



AFGHANISTAN RECONSTRUCTION¹ TRUST FUND

ARTF PROGRESS REPORT

August 2021 – December 2022

¹ The name of the ARTF was amended from Afghanistan Reconstruction Trust Fund to Afghanistan Resilience Trust Fund on July 21, 2023. However, as this report focuses on the period prior to the change, we have retained the name Afghanistan Reconstruction Trust Fund throughout.

Prepared by ARTF Administrator



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ABBREVIATION AND ACRONYMS

ACReMAP	Anti-Corruption and Results Monitoring Action Plan
AFN	Afghan Afghani
ARTF	Afghanistan Reconstruction Trust Fund
ASIST	Advisory Services, Implementation Support and Technical Assistance Facility
BPHS	Basic Package of Health Services
CBE	Community-Based Education
CDC	Community Development Council
CRLP	Community Resilience and Livelihoods Project
CSO	Civil Society Organization
DA	Designated Account
ECA	Entry Criteria for Access
EERA	Education Emergency Response in Afghanistan
EFSP	Emergency Food Security Project
EPHS	Essential Package of Hospital Services
FAO	Food and Agriculture Organization
FCV	Fragile, Conflict, and Violence
FMFA	Financial Management Framework Agreement
FP	Facilitating Partner
FPA	Fiduciary Principles Accord
GBV	Gender-Based Violence
GFF	Global Financing Facility
HER	Health Emergency Response
IASC	Inter-Agency Steering Committee
ICR	Implementation Completion Report
IDA	International Development Association
ITA	Interim Taliban Administration
MA	Monitoring Agent
MoU	Memorandum of Understanding
MRRD	Ministry of Rural Rehabilitation and Development Afghanistan
NCCSP	NGO/CSO Capacity Support Project
NGOs	Non-Governmental Organizations
PAD	Project Appraisal Document
PDO	Project Development Objective
TPM	Third-Party Monitoring
TPMA	Third-Party Monitoring Agent
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children’s Fund
UNOPS	United Nations Office for Project Services
US\$	United States Dollar
WFP	World Food Programme



INTRODUCTION

The Afghanistan Reconstruction Trust Fund (ARTF) Progress Report provides an overview of the achievements made through the ARTF program between August 15, 2021 and December 31, 2022, with some references to important project developments during the first quarter of 2023. This Report is different from the previously issued Scorecards, which assessed achievements against a set of overarching indicators with clear set definitions under the “on-budget” delivery mechanisms employed before August 15, 2021. Those indicators were drawn primarily from the Government of Islamic Republic of Afghanistan’s national and subnational data and project management information systems managed by respective ministries. However, since the August 15, 2021 crisis, there has been a notable absence of government counterparts and a lack of in-country presence of the World Bank², other international finance institutions, and bilateral donors. The consequent paucity of information accessibility has impeded the ability of the World Bank and the international community to obtain such data. Due to the lack of other reliable public data sources at this time, the indicators set for the Scorecard cannot be reported.

In place of the previously kept Scorecard, the 2022 Progress Report provides a summary of adjustments made and key results achieved in the ARTF program in response to the evolving conditions in Afghanistan since the onset of the Interim Taliban Administration’s (ITA) control of Afghanistan. The Report provides implementation and results data made available by the ARTF’s implementing partners, namely United Nations (UN) agencies and international non-governmental organizations (NGOs), and the ARTF-financed third-party monitoring agent (TPMA). The Report is intended to facilitate dialogue among ARTF donors and other key partners in Afghanistan by highlighting portfolio performance, project results, challenges, and areas in need of attention.

This ARTF Progress Report starts with an updated risk management framework under the new third-party implementing modality with UN agencies and international NGOs as implementing partners in the context of increasingly challenging operating landscapes. The Report also delves into the World Bank’s immediate-term and short-term approaches formulated in close consultation with donors and partners and WB shareholders, highlighting the principles of engagement. It also presents lessons learned from pre-August 2021 projects. These lessons are useful for project design not only for World Bank and ARTF financing but also for other funding partners present in Afghanistan. The Report provides a summary of active basic service delivery projects during the reporting period. A financial overview is also provided.

More detailed information about ARTF-financed projects is available in each project’s Implementation Support and Results Reports made publicly available through the ARTF website (<https://www.wb-artf.org/what-we-do/investment-projects>), as well as in various ARTF reports shared with ARTF donors and partners through weekly and monthly communications.

² WB resumed its technical missions in Afghanistan in May 2022.



SECTION 1: ARTF RISK MANAGEMENT FRAMEWORK

The World Bank administers the ARTF with integrity and an emphasis on ensuring value for money in coordinated financing through the ARTF mechanism.

The World Bank has developed robust systems to ensure that ARTF funds are used for the intended purpose to deliver results for the people of Afghanistan. The ARTF has committed to financing enhanced fiduciary measures that provide controls tailored specifically to Afghanistan's complex and fragile context where all projects are currently implemented by third-party entities, namely UN agencies and international NGOs. Projects that are implemented by UN agencies rely on the UN risk management approach, which is carefully assessed by the World Bank during project appraisal to ensure the approach and quality of the risk management is comparable with the standard applied by the World Bank. Such alignment and coordination benefits ARTF-financed projects with a robust risk management framework and enhances transparency and accountability. All World Bank projects include grievance redress mechanisms and empower citizens to raise concerns and ask questions.

FIDUCIARY CONTROL FRAMEWORK ADJUSTED POST 2021

The World Bank has corporate agreements with UN organizations, specifically the Financial Management Framework Agreement (FMFA) and the Fiduciary Principles Accord (FPA). According to these agreements, the World Bank depends on the systems of the corresponding UN organizations for the implementation of projects, management of risks, monitoring and evaluation, and fiduciary assurance. However, given the unique and high-risk circumstances in Afghanistan, the Bank engaged in negotiations to establish exceptional fiduciary and monitoring arrangements with UN agencies for projects funded by the ARTF. The fiduciary and monitoring frameworks pertain to the projects and the UN agency responsible for their implementation, as outlined in the corresponding Project Appraisal Documents (PADs). The framework has four distinct aspects, which are outlined below, and the PAD elucidates the manner in which these elements are applicable to each project.

Project's Physical and Financial Monitoring: The primary responsibility of the ARTF-hired TPMA is to evaluate the projects' physical performance and adherence to Entry Criteria for Access (ECA) to ensure equitable access to project-financed services for women and girls, compliance with environmental and social standards, and perform financial assessments and reviews. While the ARTF-hired TPMA is prohibited from examining the financial records of the UN agencies due to FMFA and FPA regulations, they conduct thorough financial assessments, reviews, or audits of implementing/facilitating partners that are employed by UN agencies for project implementation. Furthermore, the ARTF-hired TPMA conducts supplementary evaluations and assessments related to Community Development Councils (CDCs) and the integration of women. The terms of reference and monitoring protocols are established for each individual project, in accordance with which the ARTF-hired TPMA carries out the monitoring. It is crucial to highlight that the utilization of a TPMA appointed by the World Bank/ARTF to oversee activities executed by UN agencies is a distinctive practice specific to Afghanistan.

Entry Criteria for Access: Every ARTF-financed project includes explicit measures known as ECAs, which are designed to promote fair and equal access to services for women and girls (See



Annex 2 for ECAs for each of the portfolio project). The UN agencies implementing the project oversee and provide updates on adherence to ECAs on a monthly and quarterly schedule. The ARTF-financed TPMA conducts regular monitoring of ECAs and thereafter communicates results to the World Bank and pertinent UN agency. In the event of any documented instances of non-compliance with ECAs, a consultation process is initiated between the Bank and the relevant UN agency. The purpose of this consultation is to engage in discussions on the development of a mitigation strategy, which may involve the consideration of suspending project activity in the affected areas.

Release of Grant in Tranches: The Bank has negotiated with UN agencies (as ARTF grant recipients) the release of ARTF grant proceeds in tranches. To maintain adaptability, the financing provided by the ARTF is disbursed to the UN agencies in two installments. The Bank conducts an appraisal of the project's overall value but proceeds to sign a Grant Agreement for only the initial tranche amount. A review is done in collaboration with the ARTF partners after a period of six months from the commencement of the project to evaluate the level of progress achieved and to determine the compliance of ECAs. The release of the second tranche from the ARTF and the increase in the grant amount in the Grant Agreement are based on the satisfactory progress of implementation (achievements of selected indicators) and adherence to the agreed-upon ECAs.

