



AFGHANISTAN RECONSTRUCTION TRUST FUND (ARTF) Management Committee Meeting

Tuesday, February 23, 2021

MINUTES OF MEETING

MC MEMBERS

Ministry of Finance (MOF)

- [REDACTED]
- [REDACTED] Aid Management Directorate

Asian Development Bank (ADB)

- Narendra Singru, Country Director

Islamic Development Bank (ISDB)

- [REDACTED]

UNDP

- Patrick Haverman

OFFICIAL OBSERVER - UNAMA

- Christina Human

ARTF SG OBSERVERS

- [REDACTED] Canada
- [REDACTED] EU
- [REDACTED] UK
- [REDACTED] UK
- [REDACTED] US-USAID

WORLD BANK (ADMINISTRATOR)

- Homa Fotouhi, Operations Manager
- Keiko Nagai, ARTF Program Manager
- Katie Blanchette, ARTF Operations
- [REDACTED] ARTF Operations
- [REDACTED] Human Development Practice Leader
- Gyorgy Fritsche, Senior Health Specialist
- [REDACTED], Senior Health Specialist
- [REDACTED], Senior Health Specialist
- [REDACTED], Senior Urban Specialist
- Cesar Cancho, Senior Economist Hei Chiu, Transport Specialist
- Maximilian Fishbach, Consultant, Urban
- Walker Kosmidou-Bradley, Geographer

The World Bank (WB) convened the meeting to seek Management Committee (MF) approval for \$51.1 million in ARTF allocations and to provide updates on earlier contingent allocations. Homa Fotouhi, Operations Manager and Acting Country Director, chaired. [REDACTED] thanked MC members and reiterated GoIRA appreciation for donors' support, particularly for the willingness to finance Covid vaccine operations, which will help to expand the reach of vaccinations across the country. He thanked the Asian Development Bank, United Nations, and other stakeholders for strong cooperation on the initiative.

1. Approval of November 30, 2020 meeting minutes.

- MC members' input on draft minutes of the November 30, 2020 meeting was requested. The draft minutes also formally record the MC's decision to allocate funds to the Anti-Corruption and Results Monitoring Action Program window made via email in September 2020.

No comments having been raised, the November 30, 2020 MC minutes were approved.



2. Administrator's update: Confirmation of November 2020 contingent approval of Early Warning, Early Finance, Early Action (ENETAWF) project.

- On November 30, 2020, the WB had presented the Early Warning, Early Finance, Early Action project (ENETAWF) for the MC's approval contingent on completion of project negotiations.¹ The Administrator updated the MC that ENETAWF negotiations concluded on December 23, 2020. The WBG Board of Executive Directors approved ENETAWF on February 16, 2021.

The conditional approval of US\$ 115 million in ARTF resources to finance the Early Warning, Early Finance, Early Action project is confirmed.

3. Administrator's update: ARTF finances

- The Administrator provided an update on ARTF replenishment, which is advancing in line with expectations. Thirteen of 19 active donors have confirmed some pledging information for the next PFFP cycle. Of the six that have not yet formally confirmed contributions, two are among the larger donors to the fund. These larger donors have provided preliminary indications, which has been helpful for planning, though of course preliminary indications remain subject to final approval. While some donors have been able to make commitments for the full four-year cycle, others are making one-year commitments and will assess FY 1401/CY 2022 commitments later this year, based on Afghanistan Partnership Framework commitments and other factors, including the outlook for peace. The PFFP document will be finalized and presented to the ARTF Steering Committee for endorsement when pledges are confirmed. As expected, the WB projects that FY 1300/CY 2021 resources will be at least 20 percent below resources available in 2018, the first year of the last ARTF financing cycle. While expected and built into current planning, the lower commitment levels projected for the current ARTF financing cycle will require careful cash flow and portfolio management.
- Carryover from the last PFFP cycle and a carefully managed pipeline for FY 1400/CY 2021 have positioned the ARTF well to meet resource requirements for the current year. As of January 22, 2021 the ARTF unallocated balance stood at US\$ 680 million. The Administrator's preliminary projection of expected contributions during the remainder of the year totals US\$ 540 million. Together, this means that the Administrator expects the fund to have US\$ 1.2 billion in resources available over the year, subject to contributions materializing as expected. Against this projected resourcing, the Administrator projects the pipeline requirement to total US\$ 1.1 billion. This sum includes the US\$ 51.1 million presented for approval in the meeting for COVID vaccines and the Urban ASIST proposal. As a result, the ARTF has sufficient resources to finance the proposals presented in the meeting and, subject to contributions being realized in line with indications, expected proposals for the remainder of the year.

