

# Quarterly

## Progress Report

Q3 | 2023



**WORLD BANK** | **MONITORING**  
**AFGHANISTAN** | **AGENT**

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## **Acknowledgments**

All photographs taken by Azizullah Karimi and ARTF MA enumerators.

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**Front cover:** A farmer sowing seed.

**Page 6:** A farmer planting a tree.

**Page 16:** A young boy selling eggs.

**Page 24:** Laborers working on a community project.

**Page 29:** Men and children awaiting admittance to a health facility.

**Page 36:** A farmer sowing seed.

**Back cover:** Farmers plowing a field in preparation for the planting season.

# Abbreviations

<b>AFN</b>	Afghan afghanis
<b>ARTF</b>	Afghanistan Resilience Trust Fund
<b>BHC(s)</b>	Basic Health Center(s)
<b>CASA 1000</b>	Central Asia-South Asia Electricity Transmission and Trade Project
<b>CDC(s)</b>	Community Development Council(s)
<b>CHC(s)</b>	Comprehensive Health Center(s)
<b>CMU</b>	Contract Management Unit
<b>CRLP</b>	Community Resilience and Livelihoods Project
<b>CSO(s)</b>	Civil Society Organization(s)
<b>DAB</b>	Da Afghanistan Bank
<b>DH(s)</b>	District Hospital(s)
<b>ECA(s)</b>	Entry Criteria for Access
<b>EERA</b>	Education Emergency Response in Afghanistan
<b>EFSP</b>	Emergency Food Security Project
<b>ESS</b>	Environmental and Social Standards
<b>ESM</b>	Economic Sector Monitoring
<b>FAO</b>	Food and Agricultural Organization
<b>FY</b>	Financial Year
<b>GRM</b>	Grievance Redress Mechanism
<b>HACT</b>	Harmonized Approach to Cash Transfer
<b>HER</b>	Health Emergency Response
<b>HF</b>	Health Facility
<b>ICRC</b>	International Committee of the Red Cross
<b>IDA</b>	International Development Association
<b>IOM</b>	International Organization for Migration
<b>IP</b>	Implementing Partner
<b>ITA</b>	Interim Taliban Authority
<b>MA</b>	Monitoring Agent
<b>MCBP</b>	Maternal and Child Benefit Program
<b>MoF</b>	Ministry of Finance
<b>NCCSP</b>	NGO and CSO Capacity Support Project
<b>NGO(s)</b>	Non-governmental Organization(s)
<b>NHLP</b>	National Horticulture and Livestock Project
<b>O&amp;M</b>	Operations and Maintenance
<b>OHS</b>	Occupational Health and Safety
<b>SCRIP(s)</b>	Statement(s) of Cash Receipts and Payments
<b>SHC(s)</b>	Sub-Health Center(s)
<b>TPMA</b>	Third Party Monitoring Agent
<b>UNAMA</b>	United Nations Assistance Mission in Afghanistan

<b>UNDP</b>	United Nations Development Programme
<b>UNICEF</b>	United Nations Children's Fund
<b>UNOPS</b>	United Nations Office for Project Services
<b>USD</b>	United States Dollars
<b>WERP</b>	Water Emergency Relief Project
<b>WFP</b>	World Food Programme

## Executive Summary

1 July to 30 September 2023

Quarterly Progress Report – Q3 | 2023

As Monitoring Agent (MA) for the Afghanistan Resilience Trust Fund (ARTF), we provide the World Bank and other stakeholders with greater assurance and visibility of project implementation through an array of flexible financial and physical monitoring activities. Our sector monitoring addresses information gaps in key sectors, supporting the World Bank with nuanced analysis and knowledge-sharing.

In Q3 2023, alongside our regular financial monitoring, we conducted physical visits to monitor the implementation of 20 sub-projects under the Community Resilience and Livelihoods Project (CRLP) and completed in-person collection of Environmental and Social Standard (ESS) and infrastructure data from 337 health facilities under the Health Emergency Response (HER) project. We also conducted infrastructure and warehouse monitoring under the Central Asia-South Asia Electricity Transmission and Trade Project (CASA 1000). We completed verification through phone interviews of baseline and post-distribution monitoring findings related to the 2022 wheat package distribution under the Emergency Food Security Project (ESFP). We continued to conduct regular in-person market visits and phone interviews with civil servant interviews as part of Economic Sector Monitoring (ESM) in July and August.



**525**

**Location visits**



**11,014**

**Interviews**

(964 women, 9,953 men,  
97 unknown)



**6,193**

**In-person interviews**

(280 women, 5,820 men,  
93 unknown)



**4,821**

**Phone interviews**

(684 women, 4,133 men,  
4 unknown)



### In Focus

**Food security in Afghanistan:**  
A review of the last six months

Afghanistan grapples with a severe food security crisis, marked by consistently high levels of insufficient food consumption over the past year, affecting a staggering 87% of the population. In April 2023, 40% of Afghans (around 17.2 million people) were classified as experiencing acute food insecurity, with over 3 million children under five facing malnutrition. Although there was a marginal improvement during the recent harvest season and a decrease in food prices, the situation remains dire, with 25 out of 34 provinces recording acute malnutrition. Families can afford to feed themselves for just two and a half days a week due to food scarcity, escalating costs, and rising poverty levels.

In response to the crisis, the authorities have implemented measures to reduce taxes on food imports and shift to food crop production. Nevertheless, the food security outlook remains bleak due to ongoing drought conditions, flooding, and the looming La Niña effect. While food availability has improved and prices have dropped in the third quarter of 2023, people are still resorting to drastic coping measures to meet their immediate food needs.



## Financial monitoring

Financial monitoring during this quarter focused on Harmonized Approach to Cash Transfer (HACT) audits under HER, an expenditure review for CRLP, and providing alternative assurance arrangements through Statement of Cash Receipt and Payments (SCRП) reviews. We have also continued to monitor ARTF and IDA bank balances, and to validate outstanding commitments under CASA 1000. Further details on project-specific financial monitoring can be found under each project section of this Executive Summary.

### Statement of Cash Receipt and Payments

Total Reported  
Payments:  
**USD 47,943,296**

Payments  
Reviewed:  
**USD 47,753,797**

Financial  
Findings:  
**None**

### CASA 1000 invoice review



**USD 11.76 million** and **Euro 0.67 million**  
recommended for payment to contractors

### Bank balance verification



**40** projects'  
bank balances  
verified

**USD 293 million**  
verified as of  
30 September 2023



## Q2 2023 Project monitoring



### Community Resilience and Livelihoods Project (CRLP)

#### Physical monitoring



**20 Sub-project visits**  
**8 Provinces**

#### Physical monitoring: Key findings



**Good**  
Overall sub-project quality



**18**  
Deviations recorded across five sub-projects (3% of observations made)



**569**  
Observations made of sub-project elements



**3 Critical**  
**1 Major**  
**14 Minor**



**11**  
Instances of Extra Work and Good Practice recorded across four sub-projects



**All**  
deviations have been rectified

#### Financial monitoring



Completed review of expenditure amounting to USD 607,653 submitted in Q4 2022 by 13 private sector contractors



### Health Emergency Response (HER)

#### ESS monitoring

We completed data collection for Environmental and Social Standard monitoring at the health facility level at the end of Q3, with data collection at the household level expected to be completed at the beginning of Q4.



**337**  
**Health facilities**



**881** **In-person interviews**  
(256 women, 625 men)

**34 Provinces**



### Infrastructure Assessment

HFs are generally operational:

**94%** of HFs were fully operational; none were non-operational

**94%** had a power supply system, **97%** of which were fully or partially operational

**85%** had a water supply system, **93%** of which were fully or partially operational



### Grievance Redress Mechanism (GRM) and Occupational Health and Safety (OHS)

GRMs are in place across most HFs, but OHS incident reporting systems are lacking:

**81%** of HFs had GRM in place; 44% of those that did not were in the process of setting up their GRM and 24% (n=15) utilize alternative complaint channels

**42%** of HFs have OHS incident reporting systems in place



### Gender-Based Violence (GBV), Sexual Exploitation and Abuse (SEA), and Sexual Harassment (SH)

Most HFs are not equipped to handle issues related to GBV, SEA, or SH:

**22%** of facilities reported that either head or another staff member had received training prevention of GBV, SEA, or SH in the six months since January 2023

**16%** of HF heads reported that there had been a Sexual Exploitation and Abuse safety audit at the HF



### Financial monitoring

**12 HACT audit reports** submitted (11 with unmodified opinions and one with a qualified opinion) for expenditure incurred in the period 1 July 2022 to 31 December 2022 under HER. Financial findings amounted to **0.28% (USD 242,493)** of the reported expenditure.



## Emergency Food Security Project (EFSP)



**1,589**  
**Total phone interviews**  
(women 16, men 1,573)

**801**  
**Post-distribution monitoring  
interviews**  
(2 women, 799 men)

**788**  
**Baseline interviews**  
(14 women, 774 men)

## Post-distribution verification: Key differences between our findings and FAO TPMA findings

Findings from our validation of the post-distribution survey were broadly similar to those of the FAO TPMA, with most differences attributable to differences in survey timings (we collected data after the winter wheat season in August 2023, while the FAO TPMA collected data during the winter season in January-February), differences in methodology (we collected data over the phone, while the FAO TPMA collected data in person), or differences in the ways questions were asked. This means that we can confirm the high level of beneficiary satisfaction with the distribution of the wheat production package, the quality of the package, and related training. Some key differences are noted below.

### ARTF TPMA

### FAO TPMA



**7%** **Head of household with a disability** **3%**  
Higher rate of disability amongst heads of households:



**94%** **Seed germination** **90%**  
Higher rate of germination reported (Very Good, Good, Average):



**96%** **Seed growth** **91%**  
Better overall seed growth performance reported (Very Good, Good, Average):



**9%** **Dissatisfaction with timely delivery of seeds** **1%**  
Slightly higher rate of dissatisfaction with timely delivery:



**6%** **Views not taken into account** **3%**  
More households reported their views were not taken into consideration regarding the assistance they received:



**17%** **Not informed about assistance** **1%**  
More households reported they were not informed:



**43%** **Exclusion errors** **22%**  
More households reported that there were households in their community that needed support but did not receive it:

## Q3 2023 Sector monitoring

### Economic Sector Monitoring (ESM)

**46**  
Unique market visits

**92**  
Location visits\*

**8,544** Interviews  
(5,312 in-person, 3232 by phone)

**692** women (8%)  
**7,755** men (92%)  
**97** unknown

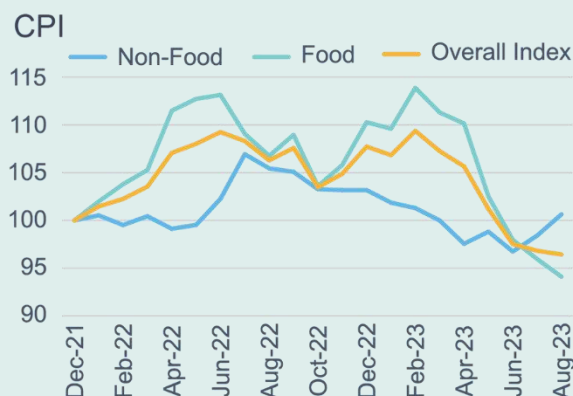
\*We paused data collection for Economic Sector Monitoring in September, as negotiations for continued access for data collection are ongoing between the World Bank and the Ministry of Finance. As a such, results cover July and August 2023.

#### Food and non-food prices

In Q3, all food and non-food items we monitored were found to be sufficiently available in all the stores and markets we visited with a few exceptions such as local wheat flour, frozen chicken, and cauliflower.

Food prices continued to drop in Q3, while non-food prices rebounded slightly, reflecting a combination of:

- Widespread unemployment, together with limited international aid and foreign investments leading to significantly reduced purchasing power and a decline in demand
- The authority's enactment of price controls, undercutting market equilibrium
- Increased operationalization of over 40 state-owned cooperatives to import fuel, wheat, cooking oil, and other basic commodities, and sell them at subsidized rates



#### Taxation

Data collected in this quarter suggest that the authorities are achieving significant revenue gains from tax and has expanded its base of taxpayers:

**86%**  
of shopkeepers reported paying taxes by the end of August 2023, remaining stable compared to Q2 2022

**67%**  
of shopkeepers reported paying more taxes by the end of August 2023, remaining stable compared to Q2 2022

#### Banking

In Q3, we made 123 visits to 71 unique bank branches from 11 different banks. We conducted 105 interviews with bank branch managers and 772 interviews with bank customers:

**76%**  
of bank branches provide a full range of domestic services

**17%**  
of bank branches offer international transfer services (for example, Western Union, MoneyGram)

**7 out of 11**  
banks are able to adhere to the weekly withdrawal limit of AFN 50,000 for individual account holders; none are able to adhere to the corporate withdrawal limit of AFN 4 million

**94%**  
of interviewed customers withdrew money deposited after August 2021, 3% of whom reported they were not able to withdraw the full amount they wanted

**6%**  
of interviewed customers withdrew money deposited before August 2021, none of whom reported being able to withdraw the full amount they were entitled

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# Introduction

## Scope of our monitoring

As Monitoring Agent (MA) for the Afghanistan Resilience Trust Fund (ARTF), we provide the World Bank and other stakeholders with visibility of and assurance over project implementation through a mix of financial and physical monitoring activities. In 2023, we are monitoring ARTF-funded projects being implemented by different UN agencies covering community resilience, food security, health, livelihoods, and water, sanitation, and hygiene.

Our purpose is both to provide financial assurance and to verify that anticipated project outputs are being achieved and intended beneficiaries are being reached. In doing this, we provide evidence of the implementation of cross-project Environmental and Social Standards (ESS) and Entry Criteria for Access (ECAs), in support of the World Bank's monitoring framework. In addition, we have conducted sectoral monitoring of Afghanistan's economy and health system.

In Q3 2023, our financial monitoring focused on Harmonized Approach to Cash Transfers (HACT) audits for the Health Emergency Response (HER) project and an expenditure review for the Community Resilience and Livelihoods Project (CRLP). We also provided alternative assurance arrangements through reviews of Statements of Cash Receipts and Payments (SCRPs). We continued to monitor ARTF and International Development Association (IDA) project bank balances and proceeded with the validation of outstanding commitments under the Central Asia-South Asia Electricity Transmission and Trade Project (CASA 1000).

Our physical monitoring included visits to monitor the implementation of 20 sub-projects under CRLP and in-person collection of ESS and physical data from 337 health facilities under HER. We completed infrastructure and warehouse monitoring under CASA 1000. We conducted phone interviews to verify baseline and post-distribution monitoring findings related to the 2022 wheat package distribution under the Emergency Food Security Project (EFSP). We continued to conduct regular in-person market visits and phone interviews with civil servants as part of our Economic Sector Monitoring (ESM) in July and August.