Quarterly Supervision Missions: The frequency of monitoring by the World Bank has been increased twofold, with quarterly implementation supervision missions now being conducted to effectively manage performance and mitigate risks. The objectives of these missions are to: (i) assess the progress and accomplishment of the Project Development Objective (PDO) and intermediate indicators; (ii) offer assistance for any implementation challenges that may arise; (iii) provide technical support regarding implementation, achievement of results, and capacity development; and (iv) discuss pertinent risks and measures to mitigate them. Considering the corresponding elevated risks, the Bank's role in monitoring and evaluation encompasses not only the quantification of project outcomes but also the extraction of valuable insights and the formulation of recommendations to improve project effectiveness and for future donor interventions. Moreover, where needed, the Bank team may establish ring-fenced communication channels with operational-level personnel at the interim administration agencies, with the consent of management.

TPMA ADAPTABILITY IN CHANGING POLITICAL CONTEXTS

Since August 2021, the TPMA's financial reviews and verifications of documents enabled the World Bank to make direct payments to the NGOs that provided critical basic services under valid contracts. The NGOs under six projects were prioritized where such reviews and verifications were deemed essential for the continuation of services. This exercise became critical for the continuation of health services in the case of the Sehatmandi project. The World Bank, based on TPMA certification, was able to make direct payments to NGOs (health service providers) for services delivered until June 2021, safeguarding healthcare services for Afghan citizens. In 2022, the World Bank made direct payments of US\$ 54.5 million, equivalent to the NGOs under six projects.

In addition to reviewing the documentation for expenditure incurred pre-August 2021, the TPMA had the following three major objectives for the year 2022. Firstly, to provide third-party monitoring (TPM) services for new ARTF-funded projects that have been approved in the year



2022. Secondly, TPMA aimed to support project completion and closure for investment projects that were initiated before August 2021 and had been paused after the August 15, 2021 crisis. Lastly, the TPMA aimed to collect economic and social data to address serious information gaps that have arisen since August 2021.

To address the critical issue of lack of data and information after August 15, 2021, the ARTF-financed TPMA began economic sector monitoring and data collection and expanded coverage in 2022, providing insights into the country's economic status. Information gaps in key sectors, including health and community engagements, were addressed in 2022 by the TPMA, with a commitment to ongoing efforts in economic sector monitoring and governance.

In 2022, the TPMA played a crucial role in monitoring new projects funded by the ARTF. Respective task team worked diligently to develop a TPM framework that meets the specific needs of each project. As the sole third-party monitor for the Community Resilience and Livelihood Project (CRLP) and NGO/CSO Capacity Support Project (NCCSP), the TPMA covers both physical and financial monitoring. For the Health Emergency Response Project (HER) and Education Emergency Response in Afghanistan (EERA), the TPMA conducts HACT audits of implementing partners and verifies a subset of UNICEF's TPM sample for physical monitoring. For ERRA, the TPMA also conducts light and in-depth site visits of a sample of schools not monitored by UNICEF's TPM. The TPMA is also responsible for validating the findings generated by TPMs contracted by FAO for the Emergency Food Security Project (EFSP). Regardless of the modality, the TPMA monitors compliance with Entry Criteria for Access (ECA) and Environmental and Social Standards (ESS) for all ARTF-financed projects.



SECTION 2: APPROACH 1.0 – IMMEDIATE-TERM RESPONSE

Shortly after the August 15, 2021 crisis, Afghanistan faced a severe economic crisis with an estimated 30 percent economic contraction. The immediate humanitarian emergency affected over 24 million Afghans, with 22 million facing acute food insecurity while the primary healthcare system was operating at reduced capacity. The crisis was compounded by the fast-approaching winter season.

On November 30, 2021, the Bank’s Board of Executive Directors discussed the immediate-term response in the Approach Paper 1.0 to provide humanitarian support with no engagement with the ITA. The Board also requested Bank management to consider a medium-term engagement to support essential basic services.

In December 2021, following the Board’s endorsement of the Approach Paper 1.0, the Bank took an extraordinary measure and transferred (disbursed) US\$280 million resources to UN agencies – US\$180 million to the World Food Programme (WFP) to support food security and US\$100 million to the United Nations Children’s Fund (UNICEF) for basic health services. Under the agreement and terms of the Transfers Outs, the WFP and UNICEF were requested to provide the use of the funds directly to the ARTF donors at an agreed frequency.

Table 1. Transfer Out Window Updates and Milestones

Transfer Out Fund Details	Commitment (US\$, million)	Disbursement (US\$, million)	Effective Date	Legal Close Date
WFP – Food security	180.00	180.00	11-Dec-21	14-Sep-22
UNICEF – Basic health services	100.00	100.00	11-Dec-21	14-Sep-22
Total Transfer Out Projects	280.00	280.00		

DIRECT PAYMENTS TO NGOS

On November 30, 2021, as part of the Afghanistan Approach Paper 1.0 review, the Board endorsed payments of up to US\$79 million (US\$33 million payable from ARTF/other trust funds and US\$46 million payable from the International Development Association, IDA) due to 36 NGOs for services provided under six Bank-financed projects prior to August 15, 2021, which was strongly supported by the World Bank shareholders and ARTF donors. Based on the Board’s endorsement, the Bank mobilized the TPMA to review and verify the eligibility of the NGOs’ services and payments under valid contracts.

The TPMA has undertaken a series of reviews of NGO services and payments certifying approximately US\$54.5 million equivalent for direct payments by the Bank to various international and national NGOs. As part of the review, the TPMA verified the deliverables, compliance with the contract, and expenditure documents. The invoiced amounts were mainly reduced for



incomplete deliverables, which the NGOs claimed in full. Based on the review, the TPMA issued individual certificates for each NGO. The Bank introduced these extraordinary reviews to ensure expenditure eligibility and to avoid the risk of any payment to the ITA.

As of August 15, 2021, there were outstanding DA advances of US\$562.5 million, of which US\$294.5 million was associated with ARTF funds. Since then, the ARTF portion of the outstanding DA balance has been reduced to US\$246.2 million through expenditure documentation. Expenditures were incurred through August 15, 2021, but not documented with the World Bank by submitting a verified Statement of Expenditure and a Withdrawal Application. The Bank, through the TPMA, has verified and documented expenditures of US\$46.5 million to date. The TPMA reviews the eligibility of expenditures, including the availability of supporting documents, compliance with applicable regulations, and the date of payment from the DA. Only expenditures paid till August 15, 2021, are considered eligible by the TPMA. Annex 1 presents the breakdown of the outstanding DA balances. The Bank continues to work with the TPMA to verify additional expenditures, which will further reduce the overall outstanding DA balance.



SECTION 3: APPROACH 2.0 – PROJECT PROGRESS AND PERFORMANCE

While providing immediate humanitarian relief through transferring out ARTF funds to UNICEF and WFP was essential during the looming humanitarian crisis, the emerging situation in Afghanistan also required a more comprehensive and sustainable response. This approach was captured in the World Bank’s Approach 2.0 Paper, which was approved by the Board on March 1, 2022. This Approach responded to requests from the international community to protect the vulnerable, help reduce the magnitude of future humanitarian assistance, and focus on gender-inclusive service delivery. During most of 2022, the strategy to focus on basic services as described in Approach 2.0 was implemented through third-party implementing agencies using ARTF financing and tapping into previously established CDCs and other community-based networks and infrastructures.

Approach 2.0 also includes the “Afghanistan Futures,” forward looking analytical work by the World Bank, and increased levels of coordination and convening to support dialogue about opportunities to support development activities. Participants at international meetings asked the World Bank and other multilaterals to provide assistance that would increase sustainability by protecting human capital and investing in community structures to deliver services to the most vulnerable people.

Approach 2.0 made available about US\$1 billion in additional ARTF resources. The situation remains complex, and the Approach is designed to respond flexibly with international partners, based on experience gained with early implementation. Activities financed by Recipient-executed grants in Approach 2.0 follow the Bank’s regular operational policies and internal processes, as well as ARTF approval processes. During implementation, projects have been following World Bank policies on supervision, as applied to UN agencies and third-party entities. TPM arrangements continue to play critical roles in Afghanistan.

Table 2. Approach 2.0 Principles

Implement off budget outside the control of the ITA, through UN/international NGO partners	The international community is aligned in providing only off-budget financing outside of the control of the ITA. The World Bank/ARTF financing has continued to use local service providers, sustaining local institutions and women’s economic empowerment through participation in them (basic health providers, CDCs, farmers associations, community-based schools).
Use TPMA	ARTF partners and other multilateral funding streams value the independence and the risk management framework provided by the TPMA to enhance fiduciary controls as well as to enforce ECA compliance and gender monitoring. Since August 2021, the sector monitoring by the TPMA addresses information gaps in key sectors, supporting the World Bank teams, donors, and wider international community with nuanced analysis and knowledge sharing.



