

Afghanistan Resilience Trust Fund

Annual Progress Report
January–December 2024



WORLD BANK GROUP

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Abbreviations and Acronyms

ACG	Afghanistan Coordination Group
ACReMAP	Anti-Corruption and Results Monitoring Action Program
ADB	Asian Development Bank
ADU	Afghanistan Development Update
AEM	Afghanistan Economic Monitor
AFN	Afghani
ARRNA	Afghan Returnees Rapid Needs Assessment
ARTF	Afghanistan Resilience Trust Fund
ARTF MA	ARTF Monitoring Agent
ASIST	Advisory Services, Implementation Support, and Technical Assistance
CASA	Central Asia South Asia
CBE	Community Based Education
CDC	Community Development Council
CRLP	Community Resilience and Livelihoods Project
CRG	Community Representative Group
CSO	civil society organization
CY	calendar year
ECA	Entry Criteria for Access and Equity
EERA	Education Emergency Response in Afghanistan
EFSP	Emergency Food Security Project
EMERGE	Empowering Microfinance and Enterprises for Resilience and Growth
ESF	Environmental and Social Framework
ESS	Environmental and Social Standards
FM	Financial Monitoring
FMFA	Financial Management Framework Agreement
FPA	Fiduciary Principles Accord
GBV	gender-based violence
GDP	gross domestic product
GESICE	gender, social inclusion, and citizen engagement
GSIP	Afghanistan Gender and Social Inclusion Platform
FY	fiscal year
HACT	Harmonized Approach to Cash Transfers
HER	Health Emergency Response
HH	household
HNP	Health, Nutrition, and Population
IDA	International Development Association
IDP	internally displaced person

ITA	Interim Taliban Administration
IW	Investment Window
JIT	just-in-time (note)
MA	Monitoring Agent
MC	Management Committee
MCBP	Maternal and Child Benefit Program
MFI	microfinance institution
MT	metric ton
NCCSP	NGO/CSO Capacity Support Project
NGO	nongovernmental organization
OJT	on-the-job training
PDO	Project Development Objective
PM	Physical Monitoring
SC	Steering Committee
SEA/SH	sexual exploitation and abuse/sexual harassment
SG	Strategy Group
STWG	strategic technical working group
TPMA	Third-Party Monitoring Agent
UN	United Nations
UNICEF	United Nations Children's Fund
UNOPS	United Nations Office for Project Services
US\$	United States dollar
WASH	water, sanitation, and hygiene
WERP	Water Emergency Relief Project
WFP	World Food Programme

Introduction

Reflecting on 2024, it is clear that the year under review was a particularly significant one for the Afghanistan Resilience Trust Fund (ARTF) and its partners. February 2024 saw the endorsement by the World Bank Group's Board of Directors of Approach 3.0, the third phase of the World Bank's stepwise approach to supporting the people of Afghanistan following the events of August 15, 2021. Anchored in the "principled approach" of delivering aid for women and by women, Approach 3.0 enabled, among other things, International Development Association (IDA) financing to complement ARTF funds to support nationwide, at-scale, and off-budget delivery of basic service and livelihood projects.

The year would see the ARTF program continue to deliver effectively and inclusively in a particularly challenging environment. With resources for Afghanistan declining due to competing needs at the global level, and with the Interim Taliban Administration's (ITA) exclusionary policies toward women, the ARTF remained agile and resilient, working not only to counter the impact of ITA policies on women and girls but also to ensure that assistance is sustainable, and that past progress is sustained.

The ARTF's Entry Criteria for Equity and Access (ECA) embedded in the ARTF/IDA program continued to guide financing allocations to ensure women are not excluded from participation in delivery or from receiving services. The fluid operating environment also reinforced the criticality of rigorous analytics and third-party monitoring, which the ARTF continued to prioritize as exemplified further in this report.

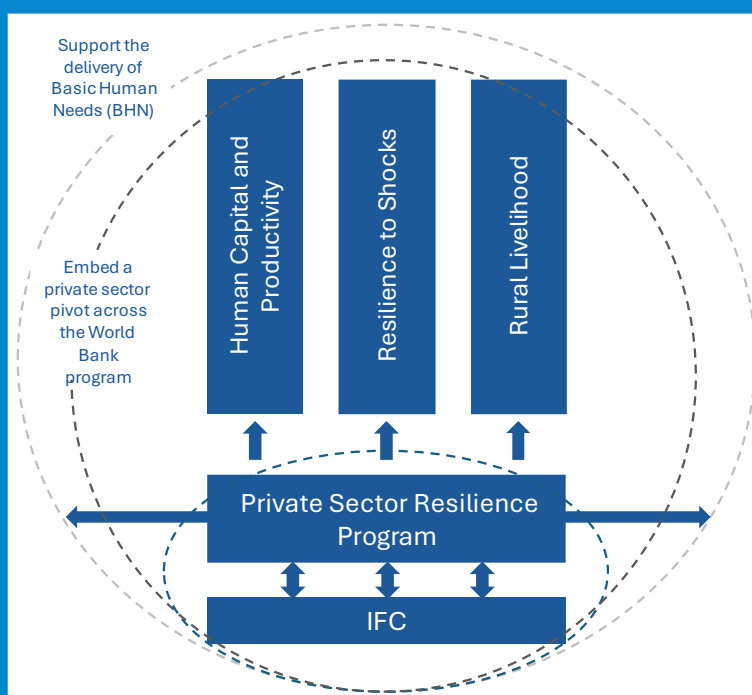
Afghanistan's domestic economy presented its own challenges during 2024. While the country's economy returned to growth, driven largely by private consumption, Afghanistan's growth is barely keeping up with its fast-growing population, which, increasing at 2 to 3 percent annually, is almost double the growth rate of South Asia. While a positive development, Afghanistan's economic growth in 2023–24 remains insufficient to alleviate poverty and unemployment, with declining foreign aid posing further risks.

Against this backdrop, 2024 was also a year for reflection for the ARTF's partners, with the downward trajectory in donor contributions underscoring that available funds will be insufficient for ARTF partners to sustain the current program of support for Afghanistan. Nevertheless, ARTF partners are looking forward, buoyed by the strengths and results of the program and by the broad consensus to remain engaged and ensure impacts are not only sustained but further leveraged. Building on the approaches, impacts, and lessons of the ARTF's support in 2024, highlighted in this report, partners are motivated to explore how to move from scale to leverage, engaging the private sector in Afghanistan and deepening partnerships to maximize synergies and comparative advantages.

Proposed World Bank Group Approach and the Way Forward

The World Bank Group is planning a gradual realignment of its approach to supporting Afghanistan, with a focus on both IDA and ARTF financing, as well as knowledge programs, and investments through the International Finance Corporation (IFC). This strategy emphasizes maintaining Basic Human Needs (BHN) support in the short term to avoid disruptions, while also exploring opportunities for private sector-led jobs to address persistent funding gaps and ensure optimal use of limited resources.

To enhance operational efficiency, and in consultation with donors/partners, the new approach aims to optimize the portfolio by consolidating six projects into three vertical programs: human capital and jobs, resilience to shocks, and rural livelihoods. These will be complemented by a cross-cutting Private Sector Resilience Project designed to promote private sector engagement and job creation, particularly for women. The programs will involve World Bank operations in close coordination with aligned IFC engagements.



Looking ahead, future projects will aim at higher private sector multipliers by delivering BHN services through private institutions, empowering private sector partners, embedding private sector participation across all programs, and piloting the Private Sector Resilience Project to improve efficiency and support sustainable livelihoods.

The next steps include: (a) continuing to prioritize current ARTF/IDA-funded operations; (b) strengthening the knowledge base through new analyses and data collection to inform the WBG and donors about opportunities and risks for greater private sector engagement; and (c) establishing donor and partner consultation groups to discuss the proposed realignment and future programs.



Section I. Program Management

In 2024, the ARTF program encountered significant challenges due to a worsening political climate, exclusionary policies, and associated operational difficulties that affected its implementation. Donor contributions to the ARTF decreased by 34 percent from the previous year. Nonetheless, the program unlocked IDA resources under Approach 3.0 to complement trust fund financing and continue delivering for the Afghan people. The program also doubled down on its “principled approach”—delivery for and by women—through creative solutions.

Adaptive and responsive management of ARTF program, taking the stepwise approach

In the immediate aftermath of Afghanistan’s political crisis in August 2021 that shook the country to the core, followed immediately by social and economic crises, the ARTF, in close consultation and coordination with donors and partners, provided humanitarian gap financing under Approach 1.0. Shortly after the immediate support, ARTF support shifted to essential basic services under Approach 2.0 in early 2022. The essential services supported were health, food security, resilience and livelihoods, education, and water services. These projects were implemented nationwide and at scale by selected United Nations (UN) agencies and an international nongovernmental organization (INGO), supported by local NGOs and community organizations to reach out to the vulnerable population locally. During 2023, the second year into basic services support, the operations modality began shifting from immediate emergency response to one of sustainable approach.

Besides the direct basic services operations, the ARTF supported the analytical program that is now collectively known as the Afghanistan Futures program. In the absence of reliable economic and social data, the surveys, studies, and reports provided by the World Bank informed not only its own ongoing operations and future plans, including the next phase of approach (Approach 3.0), but also informed ARTF donors and the broader international aid community’s aid assistance. The analytics supported by the ARTF shed light on the state of the macroeconomy, behaviors of average households, challenges of the private sector, struggles faced by women and girls as well as the challenges and development aid opportunities for specific sectors.

Given the scale of the needs of the Afghan people, and at the request of ARTF donors, the ARTF transitioned into its next phase with the endorsement of Approach 3.0 in February 2024. This approach aimed to continue basic services at scale and expand resources by accessing IDA financing while selectively engaging ITA at a technical level to provide effective and more sustainable support to the people of Afghanistan. The principled approach that helped continue deliver equitable access to services under the earlier approaches remains front and center to Approach 3.0.

Key elements of Approach 3.0 include:

- (a) Provision of IDA resources to complement ARTF and other Trust Fund financing to continue to deliver basic services at scale to the Afghan people. For IDA financing to be made available, ARTF donor contributions would need to continue at US\$150 million–US\$200 million annually.
- (b) Selective broadening of interactions with ITA individuals on technical issues that are critical for the World Bank to provide support to the people of Afghanistan.
- (c) Resumption of the Regional Central Asia South Asia 1000 (CASA-1000) energy project through ring-fenced accounts and closely monitored interactions with contractors. This decision was primarily for the benefit of neighboring countries (Kyrgyz Republic, Pakistan, and Tajikistan).

During 2024, projects benefited from blended ARTF resources and IDA financing under Approach 3.0. These projects span the basic human needs spectrum and include health, food security, education, community resilience, potable water and irrigation, and microfinance, and have been instrumental in improving service delivery and fostering resilience. Projects are currently reaching more than 70 percent of the population.

The ARTF has continued to find pragmatic ways to provide essential basic services and livelihoods for the Afghan people, adapting as needed to the challenging and fluid operating environment. Its agile nature has helped counter the impact of ITA policies on women and girls. A key element of the ARTF's adaptive approach has been the ECA, which ensures that financing occurs when equity of access can be assured. This ensures women and girls continue to receive basic services assistance and are not excluded from participating in delivery of services.

Monitoring progress of the ARTF as a coherent basic services support program

The ARTF's Third-Party Monitoring Agent (TPMA) conducts financial and physical monitoring, ensuring that goods and services reach the intended beneficiaries, while respecting the principled approach. The ARTF program has continued to achieve results and deliver effectively and inclusively in a particularly challenging environment. During 2024, the TPMA found strong compliance with ECA across the portfolio, promoting fair access to services for women and girls as a principled approach

Details of TPMA activities are reported under the Risk Management section of this report (see Section IV). It should be highlighted that TPM work is essential to manage the ARTF program as projects are implemented with high risks and extremely limited readily available information.

In 2024, the financial monitoring involved an extensive review of expenditures amounting to US\$215 million associated with ongoing projects. In the context of physical monitoring, the TPMA undertook

site visits to over 6,700 locations, ensuring coverage across all districts of Afghanistan over the course of the year. Additionally, it conducted more than 55,000 interviews as part of physical monitoring, which included responses from over 19,000 female participants, thereby enhancing the representativeness of the data collected.

The World Bank increased the frequency of its monitoring by conducting quarterly instead of semi-annual implementation support missions. This higher frequency aims to effectively manage performance and mitigate risks. Given the corresponding elevated risks, the World Bank's role in monitoring and evaluation includes quantifying project outcomes as well as extracting valuable insights and formulating recommendations to improve project effectiveness and future donor interventions.

Community Resilience and Livelihoods Project: Navigating Change, Sustaining Impact

In Afghanistan's challenging operational environment, community-driven, participatory, and inclusive decision-making is the most effective mechanism for ensuring assistance reaches those who need it most while safeguarding against exclusion and political interference. The **Community Resilience and Livelihoods Project (CRLP)** has demonstrated its ability to adapt to shifting conditions while maintaining a principled approach to aid delivery.