## In Focus

### Food security in Afghanistan: A review of the last six months



Our work has interacted with the pressing challenges of food insecurity in Afghanistan through monitoring EFSP's various activities, including wheat seed distribution, Kitchen Gardening, and Cash For Work. We also provide key information to the World Bank on the prices and availability of food and non-food items, banking sector activities, and labor market activities through economic sector monitoring.

Afghans currently face some of the highest rates of food insecurity in the world, with hunger levels consistently critical over the past year. Despite a marginal improvement in food consumption following the recent harvest season, coupled with a declining trend in food prices, 87% of the population still consumes an inadequate amount of food.<sup>1</sup>

In April 2023, around 17.2 million Afghans, some 40% of the population, were experiencing high levels of acute food insecurity and classified as being in Crisis or Emergency.<sup>2</sup> This included four million people (around 8% of the population) experiencing Emergency levels of food insecurity. Over three million children under the age of five are experiencing acute malnourishment.<sup>3 4 5</sup>

Between May and October 2023, the proportion of the population experiencing acute food insecurity fell to 35% (approximately 15.3 million people), including just under 2.8 million people classified in Emergency.<sup>6</sup> Twenty-five out of Afghanistan's 34 provinces have recorded cases of acute malnutrition.<sup>7</sup> On average, families obtain enough food to feed their households for about two and half days a week due to the unavailability of food, especially in rural areas, together with the rising cost of food and increasing poverty rates.<sup>8</sup>

## Understanding the causes

### Cuts to humanitarian aid budgets

The food security situation is likely to continue over the next months, in part due to an expected drop in foreign earnings from humanitarian funding, which had allowed for a precarious stabilization of the Afghan economy in late 2022, and a growing trade deficit.<sup>9</sup> As of August 2023, the humanitarian response plan which if met in full would provide assistance to more than 21 million people, is still less than 25% funded.<sup>10</sup> In March, the World Food Programme (WFP) cut its rations from 75% to 50% for communities experiencing Emergency levels of hunger. In the following two months, it was forced to cut off food assistance to eight million people.<sup>11</sup>

<sup>1</sup> WFP, June 2023. Afghanistan Food Security Update.

<sup>2</sup> The IPC Acute Food Insecurity classification includes five categories, from least concern to highest concern: (1) Minimal/None, (2) Stressed, (3) Crisis, (4) Emergency, (5) Catastrophe/Famine.

<sup>3</sup> IPC, May 2023. Afghanistan: Acute Food Insecurity Situation for April 2023 and Projection for May - October 2023.

<sup>4</sup> WFP, June 2023. Afghanistan Food Security Update.

<sup>5</sup> International Rescue Committee, August 2023. Afghanistan: An entire population pushed into poverty.

<sup>6</sup> FAO, June 2023. Hunger Hotspots: FAO-WFP early warnings on acute food insecurity - June to November 2023 outlook.

<sup>7</sup> Norwegian Refugee Council, August 2023. The people of Afghanistan need sustainable solutions to avoid catastrophe.

<sup>8</sup> EURACTIV, July 2023. UN official: Afghanistan's needs 'largely unmet' as 10m at risk of hunger.

<sup>9</sup> FAO, June 2023. Hunger Hotspots: FAO-WFP early warnings on acute food insecurity - June to November 2023 outlook.

<sup>10</sup> Norwegian Refugee Council, August 2023. The people of Afghanistan need sustainable solutions to avoid catastrophe.

<sup>11</sup> The United Nations Office at Geneva, September 2023. Afghanistan: WFP forced to cut food aid for 2 million more.

## Economic instability

Afghanistan, which relies heavily on imports, saw prices skyrocket at the beginning of the Ukraine war, alongside fewer economic and job opportunities. Sanctions have obstructed remittances, increased the cost of importing food, and hampered the Afghan economy.<sup>12</sup>

Although the price of imported wheat flour has continued to fall from a peak in June 2022 to those observed a year before, renewed attacks on Ukrainian ports and grain silos, coupled with non-renewal of the Black Sea Grain Initiative, could lead to a rise in global cereal prices, or slow the decline in Afghan wheat flour prices.<sup>13</sup>

The Interim Taliban Authority (ITA) have taken some measures to remedy the effects of food shortages, reducing taxes on food imports by 50%, while a largely successful campaign to reduce opium production has forced farmers to grow food crops instead.<sup>14</sup>

## Climate

Afghanistan has endured its third year of drought. Close to average precipitation in the spring of 2023, which was forecast to continue over the summer months, did not compensate for the overall precipitation deficits and below-average snowfalls. As a result, drought conditions in the northern, western, and southern areas of the country continued. Farmers reported that the droughts have not been this bad since 1999, when there were also three consecutive years of drought.<sup>15</sup>

A third consecutive La Niña weather event worsened drought conditions in the winter of 2022-23; another is predicted next year.<sup>16</sup> The recent Moroccan locust outbreak in the northern and northeastern regions could also significantly reduce food production.<sup>17</sup>

## Food availability and prices<sup>18</sup>

Our own monitoring of the economic sector in July and August 2023 showed that all the food items we monitored were sufficiently available in all the stores and markets we visited, with a few exceptions such as local wheat flour, frozen chicken, and cauliflower. These findings were consistent with previous months. This suggests that the primary drive of food insecurity is economic rather than from widespread and long-lasting food shortages.

Nevertheless, in 2023, food items have become more affordable, with food prices continuing to drop in Q3, by August reaching their lowest point since we began monitoring in November 2021. The main reasons for this are widespread unemployment and limited international aid and foreign investment in the country resulting in lower incomes, leading to extensive poverty. This has significantly reduced people's purchasing power, reducing aggregate demand for both food- and non-food items in Afghan markets.

In addition, the ITA have imposed price controls throughout Afghanistan. Several government departments, especially municipalities across the country, interfere with the market, setting prices that are lower than they would be if they resulted from market forces.

Moreover, the ITA have reactivated thirteen State Enterprises and Companies since August 2021, bringing the total in Afghanistan to 49. These companies play a critical role in the market through the importation of basic

<sup>12</sup> Devpolicy Blog, September 2023. Afghans stave off starvation in the face of economic sanctions.

<sup>13</sup> WFP, June 2023. Afghanistan Food Security Update.

<sup>14</sup> Devpolicy Blog, September 2023. Afghans stave off starvation in the face of economic sanctions.

<sup>15</sup> EURACTIV, July 2023. UN official: Afghanistan's needs 'largely unmet' as 10m at risk of hunger.

<sup>16</sup> International Rescue Committee, August 2023. Afghanistan: An entire population pushed into poverty.

<sup>17</sup> FAO, June 2023. Hunger Hotspots: FAO-WFP early warnings on acute food insecurity - June to November 2023 outlook.

<sup>18</sup> Please see the Economic Sector Monitoring section of this report for full details.

items such as fuel, wheat, and cooking oil, from countries such as Iran and Russia, which they subsequently sell at a price lower than the local market price.

## Responding to food insecurity

To meet immediate food needs, by June 2023, 42% of households were resorting to high coping strategies, a 6% increase from the previous survey in April 2023. A large proportion of these households (87%) relied on less preferred and less expensive food, and 77% had to borrow food or rely on help from a relative or friend. Incidence of poor food consumption reduced from 58% in January to 48% by June 2023. This suggests that households are compromising food quality, limiting portions, and reducing meals to meet food consumption requirements.<sup>19</sup>

In June 2023, 17% of households relied on emergency coping strategies and were increasingly sacrificing health and educational opportunities. Although the proportion of households cutting back on agricultural input expenses fell from 71% in June 2022 to 57% by June 2023, this appears to have been almost wholly offset by a 16% cut in spending on health and education during the same period.<sup>20 21</sup>

In the face of these trends, projects such as the ARTF-funded Emergency Food Security Project (EFSP), implemented by the Food and Agriculture Organization (FAO), remain critical to helping vulnerable Afghans maintain access to crucial food supplies.

In Q3, our monitoring to verify the findings of post-distribution monitoring conducted by FAO's Third Party Monitoring Agent (TPMA) confirmed high levels of beneficiary satisfaction with the distribution of the wheat production package, the quality of the package, and related training. We were further able to confirm high levels of seed germination and overall seed growth, indicating that the project has provided vulnerable farming households with crucial high-quality inputs and assistance.<sup>22</sup>

“

The households I called said the assistance was very helpful for them. Moreover, they repeatedly noted that they would have a dramatic rise in their crops if they were provided with such assistance again in the future.”

**Call center agent (EFSP post-distribution monitoring)**

<sup>19</sup> WFP, June 2023. Afghanistan Food Security Update.

<sup>20</sup> WFP, June 2023. Afghanistan Food Security Update.

<sup>21</sup> WFP, June 2023. Afghanistan Food Security Update.

<sup>22</sup> Please see the EFSP section of this report for more details.



# Financial monitoring

## Our financial monitoring toolkit

Financial monitoring during this quarter focused on HACT audits under HER, an expenditure review for CRLP, and providing alternative assurance arrangements through SCRP reviews.

We have also continued to monitor ARTF and IDA bank balances, and to validate outstanding commitments under CASA 1000.



## Harmonized Approach to Cash Transfers (HACT) audits

During the quarter, we submitted 12 completed HACT audit reports for expenditure incurred between 1 July and 31 December 2022 under HER. We summarize these audit reports in the table below.

**Table 1: Summary of HACT audit results from 1 July to 31 December 2022 under HER**

Service provider	Audited expenditure (USD)	Financial findings (USD)	% of audited expenditure	Audit opinion
Aga Khan Foundation Afghanistan	6,954,270	28,756	0.41%	Unmodified <sup>23</sup>
Agency for Assistance and Development of Afghanistan	15,249,003	10,661	0.07%	Unmodified
Bakhtar Development Network	11,234,090	33,042	0.29%	Unmodified
Bu Rehabilitation and Aid Network	3,641,156	85	0.00%	Unmodified
Care for Afghan Families	2,746,043	25,980	0.95%	Unmodified
Coordination for Humanitarian Assistance	7,033,463	9,307	0.13%	Unmodified
Health-Net International Transcultural Psychological Organization	14,872,624	0	0.00%	Unmodified
Medical Management Research Courses for Afghanistan	5,310,838	78,957	1.49%	Unmodified
MOVE Welfare Organization	5,339,312	51,362	0.96%	Unmodified
Organization for Health Promotion and Management	11,677,981	3,219	0.03%	Unmodified
Relief Humanitarian Development Organization	2,266,661	64,358	2.84%	Qualified <sup>24</sup>

<sup>23</sup> An 'Unmodified' opinion is expressed when financial statements present fairly in all material respects the financial positions and results of the entity. Unmodified audit opinions are presented in cases where the financial findings are less than 2% of the total reported expenditure.

<sup>24</sup> A 'Qualified' opinion is expressed when financial statements contain material misstatements or omissions. Qualified audit opinions are presented here in cases where the financial findings are more than 2% the total reported expenditure.

Service provider	Audited expenditure (USD)	Financial findings (USD)	% of audited expenditure	Audit opinion
Solidarity for Afghan Families	3,305,586	1,124	0.03%	Unmodified
<b>Total</b>	<b>89,631,027</b>	<b>306,851</b>	<b>0.34%</b>	

We submitted a draft audit report to UNICEF for one remaining implementing partner (IP), the Swedish Committee for Afghanistan, that incurred HER-funded expenditure between 1 July and 31 December 2022.

## Community Resilience and Livelihoods Project review of expenditure

We completed a review of expenditure amounting to USD 607,653 submitted in Q4 2022 by 13 private sector contractors and communicated our findings to the United Nations Office for Project Services (UNOPS). Responses to the findings from the review of expenditure received from UNOPS on 14 September have been reviewed and an updated file was sent to UNOPS for feedback on 29 September.

UNOPS submitted expenditure amounting to USD 2,408,909 for 31 contractors under Component 2 of the project incurred in the period for Q1 2023. Review of these expenditures is ongoing.

## Statements of Cash Receipts and Payments

We issued six SCRP Cover Letters for the Financial Year (FY) 1400 (21 December 2020 to 21 December 2021).

**Table 2: Summary of SCRP reviews for FY 1400, in USD**

Project	Total payments reported in the SCRP	Total payments reviewed	% of total payments reviewed	Financial findings	Financial findings as % of total payments
CASA 1000	23,542,109	23,522,942	100%	0	0.00%
Cities Investment Program	3,079,728	3,057,166	99%	0	0.00%
COVID-19 Emergency Response and Health Systems Preparedness Project	14,242,042	14,242,042	100%	0	0.00%
Kabul Urban Transport Efficiency Improvement Project	721,552	721,552	100%	0	0.00%
Tackling Afghanistan's Government HRM and Institutional Reform Project	6,321,412	6,173,642	98%	0	0.00%
Urban Development Support Project	36,453	36,453	100%	0	0.00%
<b>Total</b>	<b>47,943,296</b>	<b>47,753,797</b>	<b>100%</b>	<b>0</b>	<b>0.00%</b>

## Review of project bank accounts

Following a World Bank request that we conduct quarterly reviews of project bank accounts, we reported on the status of bank accounts up to 30 June 2023 in our Q2 2023 Quarterly Progress Report. The bank accounts

comprise the projects' Designated Accounts (denominated in USD), Clearing Accounts (denominated in AFN), and the National Horticulture and Livestock Project (NHLP) and Emergency Agriculture and Food Supply Project Farmers' Contribution Account (denominated in AFN). In Q3, we reviewed and reported on the status of 81 bank accounts as of 30 September 2023.

**Table 3: Summary of results of bank account reviews as of 30 September 2023**

	Designated Accounts (USD)	Clearing Accounts (USD)	NHLP Farmers' Contribution Account (USD)	Total (USD)
Bank balances as of 30 June 2023	163,474,294	113,546,056	2,846,524	<b>279,866,874</b>
Banking credits (deposits) in Q3 2023	-	-	-	-
Unrealized Forex gains	-	13,330,352	334,183	<b>13,664,534</b>
<b>Bank balances as of 30 September 2023</b>	<b>163,474,294</b>	<b>126,876,408</b>	<b>3,180,707</b>	<b>293,531,408</b>

There was no movement in the balances of the Designated, Clearing, and Farmers' Contribution Accounts<sup>25</sup> during the quarter. The Designated Account balance, amounting to AFN 219,527,534 (USD 2,849,157), related to the Emergency Agriculture and Food Supply Project was previously mistakenly classified as a Clearing Account, although it is in fact a Farmers' Contribution Account. It has now been adjusted and correctly classified in the table above.