Monitor ECA with focus on women and girls	The World Bank and ARTF have led in the design of clearly measurable criteria under which partners are comfortable in providing financing. These provide an entry and exit ramp while recognizing that in the current environment the international community has little leverage on ITA decisions.
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PROGRESS OF PROJECTS IMPLEMENTED UNDER APPROACH 2.0

The ARTF Investment Window has a total of five projects implemented under Approach 2.0 as of December 2022:

1. Afghanistan Health Emergency Response Project (HER)
2. Afghanistan Community Resilience and Livelihoods Project (CRL)
3. Emergency Food Security Project EFSP)
4. Afghanistan NGO/CSO Capacity Support Project (NCCSP)
5. Education Emergency Response In Afghanistan (EERA)

1. Afghanistan Health Emergency Response Project

Development Objective: To increase the utilization and quality of essential health services.
 Implementing Agency: UNICEF
 ARTF Funding: US\$150 million
 (total ARTF funding is US\$314 and Global Financing Facility [GFF] US\$19 million for a total project amount of \$333 million)
 Disb. as of Dec 2022: US\$75.4 million (ARTF only)
 Approval Date: May 24, 2022
 Closing Date: June 30, 2024

The World Bank approved US\$333 million (US\$169 million in the first tranche including US\$19 million from GFF, and US\$164 million in the second) for the Afghanistan HER project, which is to be implemented by UNICEF and WHO.

Project Implementation Updates: The HER project has progressed steadily since its launch in May 2022. UNICEF leads implementation through contracted service providers, delivering BPHS and EPHS across all provinces. New contracts were signed with service providers in February 2023, following the success of the Sehatmandi initiative. The HER project emphasizes quality healthcare and healthcare worker capacity through performance-based contracts with financial incentives tied to a Quantified Quality Checklist. The hybrid procurement model continues to improve health product availability and quality, advancing essential health services. The project remains steadfast in its objective to enhance healthcare and community resilience, navigating challenges with determination.

Disbursement, Financial Management, and Procurement: The disbursement has advanced as planned, aligning with the project’s budget and semi-annual disbursement plan. During the initial six months of project implementation, UNICEF disbursed approximately US\$75.4 million ARTF grants and US\$ 9.6 million GFF grants, making the total disbursement of US\$ 85 million, which



is right on target. Financial management remains on track, ensuring efficient allocation of resources. The procurement framework is operational, bolstered by the established contracts with service providers and a hybrid procurement model involving UNICEF and local procurement efforts. These endeavors aim to uphold financial prudence while maintaining project momentum.

Operational Challenges: Notable challenges emerge in the realm of operational dynamics. The interaction between donors/the UN and the ITA presents a pivotal challenge, with the ITA’s evolving demands and intervention in the project’s procurement process necessitating adaptive strategies. While an ITA edict originally threatened to disrupt some NGOs’ work in the health sector, those NGOs were able to continue. A ban on female NGO workers was also subsequently eased with a health sector exemption. Nonetheless, the ITA’s demands and interventions at both national and local levels continue to create uncertainties. In response to these challenges, the World Bank is poised to restructure the HER project, incorporating phased implementation and disbursement conditions to navigate the complex operational landscape effectively.

Table 3. HER Indicators and Status

Indicator Name	Baseline	Actual December 2022	End Target June 2024
Children who have received the third dose of the Pentavalent vaccine through project-financed facilities (Number)	0	541,785	1,973,536.00
Births occurring at project-financed facilities (Number)	0	323,368	1,277,629.00
Visits for growth monitoring and counselling on age-appropriate infant and young child feeding among children aged 0-23 months received at project-financed facilities (Number)	0	3,042,124	11,245,006
Average Quality Checklist score for BPHS and EPHS facilities (Text)	Tools for Quantified Quality Checklist were under development	The tools have been completed. The collection of baseline data is scheduled for April 2023	Baseline + 15 points

Table 4. HER ECAs

ECA	Status
There is no announced restriction on the provision to women and girls of the health and nutrition services included in the BPHS and EPHS.	There is no official announcement made by the ITA that indicates attempts to restrict women’s access to health services. To date, reports and data show that women and girls are allowed to visit public health facilities to receive



	health services, despite the issue of having an escort or Mahram posing a practical constraint on access to care.
There is no announced restriction on female healthcare and nutrition workers being allowed to work in health facilities and in communities.	There are 25,973 health workers in 2,310 health facilities. Women account for 37 percent of total staff. Overall, 98.5 percent of the health facilities have at least one female health worker (midwife, nurse, nutrition counselor, or female medical doctor).

2. Afghanistan Community Resilience and Livelihoods Project

Development Objective: To provide urgent essential services in rural and urban areas.
 Implementing Agency: United Nations Office for Project Services (UNOPS)
 ARTF Funding: US\$100 million (first tranche only; total funding is US\$265 million)
 Disb. as of Dec 2022: US\$45.5 million
 Approval Date: April 29, 2022
 Closing Date: April 30, 2024

The World Bank approved US\$265 million (US\$100 million in the first tranche and US\$165 million in the second) from the ARTF to finance the project, which is being implemented by UNOPS.

Project Implementation Updates: Following the initial delays caused by Facilitating Partner (FP) procurement and the need to secure FP Memoranda of Understanding (MoUs), as well as the subsequent operational pause due to the ITA ban on NGO female workers on December 24, 2022, project activities are now gaining momentum. The World Bank conducted its Mid-Term Review at the end of March 2023 and determined that many of the earlier operational setbacks have been addressed, leading to a more expedited progress of field activities going forward.

Disbursement, Financial Management, and Procurement: The first installment of US\$45.5 million was disbursed to UNOPS at the start of the project in May 2022.

Implementation: Notable achievements as of the end of December 2022 include the initiation of project activities in 4,023 rural communities, accounting for 62 percent of the total target of 6,450 communities. Around 2,700 community-selected cash-for-work subprojects, such as the rehabilitation of small-scale roads, cleaning of irrigation canals, and tree-planting, have been identified to provide essential livelihoods and short-term employment opportunities for the communities. Consequently, 68,000 individuals have been employed, resulting in 1.2 million labor days. In eight cities, labor-intensive public works have also commenced, with the identification of 384 subprojects. Livelihood support is being provided to 14,741 households (including 10 percent women-headed households), generating 305,860 labor days. Additionally, 22 subprojects have been successfully completed and handed over to the respective communities. For individuals unable to participate in public cash-for-work activities, cash transfers and social grants have been distributed to 1,300 households, of which nearly 900 are headed by women. The remaining beneficiaries include persons with disabilities and other vulnerable populations. CDCs and mosque



committees in non-CDC areas have carried out community-based poverty targeting exercises in 3,464 communities.

Operational Challenges: With the series of ITA edicts on women, including the ban on female NGO workers operating in December 2022, and the slow speed with which the Ministry of Rural Rehabilitation and Development Afghanistan (MRRD) have been issuing FP MoUs, the authorizing environment has been difficult. Project progress consequently slowed down in early 2023. The project has found ways of managing these risks and continuing to provide benefits to women, but the operating environment remains challenging.

Table 5. CRLP Indicators and Status

Indicator Name	Baseline	Actual December 2022	End Target April 2024
Number of beneficiary households receiving livelihoods support	0	10,390	700,000
Number of vulnerable households receiving social grants	0	65	100,000
Number of Female-headed households receiving social grants	0	34	Monitoring for progress
Number of people with improved access to basic services	0	70,000	7,400,000

Table 6. CRLP ECAs

ECA	Status
Established CDCs in the project areas are permitted to operate.	The two ECAs have been met in 4,402 rural and urban communities thus far, indicating that CDCs continue to operate and that women are participating.
Women’s involvement continues in established CDCs.	

3. *Emergency Food Security Project*

Development Objective: To restore production of food security crops for smallholder farmers.

Implementing Agency: Food and Agriculture Organization (FAO)

ARTF Funding: US\$150 million (first tranche only; total funding is US\$195 million)

Disb. as of Dec 2022: US\$129.9 million

Approval Date: June 2, 2022

Closing Date: June 28, 2024

The World Bank approved US\$195 million (US\$150 million in the first tranche and US\$45 million in the second) from the ARTF to finance the project, which is being implemented by the FAO.

Project Implementation Updates: The project has made significant progress since its inception. The Project Implementation Unit is fully staffed and operational. Seeds and fertilizers for the



winter planting season have been procured for the targeted 300,000 households. Delivery of inputs was well underway in December 2022. All 11 implementing partners to support input distribution activities are on board and operating on the ground. Subprojects for restoration of irrigation schemes, drainage cleaning, and riverbank protection activities are at various stages of implementation.

Disbursement, Financial Management, and Procurement: The project disbursed US\$129.90 million out of a US\$150 million first tranche. The second tranche of US\$45 million will be released to finance the procurement and distribution of wheat seeds in the upcoming winter planting season, as the agreed criteria have been met.