For two decades, Community Development Councils (CDCs) played a central role in transparent and inclusive local decision-making. Their dissolution by the Interim Taliban Administration (ITA) in May 2024 disrupted a critical mechanism for aid delivery. Rather than disengage, the CRLP rapidly adapted, leveraging the deep-rooted social structures and inclusive decision-making norms that communities had built over two decades of participatory development.

Working within the realities of Afghanistan's operational constraints, the project introduced Community Representative Groups (CRGs). These informal bodies preserve the principles of transparency, local ownership, and inclusion, particularly for women and vulnerable groups, ensuring that resources are allocated based on need rather than political influence. The rapid formation of over 1,000 CRGs, with 45 percent female membership, by December 2024 demonstrates the continued demand for inclusive decision-making at the local level.

This approach is backed by global evidence. A study by Nobel laureate Abhijit Banerjee on Indonesia's community-targeted COVID-19 response found that locally led selection processes were more effective at reaching the most vulnerable than traditional survey-based methods. Community-driven targeting successfully identified widows, families facing sudden economic shocks, and those excluded by standard poverty measures, leading to higher satisfaction and trust in aid programs.^[1]

The CRLP's ability to adapt rapidly and sustain effective aid delivery is reinforced by the distinct roles of its institutional partners. The World Bank provides oversight, strategic planning, and analytical rigor, ensuring interventions remain evidence-based and aligned with evolving needs.

The United Nations Office for Project Services manages implementation and operational oversight, playing a critical role in retaining Afghan institutional capacity for service delivery by maintaining systems, structures, and technical expertise built over two decades. Facilitating Partner NGOs, with deep local trust and networks, serve as the frontline delivery mechanism, enabling direct engagement with communities and negotiated access, particularly for women and marginalized groups.

The community-driven design and delivery system enables the CRLP to adapt rapidly to changing conditions, ensuring aid continues without disruption. By leveraging deep local trust and a well-coordinated network of partners, the approach remains flexible while upholding the principled approach of delivery by and for women.

^[1] Sumarto, S., E. Satriawan, B. A. Olken, A. Banerjee, A. Tohari, V. Alatas, and R. Hanna. 2025. "Community Targeting at Scale." NBER Working Paper No. 33322. National Bureau of Economic Research. <https://www.nber.org/papers/w33322>

Reinforcing the "Principled Approach"

Against the backdrop of the ITA's enactment of the Propagation of Virtue and Prevention of Vice (PVPV) Law in August 2024, the World Bank continues to implement its projects using the "principled approach" of delivery for and by women across its portfolio. Projects continue to regularly monitor compliance with the Entry Criteria for Equity and Access, which were developed to ensure alignment with the principled approach. Missions include dedicated discussions on gender and any challenges in implementation arising from increased enforcement of the PVPV law and other edicts. Despite the tightening context, partners continued to successfully employ female staff, negotiate exceptions for them to work, and reach female beneficiaries directly throughout 2024.

The Bank also recognized that continuing to deliver via the principled approach requires a longer-term, portfolio-wide, coordinated strategy for maximizing the gender impact of the investments channeled through the Bank. To this end, the Bank has begun development of a Gender Strategy that will be completed by July 2025. The gender strategy will outline a menu of options for tackling gender gaps and challenges multisectorally and through flexible approaches that are responsive to the ever-changing Afghan context. Key themes to be explored include elevating human capital and filling gaps in services for gender-based violence, expanding and enabling economic opportunities for women and girls, and engaging women as leaders and active participants in decision-making. The role of the private sector will be explored throughout the strategy.



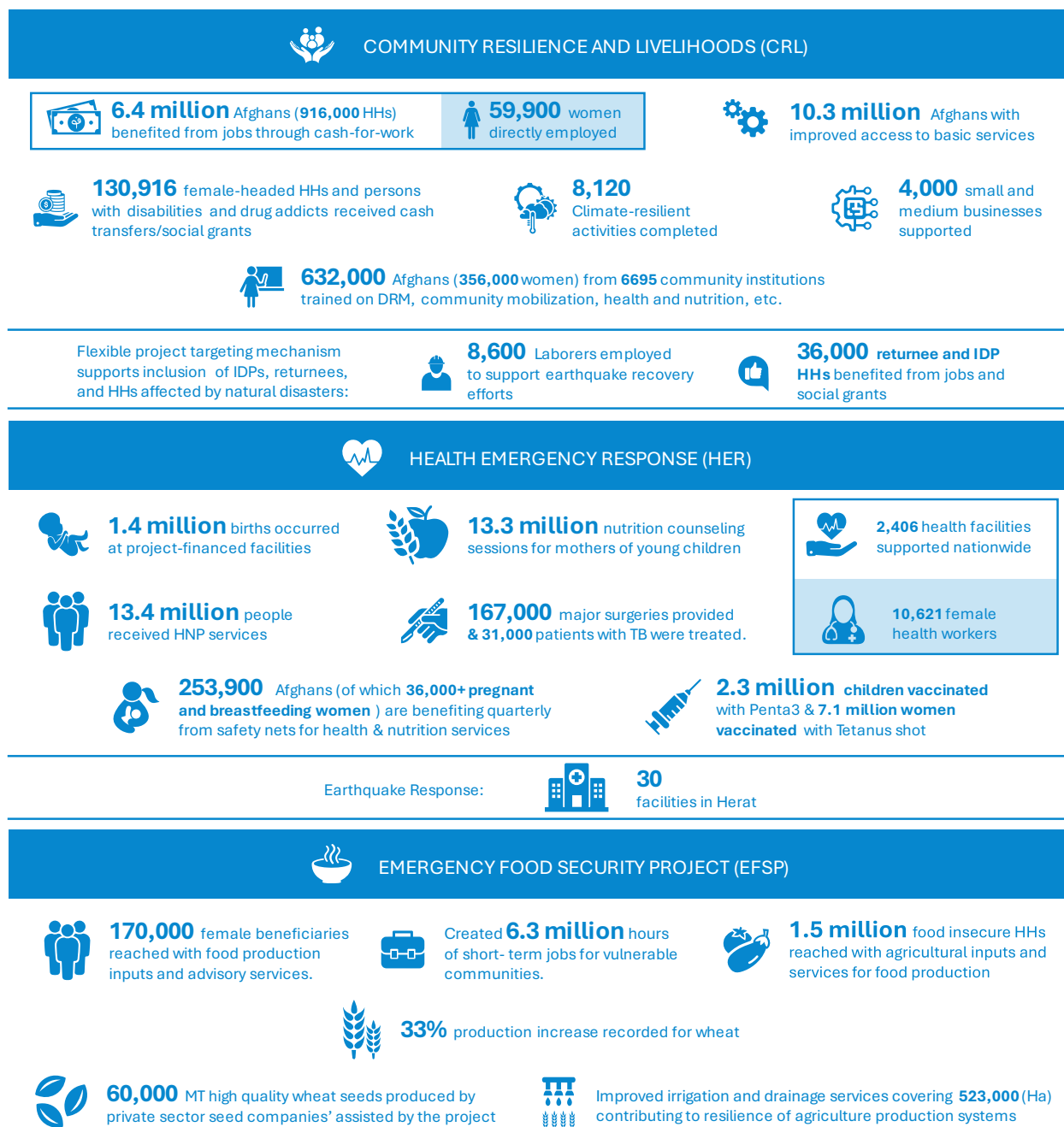
Section II. Investment Window—Basic Services Project Highlights

During 2024, basic services projects benefited from blended ARTF resources and IDA financing under Approach 3.0. Despite the challenging operational environment, significant progress was made in projects across the country during the third year of implementation in 2024. These projects span the basic human needs spectrum, including community resilience, health, food security, education, potable water and irrigation, and microfinance, and are reaching more than 70 percent of the population.

The first of the ARTF-funded projects post August 2021, the NGO/CSO Capacity Support Project, was completed in 2024. By the end of the project, over 4,700 personnel from 400 national and local NGOs/CSOs had received training in NGO management and service delivery.

Other achievements (as of December 31, 2024) included delivering short-term livelihood opportunities to over 930,000 Afghan households, including poor and vulnerable households, while improving productive assets that deliver essential services to more than 10.3 million Afghans (49 percent women). Over 11.5 million people received nutrition services, while over 4 million children were reached with learning materials, and more than 200,000 children (73 percent girls) were supported with learning opportunities. Further, project activities contributed to ensuring food security for about 6.3 million people in highly food insecure areas of Afghanistan. Figure 1 summarizes the results achieved by the seven projects.

Figure 1. Cumulative Results Achieved by Basic Services Projects since 2022 (as of December 31, 2024)





EDUCATION EMERGENCY RESPONSE IN AFGHANISTAN (EERA)



Over **4.64 million** children reached, including students in all primary schools with learning materials, and over **200,000** children supported with learning opportunities (**1.9 million** girls)



ECE parenting sessions ongoing with **1,000** parents.



5000 teachers hired, of whom **1969** are women



5,000 Community Based Education schools established and operational



WASH and Boundary Walls constructed in **93** schools



4024 classrooms without buildings received high-performance tents



5.5 million people reached via TV, **3.3 million** via Radio, and **3.2 million** via social media with distance learning content.



NGO/CSO CAPACITY SUPPORT PROJECT (NCCSP)



4,760 staff members in **400** NGOs/CSOs trained



210 organizations (including **15** former CSOs) received subgrants



93% of trainees expressed satisfaction with the trainings



2,077
women (43%)



2,683
men (57%)



91 subgrantee organizations are women-led. Over **820** organizations have registered themselves as members in the NGO platform database



WATER EMERGENCY RELIEF PROJECT (WERP)



7,000 people across **10** communities received emergency drinking water supply and hygiene kits after the May 2024 flash floods



Proof of concept for solar-powered surface water irrigation component contracted with **9** companies. Potentially mobilizing **\$3 million** co-investments. Provided capacity building for **70+** companies on financial and technical proposal preparation



Identified and prioritized **340** WASH activities across **20** provinces and **120** communities



EMPOWERING MICROFINANCE AND ENTERPRISES FOR RESILIENCE AND GROWTH (EMERGE)



Implementation to commence in early 2025.



Components:



Improved Supply of Finance for MSE



Increased Demand for finance for MSE

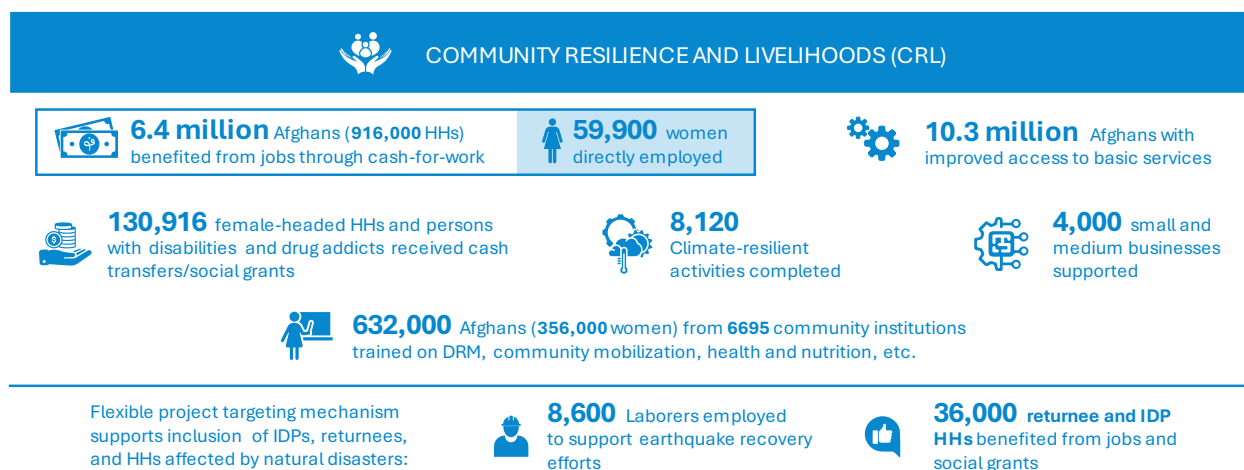


Enhanced Economic Empowerment, focus on women

A. COMMUNITY RESILIENCE AND LIVELIHOODS PROJECT

The development objective of the Community Resilience and Livelihoods Project (CRLP) is to provide short-term livelihood opportunities and deliver essential services in rural and urban areas.

Figure 2. Key Highlights of the Community Resilience and Livelihoods Project



During the first three quarters of 2024, the CRLP focused on completing all activities under the Parent Project. This included finalizing 8,120 cash-for-work/labor-intensive work subprojects in 5,966 rural and 520 urban communities, resulting in 22.6 million labor days for over 916,000 households. Social grant distribution to these communities was completed by June 2024. Additional financing approved in May 2024 supports community mobilization, capacity building, livelihood support, and subproject implementation in another 2,700 rural and urban communities across 20 provinces, 27 districts, and 7 cities nationwide. Moreover, during mid-2024, the CRLP adapted its community mobilization and engagement process following the ITA's decision to dissolve the Community Development Councils (CDCs) to maintain quality standards for community participation in project decision-making, including high levels of women's participation.

