

ARTF SCORECARD 2018



Integrated Performance and Management Framework

January – December 2018

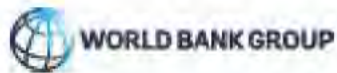


Afghanistan
Reconstruction
Trust Fund



PREPARED BY THE ARTF ADMINISTRATOR

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



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ARTF DONORS



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ABBREVIATIONS AND ACRONYMS

AAIP	AFGHANISTAN AGRICULTURE INPUTS PROJECT	MMR	MATERNAL MORTALITY RATIO
ACREMAP	ANTI-CORRUPTION AND RESULTS MONITORING ACTION PLAN	MOE	MINISTRY OF EDUCATION
AFMIS	AFGHANISTAN FINANCIAL MANAGEMENT INFORMATION SYSTEM	MOEC	MINISTRY OF ECONOMY
AF	AFGHANI	MOEW	MINISTRY OF ENERGY AND WATER
AHP	AD HOC PAYMENTS	MOF	MINISTRY OF FINANCE
ALCS	AFGHANISTAN LIVING CONDITIONS SURVEY	MOHE	MINISTRY OF HIGHER EDUCATION
ANPDF	AFGHANISTAN NATIONAL PEACE AND DEVELOPMENT FRAMEWORK	MOIC	MINISTRY OF INFORMATION AND CULTURE
ARAP	AFGHANISTAN RURAL ACCESS PROJECT	MOLSA	MINISTRY OF LABOR AND SOCIAL AFFAIRS
AREDP	AFGHANISTAN RURAL ENTERPRISE DEVELOPMENT PROJECT	MOMP	MINISTRY OF MINES AND PETROLEUM
ARTF	AFGHANISTAN RECONSTRUCTION TRUST FUND	MOPH	MINISTRY OF PUBLIC HEALTH
ASIST	ADVISORY SERVICES, IMPLEMENTATION SUPPORT, AND TECHNICAL ASSISTANCE	MRRD	MINISTRY OF RURAL REHABILITATION AND DEVELOPMENT
BPHS	BASIC PACKAGE OF HEALTH SERVICES	MUDL	MINISTRY OF URBAN DEVELOPMENT AND LAND
BSC	BALANCED SCORECARD	NA	NOT AVAILABLE
CASA	CENTRAL ASIA SOUTH ASIA	n. a.	NOT APPLICABLE
CBR	CAPACITY BUILDING FOR RESULTS	NATEJA	NON-FORMAL APPROACH TO TRAINING EDUCATION AND JOBS IN AFGHANISTAN
CCY	CURRENCY	NGO	NONGOVERNMENTAL ORGANIZATION
CDC	COMMUNITY DEVELOPMENT COUNCIL	NHLP	NATIONAL HORTICULTURE AND LIVESTOCK PROJECT
CIP	CITIES INVESTMENT PROGRAM	NHPP	NAGHLU HYDROPOWER PLANT
CM	COMMUNITY MONITOR	NHRP	NAGHLU HYDROPOWER REHABILITATION PROJECT
DABS	DA AFGHANISTAN BRESHNA SHERKAT	NPA	NATIONAL PROCUREMENT AUTHORITY
DLI	DISBURSEMENT-LINKED INDICATOR	NPP	NATIONAL PRIORITY PROGRAM
DPG	DEVELOPMENT POLICY GRANT	NRVA	NATIONAL RISK AND VULNERABILITY ASSESSMENT
EMIS	EDUCATION MANAGEMENT INFORMATION SYSTEM	NSIA	NATIONAL STATISTICS AND INFORMATION AUTHORITY
EPHS	ESSENTIAL PACKAGE OF HEALTH SERVICES	NSP	NATIONAL SOLIDARITY PROGRAMME
EQUIP	EDUCATION QUALITY IMPROVEMENT PROGRAM	O&M	OPERATIONS AND MAINTENANCE
ESF	ENVIRONMENTAL AND SOCIAL FRAMEWORK	OFWMP	ON-FARM WATER MANAGEMENT PROJECT
EZ-KAR	ESHTEGHAL ZAIEE - KARMONDENA	PEFA	PUBLIC EXPENDITURE AND FINANCIAL ACCOUNTABILITY
FAF	FISCAL PERFORMANCE IMPROVEMENT PLAN ADVISORY FACILITY	PEFP	PARTNERSHIP FRAMEWORK AND FINANCING PROGRAM
FORM	FRAMEWORK FOR OPERATIONS RISK MANAGEMENT	PFM	PUBLIC FINANCIAL MANAGEMENT
FSF	FISCAL STABILITY FACILITY	PFMR	PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT
FSP	FISCAL PERFORMANCE IMPROVEMENT SUPPORT PROJECT	PIU	PROJECT IMPLEMENTATION UNIT
FPIP	FISCAL PERFORMANCE IMPROVEMENT PLAN	PLACED	PLACING LABOR ABROAD, CONNECTING TO EMPLOYMENT DOMESTICALLY
FY	FISCAL YEAR	PMIS	PROJECT MONITORING INFORMATION SYSTEM
GDP	GROSS DOMESTIC PRODUCT	PMU	PROJECT MANAGEMENT UNIT
GOIRA	GOVERNMENT OF THE ISLAMIC REPUBLIC OF AFGHANISTAN	PPG	PROJECT PREPARATION GRANT
GPE	GLOBAL PARTNERSHIP FOR EDUCATION	PPP	PUBLIC-PRIVATE PARTNERSHIP
GWG	GENDER WORKING GROUP	RAP	RESEARCH AND ANALYSIS PROGRAM
HA	HECTARE	RBF	RESULTS-BASED FINANCING
HEDP	HIGHER EDUCATION DEVELOPMENT PROJECT	RCW	RECURRENT COST WINDOW
HEIS	HANDS-ON EXPANDED IMPLEMENTATION SUPPORT	RMS	RESULTS MANAGEMENT SYSTEM
HFA	HEALTH FACILITY ASSESSMENT	SA	SUPERVISORY AGENT
HMIS	HEALTH MANAGEMENT INFORMATION SYSTEM	SAO	SUPREME AUDIT OFFICE
HRM	HUMAN RESOURCE MANAGEMENT	SC	STEERING COMMITTEE
IARSC	INDEPENDENT ADMINISTRATIVE REFORM AND CIVIL SERVICE COMMISSION	SDG	SUSTAINABLE DEVELOPMENT GOAL
IDA	INTERNATIONAL DEVELOPMENT ASSOCIATION	SEHAT	SYSTEM ENHANCEMENT FOR HEALTH ACTION IN TRANSITION
IDLG	INDEPENDENT DIRECTORATE OF LOCAL GOVERNANCE	SG	STRATEGY GROUP
IDP	INTERNALLY DISPLACED PERSON	SHG	SELF-HELP GROUP
IP	INCENTIVE PROGRAM	SOE	STATE-OWNED ENTERPRISE
IP-DPG	INCENTIVE PROGRAM DEVELOPMENT POLICY GRANT	SORT	STANDARDIZED OPERATIONS RISK-RATING TOOL
IPF	INVESTMENT PROJECT FINANCING	TBD	TO BE DECIDED
IPWG	INCENTIVE PROGRAM WORKING GROUP	T/HA	TON/PER HECTARE
IRDP	IRRIGATION RESTORATION AND DEVELOPMENT PROJECT	TPM	THIRD-PARTY MONITORING
ISR	IMPLEMENTATION STATUS AND RESULTS REPORT	USD	U.S. DOLLAR
IW	INVESTMENT WINDOW	VSLA	VILLAGE SAVINGS AND LOAN ASSOCIATION
KM	KABUL MUNICIPALITY	WB	WORLD BANK
KMDP	KABUL MUNICIPALITY DEVELOPMENT PROJECT	WBG	WORLD BANK GROUP
KUTEI	KABUL URBAN TRANSPORT EFFICIENCY IMPROVEMENT PROJECT	WEE-NPP	WOMEN'S ECONOMIC EMPOWERMENT NATIONAL PRIORITY PROGRAM
MA	MONITORING AGENT	WEE-RDP	WOMEN'S ECONOMIC EMPOWERMENT RURAL DEVELOPMENT PROJECT
MAIL	MINISTRY OF AGRICULTURE, IRRIGATION AND LIVESTOCK		
MC	MANAGEMENT COMMITTEE		
MCIT	MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY		
MDG	MILLENNIUM DEVELOPMENT GOAL		
MISFA	MICROFINANCE INVESTMENT SUPPORT FACILITY FOR AFGHANISTAN		

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

THE SCORECARD USES AN INTEGRATED RESULTS AND PERFORMANCE FRAMEWORK. Historically, the framework has been organized into four pillars that group indicators along the results chain. In line with feedback received from donor partners over the last year, the 2018 edition of the Scorecard integrates indicators on ARTF operational and organizational effectiveness into a single pillar.

As the ARTF Administrator, the WB aims to support satisfactory organizational and operational performance of the Fund (**Pillar III**)¹ 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 necessarily a snapshot. Additional, more detailed data are available on the [REDACTED] in Afghanistan, including individual project pages (<https://www.worldbank.org/en/country/afghanistan>) and on the ARTF website (www.artf.af), as well as the various core and supplemental ARTF reports outlined above.

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 Afghanistan Living Conditions Survey (ALCS). The ALCS 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.² As the ALCS provides both national and subnational data, it is a crucial source of information for tracking Afghanistan's progress toward achievement of Afghanistan National Peace and Development Framework and Sustainable Development Goals targets, as well as for assessing indirectly the impact of development programs and policies. In this edition of the Scorecard, ALCS data from 2017 have been supplemented in some instances with data on selected health and education indicators available from the Ministry of Public Health (MoPH) and Ministry of Education (MoE).

¹ Previous editions of the Scorecard presented operational effectiveness under Pillar III and trust fund effectiveness under Pillar IV. Stakeholder feedback suggested that this distinction was confusing to readers. In 2018, operational and organizational effectiveness of the Fund are presented jointly under Pillar III, a structure that also aligns with the World Bank Group Corporate Scorecard.

² Annex 1 includes the definitions used for indicators throughout the Scorecard, including those drawn from the ALCS.

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 the WB's data systems.

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.

PILLAR III. Portfolio performance data are drawn from World Bank operational 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.)

This edition of the Scorecard has introduced a number of other changes. The fourth external review of the ARTF, titled *Taking Charge: Government Ownership in a Complex Context, External Review of the Afghanistan Reconstruction Trust Fund*, was completed in 2017 in line with mutual accountability commitments agreed ahead of the 2016 Brussels Conference on Afghanistan. It touched on a number of topics, including the ARTF Scorecard. The report concluded that the Scorecard is a unique and fairly sophisticated instrument that is useful for tracking the ARTF along multiple dimensions and observed that stakeholders appreciate the Scorecard as a “one-stop shop” for ARTF performance data. Despite appreciation for the Scorecard overall, partner inputs identified several opportunities for enhancing the utility of the product. In 2018, the WB undertook a series of consultations with ARTF stakeholders to solicit feedback on specific ideas for improving the product. The consultations fed into January 2019 discussions in the monthly ARTF Strategy Group and Gender Working Group meetings. Key recommendations have included:

- Expanding the narrative content of reporting to explain the relevance of data presented.
- Integrating the ARTF’s organizational and operational data into a single pillar.
- Incorporating where possible specific references to World Bank Group-wide metrics for fragile and conflict-affected situations.

In addition, to better consolidate information of potential use to ARTF partners, this edition of the Scorecard integrates the Annual Report comprising ARTF financial information into the Scorecard document (see Annex IV). Overviews of ARTF governance and strategy implementation historically provided in the Annual Report are presented this year in Scorecard Section II, and overviews of ARTF third-party monitoring activities have been incorporated into



SECTION II: THE AFGHANISTAN RECONSTRUCTION TRUST FUND

ARTF OVERVIEW

THE ARTF WAS ESTABLISHED IN 2002 to provide a coordinated financing mechanism for GoIRA's budget and national investment projects. In 2018, sixteen 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 World Bank's largest single country multidonor trust fund.

Since its inception in 2002 through end-2018, the ARTF has committed USD 10.8 billion in funds to support GoIRA civilian operations and development objectives, including USD 5.4 billion under the Recurrent Cost Window (RCW) and USD 5.4 billion under the Investment Window (IW). Disbursements in the same period have totaled USD 9.3 billion. Of this amount, USD 5.4 billion was disbursed through the RCW, of which USD 762 million has been delivered through the Ad Hoc Payments (AHP) Facility. USD 4.4 billion has been delivered through the IW. The IW has supported 78 development initiatives, of which 36 projects, with disbursements totaling USD 1.3 billion, have closed.

ARTF STRUCTURE

THE STRUCTURE OF THE ARTF EVOLVED IN 2018. In 2017, the Fund comprised two recipient-executed windows, the Recurrent Cost Window and the Investment Window, and one Bank-executed window, the Research and Analysis Program (RAP). After endorsement of the new ARTF financing program in 2018, the Advisory Services, Implementation Support and Technical Assistance Facility (ASIST) replaced the Research and Analysis Program, and an additional Bank-executed window, the Anti-Corruption and Results Monitoring Action Plan (ACReMAP), was added. At the end of the year, the four active windows of the ARTF comprised these two new Bank-executed windows and the two main recipient-executed windows.

The **Recurrent Cost Window** is the first of the ARTF's two recipient-executed windows. One of the six thematic initiatives of the Partnership Framework and Financing Program (PFFP)

aimed to broaden the scope of policy-based budget support under the RCW, and **for the first time in 2018, 100 percent of ARTF support delivered through the RCW was incentivized through three funding modalities.** Two of the RCW funding modalities were new in 2018. A standard WB Development Policy Financing operation, the Incentive Program Development Policy Grant (IP-DPG) was introduced in 2018, mobilizing the International Development Association (IDA) (USD 90 million) and ARTF (USD 210 million) in resources in a linked fashion.

Recognizing that the increased emphasis on structural reforms posed potential risks to fiscal stability, the PFFP also introduced a Fiscal Stability Facility (FSF) as a mitigation measure. The FSF was funded with ARTF resources (USD 100 million) and created a pool of funding GoIRA could access subject to certain conditions being met. The third RCW funding modality, the Ad Hoc Payments Facility, was continued from the previous financing strategy period. The AHP allows donors to channel on-budget funds to GoIRA (benefiting from the fiduciary controls of the RCW) subject to conditions negotiated bilaterally between the donor and the Ministry of Finance (MoF) on behalf of GoIRA. Details of RCW operations in 2018 are provided in Pillar I of the Scorecard.

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. World Bank 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 20 IW projects under previous financing strategies that remained active in some or all months of 2018. Four projects plus two project preparation grants (PPGs) closed over the course of the year. The MC approved ARTF financing for eight new IW projects in 2018, together with PPGs for EQRA and Placing Labor Abroad, Connecting to Employment Domestically



(PLACED). As of end-December, 29 IW projects, including seven PPGs, with ARTF financing were active or approved (of these, two closed in the early months of 2019). Details of IW operations in 2018 are provided in Pillar II of the Scorecard.

Two new Bank-executed windows were established in 2018: **Advisory Services, Implementation Support and Technical Assistance Window and Anti-Corruption and Results Monitoring Action Plan Window**. Establishment began in July and in October 2018, the ARTF Administration Agreement was formally amended to reflect the existence of the two new structures. Details of ASIST and ACREMAP operations in 2018 are provided in Pillar III of the Scorecard.

The Bank-executed Research and Analysis Program Window concluded operations in 2018. RAP was introduced in 2015 to support knowledge generation and analysis in partnership with GoIRA and other Afghan stakeholders. As of end-2018, a total of USD 5.7 million had been allocated to support 18 studies covering a range of sectors and issues, including transport, education, trade and competitiveness, women's economic empowerment, impacts of climate change on agriculture, and forced displacement. Completed studies are available on the ARTF website: <http://www.artf.af/research/artf-research-and-analysis-program>. RAP activities in 2018 were limited to final winding up of previously approved initiatives.

ARTF GOVERNANCE

THE ARTF HAS A THREE-TIERED GOVERNANCE FRAMEWORK. At the topmost tier is the **Steering Committee (SC)**. The SC sets ARTF policy, endorses the multiyear financing program, and periodically reviews its implementation. 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, it met once in 2018 on June 25 to endorse the ARTF Partnership Framework and Financing Program FY 1397 – FY 1399 (2018–2020), the new three-year financing strategy for the Fund.** The following section provides more detail on the strategy itself.

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 man-

agement. Co-chaired by the Ministry of Finance 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 2018, the MC held five in-person meetings during which it approved ARTF financing for seven new Investment Window projects and two Recurrent Cost Window instruments. The MC held three “virtual” meetings, in which committee members reviewed financial transfers in the ARTF and small project preparation grants for approval via correspondence.** (Results of virtual meetings are documented in the minutes of the MC's next in-person meeting.)

At the request of ARTF donors, effective from the November 2018 meeting of the MC, ARTF donor representatives are invited to attend MC meetings as unofficial observers. While MC meeting minutes are made public via the ARTF website, being present during the meetings where ARTF financing decisions are finalized enables donors to engage with all aspects of ARTF financing and to contribute observations for the record, which can offer valuable documentation of the coordination process in program development and donor oversight of financial resources.

The SC and MC are supported by the **ARTF Strategy Group (SG)**, which develops and reviews the ARTF's rolling three-year financing strategies, provides recommendations to the SC, and develops analysis and advice on the ARTF as a whole. The SG meets monthly, gathering more frequently as needs arise. **In 2018, the SG met 15 times**, holding several special sessions to discuss and advance preparations of the three-year financing strategy presented to the ARTF Steering Committee in June. **Recognizing the importance of project design to supporting effective operational coordination among donor-funded initiatives, the SG developed a new protocol in 2018 for partner engagement during project preparation.** The SG began implementing the protocol and planned formally to present it for endorsement at the next meeting of the SC.

In developing its recommendations to the SC, the SG consults with two related 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 Incentive Program Development Policy Grant. The IPWG reports on progress and results to the SG and the SC. In December 2018, the IPWG drafted an updated terms of reference outlining roles and responsibilities of all members under the newly introduced IP-DPG structure.³

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 times in 2018, and in February, it endorsed refreshed terms of reference for the group, outlining the roles of all members and adopting a rotating co-chair structure.

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 guidance and WB policies and procedures. It provides co-chairing and secretariat support for the governance bodies, and provides implementation, monitoring, and reporting support for ARTF-funded initiatives implemented by GoIRA.

In 2018, GoIRA undertook an important measure to improve donors' access to information on ongoing ARTF operations by authorizing the WB to share copies of certain official correspondence between the WB and government with ARTF donors. Under the currently approved arrangement, donor partners now receive weekly communication from the WB providing copies of Mission Announcement Letters, Management Letters, and Aide Memoires sent by WB to GoIRA. WB visiting missions now offer regular updates to ARTF partners over the course of project preparation and implementation support. Because ARTF donors now have regular access to all WB visiting missions, it is no longer practicable to measure the "donor engagement" index presented in Pillar III of the ARTF Scorecard through 2018, and that data point is not presented in the current edition of the report.

³ The IPWG drafted its terms of reference in December 2018; the final version was endorsed in January 2019.



TABLE 1: SUMMARY OF ARTF PIPELINE DELIVERY FROM JANUARY–DECEMBER 2018

PROJECT NAME	BASIC IDEA	GOIRA AGENCY	APPROVAL	STATUS	ARTF (USD, million)	IDA (USD, million)	OTHER (USD, million)
POLICY-BASED BUDGET SUPPORT (IDA-DPG and ARTF-RCW)							
ARTF – Fiscal Stability Facility	To help fund essential recurrent expenditures, including expenditures on wages, benefits, and other payments for government employees as well as operations and maintenance and interest payments.	MoF	MC: Nov-2018 IDA: n.a.	Closed	100		
2018 DPG – Incentive Program	New vehicle for RCW-IP benchmarks. More visibility and alignment with WBG policies.	MoF	MC: Jul-2018 IDA: Jun-2018	Active	210	90	
INVESTMENT PROJECT FINANCING (IDA-IPF and ARTF-IW)							
GOVERNANCE AND STATE EFFECTIVENESS							
EFFECTIVE GOVERNANCE NPP							
Tackling Afghanistan's Government HRM and Institutional Reforms	Redesigned next phase of CBR program to tackle core challenge of professionalizing the civil service in a fiscally sustainable manner.	IARCSC	MC: Dec-2018 IDA: Dec-2018	Active	50	25	
Afghanistan Placing Labor Abroad, Connecting to Employment Domestically (PLACED) (PPG).	To support GOIRA to develop the policy and regulatory framework and build capacity to deliver its employment creation and skills development operation (PLACED).	MoLSA	MC: May-2016 IDA: n.a.	Active	1.5		
JUSTICE AND LEGAL SECTOR REFORM NPP							



PROJECT NAME	BASIC IDEA	GOIRA AGENCY	APPROVAL	STATUS	ARTF (USD, million)	IDA (USD, million)	OTHER (USD, million)
POVERTY REDUCTION, SERVICE DELIVERY, CITIZENS' ENGAGEMENT, AND SOCIAL INCLUSION							
HUMAN CAPITAL DEVELOPMENT NPP							
Afghanistan Sehatmandi Project	Continue support for provision of primary health care but with greater emphasis on performance management.	MoPH	MC: Mar-2018 IDA: Mar-2018	Active	425	140	35
EQRA	Continue support for access to quality basic education but with greater emphasis on governance dimensions of service delivery.	MoE	MC: Sep-2018 IDA: Sep-2018	Active	100	100	98
EQRA (PPG)	PPG to "support" preparation of EQRA.	MoE	MC: Jun-2018 IDA: n.a.	Closed	5		
WOMEN'S ECONOMIC EMPOWERMENT NPP							
Women's Economic Empowerment Rural Development Project	Anchor for WEE-NPP, designed to promote economic empowerment for poor women through creation of Self-Help Groups and enterprise development assistance.	MRRD	MC: Sep-2018 IDA: Sep-2018	Active	75	25	
SOCIAL COHESION							
Eshteghal Zaiee - Karmondana	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	MC: Dec-2018 IDA: Dec-2018	Active	50	150	
ECONOMIC GROWTH AND JOB CREATION							
COMPREHENSIVE AGRICULTURAL DEVELOPMENT NPP							
No new approvals in 2018							
NATIONAL MINERAL AND RESOURCE DEVELOPMENT NPP							
No new approvals in 2018							
INFRASTRUCTURE AND CONNECTIVITY NPP							
No new approvals in 2018							

PROJECT NAME	BASIC IDEA	GOIRA AGENCY	APPROVAL	STATUS	ARTF (USD, million)	IDA (USD, million)	OTHER (USD, million)
URBAN DEVELOPMENT NPP							
Cities Investment Program	Support strengthening of municipal planning and administration and implementation of high-priority public investments in selected cities.	IDLG-MUDL	MC: Dec-2018 IDA: Dec-2018	Active	25	25	
PRIVATE SECTOR DEVELOPMENT PROGRAM							
Public-Private Partnerships and Public Investment Advisory Project	Establish fund to support upstream development of infrastructure and PPP pipeline of feasible private and publicly funded projects.	MoF	MC: Mar-2018 IDA: Jun-2018	Active	33	20	

ARTF STRATEGY

THE ARTF PARTNERSHIP FRAMEWORK AND FINANCING PROGRAM FY 1397 – FY 1398 (2018–2020)

THE ARTF IS FINANCED through a three-year rolling plan that outlines GoIRA's financing needs and donors' commitments. 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 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 agriculture, education, governance, health, infrastructure, social and rural development.

On June 25, 2018, the SC approved the third three-year strategy⁴ 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 an expected USD 2.485 billion in ARTF resources.

Preparations for the 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 GoIRA's National Priority Programs (NPPs). In parallel to the financing and alignment discussions, ARTF stakeholders

began considering future operational priorities for the Fund and arranged for its fourth external review to consider the extent to which the ARTF is a “fit for purpose” mechanism with the capacity to adapt to GoIRA needs, purpose, and priorities.

The external review was completed in December 2017 in line with commitments arising from Self-Reliance through Mutual Accountability Framework indicators agreed ahead of the 2016 Brussels Conference on Afghanistan. The external review's findings were presented in the report *Taking Charge: Government Ownership in a Complex Context, External Review of the Afghanistan Reconstruction Trust Fund* (“Taking Charge”), which is available on www.artf.af. The SG incorporated the findings and recommendations of the external review as work on the PFFP progressed.

Some discussions, including final determination of priority areas for ARTF support, required more time than initially projected. As a result, the PFFP was not presented to the SC for consideration until June 2018, six months after the expiration of the previous three-year strategy. In the interim, ARTF partners agreed to enable select programs to proceed with the understanding that the full PFFP would be endorsed later in the year, thus minimizing disruptions to key operations in the first half of the year.

In line with this agreement, the MC approved ARTF financing for two new initiatives in March 2018 during the interim period

⁴ Previous strategies ran from FY1391 to 1393 (2012 to 2014), outlining three-year financing totaling USD 3.6 billion; and from FY 1394 to 1396 (2015 to 2017), which outlined priorities for financing totaling USD 2.4 billion.



between expiration of the ARTF Financing Strategy FY 1394 – FY 1396 (2015–2017) and endorsement of the PFFP: USD 30 million for the Public-Private Partnerships and Public Investment Advisory Project (PPIAP), and USD 425 million for the health sector’s Sehatmandi program. (Sehatmandi is a follow-on project to the System Enhancement for Health Action in Transition project. Given the scale and importance of the programs to the government’s national health system, GoIRA and the WB ensured that Sehatmandi was fully prepared and endorsed before the predecessor program expired on June 30, 2018.)

The final, endorsed financing program in the PFFP employs 36 percent of the ARTF’s expected 2018–2020 contributions for fully incentivized policy-based budget support. Sixty-one percent of funds support investment financing, of which the largest portion, 37 percent, supports poverty reduction, service delivery, citizen engagement, and social inclusion. Seventeen percent is directed to economic growth and job creation investments, and 6 percent supports governance and state effectiveness investments.

