WB and ADB to conduct a PNA, which will inform the Ministerial Meeting. Decision to undertake a preliminary needs assessment, and, in addition, identification of categories of high impact projects which can be implemented in the first six months. Focus on Quick impact projects for income generation, demining, construction of schools and clinics, agriculture / food security, and community development.
27-29 November 2001	UNDP/ WB/ ADB and steering group meeting in Islamabad with participation of Afghans; preparation for the PNA (Improvement of the concept note).
Last November week	Agreement on broad scope and content of PNA between WB, UNDP and ADB.

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First December week	Mobilization of rapid assessment team members from each agency and initiation of information gathering, including inputs from Afghans and the international assistance community.
5-6 December 2001	Afghanistan Support Group in Berlin; Participation of the PNA team; perceptions and views of some members of the AIA were included afterwards.
Second December week	Commissioning work of various teams in and around Afghanistan.
16 December 2001	Draft of sector reports.
19 December 2001	Identification of peer reviewers for the sector reports in the sector teams.
20 December 2001	Follow-up meeting in Brussels of the Afghanistan Reconstruction Steering Committee.
21 December 2001	Circulation of Sector Reports (10 pages) and Report Summary (2 pages) to the entire team. Summary to be incorporated in the final report. 10-page sector reports as critical input.
First January Week	Report writing.
7 January 2002	Sector Teams provide final input to the Manila writing team (Sultan Aziz, Paul Dickie, and Philippe Dongier).
7-8 January 2002	Consultation with Afghans in Tehran together with civil society representatives.
14 January 2002	Manila writing team submits final report to their organizations for approval.
20-21 January, 2002	Donor Conference: Ministerial Meeting in Tokyo.

Management arrangements among agencies and within the needs assessment team

A Steering Committee of donor governments requested UNDP, the ADB and the World Bank to conduct the PNA. A coordination team led by UNDP, the World Bank and ADB managed the process of the PNA. One consultant was hired specifically for team and process management. This was seen as an important positive factor.

As described in an internal paper called "tentative team composition" the sector teams usually included mainly a person from each of the participating organizations mentioned above. The team consisted of about 60 members⁵ in various locations, out of which 30 were from WB and 15 each from UNDP / ADB.

Apart from UNDP, the UN agencies were not very involved in the process, despite their involvement in the sector analysis. As a result of this experience, the UNDG Agencies decided that they needed to organise themselves in a different way for Iraq, Liberia and other future cases.

⁵ The number of members increased as the process progressed.

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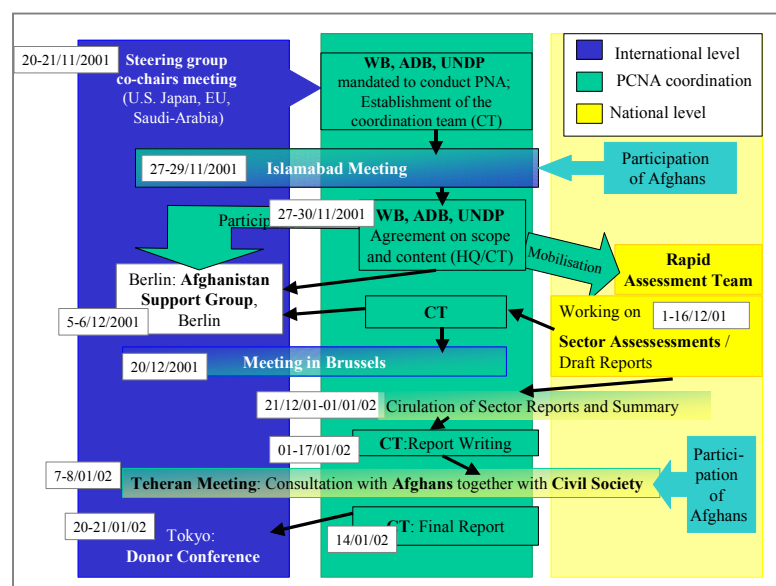
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Consultation Mechanisms

There is not much information available about the consultation mechanisms during the PNA process. According to the internal documents and the interviews the PNA organizational structure included a steering group, a coordination team and the sector teams.