Operational Challenges: Delays were experienced in revising the project implementation manual and annual budget. Additionally, while the FAO is using its existing TPMA to monitor initial project activities, the recruitment of a long-term physical and financial TPMA has been delayed. Key issues for the project are as follows:

- i. Timely completion of remaining updates to the project implementation manual.
- ii. Ensure adequate financial planning and budgeting, including providing details on operational expenses. The FAO will work with the Bank’s financial management team in finalizing revision to the annual budget and providing support to prepare the next annual budget.
- iii. The FAO to ensure monitoring of initial project activities by its existing TPMA and expedite the recruitment of the long-term TPMA for financial and physical monitoring.

Table 7. EFSP Indicators and Status

Indicator Name	Baseline	Actual October 2022	End Target April 2024
Wheat crop production increase (by target households) in project intervention areas (Percentage)	0.00	0.00	15.00
Area provided with new/improved irrigation or drainage services (CRI, Hectare(Ha))	0.00	0.00	137,000
Farmers reached with agricultural assets or services (Number)	0	34,000	750,000
Of Which – Female – Farmers reached with agricultural assets or services	0	0	150,000



Table 8. EFSP ECAs

ECA	Status
Female beneficiaries are not restricted from obtaining the backyard vegetable cultivation packages or from participating in short-term employment opportunities.	Until December 24, 2022, both ECAs were progressing well. However, the ITA ban on deploying female NGO workers disrupted operations for some NGO implementing partners supporting the backyard vegetable garden project. This suspension affected the registration of female beneficiaries and partially compromised the first ECA. The ban was not intended to restrict women from receiving benefits but disrupted vital female-to-female delivery mechanisms. Fortunately, the project has resumed with locally aligned solutions as per the Inter-Agency Steering Committee (IASC) principles.
There is no restriction on distribution of cultivation packages to beneficiaries according to the targeting criteria (geographic and Integrated Food Security Phase Classification)	

4. Afghanistan NGO/CSO Capacity Support Project

Development Objective: To enhance the capacities of select registered national and local Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs) to improve their performance and effectiveness.

Implementing Agency: United Nations Development Programme (UNDP)

ARTF Funding: US\$20 million

Disb. as of Dec 2022: US\$6 million

Approval Date: June 28, 2022

Closing Date: October 31, 2024

The World Bank approved US\$20 million from the ARTF to finance the project, which became effective on June 28, 2022. The project is implemented by the UNDP.

Project Implementation Updates: Since UN agencies and private consulting firms/businesses are not included in the ITA edict that bans women from working in NGOs, and these institutions (not the NGOs) form the primary implementing partners, this project has not been as affected by the ban as some other projects. The UNDP continues to employ women in the project, and the contracting firm will also be able to do so. However, decisions need to be made on how women beneficiaries can be satisfactorily reached and how women-led NGOs/CSOs can be covered by the project trainings and sub-grants. As of end-March 2023, the UNDP has made significant progress in preparing for project activities. Key documents have been prepared, a project implementation unit and steering committee have been set up, and contracts have been finalized with UNOPS for grievance registration. The UNDP has also submitted timely and satisfactory progress reports and budgets.

Disbursement, Financial Management, and Procurement: The first installment of US\$6 million was disbursed to the UNDP by December 2022. The UNDP was unable to complete the procurement within the extended timeframe (December 31, 2022).

Operational Challenges: With the ITA edicts on women in December 2022 and the slowness of MRRD in issuing FP MoUs, the authorizing environment has been difficult. The project has found



ways of managing these risks and continuing to provide benefits to women, but the operating environment remains challenging.

Table 9. NCCSP Indicators and Status

Indicator Name	Baseline	Actual September 2022	End Target October 2024
NGO/CSO personnel capacity enhanced in core management and service delivery focused areas (Percentage)	0.00	0.00	50.00
Share of NGOs/CSOs trained in GBV prevention and response and demonstrating proper protocols in-place to support survivors of GBV (Percentage)	0.00	0.00	100.00
NGOs/CSOs benefiting from improved coordination and access to better information and networking (Percentage)	0.00	0.00	70.00

Table 10. NCCSP ECAs

ECA	Status
The project will only work with organizations that permit female participation, either as workers and/or recipients of aid/services. Priority targeting will be awarded to NGOs and CSOs that support gender equality and women's empowerment through their programs and human resources policies.	Until December 24, 2022, the ECAs were progressing. However, the ITA ban on deploying female NGO workers disrupted organizations. Fortunately, the project has resumed with locally aligned solutions as per the IASC principles.

5. Education Emergency Response in Afghanistan

Development Objective: To enhance the capacities of select registered national and local Non-Governmental Organizations (NGOs) and Civil Society Organizations (CSOs) to improve their performance and effectiveness.

Implementing Agency: UNICEF
 ARTF Funding: US\$100 million
 Disb. as of Dec 2022: US\$50 million
 Approval Date: September 8, 2022
 Closing Date: March 31, 2025



The World Bank approved US\$100 million from the ARTF to finance the project, which became effective a few days after the project approval. Implemented through UNICEF, the project seeks to protect gains in access to education and learning that were achieved over the past two decades, and to increase the resilience of the system in the aftermath of bans on girls’ education in the country.

Project Implementation Update: Considerable steps have been taken since the launch of the project in September 2022, despite the intricate challenges presented by the prevailing country context. Progress continues apace, guided by a steadfast commitment to the “do no harm” principle. Key milestones include the selection of all 19 NGO partners for community-based education (CBE), resulting in the establishment of 250 CBE facilities. Additionally, six Innovative Block grantees have been identified, and the review process for an additional 13 proposals is underway. These initiatives have already positively impacted 7,850 children, of which 58 percent are girls, toward an ultimate target of 150,750 beneficiaries. Efforts to rehabilitate 166 schools have been marked by the completion of comprehensive assessments.

Furthermore, the data collection phase for the Multiple Indicator Cluster Surveys is nearing completion, which will provide crucial insights into the project’s impact. A consistent cadence of coordination committee meetings, overseen by UNICEF and the United States Agency for International Development, and monthly progress gatherings reinforce effective communication and collaboration.

The ban on Afghan female NGO workers and students introduced further complexity to an already intricate and shifting landscape. These directives prompted a temporary suspension of operations for certain NGOs, amplifying the challenge. Nonetheless, subsequent developments have offered some clarity and stability. The project’s ECA remained unaffected, and the PDO retains its high relevance. It is important to note that these constructs were conceived in response to the earlier ban on secondary education for girls, which positioned the project well to navigate the current context.

Disbursement, Financial Management, and Procurement: Of the US\$100 million grant, US\$50 million has been disbursed, out of which almost US\$49 million has been committed (US\$15 million spent, US\$20 million executing, and US\$14 million signed/committed). The next disbursement request of US\$50 million is planned for April 2023. Almost all goods contracts under the procurement plan have been awarded; the procurement of some activities was delayed due to the temporary pause following the bans.

Table 11. EERA Indicators and Status

Indicator Name	Baseline	Actual January 2023	End Target March 2025
Number of children supported with learning opportunities, by gender and grades (Number, Custom)	0.00	7,850	182,000



Number of schools benefitting from gender-focused rehabilitation, boundary walls and/or provision of High-Performance Tents, by type of schools (Cumulative) (Number, Custom)	0.00	0	1,099
Number of teachers and children who received Teaching and Learning Materials (Text, Custom)	0.00	0	3,930,000

Table 12. EERA ECAs

ECA	Status
Equitable access: primary schools are open for both female and male students and teachers.	The project’s ECAs remain met. The increasing and compounding bans on girls across the education sector has created a sense of unease in investing in public facilities that exclude girls, and fostered a renewed sense of urgency to keep supporting adolescent girls.
No significant changes are made to general education curriculum, which remains in line with human rights principles.	



SECTION 4: LESSONS LEARNED AND FUTURE PROSPECTS

The abrupt pause of 29 projects caused by the August 15, 2021 crisis, with a total commitment of US\$4.6 billion (IDA US\$2.2 billion, ARTF US\$2.2 billion, and other trust funds US\$174 million), had a critical impact on the country. ARTF and IDA-financed projects, as the main sources of on-budget financing in Afghanistan, constituted the foundation of critical service delivery in health, education, community development, agriculture, and other core services. For example, until August 2021, the Sehatmandi health sector support project covered 75 percent of the basic health care budget. The portfolio also included strategic infrastructure engagements in transport, energy, digital services, and telecommunications as well as budget support programs and investment projects in the financial and private sectors.

