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/ Country Update

THE WORLD BANK GROUP IN AFGHANISTAN



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NEW SUPPORT TO IMPROVE BASIC SERVICES ACCESS AND PROVIDE RELIEF

\$200 MILLION GRANT to support the Afghanistan Water, Sanitation, Hygiene, and Institutional Support (A-WASH) Project to help alleviate COVID-19 impacts and improve access to clean water, sanitation, and the quality of water supply in Kabul, Kandahar, and Herat, and strengthen the capacity of Afghanistan Urban Water Supply and Sewerage Corporation. The grant comprises \$50 million from IDA and \$150 million from the ARTF.

\$193 MILLION GRANT for the Second Additional Financing of the Citizens' Charter Afghanistan Project (CCAP) aimed at improving delivery of core infrastructure, emergency support, and social services to communities through strengthened Community Development Councils. It will help expand service delivery to 10 new cities, continue the COVID-19 crisis response to communities, provide critical assistance to Kuchi communities, increase employment through public works, initiate peace pilots, and continue to strengthen gender equality. The grant comprises \$35 million from IDA and \$158 million from the ARTF.

\$97.50 MILLION IDA GRANT for the Drought Early Warning, Early Finance, and Early Action Project (ENETAWF) to provide regular and predictable cash support to Afghans affected by droughts and COVID-19 and improve food and nutrition security. The grant will also help build Afghanistan's drought early warning and response systems and complement regular humanitarian relief efforts. It complements grants of \$115 million from the ARTF, \$8 million from the Global Risk Financing Facility, and \$2 million from the program for Asia Resilience to Climate Change Multi-Donor Trust Fund.

NEWS



GENEVA CONFERENCE RENEWS SUPPORT FOR AFGHANISTAN

The Afghanistan Conference in 2020 saw 70 countries and 32 international organizations gather in Geneva to renew their aid commitments to Afghanistan for the period 2021 to 2024 that will be dependent on accountability, an end to the war, and durable peace, stability, and prosperity.

After a series of virtual discussions in the two-day conference hosted jointly by the Finnish and Afghan governments and the United Nations on November 23 and 24, development partners pledged \$3.3 billion in aid to Afghanistan for the first year with annual commitments to stay nearly the same until 2024.

The international community made these pledges at a time when their respective countries were reeling from the devastating impacts of the Covid-19 pandemic, sending a strong message that the world has not abandoned Afghans as they move toward achieving a peaceful and prosperous future for themselves and their children.

There had been a widespread feeling among Afghans that international aid would dwindle amid the withdrawal of international forces after the U.S. and Taliban signed a peace agreement. But the new aid pledges at the Geneva conference have revitalized the hopes of many Afghans.

Nonetheless, the country has staggering challenges to tackle, including a growing number of young people entering the job market every year, a stagnating economy, and increasing hunger and poverty due to the impacts of drought and COVID-19.

Given this scenario, these aid commitments are more precious than ever for meeting key priorities, including reinvigorating the private sector, empowering women and young people, creating jobs, and giving assistance to those pushed to the brink by the COVID-19 pandemic, which can help revive the Afghan economy.

The Afghan government has agreed to some stringent terms through the Afghanistan Partnership Framework to spend the aid more transparently. It has also pledged to renew efforts in implementing economic reforms and creating a conducive business climate that can strengthen the private sector, create jobs for men and women, and improve government revenues.

The World Bank, as a key development partner to Afghanistan, will stand with the Afghan government and provide the support it needs to deliver on the pledges it made at the Geneva conference to carve a brighter future for the Afghan people.

RESULTS 62

'Farmers doubled their income with project support'



WORLD BANK GROUP SUPPORT

World Bank Projects and Programs

Since April 2002, the World Bank's International Development Association (IDA) has committed nearly \$5.3 billion for development and emergency reconstruction projects, and eight budget support operations in Afghanistan. This support comprises over \$4.8 billion in grants and \$436.4 million in no-interest loans known as "credits". As of February 3, 2021, the Bank has 12 active IDA-only projects (\$940 million) and 15 projects jointly funded with the Afghanistan Reconstruction Trust Fund, with commitment value of nearly \$1.2 billion from IDA.

Since the adoption of the Afghanistan National Peace and Development Framework (ANPDF), the World Bank's engagement has become increasingly programmatic. Underpinned by advisory work, both policy and investment lending focus on the main engagement clusters: macrofiscal management and institution building, stimulating private investments and growth to create jobs, governance and anti-corruption, human capital development and service delivery, citizen engagement and gender equality, as well as urbanization, infrastructure, and connectivity.

The Bank has actively supported key re-

forms, particularly in the fiscal and public administration spheres, and through its budget support operations. It has advocated building capacity and legitimacy of the state, and channeling donor resources through the government to ensure investments are aligned with national priorities. To this end, the World Bank works closely with other multilateral and bilateral agencies across a number of sectors where aid coordination and government ownership are most critical.

⇒ *For information about completed projects:*
www.worldbank.org.af – *Projects & Programs.*

International Finance Corporation

The International Finance Corporation (IFC), the World Bank Group's private sector arm, is supporting economic development in Afghanistan by providing a broad suite of investment services to the private sector, particularly in the infrastructure, finance, agribusiness, and services sectors.

The investment program is supported by advisory services, including access to finance, food safety management, financial system management, strengthening horticulture export, access to renewable energy, and investment climate reforms, to strengthen the

environment for private sector investment and promote private sector-led growth.

IFC's current cumulative committed investment portfolio stands at over \$300 million and its advisory services portfolio stands currently at \$11.3 million. IFC's investment portfolio includes investments in the infrastructure sector (telecommunications, energy) and financial markets. The investment pipeline looks promising and includes investments in the power and education sectors.

⇒ *For more information: see page 46.*

Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agency (MIGA) has \$116.5 million of gross exposure for two projects in dairy and cashmere production.

Among MIGA's global priorities for FY 2018–2021 are support for foreign direct investment with high developmental impact in IDA countries and fragile and conflict affected situations. Afghanistan is a key country for MIGA to deliver on these objectives.

In 2013, MIGA launched its "Conflict Affected and Fragile Economies Facility" that uses donor partner contributions and guarantees

COUNTRY PARTNERSHIP FRAMEWORK, 2017–2022

The World Bank Group's engagement with Afghanistan over 2017–2022 is determined by the Country Partnership Framework strategy, which closely aligns with the government's Afghanistan National Peace and Development Framework.

The World Bank Group strategy aims to help Afghanistan:

- **Build strong and accountable institutions** to support the government's state-building objectives and enable the state to fulfil its core mandate to deliver basic services to its citizens, and create an enabling environment for the private sector;
- **Support inclusive growth**, with a focus on lagging areas and urban informal settlements; and
- **Deepen social inclusion** through improved human development outcomes and reduced vulnerability amongst the most underprivileged sections of society, including the large numbers of internally displaced persons and returnees.

as well as MIGA guarantees to provide an initial loss layer to insure investment projects in difficult contexts. This facility could be used to boost the agencies' exposure in Afghanistan.

Afghanistan Reconstruction Trust Fund

The Afghanistan Reconstruction Trust Fund (ARTF) is a partnership between the international community and the Government of the Islamic Republic of Afghanistan (GoIRA) to improve effectiveness of the reconstruction effort. As of December 20, 2020, 34 donors have contributed nearly \$12.9 billion, making the ARTF the largest contributor to the Afghan budget—for both operating costs and development programs.

The ARTF's support for National Priority Programs, government operations, and the policy reform agenda is contributing to the achievement of the ANPDF goals. More than \$6.1 billion has been disbursed to the government to help cover civilian recurrent operating costs, such as civil servants' salaries, and over \$6 billion had been made available, both for closed and active investment projects. As of February 1, 2021, there are four active ARTF-only (\$288 million) projects, while 15

projects are financed jointly with IDA (\$1.2 billion), with commitment value of \$2 billion from the ARTF.

⇒ *For more information: see page 48.*

Japan Social Development Fund

The Japan Social Development Fund (JSDF) was established by the Government of Japan in 2000 as a means of supporting activities that directly respond to the needs of poor and vulnerable groups, enhance their capacities, and strengthen their empowerment and participation in the development process. The fund is administered by the World Bank.

The Government of Japan and the World Bank agreed to set up a special window within JSDF to support activities in Afghanistan under a multi-year program of assistance for the country's reconstruction and transition toward political, economic, and social stability.

As of January 2019, JSDF's total commitment has reached \$85 million. A number of JSDF-financed projects have been completed.

⇒ *For more information:*
<http://go.worldbank.org/U5OQZVF200> ■

ONGOING OPERATIONS

/ EDUCATION AND TRAINING

Afghanistan Second Skills Development Project (ASDP II)

⇒ IDA GRANT \$55 MILLION

The project supports the Government of Afghanistan in its strategy to build market relevant vocational and technical skills for economic growth and development. Building on the former Afghanistan Skills Development Project, this program will continue to strengthen the Technical Vocational Education and Training (TVET) institutional system, improve performance of TVET schools and institutes, and improve teacher competencies.

The project was restructured in 2020 to respond to the closure of TVET schools and institutes due to COVID-19 measures by developing an Alternative Learning Program through distance learning. The restructuring also places strong emphasis on implementation of an action plan for addressing issues associated with Gender-Based Violence.

To streamline institutional capacity to deliver on the human capital development agenda, GoIRA established a standalone TVET Authority (TVETA) based on Presidential Decree No. 11, dated April 21, 2018. The mandate for vocational education has been transferred from the Ministry of Education and Deputy Minister for TVET to the TVETA, which has been tasked to oversee the coordination and implementation of TVET policy. In 2020, the TVETA was endorsed as an independent government entity by parliament.

Upon request of the TVETA, the World Bank completed an institutional and capacity assessment of the Authority to improve its efficiency and capacity in service delivery. An action plan with concrete steps for improving TVETA's implementation capacity was developed and is being implemented.

The TVETA has completed some important milestones, with support from ASDP II

and the Bank, in its work to address Gender-Based Violence and has initiated the steps to strengthen safeguards at four key TVET institutes through infrastructural improvements.

In 2019, a comprehensive five-year TVET strategy (2020–2024) was developed and endorsed by the Human Capital Council. The strategy provides a roadmap for the development and expansion of the TVET sector over the five-year period to cover formal, non-formal, and informal TVET on a common strategic platform. The strategy was presented to donors and development partners in November 2020. The new strategy will form the basis for a new TVET operation that will support the sector after ASDP II closes in 2021.

Among other achievements, ASDP II has developed and supported the concept of a select number of lead institutes located in Herat, Kabul, and Nangarhar for targeted support and capacity building to serve as hubs for teacher training and curriculum development. The project also supports an in-service Technical Teacher Training Institute.

The curricula for seven priority trades of information and communications technology, accounting, business administration, construction, auto-repair, agronomy, and horticulture have been redeveloped to respond to market needs.

The last round of Disbursement Linked Indicators under the project was achieved successfully and verified through a third-party verification firm.

ASPD II also successfully financed an academic partnership contract with Pune University for TVET teachers to pursue Master's degrees as well as a one-year technical training program in Reva University in India.



EQRA projects include constructing new buildings for existing schools that operate in the open or in tents. The new classrooms provide safety from inclement weather and a conducive learning environment. "I am now more interested to go to school because it has changed to a real learning environment," says a student from Kandahar province.

EQRA

⇒ IDA GRANT \$75 MILLION

⇒ ARTF GRANT \$100 MILLION

⇒ GLOBAL PARTNERSHIP FOR EDUCATION
\$98 MILLION

EQRA will be implemented over the course of five years from 2018 to 2023. The project's objective is to increase equitable access to primary and secondary education in selected lagging provinces, particularly for girls, and to improve learning conditions in Afghanistan.

Primary beneficiaries are students in general education, out-of-school children in lagging provinces (never enrolled or dropped out), teachers, principals, and Ministry of Education (MoE) staff. The system-level improvements in management will benefit all

existing students as well as out-of-school children who will be brought into school. The project is expected to benefit about 7 million children who are attending school regularly from direct project interventions over the five-year implementation period.

Constraints that limit school participation in Afghanistan, such as deteriorating security, cultural norms that undervalue education, opportunity costs to attending school, distance to school, lack of gender-segregated latrines, and lack of female teachers, will be addressed through key interventions. These include (i) improving school infrastructure, which will be implemented by the Ministry of Rural Rehabilitation and Development (MRRD); (ii) providing school grants; and (iii) establishing community-based education classes.

In the first half of 2019, MoE was primarily focused on building the necessary foundation to ensure that project activities will be properly implemented by developing detailed implementation procedures and identifying annual work programs for each subcomponent and major activity.

The project achieved three out of the four Disbursement Linked Indicators (DLI) for the year 2018 and all of its DLIs for 2019. The Third Party Verification Agency hired by the Ministry of Finance through EQRA support is in the process of verifying the achievement of the 2019 DLIs. Five DLIs were set for 2020, of which two were fully achieved and three partially. Movement restrictions and school closures caused by the COVID-19 pandemic have adversely impacted EQRA and project activities have been delayed.

The civil works program under EQRA implemented by MRRD in targeted provinces is progressing with some delays. Out of 2,647 projects planned under EQRA, technical and financial proposals have been developed for 1,998 projects, of which 1,600 are for new buildings for existing schools that operate in open areas or under tents and 398 are for missing components. As of December 2020, around 700 projects have been completed, 600 of which have been formally handed over to MoE.

Strengthening Women's Economic Empowerment Project (SWEEP)

⇒ JSDF GRANT \$2.7 MILLION
CLOSED ON MARCH 31, 2021

SWEEP was a three-year pilot project implemented by the Aga Khan Foundation-Afghanistan in close coordination with the Ministry of Labor and Social Affairs. SWEEP was requested by the government to develop tools and methods and provide a platform to share experiences to inform the Women's Economic Empowerment National Priority Program (see page 66).

The main beneficiaries were poor women

in select rural and peri-urban areas. SWEEP supported the development and capacity building of clusters (self-help groups comprising community-based savings groups, CBSGs), and provided them with training, business development services, and access to finance.

A baseline survey was completed in October 2018, followed by project implementation in November 2018. A qualitative study was completed in 2020 and an endline survey is planned for beginning of 2021.

From December 2018 to project closure, a total of 47 clusters were formed in four provinces, with regular monthly cluster meetings held, subcommittees formed, and cluster members trained. Revolving loan funds were disbursed to CBSGs in 2020. Clusters also received additional business and soft skills training in 2020.

Technical support was provided until the project closing date to CBSG members to work on their businesses and to clusters for their self-functioning, networking, and linkages, and their implementation of revolving loan funds for at least two cycles.

/ FINANCIAL SECTOR

Access to Finance Project

⇒ IDA GRANT \$50 MILLION

The project aims to build institutional capacity to improve access to credit of micro, small, and medium enterprises. The project has the following components:

Component 1: Improving access to financial services for micro and small enterprises. Aims to provide continuing support to the microfinance sector through the Microfinance Investment Support Facility for Afghanistan (MISFA), as well as supporting MISFA to take on a broader role as a catalyst for innovations to increase access and usage of financial services from the lower end of the market according to its new strategic plan. It should, however, be underlined that the role of MISFA is primarily that of market



The Access to Finance project is helping smaller firms improve their access to finance and obtain better financing conditions. With project support, the Afghan Credit Guarantee Foundation has supported lending to over 530 small and medium enterprises through its partner financial institutions.

facilitator, rather than direct technical assistance provider.