We converted AFN-denominated balances in the Clearing and Farmers' Contribution Accounts, amounting to over AFN 10 billion as of 30 June 2023 and 30 September 2023, using the rates quoted by Da Afghanistan Bank (DAB) at the beginning and end of the quarter. We estimate that the bank balances at the end of Q3 2023 amounted to approximately USD 293 million. We also estimate that there were unrealized Forex gains in the quarter, amounting to USD 13,664,534, as the AFN strengthened from AFN 86.0957/USD on 30 June 2023 to AFN 77.05/USD on 30 September 2023.<sup>26</sup>

## Ad hoc activities

### Validation of private sector contractor Commitments

In March 2023, the World Bank asked us to review expenditure ("Commitments") outstanding as of 15 August 2021, and payable to private sector contractors under ARTF- and IDA-funded projects. The overall objective of the review was to determine whether the Commitments were for the intended purposes and eligible for financing in accordance with the Grant and Financing Agreements.

We reviewed the invoices submitted by Kalpataru Power Transmission Limited (Lot 1), KEC International Limited (Lots 2 and 3), and CESI / WAPCOS, contractors under CASA 1000, and issued cover letters accordingly. Out of the total amount of USD 54.50 million and EUR 0.87 million claimed for all these contracts, we recommended for payment USD 11.76 million and EUR 0.67 million respectively. Our review of a balance amount of claim amounting to USD 42.73 million and EUR 0.192 million was ongoing at the end of the quarter. We will recommend this for payment after receipt of further documentation.

<sup>25</sup> Farmer Contributions were the portion of the total project expenditure contributed by the farmers and deposited to a separate bank account. These do not form part of the DAs.

<sup>26</sup> A significant amount of funds were advances from clearing accounts to Community Development Council (CDC) accounts, which were unspent as of 15 August 2021. The ARTF MA does not review CDC bank accounts.

# Physical monitoring

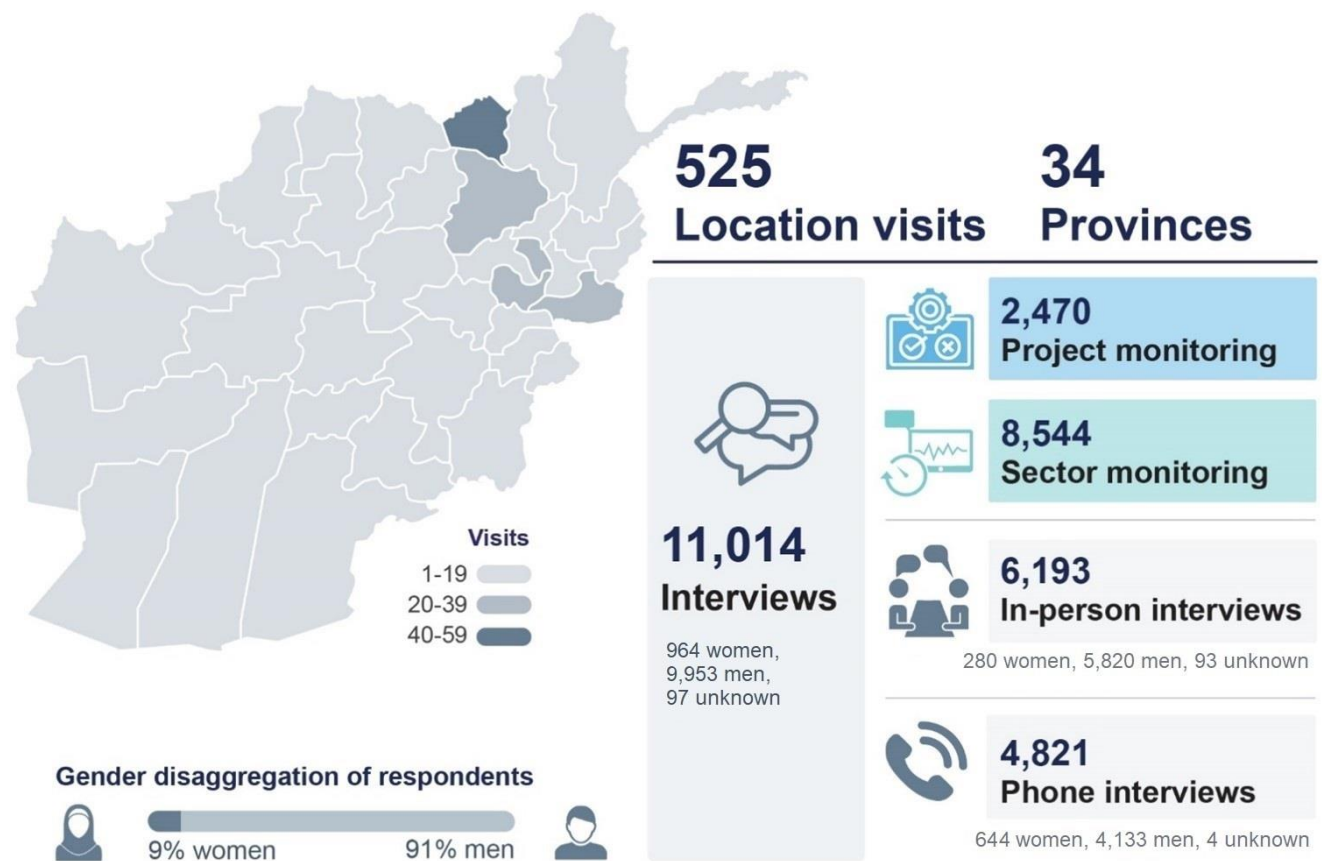
## Our physical monitoring toolkit

In Q3, we conducted physical visits to monitor the implementation of 20 sub-projects under CRLP and completed in-person collection of ESS and physical data from 337 health facilities under HER. We conducted infrastructure and warehouse monitoring under CASA 1000.

We also completed verification through phone interviews of baseline and post-distribution monitoring findings related to the 2022 wheat package distribution under EFSP. We continued to conduct regular in-person market visits and phone interviews with civil servants as part of ESM in July and August.<sup>27</sup>



Figure 1: Summary of physical monitoring activities completed in Q3 2023



<sup>27</sup> In September, our ESM data collection was paused pending the outcome of a request for continued access for data collection from the World Bank to the Ministry of Finance.

## Community Resilience and Livelihoods Project (CRLP)

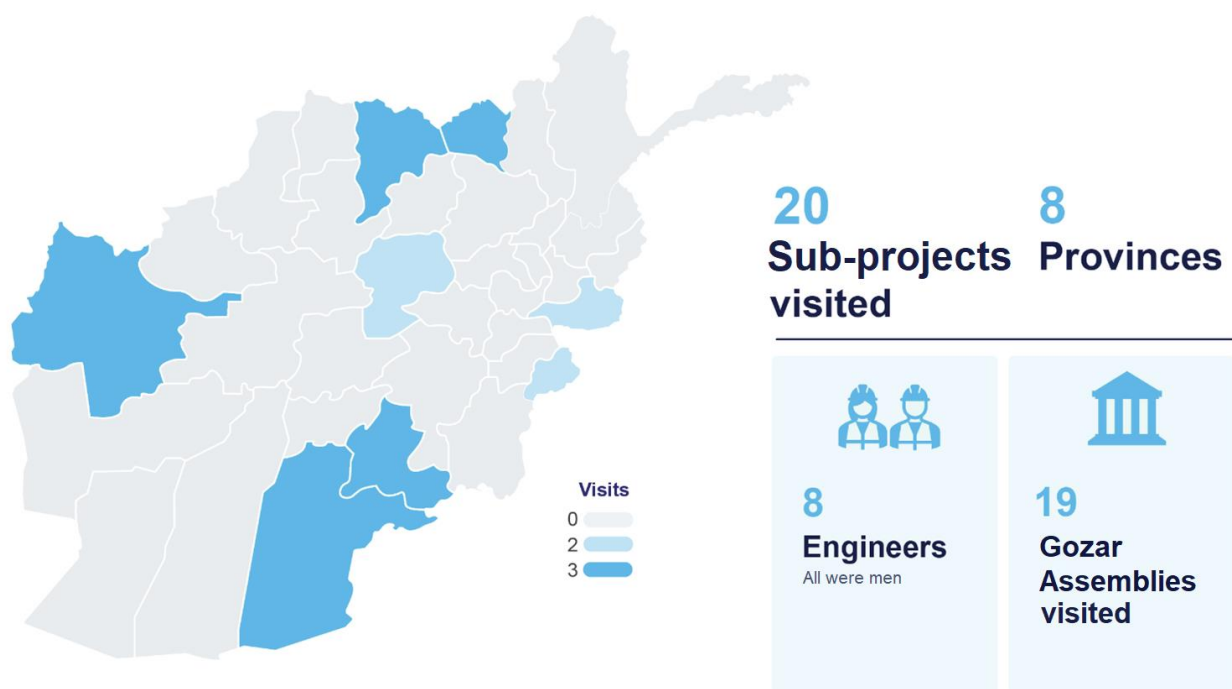


### Physical and financial monitoring overview

In Q3, our physical monitoring activities consisted of monitoring and reporting on 20 sub-projects, including assessing physical progress, the quality of outputs, and ESS. Additionally, we continued to work with the World Bank and UNOPS to review and update the CRLP Monitoring Protocol and to agree on our approach to ECA monitoring. We anticipate that ECA monitoring, in addition to Labor-Intensive Work and Cash For Work monitoring and laborer verification, in both urban and rural areas, will launch in Q4. This will include further sub-project monitoring in rural locations.

Financial monitoring during this quarter included a review of expenditure amounting to USD 607,653, submitted in Q4 2022 by 13 private sector contractors. Detailed results of financial monitoring can be found in the “Financial Monitoring” section of this report.

**Figure 2: CRLP physical monitoring activities conducted in Q3 2023**



### Rating of sub-projects

The overall rating for sub-projects monitored in Q3 2023 is **Good**, as follows:

- 3 sub-projects were rated **Very Good**
- 14 sub-projects were rated **Good**
- 3 sub-projects were rated **Below Average**

Engineers assigned scores for three aspects (Materials, Workmanship, and for Operations & Maintenance (O&M) where applicable) for each sub-project. Although not a requirement for CRLP, we provided O&M scoring for

UNOPS and World Bank teams' reflections on the sustainability of sub-projects. To assign sub-project ratings, we applied a scale where 5.0 is Very Good and 0.00-0.99 is Very Poor.

We applied scores to Materials and Workmanship for both ongoing and completed sub-projects, and to O&M for completed sub-projects only. We then adjusted the scores to account both for the number and severity of identified deviations and for evidence of Good Practice and Extra Work. This enabled us to provide a rating for each sub-project, aggregated to provide an overall rating for CRLP for the reporting period.

The figure below presents average aspect ratings across the 20 sub-projects visited in Q3.

**Figure 3: Average aspect ratings**



## Good Practice and Extra Work

We sought to identify evidence of Good Practice, where work was done over and above technical specifications, or of Extra Work, where additional elements had been constructed at no cost to the sub-project. We found 11 examples of Good Practice and one example of Extra Work across three sub-projects. These examples were found in Nangarhar (n=7), Khost (n=4), and Kunduz (n=1).

## Deviations

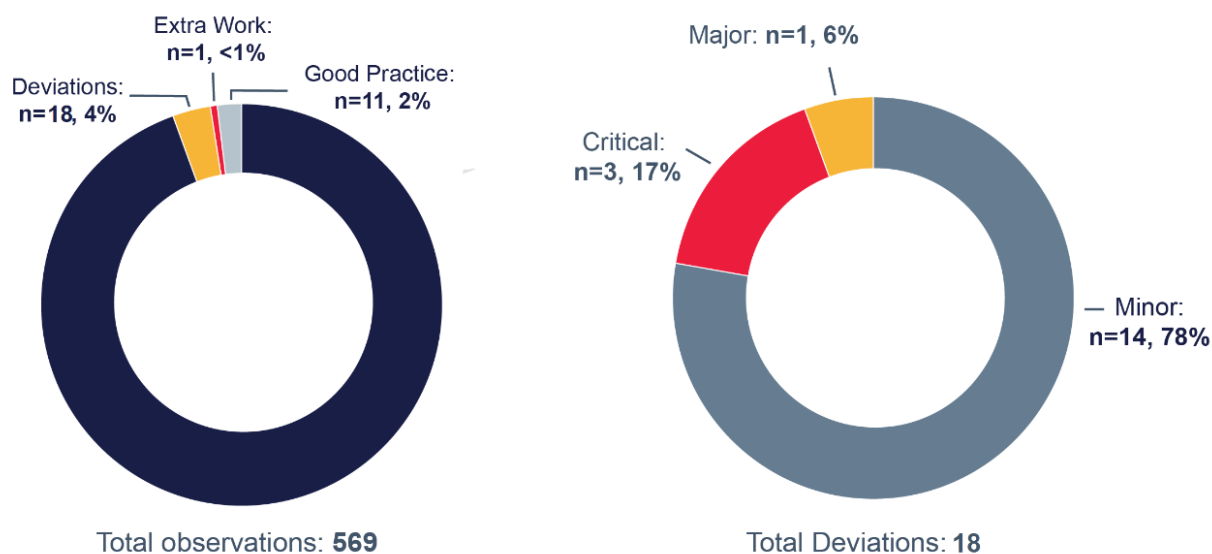
We define deviations as instances where technical drawings, specifications, or common engineering standards have not been followed, affecting any outputs created. Out of 569 observations made, we identified only 18 (3%) as deviations: three Critical, one Major and 14 Minor, affecting nine sub-projects. One Critical deviation was in Nangarhar (as was the Major deviation) and the two other Critical deviations were in Balkh and Kandahar. The Minor deviations were in Kandahar (n=4), Nangarhar (n=3), Kunduz (n=3), Kabul (n=2), and Bamyān (n=2).

Out of 42 attributed causes of deviations, our engineers most frequently reported poor supervision by project engineers (n=14), followed by poor supervision by the contractor (n=10). All deviations identified during this reporting period were rectified.