- Steering Group: This group is composed of donor representatives of the U.S., Japan, EU, and Saudi-Arabia as well as representatives of the mandated organizations ADB, WB and UNDP. They met mainly to steer the process in the beginning (end of November) and at mid-term (December 20, 2002) to pave the way for the PNA and to steer it after the first results had been achieved.
- Coordination team (CT): The coordination team consisted of representatives of the three agencies involved. This team was responsible for the management of the process of the PNA as well for synthesis of the sector reports. It was supported by a hired consultant for process and team management. The team mainly worked from in Islamabad or Manila.
- Sector teams: About 18 sectoral and cross-cutting issues teams conducted the sector analysis in the first two weeks of December 2001 and presented the first draft of the sector reports. One peer reviewer of each team condensed the results of the assessment into a 2-page summary which was incorporated into the final report. The reports and their summaries were circulated to the entire PNA team from 21 December until the end of the year for critical review.
- Afghans participation: Afghan participation hardly took place. On the one hand there had been some Afghans involved as staff of the PNA and on the other hand there had been 4 consultations with Afghans representatives (see flowchart above).
- Common database: According to an internal facsimile from December 4th, 2001, the establishment of a common database was recommended. It is not known by the authors if this has been realized.

Figure: The management process – A Flowchart



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Budget

The financial requirements for implementation of the PNA were taken from the budget of the country offices of the responsible organizations. No extra budget was provided by the international community. Every agency involved was responsible for their data and information they needed.

Process: Lessons learnt and Good Practices

Pre-planning/ data collection

Because of the difficult security situation in Afghanistan and the limited time frame for the needs assessment mission, the "Watching Briefs" by the World Bank served as a useful instrument for data gathering and analysis. The implementation of a stakeholder conference in advance of a needs assessment, in case of a very limited information situation, is a useful instrument to include international or national experience in advance (e.g. by means of international conferences).

Management process

The needs assessment process was carried out under adverse frame conditions and huge time restrictions. Taking account these limitations, it was possible

- to coordinate effectively among World Bank, UNDP and ADB;
- quickly put together a complex team of professionals from different international organizations;
- manage the complex process by means of a special consultant in support of the mission leader.

The involvement of a special consultant for process and team management was very useful.


Participation of national stakeholders

It was a weakness of the Afghanistan needs assessment that due to the fact that no recognized government had yet been established, there was no formal Afghan government participation and thus no local ownership of the process. However, the attempt to include an Afghan perspective in the assessment by means of participation of exiled Afghans was a realistic compromise.

Nevertheless, it is worth to discuss the pro's and con's of implementing a needs assessment process before any national institution is able to participate in the process. As recognised in Afghanistan, the needs assessment report was hardly known by people who did not participate in the process.

Participation of UN agencies

As a result of the fact that aside from UNDP other UN agencies were not very involved in the needs assessment process, the UNDG agencies decided that they needed to organise themselves in a different way for future cases.

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4 The content of the needs assessment

The Development Framework

The Preliminary Needs Assessment was mainly undertaken by specialists of World Bank, UNDP and ADB taking a sector perspective. In addition, there had been some other UN agency experts from UNICEF, Habitat, WHO, and UNOPS for special sector analysis.

Five major sectors were identified in the needs assessment report:

Sectors	Areas with priority
1. Security	Security, Justice and Human Rights
	Reintegration of War Combatants
	Drug Control
	Mine Action
2. Governance and Economic Management	Good Governance
	Local Governance and Community-Led Development
	Economic Management
	Media
3. Social Protection, Health and Education	Social Protection of Vulnerable and Marginalized Groups
	Health
	Education
4. Infrastructure	Roads
	Water & Sanitation
	Energy
	Telecommunications
	Urban Management, Services and Housing
5. Agriculture, Food Security and Natural Resource Management	
Cross-Cutting issues⁶	
	Gender
	Human Rights
	Drug Control
	Environment
	Private sector development / employment generation / livelihood development

Due to the “tentative team composition” list there had been 18 areas (sectors and cross-cutting issues), though not any area outlined above corresponded to a sector team working for. The sector reports which were not marked explicitly as a sector or cross-cutting issue were incorporated not equally into the final report. Some cross-cutting issues like drug control were included according to the high priority of security more prominently than the Gender issue.

