

QUARTERLY MANAGEMENT REPORT

INVESTMENT WINDOW

REPORTING PERIOD: APRIL TO JUNE 2021

OCTOBER 2021



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ACRONYMS AND ABBREVIATIONS

A2F	Access to Finance
AFN	Afghani(s) (currency)
ARTF	Afghanistan Reconstruction Trust Fund
CCAP	Citizen's Charter Afghanistan Project
CCNP	Citizen's Charter National Priority Program
CDC(s)	Community Development Council(s)
CDP	Community Development Plan
CPM	Community Participatory Monitoring
EQRA	Education Quality Reform in Afghanistan
ESS	Environmental and Social Safeguards
EZ-Kar	Eshteghal Zaiee - Karmondena
GHC	Grievance Handling Committee
HRM	Human Resource Management
ICA	Internal Control Assessment
IDA	International Development Association
IDLG	Independent Directorate of Local Governance
IRDP	Irrigation Restoration and Development Project
MIS	Management Information System
MoPW	Ministry of Public Works
MRRD	Ministry of Rural Rehabilitation and Development
NHLP	National Horticulture and Livestock Productivity Project
NWARA	National Water Affairs Regulation Authority
O&M	Operations and Maintenance
PMU(s)	Project Management Unit(s)
PPE	Personal Protective Equipment
SMS	School Management Shura
SoE(s)	Statement(s) of Expenditure
TAGHIR	Tackling Afghanistan's Government HRM and Institutional Reforms
THRCP	Trans-Hindukush Road Connectivity Project
TPMA	Third Party Monitoring Agent
USD	United States Dollar(s) (currency)
WEE-RDP	Women's Economic Empowerment Rural Development Project

1 OVERVIEW OF ACTIVITIES AND KEY FINDINGS

This report presents findings from the physical and financial monitoring of World Bank-funded investment projects in Afghanistan for the period April to June 2021 (Q2 2021)¹. This summary section provides an overview of our approach to monitoring activities and key findings for the quarter. It is followed by more detailed overviews of project-specific findings in the section ‘Results from Physical Monitoring’.

1.1 PHYSICAL MONITORING

Our physical monitoring activities are conducted based on requests from World Bank project teams. In Q2, we continued monitoring of four investment projects, undertaking 985 site visits to all 34 provinces and interviewing 6,149 respondents, 15 percent of whom (910) were women. Government engineers and project staff accompanied us for 833 site visits to four projects: the Citizens’ Charter Afghanistan Project (CCAP), the Irrigation Restoration and Development Project (IRDP), EQRA, and the Trans-Hindukush Road Connectivity Project (THRCP).

In Q2, we expanded the monitoring of the Citizens’ Charter National Priority Program (CCNP) COVID-19 relief effort that we had begun in Q1. We also expanded our monitoring to include areas covered by the Relief Activities for Afghan Communities and Household Project (REACH) project and Kabul Municipality, which, together with the CCNP COVID-19 relief effort fell under the Government’s Dastarkhan-E-Milli COVID-19 emergency relief programme. During Q2, we conducted 1,605² site visits in 33 provinces and conducted 119,342 household surveys with community members and 3,425 key informant interviews (122,767 respondents in total). Out of the 119,342 community members whose gender was recorded,³ 8 percent (n=9,280) were women. Regarding key informants interviewed, n=135 out of 3,425 were women.

Overall, there was an increase in the total number of site visits from 2,032 in Q1 to 2,590 conducted this quarter due to an increase in our monitoring of COVID-19 relief efforts. We adapted our approach to address limitations imposed both by the pandemic and uncertain security situations and conducted physical verification in all 34 provinces. Figure 1 presents our physical monitoring activities by number of visits to provinces, sub-projects, and Community Development Councils (CDCs).

¹ We report separately on the results of monitoring for reimbursements under the ARTF Recurrent Cost Window. These reports are shared with ARTF donor partners but not made publicly available because they contain unofficial Government financial data.

² 1,497 unique CDCs were visited.

³ There were 5,688 respondents for whom no gender was recorded.

Figure 1: Map of TPM Activities in Q2 2021

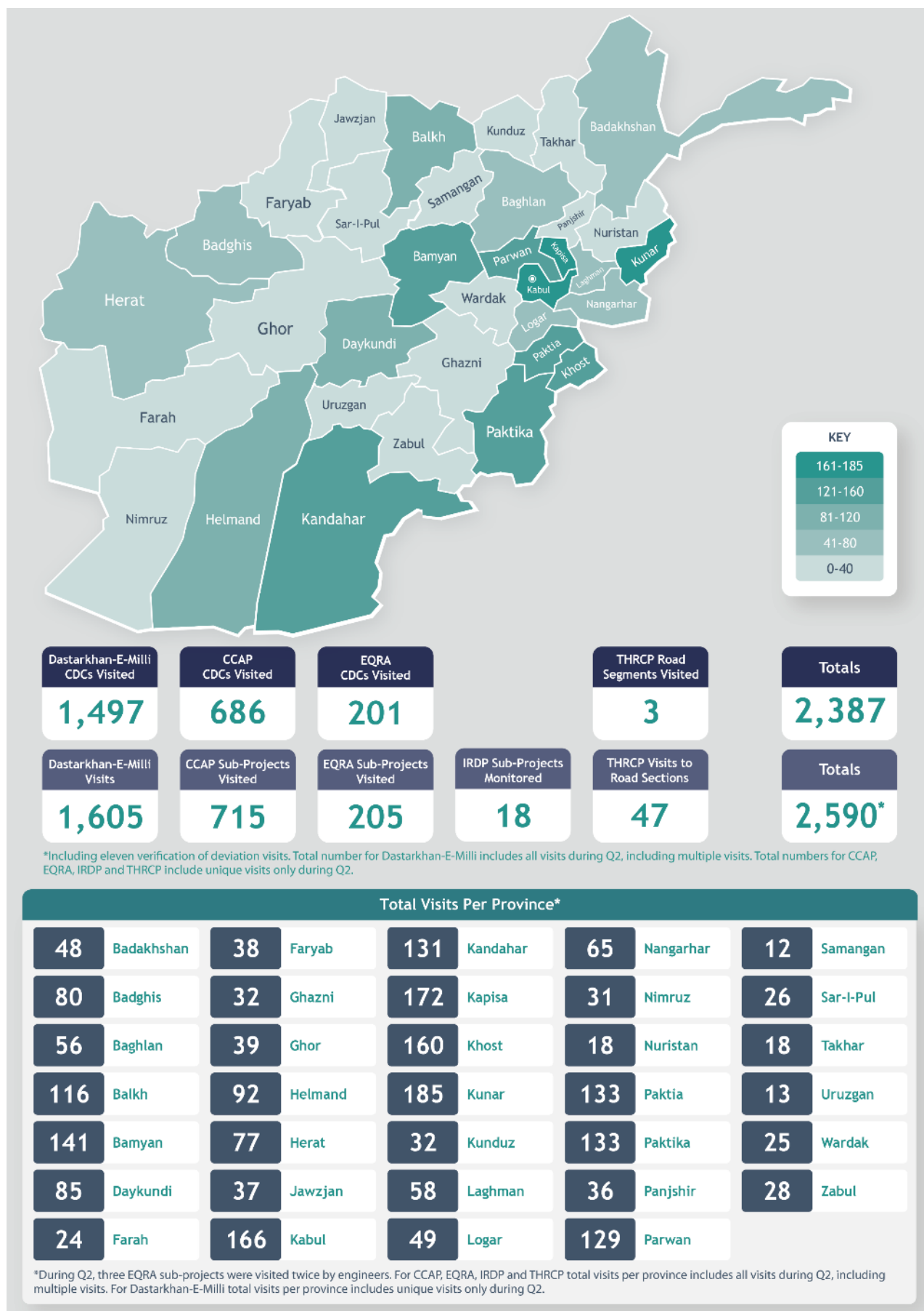
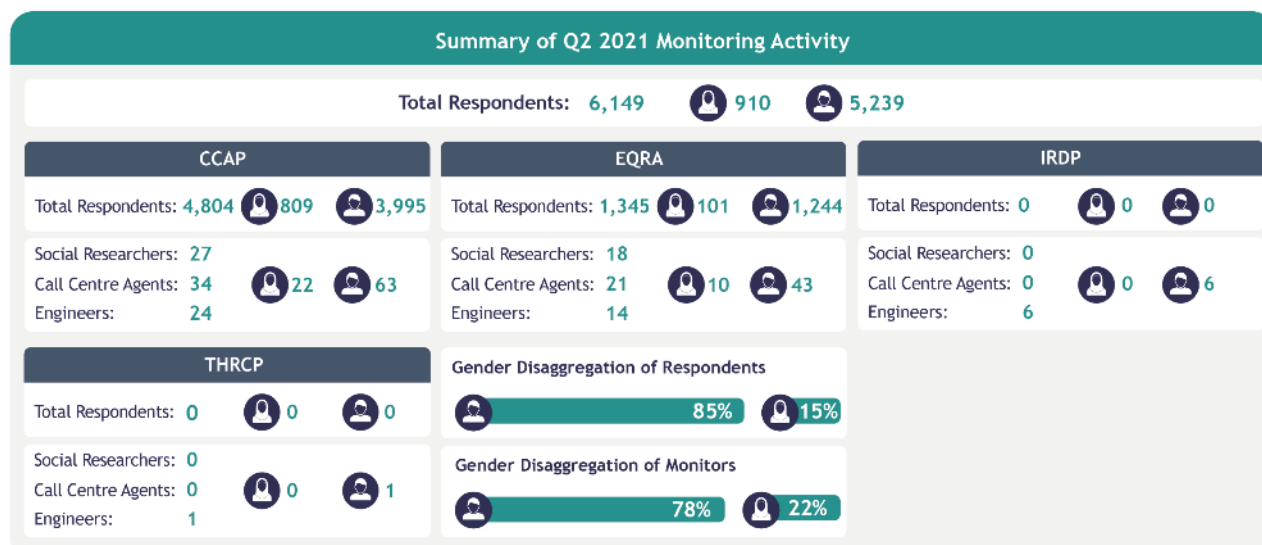


Figure 2 illustrates the distribution of site visits, and identifies the number of communities or locations visited, as well as the number of sub-projects assessed⁴.

Figure 2: TPM Q2 2021 Interviews for Investment Projects



The following sections provide an overview of our approach to and key findings from physical monitoring activities of non-COVID-19 relief projects. Further detail on our approach, monitoring, and key findings for our monitoring of COVID-19 relief efforts will be provided in an updated version of this report.

1.1.1 Project Scores and Ratings

We score and provide a rating for each sub-project using the system shown in Annex 1. The scores are based primarily on engineers' assessments of infrastructure, including the quality of design, materials used, and workmanship. In the case of completed or near-completed work, the likely effectiveness of any Operations and Maintenance (O&M) Plan is also assessed. These scores are then adjusted to account for the number and severity of any unauthorised changes, shortcomings, or faults found⁵. Finally, in Q2 adjustments were made to take account of any evidence of Good Practice, that is, additional work undertaken to an appropriate standard at no additional time or cost⁶.

These adjusted scores for individual sub-projects are then converted into ratings, from Very Good to Very Poor, and aggregated to produce a project rating. Table 1 below provides overall project ratings. Detailed findings for each project can be found in the section 'Results from Physical Monitoring'.

⁴ Sub-projects are activities undertaken at local level. Communities may undertake more than one sub-project at the same time as part of the same project (under CCAP, for example, one CDC may undertake a water supply sub-project and canal rehabilitation sub-project).

⁵ These are referred to as 'deviations' in our reporting.

⁶ For consistency with earlier reporting, we have continued the practice of scoring Good Practice where examples are identified. From Q3, the basis for treating Good Practice will be changed. Examples of additional work undertaken will be reported as Extra Work, with Good Practice identified in relation to high-scoring individual features or elements within a sub-project.

Table 1: Project Ratings in Q2 2021

PROJECT	RATING
CCAP	Good
EQRA	Good
IRD P	Average
THRCP	Average

1.1.2 Deviations

In conducting site visits, our engineers assess infrastructure progress and the quality of work undertaken, recorded in the form of ‘Observations’. Some of these are reported as ‘deviations’ and classed as Critical, Major, or Minor. In short, a Critical deviation is one which, if not rectified, could lead to injury or death for current workers or future users or to failure of the sub-project as a whole; a Major deviation is one that is not life-threatening but affects the structural integrity or overall sustainability of the sub-project; a Minor deviation is often a cosmetic deviation not affecting structural integrity, usability or sustainability. Minor deviations can often be corrected with little effort and at a limited cost. See Annex 1 for details.

For each deviation, our engineers make an on-site estimate of the cost of rectification. These estimates are reviewed for quality by the Financial Monitoring Team but are not based on a market exercise for the local or transported cost of labour and materials. We provide these estimates to help project teams and Government partners make informed decisions about how to rectify deviations; they should not be interpreted, or used, as a final determination of value.

Table 2: Deviations Identified in Q2 2021

	OBSERVATIONS	CRITICAL	MAJOR	MINOR	TOTAL DEVIATIONS	DEVIATIONS AS % OF TOTAL OBSERVATIONS	ESTIMATED COST OF RECTIFICATION (USD) ⁷
CCAP	20,612	15	381	204	600	3%	222,815
EQRA	4,591	13	86	155	254	6%	109,781
IRD P	538	0	10	5	15	3%	40,080
THRCP	913	1	46	11	58	6%	30,560
	26,654	29	523	375	927	5%	403,236

The deviations listed above are those reported between 1 April 2021 and 30 June 2021. All deviations are notified to project teams and Government partners via an online reporting platform allowing them to be allocated to provincial project teams for rectification. We hold regular meetings with project teams from implementing ministries to follow-up on actions taken.

⁷ Figures provided in AFN where available in the detailed overviews of project-specific findings.

As agreed with the World Bank and project teams, Minor deviations with an estimated rectification cost of under USD 50 are classified as ‘Notifications’. Table 3 below provides an overview of Notifications identified during Q2 2021.

Table 3: Q2 2021 Notifications

PROJECT	NOTIFICATIONS	NOTIFICATIONS AS %AGE OF OBSERVATIONS
CCAP	868	4%
EQRA	250	5%
IRDP	20	4%
THRCF	0	0%
	1,138	4%

1.1.3 Rectifications of Deviations

In Q3 2020, we began reporting rectifications Government partners have made. In Q2 2021, a total of 840 deviations (19 Critical, 343 Major and 478 Minor) were rectified compared to 1,703 deviations (17 Critical, 265 Major and 1,421 Minor) rectified Q1 2021. Compared to Q1, there was an increase in rectifications of both Critical and Major deviations while a decline was seen in Minor deviations during Q2. To date, there are a total of 4,859 open deviations (108 Critical, 2,712 Major and 2,039 Minor). Many of these were deviations reported earlier in 2020 and some were ‘legacy’ deviations identified by the previous Supervisory Agent⁸. See Annex 2 for details of the four ongoing projects monitored during Q2, and the total number of rectifications.