Under component 1, MISFA has initiated a series of activities, including expanding the Targeting the Ultra Poor (TUP) program in six provinces (Balkh, Kabul, Kandahar, Kunar, Laghman, and Takhar), where it has been successful in targeting and initiating meaningful improvements in the well-being of ultra-poor beneficiaries.

Based on the success of the program, the TUP was scaled up in 2019 to reach close to 4,000 households in two more provinces (Parwan and Nangarhar). With the COVID-19 crisis, the TUP was expanded to cover an additional 1,100 households in these two provinces. Women's participation

in both provinces is close to 100 percent. Implementation is progressing well and will be completed by end-June 2021.

Financial inclusion, as measured by the percentage of TUP households that are linked to microfinance institutions (MFIs) and savings groups, is increasing. As of November 2020, 52 percent of beneficiaries have been linked to formal financial institutions (banks and MFIs). Despite the limited physical outreach of MFIs in certain provinces and their non-deposit taking status, the understanding of benefits of formal financial services is increasing.

Under the Capacity Building Fund and Strengthening MISFA subcomponent, several technical assistance (TA) projects have been



“Women’s low ownership of national identity documents is a critical gender gap in Afghanistan.”

WOMEN’S ACCESS TO IDENTIFICATION CARDS can accelerate development in Afghanistan

By Talajeh Livani and Sarah Haddock

The gender gap in ID [identification] ownership is wide in Afghanistan: 89 percent of those lacking national IDs are women.

Women’s low ownership of national identity documents is a critical gender gap in Afghanistan. The World Bank, in collaboration with the Government of Afghanistan, aims to reduce this gap through a number of projects and with the engagement and support from the Bank’s Afghanistan Gender and Social Inclusion Platform.

Of 97 countries in the 2017 Identification for Development (ID4D)-Findex Survey, Afghanistan has the widest gender gap in ID ownership: 52 percent of women versus only 6 percent of men lack IDs. This pattern is particularly stark in rural areas, among the less educated, and internally displaced persons (IDPs).

Conservative social norms are a key obstacle – until recently, women had to be accompanied by a male relative to confirm their family ties in order to obtain ID cards at government offices. Hence, women without close male relatives, or those with unsupportive male relatives could not obtain IDs. While a 2010 legal amendment removed this requirement, women in some regions continue to be asked to bring male witnesses.

There are other factors at play – an ID4D study finds that 68 percent of Afghan women who lack an ID say they have “no need” for one, possibly because they have fewer opportunities to participate in activities outside the home. Moreover, 42 percent of women lacking IDs stress that it’s “too difficult to apply” and 22 percent cite “lack of necessary documents.” Until recently when the digital ID system was rolled out, obtaining *Tazkira* [national ID card] was particularly difficult for IDP women because it required travelling to Kabul or to one’s province of origin. The costs and security concerns around such travel were discouraging for women.

Women’s low ID ownership exacerbates other gender inequalities in Afghanistan

In Afghanistan, *Tazkira* is required for accessing certain public services (e.g., education with some flexibility for IDPs and returnees), for employment with the public sector and much of the private sector, to register land and property, to register mobile SIM cards (and thus access mobile banking), obtain bank loans, and to vote.

Tazkira is also required for driver’s licenses, obtaining birth and death certificates for one’s family, marriage



certificates, and passports. For women, *Tazkira* and marriage certificates are crucial for securing rights to inheritance, marital property, and *mahr* (dower). Having legal identity documents is also critical for reducing child marriage, which is very high in Afghanistan.

The World Bank supports inclusive ID systems

In Afghanistan, the Bank supports women’s access to identification through several projects. The Women’s Economic Empowerment-Rural Development Project facilitates rural women’s application for ID cards, which can then be used to open bank accounts, obtain bank loans, and register businesses. Similarly, the Citizens’ Charter Afghanistan Project supports women’s access by raising awareness among rural women about the importance of *Tazkira* for life events such as *Nikah* (marriage) and *Hajj* (Islamic pilgrimage). The Access to Finance Project, through the Targeting the Ultra Poor program, helps female beneficiaries in several provinces apply for ID cards.

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⇒ This is an abridged version of a blog available at <https://blogs.worldbank.org/endpovertyinsouthasia/womens-access-identification-cards-can-accelerate-development-afghanistan>

finalized. Ongoing TA activities include the integration of MFIs into the national payment switch to facilitate the provision of digital financial services to their clients and the implementation of proposals in support of enhanced access to finance for women and youth entrepreneurs and the agriculture sector.

Component 2: Improving access to financial services for small and medium enterprises (SMEs). Through support to the expansion of the Afghan Credit Guarantee Foundation (ACGF) and TA to financial institutions to strengthen their SME lending capacity, this component aims to increase commercial bank and MFI lending to SMEs and thus facilitate their access to financial services. Component 2 supports the provision of credit guarantees for SMEs.

As of December 2020, ACGF has supported lending to over 530 enterprises for a total loan amount of \$19.8 million through its four partner financial institutions (PFIs). Despite the COVID-19 pandemic and deteriorated security situation, which led to a tightening of financial sector lending to SMEs in 2020 in number and volume, ACGF has continued to support PFIs in sustaining lending to SMEs and plays a critical role in addressing the financial institutions' risk aversion toward lending to SMEs.

The project is contributing to improved access to finance for smaller firms (after integration of an MFI) and better financing conditions for SMEs: loan maturity, collateral requirements, and new products (e.g., Islamic finance). The profile of businesses getting financing has also evolved over time. Complementary TA to PFIs provided through the project also supports capacity building of financial institutions, including in credit appraisal, risk management, and loan monitoring. The project closing date is June 30, 2021.

Afghanistan Incentive Program Development Policy Grant (IP-DPG)

⇒ IDA GRANT \$160 MILLION

⇒ ARTF GRANT \$240 MILLION

The IP-DPG operation supports continued progress on key reforms under the Afghanistan National Peace and Development Framework. The operation has provided up to \$400 million of recurrent cost support to the Government of Afghanistan to support vital services, mobilized against a series of high priority policy and institutional reforms.

This is the third of three planned operations aligned with the government's current three-year program of policy reforms. Supported reforms are organized under two pillars: (i) strengthening the policy framework to support state effectiveness, private investment, and social inclusion; and (ii) improving the policy and institutional framework for public financial management.

The IP-DPG focuses on reforms to address corruption, improve the management of public resources, and manage current economic and political risks. Reforms under the first pillar support development of e-payments, civil service reforms, access to finance, power sector reform, land titling, and water productivity. Reforms under the second pillar support an improved public investment management system, tax administration, and accountability of public finances.

Afghanistan: Public-Private Partnerships and Public Investment Advisory Project (PPIAP)

⇒ IDA GRANT \$10 MILLION

⇒ ARTF GRANT \$15 MILLION

PPIAP works with the government and, in particular, the Central Partnerships Authority in the Ministry of Finance to develop a pipeline of feasible privately and publicly funded projects.



The IP-DPG supports continued progress on key reforms in Afghanistan, focusing on reforms to address corruption, improve the management of public resources, and manage current economic and political risks.

The project, effective from July 2018, is organized around three complementary investment components:

- Strengthening institutional and technical capacity of relevant institutions and supporting the development of a Public Investment Management–Public-Private Partnership framework.
- Supporting the establishment and operation of an Investment Project Preparation Facility, including the development of its governance structure, institutional roles, and responsibilities.
- Project management.

The original project size was \$50 million. In April 2020, \$5 million was cancelled, followed by the cancellation of \$20 million in

June 2020 to make financing resources available for separate COVID-19 response projects. This partial cancellation triggered a project restructuring in September 2020 to scale down project activities in line with the reduced funds.

The recent amendment to the Public-Private Partnership (PPP) Law transfers core PPP functions and responsibilities, including fiscal risk management, from the Ministry of Finance to the Afghanistan Investment Facilitation Unit in the Administrative Office of the President. This has caused the World Bank to flag concerns regarding fiscal risk management, as well as potential implications for the scope and design of PPIAP, which are being reviewed and discussed with the government.

The National Procurement Authority (NPA) is improving performance through better management, accountability, and transparency. Under the FSP, NPA has launched an e-procurement system, reducing inaccurate information and corruption risks. "The spread of technology in an increasingly digital world has made access to information easier than ever—resulting in dramatic changes to economic activities and improved service delivery," said an NPA officer.



Fiscal Performance Improvement Support Project (FSP)

⇒ IDA GRANT \$25 MILLION
 ⇒ ARTF GRANT \$35 MILLION
 ⇒ GOVERNMENT OF AFGHANISTAN \$60 MILLION

FSP is designed to improve management of public finances in Afghanistan by strengthening the capacity of the Ministry of Finance (MoF), National Procurement Authority (NPA), and Supreme Audit Office. It supports the implementation of the Afghanistan Fiscal Performance Improvement Plan (FPIP) through recipient-executed investment financing.

FSP, which came into effect in January 2018, provides strategic support at a critical

moment in Afghanistan's development. The project aims to improve domestic revenue mobilization and public expenditure management, and to reinforce a performance-oriented management culture in MoF.

The Mid-Term Review of the project was conducted in June–July 2020, focusing on formalization of the reduced scope of financing in line with the omnibus portfolio cancellation and restructuring requests for reallocation of \$40 million from the ARTF grant to the COVID-19 crisis response operations.

Downsizing the scope of project components and activities will not substantially impact FSP's ability to achieve its objectives. Improved public financial management and revenue generation remain central to the government's self-sufficiency agenda.

FSP focuses on four key result areas: (i) improved development budget execution rate;

(ii) increased domestic revenue as a percentage of GDP; (iii) increased compliance with audit recommendations; and, (iv) improvement in core institutional capacity, represented by a reduction in the number of long-term technical assistants.

The overall implementation progress and progress toward achievement of project objectives are currently rated as "Moderately Satisfactory". The project remains generally on track despite implementation slowdown since the Mid-Term Review due to the financial and administrative disruptions associated with the COVID-19 pandemic. These disruptions are considered to be temporary.

Key implementation developments secured to date include:

Component 1: Budget as tool for development. Implementation by MoF of key enhancements to the budget process through a revised budget circular and budget submission template; introducing strategic screening; and improved costing information in budget submissions. This component also supported preparations for the broadly successful Geneva Conference on Afghanistan in November 2020.

Component 2: Revenue mobilization. Implementation by the Afghanistan Revenue Department of key reorganization and modernization measures and of electronic filing; and supporting preparations for the implementation of value-added tax. Continued rollout of the Automated Systems for Customs Data (ASYCUDA) system, with all customs offices connected, except for six having an active ASYCUDA connection; and supporting preparations for the implementation of the National Single Window.

Component 3: Treasury management, accountability, and transparency. Development of five key Electronic Government Procurement (eGP) modules by the NPA, alongside complementary advances in Open Contracting Partnership and Open Contract Data Standards implementation.

Component 4: Institutional capacity building and performance management. Development and launch by the MoF Performance Management Team of a publicly accessible web-based Afghanistan

Performance Management Information System, alongside rollout of FPIP to 140 teams across MoF, NPA, and Supreme Audit Office.

Modernizing Afghan State-Owned Banks Project

⇒ IDA GRANT \$12 MILLION

The project aims to strengthen corporate governance and enhance operational efficiency of state-owned banks. The project, implemented by the Ministry of Finance (MoF), contributes to the modernization, transparency, and efficiency of the three Afghan state-owned banks: New Kabul Bank (NKB), Bank-e-Millie Afghan, and Pashtany Bank.

Since coming into effect in April 2018, the project has supported initial corporate governance reforms at the state-owned banks. In particular, MoF has developed an ownership policy, established an ownership unit, and defined the terms of reference of the supervisory boards by means of a presidential decree that was issued in December 2018. The supervisory boards have been subsequently established.

In addition, the project has supported modernization of critical IT infrastructure at the state-owned banks, including the procurement of a core banking system (Flexcube) for NKB that has yet to be installed.

The project has been due for substantial restructuring since June 2020 as a result of the cancellation of \$28 million (70 percent of project funds) reallocated in support of the government's COVID-19 emergency response. As a result, the project's scope has been substantially reduced, focusing on support for the merger of NKB and Bank-e-Millie Afghan, while dropping the bulk of other activities such as previously planned IT investments.

As of January 2021, the required policy decisions related to the merger process are still pending. The World Bank and MoF are engaged in discussions about the project's status and the way forward.

Payments Automation and Integration of Salaries in Afghanistan (PAISA) Project

⇒ IDA GRANT \$7 MILLION

⇒ ARTF GRANT \$18 MILLION

The project was approved by the World Bank Board of Executive Directors on April 25, 2019 and became effective on September 25, 2019.

The project objective is to support the development of digital government-to-person (G2P) payments in Afghanistan. Advisory assistance to the recipient Ministry of Finance, Da Afghanistan Bank, and beneficiary entities on improved legal and regulatory frameworks and operational processes will complement investments in physical IT infrastructure as well as incentives to spur private-sector-led delivery of financial services.

The project comprises four components: (i) supporting a biometric identification system for civil servants and pensioners; (ii) integrating the identification, verification, and payment systems; (iii) expanding financial services and access points for digital cash-out and cashless payments; and (iv) project management.

Ongoing procurement for the integration of Mobile Money Operators with the national payment switch operated by the Afghanistan Payment System (APS) aims to support the interoperability of all licensed financial institutions.

Other priority activities are the recruitment of a legal advisor for the development of a legal and regulatory framework related to data protection, as well as upgrades to the APS infrastructure.



PAISA supports the use of a biometric identification system for civil servants and pensioners, which has reduced the number of follow-up visits pensioners need to make to the Pension Department. With biometric data collection, retirees no longer have to return yearly for a lengthy recertification process. Instead, they are required to visit once every two years for a shorter, more efficient, review.

Strengthening Afghanistan Financial Intermediation (SAFI) Project

⇒ IDA GRANT \$100 MILLION

The SAFI project was approved by the World Bank Board of Executive Directors on September 28, 2020. Following respective agreements signed with the Ministry of Finance (MoF) and Da Afghanistan Bank (DAB), the central bank, and between the local implementing authorities, the project came into effect on January 6, 2021.

The project objective is to strengthen institutional capacity for financial stability and to enhance access to finance for micro,

small, and medium enterprises (MSMEs). The project has seven components, including an emergency response contingency component:

Component 1: Strengthening credit guarantee fund: Aims to incentivize greater financial intermediation for MSMEs in Afghanistan through risk-sharing and technical assistance implemented by the Afghan Credit Guarantee Foundation (ACGF).

Component 2: SME matching grants program: Aims to support SMEs with fixed capital and working capital costs for COVID-19 adaptation and to strengthen the pipeline of bankable firms and demand for banking services.

Component 3: Strengthening deposit insurance: Aims to support the establishment and implementation of a credible and explicit

Deposit Insurance Scheme (i.e., established via formal legal act) for deposit-taking financial institutions in accordance with international good practices. It also aims to ensure a sufficient level of capital to set, sustain, and/or increase the appropriate level of deposit insurance coverage without compromising the sustainability of the Deposit Insurance Fund.

Component 4: Enhancing DAB's IT infrastructure: Aims to support investment in IT hardware and software for DAB to strengthen its operational, regulatory, and supervisory capacity, along with investments in upgrade of financial infrastructure aimed at facilitating financial intermediation, including the modernization of DAB's core banking system.

Component 5: Strengthening DAB's supervisory and regulatory capacity: Supports DAB with advisory, technical, and capacity building assistance aimed at strengthening its core regulatory and supervisory function, thus facilitating financial stability.

Component 6: Project management: Funds relevant project management functions administered by the Financial Sector Strengthening Projects Directorate of DAB and applicable to Components 3–6 under DAB's administration.