⁶ As specified in the ppt-presentation for the “Steering Committee Meeting” on December 20, 2001.

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The report

An introductory section described the development framework which laid out the main characteristics of the country as well as principles for supporting reconstruction and development. However, the root causes of the conflict as well as existing conflict issues were not specifically highlighted.

The five major sectors were subdivided into a number of sub-sectors which were specifically discussed. For each sub-sector, the major characteristics as well as the reconstruction challenges were highlighted before elaborating specific reconstruction priorities. These usually were differentiated between immediate priorities and medium- to long-term issues.

No theoretical model was used but rather a general approach which focused on

- a) the priorities formulated by the new Afghan Interim Administration (stability – access to services – adequate standard of living – economic growth – long-term independence from foreign aid),
- b) the differentiation of short-term and long-term priorities, and
- c) the incorporation of specific concerns such as human rights, environmental and social impacts of war, resulting in the formulation of principles to guide the needs.

The PNA developed the following post-conflict reconstruction strategies:


- In the economic sector: strong focus on macro-economic issues like Central Bank establishment⁷, currency reform and strengthening of financial institutions; additionally only public-works programs and a short-term agricultural recovery strategy (without any longer-term vision) were developed
- Institution-building: strong focus on local governance and community-led development, taking into account traditional institutions (*shura*, *jirga*) as well as the importance of NGO's. Thus initially NGO-support was seen as a priority, while developing a national recovery program which focuses on the local communities⁸. As a differentiated treatment of the national civil administration was apparently not possible, a particular focus was put on short-term capacity-building and more differentiated assessment.
- Security: strong focus on DDR, strengthening of the security and justice sector, demining and drug control.
- Reconciliation: no direct reconciliation issues were taken up. Instead, strong focus on reintegration and protection of women in society. Refugees and disabled people, as well as the problem of social reintegration of combatants (even though less pronounced in Afghanistan than in other conflicts) received only scant treatment. The division of society along ethnic and socio-political lines was nowhere discussed.

Cross-cutting issues

Cross-cutting issues such as gender or human rights issues were not specifically highlighted in the final needs assessment study, even though they are mentioned within some of the chapters. Background papers such as on gender, including development indicators and recommended short-term actions, had been prepared. Especially the cross-cutting issue of capacity building was not dealt with prominently. Though many chapters refer to it in the recommendations, this issue did not receive analytic or strategic treatment.

⁷ for a good and detailed Central Bank reconstruction strategy, see: Lonnberg 2003

⁸ this is meanwhile implemented by the World Bank with management support of GTZ-IS as the "National Solidarity Program"

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However, serious attempts were made at discussing the complex issue of security with its numerous specific aspects such as mine clearance, demobilization and reintegration of combatants or security sector reform.

Sequencing

Methodologically, a combination of secondary data analysis (mostly resulting from the World Bank's watching briefs, but also partly earlier quantitative information, such as the 1994 survey in the road sector), work shopping and expert interviews (with members of the Interim Afghan Administration as well as NGO and private sector representatives as well as international experts) was used. For the budget forecast, relatively straightforward economic analysis was referred to, which differentiated a short-term horizon of one year from three forecasts for 2.5, 5 and 10 years. Due to the restrictions for travel into Afghanistan at the time of the needs assessment, the results were seen as indicative. This was highlighted by the PNA team's recommendation to undertake a comprehensive needs assessment at some later stage under the leadership of the new Afghan administration.

