

# ARTF SCORECARD 2020 + + +

## Integrated Performance and Management Framework

January – December 2020



Afghanistan  
Reconstruction  
Trust Fund



**PREPARED BY THE ARTF ADMINISTRATOR**

**In consultation with  
the Ministry of Finance  
of the Islamic Republic of Afghanistan  
and the ARTF Strategy Group**



**Photos by The World Bank**

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# ABBREVIATIONS AND ACRONYMS

ACREMAP	ANTI-CORRUPTION AND RESULTS MONITORING ACTION PLAN	IW	INVESTMENT WINDOW
AFMIS	AFGHANISTAN FINANCIAL MANAGEMENT INFORMATION SYSTEM	KM	KABUL MUNICIPALITY
AHP	AD HOC PAYMENTS	KMDP	KABUL MUNICIPAL DEVELOPMENT PROGRAM
ALASP	AFGHANISTAN LAND ADMINISTRATION SYSTEM PROJECT	KUTEI	KABUL URBAN TRANSPORT EFFICIENCY IMPROVEMENT PROJECT
ANDC	AFGHANISTAN NATIONAL DATA CENTER	LAR&R	LAND ACQUISITION, RESETTLEMENT, AND REHABILITATION
ANPDF	AFGHANISTAN NATIONAL PEACE AND DEVELOPMENT FRAMEWORK	LIS	LAND INFORMATION SYSTEM
ARAP	AFGHANISTAN RURAL ACCESS PROJECT	LMA	LINE MINISTRY AND INDEPENDENT AGENCY
ARD	AFGHANISTAN REVENUE DEPARTMENT	MC	MANAGEMENT COMMITTEE
ARTF	AFGHANISTAN RECONSTRUCTION TRUST FUND	MCCG	MAINTENANCE CONSTRUCTION CASH GRANT
ASA	ADVISORY SERVICES AND ANALYTICS	MDG	MILLENNIUM DEVELOPMENT GOAL
ASIST	ADVISORY SERVICES, IMPLEMENTATION SUPPORT AND TECHNICAL ASSISTANCE	MIS	MANAGEMENT INFORMATION SYSTEM
ASYCUDA	AUTOMATED SYSTEM FOR CUSTOMS DATA	M&E	MONITORING AND EVALUATION
AUWSSC	AFGHANISTAN URBAN WATER SUPPLY AND SEWERAGE CORPORATION	MMR	MATERNAL MORTALITY RATIO
A-WASH	AFGHANISTAN WATER, SANITATION, HYGIENE, AND INSTITUTIONAL SUPPORT PROGRAM	MOE	MINISTRY OF EDUCATION
BPHS	BASIC PACKAGE OF HEALTH SERVICES	MOF	MINISTRY OF FINANCE
CASA-CSP	CENTRAL ASIA SOUTH ASIA COMMUNITY SUPPORT PROGRAM	MOHE	MINISTRY OF HIGHER EDUCATION
CCAP	CITIZENS' CHARTER AFGHANISTAN PROJECT	MOPH	MINISTRY OF PUBLIC HEALTH
CCNPP	CITIZENS' CHARTER NATIONAL PRIORITY PROGRAM	MRRD	MINISTRY OF RURAL REHABILITATION AND DEVELOPMENT
CDC	COMMUNITY DEVELOPMENT COUNCIL	MT	METRIC TON
CDP	COMMUNITY DEVELOPMENT PLAN	MUDL	MINISTRY OF URBAN DEVELOPMENT AND LAND
CIP	CITIES INVESTMENT PROGRAM	NA	NOT AVAILABLE
CPPR	COUNTRY PORTFOLIO PERFORMANCE REVIEW	n.a.	NOT APPLICABLE
CY	CALENDAR YEAR	NEPA	NATIONAL ENVIRONMENTAL PROTECTION AGENCY
DAB	DA AFGHANISTAN BANK	NHLP	NATIONAL HORTICULTURE AND LIVESTOCK PROJECT
DABS	DA AFGHANISTAN BRESHNA SHERKAT	NHPP	NAGHLU HYDROPOWER PLANT
DLI	DISBURSEMENT-LINKED INDICATOR	NHRP	NAGHLU HYDROPOWER REHABILITATION PROJECT
DPG	DEVELOPMENT POLICY GRANT	NIXA	NATIONAL INTERNET EXCHANGE OF AFGHANISTAN
EATS	EMERGENCY AGRICULTURE AND FOOD SUPPLY PROJECT	NPA	NATIONAL PROCUREMENT AUTHORITY
EG	ENTERPRISE GROUP	NPP	NATIONAL PRIORITY PROGRAM
E-GP	ELECTRONIC GOVERNMENT PROCUREMENT	NSIA	NATIONAL STATISTICS AND INFORMATION AUTHORITY
EITI	EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE	NSP	NATIONAL SOLIDARITY PROGRAMME
EPHS	ESSENTIAL PACKAGE OF HOSPITAL SERVICES	OBE-SCL	OUTCOME-BASED EDUCATION-STUDENT-CENTERED LEARNING
EQRA	EDUCATION QUALITY REFORM IN AFGHANISTAN	OC	OCCUPANCY CERTIFICATE
ESF	ENVIRONMENTAL AND SOCIAL FRAMEWORK	O&M	OPERATIONS AND MAINTENANCE
EZ-KAR	ESHTEGHAL ZAIEE – KARMONDENA PROJECT	PAISA	PAYMENTS AUTOMATION AND INTEGRATION OF SALARIES IN AFGHANISTAN
FAF	FISCAL PERFORMANCE IMPROVEMENT PLAN ADVISORY FACILITY	PEFA	PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY
FORM	FRAMEWORK FOR OPERATIONS RISK MANAGEMENT	PFPF	PARTNERSHIP FRAMEWORK AND FINANCING PROGRAM
FP	FACILITATING PARTNER	PFM	PUBLIC FINANCIAL MANAGEMENT
FPIP	FISCAL PERFORMANCE IMPROVEMENT PLAN	PFMR	PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT
FSP	FISCAL PERFORMANCE IMPROVEMENT SUPPORT PROJECT	PIM	PUBLIC INVESTMENT MANAGEMENT
FY	FISCAL YEAR	PMIS	PROJECT MONITORING INFORMATION SYSTEM
GBV	GENDER-BASED VIOLENCE	POSR	PORTFOLIO OPERATIONAL STATUS REVIEWS
GDP	GROSS DOMESTIC PRODUCT	PPIAP	PUBLIC-PRIVATE PARTNERSHIPS AND PUBLIC INVESTMENT ADVISORY PROJECT
GOIRA	GOVERNMENT OF THE ISLAMIC REPUBLIC OF AFGHANISTAN	PPG	PROJECT PREPARATION GRANT
GRM	GRIEVANCE REDRESS MECHANISM	PPP	PUBLIC-PRIVATE PARTNERSHIP
GWG	GENDER WORKING GROUP	RAP	RESEARCH AND ANALYSIS PROGRAM
Ha	HECTARE	RCW	RECURRENT COST WINDOW
HEDP	HIGHER EDUCATION DEVELOPMENT PROJECT	REACH	COVID-19 RELIEF EFFORT FOR AFGHAN COMMUNITIES AND HOUSEHOLDS
HEIS	HANDS-ON EXPANDED IMPLEMENTATION SUPPORT	SAO	SUPREME AUDIT OFFICE
HFA	HEALTH FACILITY ASSESSMENT	SC	STEERING COMMITTEE
HRMIS	HUMAN RESOURCES MANAGEMENT INFORMATION SYSTEM	SDG	SUSTAINABLE DEVELOPMENT GOAL
IARCS	INDEPENDENT ADMINISTRATIVE REFORM AND CIVIL SERVICE COMMISSION	SEAH	SEXUAL EXPLOITATION AND ABUSE AND SEXUAL HARASSMENT
ICT	INFORMATION AND COMMUNICATIONS TECHNOLOGY	SG	STRATEGY GROUP
IDA	INTERNATIONAL DEVELOPMENT ASSOCIATION	SHG	SELF-HELP GROUP
IDLG	INDEPENDENT DIRECTORATE OF LOCAL GOVERNANCE	SIDP	STRATEGIC INSTITUTIONAL DEVELOPMENT PLAN
IDP	INTERNALLY DISPLACED PERSON	SOE	STATEMENT OF EXPENDITURE
IE-LFA	INTEGRATED EXPENDITURE AND LABOR FORCE SURVEY	SOP	STANDARD OPERATING PROCEDURE
IMF	INTERNATIONAL MONETARY FUND	SORT	STANDARDIZED OPERATIONS RISK-RATING TOOL
IP	INCENTIVE PROGRAM	TAGHIR	TACKLING AFGHANISTAN'S GOVERNMENT HRM [HUMAN RESOURCE MANAGEMENT] AND INSTITUTIONAL REFORMS
IP-DPG	INCENTIVE PROGRAM DEVELOPMENT POLICY GRANT	TPM	THIRD PARTY MONITORING
IPF	INVESTMENT PROJECT FINANCING	TPMA	THIRD PARTY MONITORING AGENT
IPWG	INCENTIVE PROGRAM WORKING GROUP	TVET	TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING
IRDP	IRRIGATION RESTORATION AND DEVELOPMENT PROJECT	TVETA	TECHNICAL VOCATIONAL EDUCATION AND TRAINING AUTHORITY
ISR	IMPLEMENTATION STATUS AND RESULTS REPORT	VSLA	VILLAGE SAVINGS AND LOAN ASSOCIATION
		WB	WORLD BANK
		WBG	WORLD BANK GROUP
		WEE-NPP	WOMEN'S ECONOMIC EMPOWERMENT NATIONAL PRIORITY PROGRAM
		WEE-RDP	WOMEN'S ECONOMIC EMPOWERMENT RURAL DEVELOPMENT PROJECT
		WLP	WOMEN'S LIVELIHOOD PROJECT

# SECTION I: THE ARTF SCORECARD

## ABOUT THE SCORECARD

**THE AFGHANISTAN RECONSTRUCTION TRUST FUND (ARTF) SCORECARD** provides information on the ARTF's overall performance and on key results achieved by the Government of the Islamic Republic of Afghanistan (GoIRA) through ARTF-financed projects and programs. The Scorecard aims to facilitate dialogue between the government, ARTF donors, and the World Bank (WB) as the ARTF Administrator on portfolio performance, project results, challenges, and areas in need of attention.

## AN INTEGRATED PERFORMANCE AND MANAGEMENT FRAMEWORK

**PILLAR I**  
Afghanistan  
Country-Level  
Outcomes

**PILLAR II**  
ARTF Project/  
Program-Level  
Outputs and  
Outcomes

**PILLAR III**  
Operational and  
Organizational  
Effectiveness

**AS THE ARTF ADMINISTRATOR**, the WB aims to support satisfactory organizational and operational performance of the Fund (Pillar III and ARTF financial reporting) to ensure that ARTF projects and programs are achieving intended results (Pillar II) in support of Afghanistan's progress in development within the context of the Afghanistan National Peace and Development Framework (ANPDF), as well as the Sustainable Development Goals (SDGs) (Pillar I).

Drawing on key indicators from available data sets, the Scorecard aims to provide an overview of the development context, the outputs reported by GoIRA line ministry partners from ARTF-financed projects, and how the ARTF supports these outcomes operationally and organizationally. The Scorecard is a snapshot. Additional, more detailed data are available on the websites of the Afghanistan National Statistics and Information Authority (NSIA) ([www.nsia.gov.af](http://www.nsia.gov.af)), the WB in Afghanistan, including individual project pages (<https://www.worldbank.org/en/country/afghanistan>), and the ARTF website ([www.artf.af](http://www.artf.af)), as well as the various core and supplemental ARTF reports provided through regular weekly and monthly communications with partners.

## THE SCORECARD'S DATA

**SCORECARD INDICATORS ARE** drawn from existing, reliable data sets. Most indicators have standard definitions. They are drawn from GoIRA national data, from project management information systems, and from the WB's own management data. Scorecard indicator sources by pillar include:

**PILLAR I.** Country-level outcomes reported in Pillar I are measured using primarily published data from the Income, Expenditure and Labor Force Survey (IE-LFS) (formerly known as the Afghanistan Living Conditions Survey). The NSIA-administered IE-LFS is a multipurpose household survey that collects information on several dimensions of well-being, including poverty and inequality, food security, labor market outcomes, gender, education, health, and access to services and infrastructure.<sup>1</sup>

As the IE-LFS provides both national and subnational data, it is a crucial source of information for tracking Afghanistan's progress toward achievement of the ANPDF and SDG targets, as well as for assessing indirectly the impact of development programs and policies. The most recent round of IE-LFS data collection began in October 2019 and concluded in September 2020. As the survey focused on specific areas, it is important to note that it did not refresh all indicators under Pillar 1. The next round of IE-LFS data collection, now envisaged as a biennial survey, is scheduled to begin in April 2021.

**PILLAR II.** Like other WB-financed projects, each ARTF-financed operation has a results framework with indicators. Results are documented through a rigorous bottom-up process of data collection and reporting by government line ministries and tracking in WB operational data systems and documents. During the lifetime of a project, progress on indicators is tracked through Implementation Status and Results reports (ISRs), which are updated at least every six months and publicly disclosed. ISRs present data reported by each implementing line ministry and agency. Data are reviewed by WB technical teams before being captured in WB data systems.

<sup>1</sup> Annex 1 includes the definitions used for indicators throughout the Scorecard, including those drawn from the IE-LFS (formerly the Afghanistan Living Conditions Survey).



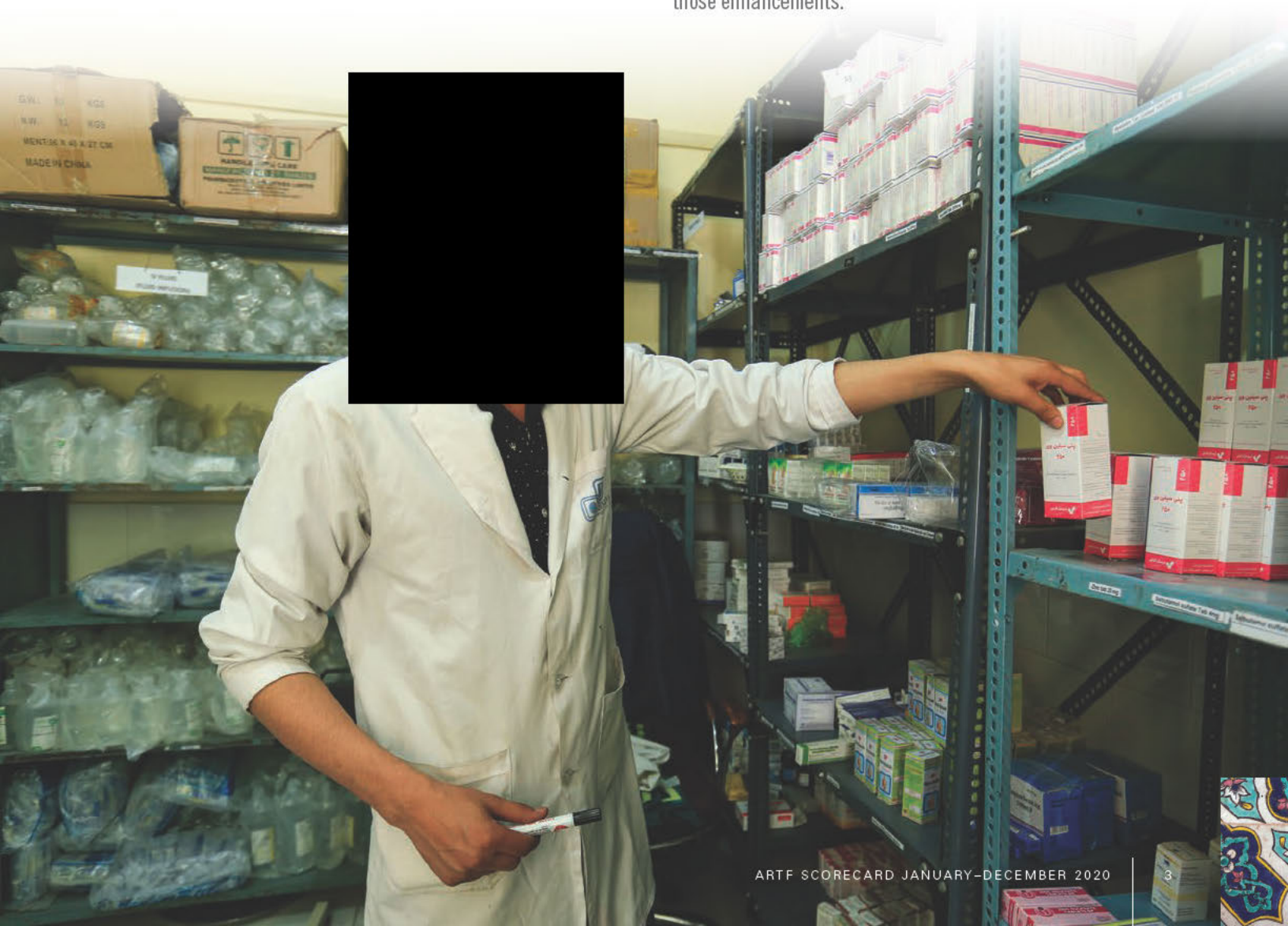
Pillar II provides an overview of key results and indicators for projects in the ARTF portfolio. Pillar II matrices are updated annually to add select indicators from newly operationalized ARTF projects. Wherever possible, Pillar II emphasizes inclusion of “Core Sector Indicators”—indicators with standard definitions that allow corporate aggregation, which have been used in the Afghanistan portfolio since fiscal year (FY) 2009. The emphasis on Core Sector Indicators ensures that data in the Scorecard present information on progress of the portfolio *as a whole*. Additional, more detailed, results and indicator data for individual projects are available in the public ISRs, which can be accessed through the WB website at <https://projects.worldbank.org>.

**PILLAR III.** Portfolio performance data are drawn from WB operational and financial systems, together with data on lending volume, disbursement, and the like. Organizational effectiveness data are based on ARTF financial and governance body records, drawing also from GoIRA budget data and mutual accountability reporting.

## A “LIVING DOCUMENT”

**THE SCORECARD IS ISSUED ANNUALLY**, and it is a “living document” that evolves with each round of publication. Earlier editions of the document were issued in the last quarter of the calendar year and aggregated data from the Administrator’s fiscal year (July–June). Since 2017, the Scorecard reporting period has been synchronized with the Afghan fiscal year. (To enable this synchronization, the 2016 Scorecard covered an 18-month period from July 2015 through December 2016.)

Successive rounds of the report have aimed to respond to partner feedback and requests, including by expanding the narrative explanations of project implementation, gender integration and the ARTF impact on empowerment of women, and by visually illustrating the link between select ARTF outcome-level results with the ANPDF and select National Priority Programs. This edition of the Scorecard, the last to be published under the 2018–2020 ARTF Partnership Framework and Financing Program, will continue to include those enhancements.



# SECTION II: THE AFGHANISTAN RECONSTRUCTION TRUST FUND

## ARTF OVERVIEW

**THE ARTF WAS ESTABLISHED IN 2002** to provide a coordinated financing mechanism for the government's budget and national investment projects. In 2020, eighteen years later, the ARTF is the largest source of on-budget financing for Afghanistan's development, and has repeatedly demonstrated a capacity to adapt to Afghanistan's evolving context. The ARTF is supporting delivery of results in key sectors, including agriculture, education, governance, health, infrastructure, and rural development. It is also the WB's largest single country multidonor trust fund.

From its inception in 2002 through end-2020, the ARTF has committed US\$12.3 billion in funds to support GoIRA civilian operations and development objectives, including US\$6.1 billion under the Recurrent Cost Window (RCW) and US\$6.0 billion under the Investment Window (IW), with the remainder committed under the smaller Anti-Corruption and Results Monitoring Action Plan (ACReMAP), Advisory Services, Implementation Support and Technical Assistance (ASIST), and the now inactive Research and Analysis Program (RAP) windows of the ARTF.

Disbursements in the same period have totaled US\$11.4 billion. Of this amount, US\$6.1 billion was disbursed through the RCW, including the Incentive Program Development Policy Grant (IP-DPG) series and other now-closed RCW operations. A total of US\$5.2 billion has been delivered through the IW. The IW has supported 83 development initiatives, of which 54 projects, with disbursements totaling US\$3.7 billion, have closed.

## ARTF STRUCTURE

**THE ARTF HAS FOUR ACTIVE WINDOWS**, comprising two recipient-executed windows, the Recurrent Cost Window and the Investment Window, and two Bank-executed windows, the Advisory Services, Implementation Support and Technical Assistance Facility, which replaced the now-inactive Research and Analysis Program, and the Anti-Corruption and Results Monitoring Action Plan window.

The **Recurrent Cost Window** is the first of the ARTF's two recipient-executed windows. The RCW provides support for GoIRA's civilian operating costs. It has evolved significantly since its establishment in 2002, adapting to Afghanistan's changing development context. Since 2018, 100 percent of RCW support has been incentivized against policy commitments.

In June 2020, the RCW disbursed the final payments to GoIRA through the Ad Hoc Payments facility, which concluded operations in December 2019 along with the associated Recurrent and Capital Costs Operation. In 2020, all new RCW support was provided in the form of formal development policy grants designed around policy commitments jointly identified by GoIRA, the WB, and ARTF partners in the ARTF Incentive Program Working Group.

The **Investment Window** is the second of the ARTF's two recipient-executed windows. It funds investment projects that are implemented by GoIRA line ministries and agencies. GoIRA is primarily responsible for project design and implementation, including monitoring and updating results frameworks, establishing adequate monitoring and evaluation arrangements, and reporting progress toward agreed project development objectives and results targets. WB technical teams provide support to implementing ministries and agencies during these processes and monitor and evaluate projects based on the agreed monitoring and evaluation framework.

The ARTF Management Committee (MC) had approved 24 IW projects under previous financing strategies that remained active in some or all months of 2020. Eight projects<sup>2</sup> including three Project Preparation Grants (PPG) closed over the course of the year. The MC approved ARTF financing for four new IW projects in 2020, all linked to the portfolio shifts recommended following the 2020 Country Portfolio Performance Review (CPPR) to support Afghanistan's COVID-19 response. As of end-December 2020, 20 IW

<sup>2</sup> Afghanistan Rural Access Project, Irrigation Restoration and Development Project, Kabul Urban Transport Efficiency Improvement Project, National Horticulture and Livestock Productivity Project, and DABS Planning and Capacity Support Project all closed. Three previously approved project preparation grants, Mazar-e-Sharif Gas to Power, Afghanistan Extractives for Development, and Placing Labor Abroad and Connecting to Employment Domestically, also closed in 2020. Note that this list does not include the 2019 IP-DPG program, which operated through the RCW.





projects, including one PPG with ARTF financing, were active or approved. Details of IW operations in 2020 are provided in Pillar II of the Scorecard.

**Advisory Services, Implementation Support and Technical Assistance** is the first of the ARTF's two Bank-executed windows established under the Partnership Framework and Financing Program (PFFP) in 2018 with initial financing of US\$15 million. ASIST replaced the RAP window established under the previous financing strategy. In contrast to RAP, which focused exclusively on research and analytical work, ASIST enables the WB to provide longer-term, specialized technical expertise in priority sectors beyond the regular program implementation support and technical assistance normally provided by WB technical teams.

New proposals for use of the ASIST window are presented to the ARTF Strategy Group (SG) by the Ministry of Finance (MoF) for endorsement (as with all other ARTF-financed programs, financing must be approved by the MC). The procedure enables SG members to ensure that new proposals for technical assistance align with existing and planned assistance provided through bilateral support.

The SG review also provides an opportunity to consider the appropriateness of budgetary allocations to the window. The SG has the authority to increase the allocation to ASIST if needed, subject to approval by the MC. ARTF partners have the option to provide incremental contributions (supplemental to current pledges to the core ARTF program) that are preferenced to ASIST to support specific technical assistance initiatives, subject to presentation by MoF and approval of the SG.

**Anti-Corruption and Results Monitoring Action Plan** is the second of the ARTF's two Bank-executed windows. The objective is to enhance value for money of Bank-financed operations by reducing their vulnerability to corruption while strengthening monitoring of implementation progress and results across all ARTF- and IDA-financed operations. Established under the PFFP in 2018, it consolidates the two current Bank-executed Third Party Monitoring (TPM) contracts under one window under the ARTF.

The ARTF Steering Committee (SC) approved core funding of US\$60 million over three years to support ACRMAP. In addition to TPM, ACRMAP supports an intensified focus on financial accountability through a range of analytical activities and in-depth reviews, including fiduciary reviews.

Approaches will vary according to the circumstances of particular projects, and are applied by the WB as TPM, audit, or other external findings warrant. In support of these in-depth reviews, ACRMAP can also pilot initiatives aimed at prevention and improved data generation.

## ARTF STRATEGY AND GOVERNANCE

### THE ARTF PARTNERSHIP FRAMEWORK AND FINANCING PROGRAM FY 1397 – FY 1399 (2018–2020)

**THE ARTF IS FINANCED** through a multi-year rolling plan that outlines donors' commitments and how ARTF finances will be used to support GoIRA priorities. First introduced at the 2010 London Conference on Afghanistan, the strategies have become a regular planning tool used by all ARTF partners to identify financing priorities for the Trust Fund. These documents summarize the core areas of ARTF support to GoIRA, including civilian recurrent costs, policy reforms and core development, and service provision programs, including governance, health, education, social and rural development, and infrastructure.

On June 25, 2018, the SC approved the third three-year strategy<sup>3</sup> for the ARTF. The ARTF Partnership Framework and Financing Program FY 1397 – FY 1399 (2018–2020) sets out an indicative financing program for use of US\$2.485 billion in ARTF resources. Preparations for PFFP began in mid-2017 with a review of the existing ARTF portfolio to identify opportunities for adjusting financing in line with emerging priorities under the ANPDF and the government's National Priority Programs (NPPs). After initially committing US\$2.485 billion to the PFFP, donors increased their commitments to the ARTF, expanding the envelope to US\$2.504 million.

The PFFP sets out the ARTF's investment and operating priorities for the period and is reviewed and updated annually to reflect findings and recommendations of the ARTF governance bodies, including portfolio adjustments recommended in annual Country Portfolio Performance Reviews (CPPRs).

<sup>3</sup> Previous strategies ran from FY 1391 to 1393 (2012 to 2014), outlining three-year financing of US\$3.6 billion; and from FY 1394 to 1396 (2015 to 2017), which outlined priorities for financing of US\$2.4 billion.

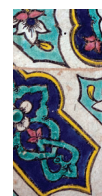


TABLE 1. SUMMARY OF ARTF PIPELINE DELIVERY FROM JANUARY–DECEMBER 2020

PROJECT NAME	BASIC IDEA	GOIRA AGENCY	APPROVAL (Management Committee & IDA Board of Executive Directors)	STATUS	ARTF (US\$, million)	IDA (US\$, million)	OTHER (US\$, million)
<b>POLICY-BASED BUDGET SUPPORT (IDA-DPG and ARTF-RCW)</b>							
2020 Development Policy Grant (DPG) – Incentive Program	Mainstreaming World Bank Group Development Policy Grant as the primary vehicle for RCW-IP	Ministry of Finance	MC: May-2020 IDA: May-2020	Active	240	160	
Afghanistan COVID-19 Response DPG	One-time emergency budget support program	Ministry of Finance	MC: Jul-2020 IDA: Jul-2020	Closed	100	100	
<b>INVESTMENT PROJECT FINANCING (IDA-IPF and ARTF-IW)</b>							
<b>GOVERNANCE AND STATE EFFECTIVENESS</b>							
<b>EFFECTIVE GOVERNANCE NPP</b>							
No new approvals in 2020							
<b>NATIONAL JUSTICE AND JUDICIAL REFORM NPP</b>							
No new approvals in 2020							
<b>POVERTY REDUCTION, SERVICE DELIVERY, CITIZENS' ENGAGEMENT, AND SOCIAL INCLUSION</b>							
<b>HUMAN CAPITAL DEVELOPMENT NPP</b>							
No new approvals in 2020							
<b>WOMEN'S ECONOMIC EMPOWERMENT NPP</b>							
No new approvals in 2020							
<b>CITIZENS' CHARTER NPP</b>							
Additional Financing to Citizens' Charter Afghanistan Project	Improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils	Ministry of Rural Rehabilitation and Development/ Independent Directorate of Local Governance	MC: Nov-2020 IDA: Dec-2020	Active	158	35	
COVID-19 Relief Effort for Afghan Communities and Households	Provide emergency financial support to poor families to mitigate the financial impact of COVID-19	Ministry of Rural Rehabilitation and Development/ Independent Directorate of Local Governance	MC: Jul-2020 IDA: Aug-2020	Active	125	155	
<b>SOCIAL COHESION</b>							
No new approvals in 2020							



TABLE 1. (CONTINUED)

PROJECT NAME	BASIC IDEA	GOIRA AGENCY	APPROVAL (Management Committee & IDA Board of Executive Directors)	STATUS	ARTF (US\$, million)	IDA (US\$, million)	OTHER (US\$, million)
<b>INVESTMENT PROJECT FINANCING (IDA-IPF and ARTF-IW)</b>							
<b>ECONOMIC GROWTH AND JOB CREATION</b>							
<b>INFRASTRUCTURE AND CONNECTIVITY NPP</b>							
Afghanistan Water, Sanitation, Hygiene and Institutional Support Project	Improve access to and quality of water supply in select cities and strengthen the capacity of the national water utility	Afghanistan Urban Water Supply and Sewage Corporation	MC: Nov-2020 IDA: Dec-2020	Active	150	50	
<b>URBAN DEVELOPMENT NPP</b>							
No new approvals in 2020							
<b>COMPREHENSIVE AGRICULTURAL DEVELOPMENT NPP</b>							
Emergency Agriculture and Food Supply Project	Provide emergency relief in response to the COVID-19 pandemic; aims to support critical food supply chains and create short-term economic opportunities	Ministry of Agriculture, Irrigation and Livestock	MC: Aug-2020 IDA: Aug-2020	Active	45	55	
Early Warning, Early Finance and Early Action Project	Increase the food and nutrition security of the most vulnerable households living in drought prone rural areas and to build systems for early warning and response with pre-arranged financing.	Ministry of Rural Rehabilitation and Development/ Ministry of Finance	MC: Nov-2020 IDA: Feb-2021	Not active	115	97.5	10
<b>NATIONAL MINERAL AND RESOURCE DEVELOPMENT NPP</b>							
No new approvals in 2020							
<b>PRIVATE SECTOR DEVELOPMENT PROGRAM</b>							
No new approvals in 2020							

## ARTF GOVERNANCE

### THE ARTF HAS A THREE-TIERED GOVERNANCE FRAMEWORK.

At the topmost tier is the **Steering Committee**. The SC sets ARTF policy, endorses the PFFP, periodically reviews its implementation, and endorses changes to the pipeline of planned ARTF investments. The Minister of Finance and the WB Country Director co-chair the SC. Its membership comprises ambassadors from current ARTF donor countries. Former ARTF donors with diplomatic representation in Afghanistan, members of the ARTF Management Committee, and the United Nations Assistance Mission in Afghanistan observe SC meetings.

Although the SC is intended to meet quarterly, in 2020 it met once, on September 2, 2020, to review progress of the ARTF Partnership Framework and Financing Program FY 1397–FY 1399 (2018–2020) and endorse three recommendations: (i) to add new COVID-19 emergency response projects to the portfolio; (ii) adjust the pipeline of future ARTF projects to reflect the delay or consolidation of future initiatives to support COVID-19 adjustments and CPPR recommendations in the short term; and (iii) revise an earlier decision regarding the consolidation of the Women's Economic Empowerment NPP project preparation grant, extending the project as a standalone initiative in the MoF through June 2021. Because of remote work arrangements necessitated by the COVID-19 pandemic, the meeting was held in virtual format.



Proposals for individual projects and programs are presented to the **Management Committee**, which is mandated to approve programs and projects, review ARTF finances, and make recommendations to the Administrator on ARTF management. Co-chaired by the MoF and the WB Country Director for Afghanistan, MC membership comprises the Country Directors of the Asian Development Bank, the United Nations Development Programme, and the Islamic Development Bank. The United Nations Assistance Mission in Afghanistan is an official observer at MC meetings. The MC meets as required to review proposals.

**In 2020, the MC met five times and held two meetings via correspondence to review financial transfers and small project preparation grants.** Results of meetings held by correspondence are documented in the minutes of the MC's next in-person meeting. The MC's first meeting of the year, in February 2020, was held in person. The remaining four engagements met virtually.

The SC and MC decisions are supported by the **ARTF Strategy Group**, which reviews the ARTF strategy, makes recommendation of the strategy for endorsement by the Steering Committee, and advises on implementation of the ARTF program. The SG meets monthly and as needs arise at technical level. Despite the COVID-19 pandemic and remote-work arrangements in place since March 2020, **the SG met 12 times in 2020**, including holding a special emergency session to discuss portfolio adjustment and release of funds for the government relief response. The first two meetings of the year, in January and February, were held in person. The remaining 10 were held virtually.

In developing its recommendations to the SC, the SG consults with two relevant working groups. The **Incentive Program Working Group (IPWG)** meets at least quarterly and more frequently as needed to agree with GoIRA on the policy benchmarks to be tied to releases of funds under

the former Recurrent Cost Window Incentive Program, and, effective in 2018, the IP-DPG. The IPWG reports on progress and results of the policy actions included in the IP-DPG to the SG and SC. **The IPWG met 10 times in 2020, three times in person and seven times in virtual format.**

The **Gender Working Group (GWG)** meets monthly to review gender aspects of ARTF-financed activities and makes recommendations to the SG and SC on improving gender outcomes, mainstreaming, and reporting in ARTF-financed projects. The GWG convened 12 meetings in 2020, three in-person and nine virtually.

GoIRA, as the main beneficiary and stakeholder of the ARTF, and the WB, as the Trustee and Administrator of the Fund, participate at all levels of the governance framework. GoIRA is responsible for setting development priorities that guide all ARTF initiatives, as well as for project design and implementation.

The WB is responsible for ensuring that ARTF-funded initiatives are developed and implemented in a manner consistent with GoIRA priority and guidance and WB policies and procedures. It provides co-chairing and secretariat support for ARTF governance bodies, and provides implementation, monitoring, and reporting support for ARTF-funded initiatives implemented by GoIRA.

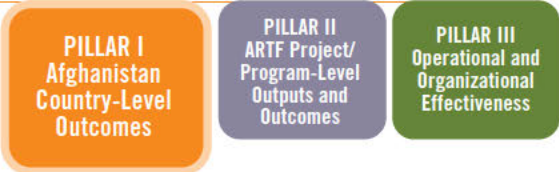
This Scorecard is produced voluntarily to provide a synthesis report of the portfolio for ARTF donors. An amendment to the ARTF agreement currently being considered by ARTF donors with support from the WB would formalize the annual reporting requirement and, if adopted, would require the development of an ARTF results framework that may shape future editions of this Scorecard. Preliminary work to prepare for such a change has begun in parallel with work on the next ARTF Partnership Framework and Financing Program.



# SECTION III: DETAILED RESULTS BY PILLAR

## PILLAR I

### Afghanistan Country-Level Outcomes



#### ABOUT THIS PILLAR

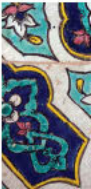
THE ARTF HAS BEEN A SIGNIFICANT CONTRIBUTOR in supporting results at the country level through financing (recurrent and investment financing) and policy dialogue (the Incentive Program implemented under previous Financing Strategies and the Incentive Program Development Policy Grant implemented under the Partnership Framework and Financing Program [PFFP]). Pillar I reports on key development indicators in Afghanistan on poverty and human development, and documents long-term development gains.

The National Statistics and Information Authority (NSIA) conducted the seventh round of data collection under the Income, Expenditure and Labor Force Survey (IE-LFS) 2019–2020 (formerly known as the Afghanistan Living Conditions Survey and, previously, as the National Risk and Vulnerability Assessment). Results were published in early 2021, and selected results with particular relevance to ARTF-supported programming are excerpted in this Pillar. These high-level outcomes are the achievement of the aggregate contribution of GoIRA and all of its development partners over the long term through a combination of multisector interventions, actions, and policy decisions.

ARTF-supported initiatives are not the only programs contributing to Pillar I outcomes, and generally speaking it is not possible to isolate direct causality between ARTF-supported initiatives and national development outcomes because of the combination of active interventions during the period. Nevertheless, the ARTF plays a central role as a financing source for both the civilian operating and development budgets, and as such plays a key role in the progress that has been made in Afghanistan since 2002.

#### HIGHLIGHTS

- Following a sustained period of impressive development progress, Afghanistan has faced intensifying and interlinked economic, security, and political challenges. Aid flows decreased from around 100 percent of GDP in 2009 to 43 percent of GDP in 2020 (with the number of international troops declining from more than 130,000 in 2011 to about 10,000 today). Reduced aid led to a rapid weakening of demand, especially in construction and other service sectors, with follow-on impacts across the economy. Economic growth slowed from an average of 7 percent between 2002 and 2015 to just 1.6 percent between 2015 and 2020. Political uncertainty and increasing security challenges have also contributed to the economic slowdown.
- The private sector is extremely narrow. Employment is highly concentrated in the low-productivity agriculture sector, in which 44 percent of the total workforce work and from which 60 percent of households derive some income. Investment since 2001 has focused around the aid-driven contract economy. Private sector development and diversification are constrained by increasing insecurity, political instability, weak institutions, inadequate infrastructure, corruption, and a difficult business environment.
- The economy is estimated to have contracted by 1.9 percent in 2020, reflecting the impact of the COVID-19 crisis. Thanks to favorable weather conditions and its relative insulation from COVID-19 impacts, agriculture production is estimated to have increased by 5.3 percent. By contrast, lockdowns and intermittent border closures had a significant adverse impact on industrial and services output, which contracted by 4.2 percent and 4.8 percent, respectively.



- **Economic conditions are expected to remain difficult.** With drought conditions expected over 2021, continued insecurity, and deepening political uncertainties, economic growth is expected to reach just 1 percent in 2021. With slow economic growth and a fast-growing population, per capita incomes are not expected to recover to 2019 levels until 2024.

## INCOME, EXPENDITURE AND LABOR FORCE SURVEY DATA

**THE SCORECARD PROVIDES A SNAPSHOT** of overall poverty trends and challenges to poverty reduction in Afghanistan. In this report, the analyses of poverty trends between 2007–2008, 2011–2012, 2016–2017, and 2019–2020 use comparable data and estimates based on four rounds of the IE-LFS.

Based on the latest data, the poverty rate in Afghanistan decreased to 47.1 percent in 2019–2020, down from the peak of 54.5 percent in 2016–2017. This decline was observed despite the negative impacts of the COVID-19 crisis, whose effects have been felt in the country since April 2020 and were captured during the second half of the IE-LFS (the household survey used to calculate poverty in 2019–2020).

Data collected prior to the onset of the crisis (between October 2019 and March 2020) show that poverty had declined markedly, relative to the same period in the 2016–2017 survey. Data captured after the arrival of COVID-19 and its associated disruptions to people’s livelihoods (between April and September 2020) show that poverty increased by two percentage points relative to the same period in the 2016–2017 round. Underlying this broad trend is a sharp divergence between urban and rural areas. In rural areas, despite the onset of COVID-19, poverty continued to decline, though at a much slower pace. In urban areas, by contrast, poverty increased considerably during the months of the COVID-19 crisis.

The decline in national poverty in 2019–2020 was driven by a steep reduction in rural poverty. In rural areas, where 77 percent of the population in the country reside, poverty declined from 59 percent to 48 percent between 2016–2017 and 2019–2020. This decline was most evident before COVID-19, when poverty dropped by 20 percentage points. Gains have moderated somewhat since the onset of COVID-19, although poverty still decreased by almost two percentage points.

Increased earnings from agricultural activities are the main driver of poverty reduction in rural areas. An analysis of household income sources shows that activities related to agriculture, which accounts for 57 percent of employment in rural areas, played a key role in the decline in rural poverty.

Before the onset of the COVID-19 crisis, agriculture accounted for close to half of the observed reduction in rural poverty, followed by services such as retail, transport, and personal services. Following the COVID-19 economic crisis, earnings from agriculture continued to drive poverty reduction in rural areas, while earnings from the services sector contributed only slightly to this decline. Households relying on stable sources of income, such as employment in government or in the health sector, were the least heavily affected by the crisis.

Although urban poverty was decreasing, gains were reversed by the COVID-19 crisis, especially in Kabul. Poverty in urban areas has increased overall, from 42 percent in 2016–2017 to 45 percent in 2019–2020, due in large part to the effects of COVID-19. Before the pandemic-fueled economic crisis hit the country, urban poverty had declined from 44 percent to 38 percent, led by marked improvements in urban areas outside of Kabul. Interestingly, Kabul, which represents 55 percent of the country’s urban population, saw a small increase in urban poverty, even before the onset of COVID-19, relative to 2016–2017.

Moreover, the impact of COVID-19 was severe in other urban areas of the country as well, and the urban poverty increased from 39 percent to 53 percent. Not surprisingly, Kabul fared worse than other urban areas. Poverty in the capital city increased by 17 percentage points during the COVID-19 crisis months, compared to a similar period in 2016–2017.

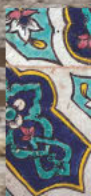
Earnings from self-employment related to the services sector were the main driver of urban poverty reduction, a trend dramatically reversed by COVID-19. Before COVID-19, urban poverty reduction was driven by those employed in activities related to the services sector, especially those in self-employed positions and, to a lesser extent, those in salaried jobs in the services sector. These trends were reversed by the lockdown and economic crisis, which severely affected the livelihoods of urban households.