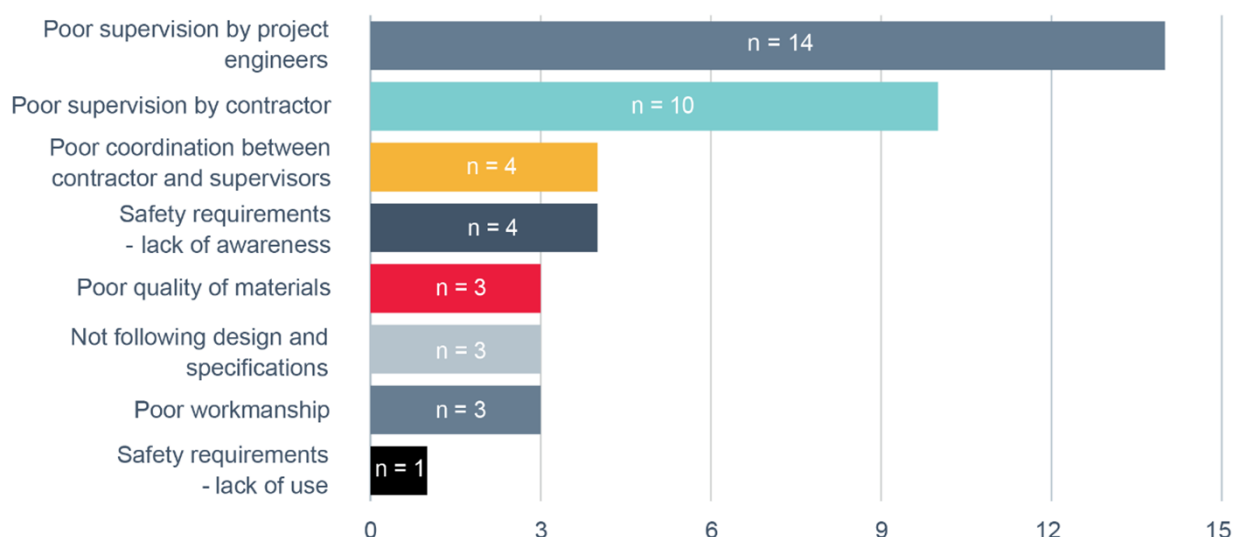
**Table 4: Sub-projects with deviations**

	Number of sub-projects
Sub-projects with Critical and/or Major deviations	3
Sub-projects with only Minor deviations	6

**Figure 4: CRLP observations and deviations**



**Figure 5: Probable causes of deviations<sup>28</sup>**



## Environmental Standards

All sub-project procurement and bid documents included requirements for dust, waste management, water contamination, borrow pits, and other environmental issues. At all sub-projects, costs were allocated for implementing the Environmental and Social Management Plan.

No sub-projects showed evidence of negative environmental impacts. All sub-projects were properly managing and disposing of excavated materials on site. We found that workers at 19 out of 20 sub-projects had received training in waste management; one sub-project in Kandahar did not.

<sup>28</sup> A deviation may have more than one probable cause.

One sub-project required a quarry area. We found that the quarry area had taken appropriate measures to prevent negative effects to the environment.

Seventy trees had been cut down for one sub-project in Nangarhar, with 165 replacement trees planted by the contractor.

## Social Standards

There were no security incidents recorded at any sub-projects.

All sub-projects included the need for a labor management plan in procurement and bid documents, and contractors provided labor management plans in 19 out of 20 sub-projects. One contractor for a sub-project in Kabul did not.

Nineteen of the 20 sub-projects included labor recruitment plans for community workers, and all contractors had held meetings with the Gozar Assemblies to ensure workers were hired in line with CRLP protocols. Only one sub-project in Nangarhar did not.

At the two sub-project sites where work was ongoing, we observed warning signs near the site. All sites were appropriately barricaded or cordoned off where applicable. Additionally, the contractors provided workers with drinking water at both sites.



## Safety management

At all sub-projects, procurement and bid documents included the requirement for occupational and community health and safety measures, and costs were allocated for their implementation in sub-project bills of quantities. The contractors had assigned an environmental health and safety officer for each sub-project.

In one of the two ongoing sub-projects, workers were wearing appropriate personal protective equipment, but not at the sub-project in Balkh.

Sub-project staff and workers across all sub-projects, whether ongoing or complete, had received environmental health and safety and first aid training, with contractors maintaining training records on site.

We found that 18 out of 20 sub-projects had a system in place for reporting incidents or physical injuries. The two sub-projects without a system were in Kabul and Nangarhar.

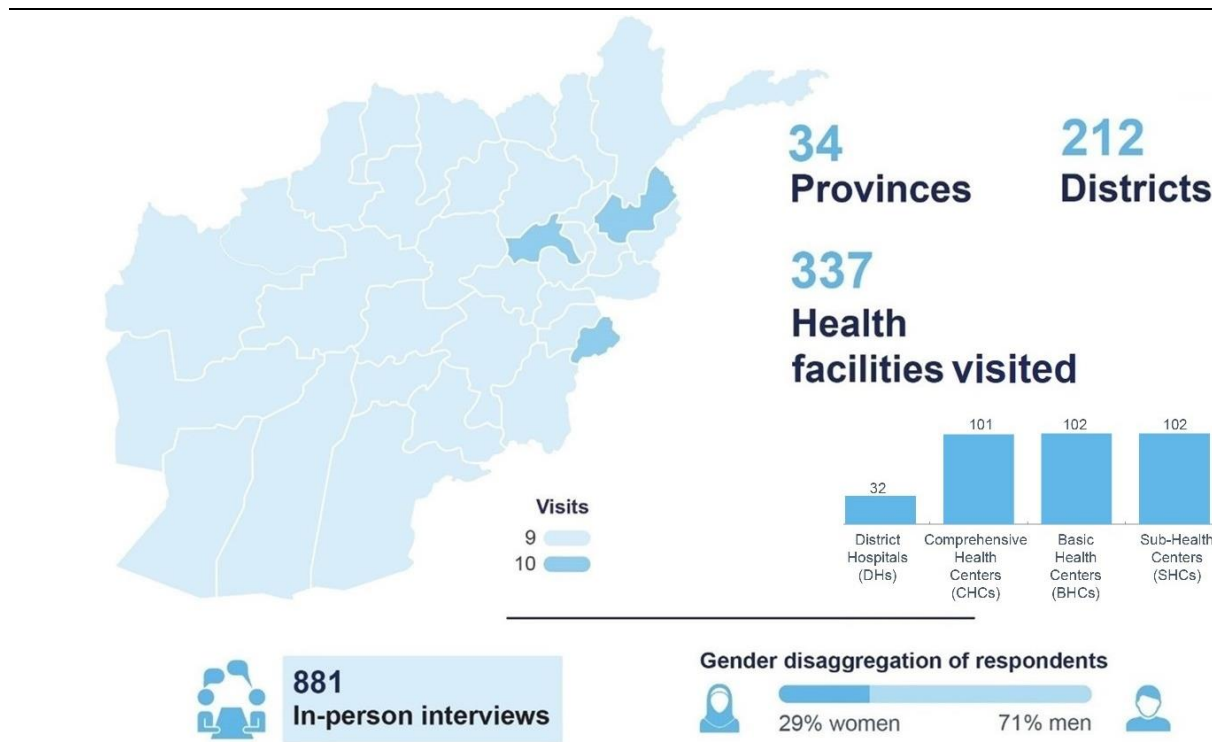
## Health Emergency Response (HER)



### Physical and financial monitoring overview

In Q3, following authorization from the Ministry of Public Health, we initiated the first round of monitoring for Environmental and Social Standards (ESS) at health facility (HF) and household levels. We completed data collection at the HF level by the end of Q3, and we expect to complete data collection at the household level in early Q4. In anticipation of the initiation of the Maternal and Child Benefit Program (MCBP), which will be implemented by WFP under HER2, we have begun preparing Terms of Reference and a Monitoring Framework.

**Figure 6: Summary of HER ESS monitoring completed in Q3 2023**



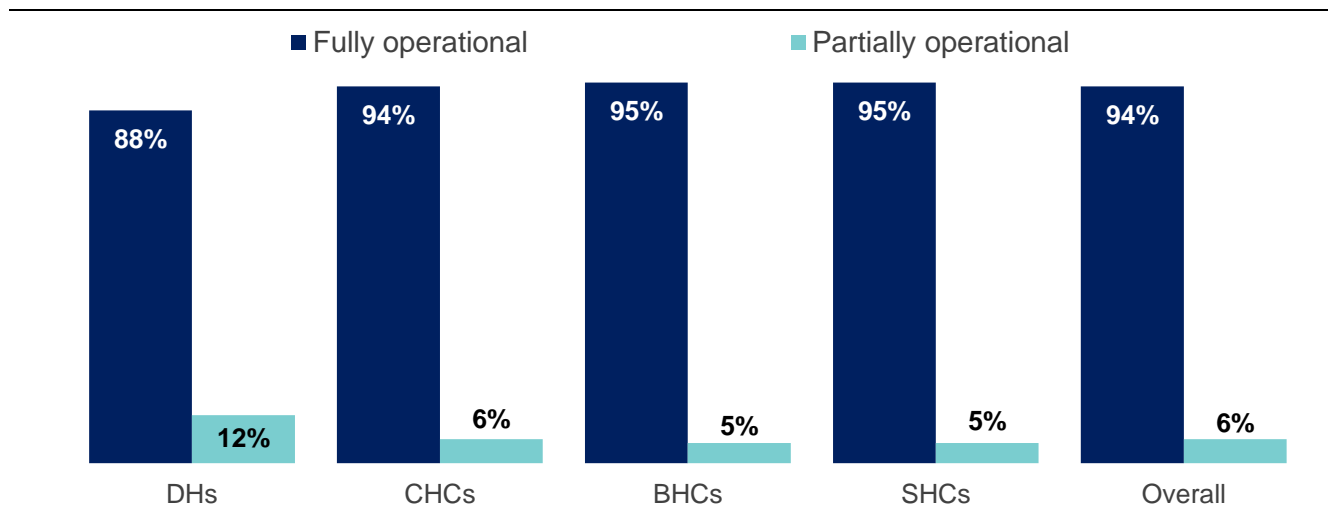
Our financial monitoring during this quarter included the submission of 12 HACT audit reports (11 unmodified and one qualified) for expenditure incurred in the period from 1 July 2022 to 31 December 2022 under HER. Financial findings amounted to 0.28% (USD 242,493) of the reported expenditure. Detailed results of financial monitoring can be found under the “Financial Monitoring” section of this report.

### Construction assessment

Of the 337 HFs we visited, eight (2%), half of which were District Hospitals (DHs), had active construction ongoing. All HFs had been assigned UNICEF or service provider focal points. On average, the focal point visited the HF twice in the 30 days prior to data collection. We found that a large majority of HFs (94%) were fully operational<sup>29</sup>; none were non-operational. However, fewer DHs were fully operational on average (88%).

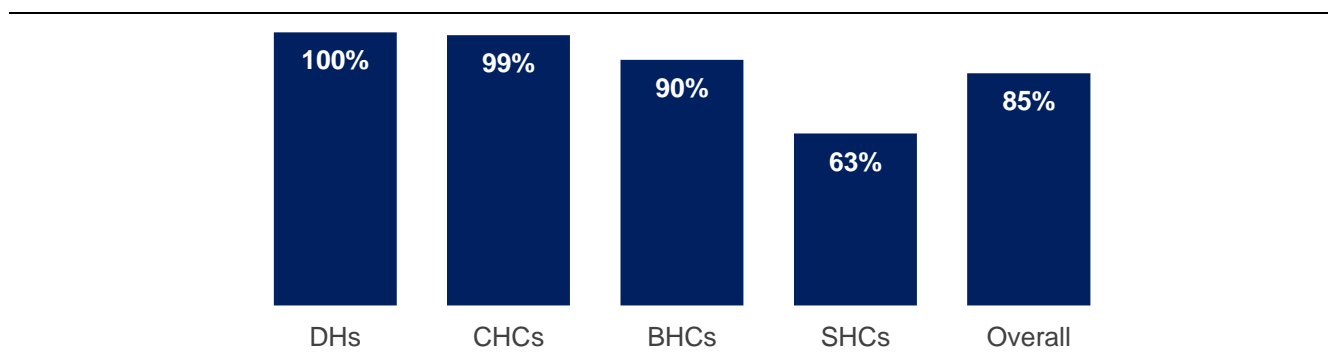
<sup>29</sup> A ‘fully operational’ HF is one where all departments and wards are actively operational, equipped with the necessary medical equipment and adequate personnel. It also has enough medical supplies and a capable infrastructure to provide a wide range of treatments and care to patients.

**Figure 7: Operationality of HF's**

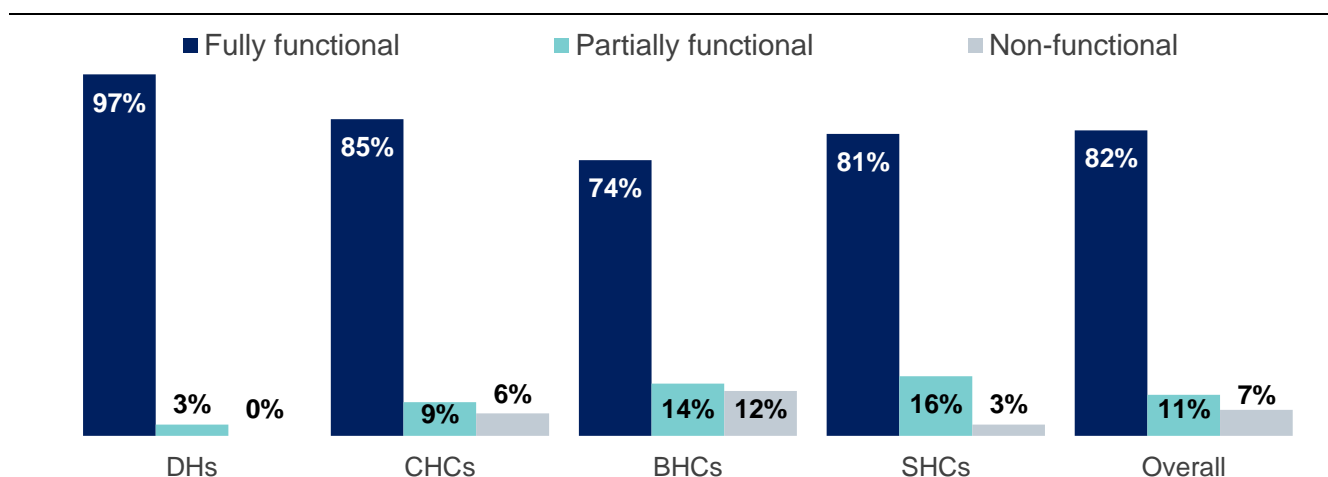


Most HF's had water supply (85%) and power supply (94%) systems in place, the majority of which were fully or partially operational (93% and 97% respectively). Notably, a much smaller proportion (63%) of SHCs had a water supply system in place.