Component 7: Contingent emergency response component: Aims to support provision of immediate response to an eligible crisis or emergency, as needed.

The project disbursements are expected to commence as soon as the project is included in the government's next fiscal year (year 1400, Afghan solar calendar) budget and approved by the lower house of the National Assembly. In the interim, the authorities and the ACGF are working on preparatory operational activities to facilitate prompt deployment of project resources following National Assembly approval.

The next key steps include (i) MoF hiring the required project staff; (ii) the ACGF adopting the Matching Grants Operations Manual; (iii) DAB developing the Operations Manual for project components under its administration and an annual work plan, updating the procurement plan, and hiring remaining project staff.

/ HEALTH

Afghanistan Sehatmandi (Health) Project

⇒ IDA GRANT \$140 MILLION
⇒ ARTF GRANT \$425 MILLION
⇒ GLOBAL FINANCING FACILITY
GRANT \$35 MILLION

The project aims to increase the utilization and quality of health, nutrition, and family planning services across Afghanistan.

The project comprises three components:

Component 1: To improve service delivery, this component will finance performance-based contracts to deliver the Basic Package of Health Services and Essential Package of Hospital Services across the country.

Component 2: To strengthen the health system and its performance, this component will support a systematic organized approach to establish a performance management culture in the Ministry of Public Health (MoPH) and among stakeholders.

Component 3: To strengthen demand and community accountability for key health services, the third component will finance a range of activities, including communication campaigns aimed at raising overall awareness of health rights as well as specific health behaviors to support MoPH and service providers to be more responsive to community health needs.

The Afghan health system has made considerable progress during the past decade thanks to strong government leadership, sound public health policies, innovative service delivery, careful program monitoring and evaluation, and development assistance. Data from household surveys (between 2003 and 2018) show significant declines in maternal and child mortality.

Despite significant improvements in the coverage and quality of health services, as well as a drop in maternal, infant, and under-five mortality, Afghanistan health indicators are still worse than the average for low-income countries, indicating a need to further

decrease barriers for women in accessing services.

Afghanistan also has one of the highest levels of child malnutrition in the world. About 36.6 percent of children under five suffer from chronic malnutrition, and both women and children suffer from high levels of vitamin and mineral deficiencies.

The Maternal Mortality Ratio (MMR) fell significantly from 1,600 per 100,000 live births in 2002 to 638 per 100,000 live births in 2017, according to estimates of the United Nations Inter-Agency Working Group for Estimation of Maternal Mortality.

In November 2020, based on a government request, the Sehatmandi project went through a no-cost extension for one year and was extended until June 30, 2022. In addition, during the Mid-Term Review, it was agreed that the project will receive additional financing for two more years from July 1, 2022, to June 30, 2024. This will help MoPH fully test the impact of its pay for performance (P4P) approach. The process of the additional financing will be completed by September 2021.

COVID-19 Emergency Response and Health Systems Preparedness Project

⇒ IDA GRANT \$100.4 MILLION
ADDITIONAL FINANCING:
⇒ IDA GRANT \$60 MILLION
⇒ ARTF GRANT \$50 MILLION
⇒ ENERGY SECTOR MANAGEMENT PROGRAM
\$3 MILLION

The project objective is to respond to and mitigate the threat posed by COVID-19 in Afghanistan and strengthen national systems for public health preparedness.

The project comprises five components:

Component 1: Emergency COVID-19 response. Aims to slow down and limit as much as possible the spread of COVID-19 in the country. This component finances immediate support to enhance disease detection capacities by increasing surveillance capacities, provisioning of technical expertise, and



In spite of significant improvements in the coverage and quality of health services, as well as a drop in maternal, infant, and under-five mortality, Afghanistan still has one of the highest levels of child malnutrition in the world. Over one third of children under five suffer from chronic malnutrition, and both women and children suffer from high levels of vitamin and mineral deficiencies.

strengthening laboratory and diagnostic systems to ensure prompt case finding and local containment.

Component 2: Health care strengthening. Aims to strengthen essential health care service delivery to be able to provide the best care possible for people who become ill despite a surge in demand. It will also ensure ongoing support for sick people in the community to minimize the overall impact of the disease on society, public services, and the economy.

Assistance will be provided to the health care system for preparedness planning to provide optimal medical care and maintain essential lifesaving services and minimize risks for patients and health personnel. The project finances plans for establishing specialized units in selected hospitals, treatment

guidelines, and hospital infection control interventions, as well as procurement of additional essential inputs for treatment, such as oxygen delivery systems and medicines, and retention of skilled health workers through extra payments (such as hazard pay and death benefits) to strengthen clinical care capacity.

Component 3: Mitigation of social impacts. Addresses significant negative externalities expected in the event of a widespread COVID-19 outbreak and includes comprehensive communication strategies. The primary focus will be on addressing social distancing measures, such as avoiding large social gatherings, and mitigating against the negative impacts on children's learning and well-being.

Component 4: Implementation man-

agement and monitoring and evaluation. Supports strengthening public structures for project coordination and management, including central and local (decentralized) arrangements for coordination of activities, financial management, and procurement.

It will also support monitoring and evaluation of prevention and preparedness, building capacity for clinical and public health research, and joint learning across and within countries. This component will finance as well as hire an independent third-party monitor.

Component 5: Contingent emergency response component. In the event of an eligible crisis or emergency, the project will contribute to providing immediate and effective response to said crisis or emergency.

The project's progress toward achieving its objective and overall implementation performance is satisfactory. The project became effective on April 12, 2020, which was timely in responding to the first wave of COVID-19, which peaked in June–July.

Project funds were also used to respond to the second wave of the COVID-19 pandemic later in 2020. Procurement of an Afghan Japan Hospital contract was delayed for four months, while a second hospital contract was cancelled because of fewer COVID-19 patients than envisaged.

Although a few of the COVID-19 vaccines have received WHO pre-qualification and emergency use listing and Afghanistan has received commitments through the COVAX facility and other partners such as World Bank and Asian Development Bank, it will take time for the vaccines to be deployed and for a significant number of people to be vaccinated. Nonetheless, the project objective will remain relevant and the project will continue to mitigate the threat posed by COVID-19.

Additional financing to the project was approved in March 2021 to help the Afghan government purchase and deploy safe and effective COVID-19 vaccines and strengthen its national program to ensure quick and fair access to health services and vaccinations. The funding package will help vaccinate more than 17 percent of Afghans, improve essential medical services, and support Afghanistan's recovery from the pandemic.

HEALTH INDICATORS ON POSITIVE TREND

UNDER-FIVE MORTALITY RATE DROPPED from 191 to 50 per 1,000 live births from 2006 to 2018.

NEWBORN MORTALITY RATE FELL from 53 to 23 per 1,000 live births from 2003 to 2018.

NUMBER OF FUNCTIONING HEALTH FACILITIES INCREASED to more than 2,800 in 2018 from 496 in 2002, while at the same time the proportion of facilities with female staff increased.

BIRTHS ATTENDED BY SKILLED HEALTH PERSONNEL AMONG THE LOWEST INCOME QUINTILE INCREASED to 58.8 percent from 14.9 percent.

PENTA3 IMMUNIZATION COVERAGE MORE THAN DOUBLED (a combination of five vaccines in one covering diphtheria, Pertussis, tetanus, *haemophilus influenzae* type b, and hepatitis B) from 29 percent to 61 percent among children age 12 to 23 months in the lowest income quintile.

CONTRACEPTIVE PREVALENCE RATE INCREASED (using any modern method) from 5.3 percent to 17.4 percent between 2000 and 2018.



Launched in April 2020, the COVID-19 Emergency Response and Health Systems Preparedness Project was timely in responding to the first wave of COVID-19, which peaked in June–July 2020. A major aim is to strengthen essential health care service delivery to provide the best care possible despite a surge in demand. It will work to minimize the overall impact of the disease on society, public services, and the economy.

/ INFRASTRUCTURE

Afghanistan Digital CASA 1 Project

⇒ IDA GRANT \$51 MILLION

The project, which came into effect in March 2018, aims to increase access to affordable internet, attract private investors to the sector, and improve the government's capacity to deliver digital government services by supporting a regionally integrated digital infrastructure and creating an enabling environment. The Ministry of Communications and Information Technology is the implementing agency.

Central Asia South Asia Electricity Transmission and Trade Project (CASA-1000)

⇒ IDA GRANT/CREDIT \$526.5 MILLION, INCLUDING \$316.5 MILLION IDA GRANT TO AFGHANISTAN

CASA-1000, covering Afghanistan, Kyrgyz Republic, Pakistan, and Tajikistan, will put in place the commercial and institutional arrangements as well as the infrastructure required for 1,300 megawatts (MW) of sustainable electricity trade.

The total project cost is estimated at \$1.17 billion, to which the World Bank has con-

The Herat Electrification Project was able to respond very quickly to the urgent need for sustainable power supply in hospitals during the COVID-19 pandemic. In June 2020, the project successfully supplied and installed solar backup systems for the 10 hospitals designated for COVID-19 patients in Herat province.



tributed \$526.5 million in loans and grants to the four countries. Several other development partners are also providing financing for CASA-1000, including the Islamic Development Bank, European Bank for Reconstruction and Development, United States Government, United Kingdom Foreign, Commonwealth and Development Office and United States Agency for International Development.

CASA-1000 will build more than 1,200 kilometers (km) of electricity transmission lines to transmit excess summer hydropower energy from existing power plants (such as the Toktogul power plant in Kyrgyz Republic and Nurek power plant in Tajikistan) to Pakistan and Afghanistan.

At approval, CASA-1000 included the engineering design, construction, and commis-

sioning of high voltage alternating current (HVAC) transmission lines and associated substation in Kyrgyz Republic and Tajikistan; high voltage direct current (HVDC) transmission lines from Tajikistan to Pakistan via Afghanistan; and three new HVDC converter stations in Tajikistan, Pakistan, and Afghanistan. However, in 2016, the four countries restructured the project, in which the converter station in Kabul was dropped.

Of the total project financing, Afghanistan has received \$316.5 million in the form of an IDA grant. The grant will support construction of about 560 km of an overhead HVDC transmission line from Sangtuda converter station in Tajikistan to Nowshera converter station in Pakistan. In addition, Afghanistan has received a \$30 million grant from the ARTF for the CASA Community Support Program (see page 52).

Afghanistan is expected to receive 300 MW of electricity import from Tajikistan and Kyrgyz Republic through the existing 220 kV AC lines from Sangtuda substation, and Tajikistan to Chimtala substation in Kabul via Pul-e-Khumri. Da Afghanistan Breshna Sherkat (DABS), Afghanistan's national power utility company, is the implementing agency for the Afghanistan portion of this project.

CASA-1000 came into effect in January 2018. Three contracts for the HVDC transmission line in Afghanistan were signed in December 2017 and became effective in July 2019. Survey and design work for all three lots have been completed, with major transmission line equipment on-site and construction work in progress.

The country-specific Environmental and Social Impact Assessment has been completed and publicly disclosed. The Resettlement Action Plan for the HVDC transmission line has been prepared and land valuation/clearance of the transmission line route is under process. A contract for a Project Owner's Engineer, who supports DABS in monitoring/supervision, for the HVDC components was awarded in November 2018.

Procurement for the majority of key infrastructure packages under CASA-1000 in the other three countries has also been completed, including the procurement for the two converter stations in Tajikistan and Pakistan for which the contracts were signed in September 2018.

Herat Electrification Project

⇨ IDA GRANT \$60 MILLION

The project aims to support DABS provide new or improved electricity services to over 230,000 people and 1,600 institutions and businesses in selected areas in Herat province.

The project comprises three components: **Component 1:** Electrification of four districts in Herat province. Supports invest-

ments for building a new 110 kV transmission line and four 110/20 kV substations and medium and low voltage distribution networks in Chesht, Karokh, Obe, and Pashtun-Zarghoon districts.

Component 2: Grid densification, extension, and off-grid pilots in Herat province. Supports investment for supply and installation of a capacitor bank at 24-Hoot substation to improve the voltage profile of the existing network of Herat city, including the industrial park. Component 2 also supports extension of a 220 kV transmission line, construction of a substation at Pol-e-Hashimi, and upgradation of the distribution network. It also covers piloting a solar mini-grid.

Component 3: Technical assistance. Finances project management and implementation support to ensure timely and quality compilation of the project. It also supports the review of existing standards and procedures, and the preparation of a grid code for the Afghanistan power system.

Construction of the 110 kV transmission line to Karokh district has been completed, and commissioning and handover of the asset is under process. Major civil work of the four substations has been completed, power transformers are on-site, and the remaining equipment for the substations are being shipped.

Supply and installation of the distribution network in all four districts have been completed, with inspection and handover of the asset under process.

The contract for supply and installation of the capacitor bank in 24-Hoot substation has been signed and physical work at the site is in progress. Contracts have been signed for construction of the 220 kV transmission line from Noor-e-Jihad to Pol-e-Hashimi substations and the 220/132 kV substation in Pol-e-Hashimi.

Evaluation of the bids for the solar mini-grid project has been completed and submitted for review by the National Procurement Authority. Packages for upgradation of distribution network and supply of smart meters



“The solar power system has created a good and effective working environment for doctors, and they will be able to use essential medical equipment for the treatment of COVID-19 with the help of continuous power.”

–Mohammad Rafiq Sherzai, spokesman,
Herat Department of Public Health, Herat province.

SOLAR POWER PROVIDES *a lifeline to Afghanistan's hospitals*

- In Herat province, medical facilities have done their best to cope with the influx of COVID-19 patients, but power outages have made it challenging to provide adequate treatment.
- Solar power now supplies reliable electricity in 10 government hospitals in Herat for COVID-19 patients, who require functioning critical medical equipment, such as ventilators.
- The uninterrupted power is generated by solar panels installed by Afghanistan's national power utility, Da Afghanistan Breshna Sherkat, under the Herat Electrification Project.

Since it recorded the first COVID-19 case in Afghanistan in February 2020, Herat province has logged the country's second-highest number of confirmed cases, after Kabul.

The pandemic has overstretched Afghanistan's health care system. In Herat, medical facilities have done their best to cope with the influx of patients, but power outages have made it challenging to treat COVID-19 patients, who require electrical ventilators and other respiratory devices to stay alive.

Herat imports half of its electricity, mainly from Afghanistan's neighbors, Iran and Turkmenistan. Power outages are common during the summer and winter months when power usage reaches its peak because of weather extremes.

Higher demand has outstripped supply over the past years. Afghanistan's national power utility, Da Afghanistan Breshna Sherkat (DABS), is often unable to meet its customers' needs, especially during peak periods or when long transmission lines are interrupted.

Solar Panels Provide Continuous Power

When the pandemic hit Herat, DABS installed solar panels in 10 government hospitals to supply emergency power. Financed by the Herat Electrification Project, the solar panels were installed in June 2020, providing reliable electricity for critical surgery and essential equipment for COVID-19 patients, such as ventilators and monitoring devices.

"We all know continuous and reliable electricity is a major need in our hospitals, and the solar power system installed in the 10 hospitals in Herat will resolve many of our issues," says Mohammad Rafiq Sherzai, 37, spokesman for the Herat Department of Public Health. "It has created a good and effective working environment for doctors, and they will be able to use essential medical equipment for the treatment of COVID-19 with the help of continuous power."



Powering Life-Saving Equipment

Herat's Shaidayi children's hospital was converted into a COVID-19 medical center to treat the mounting flow of infected people. The majority of COVID-19 patients in the province have sought care in the 100-bed facility, which has received more than 2,000 patients.