A new subcomponent was introduced as part of the additional financing, which provides female-headed households in rural areas with training, technical knowledge, and productive assets to undertake home-based income-generation activities. Additional self-help initiatives supported by the CRLP include establishing over 5,200 grain banks and 12,400 kitchen gardens, which enhance community resilience to food insecurity and support income-generating activities.

Overall, the CRLP has successfully provided short-term livelihood opportunities to over 930,000 Afghans, including poor and vulnerable households, while improving productive assets that deliver essential services, such as community-level irrigation, drinking water, transport, and agroforestry, to more than 10.3 million Afghans (49 percent women).

The project also promoted the inclusion of vulnerable households in project decision-making and as beneficiaries. Nearly 122,000 vulnerable households received social grant support, including about 70,000 female-headed households, and over 52,300 households with persons with disabilities. Over 59,900 women from rural and urban areas gained short-term employment in cash-for-work/labor-intensive work subprojects. The project's community-led targeting mechanism successfully included other vulnerable groups, such as internally displaced persons (IDPs) and returnees from Pakistan. Members from over 9,600 IDP and returnee households secured short-term employment through labor-intensive work subprojects in urban neighborhoods, with a further 17,950 IDP households and 525 returnee households benefiting from services and livelihood support in rural areas.

Additionally, the CRLP actively engaged the private sector in urban areas, with 235 local urban contractors receiving 563 awards for labor-intensive works through national competitive bidding. In urban areas, female laborers comprised 11 percent of all laborers. The cash-for-work and labor-intensive work programs under the CRLP ensure that women are earning wages. Besides providing short-term cash assistance, the project supports efforts to build women's self-reliance by promoting economic activities.

Despite evolving constraints on women's employment and mobility, the CRLP has successfully engaged women in all activities. The delivery model involves nongovernmental community organizations outside of the control of the ITA inclusive of men and women residents in all neighborhoods, which lead participatory planning, identify poor and vulnerable households, facilitate women's access to project decision-making and resources, maintain community assets, and support self-help initiatives. This model has demonstrated flexibility and adaptability to deliver effectively amid emerging constraints, such as the ITA's decision to dissolve CDCs in May 2024.

The CRLP had reactivated or established 6,695 CDCs before their dissolution. Following the dissolution, the project introduced an adapted community engagement approach that preserves the CDC's capacity by mobilizing informal community-based organizations, referred to as Community Representative Groups (CRGs), which fulfill similar functions and follow the same inclusive structure as that of CDCs.

CRGs remain central as entry points to communities for facilitating delivery by and for women. Since October 2024, 2,552 CRGs have been mobilized. Of the 28,000 CRG members nominated by community members, nearly 45 percent are women. Over the life of the project, a total of 356,000 women (including CDC/CRG members, subgroup members, and residents) have been trained in topics such as vulnerable group development, planning, community welfare, and health and nutrition. Other programs, such as the Water Emergency Relief Project, are adapting the CRG model to the water sector context to promote community participation in project selection and investment ownership.

Paving a More Resilient Future for Vulnerable Communities in Afghanistan



My skills have transformed my life, but more importantly, I am bringing positive change to my community.

—Zaman, entrepreneur, Herat Province

Zaman lives in a small village in Herat Province, in the west of Afghanistan. He spent years doing backbreaking work for meager wages to fend for his wife and four children. Like many in his village, his limited education and lack of specialized skills made it difficult for him to find work in an ailing economy. In desperation, Zaman migrated to Iran in search of decent work, where life was still hard. Zaman found work at an interlock production company in Mashhad city, where the daily wages he earned were not sufficient to make ends meet. Dejected, he returned to his home village in Afghanistan.

Upon his return, Zaman learned about the Community Resilience and Livelihoods Project (CRLP) and joined 170 other community members in rehabilitating a recreational park in Park Jami Village in Herat. The project used the same interlock technology he had worked with in Iran and Zaman saw an opportunity to utilize the skills he had learned. With support from the private company

working on the site, Zaman installed an interlock machine and began training other laborers to produce interlocks for the park's pathways. He excelled in training, teaching practical techniques like creating designs, calculating material needs, and ensuring proper usage and handling of cement.

Recognizing his skills, a local interlock production company hired Zaman to train their workers in his spare time. As word of his expertise spread, he began receiving contracts for interlocking brick production. With the wages he earned, he saved enough to purchase his own professional tools and eventually started his own business. Today, Zaman runs a successful interlock production and installation company, employing five people. "My skills have transformed my life," he says with pride. "But more importantly, I am bringing positive change to my community."

Zaman is one example of how the cash-for-work model is a formidable tool for stimulating resilience in vulnerable communities. It is particularly effective in fragile, conflict, or post-conflict environments, empowering communities to rehabilitate their assets, learn skills, and also address their needs and those of their families. The CRLP project supported the improvement of four more parks and eight pedestrian walkways in the same city. In addition to creating jobs, the CRLP supported subprojects created the demand spurring five interlocks production companies in Herat City to reopen their plants and increase their operations.

Empowering Women Through Leadership and Entrepreneurship

Our business is growing and we will continue to empower women to become financially independent.

— Maryam Bibi (alias), women's representative, Mazar-e-Sharif City

Maryam Bibi (alias), 45, has become a beacon of empowerment in her community. As head of the then Community Development Council (CDC) and women's representative in District 23, Noor-e-Khuda in Mazar-e-Sharif City, Maryam has dedicated herself to improving the lives of women in her region.

Maryam's leadership was pivotal in the success of the Community Resilience and Livelihoods Project (CRLP) in her community. She played a crucial role in identifying vulnerable women who could benefit from the employment opportunities provided by the project. Working closely with the project team, Maryam helped ensure that the 17 women hired as laborers for the construction of the gravel surface road and side drainage were supported and empowered throughout the process.

This included the selection of culturally acceptable activities for the women. Maryam participated in community monitoring, ensuring that the women worked in a safe environment. The CRLP provided the women with appropriate protective gear and established channels for grievance reporting on any issues they may have faced in the project. The women received the same wages as their male counterparts, empowering them to support their families.

Under Maryam's guidance, the women involved in the project went on to pool their resources to start a tailoring business. "This project gave us an opportunity to be independent, to earn our own money, and to contribute to our families. It changed our lives," says one of the women involved.

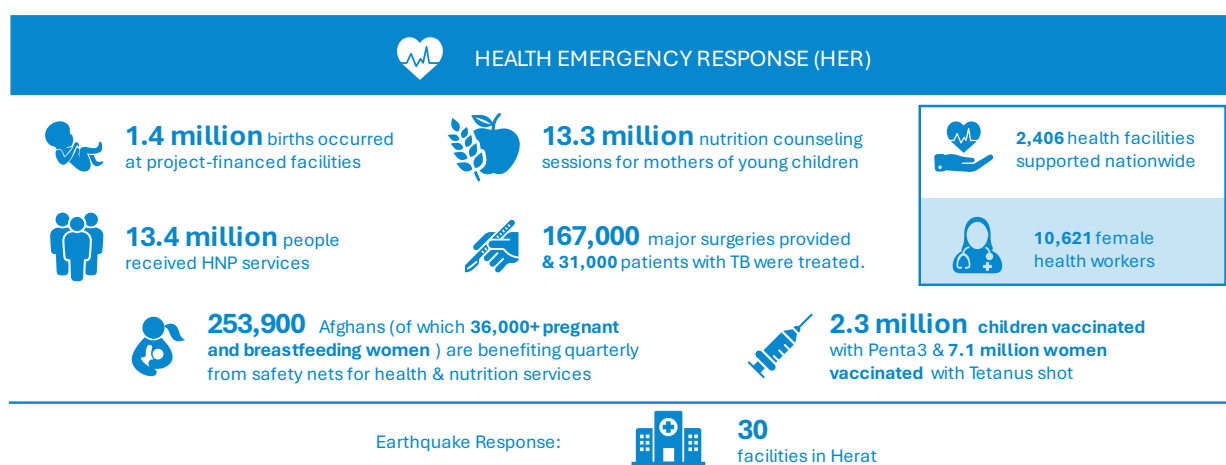
In the face of challenges such as limited access to markets and financial barriers, Maryam continued to support the women, helping them navigate the difficulties and grow their new business. The tailoring venture has flourished, with the women now earning an average of AFN2,000 per week. "Our business is growing and we will continue to empower women to become financially independent," Maryam, a mother of seven, says.

Maryam's role in her community has had a lasting impact. Through her efforts, the CRLP has not only provided income-earning opportunities but also inspired women to seek ways of economically empowering themselves. With Maryam's continued support, the women involved in the tailoring project are transforming their lives and the future of their community.

B. HEALTH EMERGENCY RESPONSE PROJECT

The development objective of the Health Emergency Response (HER) Project is to increase the utilization and quality of essential health and nutrition services in Afghanistan. This project builds upon the existing structure of the health system, such as the Basic Package of Health Services and Essential Package of Hospital Services, that had been put in place over the past 20 years. Capitalizing on the existing local institutions has ensured the resilience of the health system even at the most challenging times. Adapting to the changing environment, the project has supported delivery of resources to frontline services and a cost-effective package of life-saving interventions at an acceptable level of quality.

Figure 3. Key highlights of the Health Emergency Response Project



Since the project began its implementation in 2022, over 13.4 million people have received Health, Nutrition, and Population (HNP) services and about 13.3 million nutrition counselling sessions have been provided for mothers of young children. The project has also achieved immunization of some 2.3 million children. Nearly 1.4 million births have occurred at project-financed facilities and over 168,000 major surgeries¹ have taken place at these facilities. The total number of health facilities supported by the project reached almost 2,400 across the country.

In 2024, additional financing was approved for the HER project to support a new Maternal and Child Benefit Program (MCBP). The program has reached 253,900 Afghans so far, including approximately 36,000 pregnant and breastfeeding women and mothers of children under two, with quarterly safety net interventions such as cash transfers and nutrition awareness sessions.

¹ This is a cumulative number since July 2022, according to the ARTF TPMA. Please note that since January 2024, this indicator is reported in only 24 provinces as the scope of HER Additional Financing (AF1) was reduced to fund 1,664 health facilities in 24 provinces. The Asian Development Bank is financing the remaining 736 health facilities in 10 provinces.

Improving Access to Quality Health Care for Mothers and Children

Many members of the local community are poor. They can't afford to buy medicines from the private pharmacies. Here it's free, which makes a difference.

—Zeinab, patient, Mirbachakot District Hospital, Kabul Province

Zeinab is waiting for a routine vaccination at the Mirbachakot District Hospital in Kabul Province. “It makes things easier, having a hospital so close to home,” she says, “But more than that, the quality of the medicines here is very good; I can trust them.” She is one of many regular clients of the hospital who report satisfaction with the services they receive.

The hospital is one of 96 major hospitals run by United Nations Children’s Fund (UNICEF) that provide a broad range of specialized health services, with a particular focus on maternal and child health, routine malnutrition screening, and therapeutic feeding for severely malnourished youngsters. Under the World Bank-backed Health Emergency Response Project, UNICEF and the World Food Programme (WFP) work together to improve health outcomes for mothers and their young children across Afghanistan, including in the country’s most remote areas.

The Health Emergency Response Project, or HER for short, aims to deliver basic health care and hospital services in thousands of hospitals, clinics, and rural health posts in 24 provinces in north, east, and central Afghanistan. Every year, 14 million health and nutrition consultations take place in these facilities and 4 million women access antenatal and postnatal care.

For many Afghan families, affordability can be a critical factor in the decision to seek professional treatment. Finding money to pay for medication often means taking it away from other life essentials, including food. In a country where half of the children live in food poverty, this is a serious and widespread issue. To ensure people can access the care they need, services in HER facilities are free of charge at the point of use. “Many members of the local community are poor,” Zeinab says. “They can’t afford to buy medicines from the private pharmacies. Here at the hospital, it’s free, which makes a difference.”

UNICEF delivers health services and screening and treatment for severe malnutrition under HER and WFP complements these efforts to increase access to and utilization of nutrition and health services among mothers and children through the Maternal and Child Health Benefit Program (MCBP). The MCBP cash top-ups for 70,000 pregnant women and mothers with children under two years of age are intended to cover nutritious foods and expenses that prevent them from accessing care.

According to health personnel in MCBP districts, they are already seeing changes, with many women coming to health facilities for the first time. “At the clinic, I was informed about vaccination and nutrition for my baby,” says one mother participating in the MCBP who had recently taken her

baby for a checkup. At the health facility, she also received a Maternal and Child Health handbook, which will support recordkeeping of the services she and her baby receive.

