

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The National Development Framework (NDF) developed by the Afghan Interim Administration in early 2002 provided the basis for aid alignment around Afghan priorities and strategies. Since then, various development partners have sponsored numerous studies on Afghanistan's transport sector development needs. The vast majority of these studies have focused on a particular subsector and infrastructure intervention or capacity building, without considering the sector as whole or the need to coordinate non-physical and physical investments.¹ Despite these previous development partner efforts and the government's own strategic planning efforts,² a holistic national transport sector development plan coordinating donor efforts and subsectors remains elusive. As a follow-up to the Afghanistan National Development Strategy (ANDS) Prioritization and Implementation Plan (PIP), the government has embarked on Program 1: National-Regional Integrated Resource Corridor Initiative (NRIRCI) under the National Economic Infrastructure Development Cluster - National Priority Programs. The initiative is now actively coordinating priority investments and their associated cost estimates with the funding proposals of numerous development partners in the transport sector to assist in analyzing the gaps and linking funding resources with priorities.

2. The multilateral development partners are providing significant assistance in the transport sector, i.e., the Asian Development Bank (ADB), World Bank, and European Commission and bilateral donors (United States, Japan, Saudi Arabia, Italy, Sweden, Iran, and Pakistan). Since 2004, ADB has been the largest donor in the nation's transport sector with an investment of more than \$1 billion for improving 1,100 kilometers (km) of regional and national highways, mostly in the north and northwest, as well as constructing a 75 km of new railway, the first rail link for the country in over 100 years. The United States through the United States Agency for International Development and their Department of Defense is the second largest donor to the transport sector with a focus on roads and bridges in the south and southeast. The table below presents recent or ongoing development partner activities in the transport sector over the last 10 years.

Major Development Partners^a

Development Partner	Project Name	Duration	Amount (\$ million)
Air Transport			
ADB	Preparing the Regional Airports Rehabilitation Project	2003–2004	1.0
	Regional Airports Rehabilitation Project Phase I	2004–2011	30.0
JICA	Improvement of Equipment at Kabul International Airport	2003–2006	4.0
	Design and Construction of Kabul International Airport Terminal	2006–2008	33.0
KfW	Rehabilitation of Airfield Pavements at Kabul International Airport	2010–2012	28.5
	Rehabilitation of Mazar-e-Sharif Airport	2009–2012	59.6
Rail Transport			
ADB	Technical & Advisory Assistance: Railway Development Study	2009–2011	1.9
	Hairatan to Mazar-e-Sharif Railway Project	2009–2011	165.0
Iran	Feasibility Study and Construction: Sangeen to Herat Railway	2003–2010	80.0
Road Transport			

¹ The now somewhat dated ADB *Transport Sector Building Connections* (2004) and the World Bank *Transport Sector Review* (2004) are exceptions.

² Islamic Republic of Afghanistan (2008). *Transport and Civil Aviation Strategy 1387–1391 (2007/08–2012/13), Pillar III, Infrastructure, Afghanistan National Development Strategy*. Kabul.
Islamic Republic of Afghanistan (2010). *Afghanistan National Development Strategy, Prioritization and Implementation Plan, Mid 2010–Mid 2013, Volumes I & II*. Kabul.

Development Partner	Project Name	Duration	Amount (\$ million)
ADB	Kandahar–Spin Bolak	2002–2005	25.0
	Emergency Infrastructure and Rehabilitation Project (Road Component) Ring Road: Andkhoy–Pul-e-Khumri	2003–2008	77.1
	Ring Road: Andkhoy–Qaisar Road Project	2004–2010	53.1
	Preparing the Road Rehabilitation and Capacity Building Cluster	2006–2008	2.1
	Master Plan for Road Network Improvement Project	2006–2008	1.6
	Capacity Building for Road Sector Institutions	2006–2009	0.9
	North–South Corridor (Yakalawg–Bamian and Mazar-e-Sharif–Dara-i-suf)	2006–2013	138.2
MFF	Road Network Development Investment Program, Ring Road: Qaisar–Bala Murghab	2008–2015	400.0
	Lashkar Gah–Gereshk Road	2009–2012	19.6
DFID	Kabul–Jalalabad	2003–2006	66.0
EC	Delaram–Zaranj Road	2004–2007	84.0
India	Bamiyan–Maidanshahr–Ounai Pass		103.0
Italy	Capacity Development Project on Road Maintenance and Management	2008–2011	4.2
	Ring Road: Kandahar–Herat (Section 1)	2004–2006	100.0
JICA	Kabul–Kandahar Road (Section G)	2002–2004	29.3
	Jalalabad–Torkham Road	2003–2005	50.0
Pakistan	Ring Road: Kandahar–Herat (Section 2)	2004–2006	52.0
Saudi Arabia	Ring Road: Kandahar–Herat (Section 3 to 5)	2004–2005	181.0
USAID	Ring Road: Kandahar–Kabul (Section B to F)	2002–2004	311.0
	Keshin–Feyzabad Road	2009–2011	118.0
US DOD	Commander’s Emergency Response Program (CERP)	2005–2011	247.9
World Bank	Kunduz–Pol-e Kumri–Kabul Road	2003–2006	98.0
	National Emergency Rural Access Project (NERAP)	2010–2014	232.0
	Kabul Urban Roads Improvement Project (KURIP)	2008–2011	20.0