The section on ‘Results from Physical Monitoring’ shows all deviations identified in Q2 by the projects and their status as at the time of reporting.

1.1.4 Good Practice

In Q2, we continued to identify Good Practice in all our reports, which we define as a sub-project undertaking additional work to a high standard at no extra cost or time. In Q2, we identified 91 examples of Good Practice from CCAP, EQRA and IRDP. In July 2021, based on discussions and agreements with MRRD and the EQRA project team, we plan to make changes to how we define and score Good Practice from Q3 onwards (see footnote 5 and Section 4.2).

⁸ These figures include rectifications made by the Afghanistan Agriculture Inputs Project, Afghanistan Rural Access Project, CCAP, Cities Investment Program, EQRA, Education Quality Improvement Program, Higher Education Development Project, IRDP, National Horticulture and Livestock Productivity Project, On-Farm Water Management Project and THRCF.

Table 4: Examples of Good Practice in Q2 2021

PROJECT	NO.	DETAILS
CCAP	68	Examples of good practice included additional works undertaken to a high standard of workmanship or use of higher quality materials than specified.
EQRA	18	Examples of good practice related to additional construction work or enhanced work, such as replacing wood for windows with uPVC, upgrading local toilets to flush toilets, extending water facilities, and adding solar panels.
IRDP	5	Examples of good practice included installation of two basins, construction of a sidewalk, planting of 12 trees, and construction of a fence for the stairs which was not in the sub-project contract.
91		

1.1.5 Ad Hoc Monitoring

As part of our physical monitoring, we undertook several ad hoc monitoring tasks to report on specific issues at the request of World Bank and project teams. These reports have been separately to the requestors, but are summarized here.

Table 5: Ad Hoc Monitoring in Q2 2021

PROJECT / TASK	RESULTS
Sehatmandi	Following a review of transactions involving Sehatmandi Service Providers in six provinces to assess whether any payments had been made to Anti-Government Entities, we submitted final report in June 2021.
COVID-19 Emergency Food and Water Supply Response Project	We conducted a post-review of recruitment processes to assess whether recruitment had been conducted in a fair and transparent manner. We submitted a final report in May 2021.
THRCP PAP	We conducted in-person interviews with 88 Project-Affected Persons (PAPs) of which 48 representing a household or business that had been relocated due to project work, and 40 representing households that had provided land or structure to the project without relocating. The purpose of the assessment was to verify the overall compensation and consultation processes, the availability of the Resettlement Action Plan (RAP), and the satisfaction level of PAPs once relocation and land compensation had taken place. We submitted a final report in July 2021.
MOPH WHO/UNICEF Contract Performance Review	At the request of the Ministry of Public Health, we undertook meetings with WHO and UNICEF to confirm the scope of the task and began a review of documents received in July 2021.
Verification of COVID 19 Supplies	We conducted one verification of World-Bank funded supplies of COVID-19 consumables provided to WHO and two verifications of supplies to UNICEF to be distributed in coordination with the Ministry of Public Health.

1.2 MONITORING COVID-19 RELIEF EFFORTS

This quarter, we continued monitoring the implementation of the “Dastarkhan-E-Milli” COVID-19 Emergency Relief Programme, to review compliance with agreed procedures and protocols during the beneficiary selection, procurement, and distribution processes. We monitored the pre-distribution, distribution, and post-distribution of cash or in-kind items across the country using quantitative and qualitative data collection methods. We also identified and investigated major irregularities across all

three phases and reported them as either Red Flag Notices or Alert Notices.⁹ Since the end of the first quarter, the methodology has been modified, and the data collection tools refined to ensure we continued to increase the accuracy and reliability of the data collected based on lessons learned.

1.2.1 Pre-distribution Monitoring

Findings from our pre-distribution monitoring activities draw on key informant interviews with prominent CDC leaders who were involved in the drafting of the beneficiary lists, planning and procurement, to gather information on the procedures followed. We also interviewed community members from between three and eight election units to triangulate information on the beneficiary selection process. Key findings included:

- Overall, in both CCAP and REACH areas, the programme continues to deliver an effective beneficiary listing process driven by community leadership. Almost all households surveyed were included in the beneficiary lists (96 percent, 96,218 out of 99,830).
- The number of households surveyed that were not found on the beneficiary lists was higher in CCAP areas (71 percent, 2,568 out of 3,612) compared to REACH areas (29 percent, 1,044 out of 3,612). This can be attributed to the higher level of security and economic opportunities in government controlled CCAP areas. This attracts an inflow of IDP populations often arriving after the listing process has been completed. As a result, the new arrivals are less likely to be included in the beneficiary lists. More insecure REACH areas (more likely non-government-controlled areas) are less likely to attract incoming populations and are therefore seen to have less exclusions of households from the beneficiary lists.
- Over half of CDCs updated their community profiles in accordance with the Operations Manual (56 percent, 89 out of 159 CDCs). A third of CDCs (33 percent, 52 out of 159) updated their community profiles a second time in 2021 to include newly arrived households. Of all CDCs monitored in REACH areas, 69 percent had updated their election unit lists to create community profiles for the beneficiary listing for 2020 (334 out of 486 CDCs). 33 percent of CDCs (162 out of 486) have subsequently updated their community profiles this year (2021) to include newly arrived households. The majority of CDCs that have not updated their community profiles were in Bamyan

⁹ The following thresholds are used to identify Red Flag Notices and Alert Notices:

Alert Notices:

- Eligible beneficiary exclusion: ≥ 10 percent & at least one newly arrived household is not included;
- Ineligible beneficiary inclusion: ≥ 10 percent;

Red Flags:

- Non-application (or use) of COVID-19 protective measures: < 50 percent;
- Evidence of relief package diversion: lower quantity of goods or cash than purchase order / guidelines, verified by call backs.
- Procurement procedures not followed: forms missing / contradicting each other.
- Civil unrest: evidence of physical violence or threats or robbery linked to distribution.

Red Flag Notices, such as fund diversion or civil unrest resulting from the distribution, may require immediate action, whilst Alert Notices may require a less urgent programmatic response from the government.

(91 percent, 71 out of 78 CDCs), Kunar (34 percent, 24 out of 71 CDCs), Kapisa (26 percent, 23 out of 87 CDCs) and Khost (48 percent, 23 out of 48 CDCs).

- Whilst the majority of households registered as ineligible on the lists were male-headed (97 percent; 5,316 out of 5,460), we found that some female-headed households had been listed as ineligible for assistance (3 percent; 144 out of 5,460).
- Overall, only 149 key informants (representing 39 out of 645 CDCs, six percent) reported wrongful inclusions in their CDC. In terms of non-existent or unverifiable households, we carried out door-to-door surveys to triangulate the findings above and found 1,719 out of 117,561 unverifiable household names in the beneficiary lists (1 percent). In total, 65 out of 645 CDCs had at least 10 percent or more beneficiaries listed that were unverifiable.
- Only a very small number of households reported that they had to pay in cash or in-kind to be registered on the beneficiary list (0.2 percent, 243 out of 119,342 respondents, reported in 16 out of 648 CDCs). Of these households, the majority reported that the payment had been requested by an individual CDC office bearer (74 percent, 180 out of the 243 respondents).
- In general, there was some awareness of the availability of the GRM amongst community members during the pre-distribution phase. However, further work needs to be done to promote community awareness, most notably in Kabul Municipality. To assess whether clear information on the availability of a GRM was provided during the pre-distribution phase, community members were asked if they knew how to lodge a complaint about the program. In CCAP and REACH areas, 18 percent of community members (17,589 out of 99,830) reported knowing how to lodge a complaint. In contrast, only 10 percent of community members (2,156 out of 19,512) in Kabul Municipality reported being aware of how to lodge a complaint about the program.

1.2.2 Distribution Monitoring

Findings from our monitoring of distribution activities draw from direct observations, on-site photographs, and key informant interviews. Our findings included:

- Field staff carried out detailed checks on the availability of procurement¹⁰ documentation. However, significant documentation is lacking and our methods for analysing their availability is being revised.
- In general, the quantity of packages distributed were consistent within and across all CDCs. While CDCs distributed different types of packages, they generally followed the guidelines on package composition outlined in the Operations Manual. However, in 11 percent of CDCs (100 out of 878 CDCs) no source of protein was provided in the packages distributed (e.g., beans, peas, lentils,

¹⁰ Additional information related to procurement documentation will be provided in the Q3 final project report.

etc.). This may be due to limited local availability in some areas. In addition, 11 out of 878 CDCs (one percent) did not distribute soaps at all. There were also seven CDCs that were found to be distributing laundry soap instead of cosmetic soap.

- Overall, the quality of goods being distributed was good with only one quarter of CDCs (24 percent, 212 out of 878 CDCs) found to be distributing items with visible defects. The provinces with the highest number of CDCs distributing packages with visible defects were Bamyan (80 percent, 20 out of 25 CDCs), Kapisa (51 percent, 39 out of 76 CDCs), and Khost (48 percent, 33 out of 68 CDCs).
- Low adherence to COVID-19 protection measures during distribution remained an issue throughout the quarter. In just over half of the CDCs, all distribution team members wore masks as they distributed assistance (59 percent, 520 out of 878 CDCs). There was even less adherence to social distancing, observed in only 23 percent of CDCs, (204 out of 878 CDCs) and very limited adherence to the provision of hand washing stations or hand sanitizer (7 percent, 64 out of 878 CDCs).
- The majority of CDCs with vulnerable households delivered packages to all vulnerable households. Less than half of CDCs with female headed households delivered assistance to all of them (41 percent, 146 out of 360). In total, 303 out of 4,563 female headed households did not receive their packages, this equates to around 1-2 female headed households across each CDC not receiving their package. However, the majority of female headed households across all CDCs did receive their package (93%, 4,260 of 4,563).
- Overall, efforts to promote accessibility for women to the distribution sites were made such as the inclusion of female staff members on the distribution teams. In 29 percent of CDCs visited (257 out of 878), distribution teams included at least one female member.
- Since Q1, there has been limited improvement in the visibility of GRM information at distribution sites. Information was visible at distributions in just over half of the CDCs visited (51 percent, 450 out of 878). Further work is therefore needed to ensure all beneficiaries are aware of the GRM process.
- Overall, beneficiaries paying to receive assistance was not common at distribution sites. Our field officers reported observing beneficiaries being required to make payments to receive assistance in only five percent of CDCs visited (47 out of 878). By project, this was 7 percent in CCAP areas (27 out of 376 CDCs) and 4 percent of REACH areas (20 out of 502 CDCs).
- During Q2, ten security incidents occurring as a result of distribution were reported. Eight of the incidents occurred in MRRD areas and one occurred in an IDLG area. Two incidents occurred in Kunar, and one incident was observed in each of the following provinces: Laghman, Daykundi, Kandahar, Khost, Nangarhar, Panjshir, and Parwan. Four incidents took place in April and five were observed in June. No security incidents were reported in May.

1.2.3 Red Flag and Alert Notices

We report on programmatic irregularities to the World Bank project team and government partners by issuing Red Flag and Alert Notices. We issue Red Flag Notices for four types of irregularity: cash or goods diversion, civil unrest, COVID-19 protective measures not enforced, and procurement failures. We issue Alert Notices for cases of exclusion of potentially eligible households and inclusion of ineligible ones. In Q2, we reported 294 Red Flag Notices and 153 Alert Notices for cases of substantiated irregularities¹¹.

Table 6: Red Flags in Q2 2021

RED FLAGS BY CATEGORY	NUMBER
Cash or Goods Diversion	17
COVID-19 Protective Measures not enforced	122
Procurement Failures	68
Riots of Civil Unrest	9
Unverifiable Households	78
	294

Alert Notices are issued if we find evidence that eligible beneficiaries have been excluded from receiving assistance, or ineligible households have been wrongfully included. We report findings on exclusions that may be due to errors in compiling beneficiary lists or those that may happen intentionally. In Q2 2021, we shared 153 Alert Notices with the World Bank and implementing Ministries MRRD and IDLG. Half of the Alert Notices (n=76) were issued for the exclusion of potentially eligible households, and the other half (n=77) were issued for wrongful inclusions.

Table 7: Alert Notices in Q1 2021

ALERT NOTICES BY CATEGORY	NUMBER
Household Exclusion	76
Wrongful Household Inclusion	77
	153

In this reporting period, all 294 Red Flags and 153 Alert Notices were issued and shared with the World Bank and implementing Ministries MRRD and IDLG. Up until 25 July 2021, responses on issues with date of event in the reporting period of 1 April to 5 July 2021 were received on 35 Red Flags and 28 Alert Notices. All of these were received from MRRD, with 51 being responses to events in CCAP areas and 12 in REACH areas.

¹¹ This number refers to Red Flag and Alert Notices with events happening in the reporting period, not those shared with the World Bank in the reporting period.

1.3 FINANCIAL MONITORING

While our physical monitoring activities are conducted in response to project management needs, our financial monitoring activities cover all active World Bank-funded projects. Our activities include Internal Control Assessments (ICAs), which take place six months after the start of project implementation and include annual follow-up of action plans developed to address any weaknesses identified. We also routinely review periodic Statements of Expenditure (SoEs) submitted by all project teams for disbursements by the World Bank. For infrastructure projects with physical monitoring activities, we provide financial reviews of data collected during in-person site visits.

1.3.1 Internal Controls Assessments

ICAs evaluate the adequacy and effectiveness of investment projects' governance, risk management, and control processes intended to ensure the effective management of Afghanistan Reconstruction Trust Fund (ARTF) and International Development Association (IDA) project funds. They include, but are not limited to, review of significant processes related to financial management, procurement, recruitment and Human Resource Management (HRM), governance and control environment.

We completed 17 ICAs under the Monitoring Agent contract that ended in December 2019. The status of 12 ICAs under the existing Third Party Monitoring contract is as follows.