Between fall 2019 and spring 2020 in Afghanistan, reported monthly earnings decreased by 14 percent for the self-employed and 15 percent for casual laborers, which include workers in small establishments such as restaurants, shops, and market retailers. Urban households faced a steep rise in



food prices. When the COVID-19 pandemic closed the borders and restricted commerce, the food price index increased by 12 percent. Lower earnings and higher prices reduced consumption, driving up poverty.

In urban centers, as in rural areas, workers in the government, health, and education sectors did not experience significant income changes with respect to 2016–2017, nor were they severely affected by the crisis.



## PILLAR I—AFGHANISTAN COUNTRY-LEVEL OUTCOMES

Results achieved under this pillar are national and cannot be solely attributed to the ARTF.

INDICATORS <sup>4</sup>	OUTCOMES							LINKAGES			
	2007	2011	2013 to 2014	2016 to 2017	2018	2019	2020	MDG	TARGETS (T)	SDG	TARGETS (T)
<b>Poverty and Inequality</b>											
Poverty rate (%)	33.7	38.3	NA	54.5	NA	NA	47.1	MDG1	<b>MDG1: Eradicate Extreme Poverty and Hunger</b> T1: The proportion of people whose income is less than \$1 a day decreases by 3% per annum until the year 2020	SDG1	<b>SDG1: End Poverty in all Its Forms Everywhere</b> T1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
Depth of poverty	7.2	9.9	NA	15	NA	NA	15.7 <sup>5</sup>	MDG1		SDG1	
Average consumption of the poor as % of poverty line	72.1	69.2	NA	68.4	NA	NA	69	MDG1		SDG1	
Average per capita monthly total consumption (afghanis in 2016 prices)	2,655	2,727	NA	2,233	NA	NA	2,332	MDG1		SDG1	
Inequality—Gini coefficient of per capita total consumption	0.29	0.33	NA	0.31	NA	NA	0.30 <sup>6</sup>	MDG1		SDG1	
<b>Food Security<sup>7</sup></b>											
Percentage of food insecure population	29.2	30.1	33	44.6	NA	NA	36.9 <sup>8</sup>	MDG1	<b>MDG1: Eradicate Extreme Poverty and Hunger</b> T2: The proportion of people who suffer from hunger decreases by 5% per annum until the year 2020	SDG2	<b>SDG2: End Hunger, Achieve Food Security and Improved Nutrition and Promote Sustainable Agriculture</b> T2.1: By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
Diet diversity score	NA	5	5	5.1	NA	NA	NA	MDG1		SDG2	
Protein deficiency (% consuming less than 50g of protein per day)	17.4	18.5	NA	30	NA	NA	NA	MDG1		SDG2	

4 Please see Annex I for definitions of all ARTF Scorecard indicators.

5 Reported against "Multidimensional Poor Population" indicator of the IE-LFS 2019–2020.

6 NSIA, 2020.

7 A "Depth of calorie deficiency" indicator was previously reported in this section because it was tracked in an early round of the National Risk and Vulnerability Assessment survey. It was deleted because the data point was no longer tracked in the successor Afghanistan Living Conditions Survey.

8 NSIA, 2020.





## PILLAR I—AFGHANISTAN COUNTRY-LEVEL OUTCOMES (continued)

INDICATORS <sup>4</sup>	OUTCOMES							LINKAGES			
	2007	2011	2013 to 2014	2016 to 2017	2018	2019	2020	MDG	TARGETS (T)	SDG	TARGETS (T)
<b>Gender</b>											
Female literacy rate, age 15 years and above (%)	12	17	19	19.9	NA	NA	NA	MDG3	<b>MDG3: Promote Gender Equality and Empower Women</b> T4: Eliminate gender disparity in all levels of education no later than 2020	SDG4	<b>SDG4: Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for All</b> T4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
Female share in active population (%)	34.3	47	29 <sup>9</sup>	27	NA	NA	16.5 <sup>10</sup>	MDG3	<b>T5: Reduce gender disparity in economic areas by 2020</b> <b>T6: Increase female participation in elected and appointed bodies at all levels of governance to 30% by 2020</b> <b>T7: Reduce gender disparity in access to justice by 50% by 2015 and completely (100%) by 2020</b>	SDG5	<b>SDG5: Achieve Gender Equality and Empower all Women and Girls</b> T5.1: End all forms of discrimination against all women and girls everywhere T5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
Girls to boys, age 6–12 years, enrollment ratio	0.70	0.70	0.71	0.71	0.65	NA	NA	MDG2	<b>MDG2: Achieve Universal Primary Education</b> T3: Ensure that, by 2020, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling		
Ratio of fully immunized girls to boys, age 12–23 months	1	NA	NA	NA	NA	53.2% boys & 48.2% girls	1 <sup>11</sup>	MDG4	<b>MDG 4 Reduce Child Mortality</b> T8: MDG4: Reduce Child Mortality T8: Reduce by 50%, between 2003 and 2015, the under-5 mortality rate, and further reduce it to 1/3 of the 2003 level by 2020		

9 Labor force participation ratio.

10 IE-LFS, 2019–2020.

11 District Health Information-2, 2020.



## PILLAR I—AFGHANISTAN COUNTRY-LEVEL OUTCOMES (continued)

INDICATORS <sup>4</sup>	OUTCOMES							LINKAGES			
	2007	2011	2013 to 2014	2016 to 2017	2018	2019	2020	MDG	TARGETS (T)	SDG	TARGETS (T)
<b>Education</b>											
Literacy rate, age 15 years and above (%)	25	31.4	34.3	34.8	NA	NA	NA				
Net attendance ratio in primary education (%)	46.3	56.8	54.5	56.1	76	NA	54 <sup>12</sup>	MDG2	<b>MDG2: Achieve Universal Primary Education</b> T3: Ensure that, by 2020, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	SDG4	<b>SDG4: Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for All</b> T4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
Average years of schooling, age 18 years and above	2	2.6	2.8	NA	NA	NA	NA				
<b>Health</b>											
Full immunization rate among children age 12–23 months (%)	36.7	30 <sup>13</sup>	29.9 <sup>14</sup>	58.8 <sup>15</sup>	51.4	51.5 <sup>16</sup>	NA	MDG4	<b>MDG 4 Reduce Child Mortality</b> T8: Reduce by 50%, between 2003 and 2015, the under-5 mortality rate, and further reduce it to 1/3 of the 2003 level by 2020 T8c: Proportion of 1-year-old children immunized against measles (%): 90% in 2015 – 100% in 2020		
Children age 12–23 months with no vaccination (%)	14.2	NA	NA	NA	NA	NA	NA	MDG4			
Access to skilled antenatal care during pregnancy (%)	32.8	51.2	63.2	70	65.2	NA	NA	MDG4 MDG5	<b>MDG 4 Reduce Child Mortality</b> <b>MDG5 Improve Maternal Health</b> T9: Reduce by 50% between 2002 and 2015 the maternal mortality ratio (MMR), and further reduce the MMR to 25% of the 2002 level by 2020	SDG5	<b>SDG5: Achieve Gender Equality and Empower all Women and Girls</b> T5.6: Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Program of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences
Births attended by skilled attendants (%)	21.8	39.9	45.2	53.4	55.8	NA	61.8	MDG4 MDG5		SDG5	
Disability prevalence rate (%)				3.2	NA	NA	3.1				

12 Gross attendance ratio in primary education

13 Multiple Indicator Cluster Survey, 2010–2011.

14 Afghanistan Health Survey, 2012.

15 Afghanistan Health Survey, 2015.

16 Afghanistan Health Survey, 2018.

## PILLAR I—AFGHANISTAN COUNTRY-LEVEL OUTCOMES (continued)

INDICATORS <sup>4</sup>	OUTCOMES				2018	2019	2020	MDG	LINKAGES		
	2007	2011	2013 to 2014	2016 to 2017					TARGETS (T)	SDG	TARGETS (T)
<b>Access to Services and Infrastructure</b>											
Access to improved drinking water (% of households)	27.2	45.5	68.4	63.9	NA	NA	73.1 <sup>17</sup>	MDG4	<b>MDG 4 Reduce Child Mortality T13:</b> Halve, by 2020, the proportion of people without sustainable access to safe drinking water and sanitation	SDG6	<b>SDG6: Ensure Availability and Sustainable Management of Water and Sanitation for All</b> <b>T6.1:</b> By 2030, achieve universal and equitable access to safe and affordable drinking water for all <b>T6.4:</b> By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Access to improved sanitation facility <sup>18</sup> (% of households)	NA	NA	39.1	41.4	NA	NA	67.2 <sup>19</sup>	MDG4		SDG6	
Access to any source of electricity (% of households)	41.1	69.1	89.5	97.7	NA	NA	97.7 <sup>20</sup>			SDG7	<b>SDG7: Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All</b> <b>T7.1:</b> By 2030, ensure universal access to affordable, reliable and modern energy services

17 IE-LFS, 2019-2020.

18 Data reported for earlier years have been deleted as the pre-2013 indicator definitions were not comparable with the indicators tracked by the Afghanistan Living Conditions Survey and consequently the Income, Expenditure and Labor Force Survey.

19 IE-LFS, 2019-2020.

20 IE-LFS, 2019-2020.

NA: Not available; implies that the indicator is not available or not comparable in the respective survey round.



# PILLAR II

## ARTF Project and Program-Level Outputs and Outcomes

PILLAR I  
Afghanistan  
Country-Level  
Outcomes

PILLAR II  
ARTF Project/  
Program-Level  
Outputs and  
Outcomes

PILLAR III  
Operational and  
Organizational  
Effectiveness

### ABOUT THIS PILLAR

AS OF DECEMBER 2020, the ARTF comprised two government-implemented (or called client-executed) windows, the Recurrent Cost Window (RCW) and Investment Window (IW), and two WB-executed windows, the Advisory Services, Implementation Support and Technical Assistance (ASIST) window, and the Anti-Corruption and Results Monitoring Action Plan (ACReMAP) window.

Pillar II reflects the progress of the ARTF government-executed portfolio of projects funded under the RCW and IW. Data from each project and program in the ARTF portfolio will feed into the indicators reported under this pillar through the ARTF Results Matrix. Together with Pillar I, Pillar II tracks elements of development results. While Pillar I tracks results at the country level, Pillar II tracks and reports only on results that are directly attributable to projects and programs financed under the ARTF. Pillar II results feed into the results reported in Pillar I.

### RECURRENT COST WINDOW HIGHLIGHTS

#### SUMMARY OF PROGRESS

**THE RECURRENT COST WINDOW** is a budget support instrument, which was one of the first aid delivery programs under the ARTF after the country emerged from conflict in 2001–2002. In its initial years, the RCW aimed solely at providing GoIRA with fiscal resources to stabilize the budget and build up the civil service.

The RCW included three facilities initially: (i) Incentive Program—a unique budget support mechanism that linked smaller but more frequent disbursements to timely completion of policy reforms; (ii) Baseline facility—a quasi-unconditional budget support mechanism that existed since 2002, providing disbursements against the submission of expenditure statements that were deemed eligible for reimbursement; and (iii) Ad Hoc Payment Facility—a financial pass-through

facility established in 2013–2014 through which bilateral donor funding was channeled to the government's budget.

The RCW evolved significantly over time. Under the current PFFP, the RCW became 100 percent incentivized. Initially in 2018, incentives were structured through three modalities: the Incentive Program Development Policy Grant (IP-DPG), the Fiscal Stability Facility (FSF), and the Ad Hoc Payments (AHP) Facility.

In 2020, a US\$400 million IP-DPG policy reform program (US\$160 million by IDA and US\$220 million ARTF) was delivered, of which the government was able to achieve all but one benchmark, receiving US\$380 million in 2020.

In addition, a US\$200 million emergency COVID-19 Response Development Policy Grant was delivered in 2020 to help government mitigate budget shocks caused by the revenue decline due to the COVID-19 pandemic.

The AHP Facility closed at the end of 2019 with its grace period ending by June 2020. All project accounts were cleared and the final evaluation report was completed.

#### INCENTIVE PROGRAM—DEVELOPMENT POLICY GRANT:

The 2020 IP-DPG was the third in a series of three one-year operations set out under the PFFP and introducing several innovations to the standard Development Policy Financing design, within the Bank's policy, to better manage implementation, disbursement, and stakeholder risks in Afghanistan's fragile and low-capacity context.

The operations comprise multiple tranches: one associated with prior actions and the rest with tranche release conditions, all of which are based on policy and institutional reform priorities under the Afghanistan National Peace and Development Framework (ANPDF). Disbursement amounts of tranche release conditions are timing-dependent, providing hard fiscal incentives for timely fulfillment of associated reform actions. The program design has proven effective. Across the three-year program, all but one of nearly 40 policy actions

have been successfully completed within specified deadlines. Results achieved through the Incentive Program since 2018 are presented in Box 1.

Prepared amid uncertainties regarding the outcome of the 2019 presidential elections and the onset of the COVID-19 crisis, the 2020 Incentive Program operation was intended to (i) improve the management of public resources and reduce opportunities for corruption, demonstrating progress in this regard to the international community as future grant commitments were being considered; (ii) ensure continued availability of resources for core government functions and preparedness for declining grants over the medium term through revenue and expenditure reforms; (iii) support reform momentum and continuity over a period of potentially difficult political transition; and (iv) provide vital fiscal support to government as it managed revenue shortfalls arising from the initial impacts of the COVID-19 crisis (especially loss of customs revenues in the context of border closures early in the year).

Reflecting government's emergency financing needs, preparation of the operation was fast-tracked and the value of the first tranche was increased, allowing disbursement of US\$200 million immediately upon WB Board and ARTF Management Committee approval (US\$160 million of IDA and US\$40 million of ARTF resources). A total of US\$380 million was disbursed up to December 2020 (US\$160 million IDA and US\$220 million of ARTF resources), with an outstanding US\$20 million tranche (of ARTF resources) subject to the successful resolution of continued policy dialogue between government, WB, and ARTF partners regarding implementation of supported Public Investment Management reforms.

The WB is now preparing a new three-year program of IP-DPGs, structured around critical reforms under the ANPDF-2 priorities. Critical priorities for the new reform program include: (i) successful implementation of critical revenue reforms; (ii) improving the quality and sustainability of public expenditure; and (iii) helping restore confidence and investment following the impacts of the COVID-19 crisis. Design of the new program will reflect lessons learned from the IP-DPGs to date and a recent evaluation of the Recurrent and Capital Cost Operation.



## BOX 1. RESULTS ACHIEVED THROUGH INCENTIVE PROGRAM DEVELOPMENT POLICY GRANTS

- **E-MONEY/E-PAYMENT.** Infrastructure and a regulatory framework have been established for electronic payments, with payment of customs duties from commercial banks to the central bank already occurring.
- **CIVIL SERVICE REFORM.** Computerized testing has been implemented for recruitment in grades 1–4, minimizing opportunities for corruption in hiring. Legal changes have allowed female-only advertisements, quotas, and additional scoring in selections for women.
- **BUSINESS ENVIRONMENT REFORM.** Insolvency law reform contributed to Afghanistan achieving the largest improvement in scores of any country in the 2019 Doing Business Report.
- **ENERGY UTILITY REFORM.** Da Afghanistan Breshna Sherkat, the national power utility, has achieved measurable reductions in technical losses. Transaction costs in acquiring connections have declined. Electricity bills of 2.4 billion afghanis previously pending with the ministries have been cleared.
- **LAND REFORM.** The administrative system of land management is being rolled out in Herat. At least 20,000 occupancy certificates have been issued to informal occupants of government-owned land.
- **PUBLIC INVESTMENT MANAGEMENT.** The public investment framework has been transformed with all projects now required to undergo basic strategic fit screening, and all large projects (over US\$7.5 million) required to undergo full economic analysis. This is being effectively implemented with three-quarters of large projects in the 2020 budget having undergone economic analysis.
- **TAX REFORM.** Under reforms supported by the IP-DPGs, e-filing and e-payment are being effectively rolled out. All large taxpayers now have the option for e-filing, substantially reducing compliance and transaction costs and reducing scope for corruption.
- **FISCAL TRANSPARENCY.** The Ministry of Finance is publishing full revenue data on its website every two weeks. Minutes of cash committee meetings are published along with cash reports. This represents an unprecedented level of fiscal transparency.

## INVESTMENT WINDOW HIGHLIGHTS

**THE ARTF IW HAD A TOTAL OF 28<sup>21</sup> ACTIVE PROJECTS** in 2020 (including four PPGs) across three broad priority areas of the PFFP: (i) Governance and State Effectiveness; (ii) Poverty Reduction, Service Delivery, Citizens' Engagement, and Social Inclusion; and (iii) Economic Growth and Job Creation. By the end of 2020, eight ARTF-funded projects (including three PPGs) had closed. Annex II includes a list of the active and closed projects at the close of the year.

## GOVERNANCE AND STATE EFFECTIVENESS

**THE FISCAL PERFORMANCE IMPROVEMENT SUPPORT PROJECT (FSP)** is the single recipient-executed investment financing project to support the Fiscal Performance Improvement Plan (FPIP), a five-year rolling implementation plan for Afghanistan's public financial management (PFM) reforms based on team-based performance management.

FSP focuses on four key result areas: (i) improved development budget execution; (ii) increased domestic revenue mobilization; (iii) increased compliance with audit recommendations; and (iv) improvement in core institutional capacity, represented by a reduction in the number of long-term technical assistants. FSP was approved on December 19, 2017, and became effective on January 1, 2018.

In the project's third year (2020), it was restructured to cancel US\$40 million from original project allocations, which were redirected for COVID-19 response in Afghanistan. The cut was largely from the incremental operating cost plan and did not affect the project's ability to achieve its development objective and relevant targets.

Project implementation advanced, supporting the MoF to (i) improve the fiscal planning and budgeting system, including improving forward estimates and single annual allotments; (ii) advance implementation of the Public Investment Management (PIM) policy, including Cabinet approval of the New PIM Regulation in 2020; (iii) publish gender budget statements for critical ministries; (iv) expand the pension management information system to five provinces and 10 more government entities; (v) assess COVID-19 impacts on national revenue; and (vi) assess the

distributional impact of introducing value-added tax and continue supporting preparations for its implementation.

The project also supported preparations for the broadly successful Geneva Conference on Afghanistan in November 2020. Key achievements included:

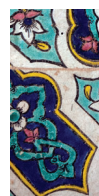
- Afghanistan Revenue Department (ARD) significantly advanced its implementation of modernization measures such as electronic filing, which became mandatory for all large taxpayers and selected sectors in the medium and small taxpayer offices. Despite the COVID-19 pandemic the number of active tax filers across the large and medium and small taxpayer offices remained stable.
- The Afghanistan Customs Department connected six additional customs offices (Badakhshan, Ghulam Khan, Paktia, Paktika, Rozanak, and Takhar) to the Automated Customs Data system in 2020.
- ARD and the Afghanistan Customs Department also connected their systems with the Automated Transfer System of Da Afghanistan Bank to enable electronic payments.
- The National Procurement Authority (NPA) completed four key Electronic Government Procurement (e-GP) modules including, inter alia, the Afghanistan e-Tendering System already rolled out to six public entities.
- The Supreme Audit Office (SAO) introduced new toolkits and checklists for performance audit, compliance audit, and financial audit, IT audit and Qatia audit.
- The MoF Performance Management Team developed and launched a publicly accessible web-based Afghanistan Performance Management Information System, and oversaw rollout of FPIP to 140 teams across MoF, NPA, and SAO.<sup>22</sup>

The COVID-19 pandemic affected important fiscal and PFM indicators, although the project generally continued to meet or exceed targets for its third year of implementation:

- Development budget execution in 2020 declined to 82 percent from the 2019 level of 93 percent.

<sup>21</sup> Altogether in 2020, ARTF funds supported 30 operations. In addition to the 28 projects active in the Investment Window, two projects were active in the Recurrent Cost Window: the 2020 IP-DPG, which was formally approved on May 7, 2020, and the Afghanistan COVID-19 Response Development Policy Grant.

<sup>22</sup> In line with the Geneva Mutual Accountability Framework, MoF is also using its own resources to expand FPIP to other line ministries; these efforts are not financed by FSP.



- Similarly, the revenue/ GDP ratio also declined in 2020, from around 14 percent in 2019 to an estimated 11.8 percent during this calendar year.
- Implementation of external audit recommendations by budgetary units showed limited improvement, remaining around 31 percent as of early 2020. The COVID-19 pandemic also caused delays in planning and carrying out project audits in 2020, which may further affect the performance of the external audit system.
- Finally, MoF experienced challenges in advancing its objective of reducing reliance on long-term technical assistance. The number of long-term technical assistants across MoF showed significant variance by increasing to around 600 by end-2020.

**Tackling Afghanistan’s Government HRM [human resource management] and Institutional Reforms (TAGHIR)** is the successor project of Capacity Building for Results. It was approved on December 19, 2018, to support continued civil service reforms to strengthen the capacity of selected line ministries and agencies through merit-based recruitment of critical positions, improved personnel management, and better human resource planning. By end-2020, TAGHIR had made substantial progress.

As of the end of December 2020, TAGHIR had issued contracts to 759 senior civil servants, including 134 during 2020. Of these appointees, 622 are active and 137 have left the civil service for personal, professional, and potentially political reasons. Of the 622 TAGHIR appointees, 76 are women, representing 12 percent of total appointments under TAGHIR. The target is to increase women representation in these critical positions from 7.5 percent in October 2018 to 10 percent by project end in 2022.

The Independent Administrative Reform and Civil Service Commission (IARCSC) has also conducted a review of line ministries and independent agencies (LMAs) against the benchmarks set under TAGHIR. Around half of LMAs have reported progress on the benchmark of “reduction in the number of NTAs.” One in four LMAs has not reported any progress, and 25 percent of LMAs have reported an increase in national technical assistance staff.

With the project’s support, the Human Resources Management Information System (HRMIS) team in IARCSC has developed six modules: (i) Tashkeel (organizational structure/establishment control); (2) Job Description; (3) Biography and Sawaneh

(personnel files); (4) Attendance; (5) Settings; and (6) User Management.

The payroll module is under development and will be completed by June 30, 2021. A total of 434,010 approved Tashkeel positions in 58 LMAs have been stored in the HRMIS. The biometric and biographic data of 320,000 civil servants from 50 LMAs at the center and subnational levels have been collected and entered into the system during 2020. The HRMIS team has started the deployment of the HRMIS to line ministries.

The Organizational Structure (Tashkeel) and Biography Modules have been deployed in 20 LMAs during 2020, and the rollout to the rest of the entities is ongoing. As a prerequisite for the rollout, the IARCSC/HRMIS team provides the necessary training for LMA representatives at both national and subnational levels. For instance, 167 staff from 43 LMAs were trained during 2020, and such training will be continued for the rest of the LMAs during 2021.

The project uses a just-in-time support approach. It supports priority reforms aligned with IARCSC’s five-year strategy and embedded in the commission’s annual reform plan. Functional review of LMAs is one such area TAGHIR supports. The project provides local technical assistance to relevant teams in IARCSC to conduct functional reviews. These functional reviews are relatively light and focus on addressing major structural and mandate overlap issues in the targeted entities. During the reporting period, IARCSC completed a functional review of the Ministry of Agriculture, Irrigation and Livestock, Ministry of Communication & IT, and SAO. However, the functional review of the Ministry of Information and Culture and MoF has not progressed.

TAGHIR also supports the strengthening of the E-recruitment system and exam contents. With project support, the Exam Content Research and Development Center in IARCSC has developed around 30,000 research-based questions that test candidates’ general knowledge, job-specific skills, and analytical skills within 295 different job streams. Since the establishment of the exam center, 4,189 competitive exams have been held, with 44,637 candidates competing. The findings from the E-exam system show that in just 2020 alone, 33,523 participants (89.7 percent men and 10.2 percent women) participated in the E-exams for 2,933 civil service positions in Kabul and the provinces.

TAGHIR also supported a research study on the sociocultural and organizational factors associated with lower representation





of women in the upper echelons of the Afghan Civil Service (grade 1 and 2) and, more explicitly, why only a small number of women apply for these positions. This study explores the extent to which the “power-dynamic” of holding a leadership position acts as an impediment to women’s full participation and involvement in executive roles. Another primary focus of the research is to determine and elaborate on the key practices within Afghan public institutions that undermine women’s career advancement. Study findings will be used to suggest practical solutions and foster reforms and substantial changes that can ultimately impact women’s equal representation in the Afghan Civil Service.

**Payments Automation and Integration of Salaries in Afghanistan (PAISA)** was approved on April 25, 2019, as a five-year investment financing project aimed at supporting development of digital government-to-person payments in Afghanistan. Advisory assistance on improved legal and regulatory framework and on operational processes is complemented with investments in physical information technology infrastructure, as well as incentives to spur private sector–led delivery of financial services.

The project entails (i) support for a biometric identification system for civil servants and pensioners; (ii) integration of the identification, verification, and payment systems; and (iii) expansion of financial services and access points for digital cash out and cashless payments. PAISA is being implemented by MoF and Da Afghanistan Bank (DAB), while the National Statistics and Information Authority (NSIA) and IARCSC are stakeholders in the project. PAISA has been effective since September 2019.

In 2020, PAISA experienced implementation delays due to COVID-19 and weak implementation capacity in both implementing agencies. The project was restructured as part of the portfolio-wide portfolio reallocation. With the restructuring, project activities have been scaled down in line with the reduced funds. All project components have been reduced in scope, in line with technical and policy discussions held with MoF and DAB. The core project implementing team at DAB is now in place, while staffing in MoF remains incomplete due to delays in the recruitment process.

Since the approval of PAISA, GoIRA’s approach to the biometric identification of civil servants and pensioners has changed, in order to boost enrollment for national digital identification (ID) (e-NID or E-Tazkera). GoIRA is planning to rely on the e-NID system for this purpose, instead of establishing a dedicated biometric ID system. Considering the change

in implementation, the WB team and NSIA have agreed to undertake a rapid e-NID diagnostic to identify areas for possible technical assistance and priority project financing.

On the DAB side, the integration of financial institutions with the Afghanistan Payment System is ongoing to achieve full interoperability in the system. All commercial banks and payment institutions have joined the switch as members, while onboarding of mobile money providers is ongoing with PAISA funding and expected to be completed by June 30. All other activities in support of the planned payment infrastructure have been affected by procurement delays. The component that aims to support the expansion of cash-out and cashless payment points has not yet started. The drafting of an access point strategy and accompanying implementation plan is underway.

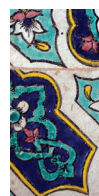
**The Afghanistan Land Administration System Project (ALASP)**, effective May 13, 2019, supports the country’s vision of establishing a modern land administration system that will secure land tenure rights for all citizens and the State, based on an adequate policy, and a legal, institutional, and technological framework that is responsive to the country’s context, needs, and aspirations.

Its main expected results include capacity development for land administration; strengthening the land sector’s legal and policy framework; development of a Land Information System (LIS), which in time will include geo-referenced and legal information on land parcels; and issuance of Occupancy Certificates (OCs) in informal settlements. The project also focuses on women’s economic empowerment through policy development and issuance of OCs to women to enhance female ownership and inheritance of land and other family assets.

The project was restructured in September 2020 to support GoIRA’s response to the COVID-19 pandemic, in which US\$10 million of the original US\$35 million project funding was cancelled.

Project implementation advanced in 2020, although at a slower pace than planned due in large part to the impact of COVID-19. The recruitment of key staff in the Project Implementation Unit, including the project director was delayed, as were procurement processes for project contracts. By the close of 2020, the project progressed on recruitment, hiring a project director and other critical staff.

Despite these challenges, ALASP made progress in several areas. It advanced the transition to an administrative

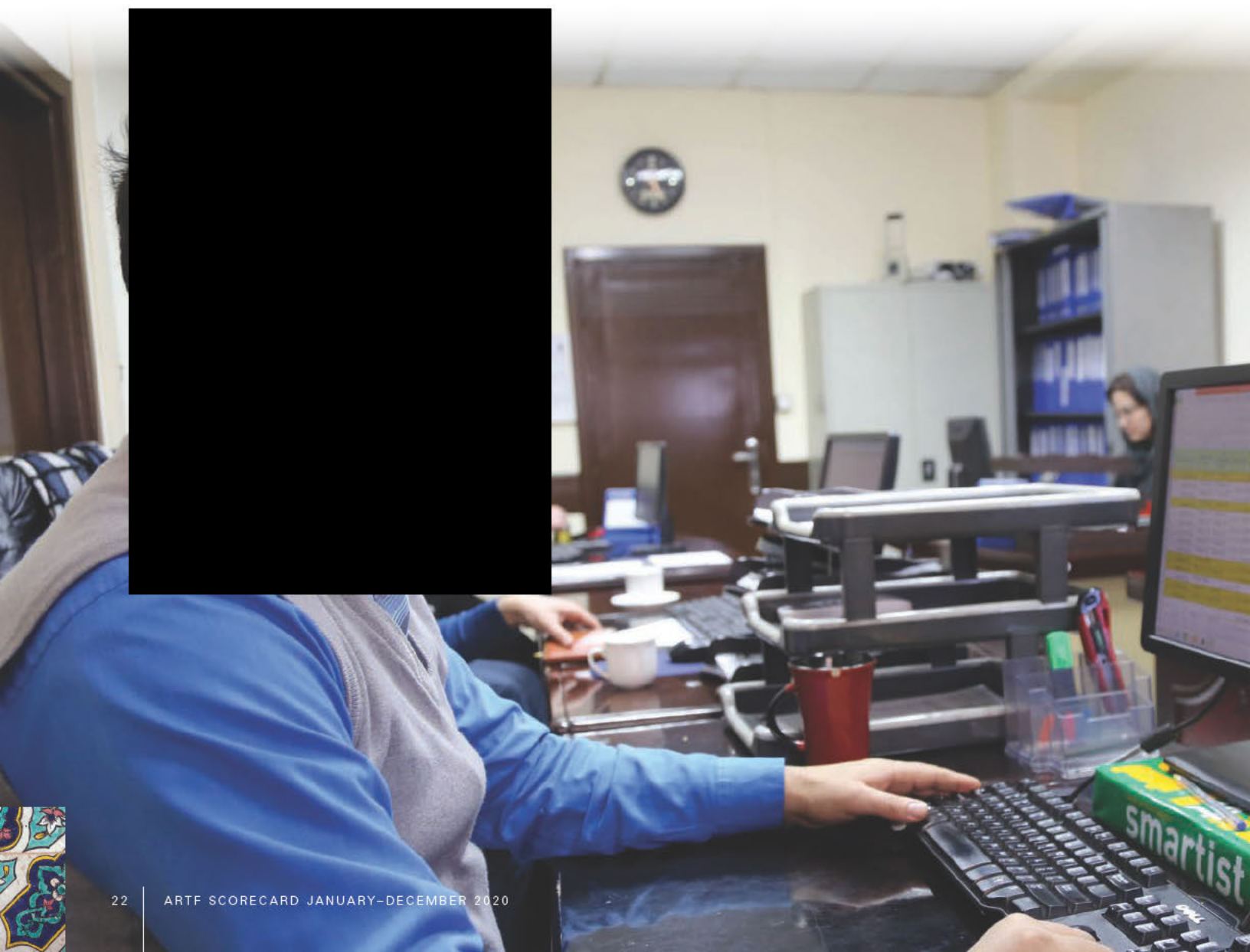


form of deeds issuance, with the signing of a protocol for transferring deeds transaction from the Supreme Court to the Ministry of Urban Development and Land (MUDL), starting in Herat and then Kabul and Mazar. As part of this process, Deeds Automation Regulation and Procedures were approved, a deed automation test software developed, and three Deed Automation Offices opened. Technical specifications, evaluations and needs analyses on geodesy, photogrammetry, and LIS were also drafted.

The project also faced pending approval of OC Regulations amendments, which would allow OCs to be issued for plots of all sizes. However, by the end of 2020 the project was ready to start issuing OCs for plots sized 300 square meters and smaller starting January 2021, marking a significant step forward toward achieving project results.

A five-year government Strategy for Women Empowerment and Gender Equity was prepared and Anti-harassment Procedures were developed. A Women Land Rights Task Force was proposed and approved and the first meeting of the task force was held. Progress was made on the recruitment of a consultancy firm for project communications and outreach, with terms of reference prepared.

MUDL met an IP-DPG action, submitting a cabinet-approved cadastre law to the National Assembly, approving a cadastre survey procedure, and completing technical specifications for LIS. This marked a significant step forward in moving toward the project goals of strengthening the legal and policy framework and developing a LIS in Afghanistan.



## GOVERNANCE AND STATE EFFECTIVENESS

### NPP KEY OBJECTIVE: EFFECTIVE GOVERNANCE PROGRAM

Strengthening the Public Financial Management (PFM) systems.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Strengthened Public Financial Management				<b>ONGOING</b>
<b>1</b> Improved Public Expenditure and Financial Accountability (PEFA) ratings for external/internal audit	Baseline: 2.00/2.00 (2008) Progress: D+ (2019) <sup>23</sup> Target: 3.00 (2014)/3.00 (2017)	<b>M1</b> Number of internal/external audits verified as done to international auditing standards	Baseline: 4 WB grant audits (2011) Progress: 41 ARTF grant audits (2019) Target: 41 <sup>24</sup> ARTF grant audits (2019)	Fiscal Performance Improvement Support Project (FSP), US\$60 million: ARTF: US\$35 million IDA: US\$25 million
<b>2</b> Develop and implement new e-GP system to improve the collection and disclosure of public procurement data and information across the full contracting cycle (from planning to contract implementation)	Baseline: 0% (2017) Progress: 4% (2020) Target: 16% (2022)	<b>M2</b> Framework Agreement procurement is done by the government (%)	Baseline: 0% (2017) Progress: 70% (2020) Target: 100% (2019)	2020 Incentive Program Development Policy Operation, US\$400 million: ARTF: US\$240 million IDA: US\$160 million
<b>3</b> Increased development budget execution rate (%)	Baseline: 54% (2017) Progress: 82% (2020) Target: 75% (2022)	<b>M3</b> Improvement in core institutional capacity, represented by a reduction in the number of long-term technical assistants	Baseline: 780 (2017) Progress: 595 (2020) Target: 250 (2022)	
<b>4</b> Increased domestic revenue as a percentage of GDP (%)	Baseline: 10.7% (2017) Progress: 12% (2020) Target: 12.2% (2022)			
<b>5</b> Effective implementations by budgetary units on the external audit recommendations (%)	Baseline: 15% (2017) Progress: 31% (2020) Target: 60% (2022)	<b>M4</b> Rolling out e-Government Procurement in the pilot phase in three or more departments	Baseline: 0 (2017) Progress: 3 (2020) Target: 3 (2022)	

23 The methodology for the 2017 PEFA assessment covering the years 2014–2016 was changed. The new PEFA Framework published in 2016 upgraded the methodology and scoring criteria used for the 2017 assessment. While the revisions in the PEFA Framework provide for a deeper analysis, they hinder a direct comparison with prior reviews. For comparison with the previous PEFA rating, please refer to Annex 4 of the PEFA report.

24 Audits of projects financed under the World Bank (ARTF/IDA) are carried out annually. Number of audits carried out each year depends on the number of active ARTF accounts at the government level.



## GOVERNANCE AND STATE EFFECTIVENESS (continued)

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Fiscal sustainability through (reform-linked) increasing domestic revenue mobilization and strengthening expenditure management				
<b>6</b> Percentage increase in customs duties through ASYCUDA <sup>25</sup> customs automation (%)	Baseline Progress Target	5% (2017) 92.6% (2019) 100% (2022)		
<b>7</b> Increase of the Open Budget Index score <sup>26</sup>	Baseline Progress Target	21 (2012) 50 (2019) NA		
<b>NPP KEY OBJECTIVE: EFFECTIVE GOVERNANCE PROGRAM</b>				
Professionalization of the public sector and civil service.				
Outcome: Strengthened performance of line ministries				<b>ONGOING</b>
<b>8</b> Civil servants appointed in priority LMAs following approved strategic staffing plan for targeted capacity “surge” (%)	Baseline Progress Target	0% (2018) 100% (2020) 100% (2020)	<b>M5</b> Civil servant positions held by women (%)	<p>Tackling Afghanistan’s Government HRM and Institutional Reforms (TAGHIR), US\$55 million: ARTF: US\$36.6 million IDA: US\$18.4 million</p> <p>Payments Automation and Integration of Salaries in Afghanistan (PAISA), US\$25 million: ARTF: US\$19.4 million IDA: US\$5.6 million</p>
<b>9</b> Civil servants in priority LMAs transitioned from project to core government budget financing (%)	Baseline Progress Target	0% (2018) 100% <sup>27</sup> (2020) 100% (2021)	<b>M6</b> Priority LMAs that meet minimum benchmark targets related to reduction in number of national technical assistants (%)	
<b>10</b> HRMIS/Payroll rolled out in at least 5 LMAs	Baseline Progress Target	0 (2018) 20 (2020) 5 (2021)		
<b>11</b> Percentage of civil servants and pensioners who received government payments through electronic channels (% women)	Baseline Progress Target	60% (2019) (60% women) 60% (2020) (0% women) 80% (2024) (80% women)	<b>M7</b> Percentage of civil servants and pensioners biometrically registered and issued a unique identifier for payment purposes (% women)	
<b>12</b> Number of financial access points	Baseline Progress Target	2,890 (2019) 2,890 (2020) 3,500 (2024)	<b>M8</b> Legal and regulatory framework established, including for data protection	
			Baseline: 7.5% (2011) Progress: 12% (2020) Target: 10% (2019)	
			Baseline: 0% (2018) Progress: 8% (2020) Target: 11% (2021)	
			Baseline: 0% (2019) (0% women) Progress: 0% (2020) (0% women) Target: 95% (2024) (95% women)	
			Baseline: No (2019) Progress: No (2020) Target: Yes (2021)	

25 In June 2020, the calculation of this indicator was revised. The FSP Mid-Term Review mission assessed that in 2019, 92.6 percent of revenue was collected through the ASYCUDA (Automated System for Customs Data) World system. The sources of revenue that are still collected outside the system are from customs sites not yet automated and a minimal amount of additional tariff receipts not yet automated in the ASYCUDA World system.

26 Last Open Budget Index survey was in 2019.

27 Achievement on this indicator is currently at 100 percent as all 655 positions within TAGHIR receive Pay and Grading pay directly from core government budget and as part of regular payroll.

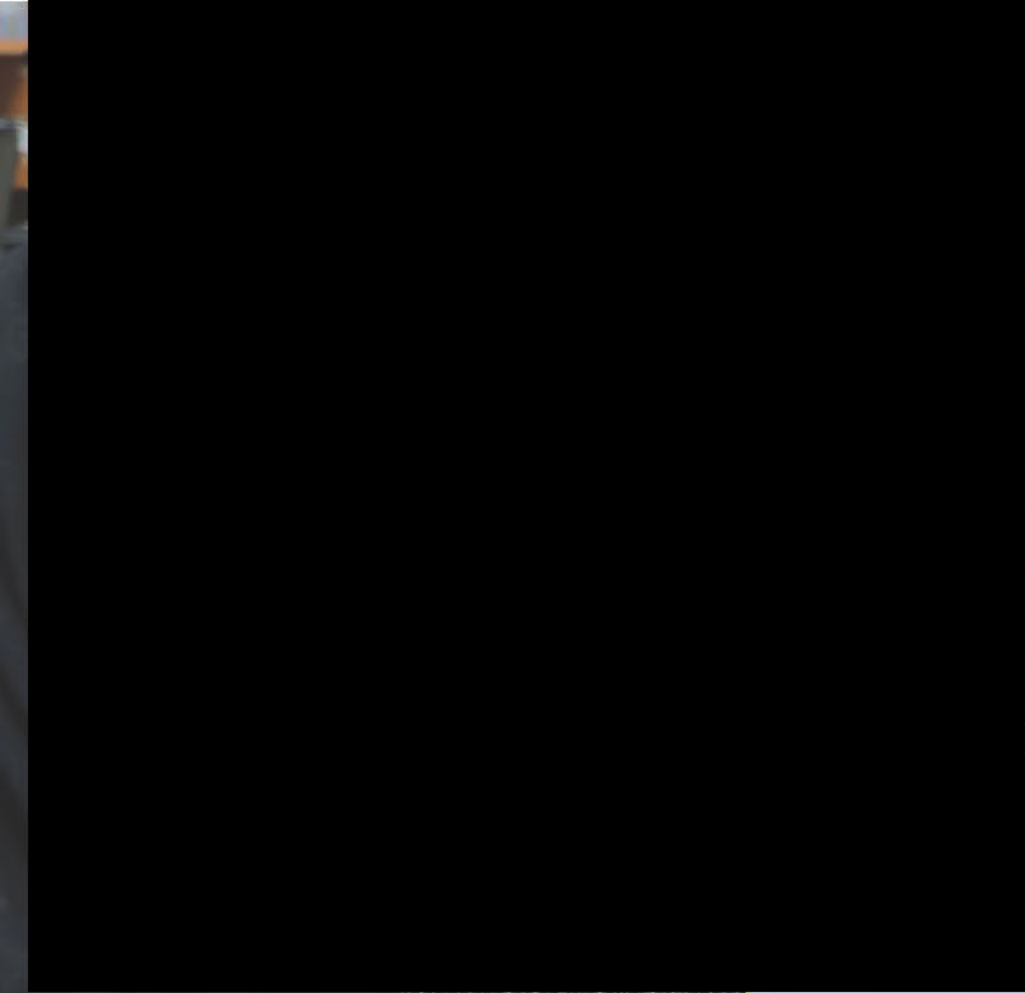
## GOVERNANCE AND STATE EFFECTIVENESS (continued)

### NPP KEY OBJECTIVE: NATIONAL JUSTICE AND JUDICIAL REFORM PROGRAM

Enhancing people's access to justice and protecting their fundamental legal rights and freedoms.