The hospital has 36 solar panels generating energy for the Intensive Care Unit (ICU). "The main usage of the solar power is in the ICU," says Abdul Manan Azadmanesh, 42, Director of Shaidayi Hospital. "If equipment such as ventilators stops working due to a power outage, the patients will have difficulty breathing, which can lead to death or serious damage after five minutes. Now that the solar power panels have been installed, we no longer need to rely on the power generator."

The initial success of the solar panels has led local authorities to consider expanding the initiative to remote areas. "Districts far from the city and remote villages face more power outages than the provincial capital, and solar panels could be a big help for the hospitals located in these areas," Sherzai says.

are in the procurement process. Progress has been made in preparing the grid code, with the revised draft under review.

As a remarkable accomplishment during the COVID-19 pandemic, the project successfully supplied and installed solar back-up systems for 10 hospitals designated for COVID-19 patients in Herat province.

Irrigation Restoration and Development Project (IRDP)

⇒ IDA GRANT \$95.8 MILLION

⇒ ARTF GRANT \$108.4 MILLION

⇒ GOVERNMENT OF AFGHANISTAN
\$3.5 MILLION

CLOSED ON DECEMBER 31, 2020

The project built upon and scaled up activities supported under the completed World Bank-financed Emergency Irrigation Rehabilitation Project, closed in December 2011.

After project restructuring and additional financing in July 2016, IRDP envisaged support to rehabilitate irrigation systems and hydro-meteorological facilities and services.

As part of a portfolio-wide restructuring approved by GoIRA because of the COVID-19 crisis, \$12 million from the project fund was cancelled and reallocated to the COVID-19 impact response activities in 2020.

Project achievements are as follows:

In the irrigation component, a total of 215 irrigation schemes were rehabilitated, covering 284,391 hectares of irrigation command area and 580,901 farmers (compared to the end target of 215,000 hectares and over 425,000 farmers). Nearly 46 kilometers of critical river basin erosion protection work were completed in various part of the country.

In the small dam component, a pre-feasibility review of 22 small dams resulted in a feasibility study being conducted on the six best ranked dams in the northern river basin (which are not on international waters).

Further, minor repair works for Qargha

dam in Kabul and Darunta dam in Jalalabad were completed. Dam safety guidelines for Afghanistan were developed and completed under the project. Dam Safety Inspection reports were prepared for 10 existing dams.

In the hydro-met component, installation of 216 hydrological, snow, and meteorological stations were completed in the five river basins. In addition, 69 cableway stations for flow measurement at selected hydrology stations were installed.

Further, a national O&M mobile team was established to take care of O&M of all hydro-



By the closing of IRDP in December 2020, a total of 215 irrigation schemes had been rehabilitated, covering over 280,000 hectares of irrigation command area and benefiting over 580,000 farmers, well over the project's targets.

logical stations. Drilling works for 173 test wells in nine big cities, including Kabul, were completed.

Hydrogeological maps were prepared for the Preliminary National Ground Water Potential Map.

Based on the prepared exit strategy, the National Water Affairs Regulation Authority is working to complete the remaining work of 24 uncompleted contracts from the government budget. The Bank will continue supervision through the Third Party Monitoring Agent till completion of the contracts.

/ RURAL DEVELOPMENT

Afghanistan Rural Access Project (ARAP)

⇒ IDA GRANT \$125 MILLION

⇒ ARTF GRANT \$312 MILLION

CLOSED DECEMBER 31, 2020

ARAP aimed to enable rural communities across Afghanistan to benefit from improved access to basic services and facilities through all-weather roads. The project was expected to increase the number of people living within 2 kilometers (km) of all-season roads, reduce travel time to essential services, and enable rural communities to access essential services more frequently.

At project closure, construction under civil work contracts completed included 930 km of secondary gravel roads, 289 km of secondary asphalt roads, and 1,550 km of tertiary roads. In addition, 1,480 linear meters of secondary bridges and 1,980 linear meters of tertiary bridges were built.

Routine and periodic maintenance of 670 km of secondary roads were undertaken as well as routine and periodic maintenance of 3,500 km of tertiary roads.

Rollout of the first nationwide inventory and condition survey of rural roads was completed and over 90 percent of inventory for secondary roads and above were completed for 32 out of 34 provinces.

ARAP successfully achieved all its planned objectives and closed as scheduled on December 31, 2020.

Citizens' Charter Afghanistan Project (CCAP)

⇒ IDA GRANT \$267.9 MILLION

⇒ ARTF GRANT \$602.3 MILLION

(INCLUDES ADDITIONAL FINANCING FOR CITIZENS' CHARTER EMERGENCY REGIONAL DISPLACEMENT RESPONSE OF IDA GRANT \$127.7 MILLION AND ARTF GRANT \$44.3 MILLION AND SECOND ADDITIONAL FINANCING FOR CCAP OF IDA GRANT \$35 MILLION AND ARTF GRANT \$158 MILLION)

⇒ GOVERNMENT OF AFGHANISTAN \$51 MILLION

The Citizens' Charter Afghanistan Project (CCAP) is the successor to the highly successful National Solidarity Programme (NSP), which introduced a community-driven development approach toward rural infrastructure and service delivery and reached about 35,000 communities over 14 years.

CCAP aims to improve the delivery of core infrastructure, emergency support, and social services to participating communities through strengthened Community Development Councils (CDCs). These services are part of a minimum service standards package that the government is committed to delivering to the citizens of Afghanistan.

The project has been set up as a multisectoral and interministerial program that delivers a range of basic services and builds trust between citizens and the state. CCAP established a robust implementation machinery, combining the use of national technical assistant contractual staff and the outsourcing of service delivery and social mobilization functions to non-governmental organizations as "facilitating partners".

CCAP supports the first of three phases of GoIRA's 10-year Citizens' Charter National Program and targets one third of the country. The first phase of the program covers 850 urban communities in four major regional hubs.

In the context of the World Bank's COVID-19 relief response in Afghanistan, the fourth ARTF tranche of \$100 million was

redeployed in May 2020 toward providing emergency household assistance in the form of food/cash in CCAP communities.

A parallel emergency project (see page 34) approved on August 4, 2020, by the World Bank Board of Executive Directors Relief Effort for Afghan Communities and Households (REACH)—provides similar household support to the rest of the country not currently covered under CCAP.

The diversion of ARTF funds created a large financing gap for the main project, which was subsequently filled by a Second Additional Financing (AF) for CCAP.

The AF was approved on December 11, 2020, with the objective to expand the geographic coverage of the Urban Areas Block Grants in 10 more cities and redirect resources to areas recently freed from anti-government elements (AGEs), including Kunar, Laghman, and Nangahar, as well as 300 rural CDCs across 10 districts.

As a result, the AF allows CCAP to experiment with four new peace promotion activities in areas recently freed from AGEs, including local conflict analyses; local-level peace dialogues; peace grants focused on building social cohesion and community collective action; and conflict and dispute resolution training. The government, with technical support from the World Bank, is refining the design and implementation modalities for the peace pilot activities.

Specifically, the Ministry of Rural Rehabilitation and Development (MRRD) is considering Kunar, Laghman, and Nangahar, and the Independent Directorate of Local Governance (IDLG) is considering Jalalabad as potential locations for the peace pilots, taking into account important issues such as safe access for project personnel and opportunities for monitoring for programmatic and fiduciary reasons. One of the key features of the design is women's participation in peace fora/gatherings/trainings.

Additionally, the AF has also introduced other new activities, in particular, a new subcomponent to support nomadic Kuchi populations, as well as codify several changes in the project implementation, management, and monitoring and evaluation arrangements.



Additional financing to CCAP will allow development work to be extended to urban communities in 10 cities. Residents stand to benefit from improved infrastructure and service delivery, such as street upgrades, provision of potable water, and solid waste management.

Main Project Components

Component 1: Service standards grants. Supports two types of grants to CDCs:

(1a) Rural Areas Service Standards Grants. MRRD has overall responsibility for the implementation of the grants. This subcomponent supports delivery of minimum service standards on rural infrastructure. Allocations per community are needs-based and based on an initial gap and needs assessment against the minimum service standards. The investments include water supply and a choice between basic road access, electricity, or small-scale irrigation.

(1b) Urban Areas Block Grants. IDLG, the project's urban implementing agency, has overall responsibility for the grants to 600 ur-

ban CDCs and 120 Gozars (neighborhoods) in four major cities (Herat, Jalalabad, Kandahar, and Mazar-i-Sharif) to fund small infrastructure works. The menu of options includes street upgrading, parks, lighting, provision of potable water, solid waste management arrangements, and women's economic activities. This subcomponent supports service delivery linkages between the CDC, cluster/Gozar, urban district, and municipality.

Under the Second AF, the Urban Area Block Grants (worth \$70,000 each) will be extended to about 335 additional urban communities in Mazar-i-Sharif and nine other cities that have not been covered by CCAP. These communities will also form some 67 Gozar Assemblies (GAs), each of which will receive

a Gozar Assembly Grant worth \$200,000.

(1c) Kuchi Block Grants have been added under the Second AF to provide about 900 Kuchi communities with block grants worth a maximum of \$20,000 in total. The Kuchi nomadic encampments or *Elbands* will receive assistance from the project's social organizers to form locally elected Kuchi Community Development Councils (KCDCs), with a minimum of 40 percent women membership overall and at least one woman office bearer (25 percent).

Component 2: Institution building. Supports capacity building, technical assistance, and community facilitation services. In rural areas, MRRD works with 14 facilitating partners in undertaking capacity building and training of provincial and district staff to oversee, monitor, and report on project progress, as well as social organizers. The ministry provides engineering and technical support to communities across all 34 provinces.

Component 3: Monitoring and knowledge learning. Includes robust supervision and learning activities from village to national levels, exchange visits across communities, especially for women, and support for thematic studies and evaluations. It covers a range of participatory monitoring and evaluation tools, including the rollout of simple citizen scorecards to be completed by CDCs and social organizers to report on the minimum service standards.

Component 4 (new under Additional Financing): Project implementation and management. Supports the management and oversight of the project at national, provincial, and district level in rural areas and the municipal management units in the four regional hub cities. This includes areas such as policy and operational planning; capacity building; management information systems; grievance redressal mechanisms; human resource management; communications; donor and field coordination; financial management and procurement functions; and safeguard oversight.

Component 5 (new under Additional Financing): Social Inclusion and Maintenance and Construction Cash Grants (MCCGs).

Provides emergency short-term employment opportunities through labor-intensive public works, as well as support for collective action activities beyond public works that are aimed to foster greater social inclusion and protect the ultra-poor/vulnerable in communities. There are two subcomponents:

(5a) Social Inclusion Grants (SIGs) and Collective Action Activities will take the form of a "matching grant" up to a total value of \$2,000 per community that will be used to provide incentives for community philanthropy. The combination of the matching grant and community donations will be used in the first instance to initiate a food/grain bank for the ultra-poor in each of the targeted communities. It is expected that this will be replenished periodically with additional community donations.



CCAP is making good progress, reaching over 13,000 communities across Afghanistan and providing basic infrastructure, services, and employment for about 13.7 million beneficiaries, with almost 50 percent participation of women.

EXPECTED CITIZENS' CHARTER RESULTS

Results expected under the first phase include :

- 10 million Afghans reached.
- 3.4 million people gaining access to clean drinking water.
- Improvements to quality of service delivery in health, education, rural roads, and electrification.
- Increase in citizen satisfaction and trust in government.
- 35 percent return on investment for infrastructure projects.

Under the Second AF, the SIG initiative will scale up in all rural and urban CCAP coverage areas (~12,000 rural and peri-urban CDCs and 850 urban CDCs) to provide urgent relief support to households affected by the COVID-19 pandemic and to alleviate the negative impacts arising from food insecurity.

Under this initiative, each CDC will receive a relief grant based on the number of eligible households and distribute the relief package worth 4,000 afghanis (about \$52) to its constituent eligible households in kind (based on a standard relief package that includes essential food staples and hygiene products). Based on the underlying principle of near-universal coverage, approximately top 10 percent of affluent households will be excluded using predetermined standard exclusion criteria.

(5b) MCCGs are to serve as quick-disbursing emergency grants for work/labor-intensive public works schemes that are targeted at vulnerable households within the communities and managed through a community-driven development approach. The cash for works will include repairs, rehabilitation, cleaning, expansion, or construction. Cash for services will target ultra-vulnerable households that cannot participate in public works.

The Kuchies Development Sub-Program (KDSP) is an additional sub-program to the Citizens' Charter. The sub-program was officially launched in April 2019 and aims to reach semi-nomadic and fully nomadic Kuchi communities in Afghanistan. It adheres equally to the principles of equity, inclusion, participation, accountability, and transparency. KDSP is expected to comply with the guidelines described in the Citizens' Charter.

KDSP will support the provision of development services to Kuchi communities in the areas of health, education, road construction, safe drinking water, electricity, and drainage system. Additionally, the sectoral menu for KDSP will include specific services tailored to the unique development needs of the nomadic communities, which include electricity through solar or biogas systems and modernization of water reservoirs.

Implementation Progress

The Virtual Implementation Support



“ These incremental changes in CCAP communities have enabled residents to improve their economic condition and reduce future indebtedness, allowing for greater investment in household well-being. ”

“LEAKING POT” EXERCISE HELPS thousands of poor households reduce excess spending

- Communities using a participatory development tool called the “Leaking Pot” exercise are helping impoverished households curb spending by identifying excess expenditures usually spent on traditional practices, such as weddings and funerals.
- The success of the exercise has led many communities to reduce bride prices and other ceremonial expenses, which previously left households in debt.
- The “Leaking Pot” exercise, carried out under the Citizens’ Charter Afghanistan Project, helps community members understand the economic and social relations and underlying causes of poverty within their communities.

Images of leaking water pots have sprung up in communities throughout Afghanistan. They are part of an exercise under the Citizens’ Charter Afghanistan Project (CCAP) teaching communities about financial planning and the benefits of increasing income while lowering expenses on traditional practices.

CCAP works through community-driven approaches to ensure that development outcomes are inclusive, sustainable, cost-effective, and responsive to demand. Whereas traditional structures placed the budgetary and decision-making power in the hands of a community’s male elders, CCAP requires that women and young people work side by side with their community to analyze financial pressures facing households using participatory development planning tools, such as the “Leaking Pot” exercise and Well-Being Analysis.

As Afghanistan’s protracted conflict has resulted in weakened government institutions, grassroots efforts to strengthen community structures through multifaceted community development plans is a reliable strategy to promote targeted development. To prepare their plans, Community Development Councils take part in participatory, community-driven exercises that aim to provide a nuanced understanding of each community’s economic and social relations with focus on seasonal hunger, indebtedness, poor wages, lack of access to health services and education, among others.

Reducing “Leaking” Expenses

Households identified as “poor” and “very poor” through a Well-Being Analysis participate in the Leaking Pot exercise. This visual balance sheet through the image of a pot (representing a livelihood pot) allows households to understand why the pot is always empty because of “leaking” expenses. The analysis requires participants to outline the expenditures that create particular hard-



ships for the future and consider how to stop the leaks so that the pot will not be empty.

In Afghan communities, weddings, funerals, and other traditions require a large percentage of the family’s income. One of the successful outcomes of the Leaking Pot exercise was reducing these expenses.

Through these efforts, village elders representing communities have come together to collectively lower the maximum bride price¹ and other ceremonial expenses to support their community’s efforts to promote financial responsibility.