ADB=Asian Development Bank, DFID=Department for International Development (United Kingdom), EC=European Commission, JICA=Japan International Cooperation Agency, KfW=Kreditanstalt für Wiederaufbau (Germany), USAID=United States Agency for International Development, US DOD=United States Department of Defense.

^a This is not an exhaustive list, but rather one that focuses on the key projects in the three transport subsectors. Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

3. Following the frantic efforts of many development partners in the first few years of reconstruction after the overthrow of the Taliban regime in 2002, the aid community and government realized the importance of coordination for aid efficiency. Produced in 2008, ANDS is a Millennium Development Goals (MDGs) based plan that serves as Afghanistan’s Poverty Reduction Strategy Paper (PRSP). The strategy presented is underpinned by the principles, pillars and benchmarks of the Afghanistan Compact for partnership and outlines the development priorities for the country until 2020.³ The Joint Coordination and Monitoring Board (JCMB) was formed following the agreement of the Afghanistan Compact. Its purpose is to monitor the attainment of progress benchmarks contained within the Compact and to problem solve when obstacles are encountered. The JCMB has proven to be a “pathfinder” with respect to best practice for mobilizing and maintaining political and financial resources into the Afghan program.

4. In order to improve coordination and increase assistance effectiveness within the government, the Aid Coordination Unit (ACU) was formed within the Ministry of Finance (MoF). The ACU developed the Aid Policy Paper for the government, based on the policies outlined in

³ The Afghanistan Compact was the outcome of the London Conference on Afghanistan in 2006, being the result of consultations between the Government of Afghanistan with the United Nations and international community, establishing the framework for international cooperation with Afghanistan for the following five years.

the ANDS. The Aid Policy Paper serves as a guide for MoF's aid coordination efforts and managing relations with development partners and it also clearly outlines the priorities of the government in terms of improving aid provisions. The ACU conducts biannual financial reviews with all development partners, updating pledges, commitments and disbursements over a multi-year period until 2012.⁴

C. Achievements and Issues

5. Despite the aid commitments, significant delays in project implementation have been experienced. In many cases, this is due to a lack of government capacity to coordinate funding from planning and design stages through to implementation. Furthermore, the requirements of different development partners in terms of project design and due diligence has lead to differences in project preparation standards, which in some cases has resulted in re-assessments of project design and duplication of efforts. Lastly, given base conditions in Afghanistan, it is quite simply the case wherein some projects are too large and complex for any single development partner to handle on their own accord.

6. In light of these issues, ADB created the Afghan Infrastructure Trust Fund (AITF) to pool the resources of various donors. The AITF was designed along the lines of the World Bank funded Afghanistan Reconstruction Trust Fund (ARTF), but with a specific focus on assisting in the implementation of large projects in the transport, energy, and water sectors.⁵

D. Summary and Recommendations

7. The scope of the investment program in Afghanistan's transport sector has been communicated with other development partners, particularly the United Kingdom's Department for International Development (DFID), Japan International Cooperation Agency (JICA), and United States Agency for International Development (USAID), and is expected to be implemented in coordination with their ongoing and planned future programs and projects as part of the process of increased harmonization in the sector through the NRIRCI. As a result of coordination with other development partners during project preparation and the advent of the AITF, various donors have already committed or are considering cofinancing to be channeled through the AITF, in which contributions may be used to fund the investment program.

8. This investment program represents ADB's future flagship intervention in Afghanistan's transport sector and will significantly contribute to the government's development objectives. The investment program's role is both strategic, in meeting the government's priority infrastructure requests, and tactical by supporting Ministry of Public Works' (MPW) capacity to undertake due diligence, and implement, manage and maintain transport infrastructure. ADB has adequate capacity to support MPW in coordinating aid interventions to plan, design, and implement transport projects in Afghanistan over the next six years. The multitranche financing facility (MFF) approach to the sector is justified and supports aid coordination.

⁴ A Donor Assistance Database (DAD) was also established under the UNDP Making Budgets and Aid Work program which is suppose to be updated by the data collected in the financial reviews. However, the performance and usefulness of DADs in its current form has recently called into question.

⁵ Although the Afghanistan Reconstruction Trust Fund has been highly effective, it has a heavy concentration on agriculture, rural development and microfinance and generally supports small to medium-scale infrastructure projects, leaving a gap for pooling funds for large infrastructure investments.