Conflict-related strategy

There hardly had been any analysis of the root causes of the conflict prior to the PNA. The described "current status" in the introduction of each sector presentation in the report is mainly understood as a report of the status quo without an analysis of the interlinkages of the sectors and the cross-cutting issues with each other and their root causes. The short term priorities and immediate actions are not connected to benchmarks or indicators which may highlight the course of activities according to their conflict risks and challenges.

Connectedness

The PNA, due to its rapid implementation right after the end of the fight against the Taliban, did not directly relate to previous assessments; however, it did make use of the substantial work carried out by the World Bank and its partners in the context of the Watching Briefs. This connection, however, is not always visible, e.g. with regard to work on regional development issues in Central Asia.

Lessons learnt and Best Practices

The development framework

The development framework is a combination of the major sectors and sub-sectors chosen as the focus of the study. Their strength is the substantial focus on security-related issues. However, while the individual sectors are analyzed in sufficient depth, their forward- and backward linkages are not discussed. Also, the integration of cross-sectoral issues has not been managed to a desirable degree, resulting in analytical weaknesses.

Conflict-related strategy

Due to the time and security constraints no conflict, interests or stakeholder analysis had taken place during the needs assessment mission. Thus the report does not outline the potentials or needs regarding specific actors, especially former conflict parties. Additionally, there are no clear priorities in a short-, mid-, and long-term perspective in view of peace-building, security enhancement and the causes of conflict.

While major dimensions of security needs – like Justice, Human Rights, Demobilisation, Demining, and Drug Control - were incorporated into the report, security as a cross-cutting

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issue did not receive adequate treatment in the other sectors and the cost estimates respectively. (For example: Due to the complex problem of poppy cultivation, the wages of labourers for rehabilitation measures in the transport sector should be calculated in comparison with the profit which can be gained out of poppy cultivation.)

Recommendations (Short, medium and long term actions)

The analysis did not go into substantial detail and recommendations were of fairly general nature. While the proposed measures for fast action in the first year after the PNA were not wrong, they only served as general guidelines for the establishment of quick impact projects (QUIP).

The assessment was not comprehensive, as it underestimated key issues and sectors such as capacity building, private investment or the cost of providing security. More substantially, it did not provide a road map for reconstruction and peace-building. There has not been a guiding vision regarding what was to be reached in the addressed time frame and what was the common understanding of reconstruction and rehabilitation. No common objective had been fixed and followed.

5 Follow-up to the needs assessment

The results of the needs assessment were tabled at the international donor conference for Afghanistan in Tokyo in January 21-22, 2002. The major objective of this conference was an international pledging process to start reconstruction and development efforts by the international community, in addition to the ongoing humanitarian interventions.

In financial terms, the Tokyo conference established:

- Pledging of about 4.5 Billion US\$ for a period of 2.5 years by a large group of multilateral and bilateral donors
- Installation of two Trust Funds on behalf of the government, in order to secure staff payment as well as major finance for physical reconstruction. The Afghanistan Reconstruction Trust Fund ARTF was administered by the World Bank for payment of reconstruction measures, and the Afghanistan Interim Administration Trust Fund IMTF was administered by the UN, out of which salaries were paid for the Afghan public servants.

There is an international debate over the virtues and vices of establishing two major reconstruction funds which were managed by two agencies. However, there remains consensus about the overall needs of such internationally managed funds in order to quickly disburse money in complex post-war situations such as the one prevailing in Afghanistan.

Financial Issues

On the Afghan side, there is widespread consensus expressed by several ministers that the budget pledged at the first Tokyo conference was significantly underestimated, to help post-conflict Afghanistan with recovery and building a new state. The 4.5 Billion US\$ which have been pledged by donors have not been sufficient. Meanwhile, a total of 9-10 Billion US\$ for the same time period have been estimated as a realistic budget. In this context, the example of Iraq has often been quoted: for a similar number of people, similar size of territory, yet much higher economic and institutional potential, an almost nine times higher amount (36 Billion US\$) has been pledged by the international community. As a further problem regarding the total amounts pledged for reconstruction it seems that there had been a

confusion regarding humanitarian vs. development financing, to the extent that up to 50% of pledged costs for reconstruction went into humanitarian aid by donors⁹.