These incremental changes in CCAP communities have enabled residents to improve their economic condition and reduce future indebtedness, allowing for greater investment in household well-being. The “leaking pot” has become a new symbol in the government’s efforts to combat poverty throughout Afghan cities and the countryside.

¹ A “bride price” is the price a groom’s family pays to the bride’s family to secure the union. Although illegal, it continues to be widespread in urban and rural areas.

Mission carried out from September 27 to October 8, 2020, confirmed that the project objectives are valid and concluded that CCAP is on track to achieve almost all targets in the Project Results Framework.

The project has now reached 13,055 communities (the end target was 11,750) across Afghanistan and provided basic infrastructure, services, and employment for 13.7 million beneficiaries, with almost 50 percent participation of women. Since January 23, 2017, CCAP has financed 11,996 subprojects (SPs) and disbursed \$244 million in grants.

In rural areas: As of November 2020, a total of 12,170 communities have been mobilized with 12,130 CDCs established, 2,402 Cluster CDCs/GAs registered, and 12,052 CDCs completing Community Development Plans (CDPs). In terms of subproject implementation, 11,478 SPs are underway and 4,040 SPs have been completed. In addition, there are 260 SPs approved and 111 ongoing under the KDSP with a total of \$1.4 million in grants awarded.

In urban areas: As of November 2020, 850 communities have been mobilized with 850 CDCs having completed elections, 175 GAs registered, and 850 CDPs completed. Under the Kuchi Sub-Program, 640 KCDCs have been established, representing an increase of over 23 percent since the Mid-Term Review in February 2020. More than 600 KCDCs prepared their CDPs and 364 SP proposals have been submitted. In terms of subproject implementation, there are 944 SPs ongoing and 782 SPs have been completed.

The Regional Displacement Response: As of November 2020, despite the COVID-19 crisis, an additional 1.8 million labor days have been created, benefiting 1.4 million people. Moreover, SIGs worth \$2.1 million have been disbursed with select communities receiving \$1,000 matching grants for raising \$1,000.

COVID-19 Relief Response: As of February 2021, a total of 390,614 households have received relief packages with relief grants in the amount of \$41 million already transferred to 3,695 CDCs.

COVID-19 Relief Effort for Afghan Communities and Households Project (REACH)

⇒ IDA GRANT \$155 MILLION

⇒ ARTF GRANT \$125 MILLION

REACH or the *Dastarkhan-e-milli* (DM) program aims to provide emergency support to selected households through communities in project areas during the COVID-19 pandemic. The project targets all households in Afghanistan with incomes of \$2 per day or lower. As a result, the DM program provides emergency relief to approximately 90 percent of the population, covering about two-thirds of the country, with CCAP covering the remaining areas.

This project contributes to the “relief” phase of the president’s 8-point plan for COVID-19 response, proposed as part of the “National Human Security Program”.

REACH has four components based on the geographic coverage of three different implementing agencies already managing relevant projects (i.e., CCAP, EZ-Kar, and Kabul Municipality Development Project).

Component 1: REACH Rural—Household support in rural and peri-urban areas. Includes provision of relief support in the form of food and hygiene products to selected households in rural and peri-urban areas, including 19 provincial capital cities (PCCs) and those outside the municipal boundaries of Kabul and the other provincial capital cities.

This will support an estimated 2.2 million households in 234 districts and the 19 PCCs, where CCAP is not currently operating, and where IDLG does not operate as they fall outside municipal boundaries. The benefit amount will be indexed at 4,000 afghanis per household in one tranche, delivered in-kind through a standard relief package that includes essential food staples and hygiene products.

Component 2: REACH Urban—Household support in provincial capital cities. Comprises



REACH is providing emergency relief to all households earning \$2 a day or less to mitigate the impacts of the COVID-19 pandemic. Eligible households will receive a relief package that includes essential food staples and hygiene products. The program expects to cover 90 percent of the population.



Social mobilization under WEE-RDP has been highly successful with more than 42,000 self-help groups cumulatively saving the equivalent of about \$8.7 million. By leveraging these internally generated savings and the external seed capital grant received from the project, the groups, including Village Savings and Loan Associations, have disbursed a total of nearly \$17.5 million to their members.

provision of relief support in the form of food and hygiene products and/or cash to selected households, including returnees living in settlement camps inside municipal boundaries, through CDCs and/or GAs in 14 PCCs. This will support an estimated 450,000 households (about 90 percent of total households) in those PCCs, including about 1.45 million returnees based on estimates by the International Organization for Migration.

The relief package worth a total of 8,000 afghanis (about \$100) will be distributed to each eligible household in two tranches. The first tranche of 4,000 afghanis per household will be transferred to all eligible households through CDCs, GAs, or Ad-Hoc COVID-19 CDCs. Each of these entities will distribute

the relief package to its constituent eligible households either in-kind (based on the standard relief package that includes essential food staples and hygiene products) or in cash, based on the preference of communities and subject to local circumstances based on pre-determined criteria.

The second tranche of 4,000 afghanis per household will be rolled out later depending on the trajectory of the crisis. For the second tranche, digital cash transfers will be considered in select urban areas, only where feasible.

Component 3: REACH Kabul—Household support in Kabul Municipality. Comprises provision of relief support in the form of food and hygiene products and/or cash transfer to se-

lected households in Kabul. This will support approximately 630,000 households (about 80 percent of total households) in Kabul Municipality (KM).

A relief package worth a total of 8,000 afghanis will be distributed to each eligible household in two tranches. Each tranche will be 4,000 afghanis per household. The contents of the relief packages and tranche distribution timings will be the same as in Component 2.

Component 4: Project management, communications, and monitoring. Supports project management and capacity building; dedicated strategic communications; and monitoring, including safeguard compliance for MRRD, IDLG, and KM.

Over 2,800 communities across the country have received COVID-19 relief assistance since the project started accelerated distribution in December 2020. The government will also begin activities in four hard-to-reach pilot districts for COVID-19 relief.

Women's Economic Empowerment Rural Development Project (WEE-RDP)

⇨ IDA GRANT \$25 MILLION
⇨ ARTF GRANT \$75 MILLION

WEE-RDP aims to increase social and economic empowerment of poor rural women in selected communities. It is the flagship operation under the Women's Economic Empowerment National Priority Program (WEE-NPP) (see page 66) and builds upon the closed Afghanistan Rural Enterprise Development Project (AREDP).

WEE-RDP has engaged communities in 76 districts, covering over 2,100 CDCs in all 34 provinces across Afghanistan. It is working in close collaboration with several other rural development programs in the country, including the Citizens' Charter, Ministry of Rural Rehabilitation and Development projects,

National Horticulture and Livestock Project, Access to Finance Project, and microfinance institutions.

WEE-RDP will provide support to community-level women's institutions through seed capital and technical assistance and link them to formal financial institutions and markets to enable economic empowerment.

The project has three components:

Component 1: Community mobilization and institution development. Comprises (i) providing technical assistance to support community mobilization for establishing self-help groups (SHGs) and federating them into Village Loan and Savings Associations (VLSAs), and Enterprise Groups (EGs) and federating them into Producer Associations (PAs); and (ii) carrying out a program of activities to strengthen capacity, quality, and financial performance of SHGs, VLSAs, EGs, and PAs.

Component 2: Access to finance. Comprises (i) providing seed grants to eligible SHGs and VLSAs to establish long-term revolving funds; and (ii) facilitating access to financial services for rural women through partnerships with microfinance institutions and commercial banks to promote financial inclusion of women groups; developing relevant financial products and services with commercial banks and microfinance institutions; eliminating institutional constraints on women's access to formal financial services; exploring feasibility of piloting a system, enabled by information technology, for delivery of financial products; and financial capacity building.

Component 3: Enterprise development and market linkages. Comprises (i) providing technical assistance and supporting promotional activities to strengthen the capacity of EGs, PAs, and individual women entrepreneurs to access markets and manage their businesses; (ii) providing catalytic funds to eligible EGs and PAs; and (iii) supporting EGs, PAs, and/or individual women entrepreneurs through facilitating their partnerships with business enterprises to improve the supply of business development services and access to markets.

The pace of social mobilization under WEE-

RDP has been remarkably high. As of January 2021, a total of 473,756 beneficiaries have been mobilized into establishing 42,143 active SHGs, of which 80 percent are women's groups. Further, 2,383 VSLAs have been established, with credit functions for their members.

Overall, 78 percent of SHG members belong to the "poor" and "poorest" categories, according to the Well-Being Analysis carried out by the CCAP, which WEE-RDP uses to identify target beneficiaries.

The SHGs have cumulatively saved over 677 million afghanis (about \$8.7 million) and opened bank accounts for almost all the VSLAs with women as signatories. Overall, an amount of over 225 million afghanis (nearly \$3 million) has been transferred to the communities by way of seed capital grants.

By leveraging their own internally generated savings and the external seed capital grant received from the project, the groups (SHGs and VSLAs combined) have disbursed a total amount of about 1.3 billion afghanis (nearly \$17.5 million) to their members.

For an overwhelming majority of members, this is the first time in their lives that they have access to financial services—both savings and loans. Anecdotally, many have spoken very highly of how this has helped them in consumption smoothing and taking care of their immediate and short-term emergency needs, but also providing them with an opportunity to start investing in their business and enterprises for the long term to improve incomes and the standard of living of their families.

Unfortunately, the COVID-19 pandemic and resulting policy measures have reduced the progress of the project significantly. Efforts are being made to support the affected groups with awareness activities on the coronavirus and to take measures to cushion the impacts on beneficiaries and their enterprises.

Trans-Hindukush Road Connectivity Project

⇒ IDA GRANT \$150 MILLION

The project aims to support the government's efforts to improve road transport links across the Hindukush mountain range, including the rehabilitation of the Salang road and tunnel. It will develop existing mountain crossings into dependable, all-season roads that will allow the vital transport of passengers and goods to cross the Hindukush mountain range throughout the year.

In support of the response to the COVID-19 pandemic, \$100 million from the project fund was cancelled and reallocated to the emergency measures. This has impacted the overall scope of the project and resulted in suspension of the civil work activities on the Salang corridor. However, these activities may resume once adequate project funding is available.

The project has been restructured to incorporate the changes and lessons learned from the implementation so far. It will continue to carry out civil works for the upgrading of the Baghlan to Bamiyan (B2B) road (152 km) into a paved road as planned.

As of January 31, 2021, three out of the six segments along the B2B road are under construction, namely segments 1, 2, and 5, while segment 6 is being re-procured. The procurement process of segments 3, 4a, and 4b has started and is expected to be completed by start of April.

The Construction Supervision Unit of the Ministry of Public Work is supervising the implementation of the segments under construction. Physical progress on segment 1 and segment 2 stands at roughly 48 percent and 12 percent of the work, respectively.

The design consultancy for the Salang Tunnel rehabilitation has advanced and is scheduled to be completed by March 31, 2021.



ALASP supports the work to provide the population in selected areas with improved land registration services, including the issuance of Titles and Occupancy Certificates. Here, an Occupancy Certificate team is carrying out a survey under the project in Herat province. To date, over 1,800 certificates have been issued in the country.

/ SERVICE DELIVERY

Afghanistan Land Administration System Project (ALASP)

⇒ IDA GRANT \$17.9 MILLION

⇒ ARTF GRANT \$7.1 MILLION

The project objective is to support the development of the Afghanistan land administration system, and provide the population in selected areas with improved land registration services, including the issuance of Titles and Occupancy Certificates (OCs).

The project was restructured following a June 2020 request from GoIRA to cancel \$10

million from the original \$35 million project financing to redirect funds to support government response to the COVID-19 pandemic.

ALASP aims to (i) establish an effective land administration system in Afghanistan that provides transparent land services, contributing to stability and growth; (ii) help close gaps in and further develop the policy, legal, and institutional framework for land administration; (iii) provide the building blocks for a modern land administration system in Afghanistan; and (iv) support capacity building of the Ministry of Urban Development and Land (MUDL) and improve its governance structure to enhance institutional effectiveness and accountability.

The project also focuses on women's eco-

conomic empowerment through policy development to enhance female ownership and inheritance of land and other family assets.

The project components are (i) land policy and institutional strengthening; (ii) developing technological capacity, information and systems for land administration; and (iii) project management, monitoring and evaluation.

ALASP has progressed specifically in the following activities:

(a) Advancing the transition from a deeds system managed by the courts to an administrative form of deeds issuance, with the signing of a protocol that transfers deed transactions from the Supreme Court to MUDL. As part of this process, Deeds Automation Regulation and Procedures have been approved, a deed automation test software developed, a Deed Automation Office refurbished in Herat, and deed automation staff trained.

(b) Amendments to the Occupancy Certificate Regulations reflecting recommendations to manage social risks and speed up OC issuance have been discussed by the cabinet and are undergoing further revisions as per cabinet request.

(c) The OC administrative, legal, and technical approach has been finalized.

(d) OC staff has been trained in Balkh, Bamyan, Farah, Herat, Kabul, Kandahar, Nangarhar, and Nili on OC, gender, and the grievance redressal mechanism (GRM).

(e) A total of 1,862 (39 to women, 325 to men, and 1,498 jointly) OCs have been issued;

(f) A five-year Strategy for Women Empowerment and Gender Equity has been prepared.

(g) Anti-harassment procedures have been developed.

(h) The Women Land Rights Task Force conducted an outreach program.

(i) Training on the OC reference book and Gender-Based Violence has been completed.

(j) The GRM operational manual was finalized and the GRM system is functional, receiving 49 cases and resolving 31.

(k) Recruitment of several key positions in the

Project Implementation Unit has been completed, including: Project Director, Special Desk Gender officers, Senior Procurement Specialist, Senior M&E Specialist, M&E Specialist, GRM Officer, and the Social Safeguards Officer.

(l) Recruitment of a consultancy firm for project communications and outreach, as well as the recruitment of an audit firm are at short-list stage.

(m) Project procurement above \$100,000 is being processed by the National Procurement Authority.

(n) Technical documents on geodesy and photogrammetry have been drafted.

(o) Staff training on photogrammetry has been conducted.

(p) Technical specifications for the Land Information System have been given a no-objection by the Bank; the cadastral law has been submitted to the National Assembly and the amendments to the OC Regulations have been submitted to the Cabinet—all before the deadline of November 15, 2020, resulting in MUDL achieving its goals for the Incentive Program Development Policy Grant.

Emergency Agriculture and Food Supply Project (EATS)

⇒ IDA GRANT \$55 MILLION

⇒ ARTF GRANT \$45 MILLION

EATS was approved in August 2020 in response to the COVID-19 emergency to support critical food supply chains and create short-term economic opportunities. This is to allow early action on impending COVID-19 induced impacts on food security (food production decrease, food prices increase, disruptions of supply chains, unemployment, and purchasing power decrease).

EATS seeks to respond to food security challenges and reduced income resulting from the COVID-19 crisis through support for: (i) food supply chains and production to



EATS was launched in August 2020 to respond to the food security challenges and reduced income resulting from the COVID-19 crisis. The project has so far reached over 210,000 farmers with improved seed packages as part of its efforts to boost wheat productivity of the next harvest season, beginning in June, for vulnerable households.

restore/maintain and improve food security with a focus on wheat and other key staple crops; (ii) employment generation with specific and strong support to youth and women engagement in agriculture; and (iii) resilient agriculture and agribusiness and sustainable productivity.

The project balances immediate action on job creation for food security and livelihood support with early action against crop failure (seeds for 2021 wheat harvest, as well as irrigation infrastructure to mitigate drought-related crop loss for food security).