Table 8: ICAs under the Existing Third Party Monitoring contract in Q2 2021

PROJECT	STATUS
Access to Finance (A2F)	Completed in Q2 2021
Afghanistan Gas Project (AGASP)	Commenced in Q2 2021, assessment is ongoing
Afghanistan Land Administration Project (ALASP)	Planning in process
CASA Community Support Project (CASA CSP)	In final reporting phase, awaiting project feedback
Cities Investment Program (CIP)	Commenced in Q2 2021, assessment is ongoing
Emergency Agriculture and Food Supply (EATS) (Recruitment)	Completed in Q2 2021
Eshteghal Zaiee - Karmondena- Independent Directorate of Local Governance (EZ-Kar - IDLG)	Completed in Q2 2021
Eshteghal Zaiee - Karmondena - Kabul municipality (EZ-Kar -KM)	In final reporting phase, awaiting project feedback
Fiscal Performance Improvement Support Project (FSP - MoF)	Completed in 2020
Tackling Afghanistan's Government HRM and Institutional Reforms Project (TAGHIR)	In final reporting phase, awaiting project feedback
Trans-Hindukush Road Connectivity Project (THRCP)	Completed in 2020
Women's Economic Empowerment Rural Development Project (WEE-RDP)	Completed in Q2 2021

The main findings from the four ICAs completed in Q2 2021 are discussed in the Results section below. See Annex 4 for further information on ICAs completed during Q2.

1.3.2 Statements of Expenditure

For SoEs, which replaced Interim Unaudited Financial Reports as the basis for the World Bank's disbursement of funds to Investment Window projects in February 2020, we review each SoE to assist the World Bank in verifying that project expenditure is eligible for disbursement under applicable Grant or Financing Agreements. This process is a supplemental control measure introduced by the World Bank uniquely in Afghanistan as one element of the ARTF Enhanced Fiduciary Control Framework.

After we receive a SoE, we review project procurement, payroll and project implementation and management expenditure. This process begins when Project Teams submit a Reporting Pack, which consists of an agreed list of financial documentation. We then conduct sample-based substantive testing of transactions through multiple rounds of review, requests for documentation or clarifications, and responses from project teams to allow for corrective action. After each review, we submit SoE Cover Letters to the World Bank outlining findings and their impact on the amounts claimed for replenishment.

Through this process, we identify Questionable Transactions, which are financial errors impacting the expenditure reported on the SoEs that primarily arise for the following reasons:

- Missing Supporting Documentation
- Non-compliance with applicable procurement regulations
- Overdue Advances claimed as expenditure
- Non-compliance with financial policies
- Accounting/Casting Errors
- Overpayments to contractors and employees

To minimise the risk of ineligible expenditure, payments identified as Questionable Transactions are withheld until issues are resolved and missing documentation provided.

In Q2, we issued 49 SoE cover letters for projects that had reported USD 205,139,973, proposing adjustments for questionable transactions amounting to USD 1,830,269. Our SoE reviews are further discussed in Section 3.1.

1.3.3 Misalignment Between Physical and Financial Progress

For infrastructure sub-projects where we conduct physical monitoring activities, we also undertake a financial review to assess whether financial records align with physical progress made, are properly documented, or meet other monitoring criteria.

We analyse expenditure incurred by each sub-project as of the date of the site visit and calculate the difference between the funds paid out for an individual contract and engineers' estimates of physical progress. Where the financial progress for a sub-project exceeds physical progress by 35 percent or more

(except for EQRA where the excess is 15 percent), we flag this for the project team review and follow up if needed. While we summarize those findings here, it is important to stress that, such differences can be a legitimate product of contractual arrangements, may relate to materials purchased but not yet used or could be a product of other non-problematic factors. In Q2 2021, we identified misalignment between physical and financial progress in ten sub projects from CCAP and EQRA, totalling USD 40,057.

Table 9: Instances where Misalignment between Physical and Financial Progress Identified in Q2 2021

PROJECT	NO.	VALUE (USD)
CCAP	5	17,420
EQRA	5	22,637
IRDP	0	0
THRCP	0	0
		40,057

1.4 LIMITATIONS

1.4.1 COVID-19

In Q2, we continued to operate under a COVID-19 Contingency Plan shared with the World Bank and reviewed on a regular basis. Under this plan, to reduce the potential for infection involving our own staff or those with whom we came into contact, we continued to replace face-to-face individual and group interviews wherever possible by telephone calls, based on information received from community members and our own local contacts.

COVID-19 also impacted our ability to engage directly with Government counterparts, primarily for the purposes of obtaining project procurement documentation. This sometimes resulted in delays in processing of Statements of Expenditure. We were also unable to conduct in-person capacity development activities with Government staff, especially at the Ministry of Finance.

1.4.2 Access to Female Respondents

Throughout this period, our ability to interact with women respondents was constrained by the need to conduct remote phone-based interviews rather than face-to-face interviews or group discussions. Limited telecommunications access and electricity to recharge mobile phones in remoter areas affected our ability to conduct interviews with both men and women. However, since male household members tend to control women's telephone access and use, remote calling reduced the number of women we were able to interview, even when using female call centre staff. This affected the overall percentage of female respondents, particularly for women who were not CDC office-bearers or sub-committee members.

The impact of this on our findings relates to the percentage of women we could interview in any one community. While a random sample of women nationwide can, statistically, provide a broad basis for

reporting, a much higher sample is required to provide evidence from a specific community or group of communities. The effect of not being able to directly engage with as many women as before makes our findings somewhat less representative in terms of comparing findings between men and women. However, it does not make our findings less representative in terms of reporting community voices overall.

1.4.3 Access to Sub-Project Sites

During Q2, we conducted site visits in every province. We continued to monitor threats and planned our activities in response to emerging security issues, including in ‘hard to reach’ areas. We were unable to conduct data collection as planned in 197 sites (157 for CCAP and 40 for EQRA), often due to local insecurity. In some cases, bad weather conditions, including heavy rain, snow or avalanches also prevented us from conducting visits. Where we are unable to access communities as planned, we identify substitute communities to make up for any anticipated or actual shortfall in the total number of site visits. We also make efforts to visit these sites in successive months. In Q2, we were able to visit 42 of the 181 sites where we faced access challenges in Q1.

1.4.4 Programme Management Unit Responses

Some Programme Management Units (PMUs) were unable to share implementation plans in advance to support our monitoring of COVID-19 Relief Efforts. On a number of occasions, our staff have been informed by a PMU that distribution is not taking place but have learned through community contacts that this has in fact occurred. Other distributions have been conducted without having been included in implementation plans.

To address both issues, regular meetings take place between our monitoring staff and Implementing Agency teams, in which specific examples are fed back for the PMUs to follow up.

1.4.5 Verification of Beneficiary Lists

We initially planned to obtain the beneficiary lists from CDC office-bearers for our monitoring of COVID-19 Relief Efforts. This has not been possible in most instances due to various methodological constraints, and instead, we have tended to draw from Government Management Information Systems (MIS). The forms on MIS are an abbreviated version of the hard copy beneficiary lists and contain less information than in the original form. Consequently, verifying the accuracy of beneficiary lists has proven time-consuming and has not allowed a comprehensive verification of vulnerable households.

Based on our experiences in Q2, we have revised data collection tools to better record whether CDCs have developed beneficiary lists that adhere to the guidelines laid out in the Operations Manual.

2 RESULTS FROM PHYSICAL MONITORING

Whether monitoring in person or by telephone, we assess both infrastructure and ‘soft components’, where applicable. ‘Soft components’ include social mobilization activities such as CDC elections, the formation of CDC sub-committees, and community participatory activities. The findings below cover infrastructure and soft components, and the application of Environmental and Social Safeguards (ESS).

2.1 DEVIATIONS

We identified 927 new deviations (29 Critical, 523 Major and 375 Minor) in the projects we monitored this quarter. Over the same period, Government partners fully rectified a total of 840 deviations (19 Critical, 343 Major and 478 Minor), and a further 430 deviations (14 Critical, 265 Major, and 151 Minor) were identified as non-rectifiable. Annex 2 provides an overview of the Critical, Major and Minor deviations fully rectified in Q2 by project teams.

Just over one-third of deviations (34 percent) identified this quarter were attributed to insufficient sub-project management, often involving a lack of advance planning or on-site supervision, including 12 out of 29 Critical deviations. This can also be seen as contributing to examples found of poor workmanship. O&M Plans, assessed only for completed or near-completed sub-projects, often have insufficient community funds to implement them. Our findings in Q2 are consistent with those from past quarters.

The following sections provide a detailed overview of findings for each project we monitored this quarter.

Table 10: All Deviations Identified in Q2 2021 by Aspect

	CRITICAL	MAJOR	MINOR	TOTAL	%
Design	4	15	3	22	2%
Materials	4	80	120	204	22%
Workmanship	3	39	36	78	8%
O&M	3	184	21	208	23%
Project Management	12	122	185	319	34%
Social Safeguards	1	62	8	71	8%
Environmental Safeguards	2	21	2	25	3%
	29	523	375	927	

2.2 CITIZENS' CHARTER AFGHANISTAN PROJECT

This section reports on our monitoring of project activities in the core Citizens' Charter Afghanistan Project. Monitoring of COVID-19 emergency response activities delivered through the *Dastarkhan-E-Milli* COVID-19 Emergency Relief Programme are reported in Section 1.2. In Q2, we undertook monitoring of 715 CCAP sub-projects in 34 provinces. Our engineers conducted in-person visits to 686 CDCs, monitoring 713 active sub-projects, all managed by the Ministry of Rural Rehabilitation and Development (MRRD). As there were no active Independent Directorate of Local Governance (IDLG)-managed sub-projects submitted for sampling in Q2, no IDLG sub-projects were monitored. Out of the 713 active sub-projects monitored, most related to improving water access (52 percent, n=354), followed by irrigation (42 percent, n=298), road infrastructure (four percent, n=31), renewable energy (three percent, n=22), and grid extension (one percent, n=8).

2.2.1 Financial Review

Based on information collected during our in-person visits, we reviewed financial data for 715 sub-projects being implemented by 683 CDCs.

We estimated the cost of rectifying identified deviations during Q2 at USD 222,815. In reviewing 683 CDCs that had been awarded contracts worth USD 23,050,235, we identified five examples where the financial progress percentage was more than 35 percentage points greater than the estimated physical progress percentage.

Our assessment also identified 125 sub-projects where the assessed physical progress was at least 35 percent greater than reported financial progress. For 21 of these sub-projects, we found that no payments had been made to contractors, while assessed physical progress for all of these was at least 50 percent and 15 were 100 percent complete. From previous reporting, we believe these differences to arise from late submission of expenditure documentation by the CDCs (many of which are in remote areas and will have been affected by winter weather) as well as delays in entering this information into the MIS.

2.2.2 Sub-Project Status

Our engineers observed and assessed 581 sub-projects (81 percent) visited in Q2 as Completed, compared with MRRD MIS, which showed only 482 sub-projects (67 percent) as Completed.

We identified 15 sub-projects (2 percent) where MIS reporting of physical progress was at least 15 percent greater compared to progress as assessed by our engineers. Conversely, progress for 88 sub-projects (12 percent) was reported in MIS as at least 15 percentage points below that assessed by our engineers. In addition to delays in updating MIS, another potential reason for the discrepancy in the number of Ongoing sub-projects could be the fact that the MIS does not track temporary suspension of sub-projects.

Our engineers assessed the operational status of 581 Completed projects, concluding that 456 sub-projects (79 percent) were Operational, 107 (18 percent) Partially Operational¹², and 18 Not Operational (three percent).

2.2.3 Good Practice

In Q2, our engineers recorded 68 examples of Good Practice across 41 sub-projects (6 percent) in ten provinces. Examples of Good Practice related to additional works undertaken to a high standard of workmanship (n=37) or use of higher quality materials than specified (n=31).

2.2.4 Deviations

No deviations were noted in 52 percent (371 out of 713) of sub-projects. Our engineers identified a total of 600 deviations in 48 percent (344 out of 713) of sub-projects visited.

Table 11: CCAP Deviations in Q2 2021

	CRITICAL	MAJOR	MINOR	TOTAL
Deviations Identified in Q2	15	381	204	600
Estimated Rectification Cost (USD)	34,750	148,561	39,504	222,815
Fully Rectified in Q2	5	229	229	463
Agreed as non-rectifiable	0	122	71	193
Open at the end of Q2	37	1,033	873	1,943

Of the 15 Critical deviations identified, four related to design issues. The most common attributed causes of Major deviations were O&M Plans not being implemented (48 percent of Major deviations, n=183), often due to a lack of CDC facilitation and community contributions. Insufficient project management (18 percent, n=68) and lack of social safeguards (14 percent, n=52) were also dominant causes of major deviations.

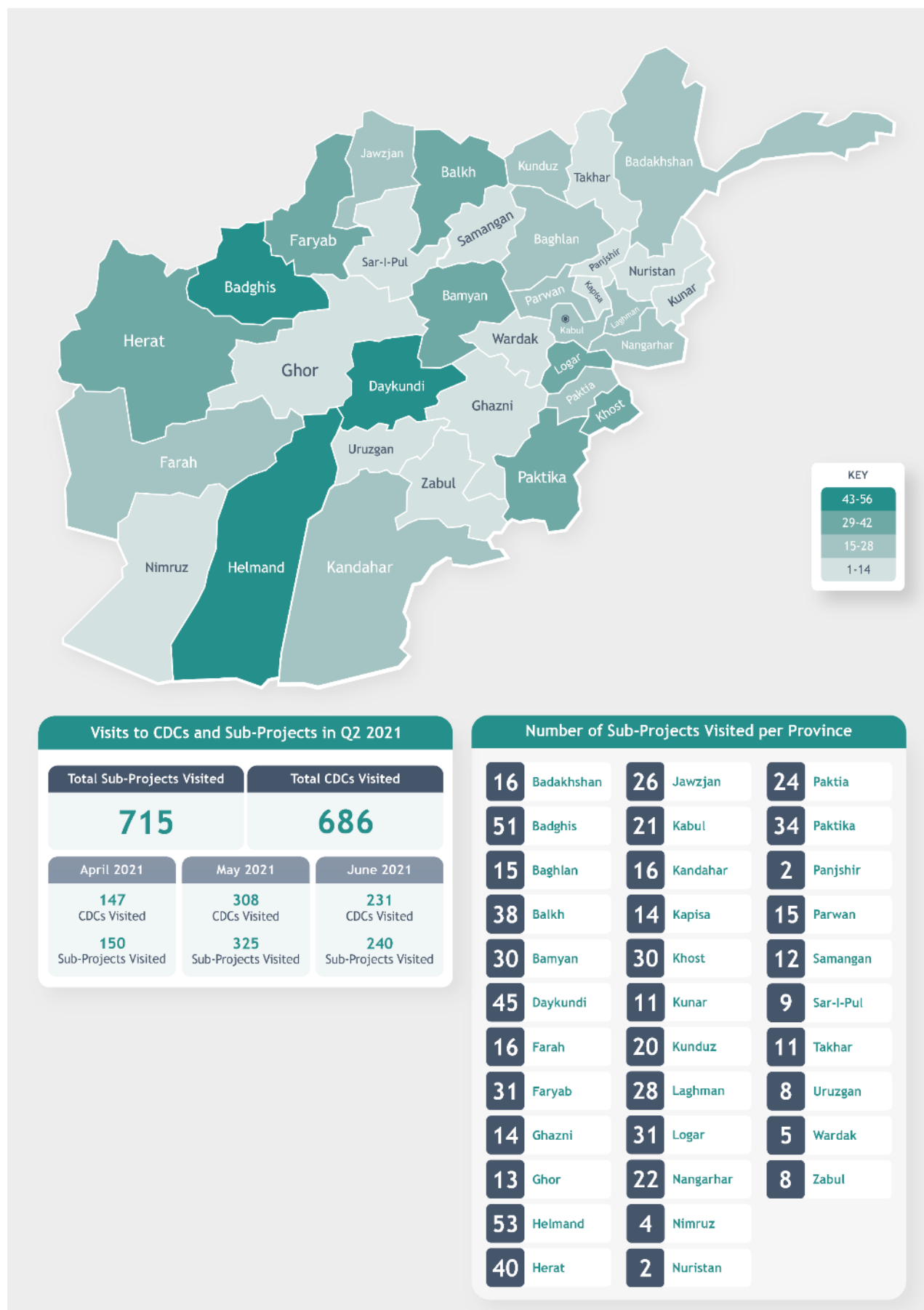
Table 12: CCAP Deviations by Aspect Identified in Q2 2021

	CRITICAL	MAJOR	MINOR	TOTAL
Design	4	12	3	19
Materials	3	44	61	108
Workmanship	1	8	16	25
O&M Plan	3	183	20	206
Project Management	2	68	96	166
Social Safeguards	0	52	7	59
Environmental Safeguards	2	14	1	17

¹² Sub-projects are reported as partially operational when some parts of the sub-project are functional, and others are not. For instance, a sub-project where six water wells had been constructed but only three were functional when checked would be reported as Partially Operational.