In addition to setting out financing priorities for the period, the PFFP also adopted six thematic initiatives that respond to recommendations in *Taking Charge*. These initiatives are focused on (i) enhancing alignment through a more flexible and adaptable approach to programming; (ii) moving toward increased use of incentivized results-based instruments; (iii) providing more hands-on extended technical assistance and implementation support; (iv) ramping up monitoring and strengthening anti-corruption mechanisms; (v) adopting a more structured, GoIRA-led approach to improving ARTF portfolio performance; and (vi) streamlining collaboration and decision-making procedures and strengthening communications and reporting.

After the SC’s endorsement of the PFFP, GoIRA and the wider international community signaled a broader endorsement of the initiatives by incorporating the thematic initiatives as “Indicator 16” in the Geneva Mutual Accountability Framework, adopted at the Geneva Ministerial Conference on Afghanistan in November 2018.

The third and fourth of the PFFP’s thematic initiatives correspond to the establishment of two new World Bank-executed windows in the ARTF, which together employ the remaining 3 percent of ARTF resources for the period. The ASIST window makes available 1 percent of ARTF resources

to support expanded advisory services in priority sectors. The ACRMAP program devotes 2 percent of ARTF resources for deepening anti-corruption and results monitoring measures within the ARTF portfolio, to ensure “value for money” in ARTF programming.

PFFP IMPLEMENTATION IN 2018

THE ARTF PORTFOLIO: In the PFFP, the SC endorsed 20 planned (or “pipeline”) projects to receive ARTF support. The ARTF Management Committee approved ARTF financing for 12 new projects in FY 1397 (2018), which means that GoIRA and the WB delivered⁵ more than half of the endorsed pipeline projects in the first year of the financing period. Ten of these are co-financed with IDA resources, a thematic priority of the PFFP.

The new projects respond to major ANPDF priorities—the Incentive Program Development Policy Grant and the Fiscal Stability Facility introduced under the Recurrent Cost Window expanded incentivization and balanced concerns about the potential risks of doing so during a parliamentary election cycle.

Under the Investment Window, Tackling Afghanistan’s Government HRM [human resource management] and Institutional Reforms (TAGHIR) replaced Capacity Building for Results (CBR) in governance to support continued civil service reforms, and the Public-Private Partnerships and Public Investment Advisory Project will work to help GoIRA attract private sector investment to support development priorities.

Two major new projects support continued service delivery required for human capital development: Sehatmandi replaced the System Enhancement for Health Action in Transition (SEHAT) program in the health sector and EQRA succeeded the Education Quality Improvement Program (EQUIP). During the year, ARTF also financed a project preparation grant to support preparations for EQRA, which has now closed.

The Women’s Economic Empowerment Rural Development Project (WEE-RDP) responds to the Women’s Economic Empowerment National Priority Program (WEE-NPP) and succeeds the Afghanistan Rural Enterprise Development Program (AREDP), which closed in June. Eshteghal Zaiee - Karmondena (EZ-Kar) builds on existing programmatic platforms to support communities affected by returnees and internal displacement, improving social cohesion. The Cities Investment Program (CIP) aims to strengthen municipal governments

⁵ Delivery in this context refers to the completion of all preparations, appraisals, and negotiations, and final approval by the ARTF Management Committee.



and implement high-priority public investments in line with the Urban Development NPP.

Financing allocations for two new projects delivered in 2018—TAGHIR and EQRA—shifted slightly as preparation advanced. In September 2018, the MC also approved additional financing for the existing Higher Education Development Project (HEDP) in the amount of USD 5 million.

Only one ARTF-financed project, the Afghanistan Rural Access Project (ARAP), was restructured in 2018. The restructuring extended the project's closing date from March 2018 to March 2020 to allow completion of ongoing activities.

Five ARTF-supported projects closed on schedule in 2018: AREDP (closed June 2018), SEHAT (closed June 2018), the EQRA Project Preparation Grant (closed December 2018), the Digital CASA Project Preparation Grant (closed December 2018) and CBR (closed December 2018). One project, the Non-Formal Approach to Training Education and Jobs in Afghanistan (NATEJA), closed early, with the balance of funds cancelled. The project was originally scheduled to close on December 31, 2018. GoIRA requested early closure of the project on October 31, 2018, given the project's unsatisfactory ratings on achievement of the Project Development Objective and Implementation Progress.

As of end-December 2018, ARTF financing supported 29 active or approved projects (either entirely or through co-financing with IDA), with a total net commitment value of USD 7.666 billion. See Annex II: Summary of ARTF Active Projects for detailed portfolio information.

PROGRESS ON SIX THEMATIC INITIATIVES: In 2018, the ARTF partnership made progress on each of the six thematic initiatives outlined in the PFFP:

1. Enhancing alignment through a more flexible and adaptable approach to programming. The PFFP aimed to promote a more programmatic approach to programming through several measures. The first was to prioritize co-financing of ARTF projects with IDA or other global trust fund resources. By the end of 2018, more than 50 percent of ARTF programs were co-financed. In 2018, ten of 12 new projects approved for ARTF financing in 2018 were co-financed with IDA/global trust funds. A project preparation grant to support preparation of EQRA was 100 percent ARTF financed, but was intended as short-term support and closed during the same year it was approved. The FSF was also 100 per-

cent ARTF financed and designed to be relatively short term; it closed shortly after the end of CY 2018.

A second measure aimed to employ a phased approach for complex engagements wherever possible. The 2018 IP-DPG agreed on a one-year program of reforms set in the context of an indicative three-year framework to be built on in the following year. The Cities Investment Project design, approved in December 2018, also incorporates phased programming. Finally, in 2018 the WB began, with other development partners, to discuss the possibility of introducing a “sector wide approach to programming” in the basic education sub-sector.

2. Moving toward increased use of incentivized results-based instruments. In the PFFP, the SC endorsed two initiatives to increase the use of incentivized results-based instruments. The first initiative aimed to broaden the scope of policy-based budget support under the ARTF RCW. For the first time in 2018, 100 percent of funding delivered through the RCW was incentivized, as the legacy Incentive Program under the 2015–2017 Financing Strategy wound down, the IP-DPG replaced the IP, and the FSF replaced what had formerly been unconditioned, and gradually declining, baseline budget support.

A second initiative aimed to increase the use of results-based financing (RBF) modalities under the IW. In the first year of the PFFP, the WB continued to expand the use of RBF modalities in the IW. RBF was already an integral feature of the existing Higher Education Development Project. The designs of two new investment projects approved in 2018—Sehahmandi and EQRA—also incorporate RBF modalities.

3. Providing more hands-on extended technical assistance and implementation support. In the PFFP, the SC endorsed a proposal to establish the Advisory Services, Implementation Support and Technical Assistance window as a new WB-executed window in the ARTF. The SC also approved core ARTF financing of USD 15 million over three years to support ASIST. ASIST replaced the Research and Analysis Program 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.

The ARTF SG endorsed procedures for reviewing ASIST proposals in July 2018 and reviewed and approved three proposals



for use of the facility in August 2018. (Updates on the initiatives are provided in Pillar III of the Scorecard.) The ARTF Administration Agreement was amended in October 2018 to reflect the creation of the new ASIST window, and the MC transferred USD 6 million in core funds to the ASIST window in two tranches—USD 2 million in July 2018 and USD 4 million in September 2018.

4. Ramping up monitoring and strengthening anti-corruption mechanisms. In the PFFP, the SC endorsed a proposal to establish ACRReMAP as a new WB-executed window in the ARTF. The SC also approved core funding of USD 60 million over three years to support it. The ARTF Administration Agreement was amended in October 2018 to reflect the creation of the new ACRReMAP window.⁶ Actual costs of ACRReMAP activities in 2018 were primarily attributable to third-party monitoring contract expenses and continued to be financed from allocations for those contracted services, which extended into the early part of 2019. The WB updated SG members quarterly on ACRReMAP-related activities. (Updates on the initiatives themselves are provided in Pillar III of the Scorecard.)

5. Adopting a more structured GoIRA-led approach to improving ARTF portfolio performance. In the PFFP, the SC endorsed a proposal to conduct quarterly Portfolio Operational Status Reviews and annual Country Portfolio Performance Reviews of the ARTF portfolio under the leadership of GoIRA, with participation by line ministries, the WB, and

ARTF donors. Despite strong support for the Portfolio Operational Status Review proposal, the initial quarterly review meetings planned following endorsement of the PFFP were not held. MoF Deputy Ministers sought to participate in the sessions to demonstrate the ministry's strong support, but scheduling proved difficult owing in part to obligations arising from preparations for the Geneva Ministerial Conference on Afghanistan. The WB did, however, develop an initial list of operational bottlenecks, which was shared with MoF for its preliminary review. Planning for the first Country Portfolio Performance Review began in late 2018.

6. Streamlining collaboration and decision-making procedures and strengthening communications and reporting. In the PFFP, the SC recognized the complexity and visibility of coordination around the ARTF and endorsed proposals for streamlining partner collaboration, with commitments by GoIRA, the WB, and donor partners. The proposals align with recommendations from the 2017 ARTF External Review. As detailed in the preceding section discussing ARTF governance bodies, in 2018, with support from GoIRA, the WB significantly expanded donor partners' access to regular communications around project preparation, oversight, and management, which now include regular emails distributing project-related correspondence and offering a rolling calendar of meetings and events. The SG developed a new protocol for collaboration in project preparation and MC meetings were opened to donor partners as observers.

⁶ The amendment also reflected the creation of the new ASIST window, as discussed in point 3.

LOOKING AHEAD

During the 2018 ARTF Steering Committee meeting, members took note of the unprecedented three-day overlapping ceasefires that had been announced by GoIRA and the Taliban over the 2018 Eid holiday, resulting in a three-day drop in violence and public meetings between government and Taliban loyalists. Members encouraged the ARTF partnership to consider how the trust fund could support a prospective peace process through development programming in support of peace and reintegration efforts.

Later in the year, the Joint Communiqué of the November 2018 Geneva Conference on Afghanistan affirmed that participants “agreed to collaborate on the socio-economic requirements for peace.” To this end, participants asked donors and

development and regional partners on an urgent basis to develop and implement a specific action plan, consistent with fundamental values and existing frameworks, in support of a broad-based programme of economic initiatives, which would advance a post-settlement return of Afghan capital; increased Afghan and foreign investment and job creation; and enhanced regional economic integration.

In follow-up to the conference commitments, participants began discussions in December 2018 to consider how development partners could support planning for potential post-settlement economic initiatives.



SECTION III: DETAILED RESULTS BY PILLAR

PILLAR I

Afghanistan Country-Level 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

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 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 conducted the sixth round of data collection under the ALCS in 2016–2017.⁷ Results were published in May 2018 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 it is generally speaking not possible to isolate direct causality between ARTF-supported initiatives and national development outcomes because of the combination of interventions active 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

- **Afghanistan faced severe economic headwinds in 2018.** Following a period of sustained growth between 2003 and 2013, Afghanistan's economy has recently stagnated in the context of insecurity, political instability, and internal displacement. From 1.5 percent in 2015, growth reached 2.3 percent in 2016 and 2.7 percent in 2017. Nascent recovery was led by the agriculture and services sectors and supported by strong progress with economic reforms, sound macroeconomic management, and a relatively stable political environment. Growing momentum was lost in 2018, however, due to mounting political uncertainty and the severe impacts of drought. The World Bank now estimates growth at 1.8 percent for 2018.
- **Agricultural output growth declined to an estimated 0.8 percent,** after growing at 3.8 percent in 2017, largely due to the impacts of drought. Extremely low snowfall between December 2017 and February 2018 in most parts of the country heavily affected the planting of crops and livestock productivity. With almost 80 percent of the population engaged in agriculture for livelihoods, slowdown in agricultural production had adverse knock-on effects on household income and consumption.
- **Poverty is estimated to have further increased and deepened in 2018.** The rate of economic growth substantially lagged population growth, leading to declining per capita income. The drought negatively impacted livelihoods of many of the 82 percent of poor people living in rural areas, including those reliant on poppy cultivation (poppy production declined by 30 percent). Reflecting widespread hardship, drought-induced displacement reached record levels of 298,582 individuals, mainly to urban areas in adjacent provinces.

⁷ At the time of data collection, the NSIA was known as the Central Statistics Organization.



- **Conflict has negatively impacted economic activity since 2014**, and prospects for 2019 and beyond will be heavily influenced by political and security developments.
- **Despite the challenges, Afghanistan has made significant progress in business reforms**, becoming one of the top 10 global improvers in the World Bank's Doing Business rankings in 2018.
- **Health indicators improved significantly**, with under-five mortality dropping from 257 per 1,000 live births in 2003 to 50 in 2018.

SUMMARY OF PROGRESS

AFGHANISTAN LIVING CONDITIONS SURVEY DATA (FORMERLY NATIONAL RISK AND VULNERABILITY ASSESSMENT)

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, and 2016–2017 use comparable data and estimates based on four rounds of the ALCS (formerly known as the National Risk and Vulnerability Assessment, or NRVA). Based on the latest data, the poverty rate in Afghanistan increased from 33.7 percent in 2007–2008 to 54.5 percent in 2016–2017, meaning that almost 16 million Afghans are living in poverty.

The overall macroeconomic and security context in the country has deteriorated since 2007. Since 2014, growth has stagnated and the security situation continues to deteriorate. Between 2007 and 2012, gross domestic product (GDP) per capita increased from USD 381 to USD 691, with economic growth averaging 11.2 percent per year. In contrast, the Afghan economy grew at an average of 2.1 percent between 2013 and 2016, and GDP per capita in 2016 remained USD 100 below its 2012 levels. Perceptions of the economic and political situation have also worsened since 2012.⁸ In the context of parliamentary elections, the economy faced serious headwinds in 2018. Due to drought and heightened political uncertainty and insecurity, economic growth slowed to 1.8 percent, down from 2.7 percent in 2017.

Poverty in 2018 is expected to have increased, up from an already high poverty headcount of 55 percent in 2016–2017, based on the national poverty line. The 2018 drought reduced employment and income-earning opportunities in farming and livestock and increased food insecurity. Among the most affected by the drought are the 40 percent of the population that relies mainly on agriculture as an income source, and who already experienced poverty rates upwards of 60 percent.

Spillovers from the agriculture sector hurt other sectors of the economy as well, and drought- and conflict-related population displacement led to increased pressure on living standards and earning opportunities in urban and peri-urban areas. Despite improved farming conditions and the potential for employment gains, it is unlikely that poverty would decline from its 2018 levels in 2019, as growth rates and incomes in agriculture would need to increase substantially to realize welfare gains.

This economic slowdown has been accompanied by a deterioration in the security situation, which has led to large-scale population displacements and has coincided with the return of many Afghans. Between 2016–2018, more than 458,000 documented and 380,000 undocumented Afghans returned from Pakistan alone, in addition to more than 1.6 million undocumented returnees from Iran. Since 2007, the number of injuries and deaths has increased five-fold, and in 2017, there were over 10,000 civilian casualties and more than 500,000 Afghans were internally displaced due to conflict.

Internal displacement and large-scale return within a difficult economic and security context pose risks to welfare, not only for the displaced, but also for the population at large, putting pressure on service delivery systems and increasing competition for already scarce economic opportunities. A recent WB–United Nations High Commissioner for Refugees report found that returnees experienced a deterioration in employment opportunities, wages, and job stability after returning to Afghanistan. Although most families have at least one person working for pay, they have low job stability and low wages. With large family sizes and low reported incomes, it is likely that many returnees are living close to or below the poverty line. However, access to education improves post-return for both boys and girls and the gender gap in school attendance is reduced, driven by an increase in the number of households where all girls attend school.⁹

8 Several rounds of the Survey of the Afghan People document this trend. In 2018, 61 percent of respondents believed the country was heading in the wrong direction, up from 31 percent in 2012. Of these 61 percent, the majority reported concerns about unemployment, high prices, and the poor state of the economy.

9 Haroon, Mohammad; Krishnan, Nandini; Savage, Jeffrey; Wieser, Christina; Yde-Jensen, Thea. 2019. *Living Conditions and Settlement Decisions of Recent Afghan Returnees: Findings from a 2018 Phone Survey of Afghan Returnees and UNHCR data* (English). Washington, D.C.: World Bank Group.



PILLAR I—AFGHANISTAN COUNTRY-LEVEL OUTCOMES

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

INDICATORS ¹⁰	OUTCOMES					LINKAGES			
	2007	2011	2013 – 2014	2016 – 2017	2018	MDG	TARGETS (T)	SDG	TARGETS (T)
Poverty and Inequality									
Poverty rate (%)	33.7	38.3	NA	54.5	NA	MDG1	MDG1: Eradicate Extreme Poverty and Hunger T1: The proportion of people whose income is less than \$1 a day decreases by 3% per annum until the year 2020	SDG1	SDG1: End Poverty in all Its Forms Everywhere 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	15.0	NA	MDG1		SDG1	
Average consumption of the poor as % of poverty line	72.1	69.2	NA	68.4	NA	MDG1		SDG1	
Average per capita monthly total consumption (afghanis in 2016 prices)	2,655	2,727	NA	2,233	NA	MDG1		SDG1	
Inequality—Gini coefficient of per capita total consumption	0.29	0.33	NA	0.31	NA	MDG1		SDG1	
Food Security¹¹									
Percentage of food insecure population	29.2	30.1	33	44.6	NA	MDG1	MDG1: Eradicate Extreme Poverty and Hunger T2: The proportion of people who suffer from hunger decreases by 5% per annum until the year 2020	SDG2	SDG2: End Hunger, Achieve Food Security and Improved Nutrition and Promote Sustainable Agriculture 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	5.0	5.0	5.1	NA	MDG1		SDG2	
Protein deficiency (% consuming less than 50g of protein per day)	17.4	18.5	NA	30	NA	MDG1		SDG2	

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

11 A “Depth of calorie deficiency” indicator was previously reported in this section because it was tracked in an early round of NRVA surveys. It has been deleted because the data point is no longer tracked in the successor ALCS.



PILLAR I—AFGHANISTAN COUNTRY-LEVEL OUTCOMES (continued)

INDICATORS	OUTCOMES					LINKAGES			
	2007	2011	2013 – 2014	2016 – 2017	2018	MDG	TARGETS (T)	SDG	TARGETS (T)
Gender									
Female literacy rate, age 15 years and above (%)	12	17	19	19.9	NA	MDG3	MDG3: Promote Gender Equality and Empower Women T4: Eliminate gender disparity in all levels of education no later than 2020	SDG4	SDG4: Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for All 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 ¹²	27	NA	MDG3	T5: Reduce gender disparity in economic areas by 2020 T6: Increase female participation in elected and appointed bodies at all levels of governance to 30% by 2020 T7: Reduce gender disparity in access to justice by 50% by 2015 and completely (100%) by 2020	SDG5	SDG5: Achieve Gender Equality and Empower all Women and Girls 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	0.7	0.7	0.71	0.71	0.65	MDG2	MDG2: Achieve Universal Primary Education 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	MDG4	MDG 4 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		



PILLAR I—AFGHANISTAN COUNTRY-LEVEL OUTCOMES (continued)

INDICATORS	OUTCOMES					LINKAGES			
	2007	2011	2013 – 2014	2016 – 2017	2018	MDG	TARGETS (T)	SDG	TARGETS (T)
Education									
Literacy rate, age 15 years and above (%)	25	31.4	34.3	34.8	NA				
Net attendance ratio in primary education (%)	46.3	56.8	54.5	56.1	76	MDG2	MDG2: Achieve Universal Primary Education T3: Ensure that, by 2020, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	SDG4	SDG4: Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for All 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	2.0	2.6	2.8	NA	NA				
Health									
Full immunization rate among children age 12–23 months (%)	36.7	30 ¹³	29.9 ¹⁴	58.8 ¹⁵	60	MDG4	MDG 4 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 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	MDG4			
Access to skilled antenatal care during pregnancy (%)	32.8	51.2	63.2	70	80	MDG4 MDG5	MDG 4 Reduce Child Mortality MDG5 Improve Maternal Health 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	SDG5: Achieve Gender Equality and Empower all Women and Girls 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	MDG4 MDG5			
Disability prevalence rate (%) ¹⁶				3.2	NA				

13 Multiple Indicator Cluster Survey, 2010–2011.

14 Afghanistan Health Survey, 2012.

15 Afghanistan Health Survey, 2015.

16 New indicator as per the 2016 ALCS. The 2007 NRVA reported on the "Percent of households having persons with mild disability". This indicator has been deleted to be consistent with the ALCS indicators.



PILLAR I—AFGHANISTAN COUNTRY-LEVEL OUTCOMES (continued)

INDICATORS	OUTCOMES				2018	MDGs	LINKAGES		
	2007	2011	2013 – 2014	2016 – 2017			TARGETS (T)	SDG	TARGETS (T)
Access to Services and Infrastructure									
Access to improved drinking water (% of households)	27.2	45.5	68.4	63.9	NA	MDG4	MDG 4 Reduce Child Mortality T13: Halve, by 2020, the proportion of people without sustainable access to safe drinking water and sanitation	SDG6	SDG6: Ensure Availability and Sustainable Management of Water and Sanitation for All T6.1: By 2030, achieve universal and equitable access to safe and affordable drinking water for all T6.4: 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 (% of households) ¹⁷	NA	NA	39.1	41.1	NA	MDG4		SDG6	SDG6: Ensure Availability and Sustainable Management of Water and Sanitation for All T6.2: By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
Access to any source of electricity (% of households)	41.1	69.1	89.5	97.7	NA			SDG7	SDG7: Ensure Access to Affordable, Reliable, Sustainable and Modern Energy for All T7.1: By 2030, ensure universal access to affordable, reliable and modern energy services

17 Data reported for earlier years have been deleted as the pre-2013 indicator definitions were not comparable with the current indicators tracked by the ALCS. NA: Not available; implies that the indicator is not available or not comparable in the respective survey round.



PILLAR II

Project/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 2018, the ARTF comprised two government-executed windows, the Recurrent Cost Window and the Investment Window, and two World Bank-executed windows, Advisory Services, Implementation Support and Technical Assistance Window and the Anti-Corruption and Results Monitoring Action Plan Window. Pillar II reflects the progress of the ARTF government-executed portfolio of projects funded under the 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: (i) Incentive Program—an 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; (iii) Ad Hoc Payment Facility—a financial pass-through facility established in 2013–2014 through which bilateral donor funding is channeled to the government's budget.

The RCW evolved significantly over time. In 2018, as part of PFFP, the ARTF moved toward increased use of incentivized result-based instruments, which was linked to the overall objective of regularizing the ARTF RCW into a standard WB Development Policy Financing operation. Regularization of the ARTF RCW aimed to incorporate the strong oversight, well-defined processes, transparency, and monitoring arrangements associated with standard WB program preparation, oversight, and review practices; and to enable the WB to mobilize IDA and the ARTF in a linked fashion. As a result, the baseline financing modality was eliminated, and all support was made conditional on policy reforms and results.

Recognizing that the increased emphasis on structural reforms posed potential risks to fiscal stability, the Administrator proposed two mitigation measures:

1. **Fiscal Stability Facility.** Introduction of FSF was to create a pool of funding GoIRA could access in the event of a liquidity shortage, subject to certain conditions being met (adequate revenue performance, adequate cash balances, and absence of payroll arrears).
2. **Retaining the functionality of the RCW Ad Hoc Payment Facility.** AHP, introduced in 2013, enables additional donor contributions (beyond those committed to ARTF programming in the PFFP) to be channeled through the ARTF and made as on-budget contributions. These contributions arise from bilateral agreements between ARTF donors and GoIRA, to which the World Bank as Administrator of the ARTF is not privy. AHP contributions are disbursed through the ARTF Recurrent Cost Window and as such be subject to the same fiduciary controls and monitoring arrangements as the ARTF RCW. The AHP facility is planned to phase out once the outstanding commitment of bilateral donors are fully disbursed.



RCW ACHIEVEMENTS IN 2018: As illustrated in Table 2, in addition to the 2018 IP-DPG, the RCW included the final-year implementation of the previous Incentive Program for 2017. The 2017 Incentive Program included three program components, with an indicative financing envelope of USD 300 million for 2017–2018 under (i) the structural reform facility; (ii) the revenue matching grant facility; and (iii) the operations and maintenance (O&M) facility. A total of USD 225.83 mil-

lion was disbursed in 2018 for the 2017 Incentive Program. Besides, USD 159.2 million was provided through the Ad Hoc Payments Facility pursuant to terms negotiated bilaterally between GoIRA and individual development partners. USD 100 million was also disbursed to the government as part of the Fiscal Stability Facility that has since been merged with the IP-DPG program for FY 2019 and FY 2020.

TABLE 2: RECURRENT COST WINDOW DISBURSEMENTS

RECURRENT COST WINDOW DISBURSEMENTS – USD, MILLION				
COMPONENT	2018	2019	2020	Total
Incentive Program (RCW IP)	225.83	0.00	0.00	225.83
Incentive Program (FSF)	100.00	0.00	0.00	100.00
Ad Hoc Payments Facility	159.20	0.00	0.00	159.20
TOTAL	485.03	0.00	0.00	485.03



INCENTIVE PROGRAM – DEVELOPMENT POLICY GRANTS: The decision to move toward utilization of standard World Bank instruments during 2018 reflected a shared desire between GolRA, the World Bank, and ARTF partners to (i) provide transparency and monitoring arrangements that are associated with standard World Bank program preparation, oversight, and review practices; (ii) establish a formal results framework for all RCW programming; (iii) satisfy GolRA's objective for increased alignment of donor budget support by allowing IDA and ARTF budget support resources to be mobilized through a single operation (ending the practice of World Bank IDA-financed Development Policy Grants being mobilized in parallel to the Incentive Program); and (iv) provide recurrent cost support conditional on structural reform progress rather than outcomes not fully within government control during a potentially turbulent period.