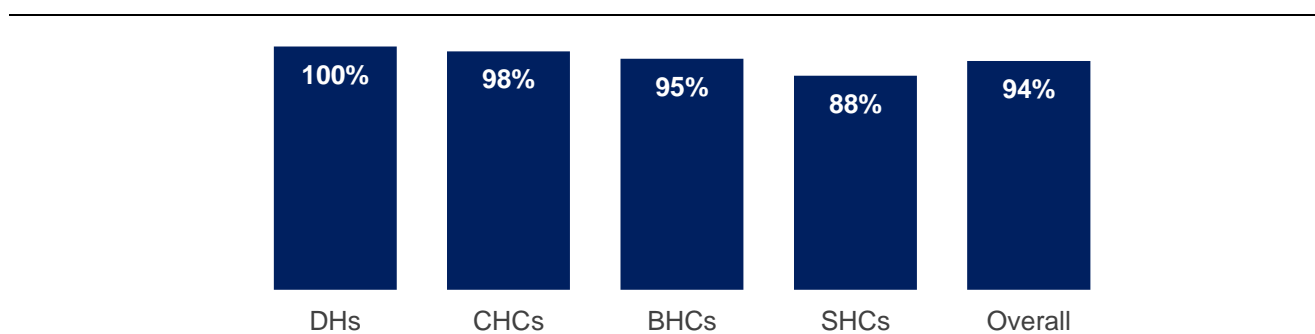
**Figure 8: Presence of water supply**



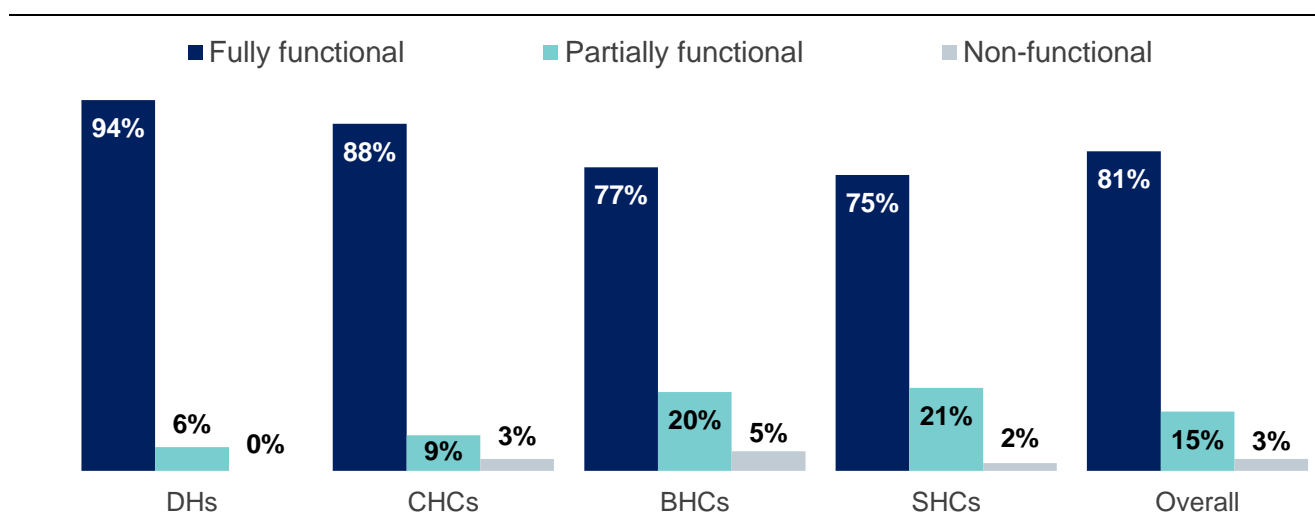
**Figure 9: Functionality of water supply**



**Figure 10: Presence of power supply**



**Figure 11: Functionality of power supply**



## Grievance redress mechanism

We found that a grievance redress mechanism (GRM) had been established in 81% of HFs (n=273). All HFs across 13 provinces (Badghis, Baghlan, Balkh, Daykundi, Farah, Jawzjan, Kapisa, Khost, Kunar, Logar, Maidan Wardak, Nimroz, and Samangan) had a GRM in place. In contrast, only two HFs out of ten in both Helmand and Kandahar, and four HFs out of ten in Paktika, had established a GRM.

We noted that 62 HFs (18%) did not have a GRM. Of these, 44% (n=27) were in the process of setting them up and 24% (n=15) reported using alternative complaints channels in lieu of a GRM.

## Occupational Health and Safety

We found that 42% (n=142) of HFs had established an Occupational Health and Safety (OHS) incident reporting system, and 51% (n=73) of these kept an OHS incident logbook. Notably, during our visits to the HFs in Helmand and Logar provinces, we found that none had put OHS reporting systems in place. In contrast, all the HFs we visited in Badghis and Nimroz had established OHS measures.

Additionally, 36% (n=120) of HFs included the OHS and community health and safety standards within their procurement and bid documents. Of these, 73% (n=88) had set aside budgetary allocations for the execution of OHS and community health and safety initiatives, as evidenced in their bills of quantities.



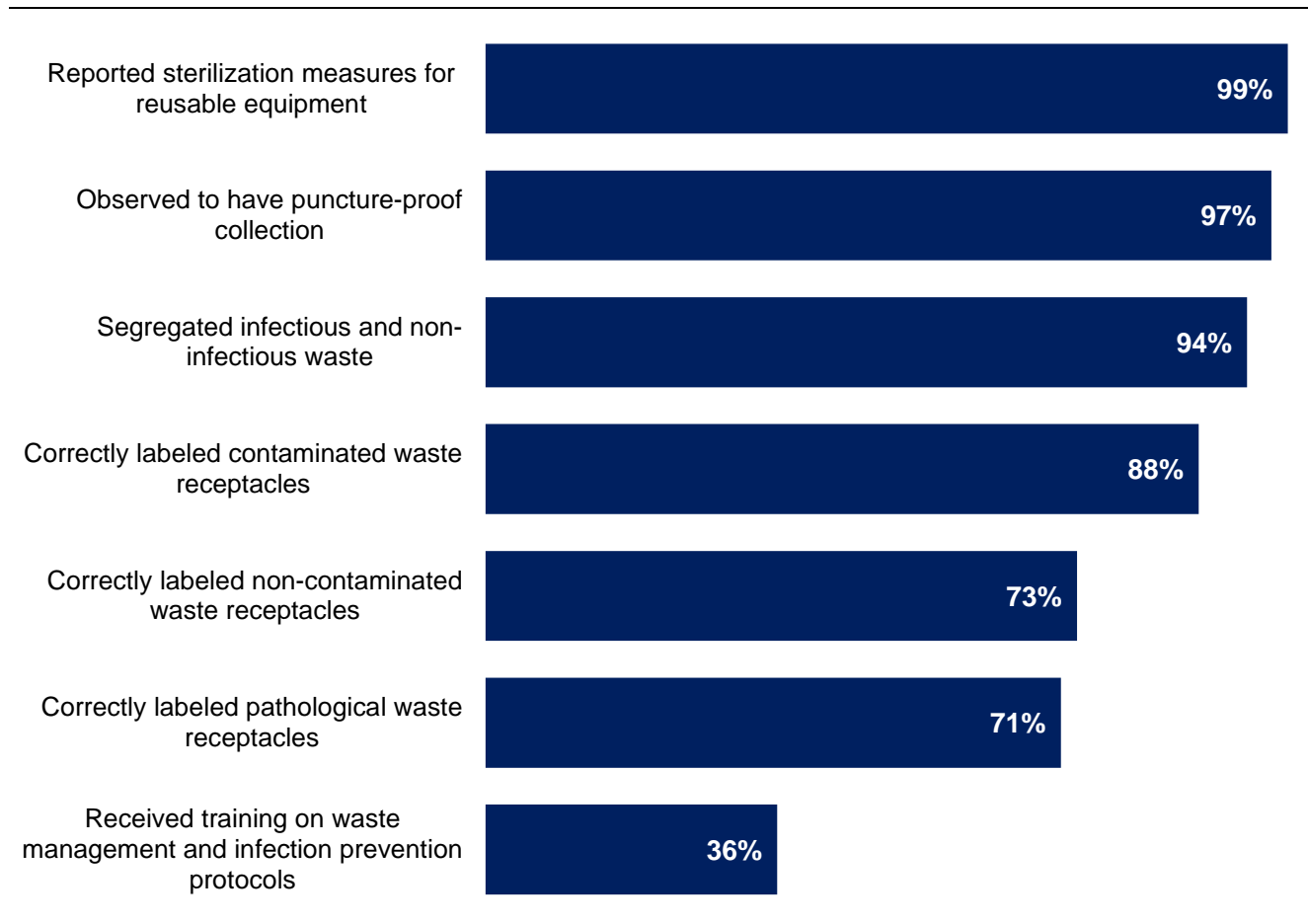
## Waste management and infection prevention

Almost all HFs (97%, n=328) had in place puncture-resistant containers for the safe collection of sharps. Additionally, 62% (n=210) of HFs employed pre-disposal disinfection procedures for sharps.

Sterilization practices for reusable equipment were notably widespread, with 99% (n=333) of HFs adhering to them. Through on-site observations, we identified that these HFs used a range of sterilization techniques, with autoclaving as the predominant method, used in 87% (n=291) of HFs.

Of 337 HFs, 94% (n=318) had protocols in place to segregate infectious waste from non-infectious waste. In 22 of the 34 provinces surveyed, all HFs showcased this best practice, with the remaining 12 provinces averaging between 70% and 90% of HFs adhering to best practice. We found that more than two-thirds of HFs properly labelled pathological waste containers, and in 93% (n=210) of these HFs, only pathological waste was allocated to these labeled receptacles.

**Figure 12: Waste management and infection prevention practices at HF**



## Gender-based violence, sexual exploitation and abuse, and sexual harassment

Only 22% (n=75) of HF reported that either the head or another staff member had received training on how to prevent gender-based violence, sexual exploitation and abuse, and sexual harassment in the six months since January 2023.

In 16% of HF (n=54), the head reported that there had been a sexual exploitation and abuse safety audit at the HF; however, 78% (n=42) of these reported that the findings were not available to photograph. The main reason (81%, n=34) for the unavailability of the findings was that they were not shared with the HF. The remaining HF reported that the checklist had been stored elsewhere or misplaced, or that they did not know where it was.

In 21 HF (6%), information on sexual abuse/exploitation prevention was visible, while only 11 HF (3%) had a banner/sign with a sexual abuse/exploitation/harassment hotline (phone number).

## Security challenges

We found that security issues were not widespread, with 19 HF (6%) reporting 24 safety or security incidents during the six months from January 2023. Additionally, 28 HF heads (8%) raised concerns about potential safety or security risks linked to their roles, three each in Badakhshan, Logar, and Panjshir, and the rest spread across 15 different provinces.

## Emergency Food Security Project (EFSP)



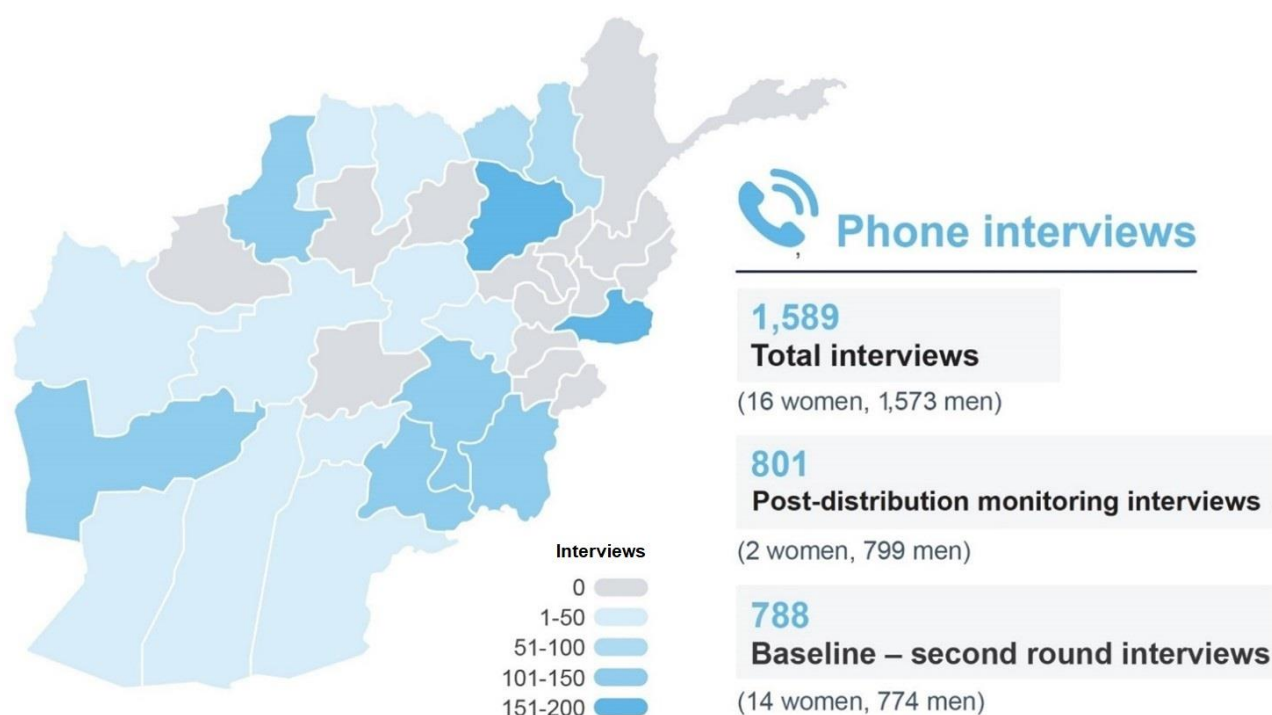
### Physical monitoring overview

In August, we conducted phone-based data collection to validate<sup>30</sup> the findings of FAO's TPMA baseline and beneficiary survey related to the 2022 distribution of the wheat production package in seven provinces. We conducted phone-based data collection for this survey in March and April 2023 for 13 provinces but excluded seven provinces at the time so that we could collect data in person in these provinces. However, since obtaining access to do this took longer than anticipated, we agreed with the World Bank Task Team Leader to proceed with phone-based data collection for these remaining provinces in August. For this additional baseline data collection, we collected data from 788 households, 10% of the households interviewed by the FAO TPMA.

We agreed to a similar arrangement for phone-based data collection to validate the findings of the FAO TPMA post-distribution monitoring survey conducted in January-February 2023 relating to the 2022 distribution of the wheat production package. We collected data for this survey in August from 801 households across 20 provinces, 11% of households interviewed by the FAO TPMA. The main results are highlighted below. To ensure that we interviewed the same people as the FAO TPMA, we only made calls to the phone numbers these households provided in their interviews with the FAO TPMA.