Today, most experts on Afghanistan as well as the Afghan ministers themselves point to the fact that the costing calculations did not include the security situation (drugs, terrorists, fundamentalists), the missing institutional framework, the insufficient capacity of the Afghan Government to fulfill their services as well the missing infrastructure of the donor organizations and NGO which had to be established in the first years. Significant amounts of money have been spent on operations and logistic facilities of international organizations and NGO's, not to the Afghan Government. Nearly every Minister mentioned the lack of budget for their ministries as a major constraint to build a new government. This has hindered the rebuilding of a state, the progress of the country and supported the destabilizing strategy of the fundamentalists and terrorists, especially in the rural areas.

External donors point to the issue that the crucial regional dimensions of reconstruction and development in Afghanistan had not been touched by the needs assessment. While the World Bank did develop a concept paper on regional issues of reconstruction in Afghanistan (see W. Byrd 2002), its implications were not included in the Preliminary Needs Assessment.

Political Process


On the political level, the PNA was immediately accompanied by the Petersberg process in Bonn which led to the definition of key steps of political reconstruction. It is seen by the Afghan Ministers interviewed as a mistake that the "Tokyo process" (economic reconstruction) was separated from the "Petersberg process" (political re-establishment of the state), thus failing to develop a unified vision and road map for the political, economic and social reconstruction process.

A number of steps were made in Afghanistan in order to follow-up the work of the needs assessments in terms of planning and programme development. They were:

- a. the Bonn process taking up the political issues of reconstruction
- b. a number of master plans and sector missions undertaken by World Bank, UNDP as well as bilateral donors, e.g. the World Bank's Transitional Support Strategy
- c. the development of the National Development Framework by the Afghan authorities. This includes a number of sector reports in preparation for the Framework and the second upcoming needs assessment.
- d. the development of major reconstruction programmes like the National Solidarity Programme
- e. the second Needs Assessment or "recosting exercise" presently undertaken under the lead of the Afghan government and with support of World Bank, UNDP, UNAMA, ADB and IMF.

The first needs assessment has been used to some degree by the World Bank in its definition of a TSS. In contrast, UNDP has not used it to prepare a CCA/UNDAF process; in fact, this is still outstanding after the second needs assessment/recosting exercise.

⁹ This view is corroborated by the work of Barnett Rubin (2003), who calculated actual expenditures on Afghanistan as against the pledges made.

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The World Bank's TSS has developed clearer relations of the reconstruction strategy with the conflicts in the country, e.g. by relating reconstruction to the ongoing war economy (see World Bank 2002: 7) and the ensuing challenges. While not going into sectoral details, it clearly spells out the strategic phasing for the Bank's instruments over the following 9 months.

Almost all interview partners in Afghanistan agree that the PNA itself today is not of much relevance and practical use anymore in terms of implementation and replanning. This is even less the case outside of the government structures. This is due to its weaknesses as specified before which also have substantially reduced its significance for further planning and the overall post-conflict recovery process.

Implementation

From the available information and evidence, it is hard to clarify exactly which of the proposed programs and actions were implemented in what manner. The interview partners were not able to give clarification on this. It was explained by the Minister for Rural Development that a country-wide programme like the National Solidarity Programme which has only recently started had its origins in the needs assessment and the urgency to channel money and implementation activities into all provinces of the country. The fact that the programme has just been originated underlines the overall difficulties in Afghanistan to translate from needs assessment to actual benefits for the local population, a case that has been lamented much by the Afghan government and people.

UNDP mentioned the following projects implemented in the follow-up of the PNA: the Reconstruction Employment Programme, the National Area Development Program, the National Emergency Program, the Peace Program and the Capacity Program.