As part of the MCBP, women and the men who accompany them to distributions, participate in health and nutrition information sessions. At every MCBP distribution site there are separate classrooms for men and women, where health education sessions are delivered separately by male and female facilitators. After the initial session alone, participants took away important points. “When the facilitator explained the signs of malnutrition, I realized my child was malnourished and that I needed to bring it immediately to the clinic,” says Amina, a mother who came with her husband and their youngest child to a distribution.

For others, messaging on the importance of nutritious food helped them determine groceries to purchase for their family. “I learned that with enough vegetables, cereals, pulses, and meat, I can keep my child healthy. The money I received today will help me buy the right food for my child,” says another mother before leaving a distribution site for the market.



Access to quality health care is a challenge for many families in Afghanistan, particularly those who live in remote areas. Photo: ©Mark Naftalin/UNICEF

Women and men receive important, culturally sensitive health and nutrition information that benefits the whole family. Photo: ©Mark Naftalin/UNICEF

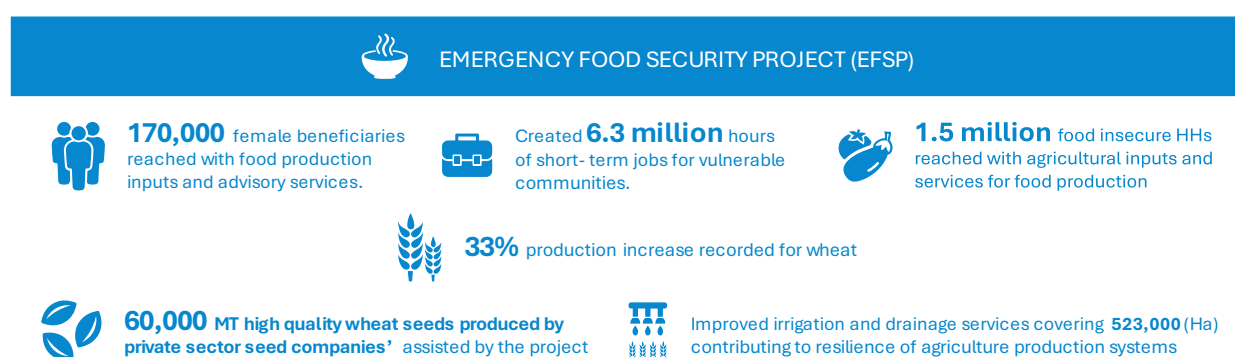


With thanks to UNICEF and WFP for the adaptation of this story.

C. EMERGENCY FOOD SECURITY PROJECT

The Emergency Food Security Project (EFSP) is continuing to make good progress toward its objective of building the resilience of agricultural production for target beneficiaries. To date, the project has contributed to ensuring food security for about 6.3 million people in highly food insecure areas of Afghanistan. This was achieved through providing essential agricultural inputs and services to restore agricultural production. The EFSP has exceeded its target of providing input packages (wheat seeds, fertilizers, and advisory services) to 1.5 million households, against a target of 1.4 million households, of which 300,000 households received inputs and services in 2024.

Figure 4. Key Highlights of the Emergency Food Security Project



To ensure availability of good quality wheat seeds locally, the EFSP provides technical support to private sector seed enterprises to maintain the production and marketing of high-quality seeds. This has enabled the total production of 90,000 metric tons (MTs) of high-quality seeds by privately owned seed companies, of which 60,000 MT was produced in 2024. This has ensured the availability of seeds necessary for farmers to produce essential food without missing a critical production season.

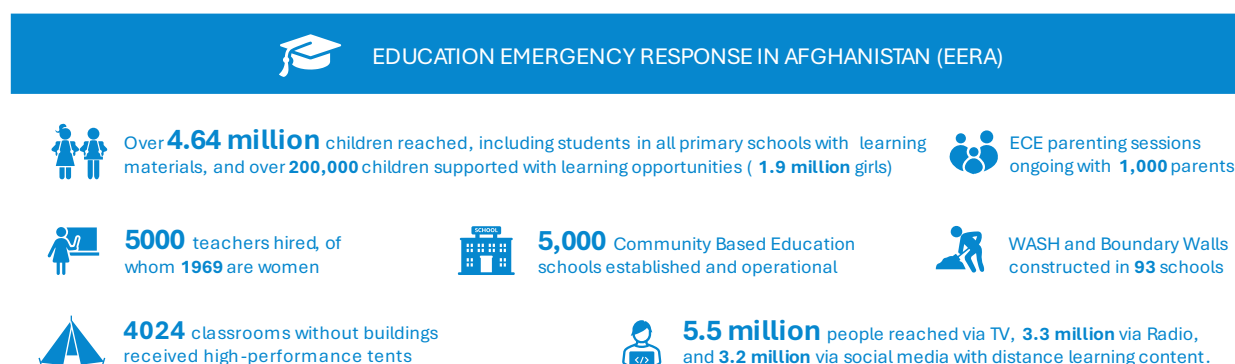
To address gender disparities in food production and the impact of food insecurity, the EFSP has so far supported 150,000 female-headed households producing vegetables in their backyards, ensuring the availability of nutritious food at the household level.

The EFSP is currently rolling out the provision of basic food processing facilities, targeting women beneficiaries to work within their households and earn income from value-added activities. Additionally, to improve access to water for food production, the project rehabilitated a total of 775 kilometers of irrigation canals, supported on-farm water management practices, constructed erosion control structures, and upgraded traditional water storage facilities. The irrigation and watershed rehabilitation activities created a total of 6.3 million hours of short-term jobs, of which 503,269 days were worked by women.

D. EDUCATION EMERGENCY RESPONSE IN AFGHANISTAN

The Education Emergency Response in Afghanistan (EERA) supports access to learning opportunities for girls and boys and improves learning conditions with a targeted approach to support Community Based Education (CBE) schools where girls make up a substantive portion of the students.

Figure 5. Key Highlights of the Education Emergency Response in Afghanistan



By the end of 2024, all targets of the parent EERA project were achieved. The project has reached over 4 million children, including every primary school-level student, with learning materials and supported more than 200,000 children (73 percent girls) with learning opportunities. EERA has also helped establish 5,000 CBE schools with 67 percent of girls enrolled. Under the project, 5,050 teachers (38 percent female teachers) were employed across CBE schools.

A multimedia distance education program was launched, reaching 5.5 million people via TV, 3.3 million via radio, and 3.2 million via social media. About 1,000 parents and caregivers received support and improved their early childhood development skills and practices. Through EERA, 4,000 high-performance tents were installed in selected schools, of which 10 were allocated to earthquake-affected areas in Herat Province. Water, sanitation, and hygiene (WASH) facilities were improved and boundary walls were constructed in 92 primary schools.

The education sector continues to be a challenging sector in preserving women's right to work in education as well as adolescent girls' right to education under the current environment. The requirement for international NGOs to transition their activities to local Afghan NGOs for sustainability also poses difficulty in smooth implementation on the ground.

E. NGO/CSO CAPACITY SUPPORT PROJECT

The NGO/CSO Capacity Support Project (NCCSP) was the first of the ARTF-funded projects, post August 2021, to be completed. At its closure on October 31, 2024, the NCCSP had met all its Project Development Objectives (PDOs) and surpassed the targets of other intermediary results framework objectives.

Figure 6. Key Highlights of the NGO/CSO Capacity Support Project



A five-pronged approach was utilized toward capacity strengthening: classroom-type training in 10 core areas; building capacity of the NGOs/CSOs in proposal preparation and submission; building capacity through implementation of a small subproject; on-the-job coaching and mentoring in five thematic areas; and specialized capacity building to NGO management personnel in areas such as gender-based violence, prevention of sexual exploitation and abuse, sexual harassment, grievance redress mechanism, and environmental and social issues.

A total of 4,760 personnel from 400 national and local NGOs/CSOs received training under 10 different modules related to NGO management and service delivery. Pre-training and post-training tests showed an increase of 60 percent of the scores in the latter, surpassing the target defined in the related PDO indicator. The subset of subgrantee organizations underwent further capacity building in the form of on-the-job training (OJT) in five thematic areas. Unlike the earlier 10 training modules that focused on individual personnel, the OJT focused on organizational capacity strengthening. The overall feedback from the beneficiary NGO personnel trainees was that the project's capacity building efforts significantly contributed to improving their knowledge and skills. Over 96 percent of the trainees reported satisfaction with the training, while over 93 percent of the management of these organizations reported improved staff performance resulting from them.

In total, 210 of the 400 NGOs/CSOs (including 91 women-led and 15 former CSOs) were provided with operational support subgrants, which aimed to allow continued operations of these small organizations and to further support capacity building through small subproject implementation. The subprojects benefited a reported 160,000 persons through activities related to health, education, agriculture, and livelihood. Monitoring reports indicate that the beneficiaries of the subprojects were

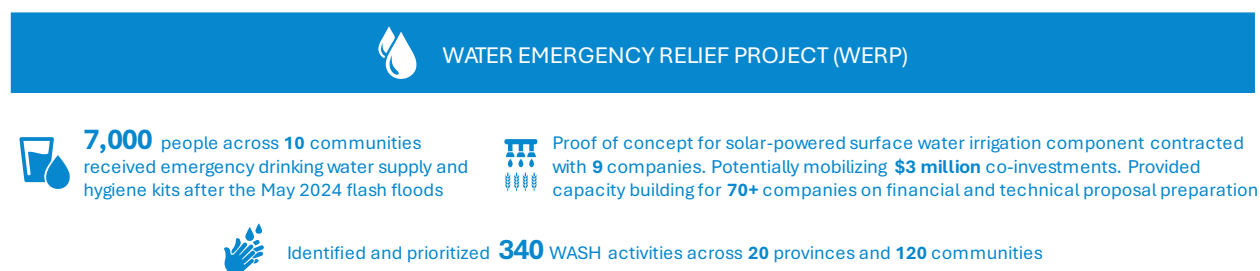
selected in a participative manner, including a significant percentage of women, and were satisfied with the subproject outputs and outcomes.

A platform established under the project has gone on to become the single largest NGO network in Afghanistan, providing a venue for coordination, collaboration, peer learning, and advocacy, and for conducting centralized and regional meetings on issues important to the NGO context in Afghanistan. Over 800 members have been registered, and more than 1,500 ongoing NGO activities have been listed in the platform's database. The platform has conducted two key advocacy events, one focused on what the NGO community can contribute toward climate resilience in the country and the second focused on the unique context of the humanitarian community in Afghanistan and how the platform could best serve it.

F. WATER EMERGENCY RELIEF PROJECT

The Water Emergency Relief Project (WERP) aims to improve access to safe drinking water and surface water irrigation sources in selected rural areas as water is critical to Afghanistan's economic recovery. This project also aims to leverage the private sector for solar pump systems via private sector energy service companies, prioritizing women-owned and women-employing companies.

Figure 7. Key Highlights of the Water Emergency Relief Project



WERP was approved on June 29, 2023, with a total funding of US\$100 million from the ARTF that runs through June 30, 2025. This project also marks the World Bank's first third party implementing partner with an international NGO in Afghanistan (to date, all grant recipients have been UN agencies) as one component of the project will be implemented by the Aga Khan Foundation. The project is also piloting an innovative solar-powered surface water irrigation market development effort through community-private partnership. The project, in its second year in 2024, is on track toward achieving all the PDO indicators meeting the ECA and regularly reporting on the UN Harmonized Monitoring and Reporting Indicators for Afghanistan Response. WERP has overcome start-up delays and is now ready to launch into full implementation.

For the rural water supply and sanitation component, 340 activities have been identified through community consultation and prioritization and 49 activities (15 percent) have started construction as of end of May 2025, all of which will be under construction by end of December 2025. In addition, this component provided emergency drinking water and sanitation kits to more than 7,000 people in three districts in Baghlan Province who suffered from the May 2024 flash flood.

For the solar-powered surface water irrigation pilot, more than 300 feasible sites have been identified, and more than 70 private services providers have been engaged and trained. For proof of concept, 12 contracts have been awarded, covering 1,155 hectares. Seven private sector service providers (one of them fully women-owned) have reached agreement with communities on service charges. Two additional fully women-owned companies have been qualified to bid for service contracts in the next round of call of proposals.



Emergency drinking water being delivered to community members in Baghlan Province by the Aga Khan Foundation under WERP following the flash floods in May 2024.

G. EMPOWERING MICROFINANCE AND ENTERPRISES FOR RESILIENCE AND GROWTH PROJECT

The Empowering Microfinance and Enterprises for Resilience and Growth Project (EMERGE) aims to foster private sector job creation, stimulate economic growth, and promote women’s economic empowerment, thereby paving the way for long-term resilience in Afghanistan’s economy. The PDO is to enhance the demand for and supply of finance for micro and small enterprises in Afghanistan, with a particular focus on women’s financial inclusion. The project is implemented by the Aga Khan Foundation Afghanistan and the Afghanistan Credit Guarantee Foundation through the Aga Khan Foundation USA.