The 2018 IP-DPG, the first in a series of three-year operations, was financed by a USD 90 million IDA grant and a USD 210 million ARTF grant. The IP-DPG introduced 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 operation comprised multiple tranches: one associated with prior actions and the rest with tranche release conditions, all of which constitute key policy and institutional reforms under the ANPDF. Disbursement amount of tranche release conditions was timing-dependent, providing hard fiscal incentives for timely fulfilment of associated reform actions.

A government-owned joint monitoring platform was introduced for regular monitoring of reform progress to allow early intervention on reform actions that faced risks of delay. The program design has proven effective with all tranche release conditions successfully fulfilled on time, fully disbursing USD 210 million in December 2018 as well as USD 100 million under FSF.

To streamline processes and reduce compliance costs on GolRA and World Bank teams, the 2019 Incentive Program will be expanded to USD 400 million (IDA of USD 100 million and ARTF of USD 300 million), merging FSF into the IP-DPG program. FSF was designed as a transitional facility from the previous unconditional Baseline Facility to the fully conditional IP-DPG, aiming to provide fiscal buffers to possible revenue shortfalls that were witnessed during the 2014 election period. Reflecting the closure of the FSF, the Incentive Program policy reform agenda will be expanded to include additional policy reforms to support fiscal stability outcomes, including enhanced revenue and cash reporting.

TABLE 3: INCENTIVE PROGRAM – DEVELOPMENT POLICY GRANT ALLOCATION, 2018–2020

IP-DPG CEILING FOR 2018–2020 – USD, MILLION ¹⁸					
COMPONENT	CCY	FY 2018	FY 2019	FY 2020	TOTAL
Incentive Program Development Policy Grant	USD	210.00	300.00	290.00	800.00
Fiscal Stability Facility	USD	100.00	0.00	0.00	100.00
TOTAL		310.00	300.00	290.00	900.00

¹⁸ This table only reflects ARTF contribution, while IDA contributes USD 100 million to the IP-DPG program as well.

TABLE 4: REFORM AREAS TARGETED BY THE IP-DPG, 2018–2020

AREAS	REFORMS
E-PAYMENT AND MOBILE MONEY	The reform will promote digitization of financial services, improving long-term financial inclusion, enabling digital payments of salaries, taxes, and customs duties, and strengthen interoperability of the payment system leading to increased efficiency and transparency in government finances, reducing opportunities for corruption and leakage.
CIVIL SERVICE REFORM	Support implementation of the new Civil Servants Law, which will lead to strengthened civil service capacity through greater transparency, positive gender discrimination, in-service skill development, and transparent grievance redress.
BUSINESS ENVIRONMENT	The reform will contribute to improved business regulatory environment, expanding the coverage of credit registry and increasing the lending volume to entrepreneurs to facilitate private sector development.
POWER UTILITY REFORM	Improving financial soundness and investment capacity of Afghanistan's power utility, reducing time and costs for accessing electricity and improving its capacity to access imported electricity at lower cost.
LAND GOVERNANCE	Reform will undertake distribution of property documents to informal settlements in urban areas and transition from court-based system to administrative system. The reform will lead to economic participation of households, accessing services, reduced compliance costs, and greater certainty facilitating investment and land productivity over the medium term.
WATER PRODUCTIVITY AND CLIMATE RESILIENCE	The reform will support improved agriculture production and productivity and enhance resilience to weather-related shocks.
PUBLIC INVESTMENT MANAGEMENT	Developing clear guidelines for project analysis and mandating the application of these guidelines through the budget process will enhance the alignment of development projects with the ANPDF and NPPs as well as improve the efficiency and effectiveness of development expenditures.
TAX ADMINISTRATION	Mandatory fast-track filing for large taxpayers in telecommunications and banking sector, leading to reduced compliance costs and reduced petty corruption.
TAX ADMINISTRATION	Establishment of a Tax Dispute Resolution Board to improve private sector confidence in the tax system, leading to positive impacts on revenues.
REVENUE	Approval of VAT regulation to enable the Afghanistan Revenue Department and Afghanistan Customs Department to operationalize VAT by end of 2020, broadening tax and reducing reliance on distortionary taxes.
EXPENDITURE CONTROL	Rollout of new O&M policy to improve quality and efficiency of O&M expenditures through an evidence-based and consistent approach.
REVENUE MONITORING	Publishing fortnightly revenue reports that will provide full disaggregated tax and customs performance at collection points and track progress against revenue targets.
CASH MONITORING	Improve accountability and quality of cash management and increase transparency.



INVESTMENT WINDOW HIGHLIGHTS

THE ARTF IW HAD A TOTAL OF 29¹⁹ ACTIVE PROJECTS in 2018 (including five project preparation grants) 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 2018, six ARTF-funded projects (including two PPGs) had closed. Annex II includes a list of the active projects at the close of the year. This edition of the Scorecard presents Results Matrices for IW programming in each of these three areas, together with brief narratives highlighting major program developments during 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 became effective on January 1, 2018. In its first year, it provided critical inputs to key FPIP activities of the MoF, Supreme Audit Office (SAO), and National Procurement Authority (NPA). For more efficient expenditure management, development project preparation was strengthened by introducing strategic fit screening and improved costing information into the early project preparation stages.

Steps were taken to strengthen tax administration, with focus on large taxpayers accounting for almost 30 percent of domestic revenues. All large taxpayers came under the enhanced supervision of the Single National Large Taxpayer Office and an electronic filing system was rolled out for them.

FSP also supported the feasibility study for the National Single Window, which will allow traders to submit information required by all key regulatory agencies via a single electronic gateway. A proposal was prepared to introduce the Audit Management Information System to improve compliance with audit recommendations and was planned for review in 2019. Gradual phase-out of National Technical Assistance commenced with good progress made especially by the MoF. The project also supported electronic and open procurement to

improve transparency and accountability in procurement processes. However, progress has been gradual over the last one year, with four out of the 18 planned e-procurement modules developed, and others still in progress.

Key fiscal and PFM indicators demonstrated strong performance in 2018. Overall budget execution increased from 83 percent in 2017 to 92 percent in 2018, with the development budget execution rate accelerating to 92.2 percent. Domestic revenue reached a record-high of Af 198.6 billion (13.4 percent of GDP). Strong revenue performance reflected both improved tax administration and increases in the collection of tax arrears and non-tax revenues from state-owned enterprises.

Good progress has also been made with compliance of audit recommendations, with the average implementation ratio of external audit recommendations improving to over 50 percent at end-2018. Despite this progress, the 2018 Public Expenditure and Financial Accountability (PEFA) assessment report for Afghanistan covering the years 2014–2016 gave a “D+” rating for external audit. The low rating was primarily due to the lack of strong legal framework to ensure full independence of the SAO and insufficient audit coverage and standards. The assessment methodology had changed since Afghanistan's last PEFA assessment, hindering direct comparison with previous ratings on external audit functions. The report is available at www.pefa.org.

19 This also includes ARTF Recurrent and Capital Cost operation as well as FSF and IP-DPG.



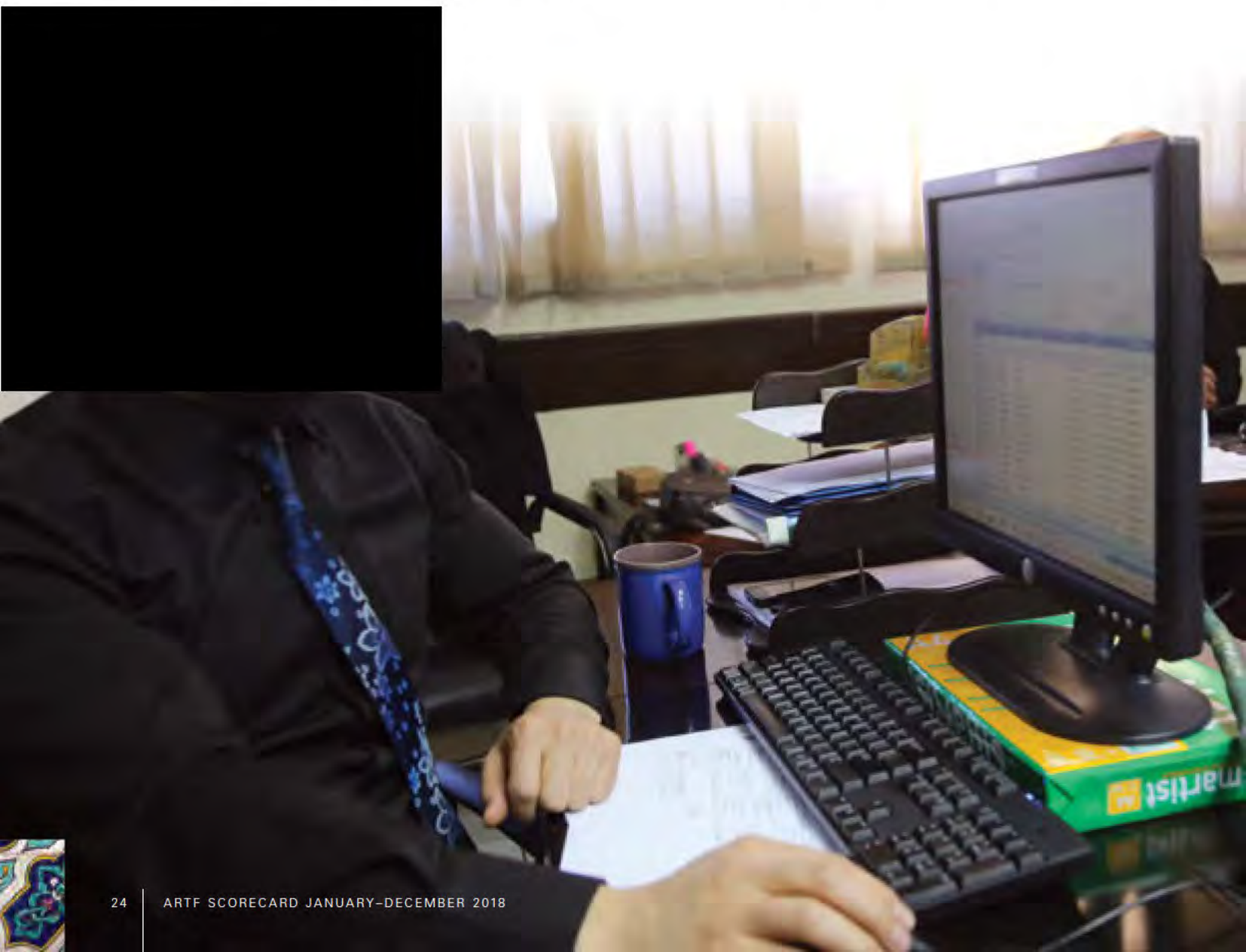
CAPACITY BUILDING FOR RESULTS was the main project to support the government's civil service reform agenda from January 2012 to December 2018. Originally due to close on June 30, 2018, CBR was extended until December 31, 2018, to allow continuity of support until its successor, Tackling Afghanistan's Government HRM and Institutional Reforms Project, took effect.

Throughout its seven-year implementation period, CBR did not always perform as expected and the Bank's Implementation Completion and Results Report rated its overall performance as moderately unsatisfactory. Project implementation pace accelerated after a restructuring in 2016 streamlined the project. However, the project fell short in meeting its goal of recruiting 1,500 qualified civil servants through a rigorous, competitive selection process. The final tally was 1,053, of whom 373 were contracted in 2018. Similarly, the target on female recruitment was missed by a large margin, with only 76 having been recruited at the time of project closing com-

pared with the original (admittedly ambitious) target of 450. However, 39 of these 76 female civil servants were recruited in 2018 alone, suggesting an effort to regain the ground lost in the earlier years of project implementation.

Although CBR fell short of reaching the numerical targets of civil servant recruitments, it did contribute positively to capacity upgrading in selected ministries where the CBR appointments were used to fill strategically important vacancies, such as provincial directors of the Ministries of Education, Public Health, and Agriculture, Irrigation and Livestock (MAIL) and directors general of certain central ministries.

The successor project, TAGHIR, was approved by the World Bank Board on December 19, 2018. It supports strengthening the capacity of selected line ministries and agencies through merit-based recruitment of key positions, improved personnel management, and better human resource planning.



GOVERNANCE AND STATE EFFECTIVENESS

NPP KEY OBJECTIVE: FINANCIAL AND ECONOMIC REFORM (PUBLIC FINANCIAL MANAGEMENT ROADMAP)

Strengthening the budget in driving effective delivery of key priority outcomes; improving budget execution; and increasing accountability and transparency.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
Outcomes: Strengthened Public Financial Management		ARTF Milestones/Outputs		ARTF Portfolio
1 Improved Public Expenditure and Financial Accountability (PEFA) ratings for external/internal audit	Baseline: 2.00/2.00 (2008) Progress: D+ (2018) ²⁰ Target: 3.00 (2014)/3.00 (2017)	M1 Number of internal/external audits verified as done to international auditing standards	Baseline: 4 World Bank grant audits ²¹ (2011) Progress: 40 ARTF grant audits (2018) ²² Target: 40 ARTF grant audits (2018)	ONGOING Capacity Building for Results (CBR) ARTF: USD 100 million Fiscal Performance Improvement Program (FPIP), USD 100 million: IDA: USD 25 million ARTF: USD 75 million ARTF Incentive Program (IP) 2017: USD 325 million ²³ Incentive Program – Development Policy Grant (IP-DPG), USD 300 million: ARTF: USD 210 million IDA: USD 90 million Fiscal Stability Facility (FSF) ARTF: USD 100 million
2 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) ²⁴	Baseline: 0 (2011) Progress: 4 (2018) Target: 16 (2022)	M2 ²⁵ Framework Agreement procurement is done by the government	Baseline: 0% (2017) Progress: 30% (2018) Target: 100% (2019)	
3 Increased development budget execution rate	Baseline: 54% (2017) Progress: 93% (2018) Target: 75% (2022)	M3 Improvement in core institutional capacity, represented by a reduction in the number of long-term technical assistants	Baseline: 499 (2017) Progress: 335 (2018) Target: 250 (2022)	
4 Increased domestic revenue as a percentage of GDP	Baseline: 10.7% (2017) Progress: 13% (2018) Target: 12.2% (2022)	M4 Web-based AFMIS extended to embassies and selected districts, municipalities, and State-Owned Enterprises	Baseline: 0 (2017) Progress: 1 (2018) Target: All embassies, 300 districts, 20 municipalities, and at least 5 SOEs (2022)	
5 Effective implementations by budgetary units on the external audit recommendations ²⁶	Baseline: 15% (2017) Progress: 50% (2018) Target: 60% (2022)	M4 Rolling out e-Government Procurement in the pilot phase in three or more departments	Baseline: 0 (2017) Progress: 0 (2018) Target: 3 (2022)	

20 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.

21 Audits of projects financed under the World Bank (ARTF/IDA) are carried out annually. This amounts to about 40 audits a year.

22 Audit reports for 2018 are not yet released. Cause of the delay was recruitment of the new audit firm.

23 Majority of the funds under the 2017 IP were disbursed in 2018.

24 Indicator changed for the 2018 mid-year Results Matrix.

25 Milestone changed for the 2018 mid-year Results Matrix.

26 Newly added indicator.



GOVERNANCE AND STATE EFFECTIVENESS (continued)

NPP KEY OBJECTIVE: EFFICIENT AND EFFECTIVE GOVERNMENT

Strengthen the institutional, organizational, administrative, and individual capacities of the government at both central and local levels to enable more efficient and effective service delivery, economic growth, justice, stabilization, and security.

ARTF Outcomes and Indicators			ARTF Milestones/Outputs			ARTF Portfolio
Outcome: Strengthened performance of line ministries			ARTF Milestones/Outputs			ARTF Portfolio
6 Priority line ministries and independent agencies that have implemented at least two business process simplifications in their CBR Plan	Baseline Progress Target	0 9 (2018) 13 (2018)	M6 Civil service positions recruited by CBR	Baseline Progress Target	0 (2011) 1,053 (2018) 1,500 (2018)	ONGOING Capacity Building for Results (CBR) ARTF: USD 100 million Fiscal Performance Improvement Program (FPIP), USD 100 million: IDA: USD 25 million ARTF: USD 75 million
7 Number of ministries that have completed pay and grading	Baseline Progress Target	8 (2011) 23 (2018) 22 (2018)				ARTF Incentive Program (IP) 2017: USD 325 million ²³
Outcome: Fiscal sustainability through (reform-linked) increasing domestic revenue mobilization and strengthening expenditure management						Incentive Program – Development Policy Grant (IP-DPG), USD 300 million: ARTF: USD 210 million IDA: USD 90 million
8 Percentage ²⁷ increase in customs duties through system automation	Baseline Progress Target	5% (2017) 12.8% (2018) 100% (2022)				Fiscal Stability Facility (FSF) ARTF: USD 100 million
9 Increase of the Open Budget Index score	Baseline Progress Target	21 (2012) 49 (2017) 48 (2017)				

27 Indicator changed to percent point increase on annual basis as a result of FSP.

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

Major service delivery programs in this sector covered health, education, women's economic empowerment (presented under rural development in previous editions of the Scorecard) and the Citizens' Charter Afghanistan Program.

HEALTH

ARTF financing for **Sehatmandi, a flagship basic health services delivery project**, was approved by the MC on March 12, 2018, and the World Bank Board of Executive Directors approved IDA financing on March 28, 2018. The total approved financing for Sehatmandi is USD 600 million for three years (2018–2021), of which USD 425 million is financed by the ARTF. The predecessor project, System Enhancement for Health Action in Transition, closed on June 30, 2018, with the overall outcome rating as “satisfactory.” SEHAT was implemented from 2013 to 2018 with total financing of USD 600 million. Both SEHAT and Sehatmandi were designed to provide basic health services nationwide.

Among the achievements of SEHAT, the proportion of children under age five treated for severe acute malnutrition increased from 24 percent in 2011 to 83 percent as of end 2018 and the average quality of health services (as measured with the balanced scorecard method applied to health facilities) improved. However, a challenge SEHAT faced was the stagnation in the increase in the contraceptive prevalence rate.

SEHAT's reliance on the contracting-out model represented an innovation in public health service delivery in low/middle-income countries and proved effective in Afghanistan. The model proved especially resilient in Afghanistan's conflict-affected environment, showing steady improvements in some key basic health indicators despite worsening security.

HEALTH						
NPP KEY OBJECTIVE: HEALTH FOR ALL AFGHANS						
Improved health status of Afghans resulting from increased access to and expansion of health services.						
ARTF Outcomes and Indicators						
Outcome: Improved access to basic health services and systems, particularly for pregnant women and children			ARTF Milestones/Outputs		ARTF Portfolio	
10 Births attended by skilled attendants	Baseline Progress Target	429,305 (2013) 963,052 (2018) 1,012,880 (2021)	M7 Health facility visits per capita per year to BPHS/EPHS facilities ²⁸	Baseline Progress Target	1.9 (2016) 2.1 (2018) 2.3 (2021)	ONGOING SEHATMANDI, USD 600 million: ARTF: USD 460 million IDA: USD 140 million
11 Scorecard score examining quality of care in health facilities (average score)	Baseline Progress Target	63 (2016) 59 (2018) 68 (2021)	M8 Proportion of health facilities staffed with at least one female health worker	Baseline Progress Target	74% (2012) 94% (2018) 86% (2018)	
12 PENTA3 vaccination coverage	Baseline Progress Target	72% (2015) 60% (2018) 80% (2021)	M9 Proportion of children under five years with severe acute malnutrition who are treated	Baseline Progress Target	24% (2011) 83% (2018) 55% (2018)	

28 Milestone rephrased from “Number of health consultations per year” to “Health facility visits per capita per year to BPHS/EPHS facilities”.



Building on the success of the SEHAT delivery model and following a recommendation from the president of Afghanistan, Ashraf Ghani, at the June 2017 Presidential Summit on Health organized by GoIRA, the WB, and international development partners, MoPH introduced a performance management framework for Sehatmandi to enhance effectiveness and efficiency of basic health service delivery. Since Sehatmandi became effective on April 10, 2018, the WB and MoPH have worked to develop technical details of the framework, including a standard operating procedure for performance management and a performance contract framework.

The performance contract framework consisted of selection of 11 health services for pay-for-performance (other services are provided without being linked to the pay-for-performance component). A tariff (unit price) has been set as the basis for paying health service providers for each of these 11 health services, and indicators defining a baseline, index, and maximum targets for each service have been established. Tariffs and indicators were estimated for each province based on available historical data. The approach was new in Afghanistan and the considerable work involved in developing the tariffs and indicators required technical sophistication and good data.

Sehatmandi was designed to succeed SEHAT without disruption in the delivery of the Basic Package of Health Services (BPHS) and the Essential Package of Hospital Services (EPHS) by the contracted service providers. Sehatmandi became effective on April 2018 and, as SEHAT closed on June 30, it picked up the financing of the existing service provider contracts in 31 provinces (MoPH directly delivers BPHS and EPHS in the remaining three provinces with technical assistance), which were due to terminate on December 31, 2018.

Once the performance management framework was designed, MoPH, with advice and support of WB task teams and other international partners, initiated, and largely completed, a complex process of procuring service providers in 31 provinces within the calendar year. The aim was to have the newly contracted service providers ready to take over the health facilities in each province when the existing service delivery contracts expired on December 31, 2018. The process was not completed by this date owing to delays in decision-making at the National Procurement Committee. Existing service providers continued providing services until the end of January 2019.

To support this complex procurement process, the WB and several international development partners provided additional technical assistance. The WB deployed the Hands-on Expanded Implementation Support (HEIS) through which an accredited procurement consultant engaged in close technical support throughout the entire process, under the supervision of the WB procurement manager. The international partners mobilized other experts to participate in the bid evaluation process as either observers or bid evaluation committee members. In order to ensure transparency, relevant meetings were video-recorded by MoPH.

EDUCATION

In the **education** sector, GoIRA and the WB finalized preparations for the next phase of basic education programming, and the higher education initiative continued to make strong progress, including as a portfolio leader in the use of results-based financing, a priority under the PFFP.

After a lengthy preparation process that began in late 2016, the **project design for EQRA, the next phase of basic education programming**, was finalized in mid-2018. During the design process, an ARTF project preparation grant supported technical assistance to inform the design and help GoIRA prepare for implementation by developing the project's evidence base and facilitating critical policy development around community-based education and curriculum reform. The MC approved ARTF financing for EQRA on September 17, and the WB Board of Executive Directors approved IDA financing on September 28. The Global Partnership for Education (GPE) approved its portion of the financing (USD 98 million) on November 22. The legal agreements for the IDA and ARTF portions were signed on October 23, and for the GPE later in 2019 (April 2).

EQRA supports the government's third National Education Strategic Plan, 2017–2021, with a focus on (i) equitable access to basic education; (ii) improving learning conditions; and (iii) strengthening education sector planning capacity and transparency. It incorporates both standard investment financing and, in line with a priority of the PFFP, results-based financing through a set of disbursement-linked indicators (DLIs). The standard investment financing is used to finance school construction, school grants, and community-based education, whereas the results-based financing incentivizes quality and governance reforms. EQRA will also support a small-scale pilot on early childhood education.



Among the various EQRA components, all critical for improving learning in Afghanistan, GoIRA's immediate priority has been school construction. Afghanistan faces a large infrastructure deficit in the education sector. Nearly half of the roughly 18,000 schools lack complete school buildings, a factor that significantly affects girls' participation in schooling. Before the project became effective on January 3, 2019, GoIRA had already begun preparing to expedite school construction with "bridge financing" of USD 8 million from its own revenue resources.

The Ministry of Education is responsible for EQRA as a whole, and the Ministry of Rural Rehabilitation and Development (MRRD) oversees the school construction sub-component. Employing a new approach in this phase of programming, MRRD will engage Community Development Councils (CDCs) to oversee construction locally. The two ministries worked closely together to prioritize school construction sub-projects and, with support from the WB, developed cost-effective designs.

The Higher Education Development Project (HEDP), implemented by the Ministry of Higher Education (MoHE), supports development of Afghanistan's higher education system.

HEDP includes some construction components to improve the learning environment at public universities. In 2018, this work encountered safeguard compliance challenges, with delayed progress in hiring and implanting software. However, the project achieved progress against progress objectives, and exceeded

- The project achieved 60% of targets for women and 60% of targets for economic development. The project also achieved 60% of targets for documentation and 60% of targets for women and 60%

- Targets called for 10 public universities to issue five-year rolling Strategic Institutional Development Plans consistent with the National Higher Education Strategic Plan during the year. In total, 13 public universities issued the strategic plans in 2018.
- The project also aims to increase the number of full-time academic staff with at least a master's degree in priority degree programs. In 2018, the target was set at 1,200 staff members. During the year, MoHE recorded 1,360 full-time academic staff with a master's (or higher) degree in the priority fields. In September 2018, the MC approved USD 5 million in additional financing for HEDP. A primary objective of the additional financing is to increase the number of faculty scholarships, enabling an additional 150 public university faculty members to pursue a postgraduate degree.

