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Key Points – Funding in Afghanistan  
**Submitted to the Afghan-American Chamber of Commerce**  
**Re: Reassessing Priorities of Proposed US funding for Afghanistan**

By: Dr. Abdullah Abdullah, *former Foreign Minister of Afghanistan*

- While security in specific areas in the South and East of the country are cause for concern, Kabul and Afghanistan’s northern and western provinces, where more than 70% of the population lives, is peaceful and is witnessing an economic renaissance. In this respect, it is vital to understand that the insecurity in some areas of the country does not apply or affect the rest of Afghanistan. The challenges in the South and the East should not deter economic and social investment in areas north and west of Kabul. Indeed, relative calm in the majority of Afghanistan provides us an opportunity to create “success stories” that could serve as examples of the dividends that peace and stability bring.
- The provision of electricity to homes and businesses, particularly in rural areas is fundamental to achieving success in Afghanistan. Today, only 6% of Afghanistan’s 30m people have access to power. There is untapped high potential for hydro-power and natural gas in the country. The provision of power is a visible and tangible target for US support that will enable health centers to operate, children to study, and businesses to flourish.
- More than 80% of Afghans live in rural areas, often in remote valleys and in isolated villages. It is important to connect these areas to the development processes and economic changes underway in the country. This means investing in social development but also opening up these areas to regional markets. For entrepreneurs in the north of the country, for example, it is much easier to reach markets in Uzbekistan, Tajikistan, and Turkmenistan than it is to reach Kabul. Plans to build-up Afghanistan that fail to consider the country’s majority rural population are unlikely to see success. It is necessary therefore that future investments view Afghanistan from the perspective of people who live outside Kabul and with a view of facilitating regional opportunities, especially trade. These investments could be roads but equally important is the facilitation of cross-border activity.
- On-going progress in Afghanistan will require that the Government of Afghanistan set up an “enabling environment” for private initiative in the country, initiative that includes businesses as well as those organizations that foster trust, mutual help, and social cohesion. This means focusing on establishing legal and regulatory frameworks and ensuring that these frameworks are adhered to by everyone, including the Government. While many people have started successful new enterprises in Afghanistan, there are many more who came with good intentions and sound business plans only to be driven away by a heavy bureaucracy, weak competencies, and corruption. An Enabling Environment is needed to assist businesses which in turn, will

lead to an increase in public revenue, more employment; and a raise in the purchasing power of everyday Afghans. In this regard, the Government of Afghanistan, together with the Aga Khan Development Network, the Asian Development Bank, the World Bank and others, are organizing a Conference on the Enabling Environment in late May to address some of these issues.

- The international community is rightly encouraging that financial support be channeled directly to the Government. This modality of support is necessary as it allows the Government to implement its own programs, builds public ownership and accountability; and shows communities the good work that the Government is doing. It is equally important that the international community support civil society organizations – this includes NGOs as well as professional organizations, chambers of commerce, private foundations, and other groups. Civil society was instrumental in carrying Afghans through the years of conflict and continues to play a positive role at a time when the Government has not yet reached its full capacity.
- On the same note, funding and support should also be directed to the sub-national level of Afghanistan's government, the district and provincial authorities that most of the Afghan population interacts with. Afghanistan has embarked on a process to formulate what is called the Afghanistan National Development Strategy, a process that began in London to set country-level social, economic, and security benchmarks. The process has been successful in unifying the Government around the articulation of vision of where the country should be heading however more effort is needed to link this vision to people. A modest provincial-level planning process is underway and needs to be strengthened to enable communities to express how the 'national vision' should unfold in their provinces, districts, and villages.
- Conflict in Afghanistan has meant that the vast majority of people, especially women, have not had the opportunity to develop skills and to become educated. The US has recognized this and is the largest funded of education programs in the country. It is important, in my view, that we extend the notion of education beyond support to primary schools to include high schools, vocational colleges, specialist institutions, literacy programs, and skills development. Afghanistan needs competent engineers, lawyers, doctors, journalists and other professions to ensure that the country remains on the right track.