To date, most of the key project staff are on board and project manuals and safeguard instruments have been prepared and approved. The project has reached over 210,000 farmers with improved seed packages as part of its ef-

forts to boost wheat productivity of the next harvest season, beginning in June, for vulnerable households.

The procurement process for labor-intensive activities is well underway, and implementation of the first batch of irrigation schemes is expected to start in early March 2021, right after the cold season. In addition, other interventions including establishment of kitchen gardening schemes for women are ready for implementation.

In April-May, EATS will be able to advance implementation of its key activities planned for the 2021 spring season, while preparing for another seed distribution campaign with improved seed packages covering over 300,000 households.

Eshteghal Zaiee – Karmondena Project (EZ-Kar)

⇒ IDA GRANT \$150 MILLION
⇒ ARTF GRANT \$47.75 MILLION

EZ-Kar aims at strengthening the enabling environment for economic opportunities in cities where there is a high influx of displaced people. The project objective will be pursued by increasing returnees' access to civil documents, providing short-term employment opportunities, improving market-enabling infrastructure, and supporting investor-friendly regulatory reforms.

The project targets Afghan refugees living in Pakistan and in 13 Afghan provincial capital cities with the highest influx of recent returnees. The 13 cities are Asadabad, Firozkoh, Herat, Jalalabad, Kabul, Kandahar, Khost, Kunduz, Maimana, Mihtarlam, Paroon, Puli Khumri, and Taloqan. The project has five components:

Component 1: Regional and national integration of displaced persons. The component is implemented by the Ministry of Foreign Affairs.

Component 2: Short-term employment opportunities, reforms, and market-enabling infrastructure and municipal-level regulatory reforms in 12 cities implemented by the Independent Directorate of Local Governance (IDLG).

Component 3: Prioritized urban investments in four provincial capital cities—Herat, Jalalabad, Kandahar, and Khost—implemented by IDLG.

Component 4: Market-enabling infrastructure and regulatory reforms for Kabul Municipality implemented by Kabul Municipality.

Component 5: Red carpet, project coordination, and national-level regulatory reforms implemented by the Ministry of Economy, which is also responsible for overall project coordination.

The project was launched in February 2019, but experienced delays in implementation

mainly due to the COVID-19 crisis, which generated challenges in recruitment, procurement, and planning. However, the project is starting to gradually resume activities.

As of February 2021, the project has signed contracts with facilitating partners in nine (out of 12) cities to mobilize communities and businesses to implement labor-intensive public works, community subprojects, market-enabling subprojects, and COVID-19 emergency relief grants for local businesses through Community Development Councils, Gozars, and Business Gozars.

At the municipal level, prioritized urban investment projects (PIPs) for infrastructure development are being planned and implemented in Kabul Municipality and the four target provincial capital cities. To date, 23 PIPs have been approved, of which two are under implementation and four are in the procurement process.

In addition, 121 labor-intensive public works projects have been identified across 22 districts in Kabul Municipality and are being prepared for implementation.

As part of support for business-friendly regulatory reforms, construction permits regulatory reform implementation plans have been finalized. Once approved by IDLG and Kabul Municipality, the plan will be implemented in the municipalities of Herat, Jalalabad, Kabul, and Kandahar.

Tackling Afghanistan's Government HRM [Human Resource Management] and Institutional Reforms (TAGHIR)

⇒ IDA GRANT \$25 MILLION
⇒ ARTF GRANT \$50 MILLION

TAGHIR is a follow-on to the Capacity Building for Results (CBR) Facility. It assists the Government of Afghanistan to deliver its key policy priorities by having more qualified and



EZ-Kar is making progress in nine cities with a high influx of displaced people to mobilize communities and businesses to implement labor-intensive public works, community subprojects, market-enabling subprojects, and COVID-19 emergency relief grants for local businesses through Community Development Councils and business councils.

competent civil servants in key positions and administrative reforms in 16 line ministries.

The project supports up to a total of 1,100 civil service positions to enable the ministries to meet objectives and deliver on their priorities. The Independent Administrative Reform and Civil Service Commission (IARCSC) leads the project implementation.

TAGHIR also helps the government establish and operationalize a functional Human Resources Management Information System (HRMIS) for over 400,000 civil servants in the Afghan Civil Service.

Progress toward achievement of the project objective and overall project implementation is currently rated as "Moderately Satisfactory". Key implementation developments secured to date include:

Component 1: Human resource capacity injection. IARCSC has so far approved 994 positions for financing through TAGHIR. These positions have been approved based on the strategic staffing lists submitted by the priority line ministries. As of January 30, 2021, TAGHIR has issued contracts to 759 civil servants, of whom 622 are active and 137 have left the civil service for different personal, professional, and potentially political reasons.

Of the 622 TAGHIR appointees, 76 are women, making it 12 percent of total appointments under the project, in which the target is to increase women representation in these key positions from 7.5 percent in October 2018 to 10 percent by project end. In total, 372 positions are currently under different stages of the recruitment process, which



will be completed by June 30, 2021.

Component 2: Personnel and payroll management. The HRMIS team has developed seven modules so far (five core and two support): (i) Tashkeel (Organization Structure/ Establishment Control), (ii) Job Description, (iii) Biography, Sawaneh (Personnel Files), (iv) Attendance, (v) Settings, (vi) User Management, and (vii) Payroll Module, which is still being upgraded to reflect the different needs of different line ministries.

To date, a total of 434,010 approved Tashkeel positions of 58 line ministries and agencies (LMAs) have been stored in the HRMIS. The biometric and biographic data of 320,000 civil servants from 50 LMAs at the center and subnational levels have been collected and entered into the system. The

HRMIS team has started the deployment of the HRMIS (roll-out) to the line ministries. The Organizational Structure (Tashkeel) and Biography Modules have been deployed in 20 LMAs and the rollout to the rest of the entities is ongoing.

Component 3: Support to administrative reforms. The project uses the just in-time support approach under this component. It supports priority reforms that are aligned with the IARCSC five-year strategy and embedded in its annual reform plan.

Functional review of LMAs is an area that TAGHIR supports. The project provides local technical assistance to the relevant teams in IARCSC to conduct functional reviews. These reviews are relatively light in nature and focuses on addressing major structural

TAGHIR is supporting research on factors associated with lower representation of women in the upper echelons of the Afghan Civil Service and more explicitly why fewer women than men apply for these positions. The study findings will be used to recommend practical solutions and foster reforms that will have an impact on women's equal representation in the civil service.

and mandate overlap issues in the targeted entities.

As of January 26, 2021, IARCSC has completed overall functional review of the Ministry of Agriculture, Irrigation and Livestock, Ministry of Communication & IT, and Supreme Audit Office, and has made substantial progress in the functional review of the Ministry of Finance in collaboration with the ministry.

TAGHIR also supports the strengthening of the e-recruitment system and contents. The Exam Content Research and Development Center in the IARCSC has developed around 30,000 research-based questions that test candidates' general knowledge, job-specific skills, and analytical skills within 295 different job streams.

Under this component, TAGHIR has also supported a research study on the socio-cultural and organizational factors associated with lower representation of women in the upper echelons of the Afghan Civil Service (Grade 1 and 2) and more explicitly why fewer women than men apply for these positions. This study seeks and explores the extent to which the "power-dynamic" of holding a leadership position act as an impediment to women's full participation and involvement in executive roles.

Another major focus of this research will be to determine and elaborate on key practices within the Afghan public institutions that undermine women's career advancement. The findings of the study will be used to recommend practical solutions and foster reforms and concrete changes that can ultimately have an impact on women's equal representation in the Afghan Civil Service.

/ URBAN DEVELOPMENT

Cities Investment Program (CIP)

⇨ IDA GRANT \$25 MILLION

⇨ ARTF GRANT \$25 MILLION

The project's objective is to support COVID-19 recovery efforts, rehabilitate municipal infrastructure, and introduce improved municipal finance and management systems in

the five participating provincial capital cities—Herat, Jalalabad, Kandahar, Khost, and Mazar-i-Sharif.

The project includes labor-intensive "Emergency Projects", which are designed to provide rapid employment opportunities to daily laborers who have lost their livelihoods due to the pandemic. Emergency Projects consist of activities like the constructing or rehabilitating gravel roads, paving tertiary streets, canal/drain cleaning, and other activities as identified by municipal counterparts.

The restructured project has strengthened the involvement of municipalities in these works, improving their capacity in procurement, financial management, engineering design, and supervision.

The project has shown progress in the last six months despite the recent challenges posed by the COVID-19 outbreak. The Project Implementation Unit, in collaboration with the municipalities, has prepared a pipeline of 130+ "Emergency Projects". Works on the ground are ongoing on six projects, while five have been completed and 120 at various stages of procurement.

In addition, 18 "Priority Projects" have been prepared. Priority Projects are medium-sized infrastructure investments that stretch across neighborhoods. Works on the ground are ongoing for all, of which six are nearly completed.

Finally, there has also been progress in preparing the groundwork for technical assistance. The Afghanistan Finance Management Information System baseline assessment is currently being conducted by a consulting firm.

The Own Source Revenue consultancy is at the final award stage and the policy dialogue on the Municipal Incentive Fund is ongoing with government counterparts. CIP is keeping the municipal finance reform agenda intact as per the original design after restructuring.

INTERNATIONAL FINANCE CORPORATION

The International Finance Corporation's key prong of engagement has been through advisory support focused on improving the investment climate and building capacity, while supporting selective investments in sectors with high development impact and job creation. IFC's current strategy is aligned with the ongoing World Bank Group's Country Partnership Framework, 2017 to FY 2020 (extended to FY 2022).

Investment Portfolio

IFC provides a mix of investments services in Afghanistan, with a focus on financial inclusion, telecommunications, and energy generation. IFC's current cumulative committed portfolio stands at over \$300 million, including investment in Roshan Telecom, First Microfinance Bank (FMFB), Afghanistan International Bank (AIB) and Mazar Independent Power Producer Gas-to-Power.

IFC investments have had a transformational impact in access to finance and outreach, particularly in the microfinance and telecommunications sectors. IFC will continue to seek new investment opportunities and engage upstream with local players to support the development of Afghanistan's private sector.

The investment pipeline looks promising and includes further investments in the power sector and an investment in the education sector.

/ ADVISORY PROJECTS WITH THE PRIVATE SECTOR

Strengthening Afghanistan Horticulture Exports

IFC is working to develop Afghanistan's horticultural exports by helping agriculturists enhance efficiency and supporting the extension of market opportunities, both na-

tionally and internationally. This project aims to improve the livelihood of horticulture farmers by linking them to fruit processing companies through contract farming and supporting processing companies to expand their export markets.

Afghanistan Agribusiness Mapping

The goal of the mapping exercise is to develop a list of companies with potential for growth, as IFC is planning to build on its agribusiness program and scale up its existing interventions through upstream work identifying, developing, and promoting investment opportunities in the agriculture sector.

Afghanistan Competitiveness Study

The project aims to identify Afghanistan's comparative advantages, bottlenecks, policy gaps, and investment opportunities in the pharmaceuticals, agriculture, cement and steel sectors.

Banking on Women Advisory

The program provides expertise to financial institutions/banks to help them acquire women-owned SMEs and retail customers—and profitably finance them. It will contribute to narrowing the financing gap of the women's market in Afghanistan through increased and improved access to finance and financial inclusion.

Wind Pre-feasibility Study

IFC is conducting a pre-feasibility study to identify the wind power potential in Balkh and Herat provinces. This study will help in determining suitable sites for wind independent power producers. The key components of the study include wind resource assessment, economic and financial assessment, and preliminary technical and environmental analysis.

/ ADVISORY PROJECTS WITH GOIRA

Investment Climate

The program is designed to tackle business and investment climate challenges of the country.

It aims to improve the quality of business regulations, strengthen mechanisms for trade facilitation and export promotion, and enhance mechanisms for investment attraction and retention to reduce private sector's cost of compliance (cost savings) in Afghanistan.

IFC is currently working to support the government in promoting an investment and business climate that is conducive to private sector growth through the investment climate program's subprojects:

(i) Business Enabling Environment Project

The focus of the project is on catalyzing Doing Business reforms in Afghanistan, with emphasis on areas with the greatest potential to contribute to improving the investment climate and investment facilitation.

The project objectives are to (i) streamline the legal and regulatory framework for Doing Business reforms; and (ii) strengthen inter-agency coordination mechanisms on investment climate reforms and establish effective public-private dialogue mechanisms.

Under its institutional support component, the project is providing technical support to the Executive Committee on Private Sector Development (PriSEC) structured under the Office of the First Vice President, which is the lead agency for coordinating reforms for private sector development in the country.

To date, the project has helped in the development of a five-year strategy for private sector development and Doing Business reform memorandum, and assisted in their implementation to improve the country's Doing Business ranking. It has also helped set up and support PriSEC, and conducted a



study on legal barriers to women's economic activities.

(ii) Afghanistan Export Competitiveness Project

The project aims to improve export procedures at government and non-governmental agencies by undertaking regulatory and procedural reforms, and streamline sanitary and phytosanitary system and quarantine certificate processes. It also aims to identify, promote, and facilitate investments, develop market intelligence system, and increase exports in top priority markets.

Scaling Solar

Scaling Solar is a "one stop shop" program for governments to rapidly mobilize privately funded grid connected solar projects at competitive tariffs. The program brings together a suite of World Bank Group services under a single engagement based on a template approach to create viable markets for solar power in each client country.

GoIRA has engaged IFC, acting through

its Public Private Partnership Transaction Advisory Services division, to act as lead transaction advisor to invite private sector developers to compete for the right to develop, finance, construct, operate, maintain, and transfer an independent utility-scale solar photovoltaic power project in Afghanistan of up to 40MW.

The first Scaling Solar project in Herat province (40 MW) being the largest renewable plant in the country will have a significant impact on the energy landscape as Afghanistan currently relies on imported electricity.

AFGHANISTAN RECONSTRUCTION TRUST FUND

The Afghanistan Reconstruction Trust Fund (ARTF) is a multidonor trust fund that coordinates international aid to improve the lives of millions of Afghans. The World Bank administers the ARTF on behalf of donor partners. To date, 34 donors have contributed to the fund.

ARTF is the largest single source of funding for Afghanistan's development, financing up to 30 percent of the country's civilian budget and supporting core functions of the government.

Since 2002, ARTF has delivered support through National Priority Programs and driven some of the fastest progress in the world in reducing infant mortality and increasing children's enrollment in school.

The ARTF's support of the government's priority programs, policy reform agenda, and the non-security operating costs of government operations contributes to the achievement of Afghanistan's national strategic goals.

Management

Governance entities set policy and strategy, oversee finances and allocations, and manage contributions and administrative functions of the ARTF.

1. Steering Committee (SC) sets policy and the strategy for the ARTF. It consists of the World Bank and the Afghan Ministry of Finance as co-chairs and ARTF donor countries as members. The SC makes decisions on a consensus basis informed by recommendations of the ARTF working groups. SC participation is generally at the minister, country director, or ambassador level. Management Committee members serve as observers to the SC.

2. Management Committee (MC) oversees ARTF finances and reviews proposals to commit ARTF funds considering both technical quality and alignment with the current financing strategy. The MC consists of the World Bank as the Chair and the Ministry of Finance, the Asian Development Bank, the

Islamic Development Bank, and the United Nations Development Program as members. The United Nations Assistance Mission in Afghanistan serves as an official observer to the MC. ARTF donors are also invited to observe MC meetings. The MC makes decisions on a consensus basis informed by recommendations of the ARTF working groups. MC participation is generally at the country director or deputy minister level.