We received an access letter from the Ministry of Agriculture, Irrigation, and Livestock (MAIL), allowing us to conduct in-person data collection, on 30 August. This will allow us to launch further verification activities in Q4.

**Figure 13: Summary of EFSP phone monitoring during Q3**



<sup>30</sup> Our validation is intended to provide an additional layer of accountability and assurance to strengthen the World Bank's understanding of Project progress.

## Results of our post-distribution monitoring validation report

Our findings were broadly similar to those of the FAO TPMA, with most differences explained by the passage of time, the recollections of interviewees, or a divergence in methodology (we conducted surveys by phone, while the FAO TPMA did so in person, and some questions may have been asked differently). We confirmed the high level of beneficiary satisfaction with the distribution of the wheat production package, the quality of the package, and related training that the FAO TPMA had reported previously. Some key differences are highlighted below.

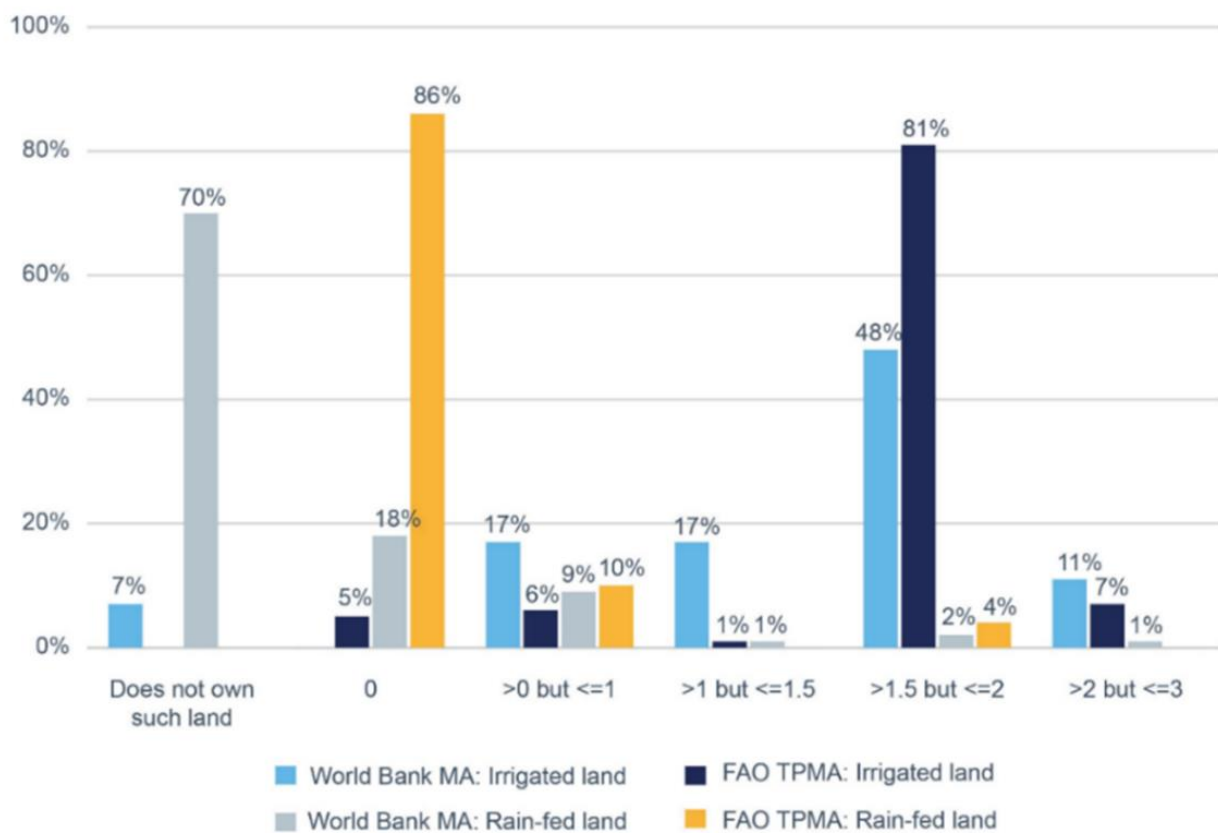
**Table 5: Key findings from the validation of the 2022 wheat seed distribution post-distribution monitoring survey**

Theme	Findings
<b>1. Household demographics</b>	Our findings regarding demographic indicators for the head of household or household, such as gender, age, marital status, and household size, were largely consistent with FAO TPMA data. However, we found that the proportion of heads of households reported as living with a disability and being unable to work (7%) was higher than that reported by the FAO TPMA (3%).
<b>2. Receipt of production package</b>	Of the 801 households interviewed, 796 (99.4%) reported receiving wheat seeds. The proportion of households receiving urea and di-ammonium phosphate fertilizers was slightly lower, at 97% and 96% respectively. FAO TPMA findings were generally similar: of the 7,604 households they surveyed, 7,594 (99.9%) reported receiving both wheat seeds and urea. However, the proportion of households which reported receiving di-ammonium phosphate to the FAO TPMA was lower, at 85%.
<b>3. Timely delivery of production package</b>	Almost three-quarters of the households we interviewed (73%) reported receiving wheat seeds in time to make use of them during the planting season for winter wheat in 2022, compared to 74% for the FAO TPMA. Where households reported late wheat seed distribution, the average reported delay was 28 days. This was significantly higher for the FAO TPMA, at 39 days. However, we found a higher proportion than the FAO TPMA in terms of households dissatisfied with the timely delivery of the wheat production package (9% versus 1%).
<b>4. Quality of production package</b>	On average, 91% of households receiving inputs reported their quality as 'Good' or 'Very good'. In addition, 5% of households reported the quality as 'Average', while another 2% reported that they did not know or could not recall the quality of their received inputs. We therefore found only 2% of inputs to be reported of 'Very bad' or 'Bad' quality, compared to 1% for the FAO TPMA.
<b>5. Wheat cultivation training</b>	In our survey, 63% of households reported receiving training on wheat cultivation techniques, compared to 65% from FAO TPMA findings. Most households (91%) receiving training reported that they learned things they did not know before, compared to 98% of households for the FAO TPMA. Of these, 95% reported they had applied new techniques, compared to 86% for the FAO TPMA. Almost all households (98%) receiving training reported that they were 'Satisfied' or 'Highly satisfied' with the training. The figure for the FAO TPMA was 99%.
<b>6. Usage of wheat seeds</b>	Of all the households receiving wheat seeds, 93% reported using them. This proportion was much lower for the FAO TPMA, at 79%, but this may be because a significant number of households were saving their wheat seeds at the time when the FAO TPMA was undertaking post-distribution monitoring data collection, at the beginning of 2023. These households will have subsequently used the seeds in the spring planting season in March and April.
<b>7. Amount of land cultivated (Figure 14)</b>	We found that households cultivated on average 2.3 jeribs of land, of which 75% (1.7 jeribs) was irrigated and the remainder rain-fed. The FAO TPMA's corresponding figure was slightly lower at 2.1 jeribs of land, of which 89% (1.85

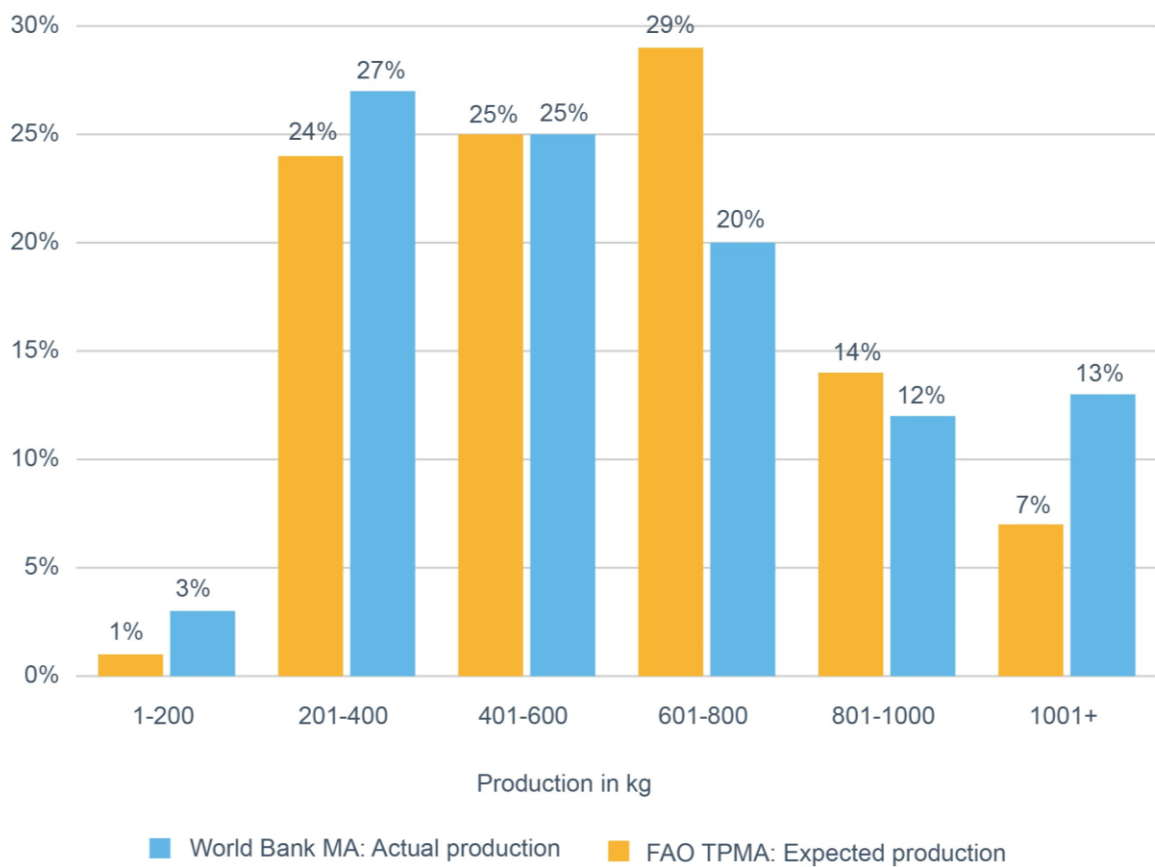
Theme	Findings
	jeribs) was irrigated and the remainder rain-fed. These differences are likely related to the fact that we only asked this question of households that owned land. We found that 93% of the households that said they cultivated land were owners of irrigated land, but only 30% reported that they owned rain-fed land.
<b>8. Expected and actual production (Figure 15)</b>	On average, beneficiary households produced 619 kg of wheat, while the FAO TPMA found that households expected to produce 605 kg of wheat at the beginning of the year with the seeds they received. Our findings are probably more up to date, as the winter wheat harvest had already taken place by May and June of this year. Production varied strongly by province: we found the highest reported production was in Kandahar, at 746 kg per household on average, and the lowest in Ghor, at 449 kg per household.
<b>9. Germination and growth performance of wheat seeds</b>	A large majority of beneficiary households (94%) reported the germination performance of the wheat seeds as 'Okay/Average', 'Good' or 'Very good', and 96% reported that this was the case for overall growth performance. For the FAO TPMA, these figures were 90% and 91% respectively.
<b>10. Main challenges experienced (Figure 16)</b>	Just over half of households (51%) reported that they did not face any challenges during the winter wheat planting season. Of those that did, the main issues cited were a lack of water (39%), and drought (30%). The FAO TPMA also found these to be the main challenges, at 42% and 58% respectively.
<b>11. Distribution performance</b>	<p>A large majority of households receiving wheat seeds (94%) reported that they did not experience any problems during the distribution of inputs, although 3% reported having to wait more than two hours at the distribution site to obtain their inputs. For the FAO TPMA, these figures were similar, at 91% and 6% respectively.</p> <p>We also found that 12% of households had to travel for more than an hour to reach the distribution site. This proportion for the FAO TPMA was 29%.</p> <p>Almost all households indicated that they felt safe when travelling to receive the assistance (98% for the World Bank MA, 99.9% for the FAO TPMA), and were treated with respect by distribution staff (97% for both the World Bank MA and the FAO TPMA).</p>
<b>12. Program communication</b>	We found that 6% of households did not feel their views regarding the assistance they received had been taken into consideration, and 17% did not feel well informed about the assistance. These numbers were significantly higher than those reported by the FAO TPMA (3% and 1% respectively).
<b>13. Exclusion errors</b>	Almost half of all households (43%) reported that there were households in their community which needed support, <i>and met the FAO vulnerability criteria</i> , but did not receive it. For the FAO TPMA, 22% of households reported this. In the responses reporting exclusion errors, the main groups excluded from the production package were female-headed households (51%), people living with a disability (46%), the elderly (45%), and child-headed households (41%). This was broadly similar for the FAO TPMA, at 58%, 49%, 42%, and 52% respectively.
<b>14. Complaints and feedback mechanisms</b>	When faced with a problem or question related to the assistance, more than a third of the recipient households reported reaching out to a community leader (34%). For the FAO TPMA, this proportion was higher, at 52%. The main reason for this difference appears to be that we found a much higher proportion of households than the FAO TPMA reporting that they did not know what to do (13% versus 3%), or that they would do nothing (5% versus 1%) if they had a problem or question. Importantly, only 3% of households reported using the IP's complaints and feedback mechanism or calling the Awaaz Afghanistan Hotline. This proportion was the same for the FAO TPMA.