15	381	204	600
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Figure 3: Map of TPM Activities for CCAP in Q2 2021



2.2.5 Community Engagement

PARTICIPATORY ACTIVITIES

Five types of participatory activities are required by CCAP guidelines to assess community needs and improve sub-project planning: a Leaking Pot Exercise, Resource Mapping, a Seasonal Calendar, a Well-Being Analysis, and Women's Mobility Mapping. The Well-Being Analysis was most frequently identified by both men and women as having taken place (88 percent, n=4,213), followed by Resource Mapping (84 percent, n=4,021) and the Leaking Pot Exercise (74 percent, n=3,574). In contrast, fewer respondents said the Seasonal Calendar (60 percent, n=2,901) and Women's Mobility Mapping (61 percent, n=2,927) had taken place. There were significant differences between men's and women's responses to the two latter activities, with 62 percent of men (n=2,462) versus 54 percent of women (n=439) stating that the Seasonal Calendar activity had taken place, and 59 percent of men (n=2,354) versus 71 percent of women (n=573) stating that the Women's Mobility Mapping had taken place. For the Women's Mobility Mapping, these differences were to be expected since only women are meant to participate in this activity.

Almost all (95 percent) of respondents who reported community mobilization activities had taken place also reported that the activities had benefited their community. The benefits mentioned included increased knowledge relating to resourcing/financing and a reduction in traditional expenses, increased knowledge about seasonal work, and increased solidarity among community members and empowerment of women. There were no major differences between the share of respondents citing benefits for the different activities or between men and women.

CDC ELECTIONS

During Q2 interviews, our call centre staff interviewed 4,804 respondents in 683 communities who were asked to estimate the proportion of eligible voters that participated in their local CDC elections. On average, respondents estimated that 82 percent of all male and female eligible voters participated. When asked about participation specifically by eligible female voters, respondents' average answers estimated 52 percent participation.

Most people living with a disability were reported as being able to participate in the CDC elections (85 percent, n=4,061). In addition, almost all respondents (97 percent, n=4,639) indicated that no challenges were encountered in getting eligible men and women to participate in CDC elections. The other 3 percent (165 people) reported 211 challenges. The most commonly reported challenge related to insecurity (22 percent, n=46), with half of all insecurity challenges related to the Taliban, women not being able to participate (19 percent, n=40), issues related to election transparency (17 percent, n=35), and disagreements about candidates (15 percent, n=31). There were 25 communities for which phone respondents reported that CDC elections had not taken place and CDC office-bearers had been selected by community leaders.

Table 13: Percentage of Eligible Voters Participating in CDC Elections as Reported by Different Respondent Groups

ACTIVITY	ALL RESPONDENTS	MALE RESPONDENTS	FEMALE RESPONDENTS
Estimated percentage of eligible voters (male and female) that participated	82%	82%	83%
Estimated percentage of eligible female voters that participated	52%	52%	51%

COMMUNITY DEVELOPMENT PLAN CONSULTATION

Social researchers found that the CDP was available for 568 communities (83 percent). For 17 communities (two percent), the person social researchers interviewed did not know whether the CDP was available or whether it existed or not. Finally, for 101 communities (15 percent), social researchers found that the CDP was unavailable; for 75 of these, social researchers said that the document was reported to be available but off-site; for four CDPs, insecurity was cited as to why the documents were not available; and for the remaining 22 it was not clear where the CDP was.

Among CDC office-bearers and sub-committee members, most indicated that the CDC had conducted a participatory community analysis (88 percent, n=1,859) and process to define community priorities (92 percent, n=2,098) in preparing their Community Development Plan (CDP). Similarly, 92 percent (n=1,929) of all CDC-office bearers and sub-committee members said they had been consulted about the CDP, although fewer female CDC office-bearers and sub-committee members appeared to have been consulted (85 percent, n=273) compared to their male counterparts (93 percent, n=1,656).

In terms of consultation with other community members, 98 percent of respondents said that elders and men had been consulted, and 89 percent said that women had been consulted.

SUB-COMMITTEE FORMATION

Three-quarters of all respondents (77 percent, n=3,719) stated that CDC sub-committees had been formed. However, there were wide variations in responses depending on the gender and type of respondent. While almost all CDC office-bearers and sub-committee members (93 percent, n=1,964) stated that sub-committees had been formed, the figure was considerably lower among ordinary community members (66 percent, n=1,397) and those from the poorer quartiles (54 percent, n=154).

Of CDC office-bearers and sub-committee members reporting that sub-committees had been formed, 90 percent (n=1,774) said that Facilitating Partners had met the CDC to explain the roles and responsibilities of sub-committees, seven percent (n=147) said that this had not happened, and two percent (n=43) said they did not know. In addition, 69 percent (n=1,363) said that the roles and responsibilities of sub-committees were clear to them, 21 percent (n=416) said that they were partially clear, and nine percent (n=185) said that they were not clear.

2.2.6 CCAP Minimum Service Standards

From phone interviews, responses to questions asking if Minimum Service Standards had been achieved varied widely. While many reported that some standards had been met, year-round road access to the community and provision of electricity for at least twelve hours a day were those cited as the least available. In some communities, there was universal agreement that Minimum Service Standards were not being met. In particular, in more than half (62 percent, n=420) of all communities, every community member agreed their village did not have a minimum of twelve hours of electricity per day (Table 14). The provinces with most communities lacking this Minimum Service Standard were Badghis and Helmand (46 communities each).

Table 14: CCAP Minimum Service Standards

MINIMUM SERVICE STANDARDS	RESPONDENTS REPORTING CCAP MINIMUM SERVICE STANDARDS MET	
	MRRD	
Is there an education facility within 3 km of the community?	3,532/4,804	74%
Does the village have access to clean drinking water for all community members?	2,736/4,804	57%
If the village has access to clean drinking water, is clean drinking water available all year round?	2,836 /3,939	72%
Is there a canal or other source of water for irrigation or livestock?	2,585/4,804	54%
If there is a canal or other source of water for irrigation or livestock, is this water available all year round?	1,332/2,585	52%
Is there a health facility within 5 km of the community?	2,419/4,804	50%
If there is a health facility within 5 km of the community, does the health facility have a doctor?	2,337 /2,419	97%
Is the village accessible by road all year round?	1,685/4,804	35%
Does the village have public electricity for a minimum of 12 hours each day?	1,266/4,804	26%

2.2.7 Environmental Standards

Our engineers collected data on Environmental Safeguards for 537 out of the 715 sub-projects monitored in Q2, with the exception of information about the number of trees cut down, which was available for all 713 active sub-projects monitored¹³.

On trees cut during sub-project construction, engineers found that trees were cut at 45 of 713 active sub-projects monitored in Q2. In all, 1,271 trees were reported to have been cut, with another 117 planned to be cut. In eleven out of 45 sub-projects (24 percent), trees had not yet been replanted, while in the remaining 34 sub-projects, 2,346 seedlings had been planted. While the number of replanted seedlings is

¹³ Owing to a data collection issue, this information was collected separately by engineers.

greater than 811 trees cut down in these 34 sub-projects, it falls short of project requirements that three seedlings should be planted for every tree cut down.

For 193 (38 percent) of the 537 sub-projects for which data was collected engineers reported negative environmental impacts, with multiple negative environmental impacts in some instances. The impacts most mentioned were dust pollution (25 percent, n=98) and air pollution (18 percent, n=7), followed by land degradation/soil erosion (17 percent, n= 68), water pollution (14 percent, n=56), and destruction of trees/forests (13 percent, n=53). In addition, 18 “other” negative environmental impacts (4 percent) were cited.

Over three-quarters (71 percent) of sub-projects had an Environmental and Social Screening Checklist available. For 159 out of 537 sub-projects (30 percent), our engineers reported soil erosion and/or land degradation resulting from transportation of construction materials and 287 out of 537 sub-projects (53 percent) required a quarry; of these quarries, 72 (25 percent) were reported to have damaged the local environment.

2.2.8 Social Safeguards

There were 30 sub-projects (4 percent) where construction was ongoing at the time of the site visits. Out of these, workers were on site at 15 sub-projects. Workers were observed wearing Personal Protective Equipment (PPE) at three sites. Although safety training for workers had been conducted at nine sites, none of the 15 sites had a First Aid kit available.

An incident reporting system was in place for four of the 30 sub-projects where work was ongoing. Our engineers reported that workplace injuries had been reported from three sub-projects in the last 90 days. None of the injuries required hospitalization and two of the workers affected were reported to have made a full recovery. Although it is not known whether compensation had been requested, engineers reported that no compensation had been paid to date.

Out of 713 active sub-projects monitored in Q2, 29 sub-projects were found to be liable to natural disaster, most (n=23) from the threat of flooding, 25 of which did not have mitigation measures in place at the time of the site visits.

When CDC office-bearers and sub-committee members were asked if someone had been appointed to oversee risks to the environment and human health, over two-thirds (67 percent, n=370) reported that this had occurred.

Engineers found that there was a risk of work contaminating drinking water at 24 (seven percent) of the 358 sub-projects where a source of drinking water was reported to be at or adjacent to the construction site.

Engineers also identified 21 ‘other’ negative ESS instances that could potentially constitute a safeguards concern but were not captured in existing data collection instruments. These instances have been reported for further review/discussion.

2.2.9 Land Acquisition

Engineers reported that land had been acquired for 473 out of 715 sub-projects (66 percent), with land transfer documentation available for 343 out of 473 sub-projects (73 percent)..

Engineers reported that the source of land acquired was mostly private (67 percent, n=315) and community-owned (28 percent, n=130). Land was almost exclusively acquired through donation (98 percent, n=464).

Engineers reported that 241 households had been affected by loss of land in 53 communities because of land acquisition and none had received compensation so far. Most of these households were from Badghis (12 communities) and Kabul (13 communities).

2.2.10 Community Participatory Monitoring / Grievance Handling Mechanism

Two-thirds of respondents (67 percent, n=3,204) reported the establishment of a Community Participatory Monitoring (CPM)/Grievance Handling Mechanism Sub-Committee¹⁴.

As in previous reporting periods, CDC office-bearers and sub-committee members were more likely than other community members to report positively on this issue, and those from the poorer income quartiles, least likely. Overall, women were less likely than men to report that a CPM/GHM was available in their community. Since awareness of a CPM/GHM is a precursor to using it, this suggests that ordinary community members, women, and poor community members in particular, may be being disadvantaged in terms of their access to the CPM/GHM.

Of those respondents who stated that a CPM/GHM was available, eight percent (n=268) said that grievances had been reported. Apart from the small number (seven people) who did not know what the grievances were about, 261 respondents reported a total of 330 grievances. While these tended to relate to complaints about the sub-project design and construction delays, 45 complaints were reported as relating to alleged fraud (14 percent), 34 each to corruption and CDC mobilization (ten percent), 32 to theft (ten percent), 30 to staff privilege related to CDC Office-bearers or sub-committee members taking advantage of their office (nine percent), and five to land acquisition (two percent).

¹⁴ The CCAP Operational Manual requires the establishment of a Community Monitoring and Grievance Handling Sub-Committee to be primarily responsible for handling the participatory monitoring, social audits and grievance redressals at the community level. For simplicity, and in alignment with the CCAP Operational Manual, in this report we will refer to the Sub-Committee as “CPM/GHM” (Community Participatory Monitoring/ Grievance Handling Mechanism).

2.2.11 Gender

Most respondents confirm that their CDC includes at least one woman, though there is some evidence to suggest women may play a less active role on CDC sub-committees than their male counterparts. Women frequently report being consulted on community priorities, but seem to have their priorities reflected in final plans somewhat less frequently than men. As in past quarters, men are more likely to recall certain social mobilization activities (e.g., seasonal calendar) while women are more likely to recall others (e.g., women's mobility mapping). Relatively few grievances are being reported by women but this may be attributable to women's generally weaker awareness of the Community Participatory Monitoring mechanisms in their communities.

More than two-thirds of respondents (70 percent, n=3,343) said their CDC included female members, with men less likely to report this than women (68 percent of men, n=2,720 versus 77 percent of women, n=623). There were 328 communities (48 percent) where every respondent reported their CDC contained at least one female member and 46 communities (seven percent) where everyone reported there were no female CDC members.

More than four-fifths of female CDC office-bearers or sub-committee members (82 percent, n=265) said they had received training on their roles and responsibilities, a slightly lower percentage compared to their male counterparts (88 percent, n=1,558). This difference is in line with findings from previous reports.