The Administrator confirmed that ARTF has sufficient funds to finance the two requests

¹ Projects are normally brought to the MC after negotiations, but the Administrator made an exception for ENETAWF because preparations were well advanced and the project had been approved in the ARTF pipeline for the 2018-2020 Partnership Framework and Financing Program (PFFP). The WB sought to document the approval in line with Steering Committee recommendations before the PFFP period ended in December 2020, and expected it would be difficult to schedule an MC meeting in late December or early January after negotiations.



presented in the meeting and expects to have sufficient funds to finance the 2021 pipeline.

4. Request for MC approval: US\$50M under the ARTF Investment Window for additional financing to the Covid-19 Emergency Response and Health Systems Preparedness Project

- In April 2020, Afghanistan was one of the first two countries to obtain Board approval for an emergency health system response project. The WB expedited preparations by resourcing the project entirely with IDA funds, using no ARTF resources. MOPH leads implementation, with partnership from WHO and UNICEF. The government has now requested support for its plans to roll out the Covid vaccines. It plans to vaccinate at least 40 and up to 60 percent of the population. A proposal to add additional financing to the ongoing emergency health sector response has been developed. To finance it will require using some ARTF resources.
- Early drafts of 2021-2024 PFFP note that Covid response programming will be fully integrated into the ARTF strategy. But the drafts were developed before vaccine discussions had advanced substantially, and so they were not explicit on the scale of resources that would be required. To ensure ARTF donors had full visibility and supported the use of trust fund resources for vaccinations, the proposal was presented to the ARTF Strategy Group in January. Donors indicated their support for the approach, and appreciated the collaborative planning with the Asian Development Bank, UN agencies and others. The US\$ 113 million project will employ US\$ 60 million in IDA resources, US\$ 3 million from an energy trust fund, and today we seek MC approval to use US\$ 50 million in ARTF financing.
- Task Team Leaders Gyorgy Fritsche and [REDACTED] presented the project. Building on the existing project, financing will be added to component one to purchase the vaccines. Vaccine distribution will be supported through component two of the existing project. The task team underscored the program's alignment with the umbrella national vaccine deployment plan, as well as financing being provided through the Asian Development Bank.
- The project is fully mapped to the government's vaccination program and has been developed in close coordination with other international partners. Vaccine purchase will be subject to WB vaccine approval criteria. Distribution will build on existing service provision arrangements, contracting with service providers currently supporting the Sehatmandi basic health service delivery program and the Covid-19 parent project. (ADB financing will also support vaccine purchase and delivery to the province level, but distribution to the population will be through the same channels as the WB- and ARTF-financed vaccines.) Rapid issuance of new contracts under the Sehatmandi program is on the critical path for the vaccine project; delays could affect the nationwide Covid 19 response and vaccination effort, as well as basic health service delivery. UNICEF and WHO will be contracted for critical roles around communication and training efforts linked to the vaccination.
- The additional financing will rely on the existing results framework established for the parent project, with some updates to the results indicators to reflect new activities and align with targets in the national vaccination plan, including gender disaggregation. The project has been "gender tagged", indicating a due attention to identifying and addressing the specific needs of women with respect to vaccination. Key measures include ensuring that vaccination teams include both women and men and ensuring that all vaccination centers have at least one



woman on staff and present. The national Health Management Information System will be used as the core of the project monitoring and evaluation system, supplemented by new technology. The project will pilot the use of digital paper technology to enhance monitoring and evaluation, and is considering expanding use of technology being used elsewhere in Afghanistan for routine vaccinations to further enhance monitoring.