HEDP was the first investment project in the WB's Afghanistan portfolio to introduce DLI financing. In 2018, DLIs for three HEDP annual achievements were verified, and USD 8 million was disbursed against the following achievements:

- Enrolling 5,700 female students in priority degree programs at public universities (exceeding the target of at least 4,500).
- Establishing ICT centers at two public universities (meeting the target of two).
- Awarding scholarships for master's degree study to 202 full-time faculty at public universities (slightly exceeding



EDUCATION

NPP KEY OBJECTIVE: EDUCATION FOR ALL
Improve access to basic and secondary education.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Increased equitable access to quality education, especially for girls				
13 Students attending school regularly in selected provinces (girls) ²⁹	Baseline 4.3 million (1.6 million girls) (2016) Progress No data available yet (2018) Target 5 million (1.9 million girls) (2023)	M10 Schools constructed or expanded with classrooms, boundary walls, water points, and gender-segregated latrines	Baseline 0 (2018) Progress 0 (2018) Target 2,646 (2023)	ONGOING EQRA, USD 298 million: ARTF: USD 100 million IDA: USD 100 million GPE: USD 98 million Afghanistan Second Skills Development Project (ASPD II) IDA: USD 55 million Higher Education Development Project (HEDP) ARTF: USD 55 million Non-Formal Approach to Training Education and Jobs in Afghanistan Project (NATEJA) ARTF: \$15 million
14 Out-of-school children in selected provinces (girls)	Baseline 2.2 million (1.3 million girls) (2016) Progress No data available yet (2018) Target 1 million (643,029 girls) (2023)	M11 Students benefiting from direct interventions to enhance learning	Baseline 6.4 million (2016) Progress 6.4 million (2018) Target 7.2 million (2023)	
NPP KEY OBJECTIVE: SUSTAINABLE DECENT WORK THROUGH SKILLS DEVELOPMENT AND EMPLOYMENT POLICIES FOR JOB-RICH GROWTH Effectively prepare Afghan nationals for the labor market.				
Outcome: Increased access to high quality vocational education and training				
15 Share of apprentices who find employment within 6 months of graduation	Baseline 0 (2014) Progress 13% ³⁰ (2018) Target 15% (2018)			
16 Total number of beneficiaries (% female) ³¹	Baseline 0 (2014) Progress 2,482 (30% female) (2018) Target 44,500 (30% female) (2018)			
17 Student enrollment in priority degree program for economic development (women)	Baseline 64,200 (11,200 women) (2015) Progress 81,900 (15,500 women) (2018) Target 86,500 (29,290 women) (2022)			

29 Indicators 13 and 14 and milestones 10 and 11 have been updated and reformulated to align with the new EQRA basic education initiative, replacing previous EQUIP indicators.

30 There was no progress against the indicator, however, the results of the Business Grant Scheme of the project is captured as outcome for this indicator. Therefore, employment for the beneficiaries increased 13 percent in respect to that control group.

31 The relevant project (NATEJA) closed toward the end of 2018 due to poor performance.

WOMEN'S ECONOMIC EMPOWERMENT

In June, the USD 44 million (of which ARTF financed USD 16 million and IDA financed USD 28 million) **Afghanistan Rural Enterprise Development Program (AREDP)** closed after eight years of work to improve employment opportunities and incomes for targeted rural communities. On September 17, the MC approved ARTF financing (USD 75 million) for the successor initiative, the **Women's Economic Empowerment Rural Development Project**. The World Bank Board of Executive Directors approved IDA financing (USD 25 million) for the project on September 28. The project became effective in October.

AREDP developed microenterprises at the village level and supported small and medium enterprises to create supply chains for agricultural and handicraft products. One of the project's biggest achievements was demonstrating how a model of community-based savings and lending could greatly improve access to finance, particularly for women, in rural areas where there are few banks or formal microcredit institutions.

AREDP commenced in 2010 and helped sustain the livelihoods of rural women and men by enhancing their participation in economic activities, increasing their access to finance, supporting establishment of enterprises, and improving

market linkages. During its life, the project mobilized 81,880 rural men and women to establish 7,239 Savings Groups (52 percent women), 1,768 Enterprise Groups (65 percent managed by women) and 536 Village Savings and Loan Associations (VSLAs). Savings Groups saved a total of Af 378 million or USD 5.2 million, which was made available as credit to start up village-level enterprises in agriculture, livestock, food processing, handicrafts, and carpets.

At its close, AREDP had a gross loan portfolio of Af 1.1 billion (USD 14 million), with 80 percent of loanable funds in circulation and repayment rates as high as 95 percent. Almost 60 percent of borrowers were women. Group formation and development under the project were supported by Business Development Service Providers contracted to MRRD. MRRD managed the providers using a "deliverables-based payment" approach, reducing operational costs by almost 20 percent. With support from the service providers, 86 percent of the Enterprise Groups increased their net revenues by 20 percent or more. On average, Enterprise Groups increased their net revenues by roughly 47 percent and employment by 30 percent over the life of the project.

AREDP's implementation brought out three important lessons. Firstly, a rural enterprise development model with features of (i) group savings and credit; (ii) economic mobilization; (iii) aggregation of microenterprises; and (iv) small and medium

WOMEN'S ECONOMIC EMPOWERMENT (formerly presented under Rural Development)

NPP KEY OBJECTIVE: WOMEN'S ECONOMIC EMPOWERMENT

To build poor women's capacity to strengthen the economy of their households, communities, and the entire nation.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs			ARTF Portfolio	
18 Number of direct beneficiaries (women)	Baseline	56,128 (31,309) (2018)	M12 Net aggregate savings mobilized (USD)	Baseline	5,257 (2018)	ONGOING Women's Economic Empowerment Rural Development Project (WEE-RDP), USD 100: ARTF: USD 75 million IDA: USD 25 million
	Progress	56,128 (31,309) (2018)		Progress	5,257 (2018)	
	Target	450,000 (350,000) (2023)		Target	15,000 (2023)	
19 Beneficiaries reached with financial services	Baseline	56,128 (2018)	M13 Number of VSLAs that have received a grant	Baseline	0 (2018)	
	Progress	56,128 (2018)		Progress	0 (2018)	
	Target	350,000 (2023)		Target	4,500 (2023)	
20 Share of women SHG members from poor or vulnerable households (%)	Baseline	0 (2018)				
	Progress	0 (2018)				
	Target	60% (2023)				



enterprise and supply chain development can be replicated in fragile countries with undeveloped private sectors. Secondly, deliverables-based payments improved service delivery in remote targeted villages and was useful in addressing implementation challenges in the fragile context, including insecurity, rural access, weak implementation capacity, and high operating costs. Thirdly, the project successfully mobilized women and promoted their entrepreneurship despite the social and cultural context of Afghanistan. This was done by ensuring women-to-women service delivery, facilitating partnership among women, and developing village-level role models.

The success of AREDP in the last area in particular facilitated its transformation into the national WEE-RDP in late 2018, which is a flagship operation under the umbrella Women's Economic Empowerment National Priority Program. WEE-RDP covers 76 districts spread across all 34 provinces and aims to support the social and economic empowerment of women through institutional and technical support to create women's Self-Help Groups (SHGs), Village Savings and Loan Associations, and Enterprise Groups. A key AREDP legacy was in laying the ground work for WEE-RDP's rapid scale-up and expansion.

CITIZENS' CHARTER

The **Citizens' Charter Afghanistan Project (Citizens' Charter)** made noticeable progress in 2018. Despite some internal and external challenges, by the end of the year the project had expanded to 9,958 urban and rural communities in 34 provinces, reaching a total of 8 million people. As part of its effort to promote democratic local governance, 6,200 new Community Development Council were elected in 2018, bringing the cumulative total to 9,700 CDCs over the two years of implementation of the Citizens' Charter.

The new election model has been a key achievement of the Citizens' Charter, proving to be highly inclusive and resulting in increased women's participation in CDCs. Women make up 49 percent overall of the newly elected CDC members, and CDC membership comprises 90 percent new members. Citizens' Charter's social processes and new Participatory Learning Activities, which include Seasonal Calendar, Women's Mobility Map and Community Well-being Analysis, have had a significant impact, empowering communities to address their development challenges themselves, often going beyond the scope of the project.

One of the many examples of women's empowerment and community participation across CDCs can be found in the Bukhdi community in Balkh Province, where the community has organized literacy programs for women. An organic initiative of the CDCs' women sub-committee, the program enabled almost all illiterate women in the community to read and write after nine months.

CDCs have also been observed to be instrumental in helping communities resolve conflicts and avoid unfavorable practices. In Kandahar city, for instance, a CDC intervened to prevent community elders from giving a young woman away in marriage to resolve an inter-familial dispute.

Activities targeted at marginalized and socially vulnerable groups aim to promote inclusion. The Social Inclusion Grant and Maintenance Construction Cash Grants are addressing severe hunger and unemployment issues within marginalized communities, especially those with high concentrations of internally displaced persons (IDPs), returnees and women-headed households. In 2018, over 4,000 Citizens' Charter communities established grain banks, and communities contributed an estimated USD 450,000 worth of food and non-food items. Citizens' Charter funds matched community contributions with Social Inclusion Grants, totaling USD 670,000.

Despite the elections and social mobilization achievements, the Citizens' Charter had slow progress in sub-project implementation in 2018. While close to 7,000 sub-projects had been approved for delivery of the basic minimum services under the Citizens' Charter, none had been completed by the end of the year. The slow implementation of sub-projects was mainly due to management constraints within the program, including a lack of engineers, equipment, as well as key managerial vacancies on the rural side of the project. Moreover, the program faced security challenges and had to withdraw from around 1,100 communities; the funds for which are now being reallocated to new communities in more secure districts and to establish around 900 Kuchi Development Communities in 2019.

Sub-project implementation was expected to accelerate in 2019, as a result of which the cumulative outputs from the 2018 sub-projects were expected to provide 63 million liters of drinking water per day to 2.5 million people, irrigate nearly 1 million *jeribs* of land, provide 5,500 kW of energy, and build 900 km of roads, thus delivering upon the promise of minimum basic service standards that are encompassed in the Citizens' Charter.



CITIZENS' CHARTER

NPP KEY OBJECTIVE: IMPROVING SERVICE DELIVERY

Whole-of-government effort to build state legitimacy through providing communities in Afghanistan with basic services, based on community prioritization.

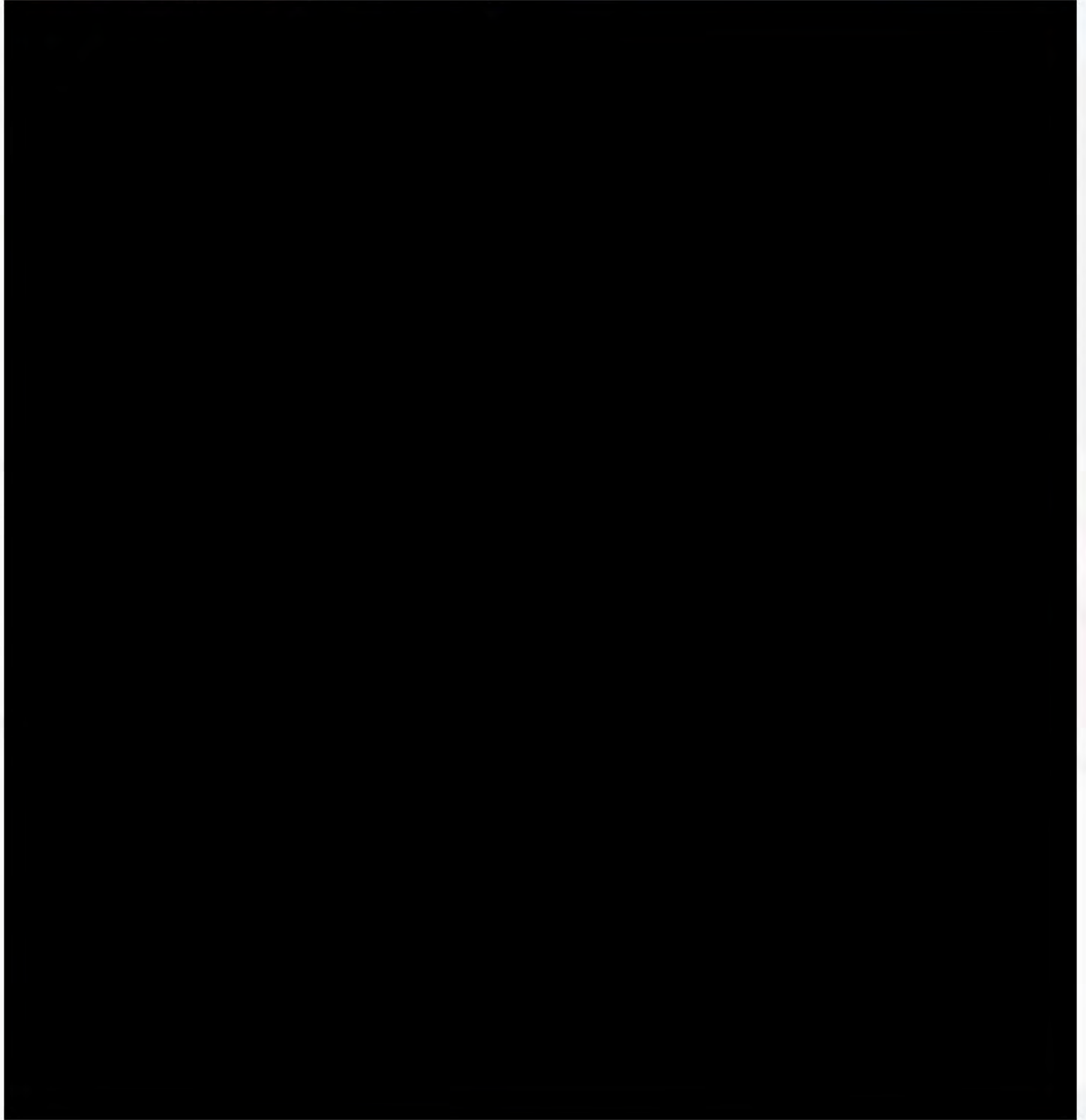
ARTF Outcomes and Indicators			ARTF Milestones/Outputs			ARTF Portfolio
Outcome: Build on the NSP's platform of CDCs to deliver a broader range of basic services and help foster trust between citizens and the state						
21 Number of CDCs in rural and urban areas able to plan and manage their own development projects	Baseline Progress Target	0 (2016) 2,438 (2018) 11,750 (2021)	M14 Number of communities meeting all minimum service standards	Baseline Progress Target	0 (2016) 242 (2018) 9,600 (2021)	ONGOING Citizens' Charter Afghanistan Project (Citizens' Charter), USD 672 million: ARTF: USD 444.3 million IDA: USD 227.7 million
22 Number of residents (rural and urban) (male/female) benefiting from each type of sub-project.	Baseline Progress ³² Target	0 (2016) 5.7 million (2018) TBD (2021)	M15 Percentage of grievances received that are resolved	Baseline Progress ³³ Target	0 (2016) 92% (2018) 70% (2021)	
23 Number of vulnerable households benefiting from social inclusion grant	Baseline Progress Target	0 (2017) 3,917 (2018) 20,000 (2021)	M16 Percentage of CDC members in rural areas who are women	Baseline Progress Target	0 (2016) 49% (2018) 35% (2021)	

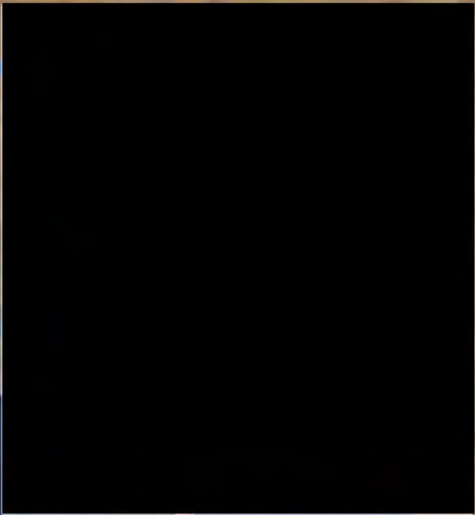
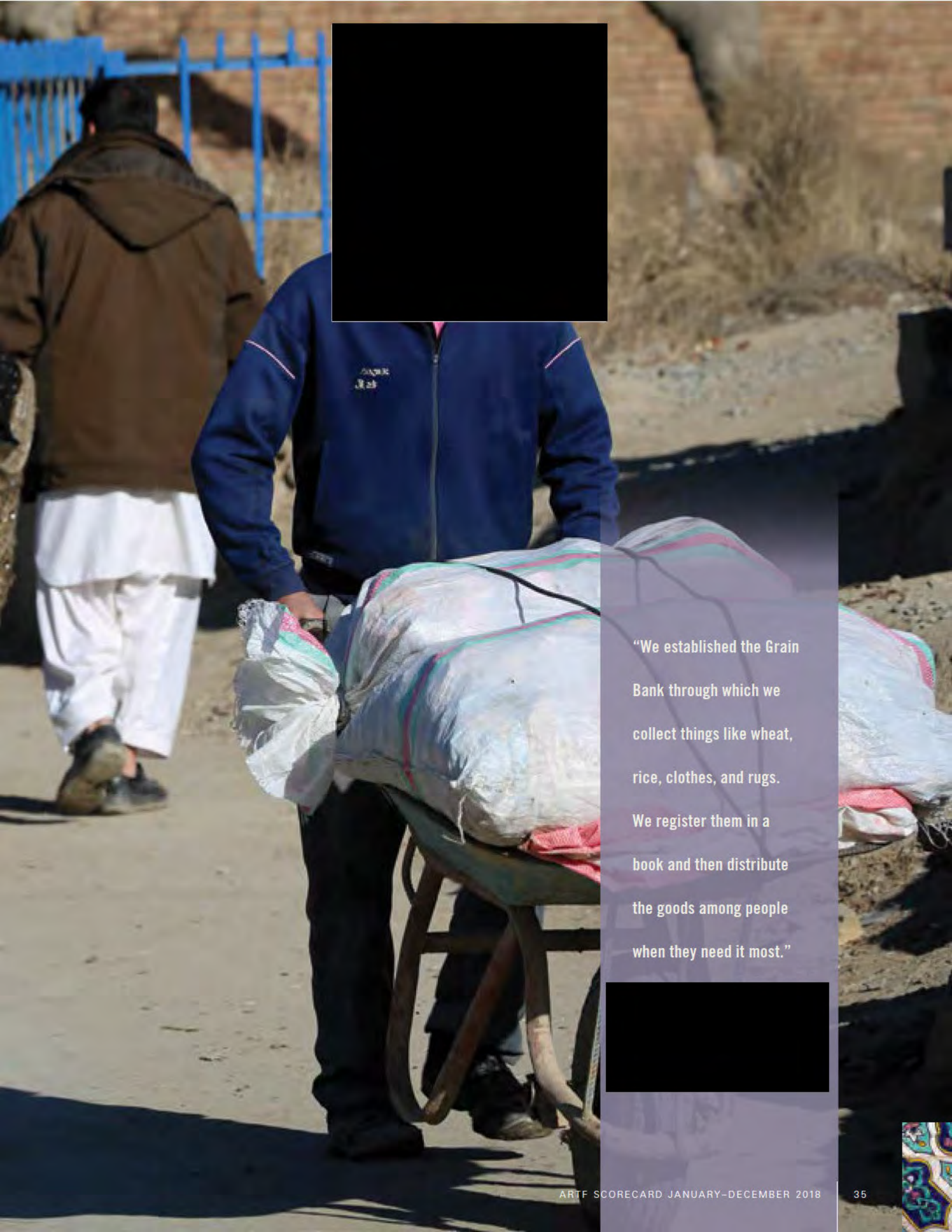
³² Aggregate of both rural and urban beneficiaries.

³³ The value is taken as the average across rural and urban areas, which were 84% and 95%, respectively.

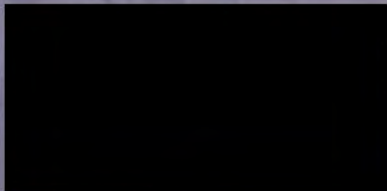
Citizens' Charter

Collective Action Tackles Seasonal Hunger in a Balkh Province village





“We established the Grain Bank through which we collect things like wheat, rice, clothes, and rugs. We register them in a book and then distribute the goods among people when they need it most.”



ECONOMIC GROWTH AND JOB CREATION

INFRASTRUCTURE

A survey conducted in late 2017 demonstrated that the **Afghanistan Rural Access Project** has 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 has increased from 58 percent at baseline to 89 percent in project villages and travel time to the main socioeconomic centers has been reduced by more than 30 percent.

ARAP work continued to progress well in 2018. The project did face 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 the project address 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 Supervisory Agent (SA), which conducted nearly 100 visits to ARAP sub-projects throughout the year to help project management ensure the quality of civil works and the accuracy of site reporting.

In 2018, over 200 km of rural roads were rehabilitated, 1,000 km of rural roads received periodic maintenance, more than 5,000 km of rural roads received routine maintenance and over 600 linear meters of bridges were constructed across the country. The first nationwide inventory and condition survey of rural roads was completed and over 90 percent of inventory for secondary roads and above was completed for 32 out of 34 provinces.

ARAP provided over 200 students and new university graduates with internships and on-the-job training. Further, 11 project staff members completed a master's degree program focused on engineering and project management with support from the project. Several training sessions were arranged for project staff on gender, road safety, social and environmental management, procurement, and financial management. More than 100 consultations with project beneficiaries, including women, were carried out in 2018 to ensure community input is incorporated into project plans and implementation, and a well-functioning Grievance Redress Mechanism enables community members to register concerns and complaints about project implementation.

INFRASTRUCTURE					
NPP KEY OBJECTIVE: NATIONAL INFRASTRUCTURE PLAN					
Provision of sufficient electricity through affordable and sustainable electricity supplies.					
ARTF Outcomes and Indicators			ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Improved power supply and access to electricity in the target areas ³⁴					
24 Increase in the number of beneficiaries ³⁵ with new connections to the grid in the target areas ³⁶	Baseline	0 (2016)	M17 ³⁷ Distribution lines constructed under the project (km)	Baseline	0 (2016)
	Progress	0 (2018)		Progress	20 km (2018)
	Target	11,970 (2021)		Target	88 km (2021)
					ONGOING Naghlu Hydropower Rehabilitation Project (NHRP) ARTF: USD 83 million CASA-1000 Community Support Project ARTF: USD 40 million DABS Planning and Capacity Support Project ARTF: USD 6 million Herat Electrification Project IDA: USD 60 million

Footnotes on following page.

INFRASTRUCTURE (continued)

NPP KEY OBJECTIVE: NATIONAL INFRASTRUCTURE PLAN

Systematically planned and focused on facilitating the country's economic growth and development through expanding to markets.

ARTF Outcomes and Indicators		ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Increased transport infrastructure				
25 Kilometers of roads constructed or rehabilitated	Baseline	0 km (2014)		ONGOING Kabul Municipal Development Program (KMDP) ARTF: USD 110 million Kabul Urban Transport Efficiency Improvement Project (KUTEI) ARTF: USD 90.5 million
	Progress	476 km (2018)		
	Target	597 km ³⁶ (2021) (KMDP)		
	Baseline	0 km (2013)		
	Progress	31 km (2018)		
	Target	32 km (2019) (KUTEI)		
Outcome: Improved rural access				
26 Proportion of rural population living within 2 km of all-season road	Baseline	58% (2012)	M18 Total rural roads rehabilitated and maintained (km)	ONGOING Afghanistan Rural Access Project (ARAP), USD 332 million: ARTF: USD 207 million IDA: USD 125 million
	Progress	89% (2018)		
	Target	65% (2020)		
	Baseline	0 (2013)		
	Progress	2,360 km (2018)		
	Target	2,550 (2020) (ARAP)		
NPP KEY OBJECTIVE: URBAN DEVELOPMENT NATIONAL PRIORITY PROGRAM				
Investing in urban infrastructure.				
27 Number of people in urban areas provided with access to all-season roads within a 500-meter range under the project	Baseline	0 (2014)		ONGOING Kabul Municipal Development Program (KMDP) ARTF: USD 110 million Kabul Urban Transport Efficiency Improvement Project (KUTEI) ARTF: USD 90.5 million
	Progress	354,000 (2018)		
	Target	500,000 (2021) (KMDP)		
	Baseline	0 (2013)		
	Progress	58,977 (2018)		
	Target	50,000 (2019) (KUTEI)		

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

35 NHRP target is to provide 1,710 households in 16 villages of Surobi district. Number of households multiplied by seven (average family size in Afghanistan) = 11,970.

36 Indicator changed to Naghlu Hydropower Rehabilitation Project.

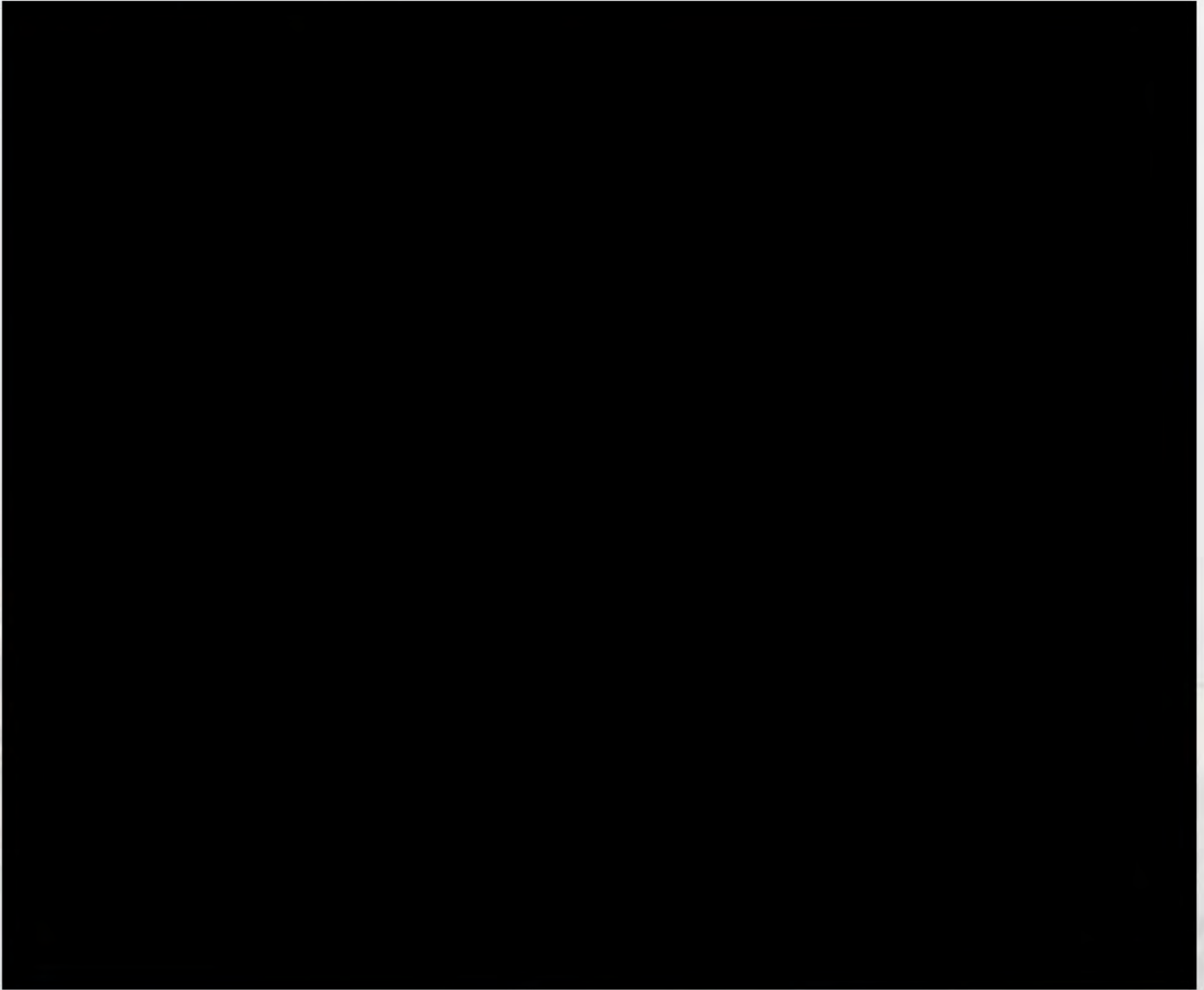
37 Milestone changed from the Afghanistan Power System Development Project (closed) to Naghlu Hydropower Rehabilitation Project.