Social researchers reported that, for 342 out of 731 active sub-projects (48 percent), only women who were CDC office-bearers had been consulted during sub-project implementation, i.e. our researchers found no evidence of other women community members having been consulted during sub-project implementation. In the case of 319 sub-projects (45 percent), researchers found that both female CDC office-bearers and other female community members had been consulted, and for 52 sub-projects (eight percent), the CDC office-bearers or sub-committee members spoken to did not know whether or not women who were not CDC office-bearers had been consulted.

In Q2, women appear to have been consulted slightly less frequently than men (85 percent versus 93 percent) in identifying community priorities as part of CDP development. When asked whether issues identified by women had been included in the CDP, three-quarters of respondents reported this was the case. Male CDC office-bearers and sub-committee members were more likely to agree that women-identified issues had been included in the CDP than were female CDC office-bearers and sub-committee members, but the difference was small (5 percentage points).

In terms of social mobilization activities, 4,643 respondents (97 percent) reported that at least one social mobilization activity had been carried out. The Well-Being Analysis was most frequently identified (88 percent, n=4,213) by both men and women as having taken place. In contrast, fewer respondents cited the Seasonal Calendar (60 percent, n=2,901) and Women's Mobility Mapping (61 percent, n=2,927) as having taken place. Differences were observed in reporting by men and women as to whether the Seasonal

Calendar and Women's Mobility Mapping activities had occurred. More men (62 percent) than women (54 percent) stated that the Seasonal Calendar activity had taken place. The opposite was true for Women's Mobility Mapping (59 percent for men and 71 percent for women reporting that the activity had occurred).

Across all respondent types, a slightly greater proportion of men reported knowing whether a CPM/GHM was available compared to women, with an eight percentage point difference between male and female CDC office-bearers and sub-committee members, a six percentage point difference between male and female ordinary community members and a five percentage point difference between male and female community members from the poorer quartiles. Almost three-quarters of those reporting that a CPM/GHM was in place (73 percent, n=2,354) stated that the CPM/GHM included female members. The number of female respondents who reported this was higher than that of men (81 percent of women, n=389 versus 72 percent of men, n=1,965).

Of the 268 people who said that grievances had been reported in their community, 30 (eleven percent) were women. These 30 women came from 25 communities and reported 33 complaints, ten percent of all grievances reported in Q2. The complaints related to alleged corruption (one) or fraud (three), CDC mobilization (five), staff privilege (seven), and other grievances, only some of which were sub-project related.

2.2.12 Insecurity

Security incidents were reported at 21 out of 715 sub-projects (three percent), with most (n=13) occurring in June, all but one of the latter occurring in Helmand. Of these, eight involved community and sub-project sites falling into the control of Anti-Government Elements. Engineers reported that, as a result, most CDC office-bearers and many community members had fled and ongoing work was halted, including maintenance work on completed sub-projects. Landmines were reported as present within 1 km of the construction site for five out of the 537 sub-projects.

2.2.13 Overall Assessment

- Seven sub-projects (one percent) were rated as Very Good
- 440 sub-projects (62 percent) were rated Good
- 206 sub-projects (29 percent) were rated Average
- 53 sub-projects (seven percent) were rated Below Average
- Seven sub-projects (one percent) were rated Poor¹⁵

Based on the sub-projects monitored in this reporting period, we assess CCAP's performance as **Good**.

¹⁵ Sub-projects rated as poor on average has 3.7 deviations compared to overall average of 0.8. The main issues are with lower or no O&M, lack of use of high-quality materials and low-quality workmanship.

2.3 EQRA

In Q2, our engineers from the Physical Monitoring team conducted in-person site visits to 205 sub-projects in 16 provinces undertaken by 201 CDCs. Our engineers visited three sub-projects twice during the reporting period, therefore the total number of sub-projects were 208¹⁶. Overall, 161 sub-projects (79 percent) were being implemented by CDCs and 47 by contractors. Call centre staff conducted 1,345 phone interviews, of which 439 were with CDC office-bearers, 352 with members of Education Sub-Committees, and 554 with non-CDC respondents (parents from the lower quartiles). Social researchers also conducted 205¹⁷ in-person interviews with CDC office-bearers and photographed available documentation related to the sub-projects.

2.3.1 Deviations

Table 15: EQRA Deviations in Q2 2021

	CRITICAL	MAJOR	MINOR	TOTAL
Deviations Identified in Q2	13	86	155	254
Estimated Rectification Cost (USD)	46,435	44,985	18,361	109,781
Fully Rectified in Q2	14	110	246	370
Non-rectifiable	13	103	61	177
Open at the end of Q2	49	194	362	605

2.3.2 Financial Review

The estimated cost of rectifying deviations identified by our engineer in this period is USD 109,781. The Financial Monitoring team determined financial progress as the percentage of the sub-project contract value utilised by CDCs up to the reporting period, based on financial information received from the project, and compared this with the assessment of physical progress made during site visits. We identified five misalignments between financial and physical progress (instances where the sum of financial progress made exceeded the assessed physical progress by more than 15 percentage points), totalling USD 249,006.

2.3.3 Sub-Project Status

Of 208 visits to the 205 sub-projects, 201 visits were for new school construction and seven for the provision of missing components at existing schools. CDCs were responsible for 77 percent of sub-projects visited (n=161) and contractors for the remainder (n=47).

¹⁶ The three sub-projects visited twice during this reporting period based on the sample shared by the Bank were: 16-1611-M0027-5-a (contractor-implemented), 05-0502-M0020-5-a and 20-2011-M0211-5-a (both CDC-implemented).

¹⁷ During May, we were not able to conduct phone interviews with three CDCs for sub-projects our engineers had visited due to poor telecommunications in the area (Sub-Project IDs: 25-2502-M0032-5-a, 25-2505-M0022-5-a, 25-2507-M0033-5-a).

2.3.4 Good Practice

Our engineers recorded 18 examples of Good Practice in 12 sub-projects: 11 in Kabul, three in Khost, two in Badghis and one each in Wardak and Nangarhar. All except two were in sub-projects managed by CDCs. Most examples are related to additional construction work or enhanced work, such as replacing wood for windows with uPVC, upgrading local toilets to flush toilets, extending water facilities, and adding solar panels.

Our engineers identified 13 Critical, 86 Major and 155 Minor deviations. Most Critical deviations related to the selected site being vulnerable to earthquakes, landslide or flooding, and without appropriate protective measures in place or planned. Major deviations were attributed to similar issues, and to not keeping to the required design specifications for well depth, poor workmanship when pouring concrete for buildings and ring beams, and non-operational hand pumps for wells.

In all, 40 percent (n=83) of sub-projects had no deviations and 18 percent (n=38) sub-projects had only one Minor deviation, which is consistent with Q1 findings that identified 58 percent (n=121) of sites with either no deviations or only one Minor deviation. For completed sub-projects, five Critical and 26 Major deviations remained open at the end of Q2, with ten Major deviations still to be acknowledged by MRRD. Rectification was in process for two of the five open Critical deviations.

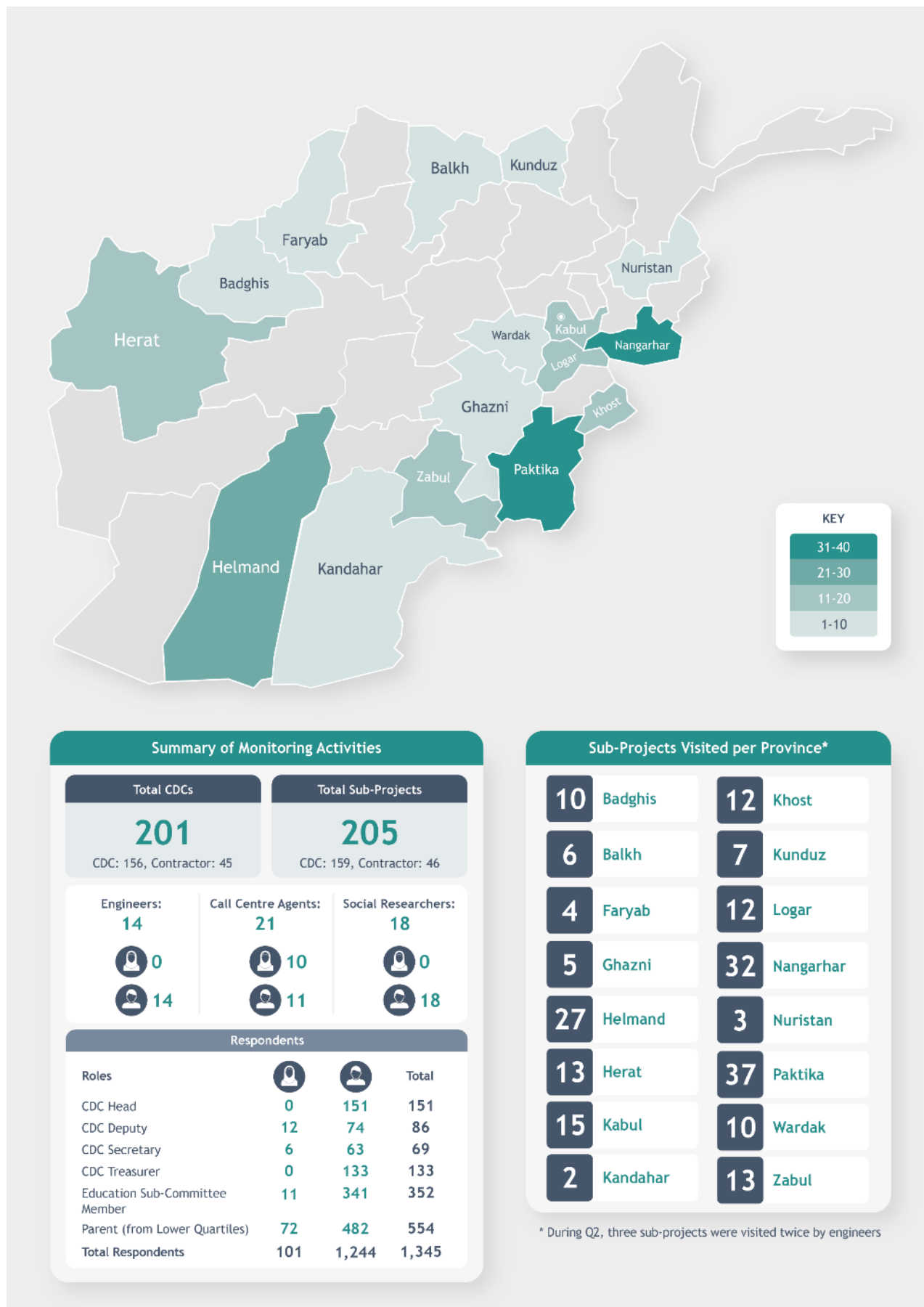
Table 16: EQRA Deviations by Aspect Identified in Q2 2021

	CRITICAL	MAJOR	MINOR	TOTAL
Environmental Safeguards	0	0	1	1
Materials	1	28	58	87
O&M Plan	0	1	0	1
Project Management	10	37	79	126
Social Safeguards	0	3	1	4
Workmanship	2	17	16	35
	13	86	155	254

2.3.5 Community Engagement

Ninety-eight percent (n=1,312) of the respondents we interviewed across 201 CDCs stated that the community had been consulted during the sub-project planning phase, with all respondents from 180 CDCs agreeing that consultation had taken place. Most concerns mentioned by community members as having been raised at the planning phase (60 percent, n=96) involved fears about construction delays or suspension and failure to complete the sub-project. Other concerns related to sub-project location and land acquisition (n=45), the quality of design or materials used (n=29), or sub-project management (n=19).

Figure 4: Map of TPM Activities for EQRA in Q2 2021



EQRA guidelines encourage the establishment of a School Management Shura (SMS) to work with communities. All respondents agreed that an SMS had been established in 141 out of 205 sub-projects. Where an SMS had not yet been established, the main reason given by respondents was that the school was not yet operational (16 percent), followed by teachers' or the CDC's reluctance to have an SMS (14 percent).

2.3.6 Disaster Risk

Most schools were not located in areas prone to flooding or landslide, but those that were tended not to have protective measures planned or in place. Our engineers identified 15 sub-projects (seven percent) that were at risk of landslide. Nine of these sub-projects required a protective retaining wall, but none had constructed one.

Our engineers identified 17 sub-projects (nine percent) that were at risk from flooding. Ten of these sub-projects required a protective wall, but only one had constructed one.

2.3.7 Environment, Health and Safety Standards

In all, an estimated 276 trees had been cut down and an estimated six trees replanted to date. An additional estimated 27 trees were planned to be cut down. Our engineers identified that Kunduz province reported the highest numbers of trees cut down overall (124 estimated trees), followed by Nangarhar (93 estimated trees).

Our engineers reported that workers were wearing PPE at six of the 15 ongoing sub-projects they assessed but no sites had First Aid kits available. Respondents at 52 sub-projects reported that either students, workers or community members had been injured. Most reported minor injuries to workers due to falls while working, falling materials, and accidents involving machinery. In addition to minor injuries, there were some reports of more serious injuries, including hand fractures or leg injuries, but these were also treated immediately at a nearby clinic.

Respondents reported injuries to community members at six sub-projects; none related to sub-project construction but were caused by other incidents such as community disputes or car accidents. Four respondents said that community members were injured by security incidents or attacks near or around sub-project sites.

2.3.8 Insecurity

In Q2, there were 176 references to insecurity and the Taliban, with 134 references from community respondents and 42 references from engineers' site visits. These references came from respondents at 74 sub-projects in 45 districts across all 16 provinces visited. This is a 40 percent increase from the previous quarter, which saw 126 references to the Taliban and insecurity. There were 17 references to Taliban

demands for a share of the sub-project budget at nine sites in Q2, compared to 14 references at ten sites in Q1 2021. Some payments were reported as having been made (see next paragraph).

Of the 176 Taliban references this quarter, 34 were general references to insecurity, fear of the Taliban or Taliban control of an area, and 16 related to restrictions on education or to women's mobility due to insecurity. There were 25 references at 16 sub-projects to the Taliban handling grievances in the absence of a Grievance Handling Committee. There were an additional 58 references to insecurity causing delays to sub-projects, either because the Taliban had directly interfered in the sub-project and caused it to be delayed or suspended, or because insecurity and fear of the Taliban led communities to delay sub-project construction. Respondents also mentioned Taliban demands for a share of the sub-project budget 17 times at nine sites, some of which were confirmed as being paid. In one instance, community resisted and did not pay the Taliban in Oryakhail Naghlo village, Surubi district, Kabul (Sub-Project ID: 01-0112-M0033-5-a). In Chaprod Ha village, Qadis district, Badghis (Sub-Project ID: 19-1903-M0109-5-a) the Taliban blew up a school building after demanding a portion of the project budget (We have no information as to whether payment was made or not).