3. The World Bank serves as ARTF Administrator. In this capacity, the World Bank is responsible for ARTF finances. The World Bank also manages secretariat functions to monitor and report ARTF program performance. It also reports the Management Committee's funding decisions to the Steering Committee.

Working groups play critical roles in ARTF governance by advising the SC, monitoring the implementation of ARTF strategies and programs, and providing strategic and technical advice.

1. Strategy Group (SG) contributes to the development of the multiyear ARTF strategy known as the Partnership Framework and Financing Program (PFFP) (formerly the Financing Strategy), implementation of the strategy and individual ARTF programs, and advises the Steering Committee on recommended updates to the PFFP. The SG is co-chaired by the World Bank and Ministry of Finance. SG participation is generally at the country director, deputy minister, or head of cooperation level.

2. Incentive Program Working Group (IPWG) is an advisory, coordination, and information-sharing body established to support the Incentive Program process. It provides a central forum for policy dialogue on key revenue, public financial management, and structural reforms between the government, the World Bank, and ARTF donors. The IPWG discusses policy reforms with the government and reports on reform progress to the SC and SG. The World Bank chairs the IPWG and members are technical specialists.

3. Gender Working Group (GWG) supports gender mainstreaming in ARTF strategies,



pipeline development, and portfolio management. The GWG reviews gender aspects of ARTF-financed activities and shares knowledge and expertise on innovations in gender as they relate to the ARTF. The GWG is co-chaired by the World Bank and a rotating donor co-chair, and reports its findings and recommendations to the SG. Members are technical specialist.

How the ARTF works

Donors contribute funds into a single account held by the World Bank in the USA. The ARTF Management Committee makes decisions on proposed allocations at its regular meetings, and those decisions are translated into funds through Grant Agreements signed between the World Bank as administrator of the trust fund and GoIRA. Management Committee decisions are guided by the multiyear Partnership Framework and Financing Program developed by the Strategy Group and endorsed by the Steering Committee.

ARTF allocations are made from the ARTF

AFGHANISTAN RECONSTRUCTION TRUST FUND

The objectives of the ARTF are to:

- Position the national budget as the key vehicle to align the reconstruction program with national development objectives.
- Promote transparency and accountability of reconstruction assistance.
- Reduce the burden on limited government capacity while promoting capacity building over time.
- Enhance donor coordination for financing and policy dialogue.



Trustee Account through four windows:

1. **Recurrent Cost Window (RCW)** has been in place since the ARTF was established in 2002. The RCW is recipient-executed, which means that the government leads and executes RCW programming. The RCW provides "on-budget" financing to reimburse the government for a portion of eligible and non-security related operating expenditures every year.

RCW operations have evolved: Since 2018, 100 percent of RCW financing is incentivized, meaning that reimbursement is based on the government's achievement of policy benchmarks discussed and agreed in the Incentive Program Working Group. From 2002–2017, the RCW financed a mix of baseline (non-conditioned) budget expenses and joint and bilateral incentivized policy priorities.

2. **Investment Window (IW)** has been in place since the ARTF was established in 2002. It provides "on-budget" grant financing for national development programs in the development budget. The IW is recipient-executed. Please see the ARTF website, www.artf.af, for more information on all active and closed projects, a "footprint" map showing project presence, and links to individual project reports.

3. **Advisory Services, Implementation Support, and Technical Assistance (ASIST)** was established in 2018 to respond to the government's request for hands-on advisory services, implementation support, and technical assistance, especially in priority sectors of the national development strategy. ASIST replaces the now-inactive Research and Analysis Program window. The ASIST window is Bank-executed, which means that World Bank personnel lead and execute ASIST-funded initiatives.

4. **Anti-Corruption and Results Monitoring Action Program (ACReMAP)** finances initiatives to enhance anti-corruption, safeguards, and results monitoring efforts in the ARTF portfolio. Like ASIST, the ACReMAP window was established in 2018. ACReMAP supports the World Bank's commitment, as ARTF administrator, to respond to elevated fiduciary and safeguard risks in the Afghanistan portfolio and maximize the fund's development impact. The ACReMAP window is Bank-executed.

Donor Contributions

Over the last few years, the "preferred" portion of donor contributions has been the main factor driving growth. The agreed ARTF rule is that donors may "prefer" up to 50 percent of their annual contributions. This rule is to ensure that the ARTF has sufficient funding to finance the Recurrent Cost Window and that it retains some flexibility in the approval of projects in support of government priorities.

Recurrent Cost Window
GRANT \$6.1 BILLION — \$5.17 BILLION
(RECURRENT AND CAPITAL COST) AND
\$930 MILLION (DEVELOPMENT POLICY GRANTS)

The RCW was established in 2002 to provide coordinated and predictable support to recurring civilian costs of government, helping to fill a gap between non-security expenditure needs and revenue collections. As the government domestic revenues remain insufficient to cover the costs of government, the RCW has ensured the basic functioning of government and delivery of basic services such as health care and education.

Financing through the RCW was previously through two projects. The Fiscal Stability Facility was a one-time project established in 2018 and closed in 2019. It was designed as a bridge that aimed to reduce potential risks that could arise in transitioning away from the long-running Recurrent and Capital Costs (RCC), which ran from 2002 through 2019. Between 2002 and 2018, the RCC disbursed \$5.17 billion, financing an annual average of 30 percent of the government's civilian recurrent costs.

Incentive Program Development Policy Grants (IP-DPG) are the sole instrument used to provide financing through the RCW and the financing is fully results-based.

Expenses claimed by the government under the RCW must meet a set of eligibility criteria, established by the World Bank, and be verified by an independent, international, third-party monitoring agent (TPMA). A TPMA has been in place since 2002 to carefully monitor the entire civilian operating budget and ensure all expenditures financed from the RCW are eligible.

It should also be noted that the RCW resources ensure the payment of salaries of around 62 percent of non-uniformed civil servants in all 34 provinces in Afghanistan. Steady year-on-year increases in operating costs across government mean the RCW accounts for a declining share of the overall budget.

/ ONGOING PROJECTS

Central Asia South Asia-1000 Community Support Program (CASA-CSP)

GRANT \$30 MILLION

CASA-CSP supports communities along the CASA-1000 transmission line in Afghanistan (see page 23). CASA-CSP was first restructured in 2019. The program is now being implemented in alignment with the Citizens' Charter Afghanistan Project (CCAP) and in close collaboration with the CASA-1000 Energy Project.

The project team carried out a second project restructuring, which was approved on November 22, 2020. The second project restructuring was part of the omnibus portfolio cancellations and restructuring processes requested by the Ministry of Finance on July 2, 2020. The restructuring focused on the reallocation of \$10 million of the project budget to finance the government COVID-19 crisis response; addition of a new component for COVID-19 response activities (see Component 5); and an update of the Results Framework to reflect the adjusted project scope, scale, and overall targets.

Following the second restructuring, project activities and components reflect the following structure and respective changes:

Component 1: Community service standards grants. The grant amount changed from \$18.9 million to \$22.4 million as the number of communities increased to 697 based on a more recent CASA-1000 route and mapping of communities within the corridor of influence (Col). The average size of the grant per community will be \$32,000 based on the calculation of subproject costs under CCAP.

Component 2: Community mobilization. Community mobilization is carried out by social organizers hired by the Ministry of Rehabilitation and Rural Development (MRRD), whose engineers are responsible

for implementation of CSP subprojects. Moreover, CSP hires staff as needed, which has contributed to significant cost savings, allowing for a decrease in the overall amount needed for this component from \$7.77 million to \$2.7 million.

Component 3: Project implementation support. Included Third Party Monitoring (TPM) of CSP, but the Afghanistan portfolio is now being covered by the independent TPM financed by the ARTF. Therefore, project funds that were meant for the CSP TPM have been reallocated for COVID-19 response.

Component 4: Communications and outreach. The cost of this component was revised from \$930,000 to \$900,000 based on updated budgeted contracts, which resulted in cost savings.

Component 5: Social Inclusion Grants (SIGs) and Maintenance and Construction Cash Grants (MCCGs) for COVID-19 emergency relief. Provides emergency short-term employment opportunities through labor-intensive public works that are financed by MCCGs. It also provides SIGs for works that foster greater social inclusion and protect the most vulnerable within the project's geographical boundaries. The component is modeled on the CCAP MCCG component and was adapted to the COVID-19 context based on a pilot conducted by MRRD.

Project interventions cover communities within the four-kilometer wide Col along the CASA-1000 transmission line, which was finalized in February 2019. After the route was approved, MRRD carried out an initial mapping of the communities along the Col and 461 communities were identified.

Although CSP has started mobilization activities and verification of communities along the Col, project implementation has faced challenges as the route has required targeted adjustments due to terrain issues and there were more communities than expected during the physical verification of the CASA-1000 transmission line.

After receiving the GPS points from CASA-1000 contractors, CSP engineers conducted a physical verification of the communities



The implementation of CASA-CSP in many of the target villages comes at a time when the rate of unemployment has increased due to the COVID-19 pandemic. Community-driven development projects under CASA-CSP are not only providing much needed infrastructural investment, but also creating short-term employment opportunities.

along the Col and initially identified 638 communities as a result. Due to the changes required in the transmission line's path and the presence of communities near transmission line towers, the projected number of communities rose from 638 to 696 after MRRD engineers and social organizers on the ground identified more communities than expected along the CASA-1000 Col.

Since the project restructuring, there continues to be minor route alignment changes proposed for the transmission line. The figures shared by MRRD from December 2020 show an increase to 712 targeted communities within the Col, according to the final route submitted by DABS and the GPS points taken from CASA-1000 management and

contractors. However, continual changes to the final number of communities because of route changes pose challenges to CSP to adjust and reverify the communities and also to ensure sufficient funds and staff are available to cover all the communities.

Overall, project implementation has continued, procurement processes have been revised, and implementation and disbursement plans have been submitted to the World Bank. MRRD has filled 190 (78 percent) of 243 positions for CSP, including the hiring of a senior gender specialist to address persistent gender inclusion and implementation issues, grievance handling officers, and environmental and social safeguard officers, over the last quarter. MRRD has also continued its

recruitment process for a dedicated project manager.

Since the outbreak of COVID-19 in the country, most of the CSP staff were involved in COVID-19 awareness efforts and community profiling for relief efforts under CCAP. Additionally, issues surrounding the approval and verification of the official CASA-1000 transmission line had led to further delays. Nevertheless, project implementation efforts have made important progress and the mobilization process has recommenced after months of travel restrictions. Social mobilization and infrastructure work continue smoothly in most of project areas.

In the CCAP overlapping communities, CSP social mobilizers have focused on subproject implementation and building support for the transmission line, satisfactorily communicating the additional benefits provided by CSP to the targeted communities.

To date, CSP has completed social awareness workshops in 642 communities in seven provinces, and 281 subproject proposals have been submitted, with a total disbursement of about \$6.4 million for 220 of the submitted subprojects and about \$1.6 million under the technical and fiduciary review.

Furthermore, MRRD reports that 495 CDCs have been established and have carried out elections (252 CDCs overlapping with CCAP). According to MRRD, women's participation has increased dramatically, making up more than 50 percent of the 243 elected CDC members.

With the second restructuring completed and COVID-19 relief efforts being implemented alongside CCAP as well as the Relief Efforts for Afghan Communities and Households project activities, the project team expects to ramp up implementation efforts to meet beneficiaries' needs for emergency support.



By project closure, the DABS Planning and Capacity Support Project had helped build staff capacity through training programs and the building of a training center, which were expected to improve the skills of 90 percent of planning and O&M staff.

DABS Planning and Capacity Support Project

GRANT \$6 MILLION
CLOSED ON JULY 31, 2020

The project aimed to improve Da Afghanistan Breshna Sherkat (DABS) capacity in distribution investment planning, implementation, and operations and maintenance.

This project had two components:

Component 1: Staff capacity building, which aimed to support DABS capacity to plan and implement new investments in distribution systems and to operate and maintain the investments properly.

Component 2: Development of a training center in Kabul. DABS did not have any training facility for its staff, and this had been identified as a critical gap in its overall capacity building efforts.

The project supported the preparation and implementation by DABS of annual operations and maintenance (O&M) plans for six major load centers prepared by a consultant using new standards and procedures based on good international practice adjusted for local conditions.

The project provided internship opportunity for new women engineering graduates to work in DABS. Twelve female engineers were hired as interns in DABS and assigned to different departments.

The project supported training and a new training center, which were expected to improve skills of 90 percent of DABS planning and O&M staff. Technical and management trainings, focused mainly on distribution systems O&M as well as distribution systems planning and design, were provided to the more than 600 DABS personnel by a consultancy firm hired under the project.

Construction of the training center was completed and training equipment purchased for the training center.

The Afghanistan Energy Information Center website was also updated, and the software and hardware gap of the center was filled. Specialized training equipment was purchased under this contract that will be used in the training centers.

The project also supported capacity enhancement of the DABS planning department. The Electricity Company of Ghana, the public utility of Ghana, provided training to the planning department to carry out a feasibility study for a new transmission project. A feasibility study for two new investment projects was also prepared. Six power system analysis software programs were also purchased for the planning department and staff were given a series of three trainings to learn to use the software for power systems planning.



HEDP has provided 150 postgraduate scholarships to public university academics in priority disciplines with one third allocated to women.

Higher Education Development Project (HEDP)

GRANT \$55 MILLION

HEDP aims to increase access to higher education in Afghanistan, as well as improve its quality and relevance. HEDP, which started in 2015, uses an Investment Project Financing instrument based on the Results-based Financing modality.

Under component one, project funds are being disbursed against selected line items in the annual budget of the Ministry of Higher Education (MoHE) up to capped amounts, and on condition that the agreed set of disbursement-linked indicators (DLIs) are achieved.

The DLIs reflect the priorities for development. These include intermediate outcomes that build cumulatively over the lifespan of HEDP to improve access to the higher education system and raise its quality and relevance. This component supports the reforms initiated through the National Higher Education Strategic Plan II and focuses on outcomes and results rather than inputs.

MoHE has developed a policy and by-law for the practice of e-learning. This will support gradual introduction of blended learning, incorporating e-learning into the university curriculum, as well as recognition of blended learning toward program credits. An e-learning technical committee has been established at ministry level to facilitate the gradual implementation of e-learning and blended learning.

MoHE is in the process of updating its five-year sectoral strategic plan with technical assistance from the project as well as the World Bank.

The project received additional financing of \$5 million in 2018 and extended its closing date to December 21, 2022, mainly to expand the following successful project interventions to scale up project impact and development

effectiveness: (i) provision of faculty scholarships (150 postgraduate scholarships to public university academics in priority disciplines with one third allocated to female academics); (ii) support to public universities to prepare and implement Strategic Institutional Development Plans; (iii) training of teaching faculty in Outcome-Based Education (OBE) and Student-Centered Learning (SCL); and (iv) grants to support individual and group research projects at universities. Steady progress is being made in meeting the targets in these key activity areas.

With World Bank and project support, MoHE has established a technical committee to take forward the work addressing Gender-Based Violence. MoHE is also being supported by a non-governmental organization in this process.

The project was restructured in 2020 to integrate distance and blended learning as an integral component of OBE and SCL and in response to the closure of higher education institutions due to COVID-19.

Kabul Municipal Development Program (KMDP)

GRANT \$100 MILLION

Kabul Municipality is responsible for implementing the project. The project objectives are to (i) increase access to basic municipal services in selected residential areas of Kabul city; (ii) redesign Kabul Municipality's Financial Management System to support better service delivery; and (iii) enable early response in the event of an eligible emergency.