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



Naghlu Hydropower Rehabilitation Project

Afghanistan's Largest Hydropower Plant Takes First Step to Developing Hydropower





AGRICULTURE

In the agriculture sector, ARTF financing continues to support progress toward increasing agricultural productivity and providing improved irrigation and drainage for water users. Under the **On-Farm Water Management Project (OFWMP)**, average irrigated wheat yield increased from 2.35 to 3.4 ton (t) per hectare (ha) due to improvements in irrigation services. Water productivity also increased from 0.63 to 0.94 grams per 100 liters water from between approval in 2011 and 2018. Overall, most farmers benefiting from rehabilitated irrigation systems have reported increased reliability of irrigation facilities and improved timeliness of maintenance and the adequacy in water delivery services. However, there remains scope to increase wheat productivity, the main crop supported by the project, through improved technologies and agricultural practices.

By the end of 2018, the ARTF-financed irrigation projects, OFWMP and the **Irrigation Restoration and Development Project (IRDP)**, had provided around 475,000 farmers (including over 222,000 females) with 297 rehabilitated irrigation schemes, covering over 257,000 hectares of irrigation command area, compared to a target of 215,000 ha.

Under the **National Horticulture and Livestock Project (NHLP)**, new orchards (including vineyards and pistachio groves) were established in more than 27,000 ha, exceeding the target of 19,000 ha, and 54 percent of targeted farmers had adopted horticulture technology packages. Livestock systems (meat, dairy, poultry, honey) have been upgraded through improved delivery of animal health services and investment support to producers. ARTF-financed agriculture projects also contributed to the sector overall by providing basic institutional support (including policy reforms, regulations, and a gender mainstreaming strategy) as well as capacity building in agricultural services and sectoral public services to farmer organizations and the private sector.

Women play a key role at lower levels of the agriculture value chain, but a lack of proactive human resource policies to attract women to public roles in the sector has been an ongoing challenge. Other challenges in 2018 included delays in making contract awards, the need to resolve competing land claims around project sites, and limited capacity to manage fiduciary oversight.



AGRICULTURE

NPP KEY OBJECTIVE: NATIONAL COMPREHENSIVE AGRICULTURE PRODUCTION AND MARKET DEVELOPMENT

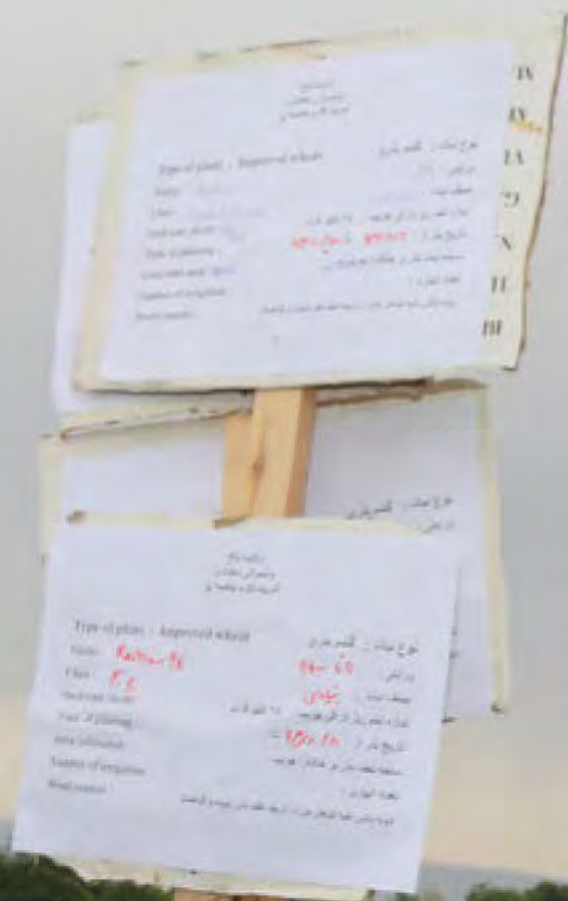
Sustain economic growth through improved employment and income opportunities for rural people by means of enterprise development, credit, and access to land.

ARTF Outcomes and Indicators			ARTF Milestones/Outputs		ARTF Portfolio
Outcome: Increases in agricultural, horticultural and live-stock productivity in targeted areas					
28 Increase in agricultural productivity (irrigated wheat yields) (t/ha)	Baseline 2.5 t/ha (2011) Progress 3.4 t/ha (2018) Target 2.6 t/ha (2019)	M19 Area provided with irrigation and drainage service ³⁹ (ha)	Baseline 75,000 t/ha (2011) Progress 202,000 t/ha (2018) Target 215,000 t/ha (2020) (IRDP)	Baseline 0 t/ha (2011) Progress 71,000 t/ha (2018) Target 59,000 t/ha (2019) (OFWMP)	ONGOING National Horticulture and Livestock Project (NHLP) ARTF: USD 190 million On-Farm Water Management Project (OFWMP) ARTF: USD 70 million
29 Water users provided with new/improved irrigation and drainage services ⁴⁰	OVERALL: Baseline 0 (2011) Progress 407,890 (2018) Target 385,000 (2020) (IRDP) FEMALES: Baseline 0 (2011) Progress 201,127 (2018) Target 200,000 (2020) (IRDP)	M20 New orchards (including vineyards and pistachio groves) established with at least 65% survival rate (ha)	Baseline 0 (2012) Progress 27,058 ha (2018) Target 19,000 ha (2020)		Irrigation Restoration and Development Project (IRDP), USD 216 million; ARTF: USD 118.4 million IDA: USD 97.8 million Afghanistan Agriculture Inputs Project (AAIP) ARTF: USD 67.2 million
30 Production of certified wheat seed as % of Annual National Seed Board Plan	Baseline 0 (2013) Progress 91% (2018) Target 95% (2019)	M21 Adoption rate of improved horticulture technology packages ⁴¹ (% of target farmers adopting)	Baseline 0 (2013) Progress 48.7% (2018) Target 75% (2020)		

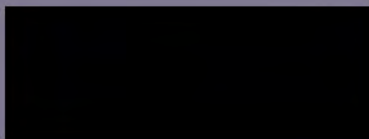
39 This refers to either new areas or improved service for already existing areas.

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

41 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.



The improved seeds not only resist disease, but adapt to water shortage, too. I have experienced that these seeds are resistant and produce good harvest.



Afghanistan Agriculture Inputs Project

Project Support Helps Research Station Improve Wheat Seed Production



PRIVATE SECTOR DEVELOPMENT

The **Public-Private Partnerships and Public Investment Advisory Project** is a five-year recipient-executed investment financing project aimed at developing a pipeline of feasible private 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), while the Ministry of Finance Policy Department and the Ministry of Economy (MoEC) are stakeholders in the project.

Since effectiveness on July 30, 2018, the project has achieved several milestones. By December 2018, the Project Management Unit (PMU) had been substantially staffed and trained and was functioning well. The Project Operations Manual and Procurement Plan were prepared by the PMU and approved by the World Bank. Legal covenants were satisfactorily met. Technical assistance and capacity building activities had begun. The designated accounts were established and the project had disbursed USD 0.2 million under the ARTF and USD 0.12 million under IDA.

Alignment of the Public Investment Management and Public-Private Partnerships processes were underway. As part of the Public Investment Management reforms, the project piloted the inter-ministerial Project Evaluation Committee, which was instituted by ministerial decree in September 2018 and convened twice by December 2018.

The Infrastructure Project Preparation Facility was established under the project and decided to finance EPTISA (a consulting firm procured by the government) with a mandate to prepare feasibility studies and provide transaction advisory services for PPP projects. An initial list of projects for PPIAP support were approved by the Project Evaluation Committee. Procurement of other firms to undertake pre-feasibility studies, detailed technical design, feasibility studies, transaction advisory work, and environmental and social assessments for priority PPP and public investment subprojects were begun, albeit with initial delays. These procurements will need to be expedited in order to develop the sub-project pipeline and achieve the project objectives.

PRIVATE SECTOR DEVELOPMENT

NPP KEY OBJECTIVE: ENCOURAGE PRIVATE SECTOR INVESTMENT

Restoring private sector confidence to create an enabling environment for investment.

ARTF Outcomes and Indicators

Outcome: Improved business enabling environment and present and facilitate opportunities for new businesses

31 Number of feasibility studies that lead to tendered projects

Baseline: 0 (2018)
Progress: 0 (2018)
Target: 10 (2023)

32 Number of PPP projects tendered

Baseline: 0 (2018)
Progress: 0 (2018)
Target: 5 (2023)

ARTF Milestones/Outputs

M22 Number of pre-feasibility studies completed

Baseline: 0 (2018)
Progress: 0 (2018)
Target: 50 (2023)

M23 PPP Policy and Regulations operationally applied

Baseline: No (2018)
Progress: No (2018)
Target: Yes (2023)

ARTF Portfolio

ONGOING

Public-Private Partnerships and Public Investment Advisory Project (PPIAP)
USD 53 million:
ARTF: USD 33 million
IDA: USD 20 million



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

Pillar III reports the operational and organizational effectiveness of the ARTF and the portfolio it supports. It has been reorganized in this edition of the Scorecard.

In past editions, the data now presented here were reported separately under the third and fourth pillar of the Scorecard: Pillar III focused on performance and operational effectiveness of the ARTF portfolio, while a separate Pillar IV focused on the organizational effectiveness of the ARTF as a predictable, coordinated financing mechanism for Afghanistan. The Scorecard described Pillar IV as an important aspect of the ARTF that did “not directly feed into” the other pillars.

The decision to consolidate the two sections into a single pillar in this edition grew out of an increased emphasis on coordination in the ARTF Partnership Framework and Financing Program, FY 1397 – FY 1399 (2018–2020), as well as partner feedback. The PFFP recognizes that as the largest source of on-budget development financing for Afghanistan, the ARTF and its governance bodies are integral to coordination of development finance, which in turn is integral to achieving GoIRA’s development objectives. Beyond aligning the Scorecard with the emphasis of the current PFFP, partner feedback collected over 2018 also suggested that combining the two sections would improve clarity and utility of the document for donor partners.

HIGHLIGHTS

- Project implementation ratings for ARTF-financed projects increased slightly in 2018, and disbursement levels have remained consistent with 2017.
- With support and engagement from the ARTF Gender Working Group, 86 percent of the portfolio projects have Gender Focal Point staff in client project teams, and 86 percent of projects are collecting relevant gender-disaggregated data, a significant increase from the 68 percent of projects recorded in 2017. The

proportion of projects producing gender-related documents has also increased slightly, moving from 50 percent in calendar year 2017 to 57 percent in 2018.

- The percent of ARTF-financed projects that incorporate citizen engagement and beneficiary feedback remained consistent relative to 2017, and the ARTF third-party monitoring (TPM) program expanded the extent to which it monitors citizen participation.
- In an opinion survey conducted once every three years, World Bank Group (WBG) stakeholders noted improvements in the ARTF’s alignment with GoIRA development priorities, distribution of resources throughout the country, and flexibility and responsiveness to Afghanistan’s changing conditions. Respondents also expressed more interest in improving the oversight of how ARTF funds are spent.
- The SG approved three technical assistance measures under the newly established ASIST window in key sectors: public financial management, national statistics, and extractives.
- The ARTF third-party monitoring program was folded into the newly established ACREMAP window and monitoring expanded both in scale and in scope. The ARTF Monitoring Agent (MA) prepared to conduct fiduciary control reviews of ARTF IW projects, and the number of ARTF-financed projects with access to Supervisory Agent services expanded. The SA conducted 1,537 unique site visits across all 34 provinces of Afghanistan.
- World Bank staff presence in Afghanistan increased in 2018.
- The ARTF financed 30 percent of Afghanistan’s civilian budget, and predictability of donor contributions increased slightly.



SUMMARY OF PROGRESS

Portfolio implementation remained strong; significant safeguard risks require active management. New projects approved in 2018 required an average of 18 months from the start of preparations to MC approval. Once effective, IW projects averaged 3.6 months until their first disbursement. (IP-DPG and FSF, which were designed to disburse shortly after effectiveness, are not included in this average.) The time increased slightly relative to 2017, reflecting a variety of factors, including follow-on projects that were fully prepared and approved before predecessor projects fully wound down (Sehatmandi and Tackling Afghanistan’s Government HRM and Institutional Reforms), a project that required time to finalize its Operations Manual, which was a condition for disbursement, and encountered a technical delay in the establishment of Designated Accounts (Eshteghal Zaiee-Karmondena), or required time to recruit appropriate professionals for the project implementation unit (Cities Investment Program).

Implementation ratings of the portfolio as a whole increased overall, from 93 percent of IW projects rated “moderately satisfactory” or “satisfactory” in 2017 to 96 percent in 2018, of

which 23 percent were rated “moderately satisfactory”, with the remainder, 73 percent, rated “satisfactory”.⁴² (Note that for projects that were approved but had not yet been rated as of the end of 2018, the first implementation rating from 2019 has been used to calculate the average.)

Despite the addition of complex and large-scale projects to the IW portfolio in 2018, the disbursement ratio, which tracks the volume of IW disbursements as a percentage of funds committed during the year, remained consistent with 2017. Gross disbursements for IW-financed initiatives totaled USD 345.9 million in 2018, while RCW disbursements totaled USD 535.8 million, as reported elsewhere.

The ARTF portfolio and pipeline is complex from a safeguard perspective. In calendar year 2018, ten projects were classified in the higher risk categories for environmental issues and 17 projects triggered the Bank’s operational policy on involuntary resettlement, requiring tailored social safeguard measures. Risks spanned the entire scope of the ARTF engagement. Higher risk projects such as these typically face greater risks of not achieving operational objectives or delivering sustainable results.

TABLE 5: PROJECT SAFEGUARD RISK RATING BY ARTF SECTOR

SECTOR		Agriculture	Citizens’ Charter	Education	Infrastructure & Connectivity	Governance	Health	Rural Development	Social Cohesion	Urban Development	Justice & Land	Total Number
Risk Rating	High			1	1	1						3
	Substantial	1	1			1	1	1	1		1	7
	Moderate	3		1	1			1	1	3		10
	Low					3						3

⁴² This rating also includes one project (NATEJA) that was closed in late October but included in the calculation of satisfactory implementation of ARTF projects for 2018 to reflect one unsatisfactory project.



In 2018, a range of cross-cutting safeguard issues in the ARTF portfolio and pipeline added complexity to safeguard management: institutional and capacity constraints had an adverse impact on meeting safeguard requirements during project development and implementation; coordination dysfunctionality among stakeholders hampered communications on major safeguard bottlenecks and capacity constraints and limited opportunities to identify solutions; challenges in managing risks were exacerbated by limited field-based supervision by WB staff and consultants; follow up on specific corrective outcomes was at times inadequate; and Grievance Redress Mechanisms were not always fully functional. Further adding to this complexity, the WB launched a new Environmental and Social Framework (ESF) that applies to new investment project financing after October 1, 2018.

In 2018, GoIRA and the WB partnered on two major initiatives to facilitate safeguard management across the portfolio:

- In July, ESF training was provided to ministry staff, Project Implementation Units (PIUs) and other relevant stakeholders, such as civil society organizations and nongovernmental organizations (NGOs). The WB also continued ongoing engagements with PIU staff on technical aspects of safeguard standards, including environmental and social management, occupational health safety, and safeguard management in high risk energy sector projects.
- In October, the ACRemap concept was expanded to include a pillar on “Strengthening Safeguards Management” to address cross-cutting and project-level issues over a three-year period, including (i) strengthening safeguard implementation at the project level with line ministries, PIUs, and WB staff; (ii) strengthening the capacity of the National Environmental Protection Agency and the Ministry of Urban Development and Land (MUDL)/ARAZI that are responsible for government-wide safeguard policies; and (iii) establishing a process to proactively manage safeguard risks and bottlenecks and strengthen third-party monitoring of safeguard results and corrective actions.

The WB also provided two rounds of training on environmental and social management standards to third-party monitoring staff responsible for data gathering.

Gender engagement across the portfolio has deepened; a retrospective analysis completed in 2018 helped identify priorities for gender engagement moving ahead: Gender

remains a core cross-cutting focus of the ARTF current and pipeline portfolio under the PFFP. The year 2018 saw a continuation of the steadily improving percentage of ARTF portfolio projects that include gender-specific objectives, set targets for gender outputs and outcomes, collect gender-disaggregated data, hire gender focal points and/or provide gender-focused technical assistance or address gender issues in supervision missions.

In 2018, all ARTF-financed operations were “gender-tagged” and designed with a gender-sensitive approach. ARTF operations, like all other WB operations, are guided by the WBG-wide Gender Strategy (2016–2021), which focuses on filling gender gaps in key sectors, including health, education, and women’s economic empowerment. “Gender tagged” projects are those that satisfy requirements for addressing gender gaps across three dimensions in project design: (i) analysis—identification of a critical gender gap; (ii) action—specific interventions that contribute to closing the identified gap; and (iii) monitoring and evaluation—including gender-specific indicators to measure the progress and outcomes of the identified actions.

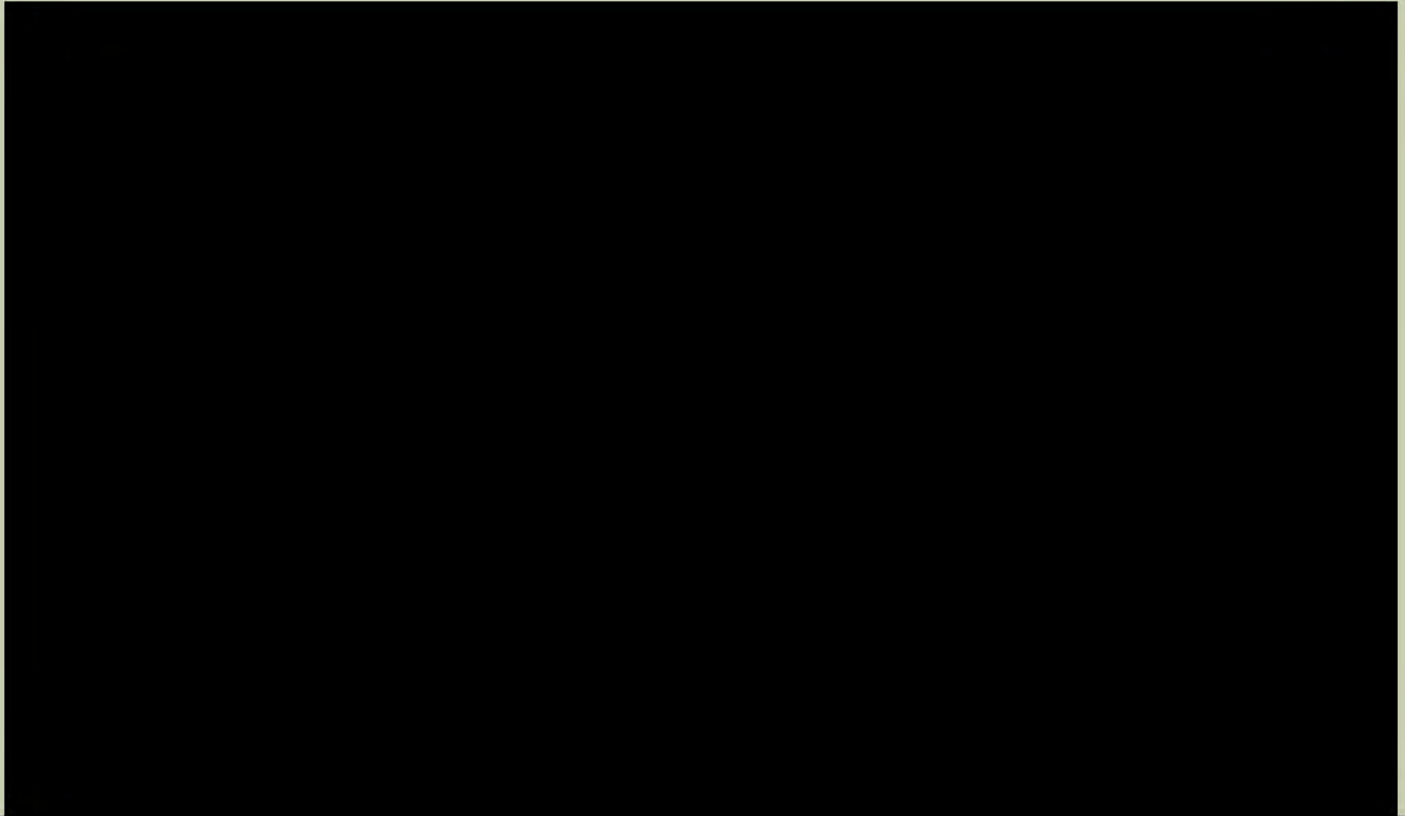
The Gender and Social Inclusion Platform is a resource to support implementation of the WBG Gender Strategy with operational, analytical, and knowledge work on gender. In Afghanistan, the gender team applies operating principles to their engagement with projects including:

- Upfront engagement in project design by gender experts. Following an initial screening, gender specialists work with the task teams and the client to diagnose the gender gaps in the sector and/or project and provide advice on how to close gender gaps within the project framework.
- More routine and systematic collaboration between the Bank and the ARTF Gender Working Group. The ARTF GWG meets monthly to review gender aspects of ARTF-financed operations and activities and is actively engaged during project preparation. During 2018, the GWG convened 12 monthly meetings and was consulted on preparation of a range of programs, including EQRA, Sehatmandi, WEE-RDP, and Incentive Program.
- Intensive participation from gender specialists during project implementation. Gender specialists participate in all Implementation Support Missions to ensure that gender activities are being carried out.



Higher Education Development Program

Making Higher Education Accessible to Women



- Improved monitoring and tracking of project activities and outcomes. Gender specialists have also worked to improve the gender and social aspects of the third-party monitoring system and they review all monitoring reports applying the gender lens.
- Coordinated information exchange among gender specialists in PIUs. The WB convenes monthly meetings attended by about 25 Gender Focal Points from PIUs to share experiences, discuss challenges, and seek feedback from the Bank and among peers.
- Demand-driven capacity building and learning events for the government. In 2018, four such workshops were delivered on women's rights, women's economic empowerment, gender-responsive budgeting, and gender analysis.

The WB remains committed to continuous strengthening of gender considerations across the ARTF portfolio. To guide future prioritization, the WB conducted a Gender Portfolio Review in 2018 that looked retrospectively at the portfolio from 2010 through 2018. The review finds that over this period, there has been a marked shift from an approach that focused only on promoting women's participation to one that meaningfully addresses gender gaps in the country. Despite this progress, the review points out remaining challenges that the WB proposed to address in the next phases of its work, including the need to:

- Demonstrate the value-added of integrating gender in Bank operations. This is particularly true in the infrastructure sectors where gender mainstreaming has traditionally been more challenging.
- Improve the collection of sex-disaggregated outcome indicators. This has improved with the introduction of the gender-tag in 2016, but there is still room to improve the quantity and quality of gender data collection.
- Address knowledge and evidence gaps, particularly in the area of women's economic empowerment.
- Support teams on prevention and response to gender-based violence. Notwithstanding the safety and security issues that women and girls face in Afghanistan, there is scope for projects to adopt a more proactive approach to gender-based violence prevention, mitigation, and response.

The percent of projects that incorporate beneficiary feedback was consistent relative to 2017. 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 WBG 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.

In 2018, the Scorecard tracks both pre-2017 and post-2017 projects. Projects that became effective under the earlier standard are counted as incorporating citizen engagement if they met the standards in place at the time they were approved. Projects that became effective after the new standards went into effect are counted as incorporating citizen engagement only if they satisfy the newly introduced standards. Project preparation grants are not assessed for citizen engagement.

For the third year, 95 percent of ARTF projects incorporated citizen engagement in their design. The value is consistent with the percentage in fragile and conflict-affected situations generally. (See <http://ida.worldbank.org/results/rms/tier3>.)

The third-party monitoring SA program devoted substantial resources in 2018 to assessing the extent and quality of community participation in programming. SA interviews with community members during project site visits indicated good satisfaction with the On-Farm Water Management Project and Irrigation Restoration and Development Project initiatives, and documented the incorporation of women's suggestions into IRDP and ARAP sub-projects.

In its first year monitoring the Citizens' Charter, the SA visited communities that had completed elections for their CDCs and/or *Gozar* (neighborhood) Assemblies. Almost all (97 percent) communities had seen female participation rates of 60 percent or greater in elections. Disabled residents had participated in 83 percent of rural CDC elections; in urban areas their participation rose to 91 percent. Interviews suggested that women were active in community gap analysis exercises, with participation rates between 85 and 100 percent (varying by exercises). IDPs and returnees were similarly active in



community exercises, albeit at higher rates in urban than in rural areas.