2.3.9 Grievance Redress Mechanism

A total of 493 CDC office-bearers and Education Sub-Committee members (62 percent of all CDC office bearers nationwide) from the 130 sites reported that a Grievance Handling Committee (GHC) had been established. When we asked all respondents whether a Grievance Handling Committee (GHC) had been established, people from 109 sites agreed that this was the case. In all, 987 out of 1,345 respondents (73 percent) agreed that a GHC had been established, with 247 disagreeing (18 percent); the remainder did not know.

Respondents at 70 sites in 14 provinces reported that an estimated 346 grievances had been raised in total. The most common methods stated for reporting a grievance were: speaking directly to a GHC member (58 percent), phone calls (14 percent), writing to the GHC (13 percent) or a complaints box (twelve percent). Other methods that were less frequently cited included speaking to community elders or the district government office.

2.3.10 Gender

Consistent with previous reporting, a large majority of respondents said that the school location was suitable for boys and girls, with all respondents from 193 sites (95 percent) agreeing the school's location was suitable for boys, and from 159 sites (75 percent) that it was suitable for girls. Where respondents disagreed with this, the reasons given included disapproval of co-education or of girls' education, lack of a boundary wall or adequate security at the school, distance between the school and community, and local insecurity.

Boundary walls are required for co-educational and girls' secondary and high schools. However, only six out of 29 (21 percent) girls' and co-educational secondary and high schools monitored in Q2 had them in

place at the time of monitoring, although work was ongoing at the other 23 sites. Eight schools where walls would be required do not have them included in their contracts.

In 30 percent of communities (n=62), every respondent agreed that women had been consulted during the planning and implementation phases of sub-projects. Overall, a slightly higher percentage of women (72 percent, n=73) agreed that women had been consulted than men (67 percent, n=828), which may be due to men in the community not necessarily being aware of the consultations with women taking place.

Out of 141 communities with an established SMS (as agreed by all CDC and Education Sub-Committee members), every respondent from 44 percent of these communities (n=62) reported that their SMS did not contain women members.

2.3.11 Overall Assessment

Overall, engineers rated one sub-project as Very Good, 132 as Good, 58 as Average, 16 as Below Average and one as Very Poor. The overall rating for EQRA sub-projects monitored in this period is **Good**.

2.4 IRRIGATION RESTORATION AND DEVELOPMENT PROJECT

In Q2, we undertook monitoring of 18 IRDP sub-projects in nine provinces and six districts, in each case accompanied by Government engineers or project staff.

2.4.1 Deviations

Our engineers identified ten Major and five Minor deviations. Out of 18 sub-projects, eight (44 percent) had no identified deviations and a one (5 percent) had only Minor deviations.

Table 17: IRDP Deviations in Q2 2021

	CRITICAL	MAJOR	MINOR	TOTAL
Deviations Identified in Q2	0	10	5	15
Estimated Rectification Cost (USD)	0	37,980	2,100	40,080
Fully Rectified in Q2	0	0	0	0
Non-rectifiable	0	35	17	52
Open at the end of Q2	0	24	5	29

As highlighted in Table 18 below, most of the deviations identified were related to project management.

Table 18: IRDP Deviations by Aspect Identified in Q2 2021

	MAJOR	MINOR	TOTAL
Materials	0	1	1
Project Management	8	4	12
Environmental Safeguards	2	0	2
	10	5	15

2.4.2 Financial Review

We reviewed financial data for all 18 IRDP sub-projects with in-person visits this quarter. Our financial review estimated the cost of rectifying identified deviations at USD 40,080.

2.4.3 Sub-Project Status and Good Practice

Engineers assessed most projects as being more advanced than the status reflected in the National Water Affairs Regulation Authority's (NWARA) Management Information System (MIS). Of the 18 sub-project sites visited, NWARAMIS reported 15 as Ongoing and three as Completed. Our engineers assessed 13 as Completed, four as Ongoing and one as Suspended. Of the 13 sub-project sites assessed as Completed by our engineers, eleven were fully operational and two not operational. Ten of these sub-project sites had been delayed.

At one site, our engineer reported that the suppliers and workers had complained about non-payment to the Taliban. The Taliban stopped the sub-project construction activities and warned the construction company that they would not be allowed to work until they had paid the suppliers and workers.

Our engineer identified five examples of Good Practice, all in Ab Pashak WBP Lot-1, Salang district, Parwan (Sub-Project ID: B-112 Lot-1). The contractor installed two basins, one for handwashing and one for washing dishes. They also constructed a pavement, planted 12 trees, and constructed a railing for the stairs which was not in the sub-project contract.

2.4.4 Contractor Performance

NWARA assigned an engineer from the Project Contract Unit to all 18 sub-project sites. Engineers were present during the site visits and were found to be cooperative.

Our engineers assessed that the contractor had always received funding instalments on time for 15 sub-projects but not for the other three: two sites in Kohsan district, Herat (Sub-Project ID: H-529) and one site in Salang district, Parwan (Sub-Project ID: B-112 Lot-1).

The engineers also assessed that only three of the 13 completed sub-projects had actual constructed volumes and cost sheets. In all three sub-project sites there was no difference between the actual constructed volumes and cost and the planned values. Our engineers assessed that construction materials tests had been conducted in five sub-project sites (two Ongoing, two Completed and one Suspended).

Many of the required documents were available for inspection and appropriately stored, however exceptions included the Environmental and Social Management Plan which was available at only one site and the Site Selection Criteria, which was not available at any site (Table 17).

Table 19: Availability of Sub-Project Documentation

DOCUMENT	N	PERCENTAGE
Bill of Quantity	16/18	89%
Design Drawing	16/18	89%
Environmental and Social Management Plan	1/18	6%
Final Handover Documents (only completed sub-projects)	6/13	46%
Field Journal or Logbook	5/18	28%
Sub-project Contract	15/18	83%
Technical Specifications	13/18	72%
Site Selection Criteria	0/18	0%

2.4.5 Health and Safety

To assess occupational health and safety, we look at measures in place to ensure site safety, hygiene at labour camps, and any evidence of child employment. Health and safety training for workers had been

provided at four incomplete sub-project sites but First Aid kits were only available at three sites. Workers were using PPE at two of the four sites (location), but were not wearing PPE at two other sites in Pashtun Zarghun district, Herat (Sub-Project ID: H-523 Lot-1). At the latter two sites, workers reported that the Taliban had warned them not to wear the PPE. Both sub-project sites were located near the Taliban base (detention center). The Taliban claimed that workers shared the coordinates of the sites with the Afghan National Army (ANA) and arrested a few of the workers. These workers were released with the condition that they not wear PPE so that the ANA would not identify them as construction company workers.

2.4.6 General Environmental Impact

Our engineers found one negative ESS finding in Nahr-e-Saraj district, Helmand (Sub-Project ID: QR-501 Lot-1), where 1,500 trees had been cut down because of the sub-project construction with no replanting plan in place. A total of 152 trees had been cut down and replanted in two sub-project sites in Pashtun Zarghun district, Herat (Sub-Project ID: H-523 Lot-1). One sub-project in Lashkargah district, Helmand (Sub-Project ID: B-112 Lot 2) located in an area prone to flooding had no mitigation measures in place to avoid the risk.

2.4.7 Land Acquisition and Resettlement

Land had been acquired for sub-project construction in seven sites in five provinces. In three cases government land was transferred to the sub-project, in three cases private land was donated, and in one case private land was partially donated and partially purchased. As per the land acquisition documents, a total of 61,410 square metres of land had been acquired, affecting 31 households, none of which had yet been compensated at the time of the site visits. There was no evidence that compensation was in process during the site visit.

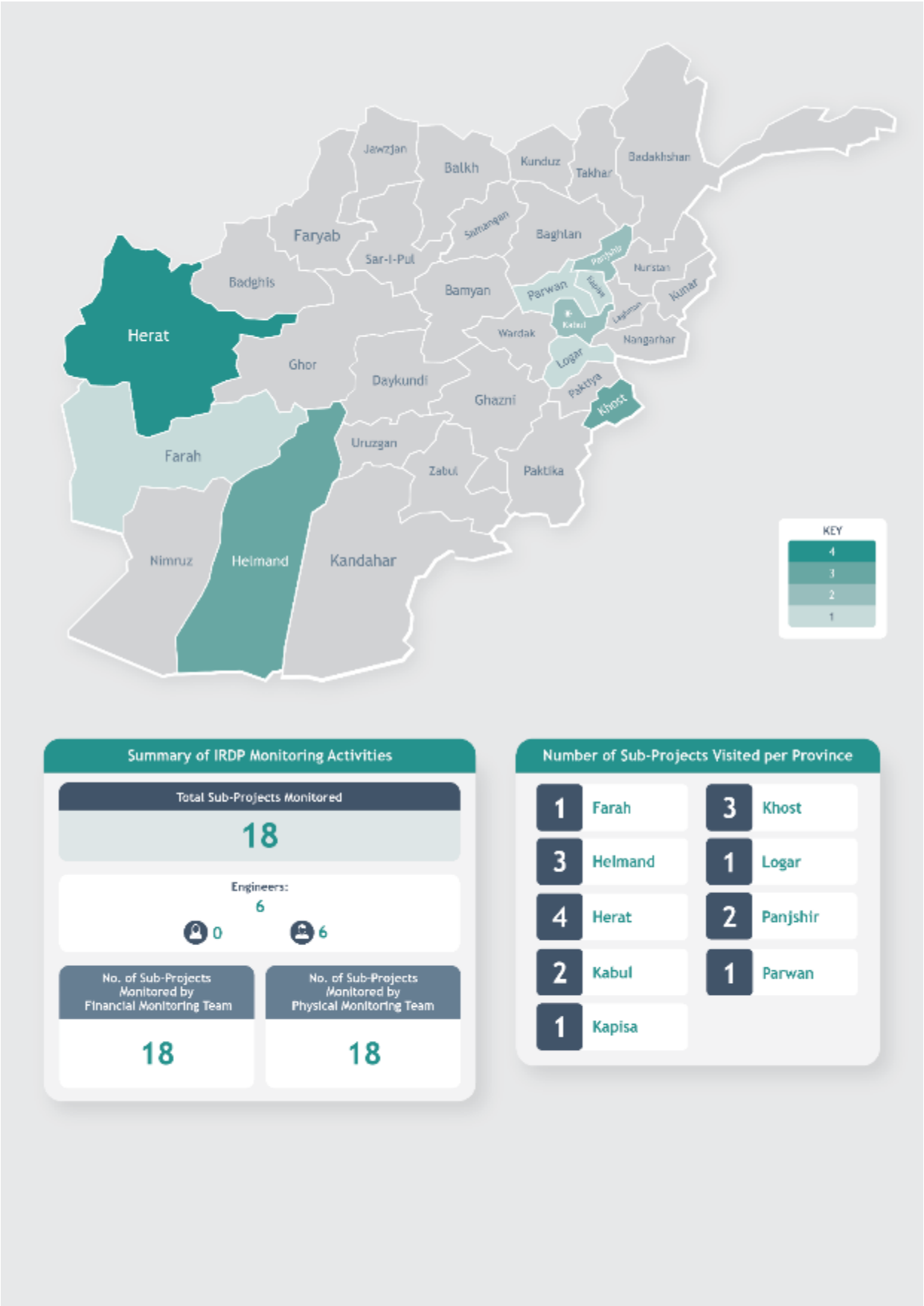
2.4.8 Grievance Management

Grievance management records were lacking at 17 sites. A logbook or online system for recording complaints was only available at one sub-project site, in Nahr-e-Saraj district, Helmand (Sub-Project ID: QR-501 Lot-1). However, no formal group or committee had been established to deal with complaints in the community.

2.4.9 Overall Assessment

Overall, for the 18 sub-project sites we rated one sub-project site as Very Good, eight as Good, eight as Average and one as Poor. The overall rating for IRDP sub-projects monitored in this period is **Average**.

Figure 5: Map of TPM Activities for IRDP in Q2 2021



2.5 TRANS-HINDUKUSH ROAD CONNECTIVITY PROJECT

In Q2, we undertook a total of 47 in-person monitoring visits to three segments in two provinces and two districts:¹⁸

- Eighteen visits to Segment One in Doshi district, Baghlan
- Eighteen visits to Segment Two in Doshi district, Baghlan
- Eleven visits to Segment Five in Shiber district, Bamyan.

Ministry of Public Works (MoPW) engineers or project staff accompanied our staff during all site visits.

2.5.1 Deviations

Table 20: THRCP Deviations in Q2 2021

	CRITICAL	MAJOR	MINOR	TOTAL
Deviations Identified in Q2	1	46	11	58
Estimated Rectification Cost (USD)	300	28,810	1,450	30,560
Fully Rectified in Q2	0	4	3	7
Non-rectifiable	1	5	2	8
Open at the end of Q2	6	206	146	358

Out of 913 Observations made during Q2, we identified 58 deviations, including 46 Major and 11 Minor deviations. One Critical deviation was identified during this monitoring period relating to social safeguards. Deviations were most frequently found in relation to RCC box culverts.

Work in Baghlan accounted for nearly all (n=48, 83 percent) deviations. Segment One in Baghlan accounted for the highest number of deviations (n=33, 57 percent) and the highest number of Major deviations (n=27, 59 percent).

Table 21: THRCP Deviations by Aspect Identified in Q2 2021

	CRITICAL	MAJOR	MINOR	TOTAL
Design	0	3	0	3
Environmental Safeguards	0	5	0	5
Materials	0	8	1	9
Project Management	0	9	6	15
Social Safeguards	1	7	0	8
Workmanship	0	14	4	18
	1	46	11	58

¹⁸ Segments are road portions of the project, which are divided into smaller sections.

2.5.2 Financial Review

The estimated cost of rectifying deviations identified by our engineer in this period is USD 30,560.

2.5.3 Segment Status and Good Practice

Our engineer assessed work at Segments One, Two and Five as ‘Ongoing’, that is, construction activities were continuing at those sites during the monitoring period. This was consistent with reporting from MIS. However, in June, our engineer found work suspended at five stations in Segment One, one station in Segment Two and two in Segment Five. Across all three segments, insufficient project management by the contractor and lack of budget for project implementation due to contractors’ invoices not being processed or paid on time were the primary reasons for the section suspension.

We did not identify any examples of Good Practice in Q2.