ARTF Outcomes and Indicators			ARTF Milestones/Outputs			ARTF Portfolio
Outcome: Development of the Afghanistan land administration system						<b>ONGOING</b>
<b>13</b> Land Information System is operational and available to use centrally and in the project's selected areas (%)	Baseline	0% (2018)	<b>M9</b> Households benefiting from systematic land registration and issuance of Occupancy Certificates	Baseline	0 (2018)	Afghanistan Land Administration System Project (ALASP), US\$25 million: ARTF: US\$7.14 million IDA: US\$17.86 million
	Progress	0% (2020)		Progress	0 (2020)	
	Target	100% (2024)		Target	185,000 (2024)	
			<b>M10</b> Women receiving Occupancy Certificates (alone or jointly)	Baseline	0 (2018)	
				Progress	0 (2020)	
				Target	105,000 (2024)	
<b>14</b> Computerization of cadastral mapping and land records completed for project's selected areas (%)	Baseline	0% (2018)	<b>M11</b> Effective resolution of grievances related to the project resolved within standards stipulated in GRM procedures (%)	Baseline	0% (2018)	
	Progress	0% (2020)		Progress	0% (2020)	
	Target	100% (2024)		Target	90% (2024)	
<b>15</b> SOPs and uniform service standards for Deputy Land Ministry/MUDL are adopted and effectively implemented through its daily operations	Baseline	No (2018)				
	Progress	No (2020)				
	Target	Yes (2024)				
<b>16</b> Level of satisfaction of target population with land registry services (%)	Baseline	0% (2018)				
	Progress	0% (2020)				
	Target	75% (2024)				





The new e-filing system has helped enforce the tax law equally on every taxpayer and restricted the processors from favoring one taxpayer over another.

Director-General,  
Afghanistan Revenue  
Department



# E-Filing Boosts Tax Compliance

## AND TRANSPARENCY IN AFGHANISTAN

**OVER A YEAR AGO**, the Afghanistan Revenue Department (ARD), housed in a four-story building on the eastern outskirts of Kabul City, was bustling with clients as they filed their taxes, waiting in long queues to process their tax payments. Today, only a few people can be seen ferrying documents between offices.

The entire process to file tax returns then often took several days, with taxes of only 40 to 50 people processed daily. In January 2020, this tedious process was abolished when ARD rolled out an e-filing system for processing taxes in the five provinces of Balkh, Herat, Jalalabad, Kabul, and Kandahar, enabling clients to file their taxes online. The new system allows clients to access their tax documents online and see the amount they should pay.

E-filing has streamlined the tax filing process by reducing the number of required supporting documents from 21 to just five, such as a company's license and balance sheet. "I am thankful that now I go to the revenue department [only] once a year to get an electronic tax payment certificate," says [REDACTED], an agent with a corporate tax processing firm.

E-filing has also decreased the opportunities for corruption and promoted transparency in tax filing. ARD Director-General [REDACTED] believes that e-filing has helped curb corruption. "E-filing has reduced human errors and lowered instances of corruption because of the lack of personal contact as everything is processed electronically," he says. "A tax processor doesn't have a chance to ask for a bribe, and a taxpayer can't offer a bribe as e-filing automatically calculates the amount of tax each company has to pay. The new system has helped enforce the tax law equally on every taxpayer and restricted the processors from favoring one taxpayer over another."

Because of the high level of accuracy and ease of use, e-filing is mandatory for all large taxpayers, including telecommunications firms, airlines, state-owned enterprises, companies in the extractive industry, and banks. The representatives of these companies have received multiple training sessions by ARD on how to e-file their tax returns. Currently, nearly 1,200 out of 1,300

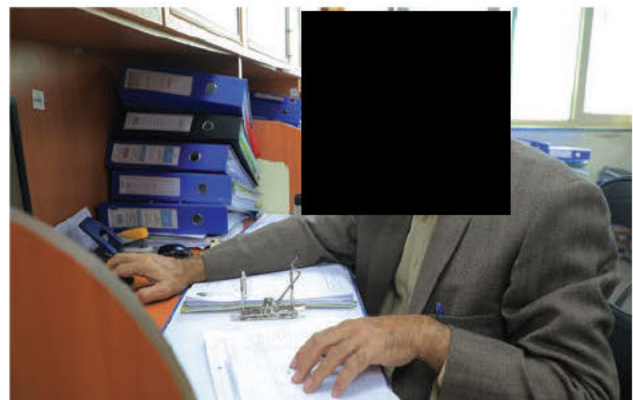
large taxpayers are registered as e-filers while the rest are undergoing training.

The e-filing system will be expanded to all provincial tax offices and integrated with the Afghanistan Payment System, which aims to develop retail banking through electronic and mobile payment services. Moreover, the database of the Ministry of Commerce will be linked to the e-filing system, leading to a more transparent and faster taxpaying process. A monitoring mechanism is also being introduced to help boost performance in tax offices.

### WIDER REFORMS

The e-filing system together with other reforms that are underway will help improve performance at tax offices and enhance taxpayers' compliance throughout the country. They are part of an Incentive Program implemented by the Ministry of Finance, which focuses on reforms to address corruption, improve the management of public resources, and manage current economic and political risks.

The Incentive Program, funded by the Incentive Program Development Policy Grant, has helped expedite the implementation of e-filing, according to [REDACTED], 32, Revenue System Director at ARD. "The benchmark was set to collect taxes using e-filing from all the provinces and we met it," [REDACTED] says. "If it were not for the Incentive Program, we wouldn't really have been able to meet the implementation deadline of 15 November 2020, and we would have faced a lot of problems."



## POVERTY REDUCTION, SERVICE DELIVERY, CITIZENS' ENGAGEMENT, AND SOCIAL INCLUSION

### HEALTH

**THE SEHATMANDI PROJECT BECAME EFFECTIVE** on April 10, 2018. Based on a government no-cost extension request, the project was extended for one year until June 30, 2022. The project objective is to increase the utilization and quality of health, nutrition, and family planning services. The project builds on the innovative approach of contracting out basic and essential health service delivery across the country. The core feature of Sehatmandi is a Pay-for Performance approach combined with a performance management approach.

The year 2020 was challenging for Sehatmandi and for the overall health sector due to the COVID-19 pandemic. Analysis conducted by the Global Financing Facility in partnership with the Ministry of Public Health (MoPH) and the World Bank Development Economics Research Group found that COVID-19-related disruptions were widespread in Afghanistan. Outpatient department consultations were 14 percent lower in April 2020 and 18 percent lower in May 2020 compared to expectation. The number of women initiating antenatal care fell by nearly 20 percent in each of these months and the number of children who received the third dose of pentavalent vaccine fell by 12 percent in April and 10 percent in May.

While many of these services rebounded later in the calendar year, this has not been the case across the board. A monthly comparison of growth monitoring visits points to persistent monthly reductions of between 22 percent and 39 percent in 2020. Similarly, family planning services like intra-uterine device insertions and injectable visits remained 38 percent and 12 percent lower than forecast in November 2020.





The project faced other challenges beyond the COVID-19 pandemic, including long lead times for implementation actions and decision-making within MoPH, attributable in part to leadership changes within the ministry and substantial delays in payments to service providers, affecting the ability of service providers to compensate staff and continue delivery services.

Finally, increasing insecurity and direct threats by anti-government elements have led to the closure of about 20 percent of health facilities (470) for varying periods during the year. These temporary closures mostly lasted between 2 and 10 days at times, however some reported longer closure periods. In some instances, the service providers were able to negotiate through community elders with anti-government elements.

Despite the challenges, the Sehatmandi project is on track to achieve its development objectives. The performance management system continues to function well and MoPH has successfully conducted seven quarterly and three semiannual reviews. The project-financed third-party monitor (distinct from the ARTF Third Party Monitoring Agent) conducted three rounds of data verification, functionality assessment of health facilities, and balance scorecard assessments. An HMIS online monthly reporting dashboard has been developed, as well as a reporting system for COVID-19 and force majeure for health facilities, while MoPH and WB teams revised the project standard operating procedure.

HEALTH						
NPP KEY OBJECTIVE: HUMAN CAPITAL DEVELOPMENT PROGRAM						
Universal and quality health care services.						
ARTF Outcomes and Indicators			ARTF Milestones/Outputs			ARTF Portfolio
Outcome: Improved access to basic health services and systems, particularly for pregnant women and children						<b>ONGOING</b>  <b>SEHATMANDI,</b> <b>US\$600 million:</b> <b>ARTF: US\$425 million</b> <b>IDA: US\$140 million</b> <b>Global Financing Facility: US\$35 million</b>
<b>17</b> Births attended by skilled attendants	Baseline	429,305 (2013)	<b>M12</b> Health facility visits per capita per year to BPHS/EPHS facilities <sup>28</sup>	Baseline	1.9 (2016)	
	Progress	1,518,802 (2020)		Progress	2.3 (2020)	
	Target	2,737,852 (2022)		Target	2.5 (2021)	
<b>18</b> Scorecard score examining quality of care in health facilities (average score)	Baseline	59.3 (2018)	<b>M13</b> Proportion of health facilities staffed with at least one female health worker (%)	Baseline	74% (2012)	
	Progress	70.6 (2020)		Progress	95% (2020)	
	Target	64.3 (2022)		Target	86% (2019)	
<b>19</b> PENTA3 vaccination coverage	Baseline	60.8% (2018)	<b>M14</b> Proportion of children under five years with severe acute malnutrition who are treated (%)	Baseline	24% (2011)	
	Progress	61.0% (2020)		Progress	86% (2020)	
	Target	67.9% (2022)		Target	55% (2019)	
<b>20</b> Minimum dietary diversity (%)	Baseline	24% (2018)				
	Progress	24% (2020)				
	Target	35% (2022)				
<b>21</b> Contraceptive prevalence rates (modern methods) (%)	Baseline	17.4% (2018)				
	Progress	17.4% (2020)				
	Target	19.2% (2022)				

28 Milestone rephrased from “Number of health consultations per year” to “Health facility visits per capita per year to BPHS/EPHS facilities.” BPHS: Basic Package of Health Services; EPHS: Essential Package of Hospital Services.



## EDUCATION

**THE EDUCATION QUALITY REFORM IN AFGHANISTAN (EQRA) PROJECT** is in its third year of implementation. Transparency and accountability feature strongly in all activities, as demonstrated through Ministry of Education (MoE) and Ministry of Rural Rehabilitation and Development (MRRD) commitment to develop the program implementation manuals for each subcomponent and the recruitment guidelines for hiring technical assistance. Governance risk mitigation measures are in place and updated regularly.

To ensure that the lessons learned from the Education Quality Improvement Program II are incorporated, MoE and MRRD adopted a rather different approach by preparing these detailed work plans using in-house capacity. In the process of developing them, not only were the client agencies able to identify bottlenecks but they also came up with mitigation measures, which were, however, time consuming and required concerted efforts.

While the civil works program implemented by MRRD is progressing well with some delays, the soft components implemented by MoE experienced a setback due to COVID-19. Schools were closed in the 2020 academic year and hence none of the soft component programs, such as teacher training, community-based education, school grants program, and other activities at school level, could be implemented.

MRRD has completed the construction of 600 projects and formally handed them over to MoE. A Third-Party Verification Agency is in the process of verifying if MRRD has met the disbursement conditions for the second sequence of US\$75 million. MoE has achieved three out of the five disbursement-linked indicator (DLI) targets set for 2020 and partially met the remaining two. The achievement of 2019 DLIs is currently being verified by the Third-Party Verification Agency hired by MoF through EQRA support. The Bank will authorize payment against these DLIs once the verification report is cleared.

The **Higher Education Development Project (HEDP)** made substantial progress in 2020. However, it experienced disruptions due to the COVID-19 pandemic throughout the year resulting in delays in planned activities, including training programs, quality assurance peer reviews of universities, infrastructure projects, and the progress of Masters and Ph.D. scholars. As a response to the COVID-19 pandemic, HEDP was

restructured to include greater emphasis on online higher education and blended learning.

There was a strong increase in both first year female students and total students in priority disciplines in 2020. The total enrollment in priority disciplines increased from 86,215 in 2019 to 82,500 in 2020. Likewise, female enrollment in priority disciplines increased from 5,558 in 2019 to 6,746 in 2020. This confirms the achievements of 2020 targets for first year female enrollment and total enrollment in priority disciplines. HEDP has made good progress in introducing the outcome-based education-student-centered learning (OBE-SCL) approach into the higher education system in Afghanistan. During 2020, HEDP conducted OBE-SCL training workshops at 21 universities and higher education institutes, and trained more than 500 new academic members in OBE-SCL.

The project also scaled up the ICT facilities provided to public universities to effectively respond to the COVID-19 disruption. Ten ICT centers in universities were functional at the end of 2020. This exceeded the target of seven functional ICTs by December 2020.

HEDP increased the number of scholarships awarded from 488 in 2019 to 492 in 2020. Furthermore, the number of scholars returned after completing their courses increased from 122 in 2019 to 221 in 2020.

The internal and external quality assurance activities progressed well. Cumulatively, the program has established 18 Internal Quality Assurance Units in public universities. HEDP also conducted a training program for 16 newly hired external peer reviewers by four master trainers in Kabul. The project continued to externally review additional universities during 2020 despite the restrictions posed by COVID-19. During the year, HEDP externally peer reviewed 17 universities altogether, including three focus reviews. Of the 17, seven were public universities and the rest private universities. HEDP had cumulatively reviewed 56 universities, including 20 public universities and 36 private higher education institutions, by December 2020.

During 2020, HEDP continued to expand the number of universities completing and issuing Strategic Institutional Development Plans (SIDPs). In the course of 2020, 44 universities developed and issued SIDPs, raising the cumulative number of SIDPs to 80, including 24 public and 56 private universities.



HEDP also expanded the number of research grants in 2020. Ten additional research grants were awarded during 2020, bringing the total number to 161. During the year, 13 group and 22 individual research projects were completed. Cumulatively,

112 research projects, including 38 group research projects and 74 individual research projects, have been completed.

EDUCATION					
NPP KEY OBJECTIVE: HUMAN CAPITAL DEVELOPMENT PROGRAM					
Outcome-based and standardized education programs.					
ARTF Outcomes and Indicators			ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Increased equitable access to quality education, especially for girls					<b>ONGOING</b>
22 Students attending school regularly in selected provinces (girls) <sup>29</sup>	Baseline	4.0 million (2016) (1.5 million girls)	M15 Schools constructed or expanded with classrooms, boundary walls, water points, and gender-segregated latrines	Baseline	0 (2018)
	Progress	4.3 million (2019) (1.6 million girls)		Progress	735 <sup>30</sup> (2020)
	Target	5 million (2023) (1.9 million girls)		Target	2,646 (2023)
23 Out-of-school children in selected provinces (girls)	Baseline	2.2 million (2016) (1.3 million girls)	M16 Students benefiting from direct interventions to enhance learning (girls) <sup>31</sup>	Baseline	6.2 million (2016) (2.4 million girls)
	Progress	NA		Progress	7.2 million (2019) (2.8 million girls)
	Target	1 million (2023) (643,029 girls)		Target	7.2 million (2023) (2.8 million girls)
NPP KEY OBJECTIVE: HUMAN CAPITAL DEVELOPMENT PROGRAM					
Market-driven higher education and training programs.					
Outcome: Increased access to higher education and high quality vocational education and training					<b>ONGOING</b>
24 Student enrollments in priority degree programs for economic development (women)	Baseline	64,200 (2015) (11,400 women)			Afghanistan Second Skills Development Project (ASDP II) IDA: US\$55 million  Higher Education Development Project (HEDP) ARTF: US\$55 million
	Progress	82,500 (2020) (16,900 women)			
	Target	86,500 (2022) (18,500 women)			

29 2020 data not available.

30 A total of 444 school buildings, of which 134 had missing items.

31 2020 data not available.



# PROFESSIONAL DEVELOPMENT CENTERS BRING MODERNITY TO AFGHAN UNIVERSITIES

TEACHING AT KANDAHAR UNIVERSITY has changed, moving away from traditional methods to modern techniques and engaging students more effectively. This is an outcome of establishing Professional Development Centers (PDCs) in public universities nationwide in 2017, a concept mooted by the Ministry of Higher Education.

Computer science lecturer [REDACTED] 38, and his colleagues from a range of faculties were among the first to embrace the idea at Kandahar University, where they quickly decided to designate a room in the literature department to host a PDC. What was once a multipurpose administrative storage room is now a welcoming, collaborative space for staff to learn, share, and innovate.

“It was very important to establish this center,” [REDACTED] says, “because we know that academic development needs regular training and workshops to be aware of the new updates in the world.” The purpose of the PDC is to share new findings, innovations, or changes in academia and administration, he says.

The center, run by the university, was set up and equipped under the Higher Education Development Project (HEDP), and includes a solar power system that ensures regular electricity supply and has been a big support for conducting workshops.

The PDC at Kandahar University has conducted 15 internal workshops, facilitated by external experts or university staff depending on the topic. Each workshop sets out to tackle a different area that staff members at Kandahar University have identified for their improvement. The workshops have focused on modern

It was very important to establish this professional development center because we know that academic development needs regular training and workshops to be aware of the new updates in the world.

[REDACTED]





teaching and research methods, quality assurance, accreditation issues, technical programs, and the benefits and use of e-learning technology in teaching and learning.

The PDC also provides staff the opportunity to share their professional experiences. ██████████ emphasizes the importance of learning from each other: “Many of our lecturers and senior management staff attend international workshops and seminars and when they return, it is very important that they share what they have learned with faculty and students.”

## POSITIVE IMPACT ON STUDENTS

Following a workshop on modern teaching methods and learning in which 125 teaching staff members participated, ██████████ was curious to know the real impact of the professional development workshops on students.

He and other workshop participants visited the classrooms of their university colleagues at random. The teacher was asked to leave their students with them, says ██████████ to allow students to give honest feedback on their teacher's performance. Mahboobi found that the students were very happy that their teacher had participated in the workshop at the PDC, saying that the new teaching method was very effective and they remained focused for the entire duration of class.

One of the teachers who attended the modern teaching methods workshop, ██████████ 35, an English lecturer, says that he changed his teaching method after the workshop. “When I applied [what I learned] to my classes, the students became more interested in their lessons,” he says.

Over 300 students in Kandahar University have also benefited directly from the PDC. Following a staff workshop on e-learning, participants came up with the idea to create two workshops for students to raise awareness about internationally available online courses. “Besides their traditional classes at our physical campus in Kandahar,” ██████████ points out, “the students can attend courses from different universities online to learn new skills and take advantage of worldwide technology to cultivate an international perspective.”



## WOMEN'S ECONOMIC EMPOWERMENT

**THE WOMEN'S ECONOMIC EMPOWERMENT RURAL DEVELOPMENT PROJECT (WEE-RDP)** is the flagship program under the Women's Economic Empowerment National Priority Program (WEE-NPP) in Afghanistan. It succeeds the Afghanistan Rural Enterprise Development Project, which closed in 2018, with a deepened focus on social empowerment of women through participation in community-level Self Help Groups (SHGs), Village Savings and Loan Associations (VSLAs), and Enterprise Groups (EGs).

In 2020, the project doubled its geographical outreach to 39 new districts, and now has a presence in all the 76 districts as initially planned. WEE-RDP is active in over 4,000 villages across the country. It mobilized mainly women, but also some men, in rural communities in over 2,400 new villages during the year.

In 2020, about 2,000 new VSLAs and over 25,000 new SHGs were mobilized, over 82 percent of which are women's groups. As of end-2020, WEE-RDP and its precursor had together cumulatively mobilized over 40,000 groups. Over 300,000 new beneficiaries came into the project's fold during the year, and



in all nearly 460,000 Afghans are part of the project, of whom nearly 80 percent are women. As of end-2020, the groups had saved a total amount of over 660 million afghanis (or over US\$8.6 million), which is a significant amount considering that most members are poor and live in precarious economic situations.

Overall, an amount of over 225 million afghanis (nearly US\$3 million) has been transferred to the communities by way of seed capital grants. By leveraging their own internally generated savings and the external seed capital grant received from the project, the groups (SHGs and VSLAs combined) have disbursed a total amount of about 1.3 billion afghanis (nearly US\$17.5 million) to their members.

Finally, as of end-2020, the project had about 1,500 active Enterprise Groups, which consisted of over 10,000 entrepreneurs, of whom more than 88 percent were women, involved in a range of income generation activities. Most EGs are centered on a specific income-generating activity. The project also helps these groups by way of catalytic grants that they use to buy some common assets that would help them further improve their income.

In summary, in 2020, the project laid a solid foundation on which it will build further in the coming years to economically empower poor rural women of Afghanistan to help them build a prosperous and bright future for themselves and their families and local communities.

<b>WOMEN'S ECONOMIC EMPOWERMENT</b> (formerly presented under Rural Development)						
<b>NPP KEY OBJECTIVE: WOMEN'S ECONOMIC EMPOWERMENT</b>						
Training in financial literacy and business management, ensuring inclusive access to finance, and promoting access to creative economy markets.						
ARTF Outcomes and Indicators			ARTF Milestones/Outputs			ARTF Portfolio
<b>25</b> Number of direct beneficiaries (women)	Baseline	56,128 (2018) (31,309 women)	<b>M17</b> Net aggregate savings mobilized (US\$, million)	Baseline	US\$5.2 million (2018)	<b>ONGOING</b>  Women's Economic Empowerment Rural Development Project (WEE-RDP), US\$100: ARTF: US\$75 million IDA: US\$25 million
	Progress	448,113 (2020) (351,122 women)		Progress	US\$8.6 million (2020)	
	Target	450,000 (2023) (350,000 women)		Target	US\$15 million (2023)	
<b>26</b> Beneficiaries reached with financial services	Baseline	56,128 (2018)	<b>M18</b> Number of VSLAs that have received a grant	Baseline	0 (2018)	
	Progress	448,113 (2020)		Progress	494 (2020)	
	Target	450,000 (2023)		Target	4,500 (2023)	
<b>27</b> Share of women self-help group members from poor or vulnerable households (%)	Baseline	0% (2018)				
	Progress	84% (2020)				
	Target	60% (2023)				
<b>28</b> Number of agents of licensed financial institutions (women)	Baseline	1,879 (2018) (180 women)				
	Progress	1,879 (2020) (180 women)				
	Target	2,500 (2024) (250 women)				





## AWARENESS CAMPAIGNS HELP PREVENT COVID-19 IN AFGHANISTAN

**AFGHANISTAN HAS REDEPLOYED** two leading development programs to promote health recommendations to fight COVID-19 in thousands of communities.

The awareness campaigns have helped dispel misinformation about the coronavirus while promoting precautionary measures like frequent handwashing and mask wearing.

In several Afghan provinces, women who attended awareness sessions have turned to producing masks for their communities to help prevent COVID-19 outbreaks.

██████ for example, sews about 100 masks a day to help prevent the coronavirus from spreading to Nakarabad,

her hometown of about 1,700 people located in northern Afghanistan’s Jawzjan Province.

The 24-year-old woman is part of a growing cohort of women across Afghanistan who have turned to producing masks to meet the demand triggered by the threat of the virus in their communities. What convinced Shukria to take action was the awareness campaign about the coronavirus that the Citizens’ Charter Afghanistan Project (CCAP), Afghanistan’s flagship development program, organized in her village.

She was invited to attend the local public awareness sessions in her capacity as deputy chair of the Nakarabad Community Development Council (CDC). “During the





campaign, we learned that we had to take the danger of the coronavirus seriously,” she says. “One of the ways to protect against and combat this deadly contagious disease is wearing masks.”

On realizing masks were in short supply, [REDACTED] and four other villagers decided to sew and give away masks to residents in the village. She has distributed nearly 1,000 masks to villagers who cannot afford to buy protective equipment. [REDACTED] intends to train more women in the village to stitch and sew their way to helping defeat the coronavirus.

COVID-19 has hit Afghanistan hard. Low education levels; limited access to information, water, and sanitation; and a weak health system make it difficult for the country to control the rapid spread of the virus.

CCAP and the Women’s Economic Empowerment–Rural Development Project (WEE-RDP) are at the forefront of running public awareness campaigns in rural areas. The Independent Directorate of Local Governance is responsible for the CCAP campaigns in cities and urban areas.

## DISSEMINATING LIFE-SAVING MESSAGES

THE CAMPAIGNS HAVE HELPED dispel misinformation while promoting health recommendations and medical guidelines set by the MoPH.

CCAP has held public awareness sessions for CDC members and mullahs in some 12,000 communities in 124 districts, who in turn share the life-saving information. Mullahs also disseminate messages through mosque loudspeakers to reach all residents.

“We have communicated to people to refrain from shaking hands, kissing, and hugging for the safety of their loved ones, family members, and the broader community, as these measures will help us defeat this global pandemic,” says [REDACTED] who heads a neighborhood council in Mazar-e-Sharif, the provincial capital of Balkh.

In addition, WEE-RDP, which helps empower poor rural women, has sent female staff to villages and individual homes to deliver prevention guidelines, especially to residents with no access to the media. Women canvassers have reached over 4,000 self-help groups in Balkh, Bamyan, Farah, Herat, Kandahar, Khost, Logar, and Nangarhar provinces. They also use video messages on health and hygiene that have proved effective with poor and mostly illiterate communities.

WEE-RDP is also addressing the shortage of masks by encouraging enterprise groups to produce masks that meet the MoPH’s requirements and market needs.



During the campaign, we learned that we had to take the danger of the coronavirus seriously. One of the ways to protect against and combat this deadly contagious disease is wearing masks.

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## CITIZENS' CHARTER

**CITIZENS' CHARTER AFGHANISTAN PROJECT (CCAP)** continued to make significant progress in 2020 despite delays due to the COVID-19 pandemic and increased insecurity throughout the country. By end-2020, the program had expanded to 13,031 rural and urban communities in all 34 provinces of the country, reaching a total of over 13.7 million Afghans.

In 2020, CCAP focused on delivering essential services to communities, creating jobs, and providing cash in the hands of the poorest. The project completed small-scale infrastructure projects in an additional 2,300 rural and urban communities, bringing the cumulative total to 4,895 communities with improved access to clean water, irrigation, roads, and electricity. Through infrastructure works and maintenance construction cash grants, CCAP generated over 4 million labor days in 2020, bringing the cumulative total to over 8.9 million labor days created through labor-intensive public works and short-term job employment for the poorest by the end of the year. Past studies of CCAP's labor-intensive public works and maintenance construction cash grants have shown that the income is used for food, medical expenses, and loan repayments.<sup>32</sup>

According to The Asia Foundation annual Survey of the Afghan People, since 2007, Community Development Councils (CDCs) have consistently been named as trusted local institutions of the Afghan people. CDCs and their education and health subcommittees have been active in monitoring delivery of health and education services through scorecards to improve those services.

Women's empowerment has been a constant theme of CCAP and its predecessor, the National Solidarity Programme. Under CCAP, 50 percent of CDC members are women, translating to over 134,000 women occupying grassroots leadership positions in rural and urban councils throughout Afghanistan. A May 2020 independent evaluation of CCAP in three provinces—Balkh, Parwan, and Zabul—commissioned by the Agency Coordinating Body for Afghan Relief and Development, with support from the World Bank, Swedish Committee for Afghanistan, and Integrity Watch Afghanistan, found that CCAP has been well received by the target communities, which have already begun to report certain social changes in norms, highlighting new roles for women in their communities. In addition, a global study by CARE International in 2020

reported that CDCs and separate CDC women's committees were consistently viewed as the most effective fora and spaces for women's participation. Overall, women named the CDC women's committees or women CDC members as the most likely group they would turn to when they want to influence a public decision. The same study found that health and education CDC subcommittees were recognized by men as legitimate platforms for women's involvement. These findings are consistent with a 2015 World Bank evaluation of the National Solidarity Programme that found that men's acceptance of women's participation in the councils had significantly increased over time.

In the urban CCAP component, 10 percent of the block grant funds—approximately US\$20,000—were set aside for women and used for activities that women prioritized, e.g., construction of parks and gardens for women, livelihoods activities, and vocational training. The program created an estimated 57,000 labor days for women. Despite this progress, both insecurity and cultural norms continue to constrain the role of women in CCAP, and much more needs to be done to deepen their participation in the entire development process.

In 2020, CCAP mobilized quickly to build community resilience to crises as a response to the COVID-19 pandemic and drought. CCAP acted as a "safety net" for communities, providing COVID-19 assistance in project areas as well as supporting community grain banks and social inclusion grants to address severe hunger needs.

For COVID relief, and as part of the government's Dastarkhane-milli Program, MRRD and the Independent Directorate of Local Governance (IDLG) began identifying beneficiaries (those earning US\$2 or less per day) in existing CCAP areas. As a result, 282,047 households benefited from the food and non-food packages by end-2020 with COVID-19 relief activities expected to accelerate in 2021.

To address the problem of seasonal hunger, CCAP supported grain banks, which are community-led initiatives designed to reduce prolonged food shortages during the lean and/or winter months. By end-2020, 25,878 "stop seasonal hunger" campaigns had been conducted in over 9,320 rural CCAP communities, which had established grain banks, with about 57,384 ultra-poor households receiving assistance. These are households who face hunger, especially women-headed or headed by men who are disabled, elderly, or physically incapable of consistently working and require food assistance. Social inclusion grants have been distributed to approximately 62,300 households for internally displaced persons, returnees,

<sup>32</sup> See KfW Development Bank report on Maintenance Construction Cash Grants (MCCG), May 2019.



and women-headed households as well as communities suffering from drought.

At the end of 2020, IDLG and MRRD launched peace pilots covering 75 urban communities in Jalalabad city in Nangarhar province, and 304 rural communities across Kunar, Lagman, and Nangarhar provinces. The peace pilot aims to develop trust and social cohesion within and between communities, and promote inter-ethnic and inter-group interaction, dialogue, and understanding. It aims to influence attitudes and behaviors through promoting values of peace and tolerance. Funding for the pilot was approved in December 2020 and both implementing agencies began recruitment, consulting with other relevant stakeholders, and designing the interventions for 2021–2022 implementation.

The year 2020 was one of increased insecurity across the country, COVID-19 lockdowns and delays, as well as political challenges affecting the implementation of the COVID-19 response rollout, subproject completions, budget approvals, and payments. In both MRRD and IDLG, the project also faced issues with staffing gaps, recruitment, and Facilitating Partner payment delays that impeded smooth project implementation. MRRD, IDLG, and the MoF are working to resolve these many delay and implementation challenges.

**The COVID-19 Relief Effort for Afghan Communities and Households (REACH) Project** was approved in August 2020. As the COVID-19 crisis hit Afghanistan in 2020, the government and donors moved quickly to provide assistance to address health preparedness needs, policy actions linked to the government’s relief and recovery measures, and food insecurity.

The worst impact of the COVID-19 crisis, however, was on the livelihoods of the poorest and most vulnerable. REACH supports the government’s Dastarkhwan-e-Meli Program for COVID-19 relief assistance by providing grants to the most vulnerable households through CDCs for purchasing food and sanitation packages. REACH is expected to provide assistance to 3.3 million households across Afghanistan.

REACH will complement a coordinated relief effort organized through the Citizens’ Charter, the government’s flagship development program. Together, both projects will cover 90 percent of households in the country, benefiting an estimated 5.1 million households with incomes of US\$2 a day or less. This broad coverage will assist vulnerable households, especially female heads-of-household, persons with disabilities, and internally displaced persons/refugees, to withstand the

negative impacts of economic disruptions caused by the COVID-19 crisis.

The project is implemented through MRRD, IDLG, and Kabul Municipality with overall coordination from the MoF and the First Vice President’s Office. The program experienced a slow start in late 2020 as opposition by Parliament and growing insecurity created delays in staff recruitment, budget release, procurement, communications campaign, and contracting of Facilitating Partners.

Despite these challenges, the implementing agencies managed to complete the operations manual, finalize the project monitoring procedures and management information system, prepare the grievance redress mechanism (GRM), recruit several staff, and toward the end of 2020, resolve several of the key budget bottleneck issues. It is expected that REACH activities, including in hard-to-reach areas of the country, will begin in 2021.



## CITIZENS' CHARTER

### NPP KEY OBJECTIVE: CITIZENS' CHARTER PROGRAM

Institutional strengthening and capacity building; rural development; urban development; improving delivery of basic services such as agriculture, education, health; and support to CDCs.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Build on the NSP's platform of CDCs to deliver a broader range of basic services and help foster trust between citizens and the state				<b>ONGOING</b>
<b>29</b> Number of CDCs in rural and urban areas able to plan and manage their own development projects <sup>33</sup>	Baseline Progress Target	0 (2016) 7,172 (2020) 11,750 (2021)	<b>M19</b> Number of communities meeting all minimum service standards	Citizens' Charter Afghanistan Project (CCAP), US\$672 million: ARTF: US\$444.3 million IDA: US\$227.7 million
<b>30</b> Number of residents (rural and urban) (male/female) benefiting from each type of subproject (% women)	Baseline Progress <sup>34</sup> Target	0 (2016) (0% women) 15.9 million (2020) (49% women) 10 million (2021) (50% women)	<b>M20</b> Percentage of grievances received that are resolved (%)	
<b>31</b> Number of vulnerable households benefiting from Social Inclusion Grant	Baseline Progress Target	0 (2017) 29,643 (2020) 20,000 (2021)	<b>M21</b> Percentage of CDC members in rural areas who are women (%)	
<b>32</b> Number of targeted high IDP/returnee communities provided with emergency support	Baseline Progress Target	0 (2017) 2,642 (2020) 2,200 (2021)		

### NPP KEY OBJECTIVE: CITIZENS' CHARTER PROGRAM

Provide social emergency services to all communities in Afghanistan.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
<b>33</b> Number of households receiving in-kind or cash support in (i) rural or peri-urban areas; (ii) provincial capital cities; and (iii) Kabul	Baseline Progress Target	0 (rural or peri-urban) 0 (provincial capital cities) 0 (Kabul) (2020) 0 (rural or peri-urban) 0 (provincial capital cities) 0 (Kabul) (2020) 1,760,000 (rural or peri-urban) 360,000 (provincial capital cities) 500,000 (Kabul) (2021)		<b>ONGOING</b>  COVID-19 Relief Effort for Afghan Communities and Households (REACH), US\$280 million: ARTF: US\$125 million IDA: US\$155 million

<sup>33</sup> This indicator has been adjusted to be defined as "the total number of rural and urban communities that have completed their community development plans and are currently implementing their subprojects" (i.e., CDCs financed).

<sup>34</sup> Aggregate of both rural and urban beneficiaries.

## ECONOMIC GROWTH AND JOB CREATION

### INFRASTRUCTURE

**THE NAGHLU HYDROPOWER PLANT (NHPP)**, as the largest domestic generation plant in Afghanistan, is critical for reliable operation of the North East Power System. Rehabilitation thus far has resulted in the power plant operating at full capacity of 100 MW. During 2020, COVID-19-related challenges and lockdowns affected and slowed down implementation and procurement of activities under the **Naghlu Hydropower Rehabilitation Project (NHRP)**.

Notwithstanding these challenges, important results were achieved in 2020. Drainage pumps were supplied and installed in the drainage galleries. The drainage and grouting galleries were dewatered and cleaned for the first time after several years, helping release uplift pressure on the dam body and keep the dam stable. Construction of a retaining wall and security wall around NHPP premises was completed, which will secure access to the power plant and prevent soil erosion.

Bathymetric equipment was procured and supplied to the site and a bathymetric survey of Naghlu reservoir was carried out by NHPP staff. The extension of the distribution system to 18 villages in Sorobi district was also completed in 2020, providing 1,710 households access to electricity. Delays in the procurement process, especially in the evaluation process and in obtaining concurrence of the National Procurement Commission, were the main challenges that hindered smooth progress of activities in 2020.

The ongoing activities financed by NHRP are focused on sustainability, longevity, and safety of the Naghlu Dam. The overhaul of Unit 2 and dam safety audit are underway, and NHRP will finance hydromechanical rehabilitation and sediment management in the Naghlu Dam. The sediment, that has been accumulating for over 30 years, is a risk to the mid-term operation of the hydropower plant and must be removed in an environmentally and socially sustainable manner. Two parallel ongoing assignments, for environmental and social impact assessment and dam safety, will guide the approach for sediment management and safe extension of the life of the reservoir.

Capacity building and benefit-sharing under NHRP also support the sustainability of NHPP. The engineers from Da Afghanistan Breshna Sherkat (DABS) have strengthened their

technical capacity to operate and maintain the hydropower plant by working together with international experts mobilized by NHRP. Based on a request from the government, DABS and the WB team are preparing to repurpose savings in NHRP for extending the grid to around 93 additional villages in Sorobi and Tagab districts and for rehabilitation of the 11.5-MW Darunta Dam.

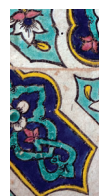
The objective of the **Central Asia South Asia Community Support Project (CASA-CSP)** is to provide access to electricity or other social and economic infrastructure services to communities in the project area to strengthen community support for the Central Asia South Asia Electricity Transmission and Trade Project (CASA-1000).

CASA-CSP aims to benefit 712 communities in seven provinces located within the CASA-1000 transmission line's four-kilometer wide Corridor of Influence, which are affected during the design, construction, operation and maintenance of the transmission line, but which are not able to access electricity directly from the high voltage transmission line.

To address the slow progress under the project due to the delays in finalizing the route of the transmission line and to respond to the COVID-19 pandemic, CASA-CSP was restructured in November 2020 and US\$10 million was reallocated toward the COVID-19 response. A new component through social inclusion grants and maintenance and construction cash grants for COVID-19 emergency relief is providing communities with food and livelihoods.

Communities will receive a relief grant based on the number of eligible households in their communities and CDCs will distribute social inclusion grants in the form of relief packages worth 4,000 afghanis (about US\$52) consisting of essential food staples and hygiene products. The value of the package is 50 percent of the monthly food ration of an average Afghan household. As of December 2020, 254 communities had been mobilized, including the selection of beneficiaries, and were ready to receive the social inclusion grants.

There has been good progress with social mobilization: 539 Community Profiles were completed, 529 CDCs have been elected with 50 percent participation of women, 516 communities prepared their Community Development Plans and 495 Well-Being Analysis completed. In terms of subprojects: 398 CDC were surveyed, 362 subproject proposals have been uploaded in the system, and 280 were approved. There are 220 ongoing subprojects.



A survey conducted in late 2017 showed that the **Afghanistan Rural Access Project (ARAP)** made strong progress in project development objective-level indicators since it was approved in June 2012: the population living within 2 km of an all-season road had increased from 58 percent at baseline to 89 percent in project areas and travel time to the main socioeconomic centers had reduced by more than 30 percent.

ARAP continued to progress well in 2020, mainly focusing on closing ongoing civil work contracts. The project faced challenges over the year, including with respect to security, weak contractor capacity, long and delayed procurement processes and procedures, lack of inter-agency coordination, changes at the political/leadership levels of ministries, and

challenges with governance/interference. To help address these challenges, the WB team increased the frequency and intensity of hands-on support, follow-up, and supervision, with support from the ARTF Third Party Monitoring Agent, which conducted nearly 50 visits to ARAP subprojects throughout the year to help project management ensure the quality of civil works and the accuracy of site reporting.

In 2020, over 100 km of rural roads were rehabilitated, 500 km of rural roads received periodic maintenance, and over 100 linear meters of bridges were constructed across the country. Several training sessions were arranged for project staff on gender, road safety, social and environmental management, procurement, and financial management.

INFRASTRUCTURE						
NPP KEY OBJECTIVE: NATIONAL INFRASTRUCTURE PLAN						
Improve energy access and connectivity, by strengthening national grid network integration, and expanding national energy generation.						
ARTF Outcomes and Indicators			ARTF Milestones/Outputs		ARTF Portfolio	
Outcome: Improved power supply and access to electricity in the target areas <sup>35</sup>						<b>ONGOING</b>
<b>34</b> Increase in the number of beneficiaries <sup>36</sup> with new connections to the grid in the target areas <sup>37</sup>	Baseline	0 (2016)	<b>M22</b> Distribution lines constructed under the project (km)	Baseline	0 (2016)	Naghlu Hydropower Rehabilitation Project (NHRP) ARTF: US\$83 million
	Progress	11,970 (2020)		Progress	88 km (2020)	
	Target	11,970 (2021)		Target	88 km (2021)	
			<b>M23</b> 75% of sampled families benefiting from the CSP express support for the transmission line (%)	Baseline	50% (2014)	CASA-1000 Community Support Project (CASA-CSP) ARTF: US\$40 million  DABS Planning and Capacity Support Project ARTF: US\$6 million  Herat Electrification Project IDA: US\$60 million
				Progress	55% (2020)	
				Target	75% (2022)	
			<b>M24</b> At least 50% of total beneficiaries are female (%)	Baseline	0% (2014)	
				Progress	50% (2020)	
				Target	50% (2022)	
<b>35</b> Increase in the communities within the Col that are provided with access to electricity through the CSP grant-funded subprojects	Baseline	0% (2016)				
	Progress	26% (2020)				
	Target	50% (2022)				
<b>36</b> 100% of communities in the Col receive support through the CSP grant (%)	Baseline	0% (2016)				
	Progress	32% (2020)				
	Target	100% (2022)				

35 Some projects count households; an average of seven people per household is assumed.

36 NHRP target is to provide 1,710 households in 18 villages of Sorobi district. Number of households multiplied by seven (average family size in Afghanistan) = 11,970.