- Overall, based on current pricing, the team estimates that financing from all sources could vaccinate for up to 48 percent of the population over two years and will be overseen by the Ministry of Public Health (MOPH) and supported by a joint a technical committee of MOPH and international partners. Should additional funding become available, it would enable the program to support the government's goal of vaccinating up to 60 percent of the population.
- MOF, invited to add further comment, encountered communication issues and did not elaborate on ██████████'s earlier comments. ADB appreciated the strong coordination on preparations of the Covid vaccination plan, and asked the team to confirm that the design reflected ADB's support for transport of vaccines to the province level. The team confirmed that it did. In response to a question about vaccination approval requirements, the team confirmed that it will seek WBG Board approval to proceed with purchases that meet three Stringent Regulatory Authority (SRA) requirements from at least two regions or one SRA with a WHO Emergency Use listing. If this modification is approved, it would enable purchase of the Astro Zeneca produced vaccine delivered from India. ADB's final question asked if the project would be able to finance procurement through UN agencies but outside the COVAX facility in the event COVAX is unable to secure the supply. The team confirmed that if GoIRA wants to procure vaccine through a government to government or government to business arrangement, though would still be required to meet SRA requirements and other WB procurement requirements. For other arrangements, project
- UNDP welcomed the project and indicated its support, appreciating the coordination with UNICEF and WHO. UNDP flagged that it is doing some preliminary work to consider whether it might support greening of the vaccination process and digitalization of records and offering some support for vaccination of police and welcomed continued coordination to that end.

The MC approved an allocation of US \$50 million under the ARTF Investment Window to support additional financing for the Covid-19 Emergency Response and Health Systems Preparedness Project.

5. Request for MC Approval: US\$ 1.1M under the ARTF Advisory Services Implementation Support and Technical Assistance Window for a GoIRA-requested package of technical assistance in the urban sector

- The Advisory Services, Implementation Support and Technical Assistance (ASIST) window is one of four windows in the ARTF, alongside the Recurrent Cost Window and the Investment Window, both government-executed, and ACRMAP, which like ASIST is Bank-executed. ASIST was set up under the last PFFP to respond to two key needs: long-term provision and better coordination of technical assistance.
- The approval process for ASIST initiatives aims to reinforce coordination. It requires support from MOF and a formal presentation to the Strategy Group to ensure visibility



and support. To date, five ASIST initiatives with a total value of \$8.6 million have been approved. In February 2021, the Strategy Group endorsed ASIST financing valued at US\$ 1.1 million to supplement ongoing analytical work in the urban sector.

- Team leader ██████████ presented an overview of the initiative, which focuses on the urban sector but involves a multi-sectoral effort drawing in expertise from several practice areas. The work aligns with the Urban National Priority Program and aims to enhance ongoing or planned ARTF-supported operations. ASIST financing would build on, and enhance, existing work financed by the WB budget across five components. It will provide senior technical assistance to help operationalize the Municipal Incentive Fund, provide analytical assistance to consider drivers of urban growth, expand to additional cities an established urban mapping platform that enables ARTF-financed programs working in cities to coordinate their projects, integrating data from some UN partners, and hand the platform over to GoIRA, expand a focus on land rights in informal and customary land tenure systems to look specifically at women's rights, conduct forward-looking studies to consider options for enhancing living conditions following issues of occupancy certificates, and study how best to facilitate non-motorized urban transport (pedestrian, public transport) in select cities, focusing on needs of lower-income populations. The work in each area is expected to be completed within a two-year time frame.
- A question noted that in the earlier Strategy Group discussion a donor had asked to how many additional cities the ASIST financing would expand analytic work. The team explained that the WB budget currently supports the work in Kabul and major provincial capitals: Herat, Jalalabad, Kandahar, Khost, and Mazar-e-Sharif. The ASIST funds will enable expansion of the work, in particular the urban mapping platform, to urban areas included in the Citizens' Charter Program. Donors had also asked about whether the work on informal and customary land tenure would be able to include regional townships and informal settlements, which is relevant to questions of landgrabbing. While it is technically difficult to estimate the extent of land grabbing, there is some scope within the land rights analyses to look at areas of growth emerging on the peripheries of urban areas.

The MC approved an allocation of US\$ 1.1 million under the ARTF Advisory Services Implementation Support and Technical Assistance window to finance a package of technical assistance in the urban sector.

6. AOB

- None.