Figure 8. Key Highlights of EMERGE Project



EMERGE is designed to revitalize microfinance providers and develop a strong pipeline of bankable micro and small enterprises. The project aims to support 35,500 businesses, with a particular focus on women-led enterprises, ultimately benefiting approximately 250,000 individuals. EMERGE provides micro and small business owners with business development services, affordable financing, and technical support. Additionally, it addresses solvency challenges in the microfinance sector through Capital Support Grants for three financially stressed microfinance institutions (MFIs). The project will also leverage community-led institutions, businesses, and networks to ensure effective implementation.

The project commenced implementation in April 2024 and has successfully adapted to regulatory changes in the microfinance sector as well as the emergence of new MFIs in the market. It has effectively collaborated with three MFIs to support the rebuilding of their balance sheets while continuing business development activities to create a pipeline of bankable enterprises, particularly those that generate jobs for women. The project remains on track for timely completion and meeting its outcomes.

Harnessing the Private Sector

Acknowledging the critical role of the private sector in service delivery, economic resilience, and sustainable job creation, the ARTF program is finding ways to harness the private sector and utilize its potential for delivering basic human needs. As a first step toward greater private sector involvement, ARTF projects are gradually increasing the localization (local content) of aid delivery.

Under the CRLP, 4,000 small and medium-scale businesses were provided with the opportunity to engage in small infrastructure works in urban areas. The project has also enabled participation of women-led private sector companies to participate in these works. One woman-led interlocking paving company in Herat, for instance, has successfully provided services for project completion and the ongoing operation of the business has expanded market access.

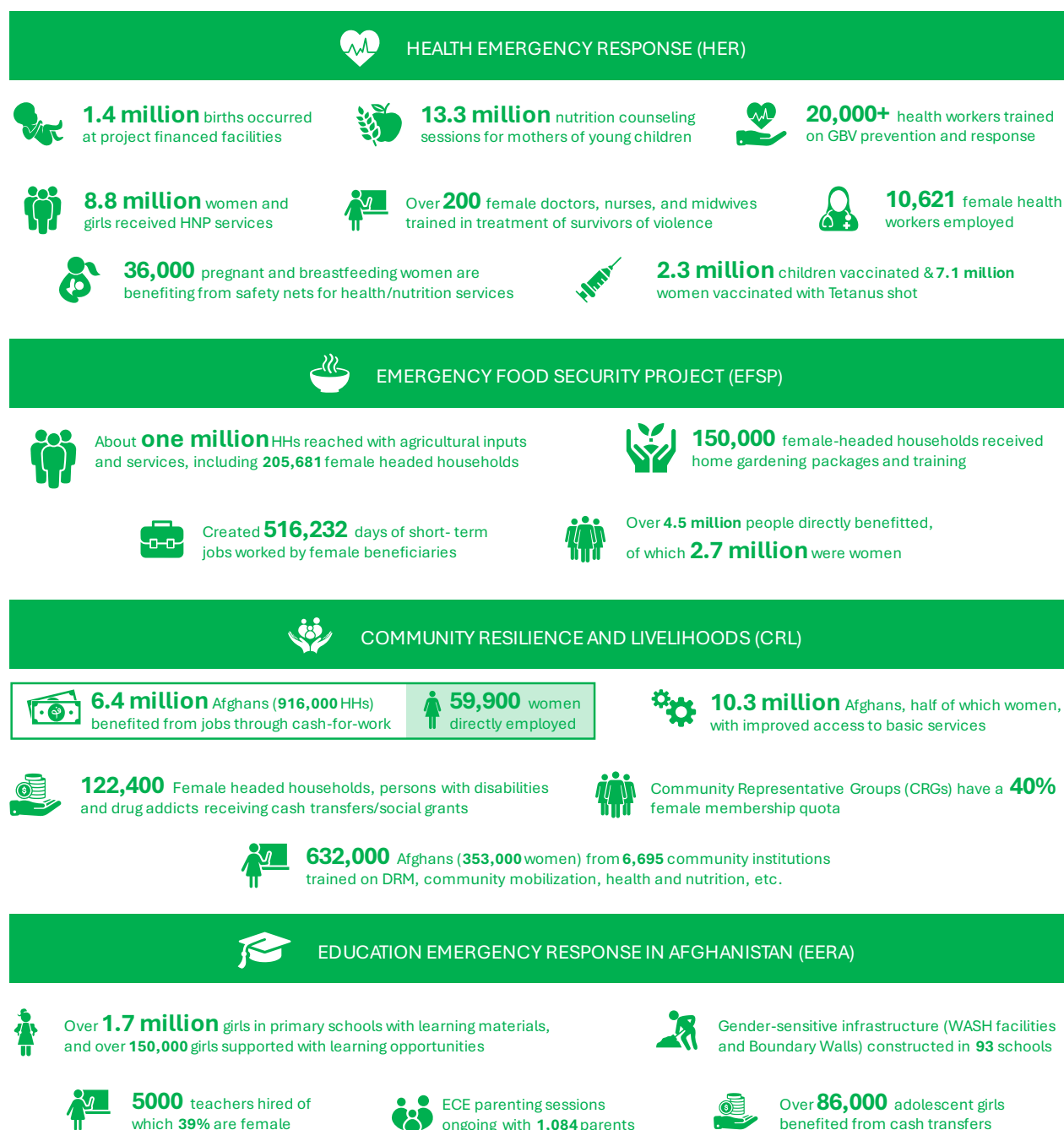
Another example, under the HER project, shows local procurement arrangements being put in place to create a sustainable medicine supply system utilizing the local private sector to ensure that a significant share of drugs is procured locally.

The EFSP provides strategic support to private sector seed enterprises, which helps maintain the supply of certified seeds of improved and adapted wheat varieties in the market. This initiative has ensured the survival of over 131 seed enterprises that might have otherwise collapsed following the political transition. Additionally, the project has enabled 95 private sector businesses and irrigation service providers (80 construction companies) to continue operating, thus creating short-term job opportunities for communities to work in locally established ventures in supplying goods and irrigation schemes supported by the project.

Similarly, WERP is providing capacity building support to more than 70 companies on preparing financial and technical proposals to bid for setting up solar-powered water pumping systems to supply water for irrigation needs in rural areas. Four private sector companies have been chosen thus far to execute the project, with additional opportunities anticipated to further develop and solidify the renewable energy market in Afghanistan.

Finally, under the EMERGE project, steps are being taken to improve the demand for and supply of finance for micro and small enterprises in Afghanistan, with a focus on women's financial inclusion. The project aims to create a pipeline of viable enterprises, link them with the formal financial system, and establish a Credit Viability Fund to support the growth of micro and small businesses in Afghanistan.

Figure 9. Reaching Women and Girls





NGO/CSO CAPACITY SUPPORT PROJECT (NCCSP)



2,077 women staff
in **400** NGOs trained



210 organizations provided subgrants (**43%**
women-led) benefiting over **250,000** people



Largest NGO network in the country with over
815 members and **15**-member secretariat.



10 modules for classroom trainings & **5** thematic areas for On-the-Job (OJTs),
including training on gender mainstreaming and prevention of SEAH



WATER EMERGENCY RELIEF PROJECT(WERP)



7,000 people across **10** communities received emergency drinking
water supply and hygiene kits after the May 2024 flash floods



9,675 women trained with water conservation
and WASH awareness campaign



1 of the 7 private energy services companies providing solar pump systems are women-owned



EMPOWERING MICROFINANCE AND ENTERPRISES FOR RESILIENCE AND GROWTH (EMERGE)



Financial literacy
training provided to:

1481 community-based savings schemes
(**77%** members are female)

278 MSME's – **85%** are female owned



6000 fresh microfinance loans – of which
40% are to female borrowers



219 SMEs made credit worthy through training
– **18%** of which are owned by women



Section III. Advisory Services, Implementation Support, and Technical Assistance - (ASIST) Window

In addition to the basic services projects on the ground, analytics supported by the ARTF have played a pivotal role in Afghanistan where official information and data have been extremely scarce.

Afghanistan Futures is the World Bank’s flagship program of analytical reports and research on the Afghan economy and society, aimed at informing international policy discussions as the global community considers how best to support the people of Afghanistan. The Afghanistan Futures Analytics includes the *Afghanistan Development Update* (ADU), published twice a year in spring and fall, and the *Afghanistan Economic Monitor* (AEM), issued monthly along with selected just-in-time (JIT) notes. In 2024, both editions of the ADU and all 12 issues of the AEM were published on time. Additionally, a JIT note on public expenditure was prepared and its findings were presented to international partners.

Table 1 summarizes the analytics published during 2024.

Table 1. Analytics Published in 2024

REPORT	DATE ISSUED	SUMMARY
<u>AFGHANISTAN DEVELOPMENT UPDATE (ADU)</u>	Semi-annual	The ADU is a semi-annual comprehensive report on the state of the Afghan economy. It covers recent economic developments and the medium-term outlook for Afghanistan. Each edition includes Special Focus sections that provide in-depth analysis of specific topics. The ADU is intended for a wide audience, including policymakers, donor community, private sector, and analysts and professionals engaged in Afghanistan’s economy.

<u>AFGHANISTAN ECONOMIC MONITOR (AEM)</u>	Monthly	The AEM provides a monthly summary of the latest economic developments and key indicators. Drawing on a range of data sources—including real-time data collection by the World Bank—the AEM offers up-to-date insights on trends in prices, exchange rates, trade flows, and revenue collection by the Interim Taliban Administration.
<u>JUST-IN-TIME (JIT) NOTES</u>	Demand driven	The JIT notes are analytical reports prepared in response to specific demands. Like the special focus sections of the ADU, they provide in-depth analysis on selected issues, but follow no fixed schedule or standard format. Their audience is flexible and can include policymakers, donor community, private sector, and analysts or professionals engaged in Afghanistan's economy. In 2024 one JIT note, the Afghanistan Public Expenditure Analysis: Trends and Scenarios for reducing Off-Budget Transfers, was prepared and disseminated.
<u>AFGHAN RETURNEES RAPID NEEDS ASSESSMENT (ARRNA)</u>	May 2024	ARRNA identifies the needs and backgrounds of current and potential Afghan returnees from Pakistan. The assessment builds on an extensive collaboration between the World Bank, United Nations High Commissioner for Refugees, and International Organization for Migration. It is being used to inform the response on the ground along the humanitarian-development nexus.

Decoding Economy Dynamics through Nighttime Lights

An innovative study financed under the ASIST Window used nighttime lights to examine the evolution of economic activity in Afghanistan. Afghanistan has undergone a significant and rapid shift in its economic landscape since 2001. International spending in the security sector stopped, foreign military forces left, and sanctions imposed a drag on economic activity. Indeed, official data indicate a sharp contraction: Afghanistan's gross domestic product (GDP) fell by over 20 percent in 2021 and, despite a slight recovery in 2023, remains nearly one-quarter smaller than in 2020.

Yet, if we look at satellite data on nighttime lights as a proxy for economic activity, a surprisingly different picture emerges. By stripping out the artificial brightness of military installations that

once dominated Afghanistan's landscape, this analysis offers a view of the civilian economy in the aftermath of the 2021 regime change, revealing a much more resilient economy than official GDP numbers suggest and where regions outside the traditional economic centers are enjoying a "no-conflict dividend."

Not all lights shine the same

Nighttime light data have long been used by economists and others as a proxy for economic activity, especially in places where conventional data are scarce or unreliable. The principle is simple: where there is light, some sort of (direct or indirect) economic activity is taking place. This is particularly true for urban centers and industrial hubs, where nightlights reflect bustling markets, factories, and infrastructure.

This analysis of Afghanistan's post-2021 economy through nighttime lights takes into account the large role foreign military forces played in shaping the country's nighttime glow. At the height of international military presence in the years around 2012, bases and military installations accounted for as much as 30 percent of the country's night-lights. These bases not only brought artificial light, they also contributed to local economies through security spending, the acquisition of goods and services, and infrastructure development. However, foreign military bases were set to shut down in late 2021, at a time when they still produced about 18 percent of all lights in the country.

The pre-planned nature of the shutdown of foreign bases is important since it implies that (1) Afghanistan's luminosity would have dimmed independently of the political and economic disruptions of 2021, and (2) to understand the evolution of the economy in the country, lights from civilian sources represent a better benchmark.

Results show that, in fact, in 2022 total lights in Afghanistan dropped by 22.6 percent compared with the previous year. At first glance, this decline seemed to reflect the broader economic collapse predicted by traditional metrics of economic activity. However, upon closer inspection, it becomes clear that much of this dimming was the result of military base closures. After adjusting the data to remove the influence of military lights, luminosity data uncovered a trend where civilian nighttime lights—the lights that reflect local economic activity—experienced a smaller contraction following the 2021 economic dislocation.

Civilian lights shine brighter: Afghanistan is much brighter today than in 2020

Civilian lights show a country that, as of 2023, is 10.5 percent brighter than it was in 2020. The discrepancy between GDP and nighttime lights is especially stark: while the national accounts point to an economy that remains one-quarter smaller, the growth in civilian luminosity paints a picture of nascent recovery, especially in areas previously most heavily affected by violence.