37 Indicator changed to Naghlu Hydropower Rehabilitation Project.



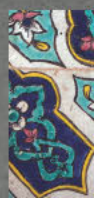
## INFRASTRUCTURE

### NPP KEY OBJECTIVE: NATIONAL INFRASTRUCTURE PLAN

Integrated transport network infrastructure investments, systematically planned and implemented, focused on facilitating the country's economic growth and development, through expanding access to domestic, regional, and international markets and social services, increasing employment, and spurring trade, transit, and logistics.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio		
Outcome: Increased transport infrastructure				<b>ONGOING</b>		
37 Kilometers of roads constructed or rehabilitated	Baseline	0 km (2014)		Kabul Municipal Development Program (KMDP) ARTF: US\$110 million		
	Progress	680 km (2020)				
	Target	597 km (2021) (KMDP) <sup>38</sup>		Kabul Urban Transport Efficiency Improvement Project (KUTEI) ARTF: US\$78.5 million		
	Baseline	0 km (2013)				
	Progress	36 km (2020)				
	Target	32 km (2019) (KUTEI)				
Outcome: Improved rural access				<b>ONGOING</b>		
38 Proportion of rural population living within 2 km of all-season road (%)	Baseline	58% (2012)	M26 Total rural roads rehabilitated and maintained (km)	Baseline	0 (2013)	Afghanistan Rural Access Project (ARAP), US\$407 million: ARTF: US\$282 million IDA: US\$125 million
	Progress	89% (2020)				
	Target	65% (2020)		Progress	2,550 km (2020)	
				Target	2,550 km (2020) (ARAP)	

38 Data reported is an aggregate of both community and trunk roads paved.





We had the full cooperation of residents and the local government when we implemented our projects. Our work was successful with their support and encouragement.



# Upgraded Road Improves Access

## TO ESSENTIAL SERVICES FOR THOUSANDS OF AFGHANS

A GROUP OF TEENAGERS are riding bicycles on the flat concrete street, while a few others are standing around ██████████ 42, listening to his stories. ██████████ and his listeners are in front of his tiny grocery shop in Pul-e-Babo village in Dehdadi district, Balkh Province.

Sitting on an iron chair, ██████████ flicks his dark red prayer beads and earnestly shares his recollections. He recalls the days when the street in front of his shop was unpaved and full of stagnant puddles during the rainy season because there was no drainage system.

“Just a small amount of rain would make standing water and mud on the street,” he recounts. “At that time, passing the street was not easy for people and sometimes even for cars because of the mass of puddles and mud.” ██████████ a father of three, has been a shopkeeper in Pul-e-Babo village for over seven years. “In the summers, the weather was dusty and the dust would sit on my goods. People were not interested in buying dusty goods from my shop.”

██████████ and his neighbors have a very different view today. The 300-meter Pul-e-Babo street is paved, lined by drains and a 1.5-meter-wide sidewalk. The construction work was implemented by the Community Development Councils (CDCs) of Pul-e-Babo and Dehdadi Kohna villages, under the Afghanistan Rural Access Project (ARAP), which closed in December 2020.

The work, under the supervision of ARAP engineers, started in June 2017 and was completed within four months at a budget of 3.5 million afghanis (about \$49,000). The newly paved street serves over 16,000 residents of Pul-e-Babo, Dehdadi Kohna, Araban, Shirmast, and Naw Abad villages, connecting them to a main road that leads to the district center. Many commute daily to their workplace and the markets.

██████████ 52, chairperson of the Dehdadi Kohna CDC, says he is pleased that the street is paved, adding that most of the villagers are farmers and laborers who could not have made this happen without ARAP support. “Sometimes it flooded in houses because of the huge amount of water on the street. Now, there is a drainage system and we don’t have that problem anymore,” says ██████████ of ██████████

### LOCAL SUPPORT AND ENCOURAGEMENT

In Balkh Province, ARAP, implemented by the Ministry of Rural Rehabilitation and Development (MRRD), graveled more than 74 kilometers of road, asphalted and paved 1.9 kilometers of road, and constructed 40 meters of bridge across different districts.

██████████ MRRD provincial engineer in Balkh Province, points out the importance of local cooperation for the project’s success: “We had the full cooperation of residents and the local government when we implemented our projects. Our work was successful with their support and encouragement.”

ARAP’s activities connected close to 25,000 people in Balkh Province to schools, clinics, markets, and other basic services. Moreover, it created more than 68,000 short-term labor days for the locals. ██████████ chairperson of Dehdadi district CDC, cites the work on Pul-e-Babo street, which gave short-term employment to many villagers. “Concreting the street not only solved many issues, but it also helped many families earn an income.”



## URBAN DEVELOPMENT

### THE KABUL MUNICIPAL DEVELOPMENT PROGRAM (KMDP)

grant of US\$110 million was approved on April 3, 2014 and became effective on April 11, 2014. The grant was restructured in November 2017, extending its closing date by 18 months to June 30, 2021. The project development objectives are to (i) increase access to basic municipal services in selected residential areas of Kabul city; (ii) redesign KM's financial management system to support better service delivery; and (iii) enable early response in the event of an eligible emergency. Despite the challenging operating environment, KMDP has achieved most of its objectives and targets.

As of December 2020, the grant has disbursed US\$83.76 million and US\$100.08 million is committed. KMDP has contributed to the upgrading of basic municipal infrastructure by constructing or rehabilitating 663 km of roads (surpassing the target of 560 km) and providing 574,769 people in urban areas with access to all-season roads within 500 meters (115 percent of the target of 500,000 people).

KMDP has established social safeguards: a total of 206 male Gozar Cooperating *Shuras* and 94 female Gozar Cooperating *Shuras* have been established, and a GRM is in place for 113 projects to date. KMDP has repurposed US\$10 million for labor-intensive public works in KM districts, with end target estimate of 855,904 jobs created, in addition to providing basic municipal services in the communities.

The Afghanistan Financial Management Information System is now operational in KM, as well as in 12 districts and two directorates. The Core Finance Module (Budget, Expenditure, and Revenue) is active, and was used to generate KM's financial report for FY 1398 (2019). The Revenue, Budget, and Expenditure Dashboard was completed in June 2020 to provide quick information access for the public and KM management. In line with its project development objective target, KM can now provide expenditure reports detailing types of services provided.

The **Kabul Urban Transport Efficiency Improvement Project (KUTEI)** was approved on April 11, 2014, with a total approved financing of US\$90.5 million, to improve road conditions and traffic flows on selected corridors of Kabul city. However, the project was restructured in 2019, with its closing date extended to December 31, 2020, and a partial cancellation of US\$10 million from the overall financing amount of the project.

The project closed as scheduled on December 31, 2020, achieving its intended project development objectives and disbursing US\$77 million (96 percent) of its allocated funding. Key achievements include completion of 40 km (125 percent) of trunk roads in Kabul city; 6.95 km of canals constructed in Kabul city, which has had great impact on the discharge of surface water and protected road networks in certain areas from seasonal rainfall/flooding; consultancy services for the design and review of 40 km of roads successfully completed; the machinery for the O&M department of KM purchased and is being utilized; and on-the-job training for KM civil service staff conducted. In 2020, the project disbursed nearly US\$3 million and completed the ongoing civil work contracts for 9 km of road and 6.5 km of canal.

The **Cities Investment Program (CIP)** is designed as a long-term program that aims to improve the sustainability and livability of nine regionally balanced<sup>39</sup> Provincial Capital Cities. The first phase of the program, effective since February 2019, supports the rehabilitation of municipal infrastructure and introduction of improved municipal finance and management systems. It is implemented by IDLG and is the WB's first urban operation outside of Kabul. The project was restructured to support COVID-19 recovery efforts through labor-intensive works in the cities.

COVID-19 lockdowns created some key implementation challenges in 2020, leading to delayed procurement of civil works, consultancy contracts, and staff recruitment. Multiple changes in IDLG leadership have had some effect on active ownership of the program's reform agenda because of the time required for new leadership to familiarize themselves with the program.

Despite these challenges, CIP made substantial progress in the last 12 months despite COVID-19-related challenges. Eighteen priority projects are under implementation. The project has taken an integrated approach vis-a-vis urban road, incorporating features like bike lanes, sidewalks, traffic signs, drains, and trees.

Eleven COVID-19 labor-intensive emergency projects have been awarded, with CIP being one of the first operations to roll out such projects on the ground. An additional 58 emergency projects have been prepared and are at various stages of procurement. The project expects to commit all allocated

<sup>39</sup> The project is implementing subprojects and advancing municipal reforms in cities that are distributed relatively evenly across the country. CIP is being implemented in Herat, Jalalabad, Kandahar, Khost, and Mazar-e-Sharif.



funding for infrastructure development by the end of CY 2021. The project puts strong emphasis on developing the capacity of municipalities, which are actively engaged in the implementation. On system strengthening, an Own Source Revenue enhancement strategy consultancy is under

procurement, dialogue on the establishment of a Municipal Incentive Fund is ongoing, and the project is conducting a detailed review of the Financial Management Information System for the roll out in the municipalities.

## URBAN DEVELOPMENT

### NPP KEY OBJECTIVE: URBAN DEVELOPMENT PROGRAM

Establish sustainable and balanced transportation system, infrastructure, and services.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
<b>39</b> Number of people in urban areas provided with access to all-season roads within a 500-meter range under the project	Baseline 0 (2014) Progress 564,783 (2020) Target 500,000 (2021) (KMDP)	<b>M26</b> Total community roads paved (km)	Baseline 0 (2014) Progress 639 km (2020) Target 560 km (2021) (KMDP)	<b>ONGOING</b>  Kabul Municipal Development Program (KMDP) ARTF: US\$110 million  Kabul Urban Transport Efficiency Improvement Project (KUTEI) ARTF: US\$78.5 million
	Baseline 0 (2013) Progress 58,977 <sup>40</sup> (2018) Target 50,000 (2019) (KUTEI)		Baseline 0 (2018) Progress 0 (2020) Target 650,000 (2024) (CIP)	
<b>40</b> Number of urban residents benefiting from project components	Baseline 0 (2018) Progress 0 (2020) Target 650,000 (2024) (CIP)	<b>M27</b> Roads constructed (km)	Baseline 0 (2018) Progress 0 (2020) Target 100 (2024) (CIP)	Cities Investment Program (CIP) ARTF: US\$17.5 million

40 In 2013, a total of 58,977 people living in a range of 500 meters along five roads of the project did not have access to an all-season road. As of December 31, 2018, all planned road contracts were completed and a total of 58,977 people have access to an all-season road. This is the latest data available from the actual survey carried out by KUTEI during December 2018.



## AGRICULTURE

**THE EMERGENCY AGRICULTURE AND FOOD SUPPLY PROJECT (EATS)** became effective on September 20, 2020. It seeks to respond to food security challenges and reduced income resulting from the COVID-19 crisis through support for (i) food supply chains and production to restore/maintain and improve food security with a focus on wheat and other key staple crops; (ii) employment generation with specific and strong support to youth and women engagement in agriculture; and (iii) resilient agriculture productivity and sustainable agribusiness services. It balances the immediate need for job creation and maintenance of food security and livelihood support through early action against crop failure as well as irrigation infrastructure to mitigate drought-related crop loss for food security.

By December 31, 2020, the project operations manual and safeguard instruments were developed and are under implementation. It has also taken advanced steps in developing the management information systems that cover different functions of the project, including human resources, finance, contract, and grant management, to ensure better data security and integrity.

The project made progress onboarding key project staff, which included developing terms of reference for all project staff, transferring all PPG staff to the main project, and advancing hiring of the key project team member.

The procurement process for 30 irrigation schemes was launched and implementation is expected to start in March 2021. Another 39 irrigation schemes are planned for calendar year 2021 through the public procurement system, and the technical designs and bid documents are ready for announcement. To support the efforts to diversify the agricultural sector to improve farm household income and nutrition outcomes, EATS started to establish high-value crop orchards in the eastern and western regions of the country.

EATS has reached over 210,000 households with improved seed packages on a cost-shared basis as part of its efforts to boost wheat productivity of the upcoming harvest season for vulnerable households across 399 districts in 34 provinces. Despite the emergency nature of the project, it was able to monitor and record the rollout of the seed distribution campaign using KoBo Toolbox, which allows a detailed record of each transaction.

Furthermore, technical support to the Agriculture Research Institute of Afghanistan for the production of quality breeder seed in regional research stations is well underway, which has also led to the creation of short-term jobs for vulnerable daily wage workers. The project has also advanced planning for establishing low-cost farm-level storage facilities. The storages will allow farmers to supply their products to the market when they are able to obtain good market prices, thus contributing to the regulation of supply and demand.

The **National Horticulture and Livestock Project (NHLP)** closed in December 2020. The project implementation process was slowed down in March 2020 due to the COVID-19 pandemic and related measures (lockdown, restrictions in movements, social distancing) and the cancellation of the uncommitted US\$12.5 million from the project financing.

The COVID-19 pandemic shifted priorities, and the project management unit focused on meeting the requirements for closing the project in December 2020. Over the life of the project, NHLP rehabilitated 32,143 hectares (ha) orchards, established 32,524 ha new orchards (exceeding the target of 19,000 ha), and supported about 15,615 farmers with improved post-harvest knowledge and tools. Producer market organizations were established and linked to district Farmer Service Centers to build the linkages with private sector stakeholders (such as traders, middlemen, and/or retailers).

NHLP organized a total of 135,131 target households into 5,924 producer groups under orchard rehabilitation, kitchen gardening, livestock extension, and poultry programs. The project reached 408,263 beneficiaries with technical assistance on improved production practices, against the target of 254,000. About 54 percent of targeted farmers had adopted horticulture technology packages and over 83 percent of beneficiary farmers adopted the improved marketing practices promoted by the project. More than 80 percent of beneficiary farmers reported positive impacts from the introduced best agricultural and livestock practices on the production level.

On women-focused activities under the horticulture component, NHLP established 150,047 kitchen gardening plots and saffron demonstration schemes against the target of 90,000 schemes in 28 provinces. The project supported the establishment of 25,000 backyard and 3,000 small-scale poultry production units for 28,000 women.



A WB-led in-depth fiduciary review of the project was conducted during 2019 and identified a total of US\$1.96 million ineligible expenditure. The project responded to these findings prior to closure and refunded the amount to the ARTF parent account, which will be reprogrammed to support other development initiatives. The findings and lessons learned from the in-depth fiduciary review guided the development of an enhanced accountability and fiduciary framework in the design of EATS to mitigate potential fiduciary risks.

Under the Irrigation Restoration and Development Project (IRDP), about 284,390 ha were provided improved irrigation and drainage services, exceeding the total project targeted area of 215,000 ha. The project closed on December 31, 2020, with over 96 percent of its commitments disbursed.

The project met and significantly exceeded key project development objectives:

- Area with improved irrigation and drainage services reached 284,391 ha, which was 32 percent above target.
- Number of water users provided with new/improved irrigation reached to 580,910, which was 51 percent above target.

- Dam safety reviews were completed for 10 dams against a target of three.
- Direct project beneficiary number increased to 611,483, which was 53 percent above target.

Similarly, several of the Intermediate Results Indicators also exceeded the end targets: irrigation canal rehabilitation reached 2,667 km (33 percent above target) and riverbank protection reached 45.81 km (74 percent above target).

Rehabilitation work of 215 out of 230 targeted irrigation schemes were completed by project closure. Rehabilitation work of the remaining 15 irrigation schemes, which were in different stages and not completed due to the COVID-19 crisis and security situation, is ongoing and expected to be completed under government funding by end of July 2021.

Altogether the ARTF-financed irrigation projects, the On-Farm Water Management Project and IRDP, had provided over 1 million farmers (including 535,279 females) with 486 rehabilitated irrigation schemes, covering nearly 345,000 ha of irrigation command area, compared to a target of 274,000 ha.



# AGRICULTURE

## NPP KEY OBJECTIVE: NATIONAL COMPREHENSIVE AGRICULTURE DEVELOPMENT PRIORITY PROGRAM

Improving irrigation systems; increased wheat production; horticulture value chain.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio	
Outcome: Increases in agricultural, horticultural, and livestock productivity in targeted areas				<b>ONGOING</b>	
<b>41</b> Water users provided with new/improved irrigation and drainage services (female) <sup>41</sup>	Baseline	0 (2011) (0 female)	<b>M28</b> Area provided with new/improved irrigation and drainage service <sup>42</sup> (ha)	Baseline 75,000 ha (2011) Progress 269,984 ha (2020) Target 215,000 ha (2020) (IRDP)	National Horticulture and Livestock Project (NHLP) ARTF: US\$176.33 million
	Progress	555,496 (2020) (298,092 female)			
	Target	385,000 (2020) (200,000 female) (IRDP)			
		<b>M29</b> New orchards (including vineyards and pistachio groves) established with at least 65% survival rate (ha)	Baseline 0 (2012) Progress 32,524 ha (2020) Target 19,000 ha (2020) (NHLP)	Irrigation Restoration and Development Project (IRDP), US\$204.2 million: ARTF: US\$108.4 million IDA: US\$95.8 million	
		<b>M30</b> Adoption rate of improved horticulture technology packages <sup>43</sup> (% of female farmers adopting)	Baseline 0 (2013) (0% female farmers) Progress 60% (2020) (65% female farmers) Target 75% (2020) (75% female farmers) (NHLP)		
<b>42</b> Days of short-term labor financed by the project (women)	Baseline	0 (2020) (0 women)			<b>ONGOING</b>  Emergency Agriculture and Food Supply Project (EATS), US\$100 million: ARTF: US\$45 million IDA: US\$55 million
	Progress	0% (2020) (0 women)			
	Target	5,000,000 (2022) (200,000 women) (EATS)			
<b>43</b> Volume of inputs (wheat seed and other crop seeds) distributed to farmers under the project (metric ton [MT])	Baseline	0 MT (2020)			
	Progress	0 MT (2020)			
	Target	30,000 MT (2022) (EATS)			
<b>44</b> Institutional capacity built and beneficiaries' skills developed (in participant training-days) (female participant training-days)	Baseline	0 training-days (2020) (0 female participant training-days)	<b>M31</b> Farmers reached with agricultural assets or services (female)	Baseline 0 (2020) (0 female farmers) Progress 0 (2020) (0 female farmers) Target 80,000 (2022) (22,000 female farmers) (EATS)	
	Progress	0 training days (2020) (0 female participant training-days)			
	Target	24,600 training-days (2022) (6,800 female participant training-days) (EATS)			

41 Indicator and data updated based on the IRDP results framework.

42 This refers to either new areas or improved service for already existing areas.

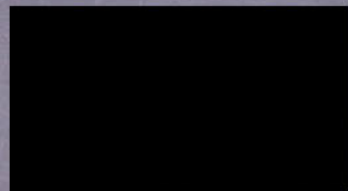
43 Defined as improved technology in production and animal health care. Adoption of new technologies is a reflection of changed behavior and improved capacity of farmers. This element is key to sustaining the achievements in productivity.







All the things that I know about horticulture, I owe to NHLP. I now know horticulture like a professional. I am very happy with NHLP for the work they had done for us.





# Farmers Doubled their Income

## WITH PROJECT SUPPORT IN KABUL PROVINCE

**APPLE FARMER** ██████████, 55, believes that he was the best pioneer farmer in his area in Paghman district in Kabul Province. As a pioneer farmer, he provided guidance to other farmers and saw the improvements made in their farming.

“I helped supervise other farmers in this area and I saw great progress in their work,” said ██████████ who grows mainly apples on his *3-jerib* (0.6-hectare) orchard. “They used to earn a minimum amount of profit, but their benefits increased like mine.”

██████████ was nominated by the local *shura* (council) of his village, ██████████ to be a pioneer farmer in 2013 under the National Horticulture and Livestock Project (NHLP), which closed on 31 December 2020. NHLP worked in more than 300 villages in Paghman district.

Each village nominated a pioneer farmer, who was chosen based on his good reputation in the community, long experience in agriculture, and level of education (high school graduates were preferred). The work of a pioneer farmer, a voluntary position, helped spread valuable information on horticulture that allowed even more farmers to benefit from NHLP initiatives.

██████████ explained his work as a pioneer farmer: “I was in contact with NHLP technical experts who came here [to the village] and taught me, and in turn, I taught other farmers what I had learned. Sometimes I organized other farmers to come to my orchard and we all received training from NHLP.” The training covered topics such as irrigation methods, pesticide application, identification of plant diseases, branch pruning, and fruit harvesting, among others.

After the years of training, ██████████ was confident in his work and grateful for the changes it made to his farming. “NHLP helped me understand farming,” he said. “All the things that I know about horticulture, I owe to NHLP. I now know horticulture like a professional. I am very happy with NHLP for the work they had done for us.”



### INCREASE IN INCOME AND PRODUCTIVITY

For ██████████ and some 80 farmers in Qalay Daler village, NHLP assistance led to notable results. “I worked with NHLP for five years and each year, my yield and income improved,” Arabzai said. “The support made a big difference.”

In 2018, ██████████ saw his annual income double over the previous year. “I earned 330,000 afghanis [about \$4,400], [while in the previous year] I earned 170,000 afghanis [about \$2,300],” he said. “When NHLP first came to our village, I was earning just 50,000 afghanis [about \$670] a year from my produce.”

With the guidance of the pioneer farmer in his village, also in Paghman district, thirty-year-old ██████████ was also able to double his income. “In 2018, I earned 40,000 afghanis [about \$530] from my orchard, while the year before, I earned just 18,000 to 20,000 afghanis,” said ██████████ who plans to expand his 800-tree orchard. “In the next 4–5 years, I expect to earn 1.6 million afghanis [about \$21,000] from the whole orchard.”

NHLP provided support to only farmers who had their own land, which was crucial in helping them become more efficient. With the tangible and financial support NHLP provided, farmers had access to resources that they did not have previously to raise the productivity of their land and increase their incomes.

## PRIVATE SECTOR DEVELOPMENT

**THE PUBLIC-PRIVATE PARTNERSHIPS AND PUBLIC INVESTMENT ADVISORY PROJECT (PPIAP)** is a five-year project aimed at developing a pipeline of feasible privately and publicly funded projects. PPIAP supports the planning, budgeting, and preparation of development investment projects (both public investment projects and Public-Private Partnerships [PPP] projects) to ensure strategic prioritization and implementation. It is implemented by the Central Partnership Authority (which also serves as the PPP general directorate). PPIAP remains a critical vehicle to support the development of good public investment projects and investment-ready PPP projects.

Effective since July 30, 2018, the project had made progress on several counts until early 2020. The original project size was US\$50 million. In April 2020, US\$5 million was cancelled, followed by cancellation of US\$20 million in June 2020 to make financing resources available for separate COVID-19 response projects. This partial cancellation triggered a project restructuring in September 2020 to scale down project

activities in line with the reduced funds. Current proceeds available under the project are US\$25 million. The project has disbursed US\$3.69 million under the ARTF and US\$1.56 million under IDA.

The amendment to the PPP Law enacted in October 2020 transfers core PPP functions and responsibilities from the MoF to the Afghanistan Investment Facilitation Unit in the Administrative Office of the President. This development does not conform with existing project agreements, and the potential implications for the project are being reviewed and discussed with the government.

**The Afghanistan: Eshteghal Zaiee – Karmondena (EZ-Kar) Project**, approved in December 2018, supports the government's efforts in strengthening the enabling environment for economic opportunities in cities where there is a high influx of displaced people. This is pursued by increasing returnees' access to civil documents (e.g., machine-readable passports), providing short-term employment opportunities, improving market-enabling infrastructure, and supporting investor-



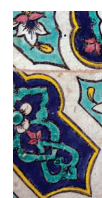
friendly regulatory reforms. The project was restructured in October 2020 to better respond to COVID-19 relief and recovery needs by adding emergency relief grants for local businesses and labor-intensive public works.

The project experienced implementation delays in 2020, due largely to the extended time required in procuring Facilitating Partners and the COVID-19-related partial project cancellation and restructuring, which required some activities to be put on hold while decisions and approvals were pending. Project implementation is expected to accelerate in 2021 with the FP contracts now in place, provincial management units set up in all target provincial capital cities, and social mobilization rolling out. It is expected to start with the implementation of the

newly added COVID-19 response activities and maintenance and construction cash grants.

Business-friendly regulatory reforms are also making progress with the Construction Permit Regulatory Reform Action Plans prepared (for both national and municipal levels) and under implementation. Progress on civil documents is also expected in 2021 as the procurement of passport processing equipment is underway. The project remains highly relevant to the socioeconomic development needs of Afghanistan in the context of continued and escalated levels of fragility and conflict and displacement, as well as the project's direct contribution to COVID-19 relief, recovery, and resilience efforts.

PRIVATE SECTOR DEVELOPMENT				
NPP KEY OBJECTIVE: ENCOURAGE PRIVATE SECTOR INVESTMENT				
Restoring confidence and creating an enabling environment for business.				
ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Improved business enabling environment and present and facilitate opportunities for new businesses			<b>ONGOING</b>	
		<b>M32</b> Number of pre-feasibility studies completed	Baseline: 0 (2018) Progress: 0 (2020) Target: 10 (2023) (PPIAP)	<b>Public-Private Partnerships and Public Investment Advisory Project (PPIAP)</b> US\$25 million: ARTF: US\$15 million IDA: US\$10 million  <b>Afghanistan: Eshteghal Zaiee – Karmondena (EZ-Kar) Project</b> US\$193.75 million: ARTF: US\$43.75 million IDA: US\$150 million
<b>45</b> Number of PPP projects tendered	Baseline: 0 (2018) Progress: 0 (2020) Target: 3 (2023) (PPIAP)	<b>M33</b> PPP Policy and Regulations operationally applied	Baseline: No (2018) Progress: No (2020) Target: Yes (2023) (PPIAP)	
<b>46</b> Number of vulnerable households in high IDP/returnee cities provided with short-term employment support	Baseline: 0 (2018) Progress: 0 (2020) Target: 80,000 (2023) (EZ-Kar)	<b>M34</b> Percentage of complaints/grievances resolved following agreed EZ-Kar service standards (%)	Baseline: 0 (2018) Progress: 100% (2020) Target: 80% (2023) (EZ-Kar)	
<b>47</b> Number of market-enabling infrastructure built or upgraded	Baseline: 0 (2018) Progress: 1 (2020) Target: 1,115 (2023) (EZ-Kar)	<b>M35</b> Number of market-enabling investments under the project that address the gender gap in access to urban economic centers/markets	Baseline: 0 (2018) Progress: 0 (2020) Target: 35 (2023) (EZ-Kar)	
<b>48</b> Reduction in time taken to obtain a construction permit for commercial properties (average days)	Baseline: 0 (2018) Progress: 0 (2020) Target: 77 (2023) (EZ-Kar)			



# PILLAR III

## ARTF Operational and Organizational Effectiveness

PILLAR I  
Afghanistan  
Country-Level  
Outcomes

PILLAR II  
ARTF Project/  
Program-Level  
Outputs and  
Outcomes

PILLAR III  
Operational and  
Organizational  
Effectiveness

### ABOUT THIS PILLAR

THE PFFP RECOGNIZES that as the largest source of on-budget development financing for Afghanistan, the ARTF and its governance bodies are integral to the coordination of development finance, which in turn is integral to achieving GoIRA's development objectives. Effective operation and governance of the Trust Fund are essential to delivering on the ARTF's coordination mandate.

Pillar III reports the operational and organizational effectiveness of the ARTF and the portfolio it supports. It was reorganized in the 2018 edition of the Scorecard in line with donor feedback suggesting that integrating trust fund and operational effectiveness tracking in one section would improve clarity of the report (previous editions of the Scorecard reported these topics separately).

### HIGHLIGHTS

- Project implementation ratings for ARTF-financed projects decreased from 100 percent to 85 percent in 2020, while total disbursement levels dropped slightly as well compared to 2019, reflecting a difficult implementation environment due to deteriorating security and the COVID-19 pandemic.
- With support and engagement from the ARTF Gender Working Group, 88 percent of the portfolio projects have Gender Focal Point staff in client project teams and 84 percent of projects are collecting relevant gender-disaggregated data, showing a slight increase from 2019's level of 81 percent and a continued significant increase from the 68 percent of projects recorded in 2017. The proportion of projects producing gender-related documents has maintained its momentum, increasing from 65 percent in calendar year 2019 to 68 percent in 2020.

- One hundred percent of ARTF-financed projects incorporated citizen engagement and beneficiary feedback in 2020, maintaining 2019 levels.
- In 2020 the Third Party Monitoring Agent conducted 4,041 unique site visits across 34 provinces of Afghanistan. The new contract for the ARTF Third Party Monitoring program was awarded in December 2019, combining both the Supervisory Agent and Monitoring Agent programs into one monitoring contract.
- COVID-19-related travel limitations that began in March 2020 prevented the WB from sustaining previously high levels of physical staff presence in the Afghanistan country office. "Facetime" (staff days spent on direct engagement with Afghan counterparts) slightly declined, but it is likely that WB management systems did not fully capture the extensive online engagement with Afghan counterparts. Had system data fully incorporated online engagements, facetime measures would likely have remained consistent with, or increased relative to, 2019 levels. ARTF governance engagement also remained strong via online video conferences and virtual meeting forums. Reflecting the imposed pause on all missions and travel restrictions, staff facetime slightly decreased in 2020, but if virtual meetings were considered, this could even go higher than last year's facetime numbers.
- The ARTF financed nearly 18 percent of Afghanistan's civilian budget, and predictability of donor contributions slightly increased.

### SUMMARY OF PROGRESS

IMPLEMENTATION CHALLENGES INCREASED due to the deteriorating security environment and disruptions in operation because of the COVID-19 pandemic. Significant safeguard risks required active management. New projects approved in 2020 required an average of five months from



the start of preparations to MC approval. This shows a reduction of 10 months from the time required in 2019 for project preparation. Once effective, IW projects averaged one month until their first disbursement, a drop of nearly 85 percent, relative to the average 6.4 months required until first disbursement in 2019. The decrease in the average is largely attributable to the emergency nature of the COVID-19 Relief Effort for Afghan Communities and Households, and Emergency Agriculture and Food Supply projects.

Implementation ratings of the portfolio as a whole decreased overall, from 100 percent of IW projects rated “moderately satisfactory” or “satisfactory” in 2019 to 85 percent in 2020, of which 70 percent were rated “moderately satisfactory” and 15 percent rated “satisfactory”. The disbursement ratio, which tracks the volume of IW disbursements as a percentage of funds committed during 2020 (for investment projects) stood at 29 percent in 2020. Gross disbursements for IW-financed initiatives totaled US\$345 million in 2020, while RCW disbursements totaled US\$336 million including the AHP disbursements, as reported elsewhere.

The ARTF portfolio and pipeline are complex from a safeguard management perspective, with approximately 85 percent of investment projects currently within the environmental and social category “A” and “B”<sup>44</sup> of the WB safeguard policies, whereas 80 percent of the projects fall under “High” and “Substantial” risk classification based on the new Environmental and Social Framework (ESF). Safeguard considerations are also a focus of attention as a systemic issue in the annual Country Portfolio Performance Review.

In 2020 eight projects were classified in the “Substantial/High-Risk” categories for environmental and social aspects, and two schemes were identified as “Low-Risk” projects. A total of 28 projects triggered the Bank’s safeguard operational policy that involved medium to high environmental and social impact, including involuntary

resettlement and equivalent environmental impacts, requiring tailored environmental and social safeguard measures. Risks spanned the entire scope of the ARTF engagement. Higher risk projects such as these typically face a greater challenge of not achieving operational objectives or delivering sustainable results.

The WB is transitioning from its previous safeguard policies, still applied to projects with a Concept Note approval prior to October 2018, to the new ESF, launched in late 2018. There are four active projects with ARTF financing that follow the new Environmental and Social Standards, while 20 investment operations still follow previous safeguard policies, which adds further complexity to safeguard management and oversight.

During early 2019, an Institutional Rapid Assessment of the National Environmental Protection Agency (NEPA) was conducted as part of Strengthening Safeguard Management Advisory Services and Analytics (ASA) under ACRMAP. It assessed NEPA’s institutional capacity for environmental governance, regulatory authority, and service delivery, besides examining the institution’s actual mandate and resources available.

ASA also convened a capacity-building framework that includes a five-year capacity-building action plan for NEPA to strengthen organizational capacity for program design, implement policies and strategies, cope with climate change risks, and integrate the capacity-building objectives with environmental and social considerations into the design and implementation of projects.

By mid-2020 a new ASA was launched, in which a joint workplan was developed with clear responsibilities for mapping stakeholders and critical partners to showcase NEPA’s achievements, environmental governance programs, and service delivery, and to enhance the organizational access to different funding sources.

The WB also conducted a portfolio review from a safeguard point of view that covered all active projects before January 2019. The task included three main sub-activities: (i) conducting a portfolio review aimed at identifying gaps and bottlenecks in the implementation of safeguard policies; (ii) conducting an overview assessment of Afghanistan’s existing framework to identify gaps between the national regulatory framework and ESF; and (iii) providing training and capacity building to strengthen safeguard implementation.

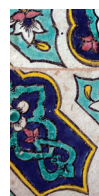
44 The Bank classifies a proposed project into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts:

(a) Category A: Classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works.

(b) Category B: Classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—are less adverse than those of Category A projects.

(c) Category C: Classified as Category C if it is likely to have minimal or no adverse environmental impacts.

(d) Category FI: Classified as Category FI if it involves investment of Bank funds through a financial intermediary in subprojects that may result in adverse environmental impacts.



Furthermore, a comprehensive set of studies was also conducted in land acquisition, resettlement, and rehabilitation (LAR&R), which included (i) Compulsory Land Acquisition in Afghanistan; (ii) Diagnostic Study of Process and Procedure for LAR&R; (iii) development of nine handbooks and 13 kits; and (iv) delivering a Training of Trainers and short courses to various target groups, including staff from the MUDL Directorate of LAR&R, Kabul Municipality, and other implementing agencies.

The land ASA completed in October 2020 includes an action plan for future engagement that aims to support the strengthening of country systems pertaining to LAR&R through three areas of intervention: (i) policy-level engagement to align country systems pertaining to LAR&R with WB requirements; (ii) operational support to develop processes and procedures for LAR&R management; and (iii) support to the Directorate of LAR&R and partner institutions to establish a knowledge and learning center to deliver a capacity-building program for relevant stakeholders.

The action plan for future engagement contains a total of 13 activities: the Afghanistan Land Administration Support Project has agreed to support 11 activities, while the activity on producing e-modules of handbooks and kits on LAR&R has been included under the ongoing ESF ASA, and the remaining one activity will be embedded in the ongoing Urban, Resilience and Land ASA.

The WB is also initiating comparative analyses of some of the WB Environment and Social Standards under its new ESF and corresponding national laws and practices to identify areas for improving country systems. This task will also support citizen engagement and the Grievance Redress Mechanism to enable government agencies address grievances from citizens more effectively and to develop effective tools for early identification, assessment, and resolution of complaints on the programs. These comparative analyses will also use the Bank's Disability Inclusion and Accountability Framework as a lens through which to identify gaps and barriers in Afghan legislation and practice that hinder the full inclusion of people with disabilities in the development agenda.

**In 2020 100% of projects incorporated beneficiary feedback, as in 2019. Monitoring of related indicators expanded, and the Third Party Monitoring program continued to encourage citizens to join project monitoring efforts.** First added to the ARTF Scorecard in 2015, the Citizen Engagement indicator aims to measure the extent to which projects reflect citizens' views, both in planning and in implementation.

Prior to 2017, assessment of citizen engagement was based on overall project design. From 2017 onwards, the WB Group incorporated more rigorous measures, requiring dedicated indicators on citizen engagement and the use of a selection of tools to incorporate feedback during implementation and/or to address grievances.

#### **Citizen engagement in COVID-19 context may be affected.**

With the outbreak and spread of COVID-19, people have been advised, or may be mandated by national or local law, to exercise social distancing and specifically to avoid public gatherings to prevent and reduce the risk of virus transmission. These restrictions will affect Bank requirements for citizen engagement in projects. "Stakeholder Engagement: Alternative Approaches in the context of COVID-19" includes good practices and approaches on stakeholder engagement and grievance redress relying on ICT tools, traditional communication methods, and strategic local partners. The note has several examples employed by the Bank and other development partners, and also references the recently developed "Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings."

**Global GRM Surge Initiative piloted in Afghanistan.** During the World Bank FY20–21, the Bank's Social Sustainability and Inclusion Global Practice rolled out the GRM Surge Initiative to improve the functioning and effectiveness of GRMs for investment operations through standardized methodology. This initiative will assist in strengthening GRMs that will lead to improved social and environmental risk management and better project outcomes.

The approach is also expected to lead to an increase in the number of project GRMs that can demonstrate that they receive and resolve a significant number of grievances and/or feedback cases in a satisfactory and timely manner. In Afghanistan, the participating projects are two IDA- and one ARTF-financed projects:

- Trans-Hindukush Road Connectivity Project
- Second Skills Development Project-II
- Higher Education Development Project



## BOX 2. HOW DO STAKEHOLDERS PERCEIVE THE ARTF?

From December 2020 to January 2021, the World Bank Group conducted the fourth Afghanistan Country Opinion Survey, inviting 620 stakeholders to provide their opinions of the Bank Group's work in Afghanistan. Participants were drawn from senior officials' and legislators' offices, the judiciary, line ministries/ implementing agencies; Project Management Units; consultants or contractors and staff working on Bank Group-supported projects; local government offices; bilateral and multilateral agencies; and private sector organizations, civil society, and academia. Overall, 77 percent of those invited to participate responded. As in previous editions of the survey conducted in 2012, 2015, and 2018, participants were asked to rate both the World Bank Group and the ARTF (from 1–10, with 10 "high") on a range of qualities.

- **RESPONDENTS NOTED CONTINUING STRENGTH IN THE ARTF'S ALIGNMENT WITH GOIRA'S DEVELOPMENT PRIORITIES AND THE FUND'S FLEXIBILITY AND RESPONSIVENESS.**  
In the 2018 survey, respondents' average ratings of the ARTF alignment with development priorities, equal distribution of resources and flexibility demonstrated statistically significant improvements relative to 2015. In 2021, those improved perceptions remained stable. Respondents rated ARTF's alignment with Afghanistan's development priorities as 6.1/10 (no change from 2018). Flexibility ratings averaged 6.7 (no change from 2018), and ratings for equitable geographic distribution averaged 5.5 (slight improvement from 2018's average 5.4

rating). Participants rated ARTF's collaboration with the Afghan government at 6.7, a statistically significant improvement relative to the 2018 average rating of 6.1.

- **INTEREST IN EXPANDING PUBLIC INFORMATION ON THE ARTF AND OVERSIGHT OF ARTF FUNDS CONTINUES TO GROW.**  
The survey was conducted before the refreshed ARTF website was launched. Survey respondents expressed strong interest in having access to more publicly available information about how the ARTF works (7.9/10, compared to 7.2 in 2018) and in increasing oversight of how ARTF funds are spent (7.8, compared to 6.9 in 2018). Interest in these topics saw statistically significant increases in 2018 relative to 2015 and again in 2021 relative to 2018.
- **STAKEHOLDERS RATE ARTF'S COLLABORATION WITH KEY STAKEHOLDERS HIGHLY.**  
Stakeholders who engage directly with the World Bank Group's work rate the ARTF highly for coordination. These engaged stakeholders rate the ARTF highly for its collaboration with government (7.0/10), donors (7.2), the United Nations (7.1), and civil society (6.5).

Detailed Country Opinion Survey data are forthcoming at <https://countrysurveys.worldbank.org>, and will be published as 2021 Country Opinion Survey results. (As the survey began in CY 2020, results are included in the 2020, rather than the 2021, Scorecard.)



## ASIST

The ASIST window was established in 2018 under the 2018–2020 PFFP as a vehicle for providing longer-term demand-driven technical support in strategically significant sectors. The ASIST window has been supporting five initiatives, of which three were approved in 2018 shortly after the ASIST window was established and two additional initiatives in 2020 to support development of the energy and digital sectors.

ASIST initiatives may be financed from the core ARTF resources (one percent of PFFP resources was allocated to the window under the 2018–2020 PFFP), or by supplemental contributions from individual ARTF donors interested in the specific sector of support, or a combination of both resources. Proposals are developed jointly by the government and WB technical teams in close coordination with donors and partners and presented to the SG for initial approval before being presented to the MC for final financing allocation.

ARTF donors received semiannual updates on ongoing initiatives in 2020, which are summarized below:

- **The Fiscal Performance Improvement Plan Advisory Facility (FAF)** provides support to advance fiscal sustainability by providing targeted advisory support to government in selected areas for (i) effective mobilization of revenues; (ii) improving efficiency and effectiveness of public expenditure; and (iii) management of emerging fiscal risks.

Overall, FAF has continued to deliver a program of high-impact technical assistance to critical public financial management (PFM) and MoF reforms during 2020. FAF has been instrumental in supporting the government plan and manage a Bank-financed operation, the Fiscal Performance Improvement Plan. However, with the global COVID-19 crisis and declining available resources, it has become essential to strengthen the model by focusing on PFM reform priorities, reducing compliance burden, and strengthening PFM systems through improved ownership across MoF and other central agencies. With a strong focus on these core areas, the ASIST initiative will continue to provide critical assistance to the government.