During 2022, implementation completion reports (ICRs) were prepared to close those projects that could no longer be implemented effectively. Preparing these ICRs presented an opportunity to collect important lessons learned in operating in fragile environments and for the design of future engagements in Afghanistan as well as conflict affected environments. The ICRs cover the full spectrum of Bank operational engagements, including investment operations in all key sectors as well as policy-based lending programs. While the lessons focus on the investment operations, references are made to policy-based lending programs where they played a critical role in securing the enabling conditions for effective investment lending support. This came both in the form of support for broader institutional reforms (public financial management, procurement, civil service capacity) and in taking forward sector policy reforms in key sectors, including financial and private sector reform and regulatory management.

LESSONS LEARNED

Following the logic of the investment project cycle, the lessons learned are presented in three main blocks: context; design; and implementation.

Contextual issues: How to do better in adjusting to context?

Lesson 1: Scaling down and/or up is necessary when responding to intensifying conflict.

In conflict environments, understanding the context is crucial. The World Bank's Fragile, Conflict, and Violence (FCV) strategy emphasizes engagement in active conflict countries, focusing on basic services. However, in Afghanistan, the Bank expanded its engagement despite the resurgence of conflict. This highlights the need to build in adjustability in programs based on identified triggers and checkpoints. Risk and Resilience Assessments and other analytical studies could be used to identify these triggers and checkpoints.

Lesson 2: Ensure and maintain transparent targeting criteria.

Projects were designed to target high conflict risk areas and urban centers with growing numbers of displaced people. Projects were sometimes piloted in specific locations before broader implementation. However, there was inconsistency in the application of selection criteria for targeting, highlighting the need for clear guidance to avoid perceptions of aid instrumentalization and ensure staff safety. The lesson is to consistently review the use of poverty indicators as the main criterion in defining programming, in particular geographic targeting. Deviations from the use of poverty indicators are admittedly difficult to avoid in FCV contexts but should nonetheless



be made explicit and explained, while principles of engagement should be laid out clearly in strategic planning frameworks such as the World Bank Country Partnership Framework.

Lesson 3: Ensure greater continuity between analytical work and operational work and mainstreaming political economy.

The ICRs indicate a disconnect between project design and the findings from the World Bank’s analytical studies. Findings were often not adequately incorporated into projects or were considered too politically sensitive. Even when project implementation occurred alongside relevant analytical work, the insights were not integrated into the project assessments. This highlights a need for better linkages between operational engagement and analytical work. There needs to be more systematic attention in project pre-appraisal and appraisal discussions on how well critical analytical lessons, and in particular political economy analysis, are reflected, as well as monitoring shifts in the political economy context throughout implementation, which could improve just in time adjustment of projects to reflect greater realism.

Design and readiness: quality of preparation and readiness

Lesson 4: Maintain the independence of the World Bank in decisions on project design.

The design of World Bank projects is a collaborative effort with the government client, but aligning with political objectives can pose risks. Balancing responsiveness to the client with protecting the institution and portfolio quality from undue political pressure, particularly in complex relationships such as that with Afghanistan, is a constant challenge. The critical lesson is that mechanisms should be built into design and implementation processes so that attempts at political instrumentalization of development projects (in an FCV and active conflict context) can be safely flagged and escalated by task teams and managers.

Lesson 5: Ensure projects are ready to be implemented, unbundle projects where needed to achieve readiness, and use emergency processing proactively.

The need for quick results leads to reduced project preparation times. This results in many projects not being ready at approval, thereby affecting disbursement schedules. In addition to implementation delays, locking up resources in projects that are not ready prevents their use for urgent needs. Simpler, more achievable project designs and proactive use of emergency project preparation can lead to more effective outcomes. Similarly, maintaining patience and staying the course on ensuring projects are as implementation ready as possible at approval should be prioritized.

Lesson 6: Technocratic solutions have significant limitations.

The ICR review process highlighted that many projects were designed based primarily on “first best” technical approaches rather than “politically achievable” outcomes. Contextual analysis and political economy proofing of projects are required to ensure realism and alignment with country capacity and its economic and institutional development, especially in FCV contexts. This needs to take precedence over fast-tracking approval processes.



Implementation: carefully monitor and proactively manage risks

Lesson 7: Carefully consider limited government capacity to both manage additional projects and implement reforms, especially in conflict contexts.

In Afghanistan, complex politics and centralized decision-making strained the capacity of ministries to implement programs. While workaround arrangements such as Project Implementation Units enhanced effectiveness and reduced corruption risks, they operated in parallel to government systems, thereby reducing sustainability. This created “islands of excellence” but risked institutional fragmentation. Mixed implementation modalities could have provided an alternative solution. There is therefore a need to consider government capacity and the impact of Bank approaches on overall capacity reform efforts. A blended implementation model (critical basic services, to the extent feasible, through governments and outsourcing more complex project activities to third parties) might be considered as an alternative in such a context.

Lesson 8: Undertake comprehensive annual risk screenings of the portfolio.

The Bank needs to ensure that regular risk assessments translate into actions to downscale or adjust the level of its exposure, especially in an active conflict setting. It should also ensure that, at the project level, more agile restructuring and adjustment processes are instituted specifically for FCV countries. This should be undertaken at least annually, and in contexts such as those in Afghanistan, probably biannually.

Lesson 9: Avoid locking large sums in project designated accounts in conflict situations.

Prudential risk management would suggest reducing amounts in project DAs as the risks to government increase. A safer way needs to be found to channel resources to communities and contractors, including direct payments, that expose neither the World Bank nor the government to large losses.

Lesson 10: TPM is a critical tool in FCV contexts but not a panacea for a lack of trust.

In a conflict situation, TPM is critical for providing reassurance that funds are being used for their intended purpose, especially where the government is not in control of its full territory. Full reliance on an effective TPMA mechanism is one way of insulating a portfolio from the twin risks of weak government capacity and abuse of resources. However, it also reduces accountability and does not facilitate institution-building; it is also expensive. Finding a way of combining an approach where full TPMA is applied to most if not all higher risk projects while using a less comprehensive TPMA arrangement as a safety valve (focusing on random controls and reviews) for a smaller number of defined projects in ministries with higher capacity (based on solid institutional assessments) is an option that could be considered in similar contexts in the future, especially in low trust contexts.

ARTF STRATEGY: CONTINUED SUPPORT FOR THE AFGHAN PEOPLE

The World Bank’s future strategy will focus on maintaining and consolidating support to basic services and livelihoods in the short term, while preparing for a gradual shift towards support for sustainable and inclusive economic recovery and stabilization. In the context of increasingly scarce

³ There is an important caveat here regarding the health sector, where basic service delivery through NGOs proved both more cost-efficient and effective.



aid resources, this will necessitate the ITA taking a larger role in financing and delivery of basic services, and the World Bank will focus on technical dialogue with the ITA and development partners to facilitate this shift. The strategy is consistent with international approaches to aid engagement and is robust to a range of potential future political developments with the use of an in-built checkpoint and risk assessment framework.

The ARTF will retain its focus on delivering short-term priorities through to 2025. The primary focus will remain in health, education, agriculture, water, and community livelihoods and jobs, with additional work on private sector jobs, especially for women. Implementation will continue to be through UN agencies and international NGOs. The ARTF continues to play a critical role as a coordination mechanism to ensure coherence and efficiency in the delivery of basic services. Operations will be complemented by a program of analytical work focused on monitoring and strengthening support to basic service delivery and livelihoods.

The World Bank will prepare for a reorientation of engagement towards sustainable economic recovery and stabilization beyond 2025. Firstly, the Bank will undertake new analytics and engage in dialogue towards more sustainable approaches to service delivery. Secondly, the Bank will concentrate on analytics to support economic recovery. The establishment of a political dialogue goes beyond the remit and responsibility of the World Bank; the Bank will therefore provide development analysis and advice to support this dialogue led by regional and other countries and civil society.



SECTION 5: FINANCIAL UPDATE

This section provides an overview of ARTF resources, donor contributions, commitments, and disbursements until December 21, 2022.

SOURCES AND USES OF FUNDS

Table 13 presents sources and uses of funds for FY1401 (2022) and for the last 10 years. The Sources of Funds are net donor contributions, investment income less administration fees, and the cash balance. The Uses of Funds are net of actual disbursements and commitments under the four ARTF windows (Recurrent Cost Window, Investment Window, ASIST (analytics and technical assistance) Window, and Anti-Corruption and Results Monitoring Action Program “ACReMAP” Window) for fiduciary control management activities undertaken by the World Bank and the TPMA. As of December 21, 2022, the cash balance stood at US\$970.51 million comprising (i) combined undisbursed balance of the ARTF active investment portfolio of US\$221.94 million; (ii) US\$1.11 million for undisbursed balance of the ASIST; and (iii) US\$23.54 million available for the ACReMAP Window, leaving a net unallocated cash balance of US\$723.92 million.