Nighttime lights are better suited to capture informal economic activity and provide a highly detailed view of where economic activity is happening. They help us understand the reasons behind the economic recovery that are not fully captured in official data sources—the informal sectors and small-scale trade that represents up to 72 percent of the economy (World Bank, 2005;

SIGAR, 2018). Moreover, Afghanistan has never produced GDP data other than at the national level; therefore, nighttime lights offer a more granular view of economic activity at the subnational level.

What's driving recovery?

Civilian nighttime lights reveal a geographic shift in Afghanistan's economic activity. While Kabul remains the country's most important economic hub, its share of national luminosity dropped from 31 percent in 2020 to just 26 percent in 2023. The reduction in active conflict has also played a significant role in the redistribution of economic activity. Civilian lights suggest a "no-conflict dividend," which is most pronounced in previously contested regions that now have the opportunity to realize part of their economic potential.

Other indicators mirror the positive trend in civilian lights. Trade data show exports have doubled since 2020, while imports have risen by about 25 percent. Meanwhile, signs of recovery also emerge from household survey analysis. Despite the rapid deterioration of welfare in the months that followed the regime change, with 70 percent of the population lacking enough income to satisfy basic needs, evidence shows welfare bounced back to its 2021 levels, with poverty hovering again at around 50 percent.

A call for better data

The divergence between official GDP data and nighttime lights highlights the limitations of Afghanistan's national accounts system. The current GDP estimates are based on an economic structure from 2016, which does not accurately reflect the changes in the economy since 2021. For one, opportunities in the formal sector have decreased, while the geographic distribution of economic activity has shifted away from the capital. These two forces have moved economic activity away from the sectors and locations that national accounts are best suited to capture.

Improving the accuracy of Afghanistan's economic data will require updating the national accounts to better reflect current realities. This includes creating new sampling frames for firms and households as well as incorporating data from informal sectors and rural areas. Without these updates, the national accounts will continue to underreport economic activity and give an overly pessimistic view of the nature and scale of economic recovery.

What the future holds

This recovery, however, is fragile. The growth in civilian luminosity, the rise of new economic hubs, and the persistence of trade all point to an economy that is finding ways to survive, and even thrive, in the face of immense challenges.

The sustainability of Afghanistan's economic growth will depend on several factors, including the continuation of trade and gaining access to global markets; the stability of the political and security situation; improvements in human capital, infrastructure, and business development; and the future of international aid. Most importantly, Afghanistan's long-term economic health depends on the ability of women to invest in their human capital and participate in productive and rewarding activity.

As the people of Afghanistan continue to adjust to new political and economic realities, the insights offered by alternative data sources like nighttime lights shed light on new opportunities to support the Afghan people.

Sources: Barriga Cabanillas, Oscar, Walker Kosmidou-Bradley, Silvia Redaelli, Eigo Tateishi, Ivo Teruggi. 2024. “Afghanistan’s New Economic Landscape. Using Nighttime Lights to Understand the Civilian Economy after 2021” Policy Research Working Paper 10969, World Bank, Washington, DC; World Bank, 2005; SIGAR, 2018

AFGHANISTAN GENDER AND SOCIAL INCLUSION PLATFORM

The Afghanistan Gender and Social Inclusion Platform (GSIP) is a long-term initiative aimed at enhancing the focus on gender and social inclusion in the World Bank's activities in Afghanistan. Since the transition in 2021, the GSIP has focused on ensuring the portfolio delivers “by women for women and girls,” including by supporting projects to design gender interventions and monitor compliance with project ECA, with sexual exploitation and abuse/sexual harassment (SEA/SH) risk management and incident reporting and response. In 2024, the GSIP:

- **Supported operations with gender-sensitive design and targets.** This is to ensure effective inclusion of women and girls in core services and livelihood activities, despite the context. Additional financing (AF) was supported for three projects in 2024: HER, EERA, and EFSP. The GSIP regularly reviews all pipeline projects and additional financing and offers advisory support to task teams on gender inclusion and targeting.
- **Began development of an Afghanistan Gender Strategy.** The strategy aims to provide a menu of options for gender interventions to inform current and future operations in the portfolio. The strategy will be delivered by the end of June 2025 and will consult ARTF donors and partners.
- **Conducted a follow-up study of women’s self-help groups and community-based savings groups.** This rapid qualitative study assessed what happened to groups created under previous World Bank-supported projects (women’s savings groups, self-help groups, and mixed gender groups/cooperatives) since the Taliban takeover in 2021. The objective was to understand if these groups were still functioning, how they had pivoted since 2021, and if they continued to be a good entry point for improving community-based grievance redress mechanisms across the portfolio as well as for future women’s economic empowerment interventions, such as targeting support for micro, small, and medium enterprises. This activity directly informed the Afghanistan Gender Strategy.

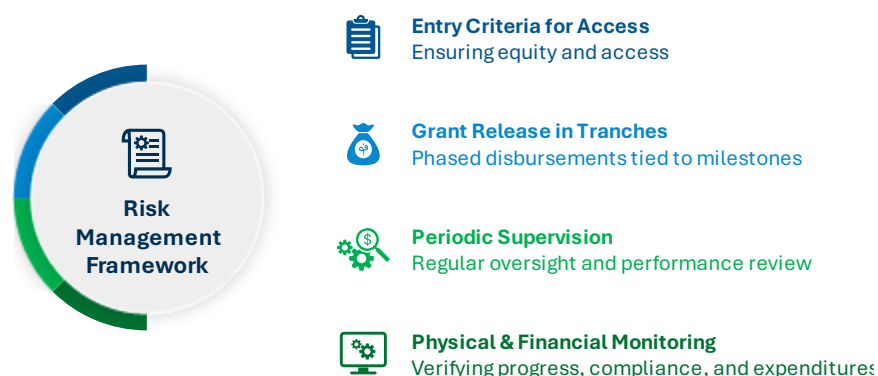
- Conducted a gender, social inclusion, and citizen engagement (GESICE) portfolio review.**
 This internal, rapid review of the projects in the portfolio assessed the quality of gender, inclusion, and citizen engagement. The review yielded a rating and recommendations for each project to improve on GESICE, which have informed the support provided by the GSIP to additional financing prepared in 2024.
- Established a social inclusion diagnostic.** An overview dataset was created based on analysis of the Multiple Indicator Cluster Survey, Afghanistan Welfare Monitoring Survey, and other data for key social inclusion indicators with disaggregation for gender and vulnerable/marginalized groups. The diagnostic dataset flags key entry points for improved inclusion of vulnerable and marginalized groups through the Environmental and Social Framework (ESF) and in future additional financing and operations. This has informed guidance to task teams on gender and inclusion in additional financing preparation in 2024 and is informing preparation of the Afghanistan Gender Strategy.
- Ensured effective SEA/SH risk management and incident response across the portfolio.**
 Given the exceedingly high risk of gender-based violence (GBV) in Afghanistan and the lack of available GBV services, the GSIP provides support to all projects and implementing agencies on the effective management of SEA/SH risks through the development and implementation of SEA/SH action plans. The GSIP also manages SEA/SH risk reporting and response by UN agencies, including providing training on the World Bank's ESF requirements to all implementing partners.



Section IV. Anti-Corruption and Results Monitoring Action Program (ACReMAP) Window

In the context of persistent challenges, including economic instability, the reduction of humanitarian aid, the effects of climate change, and the constraints imposed by ITA decrees on monitoring and women's participation, the ARTF risk management framework has consistently provided adequate assurance during the year. In collaboration with implementing agencies, innovative monitoring frameworks and tools have also been established to enhance the physical and financial oversight of projects in the forthcoming phase of additional financing.

Figure 10. Risk Management Framework



The World Bank has corporate agreements with UN organizations, specifically the Financial Management Framework Agreement (FMFA) and the Fiduciary Principles Accord (FPA). Based on these agreements, the World Bank relies on the systems of the respective UN organizations for project implementation, risk management, monitoring and evaluation, and fiduciary assurance. However, due to the unique and high-risk conditions in Afghanistan, the World Bank has arranged enhanced fiduciary and monitoring frameworks with UN agencies for projects funded by the ARTF. These frameworks are specific to each project and the responsible UN agency, as detailed in the corresponding Project Appraisal Documents that specify project designs.

Entry Criteria for Access

Every ARTF-financed project includes the ECA to promote fair access to services for women and girls as a principled approach. The project implementing agencies provide regular updates on adherence to the ECA. The ARTF Monitoring Agent (MA) conducts regular monitoring and communicates the

results to the World Bank and relevant implementing agencies. In case of noncompliance, a consultation process is initiated to develop a mitigation strategy, including the potential suspension of project activity in affected areas.

During 2024, the ARTF MA found strong compliance with the ECA across the portfolio. For EERA, ECA 1 (Equitable Access) demonstrated that 99 percent of public schools (2,010 out of 2,028) were operational, with 59 percent (1,197 schools) having female students present. CBE centers reported a 98 percent operational rate, with 88 percent female attendees. ECA 2 (Curriculum) compliance was confirmed, as core subject teaching hours remained largely unchanged. For the CRLP, 92 percent of CRGs met ECA 1 requirements for representation and effective targeting. ECA 2, which mandates a minimum of 40 percent female representation, was also achieved by 92 percent of CRGs, with 84 percent meeting both criteria. In HER, ECA 1 revealed no announced restriction on the provision to women and girls of the health and nutrition services included in the BPHS and EPHS. ECA 2 – no announced restriction on female healthcare and nutrition workers being allowed to work in health facilities and in communities – was also met, with 97 percent of nutrition counselors and 50 percent of Community Health Workers being women. ECA 3 revealed no restrictions for women benefitting from cash transfers and nutrition awareness sessions.

Grant Release in Tranches

The World Bank, for the first time, has negotiated with UN agencies the release of ARTF grant proceeds in tranches by signing multiple financing agreements for each project. The World Bank conducts an appraisal of the project's overall value and signs a grant agreement for the initial tranche amount. After six months of project implementation, a review is conducted with the ARTF implementing partners to assess progress and ensure compliance with the ECA. The release of the second tranche and any increase in the grant amount are based on satisfactory progress and adherence to the agreed-upon ECA. The approach has been taken to carefully manage projects in an evolving environment. In 2024, the World Bank was able to disburse planned tranches of US\$87 million to UNICEF and US\$30 million to the Food and Agriculture Organization based on satisfactory progress.

Periodic Supervision

The World Bank increased the frequency of monitoring by conducting quarterly instead of semi-annual implementation support missions. This higher frequency aims to effectively manage performance and mitigate risks. The objectives of these missions are to (1) assess the progress and accomplishment of the PDO and intermediate indicators; (2) offer advice to resolve any implementation challenges that may arise; (3) provide technical support regarding implementation, achievement of results, and capacity development; and (4) discuss pertinent risks and measures to mitigate them.

Given the corresponding elevated risks, the World Bank's role in monitoring and evaluation includes not only quantifying project outcomes but also extracting valuable insights and formulating

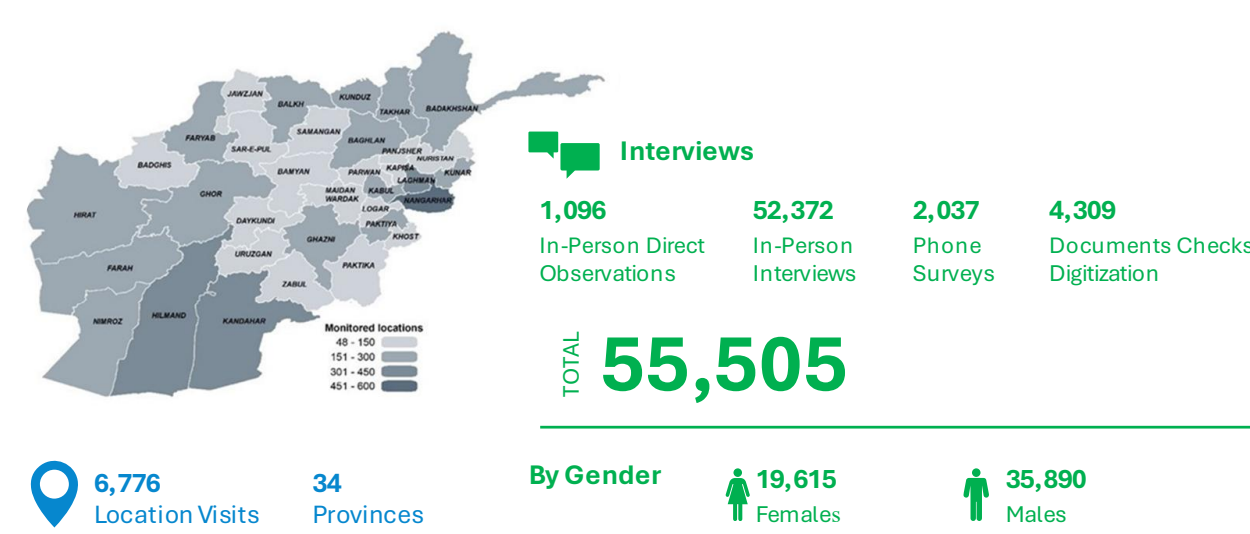
recommendations to improve project effectiveness and future donor interventions. Additionally, when necessary, the World Bank team has held careful engagements with ITA technical staff, with the consent of management.