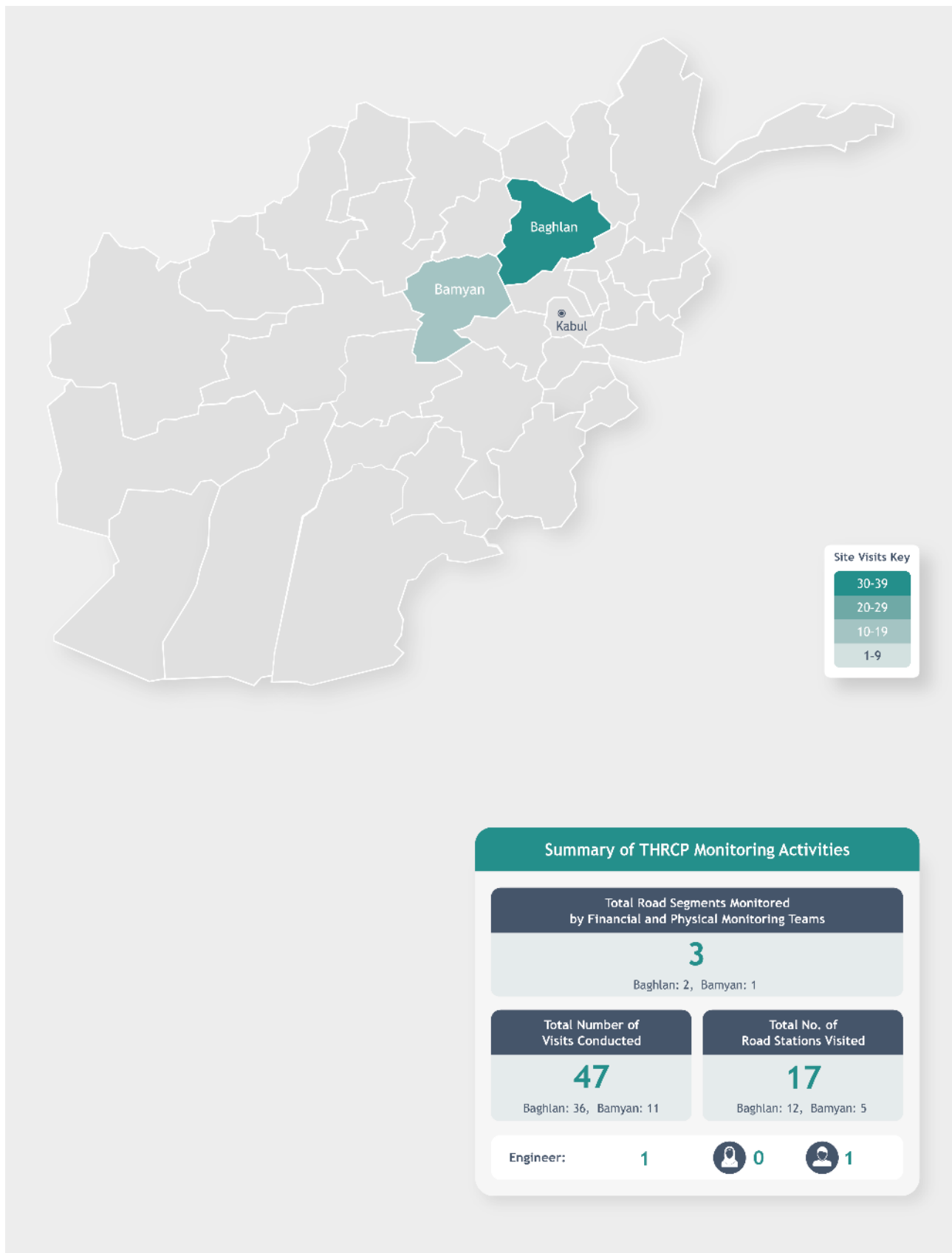
2.5.4 Contractor Performance

Our engineer found workers on site at most segments and stations where work was ongoing. The contractors’ project managers were not on site during any of the monitoring visits. A Quality Control Manager and Land Survey Manager were on site at ongoing stations of Segment Five but not at Segments One and Two.

During site visits, our engineer observed that construction materials were not well stocked or protected against theft, mishandling or bad weather in all segments where work was ongoing in Baghlan and Bamyan. Contractors were, however, conducting materials testing according to contract requirements in all ongoing segments.

Most required documentation was available for inspection and appropriately stored.

Figure 6: Map of TPM Activities for THRCP in Q2 2021



2.5.5 Environmental and Social Safeguards

Environmental and Social Management Plans (ESMPs) were available in all segments except Segment Five. However, our engineers identified soil pollution in all segments arising from dust pollution, attributed to the absence of a dust control plan and water tankers on site for spraying. In Segment Five, soil pollution was still observed though dust control procedures were in place.

In all segments our engineers noted that sand or gravel had been removed from riverbeds and the contractor had not obtained written permission from the relevant Government department to do so. However, engineers reported that this did not appear to have had any negative impacts on riverbed morphology, aside from in Segment Five.

2.5.6 Health and Safety

First Aid kits were not available at the majority of sites aside from three in Segment Two and one in Segment Five. PPE had been provided to workers in some stations in Segments Two and Five but in none of Segment One stations. Safety training for workers had been provided in Segments One and Two but not in Segment Five.

2.5.7 Land Acquisition

Across the three monitored segments, a total of 300,174 square meters of land had been acquired by the sub-projects, affecting 464 households and 96 businesses. Most land had been acquired through sub-project purchases from the owners, evidenced by land transfer documentation at the site. The monitoring team found for all segments that there was no clear compensation plan for affected businesses.

2.5.8 Overall Assessment

The rating in Q2 for THRCF, based on all sites where work had taken place in the period, was **Average**.

3 RESULTS FROM FINANCIAL MONITORING

3.1 STATEMENT OF EXPENDITURE REVIEWS

This report contains the results of our reviews of Statements of Expenditure (SoEs) submitted by Project Management Units (PMUs), and details of the SoE Cover Letters ('Certificates') issued in Q2 2021 (between 1 April 2021 and 30 June 2021), in respect of the Afghan Government's Financial Year 1399 and 1400, corresponding to the period 22 December 2019 to 21 December 2020, and 22 December 2020 to 21 December 2021, respectively.

Table 22: Statement of Expenditure Review Results (USD)

	Q1 2021	Q2 2021	2021 TOTAL	CUMULATIVE TO DATE
No. of SoE Cover Letters Issued	29	49	78	152
Amount Claimed for Replenishment	83,415,268	205,139,973	288,555,241	414,698,106
Questionable Transactions (Net)	(4,617,107)	(1,830,269)	(6,447,376)	(18,236,486)
Amount Recommended for Replenishment (USD)	78,798,161	203,309,704	282,107,865	396,461,620
Sample Value (USD)	51,780,621	88,907,959	140,688,579	215,696,171
Sample Coverage	62 percent	43 percent	49 percent	52 percent

During Q2 2021, we issued 49 SoE cover letters for 24 projects claiming a total of USD 205,139,973 for replenishment from the Bank. We sampled USD 88,907,959 (43 percent) of this amount, proposed adjustments in respect of questionable transactions totalling USD 1,830,269, and recommended USD 203,309,704 for replenishment.

Since the start of our contract in January 2020, we have issued 152 cover letters for expenditure claims amounting to USD 414,698,106, 52 percent of which were sampled during our reviews.

We also reported on internal control weaknesses identified during our SoE reviews. These primarily related to non-compliance with procurement and financial policies, and disclosure errors in the submitted SoEs. We made recommendations to projects on how the identified weaknesses and risks should be addressed to support a strengthened control environment.

Where adjustments are proposed, these normally arise from non-compliance with applicable procurement regulations and the late submission of the documentation (including copies of relevant authorisations) needed to allow reimbursement to occur. In most cases, this documentation is submitted as part of a later SoE, thus allowing replenishment to proceed.

3.2 STATUS OF QUESTIONABLE TRANSACTIONS

Since the beginning of 2020, we have identified USD 18,236,486 of questionable transactions in the course of regular SOE review. To minimise the risk of ineligible expenditure, payments identified as Questionable Transactions are withheld until issues are resolved and missing documentation provided. Missing documentation has been provided for USD 8,208,580 of questionable transactions and the issues have been resolved as summarised below. USD 10,027,906 requires further documentation to be eligible for reimbursement.

Table 23: Status of Questionable Transactions (Cumulative to Date)

	USD
Cumulative Adjustments for Questionable Transactions	18,236,486
Resolved	(8,208,580)
Unresolved Questionable Transactions	10,027,906

For detailed analysis by project, please see Annex 3. The main reasons for the unresolved questionable transactions are summarised below.

Table 24: Reasons for Cumulative Unresolved Questionable Transactions

	USD
Non-compliance with applicable procurement regulations	5,070,716
Missing Supporting Documentation	1,669,510
Overdue Advances claimed as expenditure	1,303,423
Non-compliance with financial policies	1,250,913
Accounting/Casting Errors	586,457
Overpayments to contractors and employees	119,048
Others	27,839
	10,027,906

The highest value unresolved questionable transactions reported in submitted SoEs, shown below, account for approximately 75 percent (USD 7,483,572) of this total.

Table 25: Highest Value Unresolved Questionable Transactions as of the end of Q2 2021

PROJECT ID	PROJECT	PERIOD	USD
P143841	National Horticulture and Livestock Productivity Project (NHLP)	Q3 1399	1,750,855
P160567	CCAP (MRRD) OpEx	Q2 1399	1,153,660
P160568	CCAP (IDLG) OpEx	Q3 & Q4 1399	1,082,755
P160615	Sehatmandi	Q3 & Q4 1399	976,450
P145347	THRCF	Q2 1399	701,807
P162022	Herat Electrification Project (HEP)	Q1 1399	579,250
P122235	IRDP	Q2 1399	355,580

PROJECT ID	PROJECT	PERIOD	USD
P125961	Afghanistan Rural Access Project (MoPW)	Q3 1399	307,841
P143841	NHLP	Q2 1399	299,265
P160615	Sehatmandi	Q1 & Q2 1399	276,109
			7,483,572

4 REFINING OUR APPROACH

4.1 STAKEHOLDER ENGAGEMENT

Starting with the submission of individual project reports for Q2 2020, we initiated a standard quarterly report feedback process that begins with written feedback from each World Bank Task Team on their respective report. Over this quarter, we also conducted feedback sessions on Q4 2020 and some Q1 2021 reports with Task Teams and Government PIUs, providing an opportunity to explain in detail what findings they found useful and where information gaps remained. In addition to this formal feedback process, we hold regular meetings with the engineering departments of various Government entities to review deviations found, to discuss issues as they arise, and to support World Bank Implementation Support Missions.

4.2 ADAPTING OUR METHODOLOGY AND APPROACH

In Q2, we continued to revise and amend data collection tools in consultation with World Bank and Government partner teams, to address information gaps, remove outdated questions, and to strengthen the consistency of language used across projects as part of developing portfolio-level analysis and reporting.

This quarter, we discussed adapting our definition and approach to measuring ‘Good Practice’ in infrastructure projects with the EQRA Task Team and MRRD. From the Q3 monitoring cycle beginning in July 2021, we agreed to amend our scoring methodology for projects being implemented without any identified deviations, and to differentiate between ‘Good Practice’ (where elements of work are done to a very high standard) and ‘Extra Work’ (where communities support additional features such as solar panels). These changes are intended to reflect the fact that some communities are able and willing to mobilise the resources to undertake work beyond the scope of the original contract or design. While this revision was initiated by the EQRA Task Team, we will be implementing the changes for all projects we monitor to allow us to aggregate findings. We will detail these changes in the next Quarterly Report.

4.3 IMPROVEMENTS TO THE DIGITAL PLATFORM

In Q2, our Digital Platform Unit continued to conduct platform walk-throughs targeting Task Teams, and group training sessions with Government users to enable them to record and update information about deviations found and rectified. We also provided informal follow-up mentorship via email and Skype. In

total, we conducted three different demonstrations and training sessions on the use of our digital platform with three ministries and three Bank Task Teams.

Table 26: Digital Platform Training

ENTITY	PROJECT	TRAINING DATE
MoPW	THRCP	May 19, 2021
IDLG	CCAP	May 18, 2021
MRRD	CCAP and EQRA	May 18, 2021

ANNEX 1: INFRASTRUCTURE SCORING AND RATING

Initial Scoring and Rating

DEFINITION	INITIAL SCORE	INITIAL RATING
Design		
The design was created with full consideration of the site requirements. The design is fully appropriate and allows for 100 percent of intended functionality and design life.	5	Very Good
The design responds to almost all site requirements; however, small considerations could have reduced wear and tear and lowered maintenance requirements. Intended functionality is between 90 percent and 100 percent and design life is not impacted.	4.0 - 4.9	Good
The design responds only to the major requirements of the site. Some of the design may be inappropriate or missing important elements, causing the sub-project to have between 70 percent and 90 percent of intended functionality and a shorter design life.	3.0 - 3.9	Average
The design does not respond to all major requirements of the site. Much of the design may be inappropriate or missing important elements, severely lowering functionality to between 40 percent and 70 percent. Sustainability is negatively impacted, and the sub-project will require more maintenance than otherwise would be necessary.	2.0 - 2.9	Below Average
The design responds only to a minority of the major requirements of the site. The design may be largely inappropriate or missing important elements, making the sub-project unsustainable and non-functional in a number of identifiable areas (between 10 and 40 percent). Portions of the design may have not been feasibly implemented.	1.0 - 1.9	Poor
The design does not consider any of the major requirements of the site. The design is inappropriate, making the sub-project unsustainable and non-functional (below 10 percent). Identified deficiencies cannot be remedied without affecting the sub-project budget or timeframe and may not be capable of rectification.	0.0 - 0.9	Very Poor
Materials		
The materials used meet all the technical specifications and exceed them in some areas.	5	Very Good
The materials used meet all the technical specifications.	4.0 - 4.9	Good
The materials used meet the major specifications, with some evident deficiencies that can be remedied without affecting the sub-project budget or timeframe.	3.0 - 3.9	Average
The materials used deviate from the technical specifications, with a number of evident deficiencies that can be remedied but are likely to affect the sub-project budget or timeframe.	2.0 - 2.9	Below Average
Many of the materials used deviate from the technical specifications, with many evident deficiencies that cannot be remedied without affecting the sub-project budget or timeframe.	1.0 - 1.9	Poor

DEFINITION	INITIAL SCORE	INITIAL RATING
All, or almost all of the materials used deviate from the technical specifications requiring serious reworking, up to and including complete replacement. Identified deficiencies cannot be remedied without affecting the sub-project budget or timeframe and may not be capable of rectification.	0.0 - 0.9	Very Poor
Workmanship		
The quality of workmanship meets all the technical specifications and exceeds them in some areas.	5	Very Good
The quality of workmanship meets all the technical specifications.	4.0 - 4.9	Good
The quality of workmanship meets the major specifications, with some evident deficiencies that can be remedied without affecting the sub-project budget or timeframe.	3.0 - 3.9	Average
The quality of workmanship meets the technical specifications, with a number of evident deficiencies that can be remedied but are likely to affect the sub-project budget or timeframe.	2.0 - 2.9	Below Average
The workmanship quality deviates significantly from the technical specifications, with many evident deficiencies that cannot be remedied without affecting the sub-project budget or timeframe.	1.0 - 1.9	Poor
In all, or almost all cases, the quality of workmanship deviates from the technical specifications requiring serious reworking, up to and including complete replacement. Identified deficiencies cannot be remedied without affecting the sub-project budget or timeframe and may not be capable of rectification.	0.0 - 0.9	Very Poor
Operations and Maintenance (applicable to Completed sub-projects)		
The O&M Plan is fully funded and being implemented. It meets all the requirements of the site or sub-project, exceeds it in some identifiable areas, and is expected to be sustainable over the entire design life of the sub-project.	5	Very Good
The O&M Plan meets all the requirements of the site or sub-project and fully funded. If not already being implemented, it is expected to be fully funded and to be sustainable over the entire design life.	4.0 - 4.9	Good
The O&M Plan meets the major requirements of the site or sub-project. The majority of funds needed are in place to support implementation.	3.0 - 3.9	Average
The O&M Plan meets some but not all of the major requirements of the site or sub-project. A minority of the funds needed to support implementation are in place. If not already being implemented the Plan is not expected to be fully funded.	2.0 - 2.9	Below Average
The O&M Plan meets very few of the major requirements of the site or sub-project.	1.0 - 1.9	Poor
The O&M Plan does not support or is likely to fail to support the sustainability of the site or sub-project.	0.0 - 0.9	Very Poor

Deviation Definitions

CATEGORIES	DEFINITION
Critical	Failure to construct infrastructure in a way that protects workers or community members during construction and requiring urgent mitigation before work can continue.
	For completed infrastructure, failure to construct infrastructure in a way that protects community members or users.
	A non-recoverable negative impact in terms of structural quality, functionality or sustainability.