Table 13. Comparison of Sources and Uses of Funds (US\$, million)

	FY 1391	FY 1392	FY 1393	FY 1394	FY 1395	FY 1396	FY 1397	FY 1398	FY 1399	FY 1400	FY 1401
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
SOURCES OF FUNDS (A+B)											
A. Net Donors Contributions (A1-A2)	928.69	779.93	1010.17	643.26	906.53	840.44	1011.63	789.28	718.16	244.08	55.23
A.1. Donors Contributions	942.20	791.00	1027.64	651.50	917.92	853.05	1021.10	780.38	718.63	248.41	59.40
A.2. Admin fees minus Investment Income	13.51	11.32	17.47	8.23	11.39	12.61	9.47	-8.90	0.46	8.32	4.17
A.3. Refund of Ineligible Expenditure	0.00	0.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00	0.00
B. Cash Carried-Over (=D previous year)	1148.49	1584.93	1671.70	1677.88	1482.90	1502.70	1398.32	1358.23	1480.74	1450.33	1259.75
USES OF FUNDS (C+D)											
C. Disbursements (C1+C2+C3+C4+C6+C7+C8)	492.25	693.16	1003.99	838.24	886.73	944.82	1051.72	666.77	748.58	434.66	344.47
C.1 Recurrent window - Disbursed by DAB ³	225.00	256.10	419.56	435.69	469.86	457.46	385.07	9.53	66.06	0.00	0.00
Wages	225.00	150.00	125.00	125.00	100.00	75.00	0.00	0.00	0.00	0.00	0.00
O&M	0.00	32.00	33.90	33.60	0.00	0.00	0.00	0.00	50.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IP (Incentive Program)	0.00	74.10	113.70	93.60	244.20	235.68	225.83	0.00	0.00	0.00	0.00
AHP (Ad Hoc Payments)	0.00	0.00	146.96	183.49	125.66	146.78	159.24	9.53	16.06	0.00	0.00
C.2. Investment window	256.86	424.39	570.36	394.69	401.98	476.25	555.94	345.23	445.98	135.15	328.69
C.3. Pass-through to LOTFA (UNDP Police)											
C.4. Fees to monitoring agent	10.39	12.67	14.08	7.86	13.37	8.10	9.40	9.45	7.13	0.00	0.00
C.5. Research and Analysis Program	0.00	0.00	0.00	0.00	1.51	3.01	1.09	0.04	0.00	0.00	0.00
C.6. ASIST Window	0.00	0.00	0.00	0.00	0.00	0.00	0.22	1.96	1.04	0.41	0.24
C.7. ACReMAP Window ⁴	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.55	8.37	19.11	15.54
C.8. Recurrent Cost Window (FSF & IP DPG)	0.00	0.00	0.00	0.00	0.00	0.00	100.00	300.00	220.00	0.00	0.00
C.9. Transfer out Window	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	280.00	0.00
D. Cash Balance (end-of-period) (A+B-C=D1+D2)	1584.93	1671.70	1677.88	1482.90	1502.70	1398.32	1358.23	1480.74	1450.33	1259.75	970.51
D.1. Committed Cash Balance (end of period):	861.86	948.32	1152.50	1129.89	1015.79	951.40	999.21	724.87	902.68	887.36	246.59
to recurrent window special account	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	0.00	0.00	0.00
to recurrent window Trust Fund	50.00	115.90	265.44	151.75	51.88	84.42	11.35	1.82	0.00	0.00	0.00
undisbursed investment window balance	741.00	770.73	827.44	897.74	890.45	793.63	920.36	654.73	865.30	876.65	221.94
to Monitoring Agent	20.86	11.69	9.61	30.25	20.08	22.15	12.75	12.30	5.17	0.00	0.00
to Research and Analysis Program	0.00	0.00	0.00	0.15	3.38	1.19	0.31	0.00	0.00	0.00	0.00
to ASIST Window	0.00	0.00	0.00	0.00	0.00	0.00	3.94	3.33	3.13	1.00	1.11
to ACReMAP Window	0.00	0.00	0.00	0.00	0.00	0.00	0.50	2.69	29.08	9.71	23.54
undisbursed Recurrent Cost window bala	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D.2. Unallocated Cash Balance (end of period)	723.07	723.38	525.39	353.01	486.91	446.92	359.02	755.88	547.65	372.39	723.92

³ US\$ 50 million was disbursed to the government under the Recurrent and Capital Cost Operation in 2002 but was reported in Table 2 of this report as advance provided to the government. With the closure of the Recurrent and Capital Cost Operation, we adjusted this entry and reported \$50 million as disbursed in 1399. With this adjustment, all commitment and disbursements to the Recurrent and Capital Cost operation are consolidated

⁴ Disbursements under ACReMAP window includes fees to monitoring agent (TPMA) from FY1399 onwards.

Table 14 provides a detailed overview of allocations and disbursements over the last three years within the two Bank-executed trust fund windows under the ARTF, namely ASIST and ACReMAP. Notably, disbursements for the TPMA constitute 87 percent of the total ACReMAP



disbursements. As of December 2022, US\$32.31 million has been allocated for the TPMA program, with US\$24.64 million disbursed to support monitoring and data collection on the ground.

Table 14. Allocations and Disbursements under ASIST and ACRReMAP Windows (US\$, million)

Allocations and Disbursements under ASIST and ACRReMAP Windows (as of end-2022)									
TF Codes	Engagements	FY1399	FY1399	FY1400	FY1400	FY1401	FY1401	Total	Total
		Allocation	Disbursement	Allocation	Disbursement	Allocation	Disbursement	Allocation 1399-1401	Disbursement 1399-1401
Advisory Services, Implementation Support and Technical Assistance ASIST									
TF0A8749	Evidence for Action	0.00	0.13	-2.18	0.04	0.00	0.00	-2.26	0.32
TF0A8768	Extractives Sector Asset and Institutional Development Task Force (ESAD)	0.40	0.42	-0.05	0.07	0.00	0.00	0.85	1.55
TF0A8790	Fiscal Performance Improve Plan (FPIP) Advisory Facility	0.00	0.19	-0.01	0.01	0.00	0.00	0.21	0.44
TF0A9327	Afghanistan FPIP Implementation EITI	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.04
TF0A9329	FPIP Implementation: Tax Administration (ASIST)	-0.06	0.03	0.00	0.00	0.00	0.00	0.19	0.18
TF0A9330	FPIP Advisory Facility - Core PFM	-0.02	0.05	0.00	0.00	0.00	0.00	0.06	0.18
TF0A9402	FPIP Implementation: Sukuk and Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.03
TF0A9589	FPIP Implementation: SOE	0.00	0.03	0.00	0.00	0.00	0.00	0.04	0.04
TF0B0096	FPIP Implementation: Procurement	0.03	0.03	-0.04	0.02	0.00	0.00	0.06	0.06
TF0B0155	Afghanistan FPIP Pension Subtask	0.00	0.03	0.00	0.00	0.00	0.00	0.08	0.08
TF0B0881	FPIP ARTF ASIST - Customs Support Component	-0.03	0.00	0.00	0.00	0.00	0.00	0.07	0.07
TF0B2342	FPIP Implementation: Tax Administration	0.06	0.06	0.00	0.00	0.00	0.00	0.06	0.06
TF0B2343	FPIP Implementation: Customs Administration	0.03	0.03	0.00	0.00	0.00	0.00	0.03	0.03
TF0B2345	FPIP Implementation: Core Public Financial Management	0.03	0.02	0.00	0.01	0.00	0.00	0.03	0.03
TF0B3726	ASIST - ARTF - Digital CASA	0.40	0.02	0.00	0.19	0.00	0.15	0.40	0.21
TF0B5350	Afghanistan Urban Programmatic Analytics	0.00	0.00	0.25	0.06	0.35	0.09	0.25	0.06
TF0B6043	Afghanistan Energy Study 2.0	0.00	0.00	0.30	0.00	0.00	0.00	0.30	0.00
Subtotal Assist Window		0.84	1.04	-2.03	0.41	0.35	0.24	0.16	3.40
Anti-Corruption and Results Monitoring Action Plan (ACReMAP) Window									
TF0A9078	Transparency for Monitoring and Accountability	-0.07	0.01	0.00	0.00	0.00	0.00	0.08	0.08
TF0A9314	Afghanistan In-depth Fiduciary Reviews	-0.07	0.07	0.00	0.00	0.00	0.00	-0.07	0.43
TF0A9361	Civil Society Engagement for Monitoring	-0.07	0.10	0.00	0.00	0.00	0.00	0.13	0.13
TF0B0239	Phase 3 ARTF Third Party Monitoring Program	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TF0B0245	Phase 3 of the Afghanistan Reconstruction Trust Fund Third Party Monitoring Program	30.81	7.01	0.00	17.64	29.30	14.97	32.31	24.64
TF0B0450	Strengthening Safeguards Management of Projects	0.00	0.14	-0.07	0.00	0.00	0.00	0.17	0.17
TF0B0501	Supporting NEPA	0.00	0.10	0.00	0.00	0.00	0.00	0.15	0.15
TF0B0738	Procurement Management Support Tools under ACRReMAP	0.00	0.16	0.10	0.08	-0.13	0.00	0.40	0.27
TF0B1119	Support MJDL Medium-Term Capacity Strengthening Plan	0.10	0.20	-0.11	0.00	0.00	0.00	0.20	0.20
TF0B1821	Ramped up M&E Approach	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TF0B1993	GBV ETC Benefits	0.18	0.00	-0.07	0.11	0.00	0.00	0.11	0.11
TF0B1994	Gender Based Violence	1.27	0.23	0.07	0.57	-0.53	0.00	1.33	0.80
TF0B2046	AcreMap - INT Investigations	0.30	0.00	0.00	0.14	0.00	0.16	0.30	0.14
TF0B2159	AFGHANISTAN - PRIORITY MONITORING AND EVALUATION SUPPORT	0.22	0.05	-0.17	0.00	0.00	0.00	0.05	0.05
TF0B3134	Environmental Capacity Support and Risk Management	0.53	0.06	0.23	0.20	0.50	0.24	0.76	0.26
TF0B3329	AFGHANISTAN - PRIORITY MONITORING AND EVALUATION SUPPORT	0.80	0.18	-0.03	0.31	-0.29	0.00	0.77	0.48
TF0B3448	Independent Evaluation of the ARTF Third-Party Monitoring	0.06	0.04	-0.01	0.01	0.00	0.00	0.05	0.05
TF0B3539	Pillar 3: Strengthening Regulatory and Institutional Capacity for Social Safeguards	0.71	0.02	-0.20	0.05	0.30	0.14	0.51	0.08
TF0B7742	GBV Prevention and Response	0.00	0.00	0.00	0.00	0.22	0.03		
Subtotal AcReMAP Window		34.76	8.37	-0.26	19.11	29.37	15.54	37.24	28.03