ADB implemented the PNA recommendations in Rehabilitations Projects of roads, schools, transport systems and health accompanied by cross-cutting issues like capacity building, environmental issues and support of vulnerable groups (esp. women and children).

Second Needs Assessment or the Recosting Exercise

The key process of follow-up of the first needs assessment is the present second assessment or "recosting exercise".¹⁰ This approach, undertaken by the Afghan Government and supported by a handful of multilateral agencies, has the following key aspects which clearly distinguish it from the PNA:

- ii. It is undertaken under Afghan leadership, with the Ministry of Finance as the overall coordinating agency and Ministers Ashraf Ghani and Farhang as well as Deputy Chief of Staff of the President, Mr. Atif in coordination roles; according to Vice President Arsala, "buy-in and ownership by the cabinet are key"; the consultative groups which were formed last year were said to have a strategic role in the exercise. A steering committee consisting of the ministers of the GoAfg as well as the country directors of WB, UNDP, UNAMA, ADB and IMF was established.
- iii. Each sector develops its own program by a working group consisting of staff of the ministries and the International Organizations from the operational level.

¹⁰ The final report of the recosting exercise has just been published on the web immediately prior to the finalization of this paper, on January 29, 2004. It can be found on the official website of the Afghan Government (www.afghanistan.org).

- iv. The assessment was intended to make wide use of the experiences gained so far, both by making use of studies available in larger numbers and by practical experiences gained by donors and the Afghan Government in reconstruction. As Minister Farhang (Min. of Reconstruction) mentioned, the provincial government has already held meetings to get to know the local needs of the population.
- v. The assessment was to take a strategic three-to-five-year perspective, incorporating the next budget preparation (PIP) as year one of the estimate.
- vi. In contrast to the first needs assessment, it takes a specific approach employing “a political economy rather than a charity perspective as in the first needs assessment”, thus “bringing the Tokyo process and the Bonn process back together” (interview A. Ghani). This implies that the central agenda of state building will be in the focus of the assessment, but also that the central and negative role of the drug economy will be a clear focus of analysis. This entails also a differentiation according to which variables are under control of the government and which are externalities outside of their control.
- vii. As a lesson learnt from the PNA the second NA is focusing quite more on the link between recovery and security.
- viii. While the PNA was marked by the absence of a vision and quantified objective for the development of Afghanistan, the recosting exercise was to provide clear objectives: a development perspective exemplified by a GNP/inhabitant of 500 US-Dollars, and a secure Afghanistan. Economic and social indicators for this goal will mark the second period of recovery. The vision of the second needs assessment was also guided by the Action plan 2015 and the Millennium development goal.
- ix. The second needs assessment was to include a regional dimension, stronger economic linkages plus a capacity building perspective for the political and administrative institutions of Afghanistan.
- x. It was intended to fix clear priorities as well as sequences for investment and action, thus offering more strategic guidance to reconstruction and development than the first exercise.
- xi. The recosting exercise was to provide data on the “costs of failure” (sector specific) of Afghanistan, relating to the financial implications for the international community, if refugees, drug problems and terrorism spread from the country.
- xii. The budget calculation of the recosting exercise is implemented by the Aid Coordination Unit of the Ministry of Finance.

Again the timetable of the second needs assessment in Afghanistan is very tight. It started end of October with the sector analysis and recosting exercises and will end up in the second Tokyo donor conference in February. Due to an email by the Japanese Government and their planning of the next fiscal year and due to the same procedure in Afghanistan in March 2004, the first Draft of the recosting exercise has to be finished before Christmas December 17th). The second short timetable of the needs assessment is not regarded as critical as the first one.

As Minister Ashraf Ghani mentioned, the planning of recovery is a “question of a logical framework and partnership and not of time”.

Lessons learnt and Best Practices

A number of good practices can be deduced from the follow-up of the needs assessment in Afghanistan. These include:

- The establishment of Trust Funds to improve the financial disbursement in a post-war country where even the Central bank facility needed to be completely established anew.
- Fast-tracking of a Transitional Support Strategy by the World Bank, which took consideration of the prevailing conflict issues as well as regional dynamics and opportunities.
- And a review process of the needs assessment after less than 2 years of operation, taking into account all of the major lessons learnt in the meantime.