KMDP is expected to deliver welfare and human development benefits to over 2 million people through services provided in 3,795 hectares of private and government land. The project also supported development of a plan to improve the municipality's financial management and planning capacity to deliver improved services. The implementation of the

plan is underway, which will enhance Kabul Municipality's institutional capacity.

However, as part of the country's portfolio-level COVID-19 response, \$10 million of the project financing has been repurposed for emergency relief response.

To date, about \$84.5 million has been disbursed. Over 2 million people (about 73 percent women and children) have benefited from the construction of about 660 kilometers of neighborhood roads, 890 kilometers of community drains, and almost 44 kilometers trunk roads. However, construction progress has been delayed due to the lockdown during the Covid-19 outbreak.

Under project component B, the World Bank supported Kabul Municipality to implement institutional reforms, including the rollout of the AFMIS core financial module and purchasing module that covers budget control, accounting, commitment and payment management, bank reconciliations, and reporting functions of government financial management.

Moreover, Kabul Municipality has also implemented payroll management and fixed asset and inventory management applications developed by MoF, and streamlined the development of a comprehensive revenue management module.

Kabul Municipality is hiring a consultancy firm to develop a case management system for monitoring and timely follow up on citizen complaints and a document management system to track, manage, and store documents. The firm will also develop an IT strategy to support the needs and long-term objectives of Kabul Municipality. In addition, the firm will facilitate capacity building of the municipality's finance and administration staff.

Temporary employment of some 4.2 million people has been generated through the execution of contracts with labor intensive work at an investment of \$223/person per month. Durable infrastructure will generate

secondary employment in the years ahead.

Importantly, KMDP has established a strong foundation for gender inclusive community participation in decision-making over public expenditures in *Gozars*.

Kabul Urban Transport Efficiency Improvement Project (KUTEI)

GRANT \$90.5 MILLION
CLOSED DECEMBER 31, 2020

KUTEI aimed to improve road conditions and traffic flow on select corridors of Kabul city. The project focused on improving road infrastructure and providing technical assistance to Kabul Municipality in specific areas.

Investments in key road infrastructure improved connectivity and made Kabul more inclusive, while technical and knowledge support transformed Kabul Municipality into a modern planning and implementing agency by adopting international best practice. Kabul Municipality was responsible for project implementation, including procurement and financial management.

Project objectives were measured against the following indicators: (i) traffic capacity improvements, measured by average vehicle speed during off-peak hours; (ii) people (within a 500-meter range) in urban areas provided access to all-season roads; and (iii) percentage of Kabul city's trunk road network in at least "fair" condition.

Project implementation was successfully completed and all planned civil works contracts, which included 45 kilometers of roadway, were completed and the roads opened to traffic.



Investments in key road infrastructure made under KUTEI improved connectivity and made Kabul more inclusive. Upgraded roads not only improved traffic circulation but also reduced dust pollution from poor road conditions. "Having a good road is a blessing for our health," said a Kabul resident.

Naghlu Hydropower Rehabilitation Project (NHRP)

GRANT \$83 MILLION

NHRP aims to improve dam safety and sustainability of hydropower and to increase the supply of electricity at the Naghlu Hydropower Plant (NHPP). NHPP is of strategic importance to Afghanistan's power generation portfolio as it provides more than half of Kabul's electricity.

Component 1. Aims to rehabilitate the electrical and electromechanical parts of NHPP and ensure its sustainable operation. It covers rehabilitation of specific units in NHPP and enhancing the plant's maintenance. In November 2018, NHPP started operating at full capacity (100 MW) after the rehabilitation of turbine units 1 and 3. Unit 2 also requires overhauling as it has operated continuously without any major overhaul for more than 40,000 hours. Procurement of a contractor to overhaul this unit is in progress.

NHRP will support provision of spare parts for three to five years to ensure the sustainable operation and normal maintenance of the existing plant as well as the development of warehouses to provide secure storage for equipment. It will also provide advisory and training services to ensure proper operations and maintenance (O&M) of the plant.

Procurement of consultancy services for NHPP staff training is in an advanced stage, while the procurement of supply of spare parts and consumables for five years of O&M of the Naghlu plant was expected to start in February.

Component 2. Aims to ensure safe operation of the dam through a dam safety audit, implementation of safety improvement measures, and optimization of power generation. Work on dam safety enhancement is underway. Submersible water pumps have been installed inside the dam's drainage gallery to release upward water pressure. Two additional turbine type pumps required to completely

drain both galleries were installed in August 2020. The drainage galleries have been emptied and are ready for further inspection.

The procurement of consultancy services to carry out a dam safety and hydromechanical audit is in its final stage. A bathymetric survey of the Naghlu dam reservoir was performed by DABS personnel with support from the Ministry of Energy and Water and Food and Agriculture Organization team. Following procurement of an eco-sounder, the DABS team provided training for conducting a bathymetric survey in January 2020. A bathymetric survey of the section of the Naghlu reservoir near the face of the dam was conducted in April 2020.

DABS also performed an internal interim sediment assessment and prepared a limited environmental and social assessment report. Sediment samples were delivered to GSG laboratory in India and the result of the interim sediment assessment was provided in June. Selective sediment removal will start upon finalization of the limited environmental and social assessment report.

Component 3. Aims to ensure environmental and social sustainability of the dam through (i) supporting activities to improve environmental and social management; and (ii) local development assistance. This component also aims to improve project management in DABS and support future hydropower project preparation.

The consultant to carry out the environmental and social impact assessment (ESIA) in the dam safety audit and implementation is on board and the assessment is in an initial stage.

As part of local development assistance, NHRP envisages providing electrification in the areas close to Naghlu dam. Construction of the Sorobi 20 MW substation was completed in April 2019. Extension of the distribution system to 18 villages in Sorobi district has been completed. Procurement of a contractor to extend the distribution system to villages in Tagap district started in February.

This component also supports preparation work of the Kajaki dam addition. The project



Rehabilitation of the Naghlu Hydropower Plant is progressing well. As part of local development assistance, NHRP intends to provide electricity in areas close to the Naghlu dam. Residents in several villages in two districts close by will benefit from the project.

management team is under recruitment at the National Water Affairs Regulation Authority. The procurement of the consultancy service firm to develop the ESIA and Resettlement Action Plan for phase 2 of the Kajaki addition is at the request for proposal stage.

Following a formal request from MoF, NHRP will be restructured to include the rehabilitation and renovation of the Darunta Hydropower Plant and the closing date of the project will be extended. Three units will be renewed, and an administrative building and warehouse will be constructed inside the power plant. Procurement of this activity has been finalized based on World Bank procurement guidelines and the contract was scheduled to be signed in September 2020.

RESULTS EXPECTED UNDER THE NHRP

- Revived 50 MW of previously nonoperational capacity of Naghlu Hydropower Plant by rehabilitating Unit 1 and Unit 3.
- Improved routine operation and maintenance of the power plant for five years.
- Improvement of Naghlu Dam safety measures and re-activation of the dam bottom outlet / flash out gate.
- Enhanced staff capacity to operate and maintain the power plant.
- Residents living near NHPP connected to electricity and facilitated NHPP extension services, i.e., poultry farming, kitchen gardening, and establishment of orchards.
- Enhanced security and safety measures of the NHPP.
- Renovate and revive full capacity of Darunta Hydropower Plant.
- Preparation of ESIA and RAP for Kajaki II project.



“All the things that I currently know about horticulture, I owe to NHLP. I now know horticulture like a professional. I am very happy with NHLP for the work they had done for us.”

—Nasir Ahmad Arabzai, farmer, Qalay Daler village, Paghman district, Kabul province.

FARMERS DOUBLED THEIR INCOME WITH project support in Kabul province

- “Pioneer” farmers in 300 villages in Kabul province helped fellow farmers improve their horticultural practices and increase their income.
- These pioneer farmers helped extend the impact of the National Horticulture and Livestock Project (NHLP) by teaching other farmers modern methods in areas such irrigation, pesticide application, and pruning.
- NHLP, which closed on 31 December 2020, provided resources that farmers would not have had to raise their productivity and income.

Apple farmer Nasir Ahmad Arabzai, 55, believes that he was the best pioneer farmer in his area in Paghman district in Kabul province. As a pioneer farmer, he provided guidance to other farmers and saw the improvements made in their farming.

“I helped supervise other farmers in this area and I saw great progress in their work,” said Arabzai, who grows mainly apples on his 3-*jerib* (0.6-hectare) orchard. “They used to earn a minimum amount of profit, but their benefits increased like mine.”

Arabzai was nominated by the local *shura* (council) of his village, Qalay Daler, to be a pioneer farmer in 2013 under the National Horticulture and Livestock Project (NHLP), which closed on 31 December 2020. NHLP worked in more than 300 villages in Paghman district.

Each village nominated a pioneer farmer, who was chosen based on his good reputation in the community, long experience in agriculture, and level of education (high school graduates were preferred). The work of a pioneer farmer, a voluntary position, helped spread valuable information on horticulture that allowed even more farmers to benefit from NHLP initiatives.

Arabzai explained his work as a pioneer farmer: “I was in contact with NHLP technical experts who came here [to the village] and taught me, and in turn, I taught other farmers what I had learned. Sometimes I organized other farmers to come to my orchard and we all received training from NHLP.” The training covered topics such as irrigation methods, pesticide application, identification of plant diseases, branch pruning, and fruit harvesting, among others.

After the years of training, Arabzai was confident in his work and grateful for the changes it made to his farming. “NHLP helped me understand farming,” he said. “All the things that I know about horticulture, I owe to NHLP. I now know horticulture like a professional. I am very happy with NHLP for the work they had done for us.”



Increase in Income and Productivity

For Arabzai and some 80 farmers in Qalay Daler village, NHLP assistance led to notable results. “I worked with NHLP for five years and each year, my yield and income improved,” Arabzai said. “The support made a big difference.”

In 2018, Arabzai saw his annual income double over the previous year. “I earned 330,000 afghanis [about \$4,400], [while in the previous year] I earned 170,000 afghanis [about \$2,300],” he says. “When NHLP first came to our village, I was earning just 50,000 afghanis [about \$670] a year from my produce.”

NHLP provided support only to farmers who had their own land, which was crucial in helping them become more efficient. With the tangible and financial support NHLP provided, farmers had access to resources that they did not have previously to raise the productivity of their land and increase their incomes

National Horticulture and Livestock Project (NHLP)

GRANT \$190 MILLION

CLOSED ON 31 DECEMBER 2020

NHLP aimed to promote the adoption of improved production and post-harvest practices and technologies by target farmers in the horticultural sector and to support the livestock sector, with gradual rollout of farmer-centric agricultural services systems and investment support.

The project had three components: (i) horticultural production; (ii) animal production and health; and (iii) implementation management and technical assistance support. These activities were initially implemented in 120 focus districts in 23 target provinces.

The original budget of the project was \$100 million, but based on the high demand for NHLP services, the project received an additional financing of \$90 million to allow expansion of its work programs to more farmers and add new activities.

However, as part of the adjustment of the Bank's project portfolio in Afghanistan for COVID-19 response, \$12.5 million of NHLP financing was cancelled and reallocated. It was decided to close the project by December 31, 2020, which closed successfully.

At its closure, the project was active in 291 districts of all 34 provinces and reached over 570,000 farmers/beneficiaries, including around 264,000 women.

Overall, over 90 percent of the targeted clients were satisfied with the agricultural services against 75 percent end target; almost 55 percent of the targeted farmers (against 75 percent end target) adopted elements of the horticulture technology packages promoted by NHLP; 83,163 producers were provided improved post-production facilities, tools, and market access out of an end target of 181,140; and about 55 percent of target farmers (against 70 percent end target)

adopted elements of livestock technology/practices promoted by NHLP.

Under component A, over 37,000 hectares (ha) of new orchards, including pistachios, were established against the project target of 19,000 ha. In addition, over 36,000 ha of existing orchards were rehabilitated.

NHLP established demonstrations on 404 ha of high-density orchards intended to significantly increase return per unit of land while contributing to substituting import.

Furthermore, NHLP supported construction of 1,353 small water harvesting structures through Community Development Councils and successfully established over 2,000 raisin drying houses to improve added value at farm level.

On women-focused activities under the horticulture component, NHLP established more than 150,000 kitchen gardening plots and saffron demonstrations against the target of 90,000 schemes in 28 provinces.

Under component B, in line with the agreed targets, NHLP supported establishment of 25,000 backyard and 3,000 small-scale poultry production units for 28,000 women. Construction of 25 milk collection centers were completed by project closure.

On animal health, the major focus was on zoonotic diseases namely, the National Brucellosis Control Program and Sanitary Mandate Contracting Scheme (SMCS). Under the National Brucellosis Control Program, over, 791,000 young female calves and some 14 million young female sheep and goats were vaccinated in close coordination with General Directorate of Animal Health and Production (GDAHP).

Under SMCS, NHLP followed the agreed exit strategy, handing over 26 provinces to the Ministry of Agriculture, Irrigation and Livestock. In the months leading to project closure, NHLP decreased its contribution while the ministry increased its ownership. By project closure, responsibility for all animal health activities were transferred to GDAHP.



At its closure in December 2020, NHLP covered 291 districts of all 34 provinces and reached over 570,000 beneficiaries, over 45 percent of whom were women. Over 90 percent of the targeted clients were satisfied with the agricultural services they received. "NHLP taught me to irrigate and prune my trees properly, deal with seasonal diseases, apply fertilizers, and maintain my orchard," says a farmer from Parwan province. "Thanks to this, I am self-reliant."



Women's Economic Empowerment National Priority Program (WEE-NPP)

GRANT \$5 MILLION

The objective of the WEE-NPP is to advance women's agency, autonomy, and well-being by expanding women's access to economic resources.

The WEE-NPP is led by a Project Coordination Office (PCO) in the Ministry of Finance (MoF). The PCO is responsible for overseeing WEE-NPP activities across six pillars: (i) increasing the availability of gender statistics; (ii) removing legal barriers to participation; (iii) training in literacy, business management, and labor skills; (iv) inclusive access to finance; (v) access to agricultural inputs, extension services, and markets; and (vi) access to creative economy markets.

The Project Preparation Grant (PPG) has three components: (i) coordination and program management; (ii) provide technical assistance and capacity building for line ministries carrying out WEE activities and conduct relevant analytic work; and (iii) establish and operate an Innovation Fund to support women's economic activities.

Although there has been progress, WEE-NPP has faced numerous challenges during implementation. As the Project Preparation Grant draws to a close, the World Bank will continue its policy dialogue with GoIRA on the WEE agenda and ensure that the lessons from this first phase of the WEE-NPP are used to inform future planning.

The PPG began in 2017 and the closing date has been extended for one year to June 30, 2021, in consideration of the delay in implementation due to the transition of the PCO from the Ministry of Labor and Social Affairs to MoF in September 2019.

The PPG has achieved some noteworthy successes: the WEE-NPP technical working group and steering committee meet on a regular basis; implementing line ministries (LMs) have progressed according to their agreed action plans and targets; and the PCO maintains the Monitoring and Evaluation Framework and coordinates across the LMs.

Nonetheless, the program has faced numerous challenges during implementation, including frequent staff turnover, slow progress, failure of the innovation fund component to launch, and a complex design for evidence-based budgeting and coordination across LMs that never came to fruition. As the PPG draws to a close, the Bank will continue its policy dialogue with GoIRA on the WEE agenda and ensure that the lessons from this first phase of the WEE-NPP are used to inform future planning.

Note: All dollar figures are in US dollar equivalents. IDA, the International Development Association, is the World Bank's concessionary lending arm.

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