By promoting expanded participatory citizen monitoring, the SA also continued to deepen the available data about ARTF sub-projects during periods when SA enumerator teams are not physically present. In 2018, community monitors (CMs) provided thousands of observations regarding sub-projects of four ARTF-financed initiatives: ARAP, EQUIP, IRDP, and OFWMP. The SA reported that most individuals who participate as CMs on ARTF-financed projects have other vocations. They are “largely motivated to serve as CMs out of a sense of pride and duty to their communities.” As such, the SA described participatory citizen monitoring as a highly sustainable initiative that enjoys strong community buy-in.

Staff time in Afghanistan increased: The amount of staff time spent physically in Afghanistan has been increasing steadily. The number of staff days spent in country increased by an average of 33 percent annually during each year of the previous ARTF Financing Strategy FY 1394 – FY 1396 (2015–2017), reaching 27,659 staff days in Afghanistan in 2017. The increase continued in 2018, albeit at a slower pace, with staff time increasing to 28,754 days in 2018.

The increase slightly lagged that recorded across all fragility and conflict-affected situations in the IDA18 Results Management System (IDA18 RMS), although there are some distinctions between the two measurements. IDA18 RMS monitors staff “facetime” in fragility and conflict-affected situations as a special theme, using WBG FY 2017 (July 2016 to June 2017) as a base, and tracking only professional staff presence. (See <http://ida.worldbank.org/results/rms/tier3>.) It recorded a 5 percent increase from World Bank FY17 to 2018.

By contrast, the ARTF Scorecard tracks staff presence relative to the Afghan fiscal year/calendar year, rather than the WBG fiscal year, and counts administrative staff presence in its totals. It recorded a 3 percent increase from 2017 to 2018. However, staff presence increased 41.7 percent as compared to the average annual days of staff presence, 20,289, in the 2015–2017 Financing Strategy Period.

Under the newly established ARTF ASIST window, the SG authorized three new assistance initiatives in the key sectors of public financial management, national statistics, and extractives. In July 2018, the SG endorsed procedures for identifying, reviewing, and approving new technical assistance initiatives under the newly established ASIST window. The following month, it endorsed three ASIST proposals in

key sectors. Under the SG-endorsed guidelines for use of the ASIST facility, initial formal updates on progress under each initiative were due to be delivered to the SG in February 2019. Descriptions of the initiatives and preliminary updates of progress during the first months of support are provided here:

- **The Fiscal Performance Improvement Plan Advisory Facility (FAF)** seeks to “achieve improvements in fiscal management and service delivery outcomes” by supporting the full breadth of the Fiscal Performance Improvement Plan, Afghanistan’s national public financial management reform program. The FPIP is a five-year rolling plan, under which teams establish aspirational targets against international benchmarks, including the global Public Expenditure and Financial Accountability framework. Performance reviews of annual plans inform an updated FPIP at the end of each year. Since the inaugural report in 2016, two subsequent FPIPs had been prepared for 2017 and 2018, but in each instance with significant delays; the 2018 plan was completed in July.

In its initial months, FAF focused on supporting improvements to the annual FPIP cycle. Extensive consultations took place on how to manage the annual FPIP cycle. In September, WB and GoIRA FPIP teams from MoF, the National Procurement Authority, and the Supreme Audit Office hosted a stocktaking workshop with development partners, agreeing on key priorities for the next planning cycle, which were followed by discussions between the WB team and MoF leadership. As consultations were ongoing, WB technical experts began providing support to GoIRA in five key FPIP-related reform initiatives: public expenditure management, revenue and customs administration, fiscal risk management through reforms of pensions and state-owned enterprises, and insurance and sukuk development.

- **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. Under the first component, the WB was to support the National Statistics and Information Authority (formerly the Central Statistics Organization) by contracting for the next round(s) of Afghanistan’s integrated expenditure and labor force survey and working with NSIA to manage the survey process. The teams signed a memorandum of understanding in August outlining their respective responsibilities and subsequently advanced preparations for the survey. The WB completed



preparatory steps to procure a contract with a survey implementation firm, but no contract was finalized.

Following discussions on the potential responsibilities of a survey firm with the WB, NSIA concluded that the Bank-executed modality, under which the WB was to contract the survey implementation firm directly, rather than fund NSIA to do so itself, was not in line with NSIA's initial understanding, and would not be consistent with the Statistics Law. NSIA subsequently withdrew its request for financial support to conduct the survey. In the fourth quarter of 2018, preparations also began for work under the second component, which will support Ministry of Economy staff in organizing, using, and analyzing data to support informed policymaking. Work was due to begin in January 2019.

- **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.” In the first months of the initiative, a WB-procured Supervision Engineer Consultancy provided the Ministry of Mines and Petroleum’s (MoMP) Aynak Authority with technical expertise to inform technical decisions on the Aynak Mining Contract, including the mining method and financial model inputs, enabling GoIRA to consider alternate mining scenarios that would preserve the substantial physical cultural resources at Mes Aynak in situ.

The WB supported MoMP’s Directorate General of Petroleum and Legal Directorate offices on oil and gas sector development, with a focus on preparing terms of reference for new contracts, resolving legacy contract issues, and preparing for potential international competitive tenders. The team also advised MoMP staff working to draft regulations under the new Hydrocarbons Law. A third planned activity, to support professional skills development of MoMP staff, was due to begin later in 2019.

The newly established ARTF ACREMAP window supported analytical work and hands-on procurement improvements, and significantly expanded third-party monitoring. 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 WB provided quarterly updates on the initiatives to partners during SG discussions.

While the bulk of ACREMAP resources are dedicated to expanding the ARTF’s already extensive third-party monitoring program, the initiative is broader than TPM alone, and aims to support portfolio-wide innovations to enhance “value for money” in the ARTF portfolio as a whole:

- **Data collection was completed in support of the initial in-depth fiduciary review of the closed IW EQUIP II basic education project**, and preliminary findings informed the design of EQRA, the follow-on basic education project approved in 2018. In 2018, the WB began an in-depth fiduciary review of the Ministry of Education, with focus on financial transactions under EQUIP II and the reimbursements for teacher salaries under the Recurrent Cost Window. The WB selected MoE for the first review because of known risks in the basic education sector, as highlighted in a ministry-wide vulnerability to corruption assessment prepared by the Independent Joint Monitoring and Evaluation Committee and other analyses. The primary objective of the review was to inform the design of the follow-on program to EQUIP II. After some delays, data collection was completed by December 2018, and the WB expected to discuss final findings with senior management and GoIRA officials later in 2019.

Initial findings indicated serious weaknesses on the part of MoE in record-keeping, in extensive use of cash with weak control, and overall lax internal due diligence. EQRA, co-financed by the ARTF and IDA and approved by the MC and the WB Board of Executive Directors in September 2018, was designed with these risks in mind, with close attention to the detailed cost proposal by MoE, devising project-specific risk mitigation measures, and minimizing activities such as standard in-service teacher training that were shown to be both high risk from the fiduciary point of view and low impact from the development effectiveness point of view. The WB education and fiduciary teams jointly developed an enhanced fiduciary oversight plan to guide supervision of the new program.

- **With support from development partners, the WB provided hands-on support to Ministry of Public Health procurement of 31 health service provider contracts under the Sehatmandi project.** Hands-on Expanded Implementation Support was introduced as a feature of the WB’s procurement framework in July 2016, allowing for close procurement support to WB clients in “situations of urgent need of assistance or capacity constraints.” The WB applied HEIS to Ministry of Public Health procurements of performance-based health service provider contracts



in 31 provinces. Given the complexity and urgency of the procurement, the WB supplemented its Afghanistan procurement team by deploying an accredited procurement expert to provide technical assistance to MoPH.

The WB's Integrity Unit Investigative Services also supported the team with a pilot to enhance ex ante due diligence in the Sehatmandi procurement, providing background checks of short-listed Sehatmandi bidders against publicly available, open-source or subscription databases to which the unit has access for indications of potential integrity concerns. (The review was not an investigation of potential fraud or corruption, but rather a tool for expanding the assessment of bidders.) Development partners collaborated with the WB and MoPH to ensure integrity in this important procurement by providing international observers for formal meetings of the bid evaluation committees, which were also video-recorded by the National Procurement Authority for additional assurance. No suspicious behavior was observed either by the international observers or in the review of the video recordings.

- **The ACRReMAP concept responded flexibly to emerging needs and opportunities for enhancing value for money in the portfolio.** Late in 2018, the WB approved a “pillar” of ACRReMAP activity to support portfolio-wide safeguard management. Also in late 2018, with support from development partners, the WB began planning a pilot initiative under ACRReMAP to encourage civil society organizations to conduct independent social audits of ARTF-financed initiatives.
- **Third-party monitoring expanded.** ACRReMAP aims to further integrate fiduciary and implementation monitoring of ARTF-financed activities. Ultimately, the WB expects to consolidate management of the third-party Monitoring Agent's oversight of RCW expenditures and the third-party Supervisory Agent's oversight of IW project activities under a single contract. A competitive procurement for a new, consolidated contract is expected in 2019. In preparation for these measures, in 2018, the WB aligned the TPM agents' contract terms and deepened collaboration between the two monitoring programs.

RCW disbursements were well below the “disbursement ceiling” established by Monitoring Agent eligibility reviews of GoIRA operating expenditures. The MA monitors GoIRA recurrent civilian expenditures (payroll- and non-payroll-based salary expenditures, operations and maintenance, and pensions) for compliance with WB eligibility requirements, including documentation. Employing statistical sampling methods suitable to each category of expenditure, the MA selects sample transactions for eligibility review.⁴³ 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. **The FY 1397 disbursement ceiling totaled USD 922 million, well in excess of RCW disbursements.**

The disbursement ceiling established by the MA's work represents an eligibility rate of 71.85 percent, a decline relative to the previous fiscal year's eligibility rate of 76.97 percent. The most common reasons for ineligibility across the sample as a whole related to non-compliance with procurement procedures and military-related payments pulled in the sample. A percentage of the ineligibility rate each year is considered “unavoidable” by GoIRA Treasury, representing instances where applicable GoIRA law differs from WB eligibility criteria. For the sample as a whole, approximately 7.95 percentage points of the ineligibility rate were attributable to these unavoidable ineligibilities. Proportionally, payroll-based expenses represent the largest category of expenses in both the total actual expenditures and in the statistical sample. A decline in ineligibility within this category of expenses in any given year has a significant impact on overall eligibility rates. In FY 1397, eligibility within the payroll-based expenses category declined 3.71 percentage points from the FY 1396 rate, from 94.36 to 90.65 percent.

Under contractual terms of reference that were expanded in 2018, the MA began preparations to conduct “internal control and transaction reviews” of 11 IW-financed projects. The reviews aim to assess the existence, adequacy, and operating effectiveness of key financial, operating, and compliance controls in each project. Reporting on the reviews is expected in 2019. The MA also continued collaborating with the SA to expand physical verification of civil servants to ar-

43 Final reporting on the MA's eligibility calculations is typically made after GoIRA closes financial books for the fiscal year. The FY 1397 Scorecard has been prepared in the third quarter of FY 1398. Because the Administrator intends to deliver the FY 1398 edition of the document earlier in FY 1399, final MA calculations may not be reported in the FY 1398 Scorecard. ARTF donors will continue, however, to receive copies of MA quarterly and annual reports with details on the MA calculations. The MA's sample covered GoIRA transactions valued at the equivalent of USD 183 million. MA staff traveled to 28 provinces to review documentation and related eligibility requirements in the sample. The MA's security arrangements made travel to the provinces of Badghis, Faryab, Ghor, Nouristan, Paktika and Uruzagan infeasible. Collectively, transactions in these six provinces represented 1.99 percent of the sample. Provincial expenditures in the six provinces totaled the equivalent of USD 3.64 million over the course of the year, representing just 0.28 percent of the total of potentially eligible expenditures.



areas that had previously been inaccessible under the MA's security arrangements, which has expanded the percentage of the statistical sample that can be verified. Final results were pending calculation at the time of writing.

The scale and scope of Supervisory Agent project monitoring expanded. Ministries increased their responsiveness to Supervisory Agent data, although overall rates require further improvement. Over the course of the year, the WB modified the SA's scope of work to increase the number of IW projects that had access to field-based project supervision, and to engage the SA in supporting MA-led physical verification of civil servants. From an initial subset of six projects with access to SA monitoring at the start of 2018, and a primary focus on verifying construction quality, the scope of the SA's services expanded by the end of the year to 13 IW projects. (Not all 13 of these required site visits during CY 2018—some were expected to conduct site visits in 2019).

The SA conducted 1,537 site visits to sub-project locations over the year, extending to all 34 provinces and reaching 194 districts. The SA reported successfully reaching all sub-projects/sites scheduled for visits. Fluctuating security conditions nevertheless presented an ongoing challenge to the monitoring program over the course of the year, requiring the SA frequently to adjust to visit schedules—and creating particular difficulty in reaching sub-projects with wide geographic dispersion, especially schools and irrigation canals. With the expansion in the portfolio of projects being monitored by the SA's enumerator teams and citizen monitors came an expansion of the range of data being collected, with a particular emphasis on expanding the SA's engagement with CDCs and community members, as described above.

HOW DO STAKEHOLDERS VIEW THE ARTF AS A WHOLE?

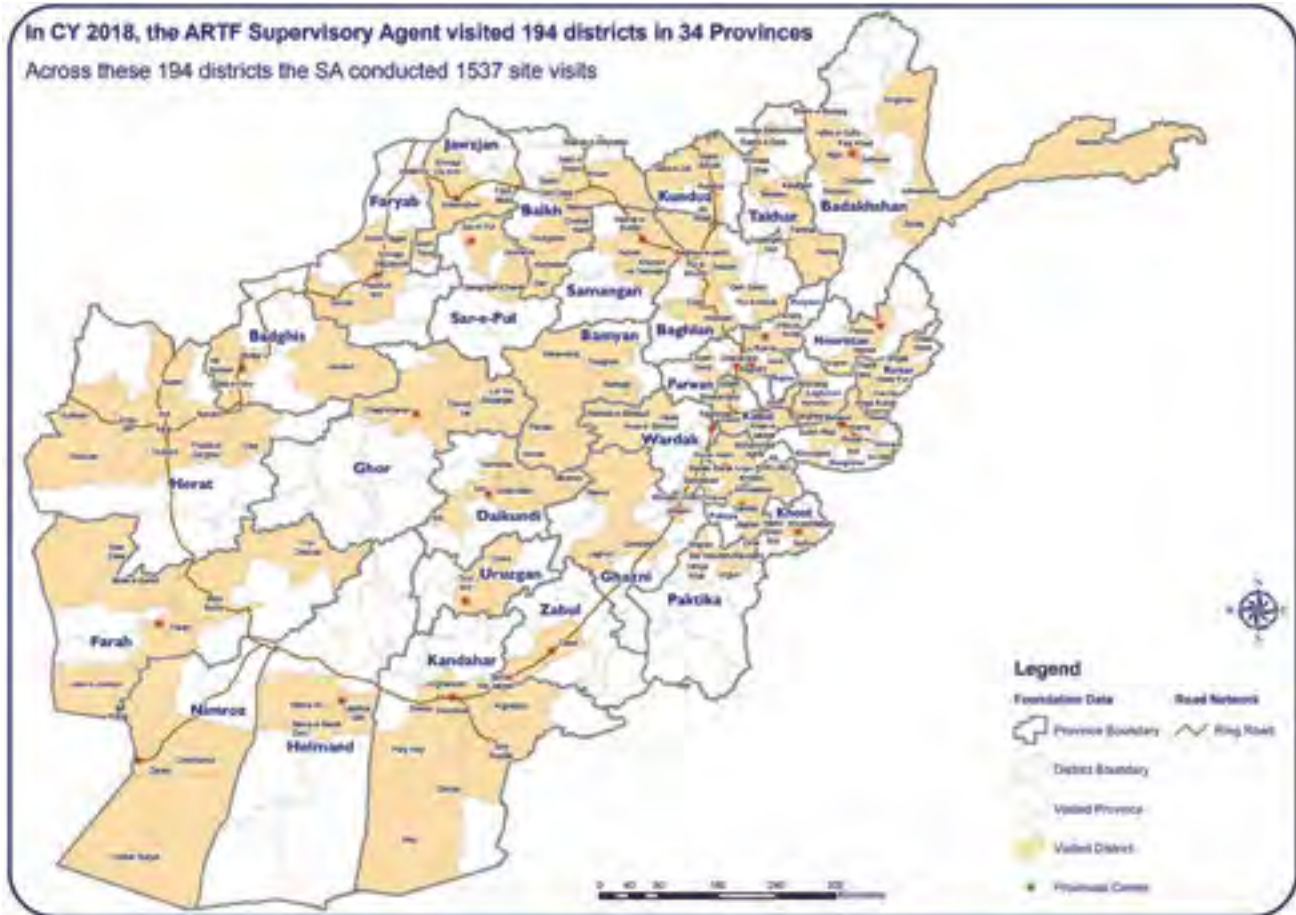
From March to May 2018, the WBG conducted the third Afghanistan Country Opinion Survey, inviting 660 stakeholders to provide their opinions of the WBG's work in Afghanistan. Participants were drawn from senior officials' and legislators' offices, the judiciary, line ministries, and implementation agencies; Project Management Units, consultants, or contractors working on WBG-supported projects, local government offices or staff; bilateral and multilateral agencies; and private sector organizations, civil society, and academia. Seventy-six percent of those invited to participate responded. As in previous editions of the survey conducted in 2015 and 2012, participants were asked to rate aspects of the ARTF specifically, in addition to the WBG generally.

In 2018, respondents' perceptions of how effectively the ARTF distributes resources to (i) align with GoIRA development priorities; and (ii) ensure equal distribution around the country demonstrated

statistically significant improvements relative to 2015, rising from an average rating of 5.0 (out of 10) to 5.8 and 4.3 to 5.4, respectively. Respondents' perceptions of the ARTF's flexibility and responsiveness to Afghanistan's changing conditions also demonstrated a statistically significant improvement, (from 5.4 to 6.6) along with an interest in improving oversight of how funds are spent (from 5.9 to 6.9).

Stakeholders who engage with the WBG were more likely than those who do not engage directly to consider the ARTF well-coordinated with its donors (7.2). The rating exceeds the average collaboration rating reported for the World Bank in Fragile and Conflict-affected Settings (6.77; See IDA 18 Results Management System Tier 3.) Engaged stakeholders also rate the ARTF well on its support for GoIRA priorities (6.8), and for delivering sustainable results on the ground (7.2). Additional details are available at <https://countrysurveys.worldbank.org>.





Source: MSI

Ministries’ reported annual data utilization improved in FY 1397 relative to FY 1396,⁴⁵ increasing from 41.5 percent to 47 percent. The “data utilization rate” refers to the percent of deviations identified during SA site visits that ministries collectively address during the year. While the data utilization rate offers a useful shorthand for understanding how SA data are being employed, it is important to stress that correction of deviations is influenced by a variety of factors, not all of which are in the immediate control of line ministries. External factors affecting data utilization may include security conditions, the availability of operations and maintenance funds, and the availability of contractors after sub-projects are completed, among others. The SA attributes the improvement in part to ministries becoming accustomed to a process of regularly reviewing site visit reporting with the SA and WB teams and engaging in structured follow-up.

During the year, the SA began to rollout an online platform for sharing deviation tracking data with ministries, which is expected to further ease communications around deviation reporting and responses. The SA made recommendations to the WB and project teams regarding a range of issues, including contract requirements regarding defect remediation, materials handling, testing, and quality considerations (with particular emphasis on concrete quality in construction initiatives); potential training needs for ministry staff and engineers; concerns and needs of beneficiary associations under IRDP and NHLP; and potential considerations for minimum service standards for Citizens’ Charter communities that are classified as rural but have access to urban centers.

45 The data utilization rate is calculated over the course of the SA’s annual contract term which in FY 1396 and FY 1397 ran from November to October of the following year. Thus, the rate reported in FY 1396 covered responses recorded during the period from November 2016 to October 2017, while the FY 1397 reported rate covers the period from November 2017 through October 2018.

The ARTF financed 30 percent of Afghanistan's civilian budget in FY 1397 (2018) and the predictability of donor financing increased. In FY 1397, total RCW disbursements totaled USD 535.8 million, an increase relative to the previous fiscal year that reflected the transition to a standardized Development Policy Operation, as GoIRA completed outstanding policy reforms under the previous Incentive Program and began implementing the Incentive Program Development Policy Grant established under the PFFP. The RCW funded 30.5 percent of the civilian operating budget. IW disbursements totaled USD 345.9 million, representing 20 percent of GoIRA's development budget. Together, these sums represented 30 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, which meant that the ARTF entered the PFFP period under stress. In 2018, contributions to the ARTF totaled USD 859.4 million, reaching 99 percent of the expected totals, an improvement over the 92 percent recorded in 2017.

Contributions fell short of recorded pledges in several cases because of bilateral policy determinations or because the donor's pledging currency declined against the U.S. dollar. (Pledge amounts are recorded based on the applicable ex-

change rate at the time the pledge is confirmed, while contributions are recorded based on the applicable exchange rate at the time of receipt.) Shortfalls were somewhat offset by two factors: (i) exchange rate fluctuations in favor of some donors' pledging currency; or (ii) some donors' decision to pay portions of their planned 2019 contributions during 2018. The value of such advance payments totaled USD 48.7 million in 2018.

Donors preferred 52 percent of contributions to IW programs, an increase over the 43 percent of contributions preferred in 2017, and in excess of the maximum of 50 percent. The excess was attributable to preferences expressed in previous years but not formally contributed until 2018. An additional USD 161.5 million was contributed through the Ad Hoc Payments Facility—these sums are tracked separately from pledges to core ARTF operations. One donor also preferred funds to the IP-DPG; this preference is not counted against the preferencing target because the IP-DPG is financed through the RCW.

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 46 percent, slightly lower than at the end of the previous year (48 percent) but above the low of 33 percent recorded at the end of GoIRA fiscal year 1395 (2016).







PILLAR III—ARTF OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS

INDICATORS	BASELINE		PROGRESS				PFFP
			Previous Financing Strategy				
	Value	Year	FY15	FY16	2017	2018	
Portfolio Implementation							
Project readiness for implementation	2	FY09	n.a. ⁴⁵	3	2		3.6
Satisfactory implementation of active projects	78%	FY08	88%	92% ⁴⁷	93%		96%
Gender Across the Portfolio							
Gender mainstreaming in results monitoring	32%	FY14	37%/38%/33%	37%/52%/57%	40%/68%/55%		43%/86%/90%
Percentage of portfolio projects collecting relevant gender-disaggregated data ⁴⁸	38%	FY14	57%	68%	68%		86%
Percentage of portfolio projects with Gender Focal Point staff in client project teams	71%	FY14	66%	70%	72%		86%
Percentage of portfolio projects that include technical assistance on gender issues and gender supervision in implementation support missions	63%	FY14	57%	63%	82%		100%
Percentage of portfolio projects that have produced gender-related documents ⁴⁹	38%	FY14	47%	NA	50%		57%

45 No new projects were approved in FY15.

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

47 Includes 24 out of 26 active projects rated MS or higher as of December 2016.

48 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.

49 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			PFFP
	Value	Year	Previous Financing Strategy			
			FY15	FY16	2017	
Community Engagement						
Citizen engagement	Percentage of projects that incorporate beneficiary feedback	94%	FY15	94%	95%	96%
Human Resources						
WB Staff Presence	Facetime with the client counted as total number of days spent on Afghanistan, including resident international and national staff and visiting missions (days)	~12,000	FY12	13,207	20,003	27,659
Bank-executed Windows						
Active ASIST technical assistance facilities	Number of technical assistance provided through the newly established ASIST ⁵⁰ window	n.a.	n.a.	n.a.	n.a.	3 (1397)
Number of Supervisory Agent project site visits	Number of site visits conducted by the ARTF Third-Party Monitor from the project sites	NA	NA	NA	NA	1,537
ARTF Finances						
ARTF resources as share of civilian budget	Recurrent/development resources as share of government's civilian operating/development 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% ⁵¹ / IW: 20% (1397)

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

51 This does not include USD 159 million transferred to the government under the AHP Facility.



PILLAR III—ARTF OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS (continued)									
INDICATORS	BASELINE		PROGRESS				PFFP		
	Value	Year	Previous Financing Strategy				2017	2018	
			FY15	FY16	2017				
ARTF Finances									
Gross disbursements	Disbursed amount in an Afghan fiscal year disaggregated for the Recurrent Cost Window and the Investment Window (USD, million)	RCW: USD 214 million IW: USD 15.59 million	FY 1382	RCW: USD 252 million ⁵² IW: USD 394 million (1394)	RCW: USD 344 million ⁵³ IW: USD 402 million (1395)	RCW: USD 310 million ⁵⁴ IW: USD 476 million (1396)	RCW: USD 535.8 million ⁵⁵ IW: USD 345.9 million (1397)		
Disbursement ratio ⁵⁶	Fiscal year ⁵⁷ 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% ⁵⁸	47%	43%	43%		
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% (USD 40 million)	1388	36% (USD 98.6 million) (1393)	29% ⁵⁹ (USD 337.8 million) (1395)	26% (USD 235.6 million) (1396)	100% (total disbursements USD 535.8 million ⁶⁰) (1397)		
Funding Predictability Index	Total ARTF pledges/indications deposited by donors by end of fiscal year (%)	86%	1384	97% (1393)	63% ⁶¹ (1395)	92% (1396)	99% (1397)		
	ARTF contributions preferred (%)	30%	1384	43% (1393)	47% (1395)	43% (1396)	52% (1397)		
Cash Balance	Unallocated cash balance at the end of the fiscal year as a proportion of the pipeline for the coming year (%)	27%	1390 ⁶²	53% (1393)	33% (1395)	48% (1396)	46% (1397)		

52 This does not include Ad Hoc Payments of USD 183 million.

53 This does not include Ad Hoc Payments of USD 125 million.

54 This does not include Ad Hoc Payments of USD 146 million.

55 This does not include the Ad Hoc Payments of USD 159.2 million.

56 The disbursement ratio is calculated based on the undisbursed balance in the active projects at the start of the year.