- **Evidence for Action** aims to strengthen the quality and timeliness of data generation and to expand the use of

data and statistics to inform policy and program design, implementation, and monitoring.

The initiative was downscaled after the NSIA concluded that the original plan, under which the World Bank would contract directly for data collection services, could not be implemented under the current authorities and NSIA would be required to conduct data collection surveys.

The objectives were revised to reflect the change and emerging priorities:

- Support NSIA in their objective to generate semiannual labor force statistics and annual poverty estimates, through a program of technical assistance to actively manage data quality and deliver timely estimates.
- Develop and refine survey-to-survey imputation models for poverty estimates in years where direct estimates may not be available or data may not be of adequate quality.
- Build tools that integrate existing data in a user-friendly manner for evidence-based dialogue and tracking implementation.
- Build capacity to use evidence for monitoring and evaluation in the Ministry of Economy and interested line ministries

Through this ASIST initiative, the Bank's poverty team was able to provide technical assistance to NSIA for the preparation of the 2019–2020 Income, Expenditure and Labor Force Survey. The team also conducted a series of quality checks on the microdata. After the quality checks were finalized, the team supported NSIA in the estimation of the household consumption aggregate, updates of the poverty line, and calculation of indicators of welfare, poverty, and inequality. However, the dialogue on the component to support use of government data for the Ministry of Economy was paused in 2020 due to changes in senior management at the ministry.

- **The Extractives Sector Asset and Institutional Development Task Force** aims to enhance administration of extractive resource development by strengthening the capacities of key government institutions, strengthening professional skills, and supporting sector investment opportunities.

During 2020, although there were some delays due to the COVID-19 emergency, work progressed in strengthening





institutions in the mining, gas, and oil sectors, as well as in transactions support and asset development.

- Significant result was achieved in the area of the Extractive Industry Transparency Initiative (EITI). Hands-on and advisory support to the Afghanistan Extractive Industry Transparency Initiative continued despite the COVID-19 pandemic and Afghanistan was reinstated as being compliant with the EITI Standard after making “meaningful progress.”
  - Two analytical pieces, the mining sector diagnostic and assessment of the mining sector investment climate, were prepared to inform the government on steps to strengthen mining sector governance and attract investment.
  - Specialized technical advisory support to the Ministry of Mines and Petroleum and Afghanistan Gas Enterprise was provided in preparation of critical activities for the Afghanistan Gas Project (WB-funded operation approved in 2019), hiring of technical expertise/engineer, review and assessment of technical reports from the field, as well as guidance to address gas deliverability issues.
- **The Enhanced Technical Assistance for the Digital CASA Afghanistan project** supports transparent procurements of innovative solutions to improve accessibility, affordability, and reliability of Afghanistan’s digital infrastructure. In this unprecedented fight against COVID-19, digital technologies are critical for the government, individuals and businesses to cope with social distancing, ensure business continuity, and prevent service interruptions.

Progress under the Digital CASA Afghanistan project implementation (investment project to which ASIST provides support) has been very slow and the project requires restructuring.

Nonetheless, good progress has been made on activities to enhance NIXA (National Internet Exchange of Afghanistan), including the purchase of 1Gbps additional bandwidth and upgrade equipment and the installment of Google cache servers. These will contribute to improving the speed and reliability of Internet connectivity. Consultancies including cybersecurity assessment and preparation of a national broadband policy are nearing completion, and the feasibility study

for a government cloud and disaster recovery data center is expected to be signed by end-February 2021.

As part of the COVID-19 response, project interventions in support of improving digital connectivity in the health and education sectors (totaling around US\$2 million) are underway. These include (i) hosting Technical and Vocational Education and Training (TVET) and Ministry of Higher Education (MoHE) servers and learning systems in the Afghanistan National Data Center (ANDC); and (ii) providing high-speed Internet connectivity in three hospitals (two in Kabul and one in Bamyan).

TVET hosting at ANDC is completed, while MoHE systems will be hosted temporarily on Amazon Web Services until a critical upgrade of the national data center is completed by June 2021, after which all these services are expected to be hosted at ANDC. The procurement for Internet connectivity in the three hospitals was launched in December 2020, but due to inadequate response, the bidding for this activity was readvertised and the process is planned to be completed by June 30, 2021.

- **Afghanistan Energy Study 2.0** aims to provide longer-term analytical support assessing challenges and opportunities in the energy sector, thereby informing policy and investments in support of the Government of Afghanistan’s efforts to improve access to affordable, reliable, and sustainable energy for all (SDG 7.1).

The study has six components: (i) development of a Least-Cost GIS-based [geographic information system] distribution-level Electrification Plan, Investment Prospectus, and associated training (Phase II); (ii) continuation of the Energy Diary Survey; (iii) provision of modern energy services to off-grid households; (iv) support to implementation of the Partnership Agreement between DABS and MoF to overcome financial crisis, especially in light of the COVID-19 pandemic; (v) energy storage for grid security and power quality; and (vi) capturing Afghanistan’s solar potential.

While progress has been made on the program to pave the ground for activities, it has had a slow start due to the separation of the Ministry of Energy and Water into two institutions, changes in senior management at DABS, and the COVID-19 crisis.



## ACREMAP

**The ACREMAP window continued to support in-depth fiduciary reviews, analytical work, and hands-on procurement improvements, while further strengthening the Third Party Monitoring program.** The WB initially presented its proposal for an Anti-Corruption and Results Monitoring Action Plan to the SG in 2017 and, with SG approval, began implementing ACREMAP-related initiatives with existing resources before the adoption of the PFFP formally established the window.

The Bank provided quarterly updates on the initiatives to partners during SG discussions, though there were some initial delays in finalizing the reporting format under the new TPM contract. While the bulk of ACREMAP resources is dedicated to expanding the ARTF's already extensive TPM program, the initiative aims to support portfolio-wide innovations to enhance quality of ARTF operations and programs and the overall "value for money" of development investment.

In addition to regular discussion of fiduciary issues in ARTF governance forums, the WB typically provides a quarterly ACREMAP activity report to help ARTF partners stay current on key ACREMAP-financed initiatives.

The second **in-depth fiduciary review** on the National Horticulture and Livestock Productivity Project concluded in 2020. The review identified issues with procurement and contract management, human resources management, and other weaknesses in fiduciary control measures. The lessons from the review helped inform the June 2020 supplements to the Enhanced Fiduciary Control Framework as well as the design of a COVID-19 food security project. The review identified ineligible expenditures totaling US\$1.96 million for which GoIRA had fully refunded effective November 23, 2020.

Lessons learned from the in-depth fiduciary reviews have helped improve the financial management approach. A primary example of such adjustment is reflected in the change of all projects' disbursement method to a Statement of Expenditure from the previous Interim Unaudited Financial Reports effective in December 2019. The Bank continues to monitor the impacts of this change and adjust the methodology to ensure that the increased documentation and longer timelines associated with the new process do not disrupt project implementation. Future in-depth fiduciary review exercises will be selected in line with an annual fiduciary work plan to be finalized in the next PFFP.

**Hands-on Expanded Implementation Support (HEIS)** has been institutionalized as an ex ante implementation support tool in the Afghanistan portfolio with the COVID-19 Emergency Response and Health Systems Preparedness Project added to the three projects already under HEIS—Digital CASA Project, Afghanistan Gas Project, and FPIP Support Project (FSP).

In the Digital CASA Project, HEIS has helped the government in preparation of technical specifications, bidding documents, and procurement process for some new technology contracts in networking and digitalization, like the Indefeasible Right of Use contract introduced for the first time in the South Asia Region. HEIS is also helping select design and engineering firms on a fast track in the Afghanistan Gas Project.

As a primary plan to build the country's procurement capacity, a WB Afghanistan Procurement Panel has been planned. The principal objective of this panel is to create a critical mass of procurement practitioners knowledgeable of WB and Country Procurement Regulations and methods. Once selected and trained, these panel members are expected to be part of the procurement assurance and hand-holding arrangements for IDA/ARTF projects. Due to the COVID-19 pandemic, the hiring process of panel members has been on hold and expected to resume when the situation permits.

**Environmental and Social Safeguards** provided analytical and advisory support. The analytical support to enhance the capacity of the MUDL in land acquisition, resettlement, and rehabilitation was delivered with a comprehensive set of reports published in November 2020. Trainings to enhance capacity to implement the ESF began in December 2020 in a virtual format and will be complemented by the next phase of analytical work that will involve "deep dives" in key areas.

**Gender-based violence (GBV)** risk mitigation was included as part of ACREMAP in early 2020 following the high-profile allegations of GBV in the education sector in Logar Province. While there were no direct links to the Bank-financed basic education project in this case, the incident was a reminder of the systemic GBV risks across the entire education sector and beyond.

Work under this component supports the government in developing a GBV risk mitigation strategy and action plans in key sectors, with initial emphasis on the human development sector and eventual expansion to other sectors. The GBV component is fully staffed. Comprehensive GBV stakeholder mapping and consultations were conducted to better understand the key players and to identify areas of focus for the GBV rapid assessment.



The COVID-19 emergency budget support program has committed the MoE to roll out an action plan (finalized in May) to 50 percent of schools to ensure “students and school staff are safe and free of Sexual Exploitation, Abuse and Harassment (SEAH) inside and outside of schools in Afghanistan.” Work has advanced on a GBV policy desk review and a draft GBV Code of Conduct in the education sector.

Work with the MoPH has included the assessment of sexual exploitation and abuse, and sexual harassment in health facilities under the supervision of the ministry. Work is planned to carry out a rapid assessment of Sehatmandi health facilities to identify gaps in GBV risk mitigation, particularly sexual exploitation and abuse and sexual harassment.

**The WB continued expanding the Third Party Monitoring program.** Under the ACreMAP initiative, the Bank consolidated the previously separate “Monitoring Agent” (financial monitoring) and “Supervisory Agent” (physical site monitoring) services under a single contract awarded at the end of calendar year 2019. The new contract took effect in January 2020, and ARTF third-party monitoring continued without disruption, expanding the coverage of monitoring services even as COVID-19 restrictions limited some forms of movement and social interaction.

**RCW disbursements are projected to have remained well below the “disbursement ceiling” established by the Third Party Monitoring Agent’s (TPMA) eligibility reviews of GoIRA operating expenditures.** The TPMA monitors GoIRA recurrent civilian expenditures (payroll- and non-payroll-based salary expenditures, operations and maintenance, and pensions) for compliance with ARTF eligibility requirements, including documentation. Employing statistical sampling methods suitable to each category of expenditure, the TPMA selects sample transactions for eligibility review.

The TPMA also conducts physical verifications of civil servants who are paid through GoIRA’s recurrent operating budget to address the risks of “ghost employees” being financed with ARTF funds. In 2020 the TPMA physically verified 4,020 civil servants; these activities are not included in the site visit totals reported below. Of the 4,020 civil servants verified in 2020, 507 were pending from the sample originally drawn for FY 1398 (2019) and were completed in 2020. The remainder was verified from the sample drawn for FY 1399 (2020). (The sample selected for 2020 totaled 4,066 civil servants, of whom 553 will be verified as part of the TPMA’s 2021 monitoring activities.)

Findings for the sample are extrapolated to recurrent civilian expenditures as a whole, establishing the maximum amount of financing, or “disbursement ceiling”, that could be contributed to GoIRA’s operating budget through the RCW in a given fiscal year. Final FY 1399 disbursement ceiling calculations are pending finalization of GoIRA financial statements, but are projected to remain well in excess of RCW disbursements. The final annual “eligibility rate” for RCW expenditures will become available when FY 1399 reporting is finalized.<sup>45</sup>

**The TPMA continued to conduct “internal control assessments” of IW-financed projects, although the pace slowed somewhat during the COVID-19 pandemic, as access to government offices became more difficult.** Internal control assessments aim to review the existence, adequacy, and operating effectiveness of key financial, operating, and compliance controls in each project. Two new internal control assessments were completed in 2020 for the ARTF-financed Fiscal Performance Improvement Support Project (FSP) and for one non-ARTF project. The FSP review identified moderate risks that are being addressed through agreed mitigation measures.

**The scale and scope of TPMA Investment Window monitoring expanded significantly.** In line with measures adopted under the ARTF’s enhanced fiduciary control framework, the WB adopted statement of expenditure (SOE)-based disbursements for all investment projects in Afghanistan in 2020, including all ARTF IW projects.

In an approach unique to Afghanistan, the WB engaged the TPMA to review a sample of transactions in each SOE to verify completeness, accuracy, and eligibility of the expenditures reported. The Bank now replenishes projects’ designated accounts after reviewing the TPMA report. The approach aims to address persistent weaknesses in expenditure documentation observed during previous in-depth fiduciary reviews of select projects, though it has also added time to the disbursement process. The Bank continues to refine timelines and submission requirements with the projects to ensure an appropriate balance of control and efficiency.

The TPMA continued conducting physical monitoring of subproject locations around the country, significantly expanding the number of sites visited despite movement

45 Previous editions of the Scorecard were published later in the calendar year, after RCW reporting had been finalized, and as a result were able to include final eligibility rate calculations for the year. The timeline for publication of the 2020 Scorecard was significantly expedited, and as such is not able to include final RCW eligibility reporting.



restrictions imposed by COVID-19. The TPMA completed 4,041 site visits in support of regular project monitoring and ad hoc physical and financial monitoring, reaching subproject locations in all 34 provinces and continuing to access hard-to-reach districts.

The TPMA exceeded the contract target of 4,000 annual site visits, more than doubling the pace of monitoring in 2019. Safety protocols adopted to protect community members and TPMA staff from COVID-19 transmission during site visits reduced face-to-face interactions at the community level. TPMA monitors focused on gathering telephone numbers of community members and conducting more detailed interviews remotely by telephone. This adjustment reduced the number of women interviewed by the TPMA, as rural women continue to have more limited access to telecommunications devices than rural men.

## ARTF CONTRIBUTIONS

**The ARTF financed 18 percent of Afghanistan’s civilian budget in FY 1399 (2020), and the predictability of donor financing slightly increased.** In FY 1399, total RCW disbursements totaled US\$336 million, an increase relative to the previous fiscal year due to the need for a US\$100 million emergency support under the Incentive Program Development Policy Program. The RCW funded 20 percent of the civilian operating budget. IW disbursements totaled US\$345 million, representing 17 percent of GoIRA’s development budget. Together, these sums represented 18 percent of GoIRA’s civilian budget for the year.

Given the importance of ARTF financing to GoIRA’s civilian budget, predictability of contributions remains a priority, particularly because contributions in the previous Financing Strategy period fell short of recorded pledges, causing the ARTF to enter the 2018–2020 PFFP period under stress. In 2020 contributions to the ARTF totaled US\$718.63 million, reaching 90 percent of the expected totals, a slight improvement from the 88 percent predictability rate recorded in 2019, but still below the high of 99 percent recorded in 2018, the first year of the PFFP cycle.

Donors preferenced 54 percent of contributions to IW programs, which is slightly higher than the 52 percent of contributions preferenced by donors in 2019. At the end of GoIRA’s fiscal year, the ARTF’s unallocated cash balance as a proportion of the pipeline for the coming year stood at 50 percent, indicating that the ARTF entered the fiscal year with

funds adequate to finance half of the expected programmatic commitments of known, anticipated new commitments.

## GENDER ACROSS THE ARTF PORTFOLIO IN 2020

**GENDER REMAINS ONE OF THE KEY CROSS-CUTTING AREAS OF FOCUS IN THE ARTF PROGRAM.** Since 2017, the Bank’s standard gender-tagging approach has been applied to all lending operations, irrespective of the source of financing (IDA or ARTF). Under the Social Inclusion and Gender Platform, which is the cornerstone for coordinating internally and strengthening gender and GBV work across the Afghanistan portfolio, gender experts provide technical assistance to all pipeline projects (in every sector) to mainstream the gender approach.

In 2020, 100 percent of projects approved or delivered in the ARTF portfolio were gender tagged, maintaining a trend of tagging all projects since 2018. The gender tag sets a high bar in terms of including a gender lens in operations. It requires consistent analysis, actions, and at least one results indicator measuring the impact of gender-specific actions aligned to the identified gender gap (see Figure 1).

In 2020, the COVID-19 crisis intensified and threatened the health and economic well-being of the entire country, disproportionately affecting women and girls by exacerbating certain existing inequalities. In response, several COVID-19 emergency response projects were prepared and rolled out in record time. Special attention was given to the design of these emergency operations to address the widening gender gaps and to meet the specific needs of women and girls. This group of gender-tagged operations is addressing gender gaps in **women’s access to emergency support**, in their **social and economic participation**, as well as in **women’s land rights**, among other issues.

**REACH**, the emergency relief project that aims to distribute food and cash to address the immediate needs of Afghan households, is targeting the distribution of emergency packages to all female-headed households in the country. The project design accounts for women’s mobility and other constraints (in the timing and place of delivery), as well as for their preferences (e.g., mode of cash transfer).

Women in CDCs are actively engaged in community mobilization and project communication, especially concerning women’s entitlements under the project. The project also ensures that at



## FIGURE 1. GENDER-TAGGED PROJECTS DEMONSTRATE A CLEAR RESULTS CHAIN



least a quarter of the facilitating partner (FP) staff operating in rural areas are women. Given the nature of the risk introduced by cash/kind distribution, a GBV/Sexual exploitation, abuse, and sexual harassment (SEAH) action plan was developed for the project. It includes actions such as development of a code of conduct for all staff and trainings for all project staff.

Another COVID-19 emergency response project, the **Emergency Agriculture and Food Supply Project**, has the objective to support critical food supply chains and create short-term economic opportunities. The project is addressing gender gaps in nutrition and economic participation, supporting women in the form of nutrition training, kitchen gardening, and access to short-term employment.

In the water sector, the **Afghanistan Water, Sanitation, Hygiene, and Institutional Support Program (A-WASH)** aims to improve water access and strengthen the capacity of the Afghanistan Urban Water Supply and Sewerage Corporation to deliver sustainable services. The project is closing information gaps for women through targeted awareness raising on safe usage of water, and it is monitoring women's access to improved water sources in the results framework. A-WASH is also addressing gaps in women's employment in the water sector. Related project actions include technical and managerial trainings for female staff, internships for women (with a target of 25 positions), and job placement for a subset of interns (target of five).

The **COVID-19 Response Development Policy Grant (DPG)** was also prepared as part of the Bank's support to the government to address the COVID-19 crisis during 2020. The emergency budget support addresses the increasing GBV during the pandemic.

Among the six policy actions, the DPG requires the MoE to approve a GBV Action Plan to be implemented in general education schools. The target is to have 50 percent of general education schools provide training to school administration staff, teachers, students, and *Shura* (school council) members on the School Code of Conduct for GBV and SEAH. GBV risk mitigation and response in the education sector was a mounting priority concern for GoIRA, the WB Group, and development partners in early 2020 (see following section, Expanded Effort on GBV in 2020).

Additionally, an annual Incentive Program Development Policy Grant series, 2020 IP-DPG, focused on narrowing the gender gap in women's rights to property and land. The narrow range of documents recognized as evidence of land ownership and systematic discrimination against women in the courts have led to under recognition of women's land rights in Afghanistan. Disbursement-linked policy actions under the budget support includes approval by the MUDL of a new land survey law and specifications for a new sex-disaggregated land information system.



## BOX 3: WOMEN'S LIVELIHOOD PROJECTS UNDER THE URBAN CITIZENS' CHARTER NATIONAL PRIORITY PROGRAM

UNDER THE URBAN CITIZENS' CHARTER NATIONAL PRIORITY PROGRAM (CCNPP), the Independent Directorate of Local Governance implemented Women's Livelihood Projects (WLPs), across four major cities of Afghanistan (Herat, Jalalabad, Kandahar, and Mazar-e-sharif). Approximately 14,300 people benefited from 175 WLPs with a total budget of US\$4.9 million.

As part of the urban Citizens' Charter, 10 percent of the Urban Area Block Grant is reserved for women's livelihoods and their economic activities. WLPs are intended to create opportunities for women's socioeconomic empowerment, with an emphasis on reaching the poorest women, including widows and female-headed households. With the support of CCNPP facilitating partners (FPs), female community members are mobilized and participatory processes applied to select beneficiaries. Under the overall guidance of the CCNPP Gender Unit, FP Social Mobilizers support the beneficiaries to evaluate and select market-relevant subprojects. The entire process, including subproject identification, development, and management, is expected to be women-led and to open empowering decision-making and leadership roles for women.

Women's Livelihood Projects can be divided into two broad areas:  
 (i) Seed financing for business start-up and skills development training.

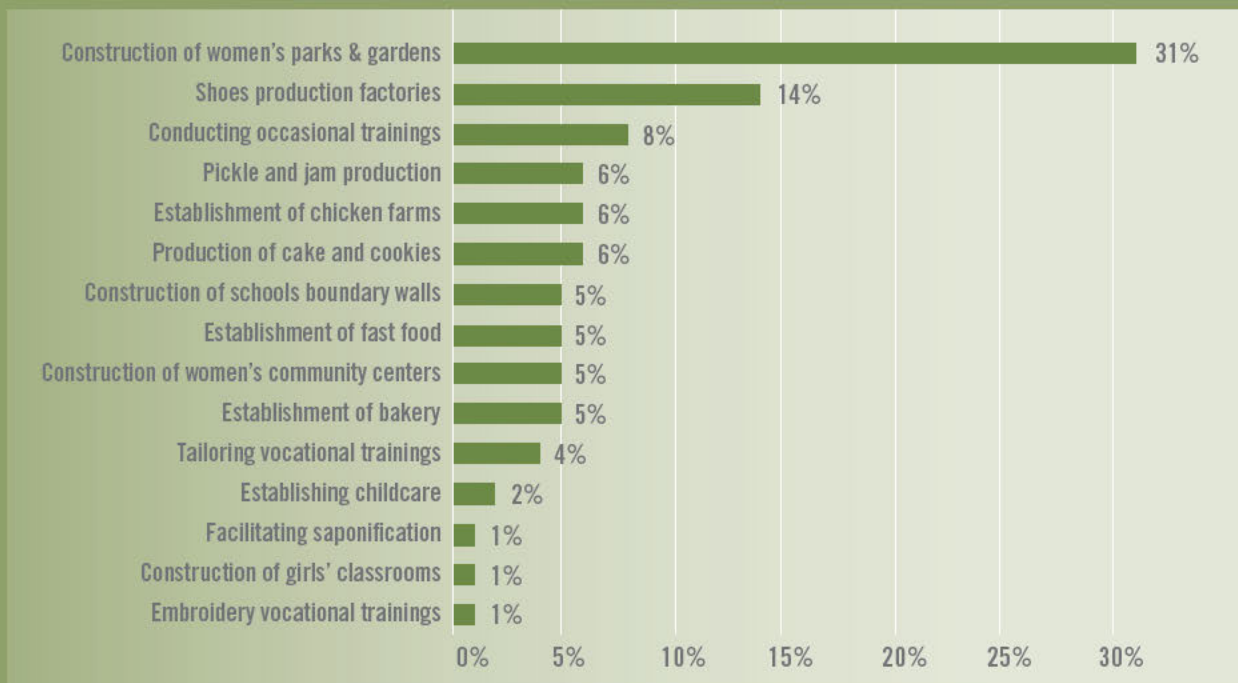
(ii) Construction of infrastructure to empower women economically and/or socially.

The largest categories of projects undertaken across all four cities were construction of parks and gardens for women and children at 31%, shoe production factory at 14 percent, and vocational training at 8 percent (see Figure B1).

WLPs have created an estimated 85,900 labor days for the beneficiaries, of which 67 percent accrued to women. Some WLPs have been able to form commercially viable business start-ups that are women-led and/or providing sources of employment for women. WLPs have been registered with the Afghan Women Chamber of Commerce and Industry, which will facilitate their access to further technical assistance services.

Going forward, the program will focus on improving the beneficiary selection process, as well as labor market assessment tools and project selection process to ensure that the program is identifying and selecting the highest-return and most sustainable investments, as well as those that provide greatest income generation opportunities for poor women.

FIGURE B1. PROPORTION OF DIFFERENT TYPES OF WOMEN'S LIVELIHOOD PROJECTS UNDER THE URBAN CCNPP (%)



## EXPANDED EFFORT ON GBV IN 2020

Starting in 2019 and continuing into 2020, the WB has supported the risk assessment and subsequent retrofitting of projects with high or substantial risk of SEAH. In 2020, retrofitting was carried out for three projects (REACH, CCAP, and the Trans Hindukush Road Connectivity Project) and GBV action plans were developed for these projects. Incidents reported through GRMs have been the impetus for further retrofitting, particularly in the human development sector.

In mid-2019, the Technical Vocational Education and Training Authority (TVETA) actively embarked on addressing GBV issues in TVET institutions, following concerns about safety and well-being of their students. In late 2019, after conducting a thorough assessment and developing an action plan, improvements in infrastructure across a number of institutes began. In mid-2020, a firm was hired under the WB-supported **Afghanistan Second Skills Development Project** to support TVETA in the implementation of other key activities in its GBV action plan, which are underway.

Simultaneously, and following reports of sexual abuse against students in schools in one province in late 2019, the WB alongside GoIRA and development partners moved quickly to address sexual exploitation and abuse and sexual harassment with WB-financed projects in the education and health sectors. In January 2020, an Inter-Agency Technical Working Group on Gender-based Violence was set up to support the improvement and implementation of robust policies and measures to mitigate, report, and respond to cases of GBV.

As part of this effort, the WB supported a rapid assessment to understand the current systems in place, and the MoE developed its own action plan in February–

March 2020. The aim of the action plan is to ensure that all students and school staff are systematically safe from SEAH. A critical indicator measuring successful implementation of the action plan is that Codes of Conduct are developed and rolled out in 50 percent of schools (around 8,000) by the end of 2021 and 100 percent (around 16,000) by the end of 2022.

In addition, work within the health sector also began through the integration of SEAH mitigation in the **Sehatmandi** project with the MoPH and in partnership with service providers. The same is true for the MoHE, which has also confirmed its commitment to collaborate with the WB and other government agencies to explore ways of strengthening their systems to address and mitigate GBV. The WB has enhanced GBV expertise with a team of expert GBV consultants to support its portfolio, including the ARTF program.



## PILLAR III—ARTF OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS

INDICATORS	BASELINE		PROGRESS					
	Value	Year	Previous Financing Strategy			PFFP		
			FY15	FY16	2017	2018	2019	2020
<b>Portfolio Implementation</b>								
Project readiness for implementation	2	FY09	n.a. <sup>46</sup>	3	2	3.6	6.4	1
Satisfactory implementation of active projects	78%	FY08	88%	92% <sup>48</sup>	93%	96%	100%	85%
<b>Gender Across the Portfolio</b>								
Gender mainstreaming in results monitoring	32%	FY14	37%/38%/33%	37%/52%/57%	40%/68%/55%	43%/86%/90%	42%/81%/81%	56%/88%/88%
	38%	FY14	57%	68%	68%	86%	81%	84%
	71%	FY14	66%	70%	72%	86%	85%	88%
	63%	FY14	57%	63%	82%	100%	92%	100%
	38%	FY14	47%	NA	50%	57%	65%	68%
	70%	NA	n.a.	n.a.	n.a.	n.a.	50%	64%

46 No new projects were approved in FY15.

47 Please see Annex II for full overview of project ratings.

48 Includes 24 out of 26 active projects rated “Moderately Satisfactory” or higher as of December 2016.

49 Indicator slightly changed from “Percentage of portfolio projects fully collecting required gender-disaggregated data” to “Percentage of portfolio projects collecting relevant gender-disaggregated data” to provide more clarity.

50 Indicator changed from “Percentage of portfolio projects which have produced gender-related knowledge in completed knowledge projects” to “Percentage of portfolio projects that have produced gender-related documents” to capture most of the gender-related documents, such as strategies, policies, standalone case studies, and standard operating procedures.



## PILLAR III—ARTF OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS (continued)

INDICATORS	BASELINE		PROGRESS					
	Value	Year	Previous Financing Strategy					
			FY15	FY16	2017	2018	2019	2020
<b>Community Engagement</b>								
Citizen engagement	94%	FY15	94%	95%	95%	96%	100%	100%
<b>Human Resources</b>								
WB Staff Presence	~12,000	FY12	13,207	20,003	27,659	28,754	32,544	29,201
<b>Bank-executed Windows</b>								
Active ASIST technical assistance facilities	n.a.	n.a.	n.a.	n.a.	n.a.	3 (1397)	0 (1398)	1 (1399)
Number of Third Party Monitoring Agent (formerly Supervisory Agent) project site visits	NA	NA	NA	NA	NA	1,537	2,224	4,041
<b>ARTF Finances</b>								
ARTF resources as share of civilian budget	RCW: 48% /IW: 20%	1382	RCW: 23%/ IW: 41% (1393)	RCW: 28.9%/ IW: 28.8% (1395)	RCW: 26%/ IW: 31% (1396)	RCW: 30% <sup>51</sup> / IW: 20% (1397)	RCW: 16%/ IW: 19% (1398)	RCW: 20%/ IW: 17% (1399)

51 ASIST is the Bank-executed ARTF window that seeks to provide more direct hands-on advisory services, implementation support, and technical assistance.

52 This does not include US\$159 million transferred to the government under the AHP facility.





PILLAR III—ARTF OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS (continued)											
INDICATORS	BASELINE		PROGRESS								
			Previous Financing Strategy			PFFP					
	Value	Year	FY15	FY16	2017	2018	2019	2020			
<b>ARTF Finances</b>											
Gross disbursements	Disbursed amount in an Afghan fiscal year disaggregated for the Recurrent Cost Window and the Investment Window (US\$, million)	RCW: US\$ 214 million IW: US\$ 15.59 million	FY 1382	RCW: US\$252 million <sup>53</sup> IW: US\$394 million (1394)	RCW: US\$344 million <sup>54</sup> IW: US\$402 million (1395)	RCW: US\$310 million <sup>55</sup> IW: US\$476 million (1396)	RCW: US\$355.8 million <sup>56</sup> IW: US\$345.9 million (1397)	RCW: US\$309 million <sup>57</sup> IW: US\$363 million (1398)	RCW: US\$320 million <sup>58</sup> IW: US\$345 million (1399)		
Disbursement ratio <sup>59</sup>	Fiscal year <sup>60</sup> disbursement of active grants divided by total undisbursed funds in active grants by the beginning of the fiscal year (excluding the RCW) (%)	55%	FY04	38%/24% <sup>61</sup>	47%	43%	43%	28%	29%		
Share of assistance provided via incentive mechanisms	Share of planned financing under the ARTF Incentive Program that had been earned by government by end of the fiscal year (%)	100% (US\$40 million)	1388	36% (US\$98.6 million) (1393)	29% <sup>62</sup> (US\$337.8 million) (1395)	26% (US\$235.6 million) (1396)	100% (total disbursements US\$535.8 million <sup>63</sup> ) (1397)	100% (total disbursements US\$309.5 million) (1398)	100% (total disbursements US\$320 million) (1399)		
Funding Predictability Index	Total ARTF pledges/indications deposited by donors by end of fiscal year (%)	86%	1384	97% (1393)	63% <sup>64</sup> (1395)	92% (1396)	99% (1397)	88% (1398)	90% (1399)		
Cash Balance	ARTF contributions preferred (%)	30%	1384	43% (1393)	47% (1395)	43% (1396)	52% (1397)	52% (1398)	54% (1399)		
	Unallocated cash balance at the end of the fiscal year as a proportion of the pipeline for the coming year (%)	27%	1390 <sup>60</sup>	53% (1393)	33% (1395)	48% (1396)	46% (1397)	60% (1398)	49% (1399)		

53 This does not include Ad Hoc Payments of US\$183 million.  
54 This does not include Ad Hoc Payments of US\$125 million.  
55 This does not include Ad Hoc Payments of US\$146 million.  
56 This does not include Ad Hoc Payments of US\$159.2 million.  
57 This does not include Ad Hoc Payments of US\$9.5 million.  
58 This does not include Ad Hoc Payments of US\$16 million and US\$50 million adjustments under the RCW.  
59 The disbursement ratio is calculated based on the undisbursed balance in the active projects at the start of the year.  
60 While gross disbursements are calculated using the Afghan fiscal year so it can be compared to the planned allocations in the ARTF Financing Strategy, the disbursement ratio is calculated using World Bank systems, which are based on the World Bank's fiscal year.  
61 Including/excluding National Solidarity Programme.  
62 Calculation excludes Ad Hoc Payments to the government. The percentage would be 23% including AHP.  
63 This amount includes US\$225.8 million carry over earned under the Incentive Program in 2017 but disbursed in 2018 as well as the US\$159 million transferred through AHP. Excluding AHP, the percentage goes to 60%.  
64 Indicated contribution at start of the year compared to actual contributions at the end of the year.  
65 First year of the Financing Strategy and therefore the first year the ARTF had a formalized pipeline.  
n.a. – Not applicable; NA – Not available

# SECTION IV: ARTF RISKS AND RISK MITIGATION

## Framework for Identifying and Mitigating Risks to the ARTF

**THIS SECTION OUTLINES** the key principles of ARTF risk management and the most important risk areas and mitigation measures.

The risk management approach builds on the WB's Framework for Operations Risk Management (FORM). The Framework promotes higher development impact for the Bank's client countries through better risk assessment and management for results, empowering clients to assess and mitigate risks more effectively.

Risks are defined as "risks to the client's achieving the expected results of the project, program, or strategy; and the risks of unintended impacts." FORM rests on three pillars: (i) standardized systems and tools; (ii) an institutional structure and policies that support proactive risk management; and (iii) a culture of informed risk-taking.

The WB as ARTF Administrator applies three broad principles to guide its approach to applying FORM:

- **Partnership and communication:** ARTF risk management is primarily carried out by the WB as the ARTF Administrator, but is done in close collaboration with the government and donors through the ARTF governance structure. The institutional mechanisms provided by the ARTF governance structure allow for candid and open dialogue on risks to the ARTF and on mitigation measures.
- **Continual monitoring:** Continual monitoring of risks includes collecting information, making assessments, and rendering judgments on both new and ongoing risks. The ARTF Administrator works with its technical teams and the government and its development partners to understand the risks of the environment in which ARTF programs operate.
- **Flexible approach:** Recognizing relative volatility of the Afghanistan context, the WB approach avoids overly prescriptive risk mitigation. Instead, the WB monitors risks along several critical parameters, leaving room for adaptation in response to the changing environment.





## THE WORLD BANK'S OPERATIONS RISK MANAGEMENT

THE WB APPLIES a standardized risk-rating tool known as the Standardized Operations Risk-Rating Tool (SORT) to integrate information systems and links results to risks. SORT contains a risk category matrix, rates risks at the country and project levels, and assesses risk throughout the life of project, helping the Bank define its tolerance and appetite for various risks.

### RISK MANAGEMENT AT THE PROJECT LEVEL

ARTF RISK MANAGEMENT at the project level is based on the WB's FORM and makes use of SORT to carry out risk analysis linked to results management. SORT is initiated during the design process of each individual ARTF/WB-financed project and updated throughout the implementation process. Risk ratings of individual ARTF projects are made available to the government and donors in the biannual Implementation Status and Results reports that are published for each project in the portfolio and in the project aide-memoires following implementation support visits by the Bank's technical teams.

SORT looks at and rates the risk for the following areas: political and governance; macroeconomics; sector strategies and policies; technical design of project/program; institutional capacity for implementation and sustainability; stakeholder risks; fiduciary; and environmental and social safeguard risks.<sup>66</sup> Individual ratings for specific risk areas are considered in establishing an overall project risk rating.

SORT analyses and ratings at the project-level provide a foundation for portfolio-level risk assessment and management.

### RISK MANAGEMENT AT THE TRUST FUND LEVEL

ANNEX III OUTLINES the ARTF SORT, including specific risks and risk management approaches at the trust fund level.

<sup>66</sup> ARTF investment projects are subject to the same fiduciary and environmental and social safeguard arrangements as all IDA-financed projects in Afghanistan, but ARTF also finances supplemental measures through the ACREMAP window, including extensive third-party monitoring. ACREMAP likewise finances initiatives designed to strengthen safeguard management, which over time will help offset safeguard-related risks.

# ANNEX I: Definitions of ARTF Scorecard Indicators by Pillar

PILLAR I: AFGHANISTAN COUNTRY-LEVEL OUTCOMES—DEVELOPMENT PROGRESS TOWARD MDGs AND SDGs	
ACCESS TO SERVICES AND INFRASTRUCTURE	FOOD SECURITY
<b>Access to improved drinking water (% of households)</b> Percentage of households whose main source of drinking water is one of the following: hand pump (in-compound or public); bored well (hand pump or motorized); protected spring; pipe scheme (gravity or motorized); and piped water provided by the municipality.	<b>Percentage of food insecure population</b> Proportion of households not meeting a minimum of 2,100 calories per person per day.
<b>Access to improved sanitation facility (% of households)</b> Percentage of households that use an improved sanitation facility—a flush latrine or any other improved latrine.	<b>Inadequate dietary diversity (%)</b> Percentage of population whose food consumption scores are 42 and below. This measure aggregates the population that falls under the categories of “borderline” and “poor” food consumption.
<b>Access to any source of electricity (% of households)</b> Percentage of households that have access to electricity from any of the providers (government, community, or private) and sources (e.g., electric grid, government generator, personal generator, community generator, solar, wind, or battery).	<b>Protein deficiency (% consuming less than 50g of protein per day)</b> Percentage of population whose daily consumption of protein is less than 50 grams per day.
EDUCATION	GENDER
<b>Literacy rate—age 15 and older (%)</b> Percentage of population (age 15 years and above) that is literate.	<b>Female literacy rate (%)</b> Percentage of female population (age 16 years and older) that is literate.
<b>Net attendance ratio in primary education (%)</b> The number of pupils of the theoretical school-age group for a specific level of education, expressed as a percentage of the total population in that age group.	<b>Female share in active population (%)</b> Proportion of women in the labor force (labor force being the population age 16 years and older that is economically active).
<b>Average years of schooling—age 18 and above</b> Average years of education among the population age 18 years and above.	<b>Girls to boys, age 6–12 years, enrollment ratio</b> Ratio of girls to boys enrolled in schools. The reference age group is 6–12 years.
	<b>Ratio of fully immunized girls to boys, age 12–23 months</b> Ratio of girls to boys age 12–23 months who have received complete vaccines (as per official schedule) for BCG, DPT3, OPV3 and measles. In calculating this measure, provinces where the full immunization rate for either girls or boys was zero or missing are left blank.

## PILLAR I (continued)

HEALTH	POVERTY AND INEQUALITY
<b>Full immunization rate among children age 12–23 months (%)</b> Proportion of children (age 12–23 months) that has received complete vaccines for BCG, DPT3, OPV3, and measles.	<b>Poverty rate (%)</b> Poverty rate (or poverty headcount rate) refers to the percentage of population living below the official poverty line.
<b>Children age 12–23 months with no vaccination (%)</b> Proportion of children (age 12–23 months) that has not received any of the scheduled vaccines for BCG, DPT3, OPV3, and measles.	<b>Depth of poverty</b> Depth of poverty, also known as poverty gap, is the average shortfall of per capita consumption from the poverty line, shown as the percentage of the poverty line. In calculating the depth of poverty, the shortfall of non-poor is treated as zero.
<b>Access to skilled antenatal care during pregnancy (%)</b> Percentage of pregnant women who have visited any skilled provider (doctor, midwife, nurse, or community health worker) for prenatal care during pregnancy.	<b>Average consumption of the poor as percentage of poverty line</b> This measure is obtained by subtracting the ratio of poverty gap to poverty rate from 1.
<b>Births attended by skilled attendants (%)</b> Proportion of child deliveries that are attended by any skilled birth attendant, such as a doctor, midwife, or nurse.	<b>Average per capita monthly total consumption</b> Value of food and non-food items consumed by a household in a month (including the used value of durable goods and housing) divided by the household size.
<b>Disability prevalence rate</b> Proportion of the population classified as disabled (i.e., people experiencing some difficulty in at least one of the five abilities—vision, hearing, mobility, self-care, and remembering).	<b>Inequality—Gini coefficient of per capita total consumption</b> Gini coefficient measures the deviation of a given distribution of per capita consumption from a perfectly equal distribution. The value of Gini coefficient ranges from 0 to 1.





PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES			
GOVERNANCE AND STATE EFFECTIVENESS			
DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 1: Improved PEFA ratings for external/internal audit</b>			
Improved Public Expenditure and Financial Accountability (PEFA) ratings for external/internal audit.	The methodology for the 2017 PEFA assessment covering the years 2014–2016 was changed. The new PEFA Framework published in 2016 upgraded the methodology and scoring criteria used for this assessment. While the revisions in the PEFA Framework provides for a deeper analysis, they hinder a direct comparison with the prior reviews.	PEFA report	Every 3–5 years
<b>INDICATOR 2: Develop and implement new e-Government Procurement (e-GP) system to improve the collection and disclosure of public procurement data and information across the full contracting cycle (from planning to contract implementation)</b>			
Measures progress toward procurement, commissioning, and rollout of e-GP system.		National Procurement Authority (NPA)	Annually
<b>INDICATOR 3: Increased development budget execution rate (%)</b>			
The proportion of actual development expenditure during the fiscal year against development budget approved by the legislature at the start of the fiscal year.		Annual audited financial statement and budget execution reports for development budget	Annually
<b>INDICATOR 4: Increased domestic revenue as a percentage of GDP</b>			
The revenue collected and reported by the government as a percentage of the country's gross domestic product (GDP).		Macro-Fiscal Policy Department Afghanistan Revenue Department Customs Department	Annually



## GOVERNANCE AND STATE EFFECTIVENESS (continued)

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 5: Effective implementations by budgetary units on the external audit recommendations (%)</b>			
For each audit year, the number of audit recommendations implemented by the 10 largest spending ministries against total number of audit recommendations agreed between the Supreme Audit Office (SAO) and respective ministry during annual audit.		Report from Afghanistan Financial Management System (AFMIS) established and implemented at SAO, verified by a third party	Annually
<b>INDICATOR 6: Percentage increase in customs duties through ASYCUDA customs automation (%)</b>			
The revenue mobilization effort of customs as compared to the previous year's collection.	In June 2020, the calculation of this indicator was revised. The Fiscal Performance Improvement Support Project Mid-Term Review mission assessed that in 2019, 92.6 percent of revenue was collected through the ASYCUDA (Automated System for Customs Data) World system. The sources of revenue that are still collected outside the system are from customs sites not yet automated and a minimal amount of additional tariff receipts not yet automated in the ASYCUDA World system.	AFMIS and Ministry of Finance (MoF)	Annually
<b>INDICATOR 7: Increase of the Open Budget Index score</b>			
Progress in budget transparency over time. The indicator relies on the rating of the Open Budget Index, which is compiled by the Open Budget Initiative.	This indicator is not drawn directly from any individual project result framework and no target has been set up for it yet. It is only included for information.	Open Budget	Annually
<b>INDICATOR 8: Civil servants appointed in priority LMAs following approved strategic staffing plan for targeted capacity "surge" (%)</b>			
The proportion of Tackling Afghanistan's Government HRM [human resource management] and Institutional Reforms (TAGHIR) civil servant appointments that are mapped to targeted "pockets of effectiveness" as identified in line ministry and independent agency (LMA) strategic staffing plans for targeted capacity surge. These include those "legacy" positions that are vetted again in the staffing plan.		Independent Administrative Reform and Civil Service Commission (IARCSC) Monitoring Tables	Monthly



## GOVERNANCE AND STATE EFFECTIVENESS (continued)

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 9: Civil servants in priority LMAs transitioned from project to core government budget financing (%)</b>			
The proportion of TAGHIR civil servant appointees in priority LMAs that are transitioned into regular payroll; at a minimum on Pay and Grading rates. Achievement of this target is required to reach 100% at project effectiveness and be maintained at this level.		IARCSC Monitoring Tables	Biannually
<b>INDICATOR 10: HRMIS/Payroll rolled out in at least 5 LMAs</b>			
Measures progress toward rollout of Human Resources Management Information System (HRMIS)/Payroll in LMAs.		IARCSC HRMIS Implementation on Progress report	Annually
<b>INDICATOR 11: Percentage of civil servants and pensioners who received government payments through electronic channels (% women)</b>			
The percentage of civil servants and pensioners receiving payments through electronic means including banks accounts as well as mobile wallets. This indicator will be disaggregated by gender.		MoF	Quarterly
<b>INDICATOR 12: Number of financial access points</b>			
The term “financial access points” is meant as the sum of (i) the number of branches of commercial banks and licensed Electronic Money Institutions; (ii) the number of active agents of licensed financial institutions; (iii) the number of in-service ATMs of commercial banks; and (iv) the number of POS (Point of Sale) terminals accepting electronic payments. Once microfinance institutions connect to the Afghanistan Payment System, their branches will be included.		Da Afghanistan Bank (DAB)	Quarterly
<b>INDICATOR 13: Land Information System (LIS) is operational and available to use centrally and in the project’s selected areas (%)</b>			
Measures the progress on the modular development of LIS, and its final deployment in the project’s selected areas.		Progress reports and completion reports on LIS	Annually, starting at year 2 of the project
<b>INDICATOR 14: Computerization of cadastral mapping and land records completed for project’s selected areas (%)</b>			
Measures the progress (percentage) in producing complete coverage of cadastral maps for all the project’s selected areas.		Number of records in respective database(s) at headquarters and regional levels	Quarterly
<b>INDICATOR 15: SOPs and uniform service standards for Deputy Land Ministry (DLM) / MUDL are adopted and effectively implemented through its daily operations</b>			
Measures the extent to which DLM effectively applies the standard operating procedures (SOPs) and service standards for land administration.		Independent Expert Assessments	Mid-Term Review and Final Project Evaluation

## GOVERNANCE AND STATE EFFECTIVENESS (continued)

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 16: Level of satisfaction of target population with land registry services (%)</b>			
Through a series of surveys, this indicator will measure the level of satisfaction of project beneficiaries regarding the services provided in issuance of map-based titles and Occupancy Certificates.		Beneficiary surveys	At least 3 surveys, starting at year 2 of the project, plus Mid-Term Review and Final Project Evaluation
<b>MILESTONE M1: Number of internal/external audits verified as done to international auditing standards</b>			
The internal audits indicator measures progress in strengthening internal controls, while the external audit indicator measures external audits of the development budget performed in line with international standards.		Project Management Information System (PMIS)	Annually
<b>MILESTONE M2: Framework Agreement procurement is done by the government</b>			
		NPA	Quarterly
<b>MILESTONE M3: Improvement in core institutional capacity, represented by a reduction in the number of long-term technical assistants</b>			
Measures the performance by MoF civil servants of functions previously performed by consultants, by tracking the reduction in numbers of long-term consultants.		Monitoring report of the MoF, verified by the World Bank	Annually
<b>MILESTONE M4: Rolling out e-Government Procurement in the pilot phase in three or more departments</b>			
Measures progress toward an e-procurement system in Afghanistan on pilot basis.		NPA	Annually
<b>MILESTONE M5: Civil servant positions held by women</b>			
The proportion of civil servant positions recruited into priority LMAs that are held by women. This includes "legacy" appointees carried over from the Capacity Building for Reform project.		IARCS Monitoring Tables	Monthly
The target for this indicator is set at 10 percent by project closing but this is considered a minimum benchmark. LMA quotas and creative solutions such as female-only positions will be adopted to promote an increase in female participation.			
<b>MILESTONE M6: Priority LMAs that meet minimum benchmark targets related to reduction in number of NTAs</b>			
Priority LMA achievement of agreed national technical assistant (NTA) reduction targets. The milestone is directly relevant to those 11 priority LMAs receiving new staffing allocations under TAGHIR.		IARCS General Directorate of Civil Service Management NTA database	Biannually





<b>GOVERNANCE AND STATE EFFECTIVENESS (continued)</b>			
<b>DEFINITION</b>	<b>GUIDANCE</b>	<b>DATA</b>	<b>FREQUENCY</b>
<b>MILESTONE M7: Percentage of civil servants and pensioners biometrically registered and issued a unique identifier for payment purposes (%)</b>			
The percentage of civil servants and pensioners who are biometrically registered and received a unique identification number issued through the National Statistics and Information Authority (NSIA) and to be used for payment purposes.		MoF and NSIA	Quarterly
<b>MILESTONE M8: Legal and regulatory framework established, including for data protection</b>			
A comprehensive legal framework should be developed that sets out the purposes of the ID system; defines the role, duties, governance, and independence of the NSIA; sets out the scope of personal data to be collected; establishes appropriate data protection and privacy rights (assuming no general data protection and privacy framework is enacted); creates a mandate for technology and vendor neutrality; and is harmonized with existing legal instruments.		NSIA	Biannually
<b>MILESTONE M9: Households benefiting from systematic land registration and issuance of Occupancy Certificates</b>			
Information will be collected on the beneficiaries of the systematic land registration and Occupancy Certificate issuance activities.		Field reports	Quarterly
<b>MILESTONE M10: Women receiving Occupancy Certificates (alone or jointly)</b>			
The number of women beneficiaries receiving Occupancy Certificates, alone or jointly.		Field reports	Quarterly
<b>MILESTONE M11: Effective resolution of grievances related to the project resolved within standards stipulated in GRM procedures (%)</b>			
Measures effectiveness of citizen feedback mechanisms established under the project. It measures the percentage of cases (including complaints and inquiries) that are addressed as per the standards agreed upon in the grievance redress mechanism (GRM) procedures.		Reports from GRM database	Quarterly

## PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES

### HEALTH

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 17: Births attended by skilled attendants</b>			
The cumulative number of women who delivered with the assistance of a health provider as a result of ARTF activities. This indicator includes deliveries by a skilled health provider (specialist or non-specialist doctor, midwife, nurse, or other health personnel with midwifery skills). Deliveries by trained or untrained traditional birth attendants are excluded. It captures deliveries by skilled health providers either in health facilities or homes of pregnant women.		Health Management Information System (HMIS) and Household Survey (HHS)	Annually/ Every two years
<b>INDICATOR 18: Scorecard score examining quality of care in health facilities (average score)</b>			
The composite score out of 100 on indices of quality of care as judged by the third party monitor. The health sector of Afghanistan adopted the Balanced Scorecard as a tool to measure and manage the performance in delivery of the Basic Package of Health Services (BPHS) throughout the country.  The Balanced Scorecard provides a framework to look efficiently at several key areas or domains of the health sector. Each domain is made up of several indicators that provide information about performance in that domain. Provincial results are color coded and for each indicator, upper and lower benchmarks have been defined based on the performance found across the provinces in Afghanistan. This allows the Ministry of Public Health and other stakeholders in the health sector to visualize quickly the performance of each province for each indicator.		Health Facility Assessment (HFA)	Annually
<b>INDICATOR 19: PENTA3 coverage among children age between 12–23 months in lowest income quintile (%)</b>			
The number of children age 12–23 months in lowest income quintile who received PENTA3 vaccine before their first birthday.  Denominator: Total number of children age 12–23 months in lowest income quintile. (The data are disaggregated by gender)		Household Survey (Third Household Survey)  Third Party Monitoring reports  Central Statistics Organization	Every two years





<b>HEALTH (continued)</b>			
<b>DEFINITION</b>	<b>GUIDANCE</b>	<b>DATA</b>	<b>FREQUENCY</b>
<b>INDICATOR 20: Minimum dietary diversity (%)</b>			
Percentage of children in age group of 6–23 months who receive foods from 4 or more food groups.		Demographic and Health Survey	Once in three years
<b>INDICATOR 21: Contraceptive prevalence rates (modern methods) (%)</b>			
The proportion of women of reproductive age who are using (or whose partner is using) a modern contraceptive method at a given point in time.		HHS	Once in three years
<b>MILESTONE M12: Health facility visits per capita per year to BPHS/EPHS facilities</b>			
Numerator: The number of outpatient department clients/patients seen at Basic Package of Health Services (BPHS)/ Essential Package of Hospital Services (EPHS) facilities per year.  Denominator: Total population in same period.		HMIS	Annually
<b>MILESTONE M13: Proportion of health facilities staffed with at least one female health worker (%)</b>			
The proportion of BPHS-supported health facilities with at least one female health worker (doctor, midwife, or nurse).		HMIS and HFA	Annually
<b>MILESTONE M14: Proportion of children under five years with severe acute malnutrition who are treated (%)</b>			
The number of children under age five treated for severe acute malnutrition out of the total number of children under age five with severe acute malnutrition.		HMIS	Annually

## PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES

### EDUCATION

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 22: Students attending school regularly in selected provinces</b>			
The number of students attending school (Grades 1–12) is defined by the number who participated in the end of year exam (the requirement for which is that they attend 75% of the academic year, in selected provinces). This is calculated according to the Education Management Information System (EMIS) as total of students attending subtracted from the previous year's total. Data are gathered at the end of school year.		EMIS data collected every year	Annually
<b>INDICATOR 23: Out-of-school children in selected provinces</b>			
Total number of out-of-school children including school-age children (age 7–16 years) not in school, permanently absent students (<3 years out of school), and dropouts (>3 years out of school), by gender; the baseline figures are from the 2016 ALCS.		EMIS data collected every year	Annually
<b>INDICATOR 24: Student enrollments in priority degree programs for economic development (women)</b>			
The number of male/female students enrolled in priority disciplines as defined in the National Higher Education Strategic Plan, 2015–2020.	Priority disciplines include physical and life sciences; computing; engineering, manufacturing and construction; health; environmental protection; agriculture; communication and information technologies; management and policy administration; English language and English literature.	Ministry of Higher Education	Annually
<b>MILESTONE M15: Schools constructed or expanded with classrooms, boundary walls, water points, and gender-segregated latrines</b>			
Total schools built and expanded with completion of missing items, including adding classrooms, gender-segregated latrines, water points, and boundary walls in selected provinces, as specified per contract terms.		Civil Works unit of EQRA	Annually
<b>MILESTONE M16: Students benefiting from direct interventions to enhance learning (girls)</b>			
Corporate Results Indicator		EMIS data collected every year	Annually





PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES			
WOMEN'S ECONOMIC EMPOWERMENT (formerly presented under Rural Development)			
DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 25: Number of direct beneficiaries (women)</b>			
Total number of beneficiaries, including all individuals who are members of a self-help group (SHG) and/or Enterprise Group. The total number of beneficiaries will also be disaggregated into the following categories: people with disabilities, Kuchis, and widows. Baseline value includes Afghanistan Rural Enterprise Development Project (AREDP) beneficiaries.		MIS and Progress reports	Quarterly
<b>INDICATOR 26: Beneficiaries reached with financial services</b>			
For this project, "financial services" include SHGs, Village Savings and Loan Association (VSLAs), and/or accounts with microfinance institutions or other formal financial institutions. Baseline comes from AREDP.		MIS and Progress reports	Quarterly
<b>INDICATOR 27: Share of women SHG members from poor or vulnerable households (%)</b>			
The proportion of all women SHG members who come from poor, ultra-poor, or vulnerable households. The classification of poor, ultra-poor, and vulnerable is based on the Citizens' Charter well-being analysis, and this indicator will only be measured in Community Development Councils (CDCs) where such an analysis exists. Baseline value not available.		MIS and Progress reports	Annually
<b>INDICATOR 28: Number of agents of licensed financial institutions (women) [new indicator]</b>			
The number of active agents of licensed financial institutions offering, at the minimum, cash-in and cash out services.		DAB	Quarterly
<b>MILESTONE M17: Net aggregate savings mobilized (US\$, million)</b>			
The net aggregate position of savings contributed by active and standby SHG members to SHGs, as of a certain date. Baseline value is based on total savings mobilized under AREDP.		MIS and Progress reports	Quarterly



## WOMEN'S ECONOMIC EMPOWERMENT (continued)

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>MILESTONE M18: Number of VSLAs that have received a grant</b>			
The number of VSLAs formed under the Women's Economic Empowerment Rural Development Program (WEE-RDP) that has received a seed grant. If at least one tranche of the grant is received, the VSLA is counted. Existing VSLAs formed under AREDP do not count toward this milestone. The target is based on 90% of the 5,000 WEE-RDP VSLAs receiving a grant.		MIS and Progress reports	Quarterly





<b>PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES</b>			
<b>CITIZENS' CHARTER</b>			
<b>DEFINITION</b>	<b>GUIDANCE</b>	<b>DATA</b>	<b>FREQUENCY</b>
<b>INDICATOR 29: Number of CDCs in rural and urban areas able to plan and manage their own development projects</b>			
Total number of rural and urban communities that have completed their Community Development Plans (CDPs) and are currently implementing their subprojects.	For the current report, the numbers refer to successfully created CDPs.	Project MIS CDC Maturity Index CDC Evaluation Third Party Monitoring reports	Every two years
<b>INDICATOR 30: Number of residents (rural and urban) (male/female) benefiting from each type of subproject (% women)</b>			
Number of residents who benefit from each type of subproject, e.g., drainage, streets, street lighting, parks in urban areas, and access to water, roads, irrigation, and electricity in rural areas.	It is not possible to forecast beneficiary target numbers as communities decide on types of projects they need and prioritize. The program will be tracking the number of persons benefiting directly from each type of service.	Citizens' Charter MIS	Every two years
<b>INDICATOR 31: Number of vulnerable households benefiting from Social Inclusion Grant</b>			
Number of vulnerable households in Citizens' Charter communities that benefit from Social Inclusion Grants. Social Inclusion Grants aim to promote collective action and community philanthropy in an effort to provide sustainable welfare support for these "ultra-vulnerable" households, through establishment of food/grain banks for instance.		Citizens' Charter MIS	Annually
<b>INDICATOR 32: Number of targeted high IDP/returnee communities provided with emergency support</b>			
A simple count of the communities under Citizens' Charter, which are provided with emergency support and this indicator is covered under the Maintenance Construction and Cash Grant (MCCG).	Communities with a high number of internally displaced persons (IDPs)/returnees come under the vulnerable groups that are normally in need of immediate support. Such communities are targeted under MCCG, a subprogram of Citizens' Charter, which is cash for work (labor work provision to the "poor" category people of the communities where skilled labor is paid 650 afghanis per day for their work and unskilled is paid 350 afghanis). The work is provided for 40 days for each household.	Citizens' Charter MIS	Quarterly

## CITIZENS' CHARTER (continued)

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 33: Number of households receiving in-kind or cash support in (i) rural or peri-urban areas; (ii) provincial capital cities; and (iii) Kabul [new indicator]</b>			
A simple count of the number of households that have received at least one transfer through the COVID-19 Relief Efforts for Afghan Households and Communities program in project areas.		Project administrative data	Quarterly
<b>MILESTONE M19: Number of communities meeting all minimum service standards</b>			
Number of rural and urban communities that have met all the agreed minimum service standards under the Citizens' Charter.	Due to high risks related to fragility and insecurity, as well as sectoral challenges in providing some services, the end target is about 70% of the planned total, i.e., 8,600 out of planned 12,000 rural communities and 400 out of planned 600 urban communities. The total number by end of project for this particular milestone is 9,600 communities.	Project MIS Improved service delivery evaluation Third Party Monitoring reports	Every two years
<b>MILESTONE M20: Percentage of grievances received that are resolved (%)</b>			
Proportion of reported grievances that have been followed up and resolved.		Citizens' Charter MIS	Quarterly
<b>MILESTONE M21: Percentage of CDC members in rural and urban areas who are women (%)</b>			
Proportion of CDC members who are female.		Citizens' Charter MIS and Gender study	Reported once elections are held and confirmed at mid-term and final





PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES			
INFRASTRUCTURE			
DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 34: Increase in the number of beneficiaries with new connections to the grid in the target areas</b>			
The number of people who have received an electricity connection via new and rehabilitated connections to the grid.	Data on the number of people with electricity connections are estimated by multiplying the actual number of household connections with an estimate of the average household size, assuming about seven people per household. This indicator covers power projects financed by the ARTF.	ARTF Report and Power project report	Quarterly
<b>INDICATOR 35: Increase in the communities within the Corridor of Influence (CoI) that are provided with access to electricity through the Community Support Program (CSP) grant-funded subprojects (%)</b>			
The percentage of subprojects in the power sector based on the total number of approved subprojects in the MIS, e.g., if the number of power sector subprojects is 61 and the total number of approved subprojects is 186, then the percentage would be 32.7%.		MIS, number of approved subprojects	Quarterly
<b>INDICATOR 36: 100% of communities in the CoI receive support through the CSP grant (%)</b>			
The percentage of approved subprojects based on the total number of CDCs covered within the CoI, e.g., if the number of approved subprojects is 186 and the total number of CDCs in the CoI is 697, then the percentage would be 26.6%.		MIS, number of approved subprojects	Quarterly
<b>INDICATOR 37: Kilometers of road constructed or rehabilitated</b>			
The kilometers of community and trunk roads constructed or rehabilitated.	Kilometers of all non-rural roads reopened to motorized traffic, rehabilitated or upgraded. Non-rural roads are functionally classified in various countries as trunk or primary, secondary, or link roads, or sometimes tertiary roads. Typically, non-rural roads connect urban centers/towns/settlements of more than 5,000 inhabitants to each other or to higher classes of road, market towns, and urban centers. Urban roads are included in non-rural roads.	Field Survey	Every two years

## INFRASTRUCTURE (continued)

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 38: Proportion of rural population living within 2 km of all-season roads (%)</b>			
The proportion of rural people in the project area who live within 2 kilometers (km) (typically equivalent to a 20-minute walk) of an all-season road. This indicator is also known as the Rural Access Index.	<b>Guidance on “all-season road”:</b> An all-season road is one that is motorable all year by the prevailing means of rural transport (often a pick-up or a truck that does not have four-wheel drive). Predictable interruptions of short duration during inclement weather (e.g., heavy rainfall) are acceptable, particularly on low volume roads.	PMIS	Every two years
<b>MILESTONE M22: Distribution lines constructed under the project (km)</b>			
The length of distribution lines constructed, and the amount of transformer capacity added under the project. For purposes of allocating the incremental transformer capacity to distribution, it is counted by the higher voltage at which it is rated—hence any transformer with a voltage rating of 20kV or less is counted as distribution transformation.		ARTF Report and Electricity project report	Every two years
<b>MILESTONE M23: 75% of sampled families benefitting from the CSP express support for the transmission line (%)</b>			
From the total number of sampled households in the community, 75% of sampled households who benefited from CSP projects should show their support toward the transmission line.  The data will be collected through M&E forms, mainly the 3rd IMI (Institutional Maturity Index), which are filled after the subprojects are closed and all the funds of a community are utilized.		Survey, MIS, number of CDCs, and Ministry of Rural Rehabilitation and Development database.	Quarterly
<b>MILESTONE M24: At least 50% of total beneficiaries are female (%)</b>			
During the preparation of a community profile, Social Organizers determine the number of population (male and female) in the CDCs and HHs. The data are used to calculate the percentage of female beneficiaries, e.g., if the total beneficiary population is 600,000 and 300,000 of them are female, then the resulting percentage would be 50%.		MIS, number of HHs and population	Quarterly





## INFRASTRUCTURE (continued)

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>MILESTONE M25: Total rural roads rehabilitated and maintained (km)</b>			
The cumulative number of kilometers of all roads constructed, reopened to motorized traffic, rehabilitated, graveled, or upgraded by (i) the CCAP CDCs that used their block grants; and (ii) funds from the National Rural Access Project/ARAP projects.		PMIS	Every two years

## PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES

### URBAN DEVELOPMENT

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 39: Number of people in urban areas provided with access to all-season roads within a 500-meter range under the project</b>			
<p>All-season road is defined as a road that is motorable all year by the prevailing means of transport (e.g., car, fire truck or ambulance, which may not have four-wheel drive). Predictable interruptions of short duration during inclement weather (e.g., heavy rainfall) are acceptable, particularly on low volume roads.</p> <p>Road access in slums often does not exist and presents additional risks to residents in emergencies as ambulances or fire trucks cannot enter. It also reduces the ability for home-based income generating activity as it is difficult to bring goods and supplies in and out without road access.</p>	<p>The data on the number of people provided with access will come from estimates by task team leaders and can be measured by assessing the kilometers of roads constructed or rehabilitated, and estimates of the population in the project area within a 500-meter range that will access these roads (based on population density estimates); 500 meters is roughly equivalent to 5–10 minutes walking time.</p>	Field survey	Quarterly
<b>MILESTONE M26: Total community roads paved (km)</b>			
Upgrading of basic municipal infrastructure.		Kabul Municipal Development Project	Biannually
<b>INDICATOR 40: NUMBER OF URBAN RESIDENTS BENEFITING FROM PROJECT COMPONENTS</b>			
Number of project beneficiaries from roads, storm water drainage, street lighting, and other subproject outputs.		Consultant supervision reports, Third Party Monitoring reports, CIP Quarterly Progress Reports, beneficiary surveys.	Quarterly
<b>MILESTONE M27: ROADS CONSTRUCTED (km)</b>			
Urban roads constructed under the project.	Municipalities to collect baseline data as input to the Urban Management Information System and Asset Inventory/Management Plan.	Consultant construction supervision reports with road data.	Annual





PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES			
AGRICULTURE			
DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 41: Water users provided with new/improved irrigation and drainage services (female)</b>			
The number of water users provided with water services through rehabilitation of systems.	<b>Guidance on “water users”:</b> This refers to the recipients of irrigation and drainage services, i.e., the owners or, in case the land is leased, the lessees of the land provided with irrigation and drainage services.	M&E Seasonal crop survey and PMIS	Annually
<b>INDICATOR 42: Days of short-term labor financed by the project (women) [new indicator]</b>			
The number of days worked by unskilled workers (men and women) on irrigation/watershed activities.		Records of daily labor employed on activities	Biannually
<b>INDICATOR 43: Volume of inputs (wheat seeds and other crop seeds) distributed to farmers under the project (metric ton [MT]) [new indicator]</b>			
Volume of wheat seeds and other crop seeds distributed and used by farmers.		Records of beneficiaries and seeds distribution; data collected using Kobo Toolbox	Biannually
<b>INDICATOR 44: Institutional capacity built and beneficiaries’ skills developed (in participant training-days) (female participant training-days) [new indicator]</b>			
It is a proxy indicator to assess the level of capacity building provided by the project. Aggregates the participant training-days of all classroom and non-classroom learning activities, such as workshops, farmer field school.		Training records (with participants’ signature); data collected by Kobo Toolbox	Biannually
<b>MILESTONE M28: Area provided with new/improved irrigation and drainage service (ha)</b>			
The total area of land provided with irrigation and drainage services under the financed projects, including (i) the area provided with new irrigation and drainage services, and (ii) the area provided with improved irrigation and drainage services, expressed in hectare (ha).	<p><b>Guidance on “irrigation and drainage services”:</b> This refers to the better delivery of water to and drainage of water from arable land, including better timing, quantity, quality, and cost-effectiveness for the water users.</p> <p><b>Guidance on “new irrigation and drainage services”:</b> This refers to the provision of irrigation and drainage services in an area that has not had these services before. The area is not necessarily newly cropped or newly productive land but is newly provided with irrigation and drainage services and may have been rain fed before.</p> <p><b>Guidance on “improved irrigation and drainage services”:</b> This refers to the upgrading, rehabilitation, and/or modernization of irrigation and drainage services in an area with existing irrigation and drainage services.</p>	Project implementation reports	Every two years



## AGRICULTURE (continued)

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
<b>MILESTONE M29: New orchards (including vineyards and pistachio groves) established with at least 65% survival rate (ha)</b>			
Newly developed orchards supported by the project with a survival rate of saplings of different kinds of crops as measured one year after the initial development.		Annual outcome monitoring/ Project M&E	Annually; end of project
<b>MILESTONE M30: Adoption rate of improved horticulture technology packages (% of female farmers adopting)</b>			
The proportion of farmers who have adopted an improved agricultural technology promoted by the project.	<p><b>Guidance on “adoption”:</b> A change of practice or change in use of a technology that was introduced/promoted by the project. Measured as the target farmers who have adopted at least five elements of the horticulture package promoted by the project.</p> <p><b>Guidance on “technologies”:</b> The term “technology” includes a change in practices compared to current practices or technologies (seed preparation, planting time, feeding schedule, feeding ingredients, post-harvest, storage, processing). If the project introduced or promoted a technology package in which the benefit depends on the application of the entire package (e.g., a combination of inputs such as a new variety and advice on agronomic practices, for example, soil preparation, changes in seeding time, fertilizer schedule, plant protection)—this will count as one technology.</p>	Annual outcome monitoring and Project M&E	Annually; end of project
<b>MILESTONE M31: Farmers reached with agricultural assets or services (female) [new milestone]</b>			
The number of farmers who were provided with agricultural assets or services as a result of project support.	<p><b>Guidance on “agriculture” or “agricultural”:</b> Includes crops, livestock, capture fisheries, aquaculture, agroforestry, timber, and non-timber forest products.</p> <p><b>Guidance on “assets”:</b> Include property, biological assets, and farm and processing equipment. Biological assets may include animal agriculture breeds (e.g., livestock, fisheries) and genetic material of livestock, crops, trees, and shrubs (including fiber and fuel crops).</p> <p><b>Guidance on “services”:</b> Include research, extension, training, education, ICTs, inputs (e.g., fertilizers, pesticides, labor), production-related services (e.g., soil testing, animal health/veterinary services), phytosanitary and food safety services, agricultural marketing support services (e.g., price monitoring, export promotion), access to farm and post-harvest machinery and storage facilities, employment, irrigation and drainage, and finance.</p> <p><b>Guidance on “farmers”:</b> Farmers are people engaged in agricultural activities or members of an agriculture-related business (disaggregated by men and women) targeted by the project.</p>	<p>CDC beneficiary list</p> <p>Data collected using Kobo Toolbox</p> <p>Implementation Progress report</p>	Biannually





PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES			
PRIVATE SECTOR DEVELOPMENT			
DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>INDICATOR 45: Number of PPP projects tendered</b>			
Number of Public–Private Partnership (PPP) contracts facilitated by GoIRA following effective date of operations. In all the tendered projects based on the gender analysis, specific gender actions and indicators will be required.		Project Management Unit (PMU)	Every two years
<b>INDICATOR 46: Number of vulnerable households in high IDP/returnee cities provided with short-term employment support</b>			
Number of households that have participated in labor intensive public works undertaken through MCCG subprojects.		Project MIS	Biannually
<b>INDICATOR 47: Number of market-enabling infrastructure built or upgraded</b>			
Number of market-enabling infrastructure built, upgraded, or maintained through MCCG, Gozar and Business Gozar Grants, and Priority Projects.		Project MIS	Biannually
<b>INDICATOR 48: Reduction in time taken to obtain a construction permit for commercial properties (days)</b>			
Number of average days reduced for obtaining construction permits for commercial properties.		Evaluation Report	Biannually
<b>MILESTONE M32: Number of pre-feasibility studies completed</b>			
Number of pre-feasibility studies completed under purview of GoIRA/Infrastructure Project Preparation Facility following effective date of this operation.		PMU	Every two years
<b>MILESTONE M33: PPP Policy and Regulations operationally applied</b>			
This will be measured (maximum of once) not only when the policy and regulations have been approved but once there is evidence that the agencies have actually made them effective and applicable to PPP operations in Afghanistan.		PMU	Every six months until completed

## PRIVATE SECTOR DEVELOPMENT (continued)

DEFINITION	GUIDANCE	DATA	FREQUENCY
<b>MILESTONE M34: Percentage of complaints/grievances resolved following agreed EZ-Kar service standards (%)</b>			
The number of project-related complaints or grievances resolved in accordance with Eshteghal Zaiee – Karmondana (EZ-Kar) service standards, divided by the number of project-related complaints or grievances received.		GRM systems	Biannually
<b>MILESTONE M35: Number of market-enabling investments under the project that address the gender gap in access to urban economic centers/ markets</b>			
Number of market-enabling investments under the project that close gender gaps in women's access to markets, which can be in the form of (i) specific subprojects exclusively for women, e.g., restoration of women's markets, rehabilitation of toilet facilities for markets; or (ii) subprojects that are inclusive for (and do not exclude) women, such as extension and upgrading of pedestrian walkways, bus stops and street lighting that link to markets.		Project MIS	Biannually



## PILLAR III: OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS OF THE ARTF

DEFINITION	DATA SOURCE	FREQUENCY
<b>Portfolio Implementation</b>		
<b>INDICATOR: Project readiness for implementation</b>		
Number of months between project approval to first disbursement.	World Bank data	Annually
<b>INDICATOR: Satisfactory implementation of active projects (%)</b>		
Percentage of active operations rated moderately satisfactory and above on implementation progress and likelihood of achieving development objectives.	World Bank data	Annually
<b>Gender Across the Portfolio</b>		
<b>INDICATOR: ARTF projects that include gender-specific objectives/outcome/ output data with targets (%)</b>		
Percentage of ARTF projects that include gender-specific development objectives, or gender-disaggregated indicators at outcome and output-level in their results frameworks.	Project results frameworks	Annually
<b>INDICATOR: Gender disaggregated data (%)</b>		
Percentage of ARTF projects that include gender-disaggregated indicators in their results framework.	World Bank data	Annually
Percentage of projects that report data and results on the gender-specific indicators within their results frameworks.	World Bank data and Implementation Status and Results reports	Annually
<b>INDICATOR: Gender focal points (%)</b>		
Percentage of relevant projects (those with gender-specific objectives/ outcomes/output) that have gender focal points in client project teams.	Project data on staffing	Annually
<b>INDICATOR: Gender TA (%)</b>		
Percentage of relevant projects (those with gender-specific objectives/ outcomes/output) that include technical assistance (TA) on gender issues and gender supervision in the implementation support missions.	Project paper Aide Memoires Implementation Status and Results reports	Annually
<b>INDICATOR: Gender-related knowledge (%)</b>		
Percentage of projects that have produced gender-related knowledge during the whole project cycle.	Knowledge Product Library and consultation with project teams	Project life cycle
<b>INDICATOR: Gender tagging (%)</b>		
Percentage of ARTF projects that are gender tagged, i.e., has gender analysis, gender, and related indicators.	Knowledge Product Library and consultation with project teams	Annually
<b>Community Engagement</b>		
<b>INDICATOR: Citizen engagement</b>		
Percentage of projects with beneficiary feedback mechanisms in place. The ARTF portfolio has incorporated various Citizen Engagement activities and tools depending on the sector and type of project. A large roads project, for example, has different challenges and mechanisms in place compared to an education project.	Project data	Annually

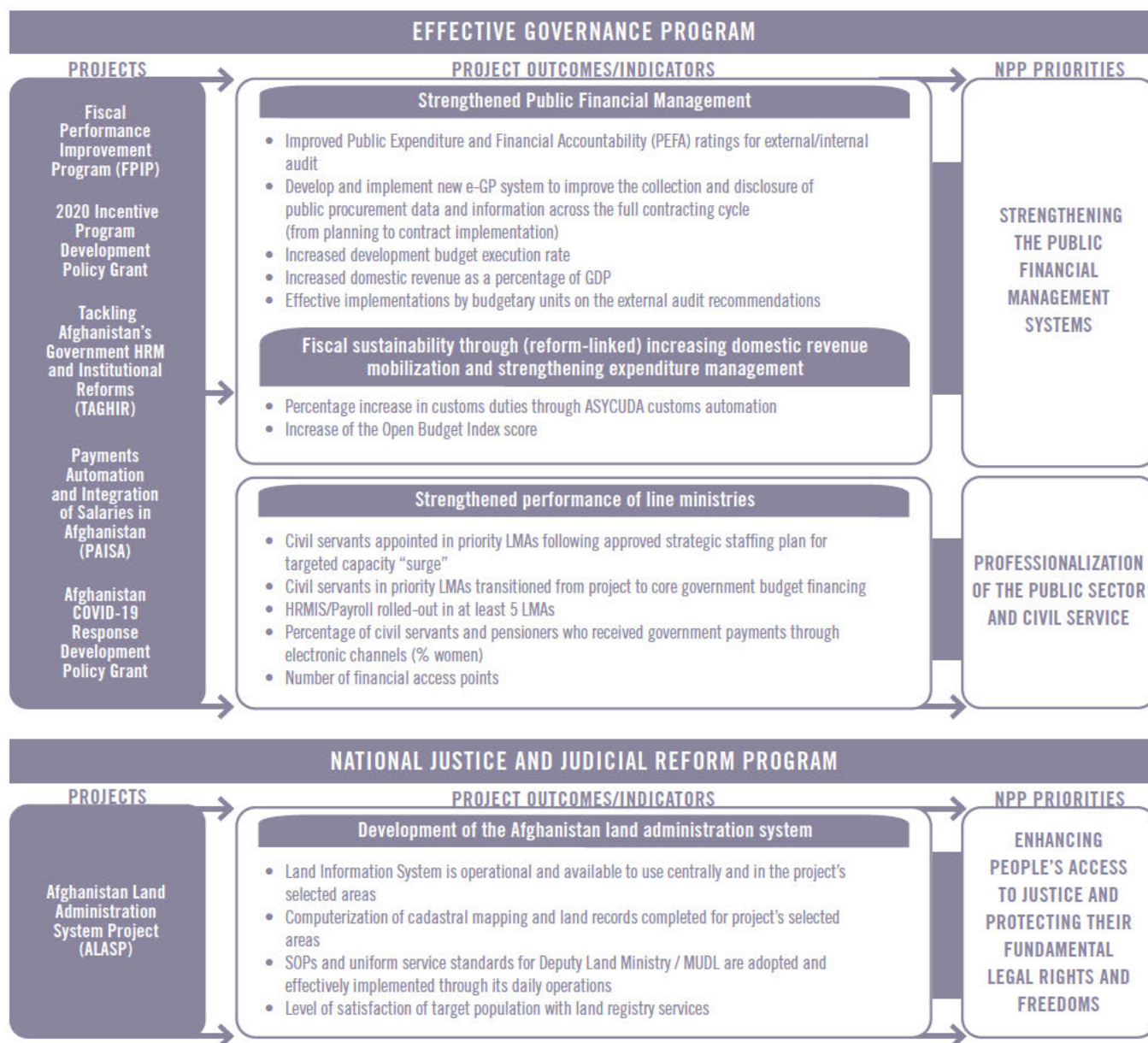
### PILLAR III: OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS OF THE ARTF (continued)

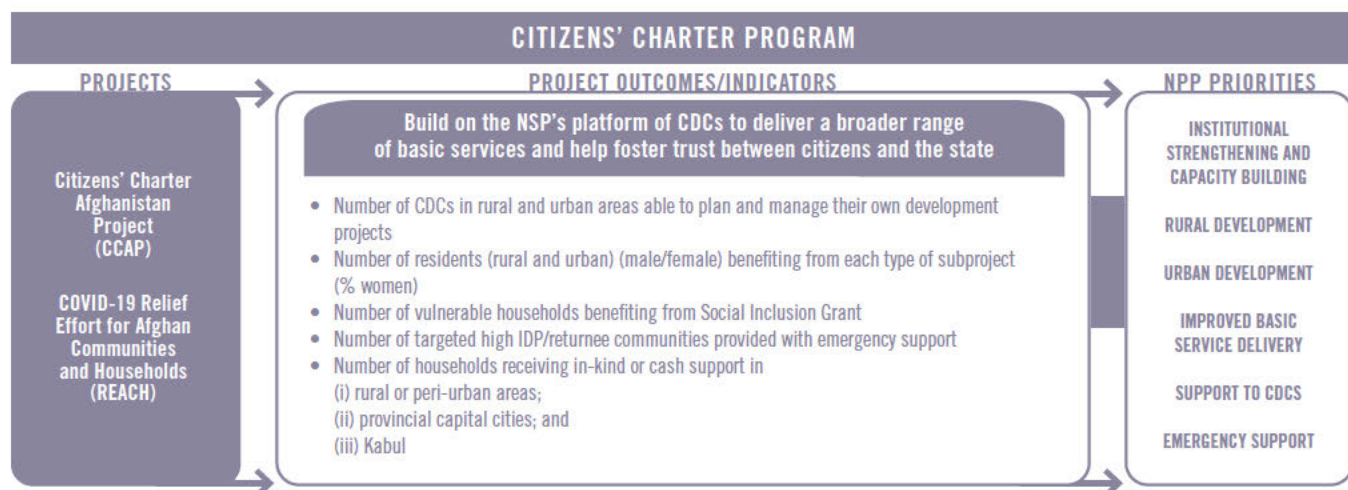
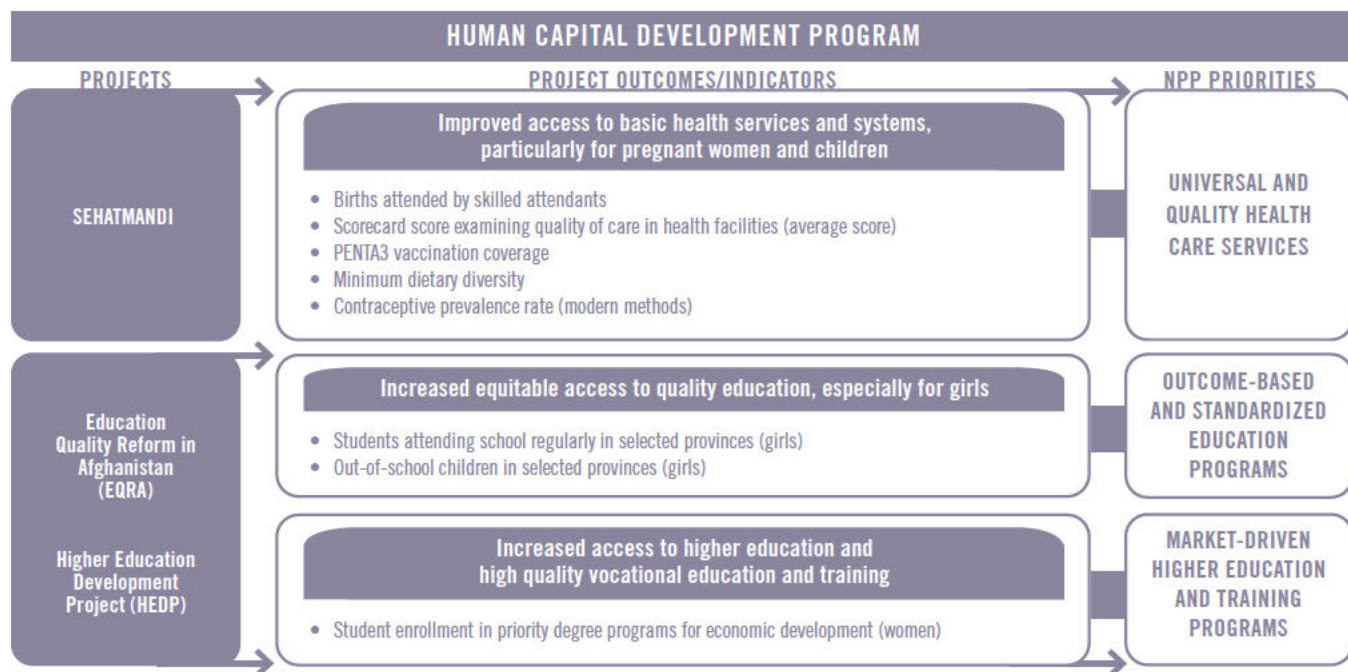
DEFINITION	DATA SOURCE	FREQUENCY
<b>Human Resources</b>		
<b>INDICATOR: World Bank staff presence</b>		
Number of days that staff spent on Afghanistan, including resident international and national staff and visiting mission days.	World Bank data	Annually
<b>Bank-executed Windows</b>		
<b>INDICATOR: Technical assistance</b>		
Number of active technical assistance initiatives provided through the ARTF ASIST window.	ARTF database and ARTF Strategy Group Records	Annually
<b>INDICATOR: Third Party Monitoring</b>		
Number of site visits conducted by the ARTF Third Party Monitoring Agent at project sites.	Third Party Monitoring Agent	Annually
<b>ARTF Finances</b>		
<b>INDICATOR: ARTF support to the civilian budget</b>		
ARTF Recurrent Cost Window/Investment Window resources as share of GoIRA's operating/development budget (%).	ARTF database and GoIRA budget documents	Annually
<b>INDICATOR: Gross disbursements</b>		
Disbursed amount in an Afghan fiscal year disaggregated for the Recurrent Cost Window and the Investment Window.	ARTF database	Annually
<b>INDICATOR: Disbursement ratio</b>		
Disbursed amount under the ARTF Investment Window as a ratio of undisbursed balance in a fiscal year.	ARTF database	Annually
<b>INDICATOR: Share of assistance provided via incentive mechanisms</b>		
Share of planned financing under the ARTF Incentive Program (FY 1394 – FY 1396) or Incentive Program Development Policy Grant earned by government by the end of the fiscal year.	ARTF database and ARTF Incentive Program Working Group records	Annually
<b>INDICATOR: Funding predictability</b>		
Percentage of total ARTF pledges deposited by donors by end of fiscal year (%).	ARTF database	Annually
Percentage of ARTF contributions preferenced (%)	ARTF database	Annually
<b>INDICATOR: Cash balance</b>		
Unallocated cash balance at the end of the fiscal year as a proportion of the pipeline for the coming year (%).	ARTF database	Annually