CONTRIBUTIONS

The top five donors (cumulative contributions since inception to FY1401/2022) are the United States, United Kingdom, European Commission/European Union, Germany, and Canada. Together these donors account for over 70 percent of the total contributions towards the ARTF. However, the Taliban takeover caused a pervasive political crisis and a sudden pause in the international community's aid due to the uncertain future of Afghanistan. Contributions dropped substantially, from an average of US\$856 million per annum until FY1399 (2020) to only US\$59.4 million in FY1401 (2022). Total contributions during FY1401 (2022) were US\$59.40 million with the United States contributing US\$53.7 million and Norway US\$5.7 million. While it was not counted towards FY1401 (2022), Canada made an installment of US\$33 million in late December



2022, which falls in FY1402 (2023). The Netherlands, Germany, and Japan pledged a total of US\$109.42 million, and all these contributions were paid in the first quarter of FY1402 (2023).

Figure 1. ARTF Donor Contributions, 2012–2022 (US\$, million)

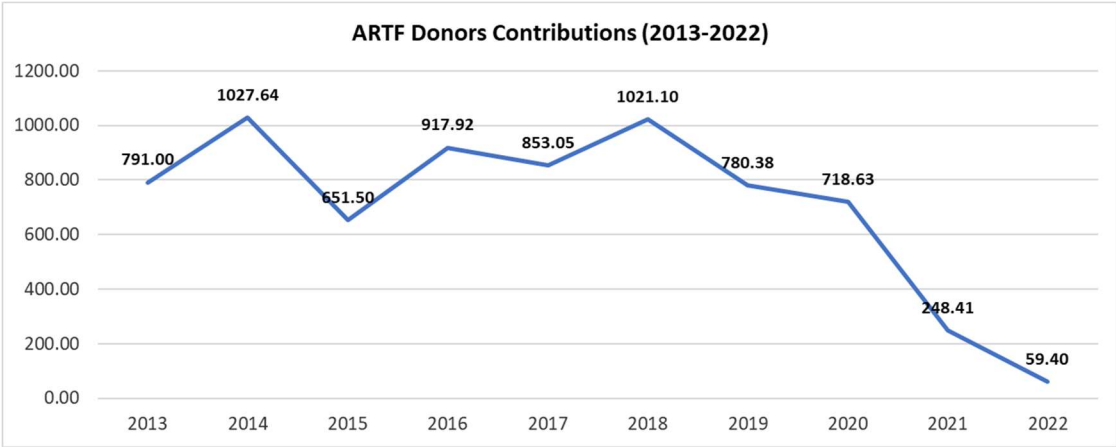


Figure 2. Donor Pledges and Contributions (US\$, million)

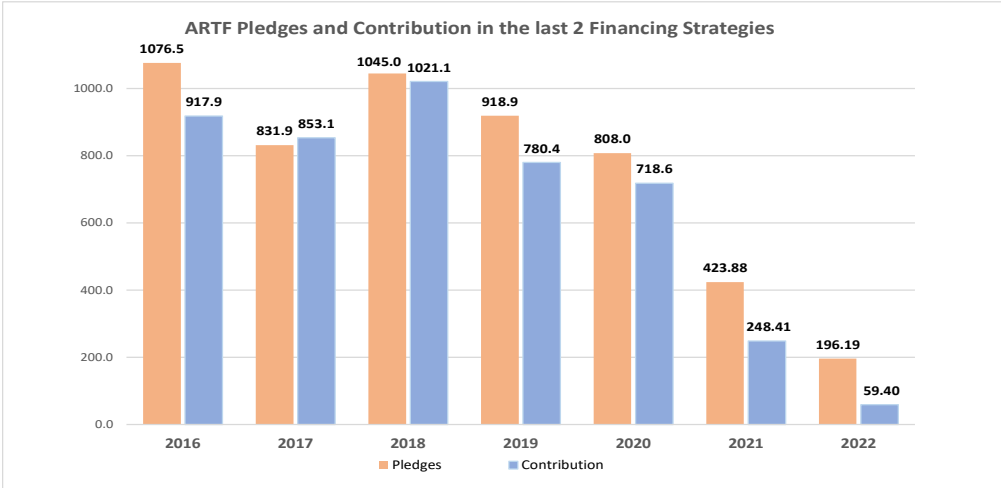


Table 15. Donor Contributions (US\$, million)

Donor	FY 1392 (2013)	FY 1393 (2014)	FY 1394 (2015)	FY 1395 (2016)	FY 1396 (2017)	FY 1397 (2018)	FY 1398 (2019)	FY 1399 (2020)	FY 1400 (2021)	FY 1401 (2022)	Grand Total Paid-in Since Inception (through end of FY1401) US\$ Million
	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
	Paid-in	Paid-in	Paid-in	Paid-in	Paid-in	Paid-in	Paid-in	Paid-in	Paid-in	Paid-in	
Australia	62.36	74.88	13.29	18.92	35.93	24.06	19.86	12.02	10.07	0.00	466.31
Bahrain	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Belgium	2.60	2.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.13
Brazil	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20
Canada	11.84	18.67	74.33	29.92	10.50	77.81	49.08	0.00	35.56	0.00	889.93
Czech Republic	0.00	0.00	0.86	1.64	0.91	0.00	1.77	0.00	0.94	0.00	6.11
Denmark	10.70	6.50	12.70	41.40	22.73	33.98	31.54	14.98	21.23	0.00	280.42
EC/EU	39.55	76.19	12.29	139.42	173.08	141.25	94.59	80.02	18.20	0.00	1171.12
Estonia	1.26	0.62	0.54	0.44	0.34	0.00	1.01	0.00	0.49	0.00	4.99
Finland	13.30	12.35	9.98	11.29	13.02	11.64	13.78	10.98	12.10	0.00	173.03
France	5.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.09
Germany	55.01	75.26	0.00	76.38	167.50	71.29	86.36	0.00	115.74	0.00	1110.62
India	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.79
Iran, Islamic Republic of	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.99
Ireland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.00	16.74
Italy	3.60	17.69	8.77	13.97	11.82	11.36	2.85	11.83	15.16	0.00	195.27
Japan	110.00	70.00	60.14	63.65	12.23	2.32	2.23	1.44	12.50	0.00	497.53
Korea, Republic of	10.00	0.00	0.00	0.00	0.00	5.00	7.00	3.00	0.00	0.00	31.00
Kuwait	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00
Luxembourg	0.67	0.48	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.04
Netherlands	23.78	24.91	22.23	22.15	23.52	22.72	22.49	23.83	0.00	0.00	606.17
New Zealand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63
Norway	51.24	39.13	27.79	19.23	26.90	35.23	26.25	32.11	0.00	5.68	607.99
Poland	0.59	0.00	0.61	0.49	0.27	0.26	0.00	0.24	0.54	0.00	9.58
Portugal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.18
Russian Federation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00
Saudi Arabia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00
Spain	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91.50
Sweden	39.98	32.12	0.00	65.54	41.63	52.07	49.92	48.54	3.06	0.00	551.97
Switzerland	0.00	0.00	3.90	2.54	3.10	4.81	1.01	3.40	2.21	0.00	21.64
Turkey	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
UNDP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.41
United Kingdom	130.41	132.86	127.81	149.91	124.16	127.30	128.65	116.23	0.00	0.00	2167.87
United States	218.59	443.47	275.95	261.03	185.40	400.00	240.00	360.00	0.00	53.72	4181.40
TOTAL	791.00	1027.64	651.50	917.92	853.05	1021.10	780.38	718.63	248.41	59.40	13183.65