57 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.

58 Including/excluding MSP.

59 Calculation excludes Ad Hoc Payments to the government. The percentage would be 23% including AHP.

60 This amount includes USD 225.8 million carry over earned under the Incentive Program in 2017 but disbursed in 2018 as well as the USD 159 million transferred through AHP. Excluding AHP, the percentage goes to 60%.

61 Indicated contribution at start of the year compared to actual contributions at the end of the year.

62 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

OVERALL, THE RISKS TO THE ARTF, the projects and operations it funds, and their expected outcomes are considered high. The security situation has deteriorated over the past several years and continues to be challenging. The ARTF Administrator acknowledges these risks and attempts to the extent possible to mitigate some of the identified stresses. However, a majority of political and security risks cannot be mitigated easily.

This section outlines the key principles of ARTF risk management and the most important risk areas and mitigation measures. Recognizing that Afghanistan presents a high-risk and continuously evolving context, risks are being monitored on a continual basis. While the broad parameters are outlined, mitigation measures continue to evolve in response to a changing context.

The ARTF's approach to risk management builds on the World Bank's Framework for Operations Risk Management (FORM). The Framework promotes higher development impact for the World Bank's client countries through better risk assessment and management for results, empowering clients to assess and mitigate risks more effectively. The Framework also facilitates the systematic analysis of risks trends for all World Bank programs and operations. The ARTF Risk Management Framework is structured along similar lines to the ARTF monitoring framework with risk mitigation and monitoring structured in accordance with key risks at two levels—trust fund and project.

THE WORLD BANK'S OPERATIONS RISK MANAGEMENT

In the World Bank risk framework, 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.” The World Bank's 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 standardized systems and tools establish a unified and standardized risk-rating tool, the Standardized Operations Risk-Rating Tool (SORT), that integrates information sys-

tems 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 (see Annex III).

SORT helps the WB as the ARTF Administrator assess and monitor risks consistently both at the trust fund and project levels. At the portfolio level, the data collected through SORT are used to create portfolio reports that help the WB define its tolerance and appetite for various risks. Thus, SORT provides the project-level foundation for portfolio-level risk management.

RISK MANAGEMENT AT THE TRUST FUND LEVEL

While Annex III outlines the ARTF SORT, including specific risks and risk management approaches at the trust fund level, the following outlines three main principles for how the World Bank, as the ARTF Administrator, manages risks:

- **Partnership and communication:** ARTF risk management is primarily carried out by the World Bank 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.
- **Flexible approach:** Due to the relative volatility of the context in which the ARTF operates, the risk mitigation framework cannot be overly prescriptive. Instead, it outlines through SORT the broad principles and the main measures to mitigate risk along several critical parameters while leaving room for adaptation in response to a changing environment.
- **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.



RISK MANAGEMENT AT THE PROJECT LEVEL

ARTF risk management at the project level is based on the World Bank's FORM and makes use of SORT to carry out risk analysis linked to results management. Also, it is organized around the ARTF monitoring framework to ensure weaknesses, highlighted in the risk assessment, are addressed and mitigated to the extent possible in the monitoring framework. SORT looks at and rates the risk for the following areas, after which an overall project risk rating is then generated: political and governance; macroeconomics; sector strategies and policies; technical design of project/program; institutional capacity for implementation and sustainability; fiduciary; environment and social; stakeholders; and others.

SORT is initiated during the design process of each individual ARTF/World Bank-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 World Bank technical teams.

Fiduciary risks are monitored and carefully managed for all ARTF projects. ARTF investment projects are subject to the same fiduciary arrangements as all IDA-financed projects in Afghanistan. The World Bank requires that each project maintains financial management and procurement systems capable of accurately reporting on use of funds, linking funds flow to project activities, ensuring compliance with agreed procurement procedures, and providing timely and reliable financial and procurement progress reports. These systems (encompassing budgeting, procurement, accounting, internal control, funds flow, financial reporting, and auditing arrangements) are assessed during the design phase of each new project and are reviewed as part of formal and ongoing project implementation support. A comprehensive fiduciary risk assessment is likewise conducted for each new investment.





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
Access to improved drinking water (% of households) 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.	Percentage of food insecure population Proportion of households not meeting a minimum of 2,100 calories per person per day.
Access to improved sanitation facility (% of households) Percentage of households that use an improved sanitation facility—a flush latrine or any other improved latrine.	Inadequate dietary diversity (%) 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.
Access to any source of electricity (% of households) 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).	Protein deficiency (% consuming less than 50g of protein per day) Percentage of population whose daily consumption of protein is less than 50 grams per day.
EDUCATION	GENDER
Literacy rate—age 15 and older (%) Percentage of population (age 15 years and above) that is literate.	Female literacy rate (%) Percentage of female population (age 16 years and older) that is literate.
Net attendance ratio in primary education (%) 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.	Female share in active population (%) Proportion of women in the labor force (labor force being the population age 16 years and older that is economically active).
Average years of schooling—age 18 and above Average years of education among the population age 18 years and above.	Girls to boys, age 6–12 years, enrollment ratio Ratio of girls to boys enrolled in schools. The reference age group is 6–12 years.
	Ratio of fully immunized girls to boys, age 12–23 months 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
Full immunization rate among children age 12–23 months (%) Proportion of children (age 12–23 months) that has received complete vaccines for BCG, DPT3, OPV3, and measles.	Poverty rate (%) Poverty rate (or poverty headcount rate) refers to the percentage of population living below the official poverty line.
Children age 12–23 months with no vaccination (%) Proportion of children (age 12–23 months) that has not received any of the scheduled vaccines for BCG, DPT3, OPV3, and measles.	Depth of poverty 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.
Access to skilled antenatal care during pregnancy (%) Percentage of pregnant women who have visited any skilled provider (doctor, midwife, nurse, or community health worker) for prenatal care during pregnancy.	Average consumption of the poor as percentage of poverty line This measure is obtained by subtracting the ratio of poverty gap to poverty rate from 1.
Births attended by skilled attendants (%) Proportion of child deliveries that are attended by any skilled birth attendant, such as a doctor, midwife, or nurse.	Average per capita monthly total consumption 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.
Disability prevalence rate 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).	Inequality—Gini coefficient of per capita total consumption 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 SOURCE	FREQUENCY
INDICATOR 1: Improved 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
INDICATOR 2: Develop and implement new e-Government Procurement system to improve the collection and disclosure of public procurement data and information across the full contracting cycle			
Measures progress toward procurement, commissioning, and rollout of e-GP system.		NPA	Annually
INDICATOR 3: Increased development budget execution rate [new indicator]			
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
INDICATOR 4: Increased domestic revenue as a percentage of GDP [new indicator]			
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 and Customs Department reports	Annually

GOVERNANCE AND STATE EFFECTIVENESS (continued)			
DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
INDICATOR 5: Effective implementation by budgetary units on the external audit recommendations [new indicator]			
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
INDICATOR 6: Priority line ministries that have implemented at least two business process simplifications in their CBR plan			
Total number of ministries out of 13 priority line ministries that have implemented proposed business process simplification plans.		CBR Reports	Annually
INDICATOR 7: Number of ministries that have completed pay and grading increases			
Ministries will be assisted to complete the government's Pay and Grading process, which moves government staff onto an eight-grade, uniform pay scale. Includes all ministries (23), except the Ministry of Interior and Ministry of Defense. Completion is measured as a ministry having recruited 60% of its reformed <i>tashkeel</i> (organizational structure).		Project Monitoring Information System (PMIS)	Annually
INDICATOR 8: Percentage increase in customs duties through automation			
The revenue mobilization effort of customs as compared to the previous year's collection.		AFMIS and Ministry of Finance (MoF)	Annually
INDICATOR 9: Increase of the Open Budget Index score			
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.		Open Budget	Annually
MILESTONE M1: Number of internal/external audits verified as done to international auditing standards			
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.		PMIS	Annually



GOVERNANCE AND STATE EFFECTIVENESS (continued)

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
MILESTONE M2: Framework Agreement procurement is done by the government		NPA	Quarterly
MILESTONE M3: Improvement in core institutional capacity, represented by a reduction in the number of long-term technical assistants [new milestone]			
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
MILESTONE M4: Web-based AFMIS extended to embassies and selected districts, municipalities, and SOEs			
Measures progress on extension of AFMIS to embassies and selected districts, municipalities, and State-Owned Enterprises (SOEs), through provision of access rights and training to users at targeted spending units.	MoF Treasury Department will collect the data.	AFMIS extension progress reports against approved rollout plan	Annually
MILESTONE M5: Rolling out e-Government Procurement in the pilot phase in three or more departments			
Measures progress toward an e-procurement system in Afghanistan on pilot basis.		NPA	Annually
MILESTONE M6: Civil service positions recruited by CBR			
The number of civil servant positions in line ministries recruited as per the CBR program.		PMIS	Annually

PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES

HEALTH

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
INDICATOR 10: Births attended by skilled attendants			
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
INDICATOR 11: Scorecard score examining quality of care in health facilities (average score)			
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
INDICATOR 12: PENTA3 coverage among children age between 12–23 months in lowest income quintile			
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





HEALTH (continued)

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
MILESTONE M7: Health facility visits per capita per year to BPHS/EPHS facilities			
Numerator: The number of outpatient department clients/patients seen at all health facilities Denominator: Total population in same period.		HMIS	Annually
MILESTONE M8: Proportion of health facilities staffed with at least one female health worker			
The proportion of BPHS-supported health facilities with at least one female health worker (doctor, midwife, or nurse).		HMIS and HFA	Annually
MILESTONE M9: Proportion of children under five years with severe acute malnutrition who are treated [new milestone]			
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 SOURCE	FREQUENCY
INDICATOR 13: Students attending school regularly in selected provinces			
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
INDICATOR 14: Out-of-school children in selected provinces			
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
INDICATOR 15: Share of apprentices who find employment within 6 months of graduation			
The extent to which practical skills have been imparted to apprentices enrolled in the program.		Tracer Studies and Impact evaluation	Annually
INDICATOR 16: Total number of beneficiaries (% females)			
Total number of beneficiaries includes apprentices, principals, training providers, trainees, graduates, savings group members, grant recipients/share of female beneficiaries.		National Skills Development Program and Third-Party Monitoring reports	Annually
INDICATOR 17: Student enrollment in priority degree program for economic development			
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





EDUCATION (continued)

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
MILESTONE M10: Schools constructed or expanded with classrooms, boundary walls, water points, and gender-segregated latrines			
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
MILESTONE M11: Students benefiting from direct interventions to enhance learning			
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 SOURCE	FREQUENCY
INDICATOR 18: Number of direct beneficiaries (females)			
Total number of beneficiaries, including all individuals who are members of an 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 AREDP beneficiaries.		MIS and Progress reports	Quarterly
INDICATOR 19: Beneficiaries reached with financial services			
For this project, "financial services" includes SHGs, VSLAs, and/or accounts with microfinance institutions or other formal financial institutions. Baseline comes from AREDP.		MIS and Progress reports	Quarterly
INDICATOR 20: Share of women SHG members from poor or vulnerable households			
Measures 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 Citizen's Charter well-being analysis, and this indicator will only be measured in CDCs where such well-being analysis exists. Baseline value not available.		MIS and Progress reports	Annually
MILESTONE M12: Net aggregate savings mobilized			
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
MILESTONE M13: Number of VSLAs that have received a grant			
Measures the number of VSLAs formed under 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 indicator. The target is based on 90% of the 5,000 WEE-RDP VSLAs receiving a grant.		MIS and Progress reports	Quarterly





PILLAR II: PROJECT AND PROGRAM -LEVEL OUTCOMES			
CITIZENS' CHARTER			
DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
INDICATOR 21: Number of CDCs in rural and urban areas able to plan and manage their own development projects			
There are two measurements: (i) under the planning component, the number of CDCs that have developed a Community Development Plan (CDP) and sub-project proposals; and (ii) under the management component, the number that have implemented the sub-projects.	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
INDICATOR 22: Number of residents (rural and urban) (male/female) benefiting from each type of sub-project			
Number of residents who benefit from each type of sub-project, 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
INDICATOR 23: Number of vulnerable households benefiting from social inclusion grant			
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	
MILESTONE M14: Number of communities meeting all minimum service standards			
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. Therefore, total number by end of project for this particular indicator are 9,600 communities.	Project MIS Improved service delivery evaluation Third-Party Monitoring reports	Every two years

CITIZENS' CHARTER (continued)

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
MILESTONE MI15: Percentage of grievances received that are resolved			
Proportion of reported grievances that have been followed up and resolved.		Citizens' Charter MIS	Quarterly
MILESTONE MI16: Percentage of CDC members in rural and urban areas who are women			
Proportion of CDC members that 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 AND CONNECTIVITY

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
INDICATOR 24: Increase in the number of beneficiaries with new connections to the grid in the target areas			
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
INDICATOR 25: Kilometers of road constructed or rehabilitated			
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
INDICATOR 26: Proportion of rural population living within 2 km of all-season roads			
The proportion of rural people in the project area who live within 2 kilometers (typically equivalent to a 20-minute walk) of an all-season road. This indicator is also known as the Rural Access Index.	Guidance on “all-season road”: 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
INDICATOR 27: Number of people in urban areas provided with access to all-season roads within a 500-meter range under the project			
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. 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.	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.	Field Survey	Every two years

INFRASTRUCTURE AND CONNECTIVITY (continued)

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
MILESTONE M17: Distribution lines constructed under the project (km)			
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
MILESTONE M18: Total rural roads rehabilitated and maintained (km)			
The cumulative number of kilometers of all roads constructed, reopened to motorized traffic, rehabilitated, graveled, or upgraded by (i) the NSP 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			
AGRICULTURE			
DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
INDICATOR 28: Increase in agricultural productivity (irrigated wheat yields) (t/ha)			
Productivity will be measured as the average variation in irrigated wheat yields, in tons per hectare (t/ha) in the targeted areas.		Monitoring & Evaluation (M&E) seasonal crop survey PMIS Follow-up surveys Impact evaluation	Annual end of project (impact evaluation)
INDICATOR 29: Water users provided with new/improved irrigation and drainage services			
The number of households provided with water services through rehabilitation of systems.	Guidance on “water users” : 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
INDICATOR 30: Production of certified wheat seed as % of Annual National Seed Board Plan			
Annual production of certified seed by Private Seed Enterprises.		Annual Survey	Annually
MILESTONE M19: Area provided with irrigation and drainage service (ha)			
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>Guidance on “irrigation and drainage services”: 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>Guidance on “new irrigation and drainage services”: 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>Guidance on “improved irrigation and drainage services”: 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
MILESTONE M20: New orchards (including vineyards and pistachio groves) established with at least 65% survival rate (ha)			
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 and Project M&E	Annually; end of project
MILESTONE M21: Adoption rate of improved horticulture technology packages (% of target farmers adopting)			
The proportion of farmers who have adopted an improved agricultural technology promoted by the project.	<p>Guidance on “adoption”: 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>Guidance on “technologies”: 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





PILLAR II: PROJECT AND PROGRAM-LEVEL OUTCOMES

PRIVATE SECTOR DEVELOPMENT

DEFINITION	GUIDANCE	DATA SOURCE	FREQUENCY
INDICATOR 31: Number of feasibility studies that lead to tendered projects			
Number of feasibility studies supported by the operation that results in at least one investment opportunity positively identified. Content analysis of the study completed may be needed to verify achievement of positive criteria. Gender analysis will be part of all these studies.		Central Partnership Authority	Every two years
INDICATOR 32: Number of PPP projects tendered			
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.		PMU	Every two years
MILESTONE 22: Number of pre-feasibility studies completed			
Number of pre-feasibility studies completed under purview of GoIRA/Infrastructure Project Preparation Facility following effective date of this operation.		PMU	Every two years
MILESTONE 23: PPP Policy and Regulations operationally applied			
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 two years

PILLAR III: OPERATIONAL AND ORGANIZATIONAL EFFECTIVENESS OF THE ARTF

DEFINITION	DATA SOURCE	FREQUENCY
Portfolio Implementation		
INDICATOR: Project readiness for implementation		
Number of months between project approval to first disbursement.	World Bank data	Annually
INDICATOR: Satisfactory implementation of active projects (%)		
Percentage of active operations rated moderately satisfactory and above on implementation progress and likelihood of achieving development objectives.	World Bank data	Annually
Gender Across the Portfolio		
INDICATOR: ARTF projects that include gender-specific objectives/outcome/ output data with targets (%)		
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
INDICATOR: Gender disaggregated data (%)		
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
INDICATOR: Gender focal points (%)		
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
INDICATOR: Gender TA (%)		
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
INDICATOR: Gender-related knowledge (%)		
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
Community Engagement		
INDICATOR: Citizen engagement		
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)

Human Resources

INDICATOR: WB staff presence

Number of days that staff spent on Afghanistan, including resident international and national staff and visiting mission days.	World Bank data	Annually
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Bank-executed Windows

INDICATOR: Technical assistance

Number of active technical assistance initiatives provided through the ARTF ASIST window.	ARTF database and ARTF Strategy Group Records	Annually
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INDICATOR: Third-party monitoring

Number of site visits conducted by the ARTF Third-Party Supervisory Agent at project sites.	Supervisory Agent	Annually
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ARTF Finances

INDICATOR: ARTF support to the civilian budget

ARTF Recurrent Cost Window/Investment Window resources as share of GoIRA's operating/development budget (%).	ARTF database and GoIRA budget documents	Annually
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INDICATOR: Gross disbursements

Disbursed amount in an Afghan fiscal year disaggregated for the Recurrent Cost Window and the Investment Window.	ARTF database	Annually
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INDICATOR: Disbursement ratio

Disbursed amount under the ARTF Investment Window as a ratio of undisbursed balance in a fiscal year.	ARTF database	Annually
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INDICATOR: Share of assistance provided via incentive mechanisms

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
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INDICATOR: Funding predictability

Percentage of total ARTF pledges deposited by donors by end of fiscal year (%).	ARTF database	Annually
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Percentage of ARTF contributions preferenced (%)	ARTF database	Annually
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INDICATOR: Cash balance

Unallocated cash balance at the end of the fiscal year as a proportion of the pipeline for the coming year (%).	ARTF database	Annually
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ANNEX II: Summary of ARTF Active Projects and NPP Mapping

(on following pages)



AN/PF 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
POLICY-BASED BUDGET SUPPORT (IDA-DPG and ARTF-RCW)											
							5,417	90			
Fiscal stability	ARTF-Fiscal Stability Facility	TF049129	To help fund essential recurrent expenditures, including expenditures on wages, benefits, and other payments for government employees as well as operations and maintenance and interest payments.	MoF	14 Nov 2018 (MC)	31 Jan 2019	100			\$	\$
Fiscal stability	ARTF-Recurrent and Capital Costs	TF050577	Provide a coordinated financing mechanism so that the government can make predictable, timely, and accurate payments for approved recurrent costs related to salaries and wages; and government operating and maintenance expenditures, except security.	MoF	13 May 2002	31 Dec 2019	5,107			\$	\$
Governance and state effectiveness	2018 DPG-Incentive Program	TF049090	New vehicle for ROW-IP benchmarks. More visibility and alignment with WBG policies.	MoF	14 Jun 2018 09 Jul 2018 (MC)	15 May 2019	2.10	90		—	—
INVESTMENT PROJECT FINANCING (IDA-IPF and ARTF-IW)							2,253	1,868	143		
GOVERNANCE AND STATE EFFECTIVENESS											
							135	50	0		
EFFECTIVE GOVERNANCE NPP											
Improving fiscal performance	Afghanistan Technical Assistance Facility	TF042839	Strengthen the fiscal management and the budget planning performance of GoIRA.	MoF	29 Jun 2016 (MC)	10 Jan 2019	5			\$	\$
Improving fiscal performance	Fiscal Performance Improvement Support Project	TF046277	Contribute to the improvement of domestic revenue mobilization and public expenditure management, and of reinforcing a performance-oriented management culture in the Ministry of Finance.	MoF	13 Dec 2017 (MC) 19 Dec 2017	28 Dec 2022	75	25		\$	\$
Reforming the public sector	Tackling Afghanistan's Government HRM and Institutional Reforms	TF049123	Redesign next phase of CBR program to tackle core challenge of professionalizing the civil service in a fiscally sustainable manner.	IARC-SC	18 Dec 2018 (MC) 19 Dec 2018	31 Dec 2021	50	25		\$	\$
JUSTICE AND LEGAL SECTOR REFORM NPP											
Reforming land administration	Support to the Independent Afghan Land Authority PPG	TF041898	Support institutional strengthening of land administration system (and ARAZI), aligned with the Institutional Development Programme for Land Administration.	MUDL (ARAZI)	15 May 2016 (MC)	31 Aug 2019	5			\$	\$

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
POVERTY REDUCTION, SERVICE DELIVERY, CITIZENS' ENGAGEMENT, AND SOCIAL INCLUSION											
HUMAN CAPITAL DEVELOPMENT NPP											
							581.5	295	133		
Primary health care	Afghanistan Sehatmandi Project	TF0A7113	Continuous support for provision of primary health care but with greater emphasis on performance management.	MoPH	12 Mar 2018 (MC) 28 Mar 2018	30 Jun 2021	425	140	35	S	S
Basic education	EORA	TF0A8449	Continue support for access to quality basic education but with greater emphasis on governance dimensions of service delivery.	MoE	17 Sep 2018 28 Sep 2018	31 Dec 2023	100	100	98	S	S
Youth engagement and skills	Placing Labor Abroad, Connecting to Employment Domestically PPG	TF0A8312	To support GoIRA develop the policy and regulatory framework and build capacity to deliver its employment creation and skills development operation.	MoLSA	08 Sep 2018 (MC)	30 Apr 2020	1.5			S	S
Higher education	Higher Education Development Project	TF0A0730	To increase access to, and improve the quality and relevance of, higher education in Afghanistan.	MoHE	07 Jul 2015 (MC) 15 Sep 2015	31 Dec 2022	55			MS	S
WOMEN'S ECONOMIC EMPOWERMENT NPP											
							80	25	0		
Women's economic empowerment	Women's Economic Empowerment Rural Development Project	TR0A8443	Anchor for WEE-NPP, designed to promote economic empowerment for poor women through creation of Self-Help Groups and enterprise development assistance.	MRRD	17 Sep 2018 23 Oct 2018	30 Jun 2023	75	25	0	S	S
Women's economic empowerment	WEE-NPP Support Project Preparation Grants	TR0A4500	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.	MoLSA	12 Jul 2017 (MC)	31 Jul 2020	5			S	S
SOCIAL COHESION											
							90	150	0		
Returnee-IDP reintegration	Eshteghal Zalee-Karmondana (EZ-Kar)	TR0A9092	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	17 Dec 2018 (MC) 19 Dec 2018	19 Dec 2023	50	150	0	S	S
	CASA-1000 Community Support Program	TF017012	To 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	14 Apr 2014 (MC)	30 Jun 2022	40			MS	S

63 Early closure planned in 2019, with continued support for WEE-NPP activities through the FSP, led by the Deputy Minister for Policy responsible for overall NPP coordination.