CATEGORIES	DEFINITION
Major	Capable of being rectified but not within existing budget and/or timeframe for completion. A significant negative impact in terms of overall structural quality, functionality and/or sustainability. Not capable of being rectified and resulting in agreed budget and timeframe for completion being exceeded.
Minor	Capable of being rectified within existing budget and/or timeframe for completion. No significant negative impact in terms of overall structural quality, functionality and/or sustainability. Not capable of being rectified but no negative effect on agreed budget and timeframe for completion.
Notification	Minor deviations identified with an estimated rectification cost of under USD 50 are treated as Notifications, listed and supplied to the Government project team for resolution.

Scoring and Final Rating

A final sub-project rating takes into account the number and nature of deviations identified as well as evidence of Good Practice. For reporting at project level the average of final ratings for all sub-projects monitored in each reporting period is taken.

SCORE	DEVIATIONS	FINAL RATING
5.00	No deviations	Very Good
	Not more than 4 Minor deviations	Good
3.00-4.99	No Critical deviations	Good
	1 Critical deviation	Below Average
	More than 1 Critical deviation	Poor
	Not more than 2 Major deviations	Good
	Not more than 5 Major deviations	Average
	More than 5 Major deviations	Below Average
	Not more than 4 Minor deviations	Good
	Not more than 10 Minor deviations	Average
	More than 10 Minor deviations	Below Average
	No Critical deviations	Below Average
2.00-2.99	1 Critical deviation	Poor
	More than 1 Critical deviation	Very Poor
	Not more than 2 Major deviations	Below Average
	More than 2 Major deviations	Poor
	Not more than 4 Minor deviations	Below Average
	More than 4 Minor deviations	Poor
0.00-1.99	Not more than 1 Critical deviation, not more than 5 Major deviations, or not more than 10 Minor deviations	Poor
	More than 1 Critical deviation, more than 5 Major deviations, or more than 10 Minor deviations	Very Poor

ANNEX 2: DEVIATIONS AND RECTIFICATIONS IN Q2 2021¹⁹

CRITICAL			
	NEW	RECTIFIED	OPEN DEVIATIONS ²⁰
CCAP	15	5	37
EQRA	13	14	49
IRDP	0	0	0
THRCP	1	0	6
	29	19	92

MAJOR			
	NEW	RECTIFIED	OPEN DEVIATIONS
CCAP	381	229	1,033
EQRA	86	110	194
IRDP	10	0	24
THRCP	46	4	206
	523	343	1,457

MINOR			
	NEW	RECTIFIED	OPEN DEVIATIONS
CCAP	204	229	873
EQRA	155	246	362
IRDP	5	0	5
THRCP	11	3	146
	375	478	1,386
Total	927	840	2,935

¹⁹ This annex only presents figures from the four ongoing sub-projects which we monitored during Q2.

²⁰ Figures for open deviations are for the end of Q2 and reflect the agreed reclassification of deviations for CCAP and EQRA. They also do not include non-rectifiable deviations.

ANNEX 3: STATEMENTS OF EXPENDITURE ISSUED IN Q2 2021

PROJECT ID	PROJECT	PERIOD	TOTAL	ADJUSTMENTS	REVERSAL OF PREVIOUS QUARTER SOE	REPLENISHMENT (USD)
P128048	A2F	Q1 1400	1,815,028	470	-	1,815,498
P128048	A2F	Q2 1400	2,267,173	-	-	2,267,173
P164762	ALASP	Q3 & Q4 1399	1,153,820	(252,469)	-	901,351
P149410	CASA CSP (Opex)	Q3 1399	224,839	(13,604)	-	211,235
P149410	CASA CSP (Grants & Opex)	Q4 1399	556,991	(5,766)	-	551,225
P149410	CASA CSP (Grants)	Q1 1400	967,064	(9,572)	-	957,492
P149410	CASA CSP (Opex)	Q1 1400	145,936	-	-	145,936
P149410	CASA CSP (COVID Relief Grant) Lot 1	Q1 1400	22,083	(10,185)	-	11,898
P145054	CASA1000	Q4 1399	341,784	(497)	-	341,287
P160568	CCAP (IDLG) OpEx	Q3&Q4 1399	27,098,981	(1,082,755)	-	26,016,226
P160567	CCAP (MRRD) OpEx.	Q4 1399	6,895,860	(66,950)	-	6,828,910
P160567	CCAP (MRRD) Opex.	Q1 1400	4,203,824	-	-	4,203,824
P160567	CCAP (MRRD) CDC Grant Lot 6	Q4 1399	8,839,254	(28,084)	-	8,811,170
P160567	CCAP (MRRD) CDC Grant Lot 7	Q4 1399	5,030,036	(1,441)	-	5,028,595

PROJECT ID	PROJECT	PERIOD	TOTAL	ADJUSTMENTS	REVERSAL OF PREVIOUS QUARTER SOE	REPLENISHMENT (USD)
P160567	CCAP (MRRD) CDC Grant Lot 8	Q1 1400	5,207,764	(21,636)	-	5,186,128
P160567	CCAP (MRRD) CDC Grant Lot 9	Q1&Q2 1400	14,598,777	(38,590)	-	14,560,187
P160567	CCAP COVID 19 Relief Grants Lot 1	Q2 & Q4 1399	10,271,567	(148,051)	-	10,123,516
P160567	CCAP COVID 19 Relief Grants Lot 2	Q1 1400	5,556,005	(149,075)	-	5,406,930
P160567	CCAP COVID 19 Relief Grants Lot 3	Q1 & Q2 1400	3,812,743	(18,729)	256,821	4,050,835
P160567	CCAP COVID 19 Relief Grants Lot 4	Q2 1400	14,127,383	(266,466)	-	13,860,917
P160619	CIP	Q4 1399	2,786,442	(48,926)	-	2,737,516
P160619	CIP	Q1&Q2 1400	1,869,740	(147,499)	-	1,722,241
P174348	Emergency Agriculture and Food Supply Project (EATS)	Q4 1399	130,284	(105,179)	-	25,105
P159378	EQRA (MRRD) CDC Grant-4	Q4 1399	5,616,620	(79,332)	-	5,537,288
P159378	EQRA (MRRD) CDC Grant-5	Q4 1399	4,937,251	-	-	4,937,251
P159378	EQRA (MRRD) CDC Grant-6	Q4 1399	6,889,366	(3,449)	-	6,885,917
P159378	EQRA (MRRD) CDC Grant-7	Q1 1400	1,841,656	-	-	1,841,656
P159378	EQRA (MRRD) CDC Grant-8	Q1 1400	6,528,507	(5,953)	-	6,522,554
P159378	EQRA (MRRD) CDC Grant-9	Q2 1400	2,052,147	(23,737)	-	2,028,410
P159378	EQRA (MRRD) OpEx	Q3 1399	399,911	-	-	399,911


PROJECT ID	PROJECT	PERIOD	TOTAL	ADJUSTMENTS	REVERSAL OF PREVIOUS QUARTER SOE	REPLENISHMENT (USD)
P159378	EQRA (MRRD) OpEx	Q4 1399	664,164	(6,926)	-	657,238
P159378	EQRA (MRRD) OpEx	Q1 1400	275,677	-	-	275,677
P166127	EZ-Kar (IDLG)	Q2&Q4 1399	1,376,882	(55,446)	-	1,321,436
P166127	EZ-Kar (KM)	Q4 1399	65,025	(1,485)	-	63,540
P159655	FSP	Q4 1399	3,269,667	(50)	-	3,269,617
P146184	HEDP	Q4 1399	558,397	(2,733)	1,099	556,763
P146184	HEDP	Q1 1400	307,266	-	3,702	310,968
P162022	HEP	Q4 1399	3,731,132	75	-	3,731,207
P122235	IRDP	Q4 1399	13,321,803	(806)	1,903,468	15,224,465
P131864	KUTEI	Q1 & Q2 1400	443,241	-	-	443,241
P143841	NHLP	Q4 1399	7,865,594	(100,800)	-	7,764,794
P168179	OMAID	Q4 1399	309	-	-	309
P158768	PPIAP	Q3 & Q4 1399	891,019	(663)	-	890,356
P160615	Sehatmandi	Q3&Q4 1399	5,987,911	(976,400)	-	5,011,511
P166978	TAGHIR	Q3 & Q4 1399	6,433,724	(2,019)	35,476	6,467,181
P145347	THRCP	Q4 1399	4,949,901	(66,446)	-	4,883,455
P159291	WEE-NPP	Q3 & Q4 1399	152,472	(93,733)	-	58,739
P164443	WEE-RDP	Q3 1399	3,028,678	(44,522)	-	2,984,156
P164443	WEE-RDP	Q3 1399	5,628,275	(151,406)	-	5,476,869
			205,139,973	(4,030,835)	2,200,566	203,309,704

ANNEX 4: INTERNAL CONTROL ASSESSMENTS

The main findings from the four ICAs that were completed in the quarter are summarised below. As always, it is important to stress that the ICA exercises are designed to aid Bank task teams by identifying potential control weaknesses. By design, the ICAs only describe gaps or deficiencies. They do not document or rate the controls that are functioning as intended.

PROJECT	SUMMARY OF FINDINGS
EZ-Kar (IDLG)	<ul style="list-style-type: none"> During recruitments, unqualified candidates were being shortlisted and recruited (and qualified candidates not being shortlisted or invited for interviews) for positions. Also, there was evidence of non-compliance with the PMU's recruitment policies. There was failure and/or delayed submission of supporting documentation to 'acquit' advance payments, and semi-annual internal audits were not being conducted. There was no evidence that routine and surprise cash counts were being performed, in accordance with the Finance Manual. There was non-compliance with some of the requirements of the Bank's procurement regulations, and there was no evidence that the contractual requirement to obtain insurance covers was complied with by Facilitating Partners. Project assets are being utilised by staff of other projects in the IDLG, and some assets were not tagged. The HRM policy manual lacks guidance on conflict of interest declarations and on the hiring and supervision of family members.
WEE-RDP	<ul style="list-style-type: none"> During recruitments, unqualified candidates were being shortlisted (and qualified candidates not being shortlisted) for positions. Also, there was evidence of non-compliance with the PMU's recruitment policies. There was failure, during recruitments, to reconcile the longlist to the depository of submitted CVs, which may result in exclusion of qualified candidates from the recruitment process, and/or the most suitable candidate not being selected. Also, there were inadequate safeguards to ensure those involved in the recruitment process were not conflicted. Members of bid opening and bid evaluation committees did not submit conflict of interest declarations and there were instances of non-compliance to WB procurement guidelines in relation to contract award notices and the requirement to use the Bank's Standard Procurement Documents. There was evidence that some Self-Help Group and Village Savings and Loans Associations that did not meet the stipulated requirements and criteria received seed capital. Internal audits were not conducted regularly, and there was no evidence of follow-up or tracking implementation of audit recommendations.
A2F	<ul style="list-style-type: none"> We noted instances where the bid opening and technical evaluation committees did not submit conflict of interest declarations. The HR Procedural manual lacked adequate policy guidance on conflict of interest declarations. There were instances of non-compliance with the HR procedural manual requirements on written tests, staff orientation and the composition of recruitment committees. We noted instances of the CBFs' (Capacity Building Funds') non-compliance with the financial reporting requirements and requirements relating to sub-grant agreements.
Emergency Agriculture and Food Supply Project (EATS)	<ul style="list-style-type: none"> Candidates who did not meet the selection criteria were shortlisted, and in some cases selected for the positions. For example, a candidate who qualified for the position of Database Officer was not shortlisted, and the successful candidate did not meet the requirements for the position. Following our assessment, the project set up an

(Recruitment only)	<p>independent committee that recommended the termination of an individual's contract of employment.</p> <ul style="list-style-type: none">• Job applicants were omitted from longlists, hence left out of the recruitment process altogether. Also, some candidates' qualifications and experiences were incorrectly recorded on the longlist.• Some members of the shortlisting panel did not sign the shortlisting report, and there was no evidence of their participation in, or consent to, selection processes to identify shortlisted candidates.• There was inadequate evidence that reference checks were being done, and that education and qualification details were being validated, in recruitment processes.• There were policy gaps in the HR manual regarding conflict of interest, verification of candidates' qualification, induction/orientation of new employees.• There was failure, during recruitments, to reconcile the longlist to the depository of submitted CVs, which may result in exclusion of qualified candidates from the recruitment process.• The salary grade awarded to one candidate was not commensurate with the requisite qualification and experience, as per the government's NTA guidelines.
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