Physical and Financial Monitoring

The ARTF MA determines the eligibility of expenditure incurred under different projects and verifies that project implementation aligns with the funding provided. Under this arrangement, the ARTF MA conducts detailed monitoring of activities, processes, outputs, Harmonized Approach to Cash Transfer (HACT) audits, validation of project expenditure, assessment of internal controls, and compliance with grant agreements and approved policies and procedures. The ARTF MA assesses project performance against objectives through comprehensive process monitoring, beneficiary verification, infrastructure assessments, and validation of documentation. Additionally, the MA monitors compliance with Environmental and Social Standards (ESS) and ECA in accordance with applicable standards and guidelines.

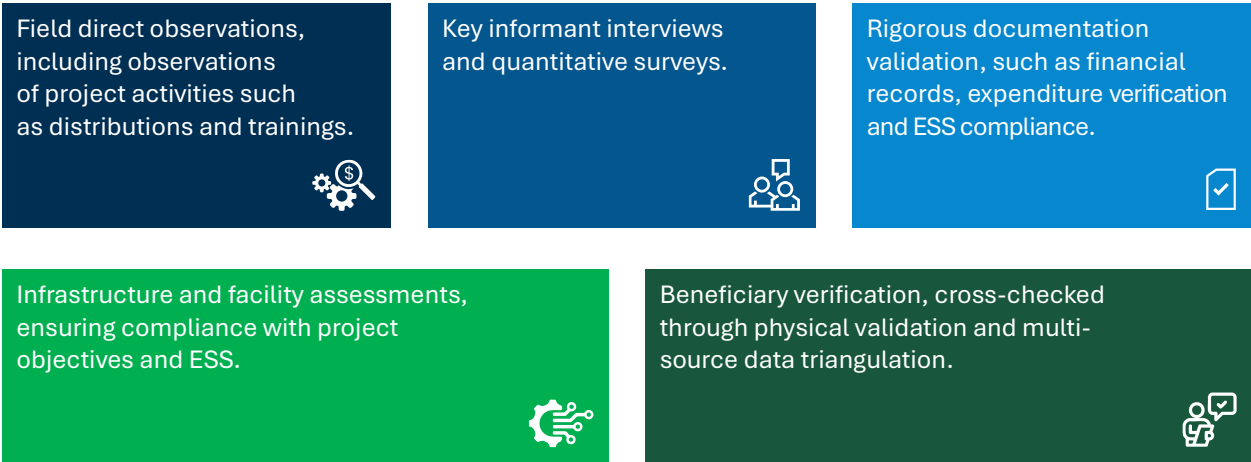
The ARTF MA is prohibited from examining the financial records of the UN agencies due to FMFA and FPA regulations. However, the ARTF MA is responsible for conducting comprehensive financial assessments, reviews, or audits of implementing/facilitating partners employed by UN agencies for project implementation. Specific terms of reference and monitoring protocols have been established for individual projects and the ARTF MA adheres to these guidelines during monitoring. It is essential to note that the utilization of a monitoring agent appointed by the World Bank/ARTF to oversee projects executed by UN agencies is a practice unique to Afghanistan. In contrast, in other countries, the UN agencies engage third-party monitors for projects financed by the World Bank.

Map 1. Physical Monitoring Activities of the ARTF Monitoring Agent in 2024



Source: Generated by the ARTF Third-Party Monitoring project monitoring database.

Figure 11: ARTF MA Monitoring Approach



Across the portfolio, the ARTF MA captured findings in key implementation themes, including financial expenditure verification, beneficiary verification, distribution monitoring, infrastructure assessments as well as ECA and ESS compliance. In 2024, financial monitoring (FM) involved an extensive review of expenditures amounting to US\$215 million associated with ongoing projects, during which financial irregularities and questionable expenditures totaling US\$1.43 million were identified. In the context of physical monitoring (PM), the ARTF MA undertook site visits to 6,776 locations, thus ensuring coverage across all districts of Afghanistan over the course of the year. Additionally, the ARTF MA conducted 55,505 interviews as part of PM, which included responses from 19,615 female participants, thereby enhancing the representativeness of the data collected. Table 2 provides a snapshot of 2024 monitoring activities.

Table 2. A Snapshot of Monitoring Activities in 2024

Project	Implementing Agency	Status of Monitoring 2024
 Community Resilience and Livelihoods Project (CRLP)	United Nations Office for Project Services (UNOPS)	PM: Monitoring of the CRLP under the parent project was completed in 2024 and the preparation of new tools adapted for the additional financing were finalized. FM: Implementing Partner’s (IP) expenditure incurred in Q2 and Q3 2024 totaling US\$60 million was reviewed and reported in 2024. The review of Q4 2024 expenditure amounting to US\$52.3 million was ongoing and will be reported in 2025.
 Education Emergency Response	United Nations Children’s Fund (UNICEF)	PM: Monitoring for the current financing was completed and access negotiations for the additional financing period in 2025 were ongoing. FM: All testing for 2023 expenditure was completed in 2024, and 14 of the Harmonized Approach to Cash

Project	Implementing Agency	Status of Monitoring 2024
in Afghanistan (EERA)		Transfer (HACT) audit reports were submitted in early 2025.
 Emergency Food Security Project (EFSP)	Food and Agriculture Organization (FAO)	PM: Infrastructure midline and endline assessments for cash-for-work projects were completed. Beneficiary verification for wheat distribution was completed and post-distribution monitoring for wheat distribution was partially completed. FM: Review of Q1 to Q3 2023 expenditure was completed in 2024. Q4 2023 and Q1 2024 were in the process of being finalized by the end of 2024 and will be reported in 2025.
 Health Emergency Response (HER)	United Nations Children's Fund (UNICEF)	PM: ARTF MA provided ESS monitoring, reverification of Q3 and Q4 2023 and the Quantified Quality Metric qualitative study were completed. Study tool design and mobilization activities were completed for the two ad-hoc studies. UNICEF Third Party Monitor completed three rounds of facility-based (n=~1,200 facilities total) and population-based (n=~64,000 patients total) surveys to assess health and nutrition service delivery and quality. FM: 28 HACT audits were completed and reported on in 2024, with three audits ongoing at the end of 2024, which will be reported in 2025.
 Maternal and Child Benefit Program (MCBP) component of HER	World Food Programme (WFP)	PM: Three rounds of direct observations and post-distribution monitoring were completed in at least half of the target locations. Census data collection was also completed. Baseline data collection for impact evaluation has been completed. FM: Revalidation of the WFP Third-Party Monitoring Agent monitoring results for Q1 2024 was ongoing at the end of 2024 and will be reported in 2025.
 NGO/CSO Capacity Support Project (NCCSP)	United Nations Development Programme (UNDP)	PM: Data collection completed. FM: Review of expenditure reported by 21 NGOs relating to US\$50,000 disbursed to each NGO was ongoing at the end of 2024.
 Water Emergency Relief Project (WERP)	UNOPS and Aga Khan Foundation (AKF)	PM: Monitoring for training observations was ongoing, and access was being negotiated for further components. FM: Review of expenditure reported by one IP in the period Q3 2023 to end of Q1 2024 was completed in 2024. Fieldwork was completed for Q2 2024 expenditure, which will be reported in 2025.



Section V. Partner Coordination

The ARTF governance structure, comprising the Strategy Group, Management Committee, and Steering Committee, continues to play an important role in coordinating and collaborating with donors and other funding streams in Afghanistan (Asian Development Bank [ADB], Islamic Development Bank, and Special Trust Fund for Afghanistan administered by the United Nations Assistance Mission in Afghanistan). During 2024, the ARTF Administrator convened a total of 11 Strategy Group meetings, four Management Committee meetings, and one Steering Committee meeting. A summary of the ARTF governance meetings held in 2024 is provided below.

ARTF Strategy Group meetings

(11 meetings were held in 2024)

Table 3. 1. ARTF Strategy Group Meetings, 2024

Date	Discussion Topic
January 11	Empowering Microfinance and Enterprises for Resilience and Growth (EMERGe) Project
February 22	Update on Board discussion on Approach 3.0 and preparation of the upcoming ARTF Steering Committee meeting
March 5	Portfolio Review and ARTF program-level Theory of Change and Results Framework
April 8	Additional Financing to Education Emergency Response in Afghanistan Project (EERA)
April 25	Technical Discussion on Theory of Change/Results Framework
April 30	Additional Financing to the Education Emergency Response in Afghanistan Project (EERA)
June 27	Overview and update from World Bank Integrity Vice Presidency staff
September 12	Second Additional Financing to the Health Emergency Response Project (HER)
October 1	Update on the Current Operating Environment, Financial Status, Operations, Results, and Pipeline
November 7	Second Additional Financing to the Emergency Food Security Project (EFSP)
December 12	Presentation and Discussion of the December 2024 Afghanistan Development Update

ARTF Management Committee meetings

(Four meetings were held in 2024)

Table 3. 2. ARTF Management Committee Meetings, 2024

Date	Discussion Topic
January 17	US\$100 million in Additional Financing to the Emergency Food Security Project and US\$70 million in Additional Financing to the Community Resilience and Livelihoods Project (Investment Window)
March 12	US\$16 million to the Empowering Microfinance and Enterprises for Resilience and Growth in Afghanistan Project (Investment Window)
May 14	US\$25 million in Additional Financing to the Education Emergency Response in Afghanistan Project (Investment Window)
November 6	US\$66 million in Second Additional Financing to the Health Emergency Response in Afghanistan Project (Investment Window)

ARTF Steering Committee decision

(One decision was taken virtually in 2024)

Table 3. 3. ARTF Steering Committee Decisions

Date	Decision Taken
February 27	A decision, based on <i>absence of objection</i> , was taken to extend the ARTF end disbursement date to June 30, 2028 (end date of IDA-21 cycle).



Section VI. 2024 Financial Report

This section provides an overview of ARTF resources, donor contributions, commitments, and disbursements during the reporting period.

Sources and Uses of Funds

Table 4 presents sources and uses of funds for calendar year (CY) 2024² compared with the prior eight years—three years under the Financing Program FY1394–FY1396 (roughly equivalent to CY2015–CY2017), three years under the Partnership Framework and Financing Program FY1397–FY1399 (CY2018–CY2020) and the three immediate prior years that are in an off-financing strategy cycle because of the ITA’s control.

The **Sources of Funds** are net donor contributions, investment income less administration fees, and the cash balance carried forward from the previous year. CY2024 started with a cash balance of US\$674.70 million that included (a) US\$171.97 million of commitments and (b) US\$502.72 million unallocated cash balance.

The **Uses of Funds** are net of actual disbursements and commitments under the three active³ ARTF windows (Investment Window, ASIST Window, and ACRéMAP Window). As of December 31, 2024, the cash balance stood at US\$445.48 million comprising (a) the combined undisbursed balance of the ARTF active investment portfolio of US\$168.02 million; (b) US\$0.34 million combined undisbursed balance of the ASIST Window; and (c) US\$6.63 million reserved for the ACRéMAP Window, leaving a net unallocated cash balance of US\$270.49 million. Of the US\$270.49 million balance, the following allocations were planned for further commitments:

- Health Emergency Response (US\$10 million)
- Health Emergency Response Project Second Additional Financing (US\$66 million)
- Emergency Food Security Project (US\$30 million)
- Education Emergency Response in Afghanistan Project Additional Financing (US\$25 million)
- Risk management activities under the ACRéMAP Window (US\$11 million)
- Analytics under the ASIST Window (US\$1.55 million)

² The Afghan Solar fiscal year runs from December 22 to December 21 (in most years). The calendar year (CY) refers to the January–December cycle.

³ The Recurrent Cost Window ceased being active from August 2021.