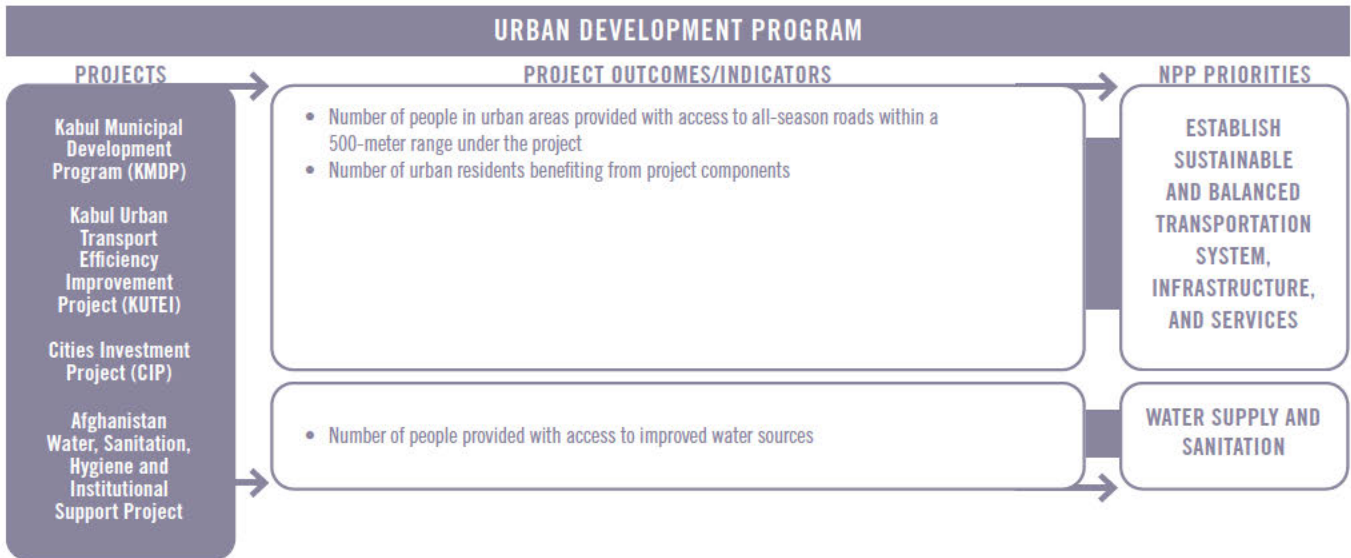
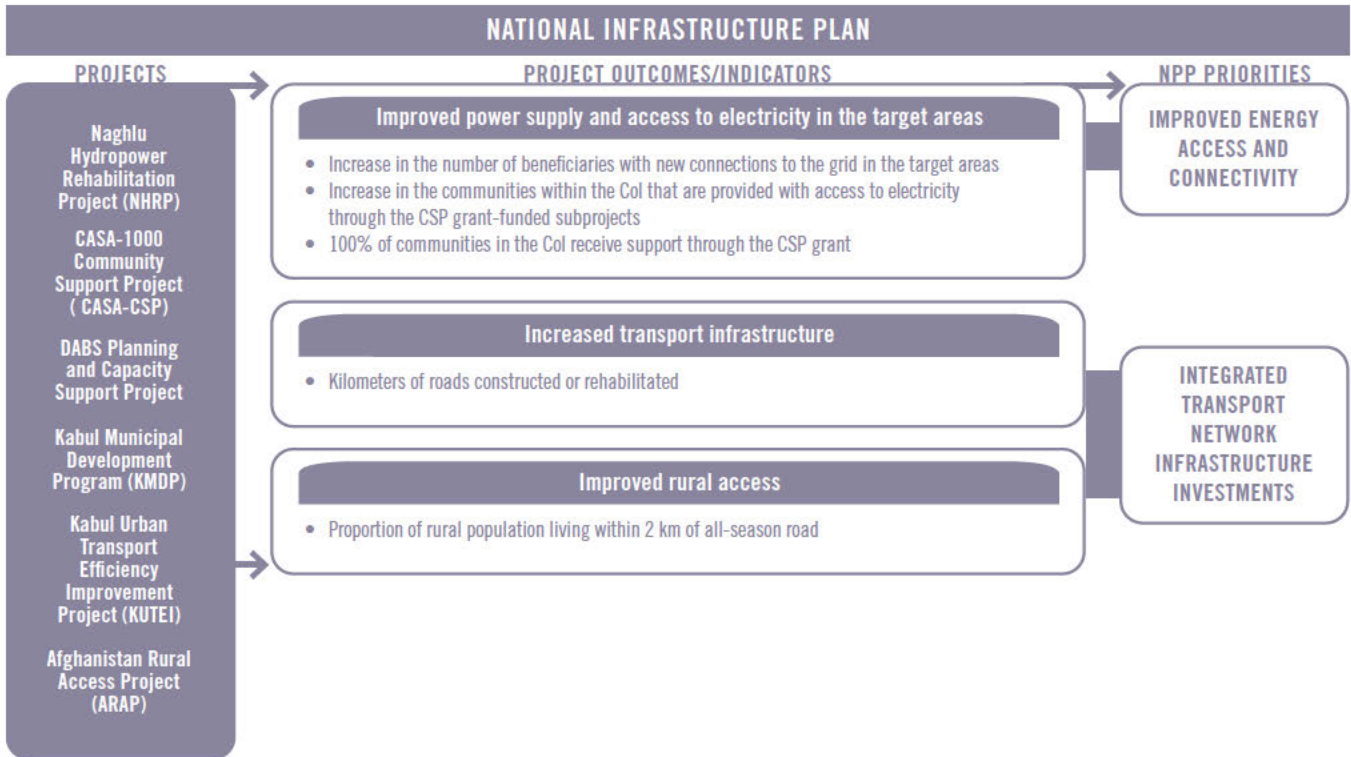


# ANNEX II: NPP Mapping and Summary of ARTF Active Projects (as of December 2020)

## SUMMARY OF ARTF CONTRIBUTIONS TO NATIONAL PRIORITY PROGRAM DEVELOPMENT OUTCOMES

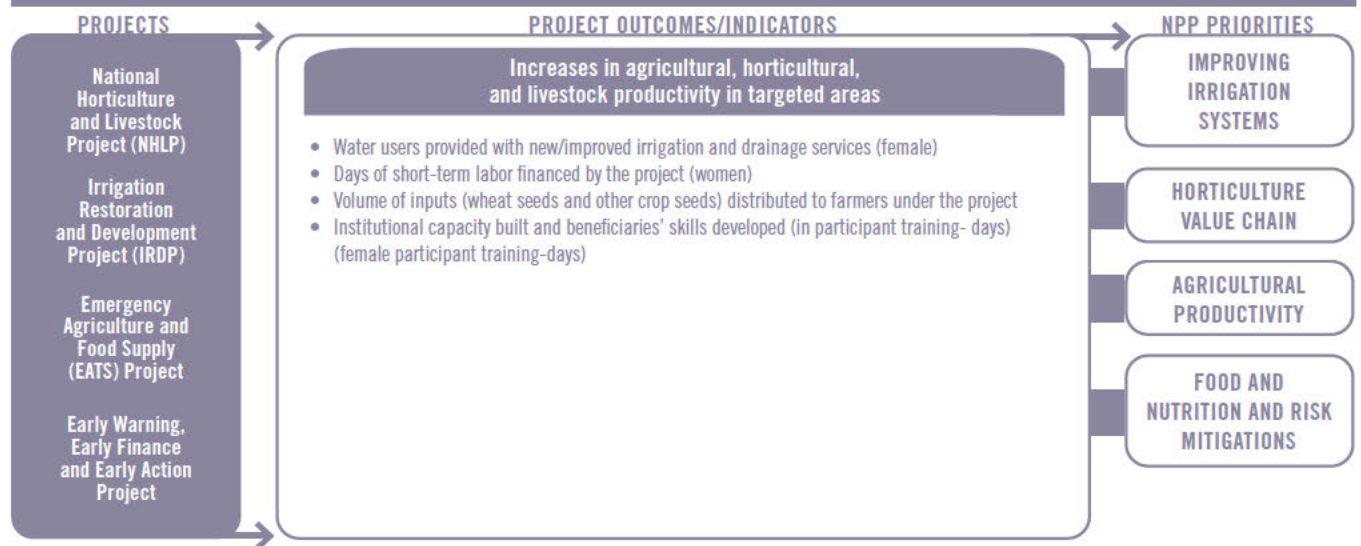








## NATIONAL COMPREHENSIVE AGRICULTURE DEVELOPMENT PRIORITY PROGRAM



## PRIVATE SECTOR DEVELOPMENT





ARTF PROJECT DETAILS BY NATIONAL PRIORITY PROGRAM											
ANPDF PILLAR, NPP, AND PRIORITY	PROJECT NAME	LOAN NUMBER	BASIC IDEA	GOIRA AGENCY	APPROVAL	CLOSURE	ARTF (US\$, million)	IDA (US\$, million)	OTHER (US\$, million)	PROJECT RATING DECEMBER 2020	
										PDO	IP
<b>POLICY-BASED BUDGET SUPPORT (IDA-DPB and ARTF-RCW)</b>											
Fiscal stability	Afghanistan COVID-19 Response Development Policy Grant	TF0B3025	Emergency budget support provided to mitigate the economic impact of COVID-19	MoF	09 July 2020	31 December 2020	100	100	0	--	--
Governance and state effectiveness	2020 Incentive Program Development Policy Grant	TF0B2572	Incentivized budget support that replaced RCW-IP benchmarks. More visibility and alignment with World Bank Group policies.	MoF	07 May 2020	30 June 2020	240	160	0	--	--
<b>INVESTMENT PROJECT FINANCING (IDA-IPF and ARTF-IW)</b>							2,609	1,193	133		
<b>GOVERNANCE AND STATE EFFECTIVENESS</b>											
<b>EFFECTIVE GOVERNANCE NPP</b>											
Fiscal performance	Fiscal Performance Improvement Support Project	TF06277	Contribute to the improvement of domestic revenue mobilization, and public expenditure management, and reinforcing a performance-oriented management culture in the Ministry of Finance.	MoF	19 December 2017	28 December 2022	35	25	0	MS	MS
Public sector reform	Tackling Afghanistan's Government HRM and Institutional Reforms	TF09123	Redesigned next phase of Capacity Building for Results program to tackle core challenge of professionalizing the civil service in a fiscally sustainable manner.	IARCS	19 December 2018	31 December 2022	36.6	18.4	0	MS	MS
Digital payment	Payments Automation and Integration of Salaries in Afghanistan	TF080027	Support the development of digital government-to-person payments in Afghanistan.	DAB	07 April 2019	31 October 2024	19.4	5.6	0	MS	MU
<b>NATIONAL JUSTICE AND JUDICIAL REFORM PLAN NPP</b>							7.14	17.86	0		
Urban land management and administration	Afghanistan Land Administration System Project	TF09598	Support the development of the Afghanistan land administration system, and to provide the population in selected areas with improved land registration services, including issuance of Titles and Occupancy Certificates	MUCL	07 April 2019	30 September 2024	7.14	17.86	0	MS	MS

IP: Implementation progress; PDO: Project Development Objective  
 Ratings: MS—Moderately Satisfactory; MU—Moderately Unsatisfactory; S—Satisfactory

ANPDF PILLAR, NPP, AND PRIORITY	PROJECT NAME	LOAN NUMBER	BASIC IDEA	GOIRA AGENCY	APPROVAL	CLOSURE	ARTF (US\$, million)	IDA (US\$, million)	OTHER (US\$, million)	PROJECT RATING DECEMBER 2020	
										PDO	IP
<b>POVERTY REDUCTION, SERVICE DELIVERY, CITIZENS' ENGAGEMENT, AND SOCIAL INCLUSION</b>											
<b>HUMAN CAPITAL DEVELOPMENT NPP</b>											
							581.5	215.5	133		
Primary health care	Afghanisan Sehatmandi Project	TF0A7113	Continue support for provision of primary health care, but with greater emphasis on performance management.	MoPH	28 March 2018	30 June 2021	425	140	35	S	S
Basic education	EQRA	TF0A8449	Continue support for access to quality basic education, but with greater emphasis on governance dimensions of service delivery.	MoE	28 September 2018	31 December 2023	100	75.5	98	MS	MS
Youth engagement and skills	Placing Labor Abroad, Connecting to Employment Domestically PPG	TF0A8312	Support the Afghan government to develop the policy and regulatory framework and build capacity to deliver its employment creation and skills development operation.	MoLSA	08 September 2018	30 April 2020	1.5	0	0	S	S
Higher education	Higher Education Development Project	TF0A0730	Increase access to and improve the quality and relevance of higher education in Afghanistan.	MoHE	15 September 2015	31 December 2022	55	0	0	S	MS
<b>WOMEN'S ECONOMIC EMPOWERMENT NPP</b>											
							76	25	0		
Women's economic empowerment	Women's Economic Empowerment NPP PPG	TF0A5400	Support GoIRA to establish a National Priority Program on Women's Economic Empowerment (WEE-NPP) that advances women's access to economic assets and opportunities.	MoF	12 July 2017	31 July 2020	1	0	0	S	S
Women's economic empowerment	Women's Economic Empowerment Rural Development Project	TF0A8443	Anchor for WEE-NPP, designed to promote economic empowerment for poor women through creation of Self-Help Groups and enterprise development assistance.	MRRD	23 October 2018	30 June 2023	75	25	0	S	S
<b>CITIZENS' CHARTER NPP</b>											
							569.3	382.7	0		
Citizens' engagement	Citizens' Charter Afghanistan Project	TF0A3827	Improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils.	MRRD, IDLG	27 October 2016	31 October 2021	444.3	227.7	0	S	MS
Emergency Support	COVID-19 Relief Effort for Afghan Communities and Households	TF0B3543	Provide emergency financial support to poor families to mitigate the financial impact of COVID-19.	MRRD, IDLG	04 August 2020	31 December 2021	125	155	0	-	-





ANPDF PILLAR, NPP, AND PRIORITY	PROJECT NAME	LOAN NUMBER	BASIC IDEA	GOIRA AGENCY	APPROVAL	CLOSURE	ARTF (US\$, million)	IDA (US\$, million)	OTHER (US\$, million)	PROJECT RATING DECEMBER 2020	
										PDO	IP
<b>ECONOMIC GROWTH AND JOB CREATION</b>											
<b>NATIONAL INFRASTRUCTURE PLAN NPP</b>											
							424.8	125	0		
Energy	Naghlu Hydropower Rehabilitation Project	TF0A1691	Improve dam safety and sustainability of hydropower, and increase the supply of domestically generated hydroelectricity at the Naghlu Hydropower Plant.	DABS	14 December 2015	30 September 2022	83	0	0	MS	MS
Electricity access	CASA-1000 Community Support Program	TF017012	Provide access to electricity or other social and economic infrastructure services to communities in the project area to strengthen community support for CASA-1000 transmission line.	MRRD	24 March 2014	30 June 2022	40	0	0	MS	MS
Energy	DABS Planning and Capacity Support	TF0A2026	Improve DABS capacity in distribution investment planning, implementation, operation and maintenance.	DABS	10 February 2016	31 July 2020	6	0	0	MS	MS
Energy	Mazar-e-Sharif Gas to Power PPG	TF0A5630	Provide IDA Partial Risk Guarantee (PRG) for pioneer proof-of-concept power generation PPP.	MoEW	10 September 2017	31 October 2020	6.5	0	0	S	S
Extractives for development	Afghanistan Extractives for Development PPG	TF0A4809	Enhance administration of extractive resource development by strengthening the capacities of key government institutions, strengthening professional skills, and supporting sector investment opportunities.	MoMP, MoIC	30 May 2017	30 March 2020	7.3	0	0	S	S
Transport connectivity	Afghanistan Rural Access Project	TF013093	Enable rural communities to benefit from all-season road access to basic services and facilities.	MoPW	26 June 2012	31 December 2020	282	125	0	S	MS

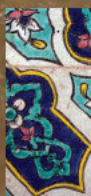
ANPDF PILLAR, NPP, AND PRIORITY	PROJECT NAME	LOAN NUMBER	BASIC IDEA	GOIRA AGENCY	APPROVAL	CLOSURE	ARTF (USD, million)	IDA (USD, million)	OTHER (USD, million)	PROJECT RATING DECEMBER 2020	
										PDO	IP
<b>URBAN DEVELOPMENT NPP</b>											
							356	67.5	0		
Urban services and infrastructure	Kabul Municipal Development Program	TF017016	Increase access to basic municipality services in selected residential areas of Kabul city; redesign Kabul Municipality's financial management system to support better service delivery; and enable early response in the event of an eligible emergency.	KM	11 April 2014	30 June 2021	1.10	0	0	S	MS
Urban services and infrastructure	Kabul Urban Transport Efficiency Improvement Project	TF017061	Improve road conditions and traffic flows on selected corridors of Kabul city.	KM	03 April 2014	31 December 2020	78.5	0	0	S	MS
Urban services and infrastructure	Cities Investment Program	TF0A9089	Support strengthening municipal planning and administration and implementation of high-priority public investments in selected cities.	IDLG, MUDL	19 December 2018	30 June 2024	17.5	17.5	0	MS	MS
Water supply and sanitation	Afghanistan Water, Sanitation, Hygiene and Institutional Support Project	TF0B4254	Improve access to and quality of water supply in selected cities and to strengthen the capacity of the national water utility to deliver sustainable services.	AUWSSC*	30 November 2020	30 December 2025	150	50	0	S	S
							444.7	150.8	0		
<b>COMPREHENSIVE AGRICULTURAL DEVELOPMENT NPP</b>											
Food and nutrition and risk mitigations	Emergency Agriculture and Food Supply Project	TF0B3535	Provide emergency relief in response to the COVID-19 crisis by supporting critical food supply chains and creating short-term economic employment.	MAIL	04 August 2020	31 August 2022	45	55	0	S	S
Food and nutrition and risk mitigations	Early Warning, Early Finance and Early Action Project	TF0B4739	Increase food and nutrition security of the most vulnerable households in drought prone rural areas and to build systems for early warning and response.	MoF, MRRD	30 November 2020	01 October 2024	115	97.5	10	-	-
Agricultural productivity	Afghanistan Irrigation Restoration and Development Project	TF012029	Increase agricultural productivity and production in the project areas.	MoEW, MAIL	14 March 2012	31 December 2020	108.4	95.8	0	S	MS
Horticulture and livestock	National Horticulture and Livestock Productivity Project	TF013820	Promote adoption of improved production practices by target farmers, with gradual rollout of farmer-centric agricultural services systems and investment support.	MAIL	12 April 2013	31 December 2020	176.3	0	0	S	MS

\* AUWSSC: Afghanistan Urban Water Supply and Sewerage Corporation





ANPDF PILLAR, NPP, AND PRIORITY	PROJECT NAME	LOAN NUMBER	BASIC IDEA	GOIRA AGENCY	APPROVAL	CLOSURE	ARTF (USD, million)	IDA (USD, million)	OTHER (USD, million)	PROJECT RATING DECEMBER 2018	
										PDO	IP
<b>PRIVATE SECTOR DEVELOPMENT NPP</b>											
Enabling environment for business	Public-Private Partnerships and Public Investment Advisory Project	TF0A7087	Establish funding to support upstream development of infrastructure and public-private partnership (PPP) pipeline and strengthen public investment management and PPP framework.	MoF	27 June 2018	28 June 2023	15	10	0	MU	MU
Returnee-IDP reintegration	Eshteghal Zaiee - Karmondena Project	TF0A9092	Implementation of National Action Plan for reintegration of returnees-IDPs targeted primarily at enhancing economic opportunities in urban areas with high numbers of returnees-IDPs.	MoEc, IDLG, MoF	19 December 2018	19 December 2021	43.75	150	0	MS	MU



# ANNEX III: ARTF SORT Framework for Risk Management

The Standardized Operations Risk-Rating Tool (SORT) is applied to the ARTF at the trust fund level, which includes an assessment of risks in eight categories.<sup>67</sup>

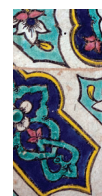
RISK AREA	RISK	RISK RATING <sup>68</sup>	MITIGATION MEASURES
<b>1. POLITICAL AND GOVERNANCE</b>			
<b>POLITICAL AND GOVERNANCE</b>	<p>The political situation remains fragile under the new government formed in 2020 and violence remains pervasive. The current political and governance situations present potential risks to the overall ARTF program.</p> <p>As the Afghanistan peace negotiations begin, there is an increase in violence around the country, which is adversely affecting the ability to implement projects, compounded by the COVID-19 pandemic challenges.</p>	<b>H</b>	<p>The World Bank as the ARTF Administrator continues to monitor the risks and mitigate them to the extent possible through close cooperation with key government counterparts in the Ministry of Finance.</p> <p>ARTF-financed projects are implemented by the government. While violence affects government staff and is a constant challenge, line ministries and national staff have so far maintained their ability to reach most areas in the country to ensure project implementation and service delivery. This is also helped by project designs that take into consideration the difficult operating environment and make use of design models that rely on community involvement for implementation.</p>
	<p>Political volatility has affected the pace of certain reforms as well as the implementation progress of some ARTF-financed programs.</p>	<b>H</b>	<p>The ARTF Administrator continuously monitors the situation closely and, through ongoing policy and technical dialogue with key counterparts in the Ministry of Finance and other ministries, minimizes adverse impacts on the ARTF program.</p> <p>The Administrator has worked to ensure that financing has been/will be allocated to all major service delivery programs in the portfolio so that delivery of health, education, community development, and other critical services continue. The Bank's technical teams continue to work closely with the relevant government agencies and development partners to address factors that might impede basic services reaching people.</p> <p>The Administrator will maintain a flexible approach, adjusting the level of its ambition to address short-term service delivery if necessary, and downscaling engagement in reform areas where the political will or ability to make progress is lacking.</p>

<sup>67</sup> 1. Political and governance; 2. Macroeconomics; 3. Technical design of a project; 4. Institutional capacity for implementation and sustainability; 5. Fiduciary; 6. Environment and social; 7. Stakeholders; and 8. Others. The ninth category that is part of SORT, Sector Strategies and Policies, is not included at the program level.

<sup>68</sup> H=High, S=Substantial, M=Moderate, L=Low.



RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
<b>2. MACROECONOMICS</b>			
<b>MACROECONOMIC RISKS</b>	Afghanistan's macroeconomic outlook is subject to substantial downside risks. Risks arise from uncertainties regarding (i) the duration and depth of negative impacts from the current COVID-19 crisis; (ii) future levels of international security and aid support, and expected significant declines in international assistance over the medium term; and (iii) levels of domestic and international investment in the context of political uncertainties related to current peace negotiations.	<b>H</b>	Risks are partially mitigated through the government's proven capacity to maintain appropriate macroeconomic policies in the context of major shocks, including previous substantial reductions in aid support. Risks are further mitigated by strong policy dialogue on macroeconomic management issues between the government, World Bank, and International Monetary Fund (IMF), in the context of a recently agreed new IMF Extended Credit Facility Program and ongoing World Bank budget support arrangements. Finally, risks are partially mitigated by continued provision of incentivized support for critical business environment and structural reforms through the Incentive Program Development Policy Grants (IP-DPGs).
<b>FISCAL SUSTAINABILITY</b>	Fiscal sustainability risks arise from (i) expected declines in on-budget grants over the medium term; and (ii) recent significant declines in revenue performance, associated with economic slowdown and deteriorating compliance during the COVID-19 crisis.	<b>H</b>	Risks are partially mitigated through continued World Bank and ARTF technical assistance support to improvements in revenue administration under the Fiscal Performance Improvement Support Project (FSP). Risks are further mitigated through a heavy emphasis on revenue and fiscal transparency reforms under the IP-DPGs and the IMF Extended Credit Facility Program. Finally, the World Bank is providing direct advisory support to the Ministry of Finance on appropriate measures to manage emerging fiscal pressures, including just-in-time advice on the annual budget and through a planned Public Expenditure Review. The World Bank is providing advice to major development partners regarding the need for continued grant support, including through providing background analysis to the 2020 pledging conference.





RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
<b>3. TECHNICAL DESIGN OF A PROJECT</b>			
<b>PROJECT DESIGN</b>	Project performance is easily affected by the challenging context, which risks impacting results.	<b>M</b>	<p>Project design should take into consideration the low capacity and challenging operating environment, including security constraints and impact of COVID-19. This requires use of flexible modalities and innovative project design, weighing long-term sustainability gains against short/medium-term service delivery:</p> <ul style="list-style-type: none"> <li>• <b>Outsourcing service delivery model (Sehatmandi):</b> Using NGOs to deliver a basic health package across the country; contracts managed by the Ministry of Public Health.</li> <li>• <b>An in-between model (CCAP):</b> Using facilitating partners to work with communities in the field, but general operations maintained by the government implementing agencies.</li> <li>• <b>Using country systems (FSP):</b> Fully integrated into the ministry systems, no Project Implementation Units.</li> </ul>
<b>PORTFOLIO PERFORMANCE</b>	The overall ARTF program portfolio performance is impacted by the high-risk environment, coupled with weak institutional capacity for implementation and sustainability.	<b>M</b>	<p>Portfolio management requires an integrated approach with regular troubleshooting:</p> <ul style="list-style-type: none"> <li>• <b>Careful and continual monitoring at several levels:</b> (i) Operational—through bi-weekly discussions of the World Bank technical teams on various program implementation issues; (ii) Six-monthly portfolio review (annual Country Portfolio Program Reviews [CPPRs] and mid-year Portfolio Operational Status Reviews [POSRs]). The CPPR aims to identify key bottlenecks to portfolio performance and cross-cutting issues, whereas the POSR seeks to review a subset of projects for which project-level operational bottlenecks and fiduciary, safeguard, governance or performance issues have been flagged during the CPPR.</li> <li>• <b>Proactive approach</b> to restructuring non-performing projects.</li> <li>• <b>Introduction of enhanced mechanisms</b> to ensure quicker identification and resolution of program implementation bottlenecks through regular Afghanistan Country Leadership Team and Country Management Unit joint check-ins, and regular contacts with Ministry of Finance and other key ministries to ensure key bottlenecks and ownership of projects are addressed.</li> </ul>

RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
<b>4. INSTITUTIONAL CAPACITY FOR IMPLEMENTATION AND SUSTAINABILITY</b>			
<b>IMPLEMENTATION CAPACITY</b>	The absorptive and implementation capacity of line ministries is a key factor in how projects perform and how funds can be allocated and disbursed. While the ARTF portfolio is generally performing well with relatively high disbursement rates on average, implementation continues to face a number of challenges affected by the implementation capacity in line ministries and agencies.	<b>S</b>	<p>Implementation risks are mitigated through careful project design, capacity building supported by ARTF programs such as Tackling Afghanistan's Government HRM [human resource management] and Institutional Reforms (TAGHIR) program. The TAGHIR program aims to further support the professionalization of the Afghan Civil Service through support to human resource management and institutional reform. It also aims to support improved structures and strengthened capacity of priority line ministries and independent agencies. Risks are also mitigated through close implementation support by the Bank's technical teams to government agencies implementing projects.</p> <p>The Advisory Services, Implementation Support and Technical Assistance (ASIST) window enables the Bank to respond to government's requests for external advisory services in high-priority and highly technical sectors, such as fiscal management, energy, mining, and public-private partnership.</p>
<b>WORLD BANK RESOURCES</b>	The Bank's capacity to support line ministries in project preparation and implementation support is critical to the quality and effectiveness of the portfolio.	<b>L</b>	<p>With increasing number of Bank's technical staff based in the Dubai office, more frequent visiting missions take place, allowing the Bank to move in skills as needed for the program. Almost all ARTF programs either have a task team leader who is a national staff member and based in Kabul or is co-led by a national staff member based in country.</p> <p>The capacity of national staff is complemented by technical staff based in Washington, Dubai, and elsewhere to provide strong technical support to the client. The total number of Bank staff based in Kabul is 93, with a steady increase in the number of national staff at technical analyst level and higher from 24 in 2011 to 43 in 2020.</p> <p>In terms of facetime,<sup>69</sup> the World Bank in Afghanistan continues to be at the forefront in the World Bank with about 20,003 days annually, compared to the average for fragile states (3,000 days) or IDA countries (7,500). As a result, Afghanistan leads within the World Bank for hands-on support to and engagement with the client.</p> <p>To continue supporting the large ARTF program, the World Bank has included an internationally recruited Operations Officer position to the ARTF program management team to focus on results monitoring and reporting of the ARTF. All three Program Leaders who provide operational advice to Bank technical teams will be relocated soon to Kabul (once COVID-19 travel restrictions end).</p>

69 Facetime is a measure of the Bank's engagement with client countries that aggregates in a single scale multiple forms of engagement, including field staff (both national and international) and mission travel (from both headquarters and nearby offices).





RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
<b>5. FIDUCIARY</b>			
<b>FIDUCIARY RISKS</b>	Fiduciary risks are significant despite good progress made with establishing and strengthening public financial management systems. ARTF-financed investment operations (e.g., Public Financial Management Reform Project [PFMR] I and II) have helped put in place adequate processes and practices for financial management, procurement, and control.	<b>H</b>	<p>Safeguarding funds is a multifaceted approach taking place through the following complementary modalities:</p> <ul style="list-style-type: none"> <li>• <b>Technical assistance</b> through individual investment projects.</li> <li>• <b>Capacity building:</b> Through the Fiscal Performance Improvement Support Project and other investment projects. The ARTF-financed PFMR II focused on technical assistance to further strengthen government control systems.</li> <li>• <b>Policy reform work:</b> Supported through the Incentive Program (IP). FSP continues to support implementation of reforms and building systems and capacity in government.</li> <li>• <b>The IP focuses on the timely implementation of PFM measures</b>, which include better internal and external budget controls, greater budget transparency, procurement certification, deep customs reforms aimed at improving efficiency, enhancing controls, and reducing rent-seeking opportunities, and incentives for domestic revenue growth and improved budgetary spending.</li> <li>• <b>A more comprehensive enhanced fiduciary framework has been developed and is being implemented:</b> (i) Strong community ownership and monitoring; (ii) Government-wide controls; (iii) World Bank technical assistance and implementation support; and (iv) Additional controls through enhanced Third Party Monitoring activities.</li> </ul>
<b>CONTROLS</b>	Strong controls are needed to mitigate fiduciary risks, including independent verification, to ensure donor confidence in ARTF systems and fiduciary controls, and to allow donors to continue providing financing on budget.	<b>H</b>	<p>The enhanced Third Party Monitoring contract began in January 2020, which consolidated two traditional contracts of monitoring the civilian operating budget and supervisory services to carry out asset verification and quality assurance, as well as data mapping of national infrastructure projects. It also provides the Bank with strengthened outreach to all 34 provinces of Afghanistan, including highly insecure areas, to collect critical development data to better design projects and plan execution of effective programs.</p> <p>In addition, the World Bank with the agreement of the government and ARTF donors in late 2017 developed the Anti-Corruption and Results Monitoring Action Plan (ACReMAP), a proposal to enhance the overall ARTF results monitoring and anti-corruption efforts. ACReMAP supports expanded third-party monitoring of ARTF-financed operations, in-depth fiduciary reviews of selected ARTF-financed operations to assess the effectiveness of fiduciary controls, as well as hands-on procurement support for selected projects involving complex procurements.</p>

RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
<b>6. ENVIRONMENT AND SOCIAL</b>			
<b>ENVIRONMENT</b>	Lack of implementation and monitoring capacity of the national environmental law.	<b>S</b>	<p>Environmental risks are analyzed on a project-by-project basis. All projects and operations financed under the ARTF follow World Bank policies and procedures for environmental safeguards, including the World Bank Group's Environmental and Social Framework (ESF), which has been applied to projects that are prepared after October 1, 2018.</p> <p>The ESF offers a broad and systematic coverage of environmental and social risks. It makes important advances in areas such as transparency, non-discrimination, public participation, and accountability—including expanded roles for grievance mechanisms.</p> <p>Each investment project is required to develop environmental and social management plans.</p>
<b>SOCIAL</b>	Tenure insecurity and land conflicts plus multiple, inconsistent, and overlapping legal framework.	<b>S</b>	<p>Social risks are analyzed on a project-by-project basis. All projects and operations financed under the ARTF follow World Bank policies and procedures for social safeguards.</p> <p>Projects are required to develop environment and social management plans and resettlement action plans in case of land acquisition.</p>
<b>IMPLEMENTATION AND MONITORING</b>	Weak implementation and monitoring capacity in implementing ministries.	<b>H</b>	Assessed during design phase and identified weaknesses addressed through project design, implementation arrangements, and ongoing World Bank technical assistance and implementation support.
<b>DISASTERS</b>	Natural disaster risks, including flooding, droughts, earthquakes, locusts.	<b>H</b>	The World Bank focuses on disaster risk management at the project level, where appropriate response mechanisms are incorporated into the project design to be activated in an emergency. Also, infrastructure quality specifications consider potential disaster risks.
<b>GENDER</b>	Marginalization of women in the economy and broader development.	<b>H</b>	<p>The World Bank ensures that priority gender gaps, aligned to the World Bank Group (WBG) Gender Strategy and Country Gender Action Brief, are addressed as a cross-cutting issue in the ARTF portfolio. This includes careful attention to gender issues at the project level, whereby projects address gaps through a results chain that links gender analysis, actions, and indicators in the project's results framework.</p> <p>The World Bank gender specialists work closely with all project teams and line ministries to provide input and guidance to ensure that projects contribute to closing strategic and priority gender gaps.</p> <p>Policy dialogue with line ministries and capacity building efforts are ongoing to ensure increased gender equity.</p>





RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
<b>7. STAKEHOLDERS</b>			
<b>STAKEHOLDER RISKS</b>	<p>Considering Afghanistan's aid dependency, continued donor support will be crucial for balancing the budget. While donor financing has remained stable in recent years, it is not yet clear if donor contributions to the ARTF will remain at this high level.</p>	<p><b>M</b></p>	<p>The performance of the portfolio and the delivery of the new ARTF Partnership Framework and Financing Program (PFFP) is likely to influence donors' willingness to continue high levels of contributions to the ARTF. The ARTF therefore needs to ensure a continued focus on effectiveness and delivering results.</p> <p>To allow substantive discussions on effectiveness, the Administrator has strengthened the focus on results reporting. The ARTF Scorecard is published annually and feeds into a dialogue with the government and donors on results, effectiveness, and funding priorities. In the first year of the PFFP, the Administrator will engage stakeholders in discussions focused at enhancing the Scorecard as a tool for supporting these dialogues.</p> <p>The Administrator manages the cash balance as well as supply and demand of funds very carefully, structured in the ARTF PFFP (former Financing Strategy), which is updated annually. This helps mitigate the risk of a deficit of funds. The Administrator works closely with the ARTF donors to regularly update their estimated contributions to allow for more accuracy in the planning of the ARTF programs.</p> <p>Consultations were held with various stakeholders during the development of the WBG Country Partnership Framework for Afghanistan. Periodic WBG client surveys indicate overall strong support for the ARTF/WBG-financed program in Afghanistan.</p>

RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
<b>7. STAKEHOLDERS (CONTINUED)</b>			
<b>SECURITY</b>	<p>The World Bank's ability to supervise the portfolio, and particularly the project sites located in high-risk and/or remote areas, is affected by the general security situation in the 34 provinces of the country.</p> <p>Access to project sites in the provinces is crucial to allow monitoring by line ministries and implementation support and supervision by the World Bank. The worsening security situation in recent times has affected the extent to which Bank technical teams can conduct field visits.</p>	<b>H</b>	<p>Access to the field happens in the following ways:</p> <ul style="list-style-type: none"> <li>• <b>Implementing agencies:</b> <ol style="list-style-type: none"> <li>a) Working through the government ensures access to the field, using community monitoring, grievance redress mechanisms, information and communications technology (ICT), and partners.</li> <li>b) Projects have been able to adapt to a changing operating environment and government staff are so far still able to access most projects.</li> <li>c) A limited number of field visits are still done by World Bank teams, factoring in security considerations on the sites.</li> </ol> </li> <li>• <b>Making use of ICT and third-party monitoring agents to obtain data:</b> <ol style="list-style-type: none"> <li>a) The ARTF third-party monitoring agent ensures constant monitoring of ARTF projects, even in conflict-affected areas, and a steady flow of verified data to feed into and enhance the ongoing dialogue with the implementing line ministries</li> <li>b) Individualized innovative approaches to use ICT in project implementation support are being developed and built into the project design to ensure access to data and establish beneficiary feedback mechanisms in communities.</li> </ol> </li> </ul>
<b>BENEFICIARIES</b>	<p>Increased tension between different social and/or regional groups.</p> <p>Tension between centralization and devolution to the regional and provincial levels.</p>	<b>M</b>	<p>The World Bank social safeguard policies apply to ARTF projects to ensure social inclusion irrespective of gender, ethnic, and religious affiliation in ARTF-financed projects.</p> <p>The ARTF adheres to the policies of the Afghan government, but within ARTF-financed projects the World Bank strives to ensure a balanced regional spread of resources.</p>



# ANNEX IV: ANNUAL FINANCIAL REPORT

This report provides an overview of ARTF resources, donor contributions, commitments, and disbursements during FY 1399.

## SOURCES AND USES OF FUNDS

TABLE A4.1 PRESENTS SOURCES AND USES OF FUNDS FOR FY 1399 compared with the last eight years—three years falling under the Financing Program FY 2012–2014, three years under the Financing Program FY 2015–2017, and two immediate prior years under the current Partnership Framework and Financing Program (PFFP) FY 2018–2020.

The **Sources of Funds** are net donor contributions, investment income less administration fees, and the cash balance carried forward from FY 1398. The financing year 1399 started with a strong cash balance of US\$1,480.74 million that includes (a) US\$724.66 million of commitments; and (b) US\$756.09 million unallocated cash balance.

The **Uses of Funds** are net of actual disbursements and commitments under the four ARTF windows (Recurrent Cost Window, Investment Window, ASIST Window, and ACRReMAP Window). As of December 21, 2020, the cash balance stood at US\$1,450.33 million comprising (a) combined undisbursed balance of the ARTF active investment portfolio of US\$865.30 million; (b) US\$5.17 million reserved for the Monitoring Agent; (c) US\$3.13 million for undisbursed balance of the Recurrent Cost Window; and (d) US\$29.08 million available for the ACRReMAP window, leaving a net unallocated cash balance of US\$547.65 million.