Theme	Findings
	<p>Despite the low proportion of households using the Awaaz Afghanistan Hotline or the IP's complaints mechanism, 47% of households receiving wheat seeds reported that they were aware of the complaints and feedback mechanisms. For the FAO TPMA, this proportion was twice as high, at 95%.</p> <p>Of the households that were aware of a complaints and feedback mechanism, 24% reported using it in the past. For the FAO TPMA, this proportion was 13%.</p>

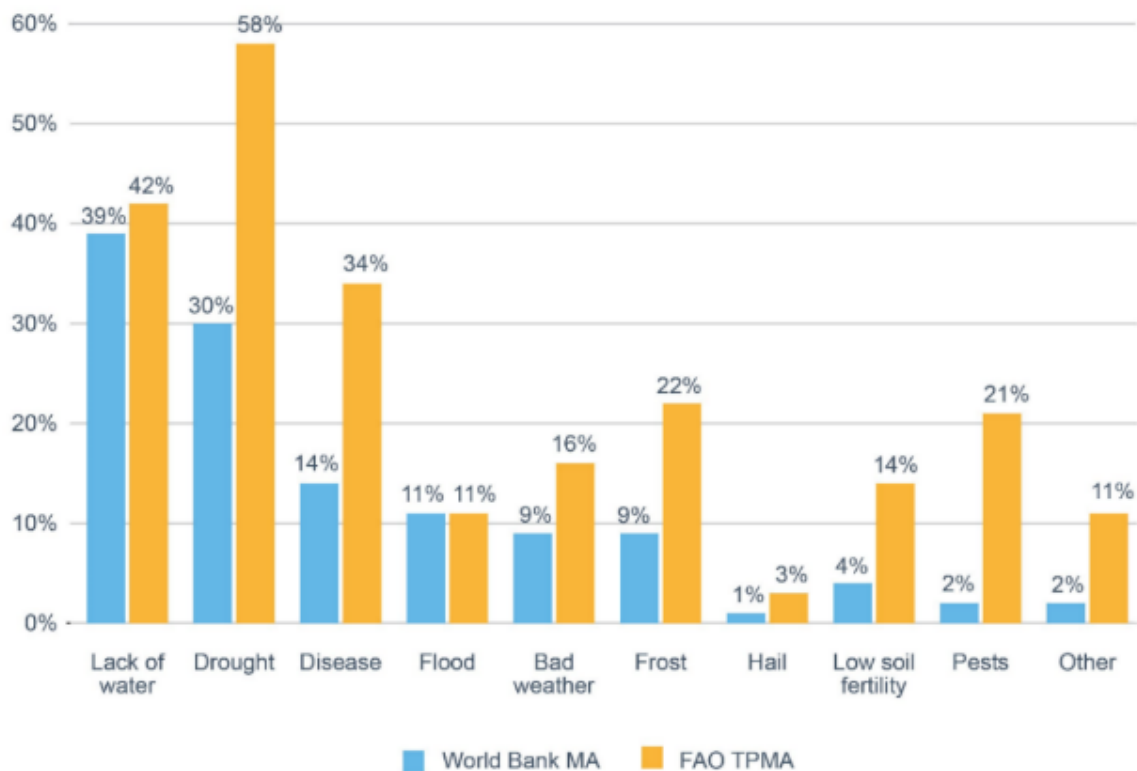
**Figure 14: Jeribs cultivated with wheat seeds received**



**Figure 15: Expected and actual production from households cultivating wheat seeds received**



**Figure 16: Main challenges households experienced for 2022 winter wheat planting season**





## Conclusions of post-distribution monitoring verification

We anticipated that there would be some differences between our results and the FAO TPMA's findings as a result of differences in timing when surveys were conducted and in methodology.

Some differences are attributable to timing, including the fact that we collected data after the winter wheat season (August 2023), while the FAO TPMA collected data during the winter season (January-February). For example, FAO TPMA data on wheat production represent estimates, while our findings reflect actual production. Similarly, the reason why we found a greater proportion of households reporting that they had used the wheat seeds (93%) than the FAO TPMA (79%) is because a significant number of households used their seeds during the spring wheat planting season, after the FAO TPMA collected their data but before we collected ours.

Some differences may also arise from the fact that we collected data by phone. For example, the proportion of households reporting that they were aware of a complaints mechanism was more than twice as high for the FAO TPMA. This reason for this is likely related to FAO TPMA enumerators being better able to explain what was meant by a complaints and feedback mechanism when they were conducting the interviews in person, compared to our enumerators conducting the interviews by phone.

Some differences relate to the fact that we asked some questions differently. For example, when asking how much irrigated or rain-fed land was cultivated, we first asked if households owned any irrigated or rain-fed land. Similarly, when asking about the type of challenges faced during the harvesting season, we first asked if the household faced any challenges at all, while the FAO TPMA did not.

Excluding differences that can be explained by the above reasons, our findings are broadly similar to those of the FAO TPMA. This means that we can confirm the high level of beneficiary satisfaction with the distribution of the wheat production package, the quality of the package, and related training. However, some main differences remain after consideration of the three explanations provided above:

- a. We found a higher proportion than the FAO TPMA in terms of households that were dissatisfied with the timely delivery of the wheat production package (9% versus 1%).
- b. We found that 6% of households did not feel their views regarding the assistance they received were taken into consideration, and 17% of households did not feel well informed about the assistance. These numbers were significantly higher than those reported by the FAO TPMA (1% and 3% respectively).
- c. Close to half of all households (43%) reported that there were households in their community which needed support, and met the FAO vulnerability criteria, but did not receive it. This is nearly double of the 22% that the FAO TPMA reported.

“

Most households were satisfied with the assistance provided. During the interview, many households asked us if the assistance would be extended, and the households also said they were satisfied with the training and asked if similar training could be provided to them in the future.”

**Call center agent (EFSP post-distribution monitoring)**

## NGO and CSO Capacity Support Project (NCCSP)



In Q3, we revised the NCCSP Monitoring Protocol to reflect recent modifications to the project's scope. Following approval by the World Bank and UNDP, we developed monitoring tools for the observation of training and post-training interviews with NGO and CSO staff who were taking part in training in September.

We conducted observation visits and post-training exit interviews with participants in five provinces, involving participants from several NGOs and CSOs from across 34 provinces. We will share the results of this monitoring in Q4.

## Water Emergency Relief Project (WERP)



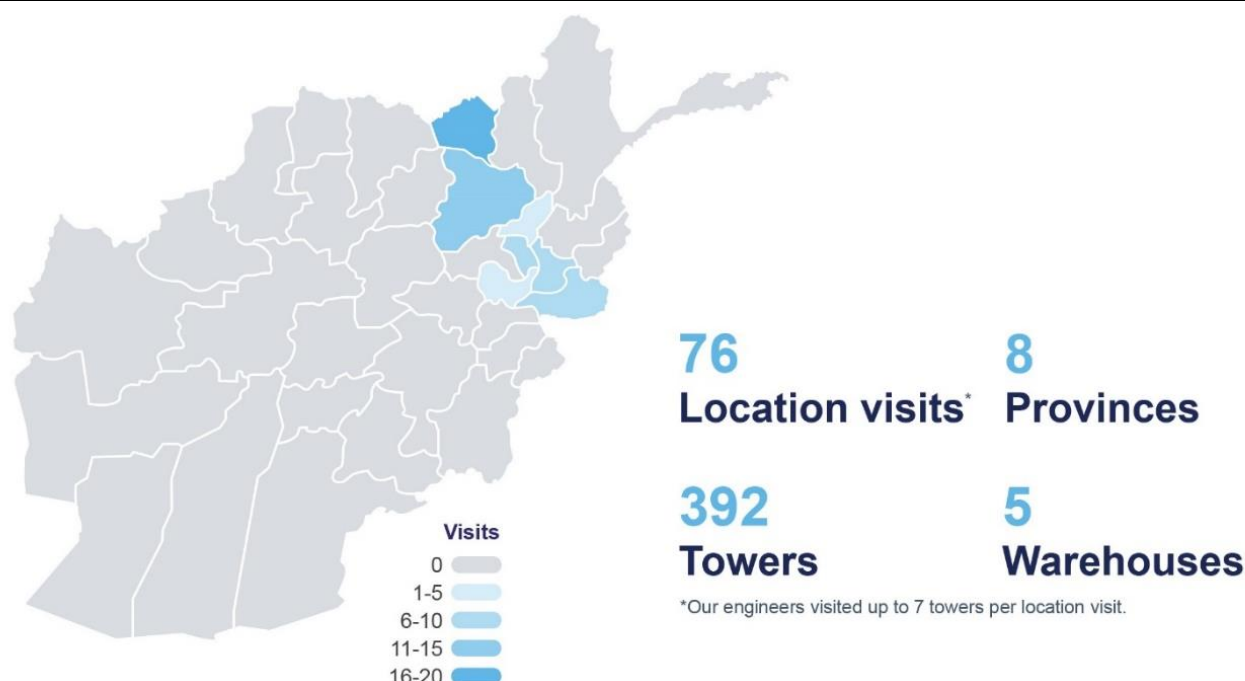
In Q3, we were tasked with launching monitoring activities for WERP. We began discussions with the Task Team, UNOPS, and the Aga Khan Foundation to develop a monitoring approach. We shared draft Terms of Reference with the World Bank in September and await further instruction to develop tools and launch physical and financial monitoring for the project.

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



Following a request from the World Bank, our team visited five warehouses and 392 transmission towers in August to assess transmission tower infrastructure and verify materials and equipment stored in the warehouses. The World Bank paused CASA 1000 on 15 August 2021. The verification process is intended to facilitate payments to contractors for any work completed until that date. Further information on the results of financial reviews of CASA 1000 claims can be found in the "Financial Monitoring" section of this report.

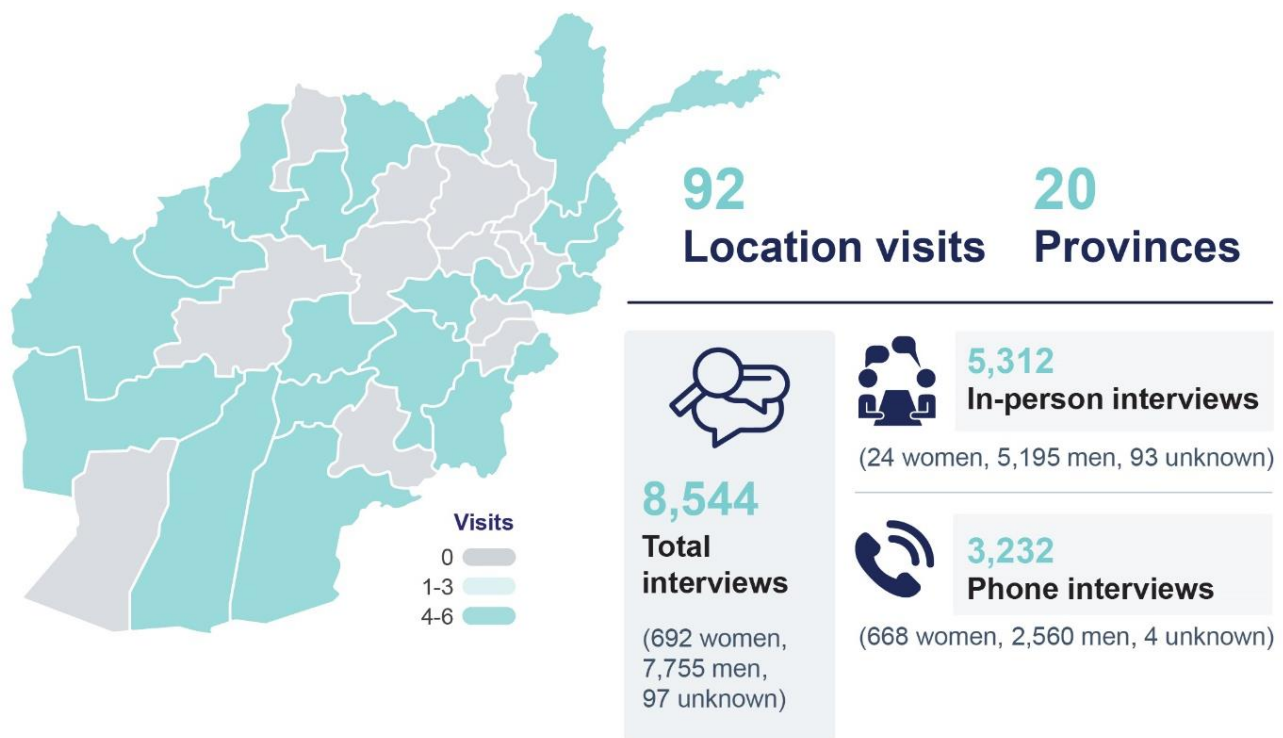
**Figure 17: Summary of CASA 1000 location visits**



## Economic Sector Monitoring (ESM)



Figure 18: Economic Sector Monitoring overview for Q3 2023



In Q3, we monitored economic indicators in July and August for several key areas:

- **Prices and availability of food and non-food items**, combined into a Consumer Price Index basket as defined by the World Bank, and the extent to which shopkeepers selling these items were paying taxes, relying on barter, or providing credit to customers.
- **Banking sector activities**, including formal banking activities and the activities of informal currency exchange traders and *Hawala* operators.
- **Labor market activities**, including nominal wages and the availability of casual workers, as well as the extent to which civil servants were receiving salary payments and the timeliness of these payments.

We collected information through in-person surveys at markets and banks with shopkeepers, bank branch managers, bank customers, skilled and unskilled laborers, and *Hawala* operators, and by phone interviews with telecom operators and civil servants. We shared data with the World Bank through the Digital Platform, providing both a cumulative dataset and visual analysis of the data through a Power BI dashboard. We also submitted our biannual report for ESM in Q3, covering the cumulative period from January 2022 to June 2023. The World Bank uses our data in its economic monitoring reports to provide a monthly summary of the latest economic developments and key economic indicators in Afghanistan.

In September, our data collection for ESM was paused pending the outcome of discussions over continued access for data collection between the World Bank and the Ministry of Finance (MoF). As a result, for Q3, we are only able to present results from monitoring that was conducted in July and August.

## Food and non-food prices

In Q3, we found that all the food items we monitored were sufficiently available in all the stores and markets we visited, with a few exceptions such as local wheat flour, frozen chicken, and cauliflower. The same was the case for all non-food items. These findings were consistent with previous months.

In terms of pricing, food prices continued to drop in Q3, and in August 2023 reached the lowest point since we started monitoring in November 2021. On the other hand, non-food prices bounced back to levels similar to when we started monitoring. In Q2, we highlighted three main reasons for the significant price decreases, which are still relevant for the food price decreases observed in Q3:

1. Widespread unemployment and limited international aid and foreign investments in the country have resulted in lower incomes, leading to extensive poverty. This has significantly reduced people's purchasing power and has led to a decline in demand for supplies, goods, and services, putting downward pressure on overall prices.
2. The ITA have imposed price controls throughout Afghanistan. Several government departments, especially municipalities across the country, interfere with the market. The police routinely patrol markets in major cities and hand over official price lists to shopkeepers. These prices are lower than they would be if they resulted from market forces.
3. The ITA have reactivated thirteen State Enterprises and Companies (SE/Cs) since August 2021, bringing the total of SE/Cs in Afghanistan to 49. These companies play a critical role in the market through the importation of basic items such as fuel, wheat, and cooking oil, from countries such as Iran and Russia, which they subsequently sell at a price that is lower than the local market price.

Another reason for the food price decreases is that Q3 coincides with the harvest of many crops in Afghanistan. As a result, this period usually sees a drop in food prices, provided there is a good harvest. This appears to have been the case this year: on 22 September, officials in the National Statistics and Information Authority announced that the country had produced 4.3 million metric tons of wheat in 2023, representing an increase of 13%. The ITA have also banned exports of major food commodities, such as rice, from Afghanistan.