DISBURSEMENTS

As mentioned in the above sections there are five active investment projects are focused on non-humanitarian essential services. Since the disbursements for these grants only commenced in FY1401 (2022) and other investment projects are currently on hold, there is no comparison available with the preceding fiscal year. A sum of US\$1.2 billion in ARTF grants was cancelled and reimbursed to the ARTF main fund from the suspended portfolio. A portion of the released grants was subsequently redirected to support the newly initiated grants under Approach 2.0, which began in FY1401 (2022). Table 16 summarizes the grants allocation and disbursement as of December 2022. Already 52 percent of the allocated grants was disbursed during FY1401 (2022).

Table 16. Disbursements under Active ARTF Projects (as of end-2022; US\$, million)

TF Code	Investment Operations	FY1401 (2022) US\$ million	
		Commitments	Disbursements
TF0B8512	Afghanistan Health Emergency Response (HER) Project	150,000,000.00	75,391,319.00
TF0B8537	Afghanistan Community Resilience and Livelihoods Project	100,000,000.00	45,494,475.00
TF0B8720	Emergency Food Security Project	150,000,000.00	129,904,160.00
TF0B9025	Afghanistan NGO/CSO Capacity Support Project	20,000,000.00	6,021,964.00
TF0B9497	Education Emergency Response In Afghanistan (EERA)	100,000,000.00	50,000,000.00
	Total Current Investment Projects	520,000,000.00	306,811,918.00

ANNEX 1: OUTSTANDING DESIGNATED ACCOUNT BALANCES

Project	TF	TF Name	Outstanding DA balance (\$m)	Loan Closing Date	Disbursement Deadline Date
P174119	TF0B3543	COVID-19 RELIEF EFFORT FOR AFGHAN COMMUNITIES AND HOUSEHOLDS (REACH) (P174119)	83.82	31-Dec-21	30-Apr-22
P160567	TF0A3827	Citizens' Charter Afghanistan Project	34.34	31-Dec-22	30-Apr-23
P160567	TF0A3827	Citizens' Charter Afghanistan Project	31.33	31-Dec-22	30-Apr-23
P149410	TF017012	CASA-1000 COMMUNITY SUPPORT PROGRAM	16.90	30-Jun-22	30-Oct-22
P149410	TF017012	CASA-1000 COMMUNITY SUPPORT PROGRAM	9.88	30-Jun-22	30-Oct-22
P159655	TF0A6277	Fiscal Performance Improvement Support Project	8.94	28-Dec-22	28-Apr-23
P160615	TF0A7113	AFGHANISTAN SEHATMANDI PROJECT	8.00	30-Jun-22	30-Oct-22
P164443	TF0A8443	WOMEN'S ECONOMIC EMPOWERMENT RURAL DEVELOPMENT PROJECT	5.59	30-Jun-23	31-Oct-23
P122235	TF012029	Irrigation Restoration and Development Project	5.17	31-Dec-20	30-Jun-21
P160567	TF0A3827	Citizens' Charter Afghanistan Project	5.00	31-Dec-22	30-Apr-23
P132944	TF0A1691	Afghanistan Naghlu Hydropower Rehabilitation Project--Phase I	4.15	31-Mar-24	31-Jul-24
P169970	TF0B4254	Afghanistan Water, Sanitation, Hygiene and Institutional Support Project (A-WASH) (P169970)	3.75	30-Jun-25	31-Oct-25
P166127	TF0A9092	Eshteghat Zaiee - Karmondena (EZ-Kar) P166127	3.30	31-Dec-23	30-Apr-24
P159378	TF0A8449	EQRA	3.10	31-Dec-23	30-Apr-24
P160567	TF0A3827	Citizens' Charter Afghanistan Project	3.09	31-Dec-22	30-Apr-23
P125961	TF013093	ARTF GA - Afghanistan Rural Access Project	2.47	31-Dec-20	30-Jun-21
P125961	TF013093	ARTF GA - Afghanistan Rural Access Project	2.10	31-Dec-20	30-Jun-21
P168266	TF0B0027	Payments Automation and Integration of Salaries in Afghanistan (PAISA)	1.94	31-Oct-24	28-Feb-25
P174348	TF0B3535	EMERGENCY AGRICULTURE AND FOOD SUPPLY (EATS) PROJECT(P174348)	1.93	31-Aug-22	31-Dec-22
P168266	TF0B0027	Payments Automation and Integration of Salaries in Afghanistan (PAISA)	1.90	31-Oct-24	28-Feb-25
P157827	TF0A5630	Mazar-e-Sharif Gas-to-Power Project	1.82	31-Oct-20	30-Apr-21
P166978	TF0A9123	Tackling Afghanistan's Government HRM and Institutional Reforms	1.81	31-Dec-22	30-Apr-23
P164762	TF0A9598	AFGHANISTAN LAND ADMINISTRATION SYSTEM PROJECT	1.25	30-Sep-24	31-Jan-25
P160619	TF0A9089	Cities Investment Program (CIP)	1.08	30-Jun-24	31-Oct-24
P159378	TF0A8449	EQRA	0.90	31-Dec-23	30-Apr-24
P166127	TF0A9092	Eshteghat Zaiee - Karmondena (EZ-Kar) P166127	0.52	31-Dec-23	30-Apr-24
P146184	TF0A0730	ARTF Higher Education Development Project	0.49	21-Dec-22	21-Apr-23
P125597	TF017016	Kabul Municipal Development Program (KMDP)	0.45	30-Jun-21	31-Oct-21
P158768	TF0A7087	Public-Private Partnerships and Public Investment Advisory	0.37	28-Jun-23	28-Oct-23
P166127	TF0A9092	Eshteghat Zaiee - Karmondena (EZ-Kar) P166127	0.25	31-Dec-23	30-Apr-24
P166127	TF0A9092	Eshteghat Zaiee - Karmondena (EZ-Kar) P166127	0.23	31-Dec-23	30-Apr-24
P163267	TF0A5400	Preparation of Women's Economic Empowerment National Priority Program Support	0.19	15-May-21	15-Sep-21
P166127	TF0A9092	Eshteghat Zaiee - Karmondena (EZ-Kar) P166127	0.13	31-Dec-23	30-Apr-24
P143841	TF013820	National Horticulture and Livestock Project	0.01	31-Dec-20	30-Jun-21
P125961	TF013093	ARTF GA - Afghanistan Rural Access Project	0.00	31-Dec-20	30-Jun-21
		Total	246.20		

ANNEX 2: Entry Criteria for Access (ECA)

HEALTH EMERGENCY RESPONSE (HER) PROJECT

ECA 1: There is no announced restriction on the provision to women and girls of the health and nutrition services included in the Basic Package of Health Services (BPHS) and Essential Package of Hospital Services (EPHS).

ECA 2: There is no announced restriction on female healthcare and nutrition workers being allowed to work in health facilities and in communities.

AFGHANISTAN EMERGENCY FOOD SECURITY PROJECT

ECA 1: Female beneficiaries are not restricted from obtaining the backyard vegetable cultivation packages or from participating in short term employment opportunities.

ECA 2: There is no restriction on distribution of cultivation packages to beneficiaries according to the targeting criteria (geographic and Integrated Food Security Phase Classification (IPC)).

AFGHANISTAN COMMUNITY RESILIENCE AND LIVELIHOODS PROJECT

ECA 1: Established Community Development Councils (CDC) in the project areas are not prohibited to operate.

ECA 2: Women's involvement continues in established Community Development Councils (CDC).

AFGHANISTAN NGO/CSO CAPACITY SUPPORT PROJECT

ECA 1: Women's participation is not prohibited and continues in select Non-Governmental Organizations (NGO) and Civil Society Organizations (CSO).

EDUCATION EMERGENCY RESPONSE IN AFGHANISTAN (EERA) PROJECT

ECA 1: Equitable access to education is maintained for both girls and boys at the primary level.

ECA 2: The curriculum remains aligned with human rights principles.