**TABLE A4.1. FY 1399 (2020) SOURCES AND USES OF FUNDS COMPARISON WITH LAST TWO FINANCING PROGRAM PERIODS (US\$, MILLION)**

	Financing Program FY 1391–1393			Financing Program FY 1394–1396			PFFP YR 1	PFFP YR 2	PFFP YR 3
	FY 1391 Total Actual	FY 1392 Total Actual	FY 1393 Total Actual	FY 1394 Total Actual	FY 1395 Total Actual	FY 1396 Total Actual	FY 1397 Total Actual	FY 1398 Total Actual	FY 1399 Total Actual
<b>SOURCES OF FUNDS (A+B)</b>									
<b>A. Net Donor Contributions (A1-A2)</b>	928.69	779.93	1010.17	643.26	906.53	840.44	1011.63	789.28	718.16
A.1. Donor Contributions	942.20	791.00	1027.64	651.50	917.92	853.05	1021.10	780.38	718.63
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
<b>B. Cash Carried-Over (=D previous year)</b>	1148.49	1584.93	1671.70	1677.88	1482.90	1502.70	1398.32	1358.23	1480.74
<b>USES OF FUNDS (C+D)</b>									
<b>C. Disbursements (C1+C2+C3+C4+C5+C6+C7)</b>	492.25	693.16	1003.99	838.24	886.73	944.82	1051.72	666.77	748.58
C.1 Recurrent Cost Window - Disbursed by DAB	225.00	256.10	419.56	435.69	469.86	457.46	385.07	9.53	66.06
Wages	225.00	150.00	125.00	125.00	100.00	75.00	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
IP (Incentive Program)	0.00	74.10	113.70	93.60	244.20	235.68	225.83	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
C.2. Investment Window	256.86	424.39	570.36	394.69	401.98	476.25	345.94	345.23	345.98
C.3. Fees to Monitoring Agent	10.39	12.67	14.08	7.86	13.37	8.10	9.40	9.45	7.13
C.4. Research and Analysis Program	0.00	0.00	0.00	0.00	1.51	3.01	1.09	0.04	0.00
C.5. ASIST Window	0.00	0.00	0.00	0.00	0.00	0.00	0.22	1.96	1.04
C.6. ACRMAP Window	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.55	8.37
C.7. Recurrent Cost Window (FSF & IP-DPG)	0.00	0.00	0.00	0.00	0.00	0.00	310.00	300.00	320.00
<b>D. Cash Balance (end-of-period) (A+B-C=D1+D2)</b>	1584.93	1671.70	1677.88	1482.90	1502.70	1398.32	1358.26	1480.74	1450.33
D.1. Committed Cash Balance:	861.86	948.32	1152.50	1129.89	1015.79	951.40	999.21	724.66	902.68
to Recurrent Cost Window special account	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	0.00
to Recurrent Cost Window Trust Fund	50.00	115.90	265.44	151.75	51.88	84.42	11.35	1.82	0.00
undisbursed Investment Window balance	741.00	770.73	827.44	897.74	890.45	793.63	920.36	654.73	865.30
to Monitoring Agent	20.86	11.69	9.61	30.25	20.08	22.15	12.75	12.30	5.17
to Research and Analysis Program	0.00	0.00	0.00	0.15	3.38	1.19	0.31	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
to ACRMAP Window	0.00	0.00	0.00	0.00	0.00	0.00	0.50	2.48	29.08
undisbursed Recurrent Cost Window balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
D.2. Unallocated Cash Balance	723.07	723.38	525.39	353.01	486.91	446.92	359.02	756.09	547.65

Note: US\$50 million was disbursed to the government under the Recurrent and Capital Cost Operation in 2002 but was reported in this report as advance provided to the government. With the closure of the Recurrent and Capital Cost Operation, this entry was adjusted and US\$50 million was reported as disbursed in 1399 (2020). With this adjustment, all commitments and disbursements to the Recurrent and Capital Cost Operation have been consolidated.

**TABLE A4.2. ALLOCATIONS AND DISBURSEMENTS UNDER ASIST AND ACREMAP WINDOWS (AS OF END-2020) (US\$, MILLION)**

TF Codes	Engagements	FY 1398 Allocation	FY 1398 Disbursement	FY 1399 Allocation	FY 1399 Disbursement	Total Allocations	Total Disbursement
<b>Advisory Services, Implementation Support and Technical Assistance (ASIST) Window</b>							
TFOA8749	Evidence for Action	-0.08	0.16	0.00	0.13	-0.08	0.28
TFOA8768	Extractives Sector Asset and Institutional Development Task Force	0.50	1.05	0.40	0.42	0.90	1.47
TFOA8790	Fiscal Performance Improvement Plan (FPIP) Advisory Facility	0.22	0.24	0.00	0.19	0.22	0.43
TFOA9327	Afghanistan FPIP Implementation EITI (Extractives Industries Transparency Initiative)	0.05	0.04	0.00	0.00	0.05	0.04
TFOA9329	FPIP Implementation: Tax Administration (ASIST)	0.25	0.16	-0.06	0.03	0.19	0.18
TFOA9330	FPIP Advisory Facility—Core Public Financial Management	0.09	0.14	-0.02	0.05	0.06	0.18
TFOA9402	FPIP Implementation: Sukuk and Insurance	0.03	0.03	0.00	0.00	0.03	0.03
TFOA9589	FPIP Implementation: State-Owned Enterprises	0.04	0.01	0.00	0.03	0.04	0.04
TFOB0096	FPIP Implementation: Procurement	0.07	0.02	0.03	0.03	0.10	0.05
TFOB0155	Afghanistan FPIP Pension Subtask	0.08	0.05	0.00	0.03	0.08	0.08
TFOB0881	FPIP ARTF ASIST—Customs Support Component	0.10	0.07	-0.03	0.00	0.07	0.07
TFOB2342	FPIP Implementation: Tax Administration	0.00	0.00	0.06	0.06	0.06	0.06
TFOB2343	FPIP Implementation: Customs Administration	0.00	0.00	0.03	0.03	0.03	0.03
TFOB2345	FPIP Implementation: Core Public Financial Management	0.00	0.00	0.03	0.02	0.03	0.02
TFOB3726	ASIST—ARTF—Digital CASA (Central Asia South Asia)	0.00	0.00	0.40	0.02	0.40	0.02
TFOB5350	Afghanistan Urban Programmatic Analytics	0.00	0.00	0.00	0.00	0.00	0.00
<b>SUBTOTAL ASIST WINDOW</b>		<b>1.35</b>	<b>1.96</b>	<b>0.84</b>	<b>1.04</b>	<b>2.19</b>	<b>2.99</b>
<b>Anti-Corruption and Results Monitoring Action Plan (ACReMAP) Window</b>							
TFOA9078	Transparency for Monitoring and Accountability	0.15	0.07	-0.07	0.01	0.08	0.08
TFOA9314	Afghanistan In-depth Fiduciary Reviews	0.00	0.36	-0.07	0.07	-0.07	0.43
TFOA9361	Civil Society Engagement for Monitoring	0.20	0.03	-0.07	0.10	0.13	0.13
TFOB0239	Phase 3 ARTF Third Party Monitoring Program	0.00	0.00	0.00	0.00	0.00	0.00
TFOB0245	Phase 3 of the Afghanistan Reconstruction Trust Fund Third Party Monitoring System	1.50	0.00	30.81	7.01	32.31	7.01
TFOB0450	Strengthening Safeguard Management of Projects	0.23	0.02	0.00	0.14	0.23	0.17
TFOB0501	Supporting National Environmental Protection Agency	0.15	0.05	0.00	0.10	0.15	0.15
TFOB0738	Procurement Management Support Tools under ACReMAP	0.30	0.03	0.00	0.16	0.30	0.19
TFOB1119	Support Ministry of Urban Development and Land Medium-Term Capacity Strengthening Plan	0.21	0.00	0.10	0.20	0.31	0.20
TFOB1821	Ramped up Monitoring and Evaluation Approach	0.00	0.00	0.00	0.00	0.00	0.00
TFOB1993	Gender-Based Violence (GBV) ETC Benefits (support to GBV engagement)	0.00	0.00	0.18	0.00	0.18	0.00
TFOB1994	Gender-Based Violence	0.00	0.00	1.27	0.23	1.27	0.23
TFOB2046	AcreMap—INT Investigations	0.00	0.00	0.30	0.00	0.30	0.00
TFOB2159	Afghanistan—Priority Monitoring and Evaluation Support	0.00	0.00	0.22	0.05	0.22	0.05
TFOB3134	Environmental Capacity Support and Risk Management	0.00	0.00	0.53	0.06	0.53	0.06
TFOB3329	Afghanistan—Priority Monitoring and Evaluation Support	0.00	0.00	0.80	0.18	0.80	0.18
TFOB3448	Independent Evaluation of the ARTF Third Party Monitoring	0.00	0.00	0.06	0.04	0.06	0.04
TFOB3539	Pillar 3: Strengthening Regulatory and Institutional Capacity for Social Safeguard Management	0.00	0.00	0.71	0.02	0.71	0.02
<b>SUBTOTAL ACREMAP WINDOW</b>		<b>2.74</b>	<b>0.55</b>	<b>34.76</b>	<b>8.37</b>	<b>37.50</b>	<b>8.92</b>

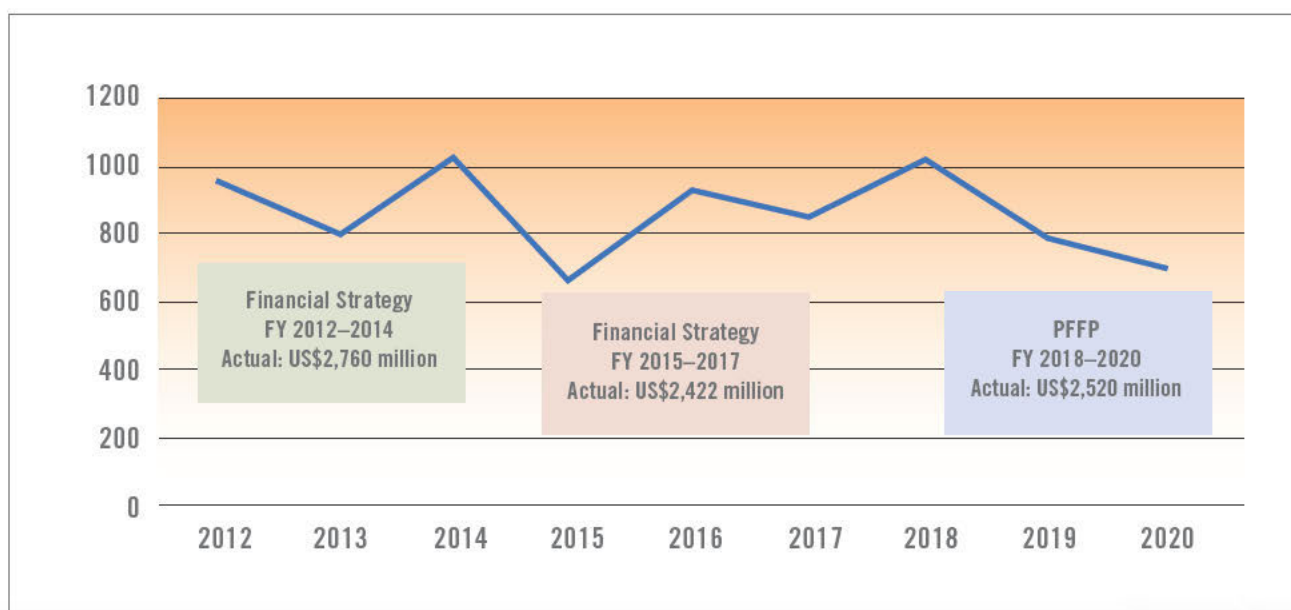


## CONTRIBUTIONS

**THE TOP FIVE DONORS** (cumulative contributions since inception to FY 1399) are the United States, United Kingdom, European Commission/European Union (EC/EU), Germany, and Canada. The three-year Financing Program approach has given predictability to donor funding and programming of critical projects for Afghanistan, including human development, key service delivery, governance, and economic development projects.

In the past nine years across three different financing programs, donors have contributed an average of US\$856 million per annum. The total donor contributions of US\$2,520 million under the PFFP 2018–2020 is a slight increase from the amount of US\$2,422 in the previous three-year Financing Program for 2015–2017 (Figure A4.1). Since the country continues to rely heavily on development grants from donors, any significant decline in international aid flows would undermine the government to maintain the delivery of basic services. Sustained international assistance in development is critical to preserve development gains achieved so far without major disruptions.

**FIGURE A4.1. ARTF DONOR CONTRIBUTIONS, 2012–2020 (US\$, MILLION)**



In FY 1399 (2020), contributions reached 90 percent of the expected totals (paid-in vs. pledges), marking a slight increase from 88 percent in FY 1398 (2019) and a sizable drop from FY

1397 (2018), which had the highest “funding predictability” since tracking contributions against pledges began to be documented formally in the Scorecard (Figure A4.2).

**FIGURE A4.2. ARTF DONOR PLEDGES AND CONTRIBUTIONS IN THE LAST TWO FINANCING STRATEGIES AND PFFP (US\$, MILLION)**

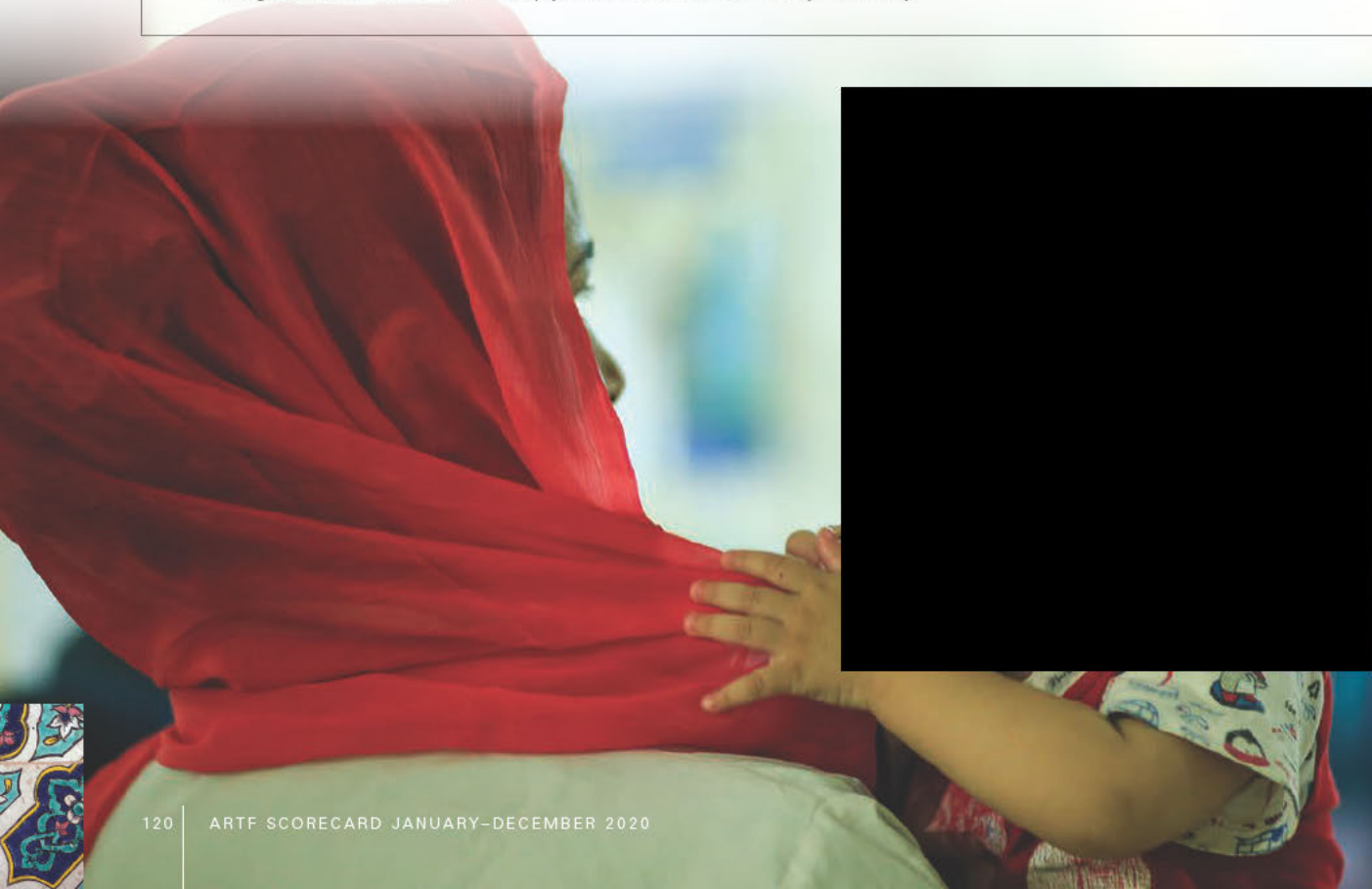
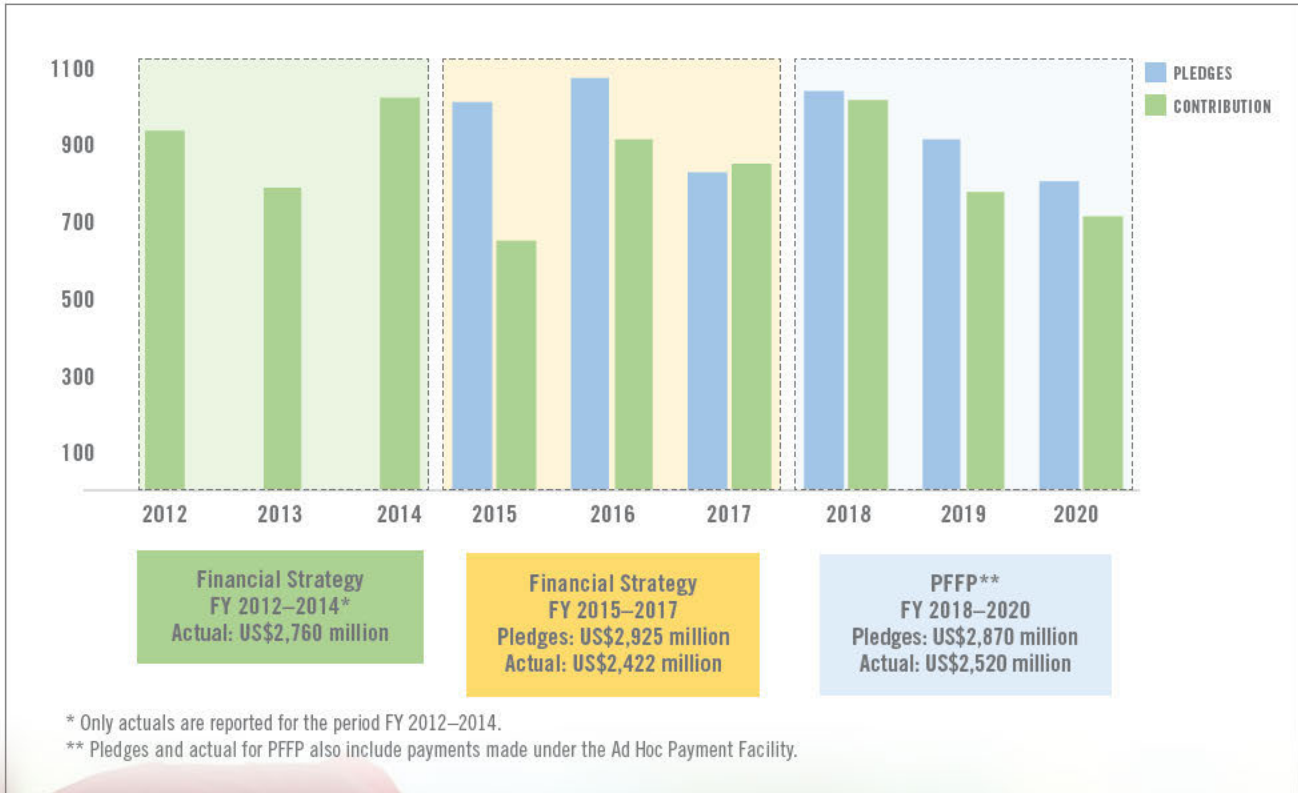


Table A4.3 details FY 1399 contributions. Over the year, donors contributed a total of US\$718.63 million to the ARTF, comprising US\$696.63 million to the core ARTF program and

an additional US\$22 million paid through the Recurrent Cost Window Ad Hoc Payments Facility.

**TABLE A4.3. FY 1399 DONOR CONTRIBUTIONS AND COMPARISON WITH PREVIOUS FINANCING STRATEGY PERIODS (US\$, MILLION)**

DONOR	Financing Program FY 1391–1393			Financing Program FY 1394–1396			PFFP YR 1	PFFP YR 2	PFFP YR 3	Grand Total Paid-In Since Inception (through end of FY 1399)
	FY 1391 (2012)	FY 1392 (2013)	FY 1393 (2014)	FY 1394 (2015)	FY 1395 (2016)	FY 1396 (2017)	FY 1397 (2018)	FY 1398 (2019)	FY 1399 (2020)	
	TOTAL PAID-IN	TOTAL PAID-IN	TOTAL PAID-IN	TOTAL PAID-IN	TOTAL PAID-IN	TOTAL PAID-IN	TOTAL PAID-IN	TOTAL PAID-IN	TOTAL PAID-IN	
Australia	6.03	62.36	74.88	13.29	18.92	35.93	24.06	19.86	12.02	456.24
Bahrain	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Belgium	0.00	2.60	2.50	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	0.20
Canada	26.08	11.84	18.67	74.33	29.92	10.50	77.81	49.08	0.00	854.37
Czech Republic	0.00	0.00	0.00	0.86	1.64	0.91	0.00	1.77	0.00	5.18
Denmark	11.38	10.70	6.50	12.70	41.40	22.73	33.98	31.54	14.98	259.19
EC/EU	34.79	39.55	76.19	12.29	139.42	173.08	141.25	94.59	80.02	1152.92
Estonia	0.00	1.26	0.62	0.54	0.44	0.34	0.00	1.01	0.00	4.50
Finland	11.10	13.30	12.35	9.98	11.29	13.02	11.64	13.78	10.98	160.93
France	5.17	5.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.09
Germany	78.16	55.01	75.26	0.00	76.38	167.50	71.29	86.36	0.00	994.88
India	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	0.99
Ireland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.12
Italy	3.89	3.60	17.69	8.77	13.97	11.82	11.36	2.85	11.83	180.11
Japan	138.00	110.00	70.00	60.14	63.65	12.23	2.32	2.23	1.44	485.03
Korea, Republic of	0.00	10.00	0.00	0.00	0.00	0.00	5.00	7.00	3.00	31.00
Kuwait	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.00
Luxembourg	0.00	0.67	0.48	0.30	0.00	0.00	0.00	0.00	0.00	10.04
Netherlands	32.48	23.78	24.91	22.23	22.15	23.52	22.72	22.49	23.83	606.17
New Zealand	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.63
Norway	55.11	51.24	39.13	27.79	19.23	26.90	35.23	26.25	32.11	602.31
Poland	1.26	0.59	0.00	0.61	0.49	0.27	0.26	0.00	0.24	9.04
Portugal	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	4.00
Saudi Arabia	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	91.50
Sweden	31.49	39.98	32.12	0.00	65.54	41.63	52.07	49.92	48.54	548.91
Switzerland	0.00	0.00	0.00	3.90	2.54	3.10	4.81	1.01	3.40	19.43
Turkey	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	2.41
United Kingdom	136.02	130.41	132.86	127.81	149.91	124.16	127.30	128.65	116.23	2167.87
United States	371.24	218.59	443.47	275.95	261.03	185.40	400.00	240.00	360.00	4127.68
<b>TOTAL</b>	<b>942.20</b>	<b>791.00</b>	<b>1027.64</b>	<b>651.50</b>	<b>917.92</b>	<b>853.05</b>	<b>1021.10</b>	<b>780.38</b>	<b>718.63</b>	<b>12875.84</b>

Estonia and Czech Republic paid their 2018 pledged amount in 2019.



## PREFERENCES

**DONORS MAY ELECT TO PREFERENCE** up to 50 percent of the total annual contribution toward specific sectors or projects. Preferences must be for ongoing, on-budget programs outlined in the PFFP, which have a clear funding gap, though ARTF does not accept geographic preferencing.

In FY 1399, ARTF donors preferred an intended 54 percent of contributions, but the actual percentage of preferencing went up to 61 percent (US\$444.33 million) when the 1399 contributions were paid in (US\$718.63). This sum exceeds the allowable target of 50 percent, but after excluding the US\$200 million preferred to the Incentive Program Development Policy Grant (IP-DPG), the percentage of preferencing dropped to nearly half at 34 percent. This preference is not calculated in the percentage of allowable preferencing because the IP-DPG is financed through the Recurrent Cost Window rather than the Investment Window.

The bulk of preferred contributions was directed to human development and community-driven development—health service delivery through the Sehatmandi program (US\$59.60 million), basic education through EQRA (US\$38.74 million), and the community development initiatives of the Citizens' Charter Afghanistan Project (US\$38.66 million) (Table A4.4).

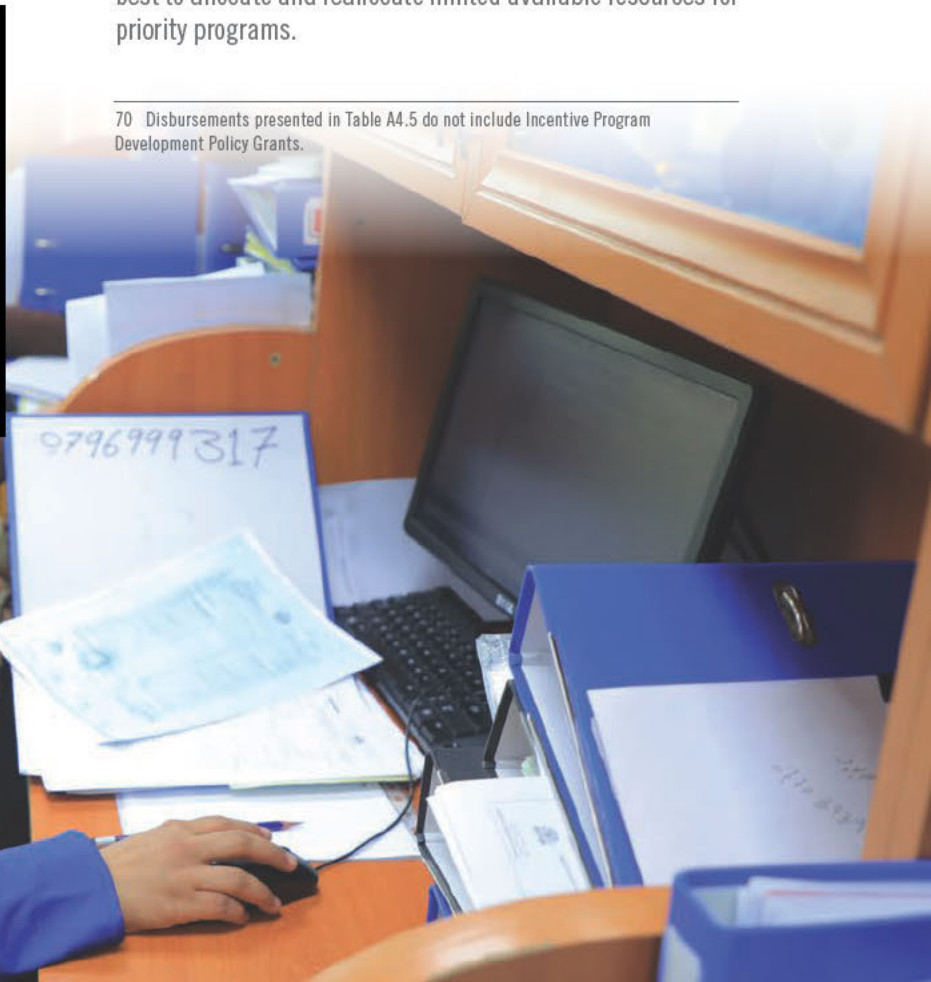
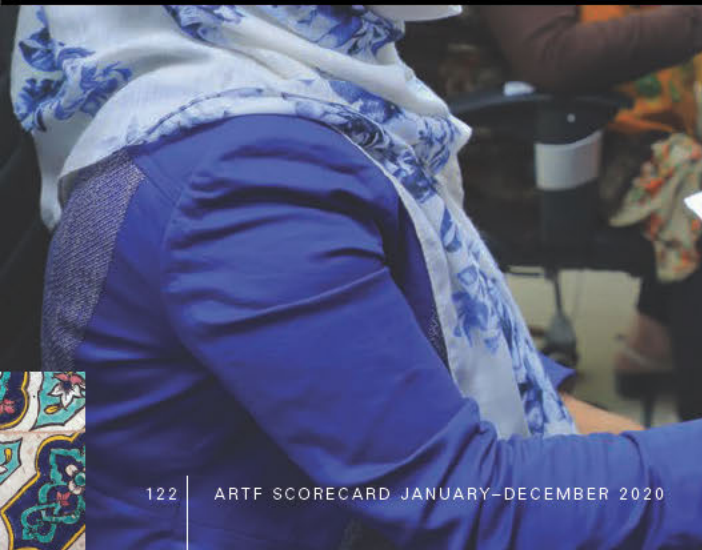
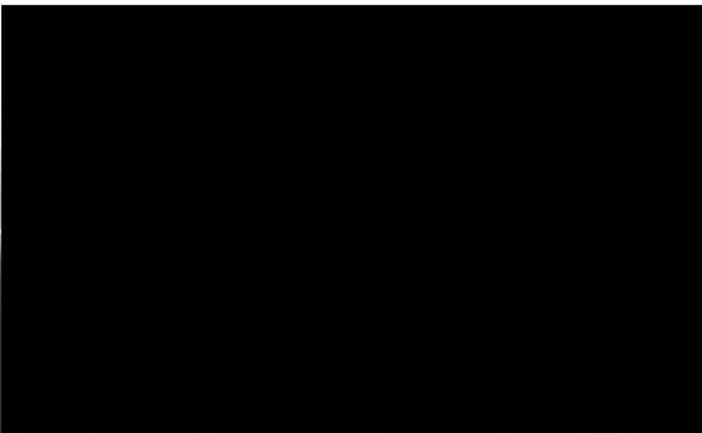
## DISBURSEMENTS

**THE TOTAL DISBURSEMENT** of active ARTF operations in FY 1399 remained similar to the level of FY 1398, with US\$351.6 million and US\$345.2 million, respectively.<sup>70</sup> Largest disbursements in FY 1399 were made by the Citizens' Charter Afghanistan Project (US\$96.2 million; 28 percent of the total disbursement in FY 1399), COVID-19 Relief Efforts for Afghan Communities and Households (US\$89.4 million; 26 percent); and Sehatmandi (US\$60.2 million; 17 percent). These disbursements were related to COVID-19 relief and basic health services support.

At the same time, it should be highlighted that 15 out of 24 projects in the ARTF portfolio (62.5 percent) disbursed between US\$0 and US\$5.0 million in FY 1399 (Table A4.5). While a couple of COVID-19 relief and recovery support operations and general health service delivery made good progress in the year, other projects were affected by the pandemic as seen in the increased number of low disbursing projects.

The annual Country Portfolio Performance Review (CPR) started in 2019 has helped identify reasons for low disbursements, bottlenecks and solutions, and reviewed continued strategic relevance and priority. Future CPRs are expected to strengthen their ability to inform decisions of how best to allocate and reallocate limited available resources for priority programs.

<sup>70</sup> Disbursements presented in Table A4.5 do not include Incentive Program Development Policy Grants.



**TABLE A4.4. PREFERENCES MADE TOWARD ACTIVE PROJECTS (AS OF END-2020) (US\$, MILLION)**

Program	Donor	FY 1381–FY 1396 (2002–2017)	FY 1397 (2018)	FY 1398 (2019)	FY 1399 (2020)	Total Since Inception (2002–2020)
Citizens' Charter Afghanistan Project	Denmark	0.00	9.34	4.45	0.00	13.79
	EC/EU	0.00	18.65	13.48	0.00	32.13
	Finland	3.26	2.91	3.44	2.74	12.35
	Germany	68.18	34.22	0.00	0.00	102.40
	Italy	0.00	0.00	2.85	5.92	8.77
	Sweden	9.43	0.00	0.00	0.00	9.43
	United States	0.00	34.31	32.80	30.00	97.11
<b>Total Citizens' Charter Afghanistan Project</b>		<b>80.87</b>	<b>99.44</b>	<b>57.02</b>	<b>38.66</b>	<b>275.99</b>
System Enhancement for Health Action in Transition Project	Canada	26.93	0.00	0.00	0.00	26.93
	EC/EU	144.12	50.55	0.00	0.00	194.67
	United States	218.68	0.00	0.00	0.00	218.68
<b>Total System Enhancement for Health Action in Transition Project</b>		<b>389.73</b>	<b>50.55</b>	<b>0.00</b>	<b>0.00</b>	<b>440.29</b>
Afghanistan Sehatmandi Project	Canada	0.00	24.92	0.00	0.00	24.92
	EC/EU	0.00	0.00	11.01	35.60	46.61
	Korea, Republic of	0.00	0.00	1.75	0.00	1.75
	United States	0.00	34.60	31.40	24.00	90.00
<b>Total Afghanistan Sehatmandi Project</b>		<b>0.00</b>	<b>59.52</b>	<b>44.16</b>	<b>59.60</b>	<b>163.28</b>
Education Quality Reform in Afghanistan	Canada	0.00	26.60	0.00	0.00	26.60
	Czech Republic	0.23	0.00	0.44	0.00	0.67
	Denmark	0.00	0.00	7.39	0.00	7.39
	Estonia	0.17	0.00	0.51	0.00	0.68
	Finland	0.00	2.91	3.44	2.74	9.09
	Korea, Republic of	0.00	2.50	1.75	0.00	4.25
	United States	0.00	21.09	25.80	36.00	82.89
<b>Total Education Quality Reform in Afghanistan</b>		<b>0.40</b>	<b>53.10</b>	<b>39.33</b>	<b>38.74</b>	<b>131.57</b>
ARTF Higher Education Development Project	Norway	6.42	2.35	2.19	20.00	30.96
	United States	22.00	0.00	0.00	0.00	22.00
<b>Total ARTF Higher Education Development Project</b>		<b>28.42</b>	<b>2.35</b>	<b>2.19</b>	<b>20.00</b>	<b>52.96</b>
Irrigation Restoration and Development Project	Denmark	1.83	0.00	0.00	0.00	1.83
	Italy	1.94	0.00	0.00	0.00	1.94
	Japan	21.15	1.16	0.62	0.72	23.65
<b>Total Irrigation Restoration and Development Project</b>		<b>24.92</b>	<b>1.16</b>	<b>0.62</b>	<b>0.72</b>	<b>27.42</b>
National Horticulture and Livestock Project	Czech Republic	0.64	0.00	0.44	0.00	1.08
	EC/EU	65.38	0.00	22.73	0.00	88.11
	Japan	45.14	0.00	0.50	0.00	45.64
<b>Total National Horticulture and Livestock Project</b>		<b>111.16</b>	<b>0.00</b>	<b>23.67</b>	<b>0.00</b>	<b>134.83</b>
Afghanistan Rural Access Project	Japan	15.00	0.00	0.00	0.00	15.00
<b>Total Afghanistan Rural Access Project</b>		<b>15.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15.00</b>
Public-Private Partnerships and Public Investment Advisory	Australia	15.17	0.00	0.00	0.00	15.17
<b>Total Public-Private Partnerships and Public Investment Advisory</b>		<b>15.17</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>15.17</b>
Fiscal Performance Improvement Support Project	EC/EU	0.00	3.51	0.00	0.00	3.51
<b>Total Fiscal Performance Improvement Support Project</b>		<b>0.00</b>	<b>3.51</b>	<b>0.00</b>	<b>0.00</b>	<b>3.51</b>
Incentive Program Development Policy Grant	United States	0.00	210.00	150.00	200.00	560.00
<b>Total Incentive Program Development Policy Grant</b>		<b>0.00</b>	<b>210.00</b>	<b>150.00</b>	<b>200.00</b>	<b>560.00</b>
Women's Economic Empowerment Rural Development Project	Canada	0.00	0.00	12.46	0.00	12.46
	Czech Republic	0.00	0.00	0.00	0.00	0.00
<b>Total Women's Economic Empowerment Rural Development Project</b>		<b>0.00</b>	<b>0.00</b>	<b>12.46</b>	<b>0.00</b>	<b>12.46</b>



**TABLE A4.4. (continued)**

Program	Donor	FY 1381–FY 1396 (2002–2017)	FY 1397 (2018)	FY 1398 (2019)	FY 1399 (2020)	Total Since Inception (2002–2020)
Tackling Afghanistan's Government HRM and Institutional Reforms	EC/EU	0.00	0.00	0.00	11.49	11.49
<b>Total Tackling Afghanistan's Government HRM and Institutional Reforms</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>11.49</b>	<b>11.49</b>
Eshteghat Zaiee—Kamondena	EC/EU	0.00	0.00	4.08	0.00	4.08
<b>Total Eshteghat Zaiee—Kamondena</b>		<b>0.00</b>	<b>0.00</b>	<b>4.08</b>	<b>0.00</b>	<b>4.08</b>
COVID-19 Relief Effort for Afghan Communities and Households	EC/EU	0.00	0.00	0.00	10.93	10.93
<b>Total COVID-19 Relief Effort for Afghan Communities and Households</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10.93</b>	<b>10.93</b>
Ad Hoc Payments*	Australia	18.32	0.00	0.00	0.00	18.32
	Canada	8.11	0.00	0.00	0.00	8.11
	EC/EU	92.60	61.46	9.46	22.00	185.52
	Italy	1.19	0.00	0.00	0.00	1.19
	Norway	4.94	0.00	0.00	0.00	66.43
	United Kingdom	66.43	0.00	0.00	0.00	4.94
	United States	419.91	100.00	0.00	0.00	519.91
<b>Total Ad Hoc Payments</b>		<b>611.51</b>	<b>161.46</b>	<b>9.46</b>	<b>22.00</b>	<b>804.43</b>

\* As part of the Recurrent and Capital Cost Operation, Ad Hoc Payments closed by the end of December 2019; however, the grace period of the operation continued until June 30, 2020.





TABLE A4.5. DISBURSEMENTS UNDER ACTIVE ARTF PROJECTS\* (AS OF END-2020) (US\$, MILLION)

TF Codes	Investment Operation	FY 1398 (2019)	FY 1399 (2020)	Total (Last Two Years' Disbursement)
TF012029	Irrigation Restoration and Development Project	24.10	25.38	49.48
TF013093	Afghanistan Rural Access Project (ARAP)	55.87	2.29	58.16
TF099074	On-Farm Water Management Project (OFWM)	4.58	0.82	5.40
TF013820	National Horticulture and Livestock Project	17.00	14.02	31.02
TF017012	CASA-1000 Community Support Project	5.75	3.45	9.20
TF017016	Kabul Municipal Development Program (KMMP)	12.00	2.76	14.76
TF017061	Kabul Urban Transport Efficiency Improvement Project (KUTEI)	13.53	1.38	14.91
TF0A0730	Higher Education Development Project	11.28	6.87	18.14
TF0A1691	Afghanistan Naghlu Hydropower Rehabilitation Project	3.60	0.26	3.87
TF0A2026	Afghanistan DABS Planning and Capacity Support Project	1.52	1.74	3.26
TF0A3827	Citizens' Charter Afghanistan Project	54.31	96.21	150.52
TF0A5400	Support to the Women Economic Empowerment National Priority Program (WEE) NPP	0.19	0.07	0.26
TF0A5630	Mazar-e-Sharif Gas-to-Power Project PPG	0.88	1.56	2.44
TF0A6277	Fiscal Performance Improvement Support Project	5.00	7.97	12.97
TF0A7087	Public-Private Partnerships and Public Investment Advisory	1.83	1.66	3.49
TF0A7113	Afghanistan Sehatmandi Project	87.69	60.15	147.85
TF0A8443	Women's Economic Empowerment Rural Development Project	7.54	4.99	12.53
TF0A8449	EQRA	38.18	4.18	42.36
TF0A9089	Cities Investment Program (CIP)	1.25	1.30	2.55
TF0A9092	Eshteghat Zalee—Karmondana (EZ-Kar)	1.71	1.28	2.98
TF0A9123	Tackling Afghanistan's Government HRM and Institutional Reforms	7.80	7.61	15.42
TF0A9598	Afghanistan Land Administration System Project	0.57	0.00	0.57
TF0B0027	Payments Automation and Integration of Salaries in Afghanistan (PAISA)	0.00	3.90	3.90
TF0B3535	Emergency Agriculture and Food Supply (EATS) Project	0.00	6.75	6.75
TF0B3543	COVID-19 Relief Effort for Afghan Communities and Households (REACH)	0.00	89.38	89.38
<b>SUBTOTAL CURRENT INVESTMENT PROJECTS</b>		<b>356.19</b>	<b>345.98</b>	<b>702.17</b>

\* Indicates disbursements against ARTF commitments.



# Afghanistan Reconstruction Trust Fund



The ARTF was established in 2002 to provide a coordinated financing mechanism for the Government of Afghanistan's budget and national investment projects. Eighteen years later, the ARTF is the largest single source of on-budget financing for Afghanistan's development. The 2017 ARTF External Review of the ARTF concluded that "in a challenging and rapidly changing context, the ARTF remains a critical arena for joint analysis, discussion and decision; a mechanism for directive, prioritized collective action; a cost-efficient tool for channeling financial and technical support to the Government's priorities; and an enduring commitment and partnership with Afghanistan's future that allows and invites critical assessments of choices ahead" (External Evaluation 2017, *Taking Charge: Government Ownership in a Complex Context*).

The ARTF is delivering important results within key sectors, including education, health, agriculture, rural development, infrastructure, and governance. It is also the World Bank's largest multidonor trust fund. As of December 31, 2020, the ARTF has received a total of USD 12.88 billion from 34 donors.

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All documents are available on [www.artf.af](http://www.artf.af)