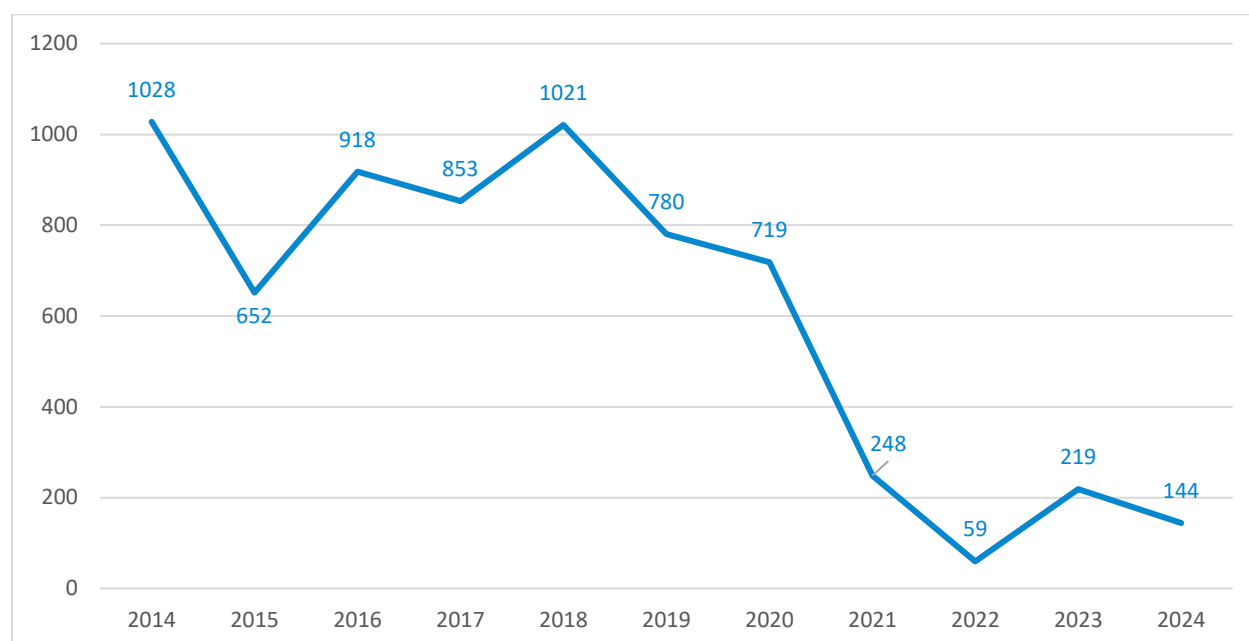
Table 4. CY2024 Sources and Uses of Funds Comparison with Last Two Financing Periods, as of December 31, 2024 (US\$, millions)

SOURCES AND USES OF FUNDS	Financing Program FY1394-1396			PFFP 2018-2020			PFFP II 2021-2024			
	FY 1394	FY 1395	FY 1396	FY 1397	FY 1398	FY 1399	FY 1400	FY 1401	FY 1402	CY 2024
SOURCES OF FUNDS (A+B)										
A. Net Donors Contributions (A1-A2+A3)	643.26	906.53	840.44	1011.63	789.28	718.16	244.08	55.23	254.12	165.31
A.1. Donors Contributions	651.50	917.92	853.05	1021.10	780.38	718.63	248.41	59.40	218.77	144.28
A.2. Admin fees minus Investment Income	8.23	11.39	12.61	9.47	-8.90	0.46	8.32	4.17	-35.35	-21.03
A.3. Refund of Ineligible Expenditure	0.00	0.00	0.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00
B. Cash Carried-Over (=D previous year)	1677.88	1482.90	1502.70	1398.32	1358.23	1480.74	1450.33	1259.75	970.51	674.70
USES OF FUNDS (C+D)										
C. Disbursements (C1+C2+C3+C4+C6+C7+C8+C9)	838.24	886.73	944.82	1051.72	666.77	748.58	434.66	344.47	549.93	394.53
C.1. Recurrent Window - Disbursed by DAB ²	435.69	469.86	457.46	385.07	9.53	66.06	0.00	0.00	0.00	0.00
• Wages	125.00	100.00	75.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
• O&M	33.60	0.00	0.00	0.00	0.00	50.00	0.00	0.00	0.00	0.00
• Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
• IP (Incentive Program)	93.60	244.20	235.68	225.83	0.00	0.00	0.00	0.00	0.00	0.00
• AHP (Ad Hoc Payments)	183.49	125.66	146.78	159.24	9.53	16.06	0.00	0.00	0.00	0.00
C.2. Investment Window	394.69	401.98	476.25	555.94	345.23	445.98	135.15	328.69	537.54	383.38
C.3. Pass-through to LOTFA (UNDP Police)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C.4. Fees to monitoring agent	7.86	13.37	8.10	9.40	9.45	7.13	0.00	0.00	0.00	0.00
C.5. Research and Analysis Program	0.00	1.51	3.01	1.09	0.04	0.00	0.00	0.00	0.00	0.00
C.6. ASIST Window	0.00	0.00	0.00	0.22	1.96	1.04	0.41	0.24	1.01	1.21
C.7. ACRReMAP Window ³	0.00	0.00	0.00	0.00	0.55	8.37	19.11	15.54	11.39	11.62
C.8. Recurrent Cost Window (FSF & IP DPG)	0.00	0.00	0.00	100.00	300.00	220.00	0.00	0.00	0.00	0.00
C.9. Transfer out Window	0.00	0.00	0.00	0.00	0.00	0.00	280.00	0.00	0.00	-1.68
D. Cash Balance (end-of-period) (A+B-C=D1+D2)	1482.90	1502.70	1398.32	1358.23	1480.74	1450.33	1259.75	970.51	674.70	445.48
D.1. Committed Cash Balance (end of period):	1129.89	1015.79	951.40	999.21	724.87	902.68	887.36	246.59	171.97	174.99
• to Recurrent Window special account	50.00	50.00	50.00	50.00	50.00	0.00	0.00	0.00	0.00	0.00
• to Recurrent Window Trust Fund	151.75	51.88	84.42	11.35	1.82	0.00	0.00	0.00	0.00	0.00
• undisbursed Investment Window balance	897.74	890.45	793.63	920.36	654.73	865.30	876.65	221.94	158.40	168.02
• to Monitoring Agent	30.25	20.08	22.15	12.75	12.30	5.17	0.00	0.00	0.00	0.00
• to Research and Analysis Program	0.15	3.38	1.19	0.31	0.00	0.00	0.00	0.00	0.00	0.00
• to ASIST Window	0.00	0.00	0.00	3.94	3.33	3.13	1.00	1.11	1.32	0.34
• to ACRReMAP Window	0.00	0.00	0.00	0.50	2.69	29.08	9.71	23.54	12.25	6.63
• undisbursed Recurrent Cost Window balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D.2. Unallocated Cash Balance (end of period)	353.01	486.91	446.92	359.02	755.88	547.65	372.39	723.92	502.72	270.49

Contributions

Donor contributions to the ARTF have significantly dropped over the last few years, from an annual average of US\$853 million between FY1393 (2014) and FY1399 (2020) to US\$248 million in FY1400 (2021), and a further reduction to US\$144 million in CY2024. Figure 12 presents the change of ARTF donor contributions over the past 10 years.

Figure 12. ARTF Donor Contributions between 2014 and 2024 (US\$, millions)



Post-August 2021, Canada, Denmark, Germany, the Global Fund, Italy, Japan, the Netherlands, Norway, Switzerland, the United Kingdom and the United States have contributed to the ARTF. In 2024, the largest donors were Germany and the UK.

Project Disbursements—Investment Window

There were seven active investment projects under the ARTF Investment Window during the reporting period, all of which focused on basic services delivery. Table 5 summarizes the grant allocations and disbursements during 2024.

Table 5. Disbursements under Active ARTF Projects

PROJECTS	2024 US\$, MILLIONS	
	Commitments	Disbursements
Afghanistan Community Resilience and Livelihoods Project	70	70
Afghanistan Emergency Food Security Project	70	80

Afghanistan Health Emergency Response Project	237	198
Afghanistan NGO/CSO Capacity Support Project	0	1
Education Emergency Response in Afghanistan	0	20
Water Emergency Relief Project	0	12
Empowering Microfinance and Enterprises for Resilience and Growth	16	1
Total: Active Investment Window Projects	393	383

Bank-Executed Windows Disbursements—ASIST and ACRemap Windows

Table 6 presents a list of analytics and risk management activities that were financed by the ARTF in 2024, under the ASIST and ACRemap windows, respectively.

Table 6. Commitments and Disbursements under ASIST and ACRemap Windows, as of December 31, 2024 (US\$, millions)

	Committed CY2024	Disbursed CY2024	Total Committed	Total Disbursed
ASIST Window				
Afghanistan Urban Programmatic Analytics	0.00	0.53	1.10	1.10
Afghanistan Energy Study 2.0	0.00	0.18	0.30	0.30
Welfare Monitoring and Dialogue Support	0.00	0.33	0.45	0.44
Afghanistan: Digital Sector Assessment	-0.02	0.04	0.13	0.13
Afghanistan Resilience Programmatic Advisory Services and Analytics (PASA)	0.00	0.11	0.15	0.11
Welfare Monitoring and Dialogue Support II	0.30	0.01	0.30	0.01
Total	0.28	1.21	2.43	2.09
ACRemap Window				
Phase 3 of the Afghanistan Reconstruction Trust Fund Third Party Monitoring Program	0.00	10.95	61.61	61.51
Environmental Capacity Support and Risk Management	0.00	0.40	1.36	1.09

Pillar 3: Strengthening Regulatory and Institutional				
Capacity for Social Safeguard Management	0.00	0.27	0.81	0.55
Afghanistan Third Party Monitoring	6.00	0.00	6.00	0.00
Total	6.00	11.62	69.78	63.14

Annex

About ARTF

The Afghanistan Resilience Trust Fund (ARTF) is a multidonor trust fund that coordinates international aid to improve the lives of the people of Afghanistan. It is administered by the World Bank and currently supported by 32 donors.

Established in 2002, the ARTF was the largest source of on-budget financing for Afghanistan's development until August 2021. Prior to that, it funded Afghanistan's national priority projects, including in health, education, agriculture, rural development, infrastructure, and public financial management. It also met recurrent costs of the public offices.

Since 2022, the ARTF has been contributing to basic services and livelihood support for the Afghan people through United Nations (UN) agencies and selected nongovernmental organization (NGO) partners.

The ARTF was originally known as the "Afghanistan Reconstruction Trust Fund," however, to reflect the recent shift in focus of the Trust Fund's strategic intervention, the name was changed to "Afghanistan Resilience Trust Fund" in July 2023.

The Fund Structure

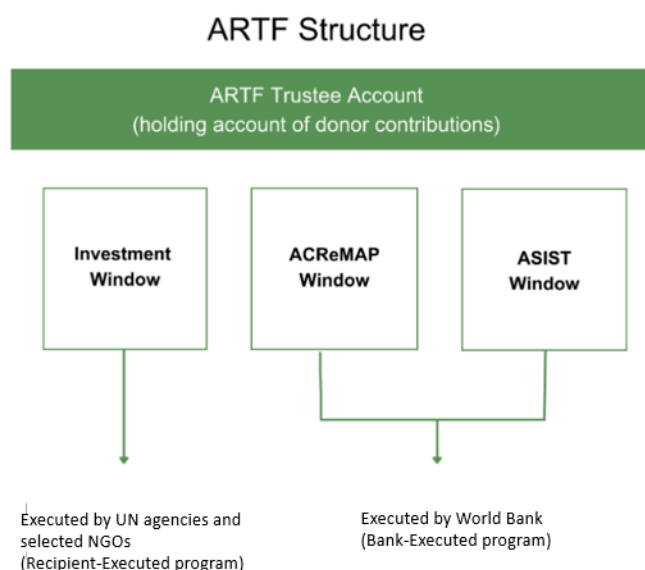
ARTF fund allocations are made from the ARTF Trustee Account through the following active windows:

Investment Window (IW): This recipient-executed Window is executed by UN agencies and selected NGOs and provides grant financing for basic services and livelihoods.

Advisory Services, Implementation Support, and Technical Assistance (ASIST): This Bank-executed Window currently supports socioeconomic analytics.

Anti-Corruption and Results Monitoring Action Program (ACReMAP): This Bank-executed Window supports initiatives to enhance anti-corruption, safeguards, and result monitoring efforts in the ARTF portfolio and maximize the Trust Fund's development impact.

Figure A1. ARTF Structure



Governance Structure

The ARTF has a three-tier governance structure that plays a critical role in managing the ARTF program. Governance entities set policy and strategy, oversee finances and allocations, and manage contributions and administrative functions of the ARTF.

ARTF Steering Committee (SC): Sets policy and the strategy for the ARTF. The SC consists of the World Bank and ARTF donor countries as members (ambassador-level representation). It makes decisions based on consensus, informed by recommendations of the ARTF Strategy Group. Management Committee members serve as observers to the SC.

Management Committee (MC): Oversees ARTF finances and reviews proposals to commit ARTF funds, considering technical quality, alignment with the current financing strategy, and coordinated engagement with other major funding streams in Afghanistan. The MC consists of the World Bank as the Chair and the Asian Development Bank, the Islamic Development Bank, and the United Nations Development Programme as members. The United Nations Assistance Mission in Afghanistan serves as an official observer to the MC.

Strategy Group (SG): Supports the SC and MC, which contributes to the implementation of the ARTF program. The SG contributes to the development of ARTF strategy/approach and implementation of strategy and individual ARTF programs, and advises the SC on updates to the strategy/approach.

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 on ARTF program performance and convene governance meetings.

Strategic Thematic Working Groups (STWGs) serve as sectoral working groups coordinated across bilateral and multilateral partners under the new Afghanistan aid architecture (post-August 2021). The previous ARTF Gender Working Group is now part of the Human Rights and Gender STWG.