The fact that non-food prices have increased slightly despite all the reasons highlighted above could be the result of cyclical reasons: the period before winter is usually characterized by an increase in petrol and, especially, firewood prices as people start stocking up on these commodities. By August 2023, national average petrol prices had increased by 3% compared to June 2023, and national average firewood prices had increased by 16%. Future data collection will have to confirm if this was merely a temporary recovery of non-food prices or if this is the beginning of some price stabilization.

**Figure 19: Consumer Price Index to the end of Q3 2023**



## Taxes

In Q3, the proportion of shopkeepers who reported paying taxes appears to have stabilized around the new high (86%) reported at the end of Q2 2022, as shown below.

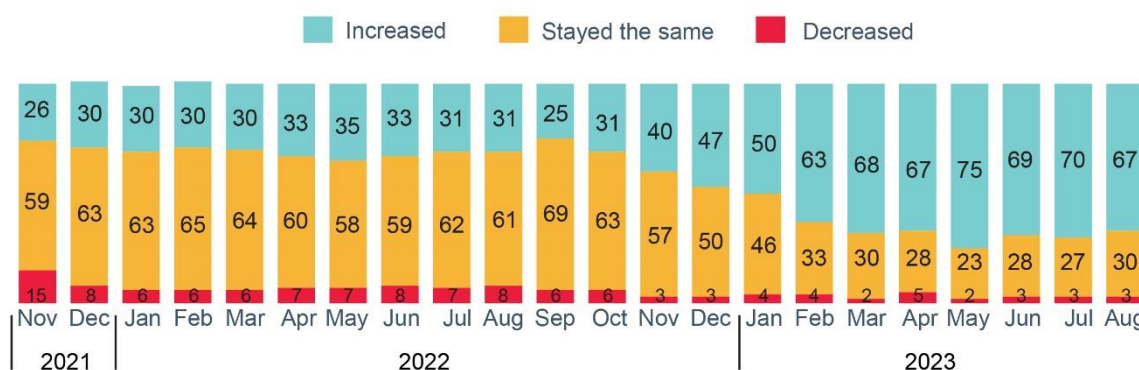
**Figure 20: Proportion of shopkeepers paying taxes between November 2021 and August 2023**

The red line highlights the proportion of shopkeepers who reported paying taxes before August 2021.



Similarly, 67% of shopkeepers who reported paying higher taxes compared to what they were paying before August 2021, similar to the high of 69% reported at the end of Q2 2023.

**Figure 21: Shopkeepers and tax payments between November 2021 and August 2023**



## Day laborers

We interview day laborers in groups. The figure below shows the number of day laborers we spoke with during these group interviews.

**Figure 22: Day laborers interviewed**



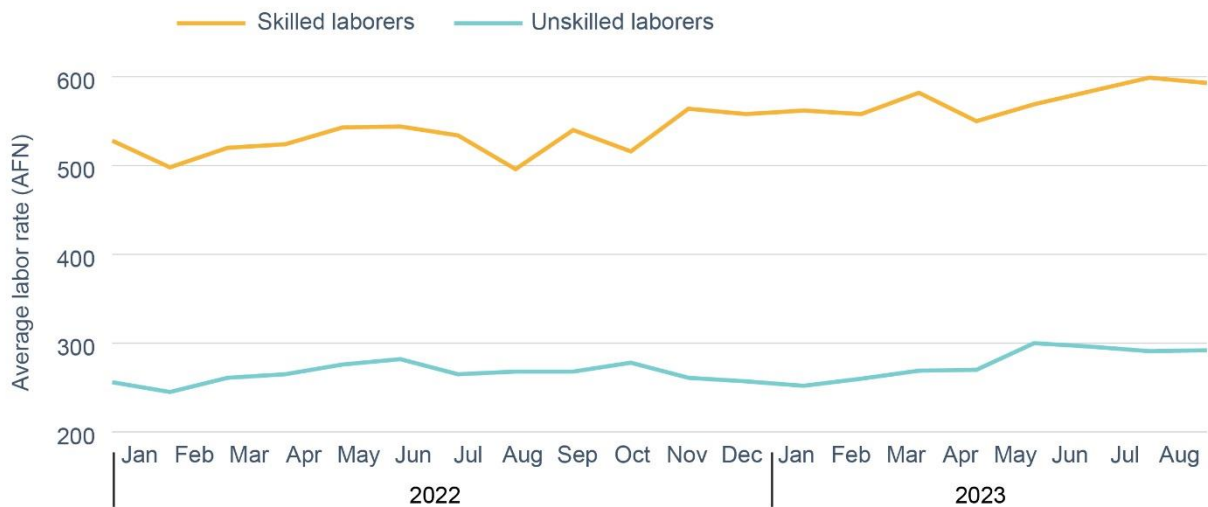
In Q1, we reported that the availability of work for day laborers had fallen to what likely will be an annual low due to construction and agriculture work stopping during winter. In Q2, reported availability increased considerably to more than 2.5 days per week on average for both skilled and unskilled laborers, and in Q3, reported availability remained stable at this level.

**Figure 23: Employment availability per week**



Daily rates for day laborers also stayed relatively stable: compared to June 2023, daily rates for unskilled laborers decreased marginally by 1% in August 2023, while salaries for skilled laborers increased marginally by 1%.

**Figure 24: Mean daily labor rate, in AFN**



## Banking

In Q3, we made 123 visits to 71 branches of 11 different banks. At these banks we conducted 105 interviews with bank branch managers, and 772 interviews with bank customers. On average, 76% of the bank branches we visited in Q3 provided full domestic services and 20% provided both full domestic services and international services, such as foreign exchange services and international money transfer services like Western Union, Swift, MoneyGram, and Ria.

Seven of the 11 bank branches we monitored were able to adhere to the weekly DAB withdrawal limit for individual account holders of AFN 50,000. None were able to adhere to the corporate withdrawal limit of AFN 4 million, which points to a continuous problem with liquidity, a finding consistent with previous months.

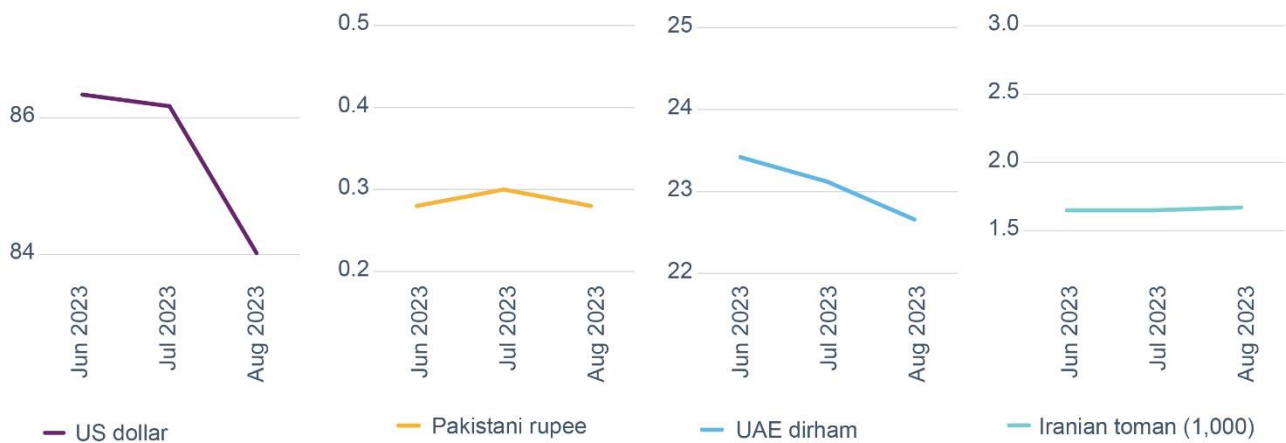
DAB withdrawal limits should only apply to money deposited before August 2021 in a given bank account. In June, we updated our research tool to collect this information in interviews with bank customers. We found that most withdrawals (94% on average) related to money deposited after August 2021, and only 6% on average of the bank customers we interviewed withdrew money from an account where money had been deposited before August 2021. Of the customers withdrawing from accounts with money deposited after August 2021, 3% reported they were not able to withdraw the full amount they wanted. Of those who withdrew money deposited before August 2021, none reported not being able to withdraw the full amount they were entitled to according to the DAB withdrawal limits.

Withdrawals stayed relatively stable, with 6% more branch managers reporting that withdrawals had stayed the same compared to the previous week (42% in Q3 compared to 36% in Q2). Both the proportion of branch managers reporting increases in withdrawals compared to the previous week (36% in Q3 compared to 38% in Q2) and decreases in withdrawals compared to the previous week (22% in Q3 compared to 26% in Q2) decreased in Q3.

## Currency

We did not observe major changes in the availability of the four major foreign currencies that we monitor on informal currency markets (US dollar, Pakistani rupee, UAE dirham, and Iranian toman). The informal buying and selling rate for the Iranian toman against the Afghan afghani stayed stable as well, but the afghani appreciated against all the other currencies. Compared with April 2023, it appreciated 6.7% against the Pakistani rupee, 3% against the UAE dirham, and 2.8% against the US dollar. This appreciation has been consistent with the rest of the year and much of 2022.

**Figure 25: Comparison currency exchange rates**



# MA Digital Platform

The table below details development updates related to the MA Digital Platform for Q3.







**Table 6: Digital Platform development updates**

Activity	Updates
<b>ARTF partner space</b>	<p>During this quarter, we conducted co-design sessions with the World Bank Contract Management Unit (CMU) and Economics Team, focused on the ARTF partner space. We completed updates to the space based on design session feedback on 15 August.</p> <p>The World Bank invited ARTF partners to use the Digital Platform in September 2023; by the end of Q3 2023, 25 officials from seven donors had accessed the Platform, which provides ARTF partners with access to the Economic Sector Monitoring dashboard, and annual and quarterly reports. We are also working with the World Bank CMU and Finance Team to produce a Financial Monitoring dashboard for the space.</p>
<b>Hosting and accreditation</b>	<p>We continued to engage closely with teams from the World Bank to agree on hosting and accreditation. We have responded to several inquiries and joined sessions with the World Bank Information Technology Solutions, Digital Governance, and Office of Information Security teams.</p> <p>On 21 September we received confirmation from the World Bank that it would host the Platform to ensure compliance with information security policies. The Information Technology Solutions Team has access to the testing environment to assess features and security, in preparation for upcoming steps toward accreditation and hosting.</p>
<b>iOS mobile application</b>	<p>We received a note from the World Bank CMU on 20 September anticipating the certification of the development of the iOS mobile application. We continue to work closely with the Bank on next steps.</p>
<b>Rebranding</b>	<p>During this quarter, we completed the rebranding of the Platform to reflect changes made to our visual identity and report design.</p>
<b>Red Flag reporting</b>	<p>We held internal discussions to review the best approaches to reporting Red Flags to the World Bank Task Teams and UN agencies, including engagement of both teams with these flags. We shared a briefing note with the CMU to agree on the approach across the projects. We plan to engage with the Task Teams and UN agencies following sign-off of the approach and agreement on next steps.</p>
<b>Customized dashboards</b>	<p>We launched this new feature in response to the HER World Bank Task Team's requirement for dashboards that could be customized at the service provider level, while maintaining data confidentiality and security. The feature is now available on the Platform and can be used for HER and other projects.</p>





# Looking ahead


This section highlights activities planned for Q4 2023 (precise activities, timelines, and locations visited are subject to change).


## Financial monitoring

	<b>SCRP Review</b> We will continue with SCRPs reviews and plan to issue 20 cover letters in Q4.		<b>CRLP</b> We will submit a draft financial monitoring report of project expenditure under Component 2 for Q4 2022 and Q1 2023.		<b>EFSP</b> We plan to review expenditure for the period ended 31 March 2023 at implementing partner locations.
	<b>Contractor Invoice Validation</b> We will continue invoice validation with contractors under CASA 1000 and PAISA. Additionally, we will coordinate with the World Bank and MoF for certification of payments against salaries, non-consulting services, and operating expenses.		<b>Education Emergency Response in Afghanistan (EERA)</b> We will conduct HACT audits for the next period of expenditure, covering 1 January to 30 June 2023.		<b>HER</b> We plan to issue one remaining HACT audit report under HER. We will conduct HACT audits for the next period of expenditure, covering 1 January to 30 June 2023.  We plan to launch financial monitoring for MCBP.





## Physical monitoring

	<b>CASA 1000</b> We will submit detailed findings of our physical and financial monitoring as part of an ad hoc report in Q4.		<b>CRLP</b> We will launch ECA monitoring, in addition to Labor-intensive Work, Cash For Work, and Social Grant monitoring and laborer verification, in both urban and rural locations. This will include further sub-project monitoring in rural locations.
	<b>EFSP</b> Subject to completion of data collection by the FAO TPMA, we plan to collect data in-person for validation of the outcome survey for the 2022 wheat seed distribution and of the baseline and beneficiary verification surveys for the Cash For Work and Kitchen Gardening interventions.		<b>HER</b> We will continue ESS monitoring in health facilities and surrounding communities across all 34 provinces.  We plan to launch data collection to verify UNICEF TPMA findings in Q4.  We will collaborate on monitoring considerations during the design of the WFP-implemented MCBP component of HER2.

	<p><b>NCCSP</b></p> <p>We will report our findings in our upcoming quarterly NCCSP report.</p> <p>Following the receipt of Component 2 documentation, we will develop monitoring tools and commence monitoring of project activities under this component in Q4.</p>	 <p><b>WERP</b></p> <p>Some WERP monitoring is expected to start in Q4 around a limited area of project implementation, as tools are developed and finalized.</p>
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	<p><b>Economic Sector Monitoring</b></p> <p>We plan to resume monthly data collection as soon as access for data collection has been agreed with the MoF.</p>
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## Digital Platform

	<p><b>Mobile app</b></p> <p>We will work with the World Bank to agree on the next steps for the iOS mobile app's certification and its development plan.</p>
	<p><b>Digital Platform hosting</b></p> <p>We will continue to work closely with the World Bank to confirm hosting requirements for the Digital Platform.</p>
	<p><b>Donor space</b></p> <p>We will continue to engage with the World Bank to launch the ARTF MA financial monitoring dashboard for the World Bank and ARTF partner/donor access.</p> <p>We will launch co-design sessions to produce the physical monitoring dashboard for the donor space on the Digital Platform.</p>
	<p><b>Further engagement of UN agencies</b></p> <p>As we roll out monitoring of UN-implemented projects, we will be providing UN Agencies with platform access, walkthroughs, and training sessions. This includes UNICEF and UNDP.</p>

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