There are also a few general lessons which can be learned from the follow-up process of the Preliminary Needs Assessment:

- The case of Afghanistan illustrates that it is difficult to separate the political from the socio-economic reconstruction process. As reconstruction is always a political process, it seems more logical to include political issues with socio-economic reconstruction needs into an overall road map for the transition from conflict to development.
- A major lesson learned in the past two years in Afghanistan is the huge financial toll which needs for security which was not thoroughly enough covered in the Preliminary Needs Assessment.
- The example of a progressive needs assessment approach – starting with a preliminary needs assessment, followed by a recosting exercise highlights a major conceptual issue for all needs assessments: given the often prevailing severe time restrictions under which needs assessments operate, a phased approach with increasingly wider time horizons and reconstruction issues seems to be an important possibility to overcome the shortcomings of time, lack of data and absence of a national partner government.

6 Important lessons for other needs assessments

The case of Afghanistan provides a deep insight into the challenges and necessities of needs assessments in post-conflict situations.

Summing up, the following overall lessons can be drawn up:

- Needs assessments are inherently political rather than technical in nature. In essence, the issue at stake is the reconstruction and reinvention of the state rather than of infrastructure and economy. Needs assessments must take account of this fact in their principle approach and conceptual base. They must be rooted in a political and institutional orientation rather than in purely technical issues of physical reconstruction.
- Needs assessments require a clear definition of an overall vision or objective to which the assessment is geared. If this is not generated beforehand, the direction to which the assessment is geared and the prerequisites which need to be taken tend to be lost.
- Root causes of conflict need to be analyzed including the local, national, regional and international issues in order to develop a realistic perspective on the future.
- In a post-conflict situation, security can be one of the most important issues which can accrue very substantial reconstruction costs. Therefore, security costs have to be significantly factored into needs assessment figures in countries with serious instability.
- Financial calculations of reconstruction needs have to be undertaken with utmost care, as they are decisive for the political will which they can muster internationally.
- Financial calculations needs to be realistic regarding the post-conflict situation, especially with regard to practical institutional considerations. The costs in the first period for

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procurement and logistics are substantial and have to be included in the calculations as does the capacity building of the local government and civil servants.

- Assistance to cover the operating budget of a state administration is essential in some part of the transitional period in any post-war situation, and is a prerequisite for capacity building and local ownership of the process. An international fund for this purpose should be part of the standard international response to post-conflict situations.
- Failure to realistically assess reconstruction and development costs of a post-conflict country (cost-benefit analysis) especially concerning security issues and to substantially invest in it by the international community can have national and international consequences (e.g. the emergence of a “narco mafia state” as in the case of Afghanistan) which in turn can have even higher financial implications for the international community.
- A strategy for post-conflict countries has to include small, short-term measures which guarantee security and visibility of progress for the population. These have to be combined with medium- and longer-term measures for the development of the country.
- A strategy to increase the revenues of the respective emerging government needs to be developed fast.

In conclusion, it is obvious that the case of Afghanistan has been, and continues to be, a most important case to learn from and to adapt international needs assessment processes, leading to new standards in the overall approach.

List of Abbreviations

ADB	Asian Development Bank
AIA	Afghan Interim Administration
BMZ	German Ministry for Economic Cooperation
CCA	Common Country Assessment
DDR	Disarmament, Demobilisation and Reintegration
EU	European Union
GNP	Gross National Product
GTZ	German Agency for Technical Cooperation
HABITAT	United Nations Human Settlements Programme
IMF	International Monetary Fund
NA	Needs Assessment
NGO	Non-Governmental Organizations
PCNA	Post-Conflict Needs Assessment
PNA	Preliminary Needs Assessment
TSS	Transition Support Strategy
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
WB	World Bank
WHO	World Health Organization

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