AN/PDF 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
POVERTY REDUCTION, SERVICE DELIVERY, CITIZENS' ENGAGEMENT, AND SOCIAL INCLUSION (continued)											
CITIZENS' CHARTER NPP											
Citizen engagement	Citizens' Charter Afghanistan Project	TF0A3827	Continuing support for flagship Citizens' Charter NPP.	MRRD, IDLG	21 Sep 2016 (MC) 27 Oct 2016	31 Oct 2021	244	227	0		
ECONOMIC GROWTH AND JOB CREATION											
COMPREHENSIVE AGRICULTURAL DEVELOPMENT NPP											
	Afghanistan On-Farm Water Management	TF099074	To improve agricultural productivity in project areas by enhancing the efficiency of water used.	MAIL	16 Mar 2011 (MC)	31 Dec 2019	70			\$	\$
	Afghanistan Agricultural Inputs Project	TF015003	Attain strengthened institutional capacity for safety and reliability of agricultural inputs and sustainable production of certified wheat seed.	MAIL	30 Jun 2013 (MC)	30 Jun 2019	67			MS	MS
	National Horticulture and Livestock Productivity Project	TF013820	To promote adoption of improved production practices by large farmers, with gradual rollout of farmer-centric agriculture services systems and investment support.	MAIL	22 Dec 2012 (MC)	31 Dec 2020	190			\$	\$
NATIONAL MINERAL AND RESOURCE DEVELOPMENT NPP											
Promoting extractives for development	Afghanistan Extractives for Development PPG	TF0A4809	Support development of the new operation to help develop the extractive sector and provide bridge financing to the MoMP and MoIC.	MoMP/ MoIC	30 May 2017 (MC)	30 Sep 2019	7.3			\$	\$
INFRASTRUCTURE AND CONNECTIVITY NPP											
Transport connectivity	Afghanistan Rural Access Project	TF013093	Enable (a) rural communities benefit from all-season access to basic services and facilities, and (b) an early emergency response in the event of an eligible crisis or emergency.	MoPW	15 Sep 2012 (MC)	15 Mar 2020	312	125		\$	MS
Energy	Maghlu Hydropower Rehabilitation Project	TF0A1691	Improve dam safety and to increase the supply of electricity at the Maghlu Hydropower Plant.	DABS	14 Dec 2015 (MC)	30 Sep 2022	83			MS	MS
Energy	DABS Planning and Capacity Support	TF0A2026	Improve DABS capacity in distribution investment planning, implementation, operation and maintenance.	DABS	10 Feb 2015 (MC)	31 Jul 2020	6			MS	MS
Energy	Mazare-Sharif Gas to Power PPG	TF0A5630	Technical assistance to support the MoEW in providing supervision engineers, transaction advisory plant optimization	MoEW	10 Sep 2017 (MC)	31 Oct 2020	6.5			\$	\$

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
ECONOMIC GROWTH AND JOB CREATION (continued)											
INFRASTRUCTURE AND CONNECTIVITY NPP (continued)							525.5	223	0		
Water	Afghanistan Irrigation Restoration and Development Project	TF012029	Improve access to irrigation in targeted areas and strengthen capacity for water resource management.	MoEW	28 Feb 2012 (MC) 14 Mar 2012	31 Dec 2020	118	88		S	S
URBAN DEVELOPMENT NPP							225	25	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 Apr 2014 (MC)	30 Jun 2021	110			S	MS
Urban services and infrastructure	Kabul Urban Transport Efficiency Improvement	TF017061	Improve road conditions and traffic flows on selected corridors of Kabul city.	KM	11 Apr 2014 (MC)	31 Dec 2019	90			S	MS
Urban services and infrastructure	Cities Investment Program	TF049089	Support strengthening municipal planning and administration and implementation of high-priority public investments in selected cities.	IDLG-MIDL	17 Dec 2018 (MC) 19 Dec 2018	30 Jun 2024	25	25		S	S
PRIVATE SECTOR DEVELOPMENT PROGRAM (PSD NPP)							33	20			
Improving fiscal performance	Public-Private Partnerships and Public Investment Advisory Project	TF047087	Establish fund to support upstream development of infrastructure and PPP pipeline of feasible private and publicly funded projects.	MoF	12 Mar 2018 (MC) 27 Jun 2018	28 Jun 2023	33	20		S	MS

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



ANNEX III: ARTF SORT Framework for Risk Management

SORT is applied to the ARTF at the trust fund level, which includes an assessment of risks in eight categories.⁶⁴

RISK AREA	RISK	RISK RATING ⁶⁵	MITIGATION MEASURES
1. POLITICAL AND GOVERNANCE			
POLITICAL AND GOVERNANCE	<p>The political situation remains fragile and violence pervasive. Power-sharing arrangements under the National Unity Government are a continued source of tension and potential future instability. Election outcomes and potential political instability associated with the parliamentary elections in late 2018 and presidential election in 2019 present important risks to the overall ARTF program.</p> <p>Potential increase in conflict and continued violence around the country adversely affects the ability to operate and implement projects.</p> <p>While the National Unity Government was negotiated to prevent political crisis, some level of volatility continues. This has slowed down the pace of certain reforms as well as the implementation progress of some ARTF-financed development programs.</p>	H	<p>The World Bank as the ARTF Administrator continues to monitor the potential impact of changes to the political economy on ARTF financing. This risk is directly addressed by the strong ARTF fiduciary framework and will be mitigated to the extent possible through close cooperation with key government counterparts in the Ministry of Finance (MoF).</p> <p>ARTF-financed projects are implemented by the government. While violence and conflict also affect government staff and are a constant challenge, line ministries and national staff have so far maintained the 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 fragile operating environment and make use of design models that rely on community involvement and citizens engagement for implementation.</p> <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 the line ministries, can minimize adverse impacts on the ARTF program to the extent possible.</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 can continue without interruption. 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>Apart from this, 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 move forward is lacking.</p>

⁶⁴ 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.

⁶⁵ H=High, S=Substantial, M=Moderate, L=Low.

RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
2. MACROECONOMICS			
ECONOMIC RISKS	<p>Afghanistan's macroeconomic outlook is subject to substantial downside risks. Political instability could severely disrupt fiscal management and undermine investment confidence.</p> <p>The medium-term economic and fiscal prospects remain highly vulnerable to the uncertain prospects of international aid flows and the likely continued high-level of security expenditures while domestic revenue mobilization capacity is severely constrained.</p> <p>Expected decline in aid would inevitably put significant pressure on limited fiscal space and force the government to seek debt financing, which could put Afghanistan at a risk of debt distress.</p>	H	<p>Conditional budget support through the Incentive Program DPG (IP-DPG) will provide some fiscal buffers, mitigating the risk of revenue shortfalls. The MoF regularly monitors and publishes revenue performance (fortnightly) and cash balance (every three weeks), supported by the IP-DPG. The government, under its Fiscal Performance Improvement Plan (FPIP), also implements reform actions to strengthen revenue mobilization and improve the efficiency of public expenditures, supported by the World Bank through the government-executed FPIP Support Project (FSP) and the IP-DPG.</p> <p>The effectiveness of the mitigation measures, however, will remain limited, with on- and off-budget grants accounting for around 75 percent of total public expenditures. Any rapid decline in international aid flows would inevitably drive difficult fiscal adjustments, undermining the capacity of government to maintain basic services. Continued international assistance in security and development financing is critical to preserve development gains achieved so far and prevent major fiscal shocks.</p>





RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
3. TECHNICAL DESIGN OF A PROJECT			
PROJECT DESIGN	Project performance is easily affected by the challenging context, with risks impacting results.	M	<p>Project design should take into consideration the low capacity and challenging operating environment including security constraints. 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"> • Outsourcing service delivery: SEHAT and proposed Sehatmandi projects: Using NGOs to deliver a basic health package across the country; contracts managed by the Ministry of Public Health. • An in-between model: National Solidarity Programme (NSP) and Citizens' Charter: Using facilitating partners to work with communities in the field, but general operations maintained by the government implementing agencies. • Using country systems: ESP: fully integrated into the ministry systems, no Project Implementation Units.
PORTFOLIO PERFORMANCE	The overall ARTF program portfolio performance is impacted by the high-risk environment, coupled with weak institutional capacity for implementation and sustainability.	M	<p>Portfolio management requires an integrated approach with regular troubleshooting:</p> <ul style="list-style-type: none"> • Careful and continual monitoring at several levels: (i) Operational—through regular discussions of the World Bank technical teams on various program implementation issues; (ii) Quarterly Portfolio Operational Status Reviews to be introduced in the FY 1397 – FY 1399 financing period that will focus on a subset of projects for which project-level operational bottlenecks and fiduciary, safeguard, governance or performance issues have been flagged during the preceding quarter; (iii) Annual Portfolio Performance Reviews focusing on identifying key bottlenecks to portfolio performance. • Proactive approach to restructuring non-performing projects. • Introduction of enhanced mechanisms to ensure quicker identification and resolution of program implementation bottlenecks through regular Afghanistan country management unit check-ins with Bank technical teams and the Ministry of Finance and other government entities to ensure ownership and a proactive approach.

RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
4. INSTITUTIONAL CAPACITY FOR IMPLEMENTATION AND SUSTAINABILITY			
IMPLEMENTATION CAPACITY	The absorptive and implementation capacity of line ministries is a key factor in how projects perform and how funds can be allocated and disbursed. Implementation continues to face a number of challenges affected by the implementation capacity in line ministries and agencies.	S	<p>Implementation risks are mitigated through careful project design, capacity building supported by ARTF programs such as Capacity Building for Results and its planned successor, TAGHR, and ongoing close implementation support by Bank technical teams to government agencies implementing projects. The TAGHR 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.</p> <p>Under the FY 1397–FY 1399 PFFP, the Advisory Services, Implementation Support, and Technical Assistance (ASIST) window will enable the Bank to respond to GoIRA requests for external advisory services in high-priority and highly technical sectors, such as fiscal management, energy, mining, and public-private partnerships.</p>
WORLD BANK RESOURCES	The Bank's capacity to support line ministries in project preparation and implementation and to provide implementation support is critical to the quality and effectiveness of the portfolio.	L	<p>With some critical Bank specialists based in the World Bank Dubai office, more regular and frequent missions take place every week, 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 an international staff member based in-country.</p> <p>In terms of facetime,⁶⁶ the World Bank in Afghanistan continues to be at the forefront in the Bank with some 28,754 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 added an internationally recruited Operations Officer position to the ARTF program management team to focus on results monitoring and reporting of the ARTF. The Program Leader for the human development and governance programs has been based in Kabul since mid-2017.</p>

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





RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
<p>5. FIDUCIARY</p> <p>FIDUCIARY RISKS</p>	<p>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 [PFMR] Project I and II) have helped put in place adequate processes and practices for financial management, procurement, and control.</p>	<p>H</p>	<p>Safeguarding funds is a multifaceted approach taking place through the following complementary modalities:</p> <ul style="list-style-type: none"> • Technical assistance is provided through implementation support and supervision in individual investment projects. Additional implementation support is also extended including ex ante due diligence during the selection stage and Hands on Expanded Implementation Support for Procurement Management in projects. A comprehensive Financial Management Manual for the entire portfolio to standardize financial management function and strengthen internal controls. • Capacity building: Through the Capacity Building for Results Facility, PFMR and the Fiscal Performance Improvement Support Project, and other investment projects. The ARTF-financed PFMR II and its successor FSP focused on technical assistance to further strengthen government control systems. The FSP is supporting development and rollout of e-Procurement systems, procurement certification, and setting up Framework Agreements for commonly used items. • Policy reform work: Supported through the Incentive Program. The next phase of the IP and the successor to the PFMR II project, the FSP, continue to support implementation of reforms and building systems and capacity in government. • The IP-DP6 (results-based budget support) focuses on the timely implementation of PFM measures, which include better budget controls, greater budget transparency, taxpayer facilitation, strengthening tax enforcement, and improving expenditure management. • A robust and comprehensive fiduciary framework to safeguard ARTF funds channeled through the budget along four lines: (i) strong community ownership and monitoring; (ii) government-wide controls; (iii) World Bank technical assistance and implementation support including in-depth fiduciary reviews; and (iv) additional controls: third-party monitoring—Monitoring and Supervisory Agents. <p>The National Unity Government has emphasized its strong stance against corruption and highlighted its intention to root out such practices. In support of the government's strategy, the ARTF Administrator will work with the government and donors to assess potential additional anti-corruption measures.</p>

RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
5. FIDUCIARY (continued)			
CONTROLS	Strong controls are needed to mitigate fiduciary risks, including independent verification, to ensure donor confidence in ARTF systems and fiduciary controls.	H	<p>Third-Party Monitoring agents address the specific weaknesses of the operating environment and provide an additional layer of control:</p> <ul style="list-style-type: none"> • ARTF Monitoring Agent (accounting firm): Monitors the entire civilian operating budget for eligibility: <ul style="list-style-type: none"> – Performs automated desk review of 100 percent of recurrent cost expenditures; and – Performs risk-based review of expenditures, including visits to provinces. • ARTF Supervisory Agent: Carries out asset verification, quality assurance, and data mapping of national infrastructure projects (NSP/Citizens' Charter, rural roads, education, on-farm water management, and irrigation): <ul style="list-style-type: none"> – Provides the Bank with strengthened outreach to all 34 provinces of Afghanistan, including highly insecure areas, to obtain data from key national programs. <p>In addition, the World Bank, with the agreement of the government and ARTF donors, developed the Anti-Corruption and Results Monitoring Action Plan (ACReMAP) in late 2017, a proposal to enhance overall ARTF results monitoring and anti-corruption efforts. The ACReMAP, proposed as a fourth window under the ARTF, would be used to consolidate the management and expand the scope of third-party monitoring of ARTF-financed operations; introduce smart fiduciary management tools; develop a financial and document management system for all ARTF-financed projects; and carry out periodic in-depth fiduciary reviews of ARTF-financed operations.</p>





RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
6. ENVIRONMENT AND SOCIAL			
ENVIRONMENT	Lack of implementation and monitoring capacity of the national environmental law.	S	<p>Environment 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 new Environmental and Social Framework (ESF), which has been applied to projects to be prepared from October 1, 2018. 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. The ESF has many improved and modern measures for labor management, occupational health and safety as well as community health and safety concerns via preparation of labor management procedures. The ESF Standards require better than before stakeholder engagement through the preparation of a Stakeholder Engagement Plan for projects.</p> <p>Further, another very important document to be prepared by the relevant ministries and project teams is the Environmental and Social Commitment Plan, referenced in the financial agreement, which gives them more ownership and responsibilities.</p> <p>Each investment project is required to develop environmental and social management plans.</p> <p>The Bank has initiated a component of ACREMAP that includes (i) the country project portfolio review from the safeguard implementation point of view, which will identify shortcomings, lessons learned, and good practices; (ii) a comparative analysis of the national regulation versus the new WB Environmental and Social Framework Standards to find gaps and fill them; and (iii) enhancing project capacity to address environmental and social management concerns.</p>
SOCIAL	<p>Tenure insecurity and land conflicts plus multiple, inconsistent, and overlapping legal framework.</p> <p>Grievance Redress Mechanisms: Capacity to deliver and implement robust mechanisms remains a challenge that jeopardizes the success of some projects.</p> <p>Review of ESF/safeguard documents and processes: Low capacity to manage consultants' products in quality assurance and contract management. Ownership of ESF products and processes not always well understood.</p>	S	<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> <p>2019–2020: An analysis of the gaps between the Afghan land acquisition laws and regulations and those of the World Bank's ESF is being undertaken as part of AcreMap activities.</p> <p>A suite of initiatives is underway including operationalizing the recommendations of the Grievance Redress Mechanism portfolio review of 2018; ongoing project-by-project support to government and projects; and dedicated training to a few PIUs in 2019.</p> <p>There are ongoing internal discussions as well as discussions with senior government officials on developing a program of technical assistance that cuts across projects and sectors.</p>

RISK AREA	RISK	RISK RATING	MITIGATION MEASURES
6. ENVIRONMENT AND SOCIAL (continued)			
IMPLEMENTATION AND MONITORING	Weak implementation and monitoring capacity in implementing ministries.	H	<p>Assessed during design phase and identified weaknesses addressed through project design, implementation arrangements, and ongoing World Bank technical assistance and implementation support.</p> <p>The World Bank has hired an international Third-Party Monitoring Supervisory Agent. The Supervisory Agent's trained monitors visit project sites and prepare reports that include information on environmental and social issues affecting projects, as well as data on the quality of project implementation. Reports are shared with the client agencies who give feedback to the Supervisory Agent and take corrective actions based on the findings. The Bank constantly works with the Supervisory Agent and government agencies to improve project implementation, including through usage of Third-Party Monitoring data. The Supervisory Agent encourages government agencies to participate in site visits whenever possible, which over time contributes to enhanced capacity for project oversight.</p>
DISASTERS	Natural disaster risks, including flooding, droughts, earthquakes, locusts.	H	<p>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. In addition, infrastructure quality specifications consider potential disaster risks.</p>
GENDER	Marginalization of women in the economy and broader development.	H	<p>The World Bank ensures that priority gender gaps, aligned to the 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>



ANNEX IV: ANNUAL FINANCIAL REPORT

DECEMBER 22, 2017, MARKED THE BEGINNING of the Government of the Islamic Republic of Afghanistan's fiscal year 1397, as well as the start of a new three-year financing period for the Afghanistan Reconstruction Trust Fund. On June 25, 2018, the ARTF Steering Committee endorsed a new financing strategy to guide the Fund during the three-year cycle. The product of wide consultations among the World Bank, GolRA, and ARTF donors over an extensive period beginning in August 2017, the **ARTF Partnership Framework and Financing Program FY 1397 – FY 1399 (2018–2020)** outlines a financing program for an expected USD 2.485 billion in additional resources during the period, together with USD 749 million in ongoing programming approved during the previous financing strategy period. The ARTF financing would be complemented by USD 1.380 billion of expected IDA resources during the same period.

This report provides an overview of ARTF resources, contributions, commitments, and disbursements during FY 1397.

CASH BALANCE AT THE START OF THE YEAR

The ARTF parent account held an unallocated cash balance of USD 447 million at the start of the financing period. Outstanding commitments to previously approved programs totaling USD 749.08 million exceeded the cash balance, result-

ing in a negative net position of USD 302.16 million. The ARTF parent account entered the FY 1397 – FY 1399 period under stress because total contributions to the previous FY 1394 – FY 1396 financing strategy had amounted to USD 2 billion, while the strategy endorsed programming of USD 2.7 billion, requiring a careful management of cash resources.

SOURCES AND USES OF FUNDS

Table A4.1 presents sources and uses of funds at the end of FY 1397 compared with those under the 2012–2014 and 2015–2017 Financing Strategies. The sources of funds comprise the cash balance carried forward from FY 1396 plus net donor contributions and investment income, less administration fees.

As of December 21, 2018, the cash balance stood at USD 1,358.26 million comprising (a) USD 11.35 million in the Recurrent Cost Child Trust Fund (excluding USD 50 million in the Designated Account); (b) the combined undisbursed balance of the ARTF active investment portfolio of USD 920.36 million; (c) The USD 0.31 million combined undisbursed balance of the Research and Analysis Program; (d) USD 12.75 million reserved for Monitoring and Supervisory Agent contract costs; (e) USD 0 balance in the Recurrent Cost Window; (f) USD 3.97 million available for the ASIST window; and (g) USD 0.50 million reserved for the ACREMAP window, leaving a net unallocated cash balance of USD 359.02 million.



**TABLE A4.1: FY 1397 (2018) SOURCES AND USES OF FUNDS
COMPARISON WITH LAST TWO FINANCING PROGRAM PERIODS**

	Financing Program FY 1391–1393			Financing Program FY 1394–1396			PFFP YR 1
	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
SOURCES OF FUNDS (A+B)							
A. Net Donors Contributions (A1-A2)	928.69	779.93	1010.17	643.26	906.53	840.44	1011.63
A.1. Donors Contributions	942.20	791.00	1027.64	651.50	917.92	853.05	1021.10
A.2. Admin fees minus Investment Income	13.51	11.32	17.47	8.23	11.39	12.61	9.47
A.3. Refund of Ineligible Expenditure	0.00	0.26	0.00	0.00	0.00	0.00	0.00
B. Cash Carried-Over (=D previous year)	1148.49	1584.93	1671.70	1677.88	1482.90	1502.70	1398.32
USES OF FUNDS (C+D)							
C. Disbursements (C1+C2+C3+C4+C5+C6+C7+C8)	492.25	693.16	1003.99	838.24	886.73	944.82	1051.69
C.1 Recurrent window - Disbursed by DAB	225.00	256.10	419.56	435.69	469.86	457.46	385.07
Wages	225.00	150.00	125.00	125.00	100.00	75.00	0.00
O&M	0.00	32.00	33.90	33.60	0.00	0.00	0.00
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IP (Incentive Program)	0.00	74.10	113.70	93.60	244.20	235.68	225.83
AHP (Ad Hoc Payments)	0.00	0.00	146.96	183.49	125.66	146.78	159.24
C.2. Investment window	256.86	424.39	570.36	394.69	401.98	476.25	345.94
C.3. Pass-through to LOTFA (UNDP Police)							
C.4. Fees to monitoring agent	10.39	12.67	14.08	7.86	13.37	8.10	9.40
C.5. Research and Analysis Program	0.00	0.00	0.00	0.00	1.51	3.01	1.09
C.6. ASIST Window	0.00	0.00	0.00	0.00	0.00	0.00	0.19
C.7. ACREMAP Window	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C.8. Recurrent Cost Window (FSF & IP-DPG)	0.00	0.00	0.00	0.00	0.00	0.00	310.00
D. Cash Balance (end-of-period) (A+B-C=D1+D2)	1584.93	1671.70	1677.88	1482.90	1502.70	1398.32	1358.26
D.1. Committed Cash Balance:	861.86	948.32	1152.50	1129.89	1015.79	951.40	999.24
to recurrent window special account	50.00	50.00	50.00	50.00	50.00	50.00	50.00
to recurrent window Trust Fund	50.00	115.90	265.44	151.75	51.88	84.42	11.35
undisbursed investment window balance	741.00	770.73	827.44	897.74	890.45	793.63	920.36
to Monitoring Agent	20.86	11.69	9.61	30.25	20.08	22.15	12.75
to Research and Analysis Program	0.00	0.00	0.00	0.15	3.38	1.19	0.31
undisbursed Recurrent Cost window balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
to ASIST Window	0.00	0.00	0.00	0.00	0.00	0.00	3.97
to ACREMAP Window	0.00	0.00	0.00	0.00	0.00	0.00	0.50
D.2. Unallocated Cash Balance	723.07	723.38	525.38	353.01	486.92	446.92	359.02

CONTRIBUTIONS

The five largest donors to the ARTF are the United States, United Kingdom, European Commission/European Union, Germany, and Canada. The three-year Financing Program approach has increased predictability of donor funding and programming of critical projects for Afghanistan, including human development, service delivery, governance, and economic development. Because the country continues to rely heavily on development grants from donors, sustained international aid flows are essential to the government’s ability to maintain delivery of basic services and to preserve development gains achieved without major disruptions.

In the past seven years, donors have contributed an average of USD 884 million per year to the ARTF. The estimated financing envelope of USD 2,485 million under the PFFP 2018–2020 represents a slight increase from the previous three-year Financing Program for 2015–2017. Figure A4.1 illustrates actual contribution by year during 2018 and during the previous two financing strategy periods, together with the actual financing envelope that had been approved by the Steering Committee for each period.

In FY 1397, contributions reached 99 percent of the expected totals, marking the highest “funding predictability” since tracking contributions against pledges began to be documented formally in the Scorecard. Table A4.2 details FY 1397 contributions. Over the year, donors contributed a total of USD 1.02 billion to the ARTF, comprising USD 859.6 million to the core ARTF and an additional USD 161.5 million paid through the Recurrent Cost Window Ad Hoc Payments Facility.

Donors are encouraged to make unpreferenced contributions to the ARTF, but may preference a maximum of 50 percent of their annual contributions to sectors or individual programs supported through the Investment Window. Preferences must be for ongoing, on-budget programs outlined in the Partnership Framework and Financing Program that have a clear funding gap. The ARTF does not accept geographic preferences.

FIGURE A4.1 ARTF DONOR CONTRIBUTIONS, 2012–2018

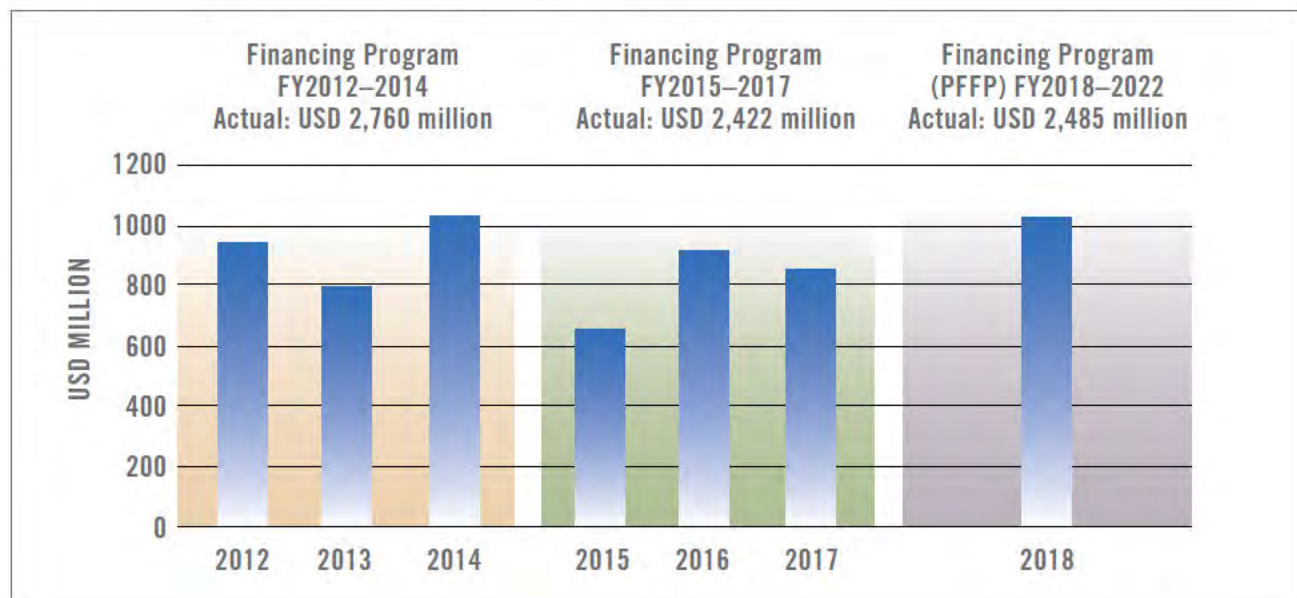


TABLE A4.2: FY 1397 (2018) DONOR CONTRIBUTIONS AND COMPARISON WITH PREVIOUS FINANCING STRATEGY PERIODS

Donor	Financing Program FY 1391–1393			Financing Program FY 1394–1396			PFFP YR I	Grand Total Paid-In Since Inception (through end of FY 1397) in USD million
	FY 1391 (2012)	FY 1392 (2013)	FY 1393 (2014)	FY 1394 (2015)	FY 1395 (2016)	FY 1396 (2017)	FY 1397 (2018)	
Australia	6.03	62.36	74.88	13.29	18.92	35.93	24.06	424.36
Bahrain	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	13.13
Brazil	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	805.30
Czech Republic	0.00	0.00	0.00	0.86	1.64	0.91	0.00	3.41
Denmark	11.38	10.70	6.50	12.70	41.40	22.73	33.98	212.66
EC/EU	34.79	39.55	76.19	12.29	139.42	173.08	141.25	978.32
Estonia	0.00	1.26	0.62	0.54	0.44	0.34	0.00	3.49
Finland	11.10	13.30	12.35	9.98	11.29	13.02	11.64	136.18
France	5.17	5.52	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	906.52
India	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	0.99
Ireland	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	165.43
Japan	138.00	110.00	70.00	60.14	63.65	12.23	2.32	481.35
Korea, Republic of	0.00	10.00	0.00	0.00	0.00	0.00	5.00	21.00
Kuwait	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	10.04
Netherlands	32.48	23.78	24.91	22.23	22.15	23.52	22.72	559.85
New Zealand	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	543.95
Poland	1.26	0.59	0.00	0.61	0.49	0.27	0.26	8.80
Portugal	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	4.00
Saudi Arabia	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	91.50
Sweden	31.49	39.98	32.12	0.00	65.54	41.63	52.07	450.45
Switzerland	0.00	0.00	0.00	3.90	2.54	3.10	4.81	15.02
Turkey	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	2.41
United Kingdom	136.02	130.41	132.86	127.81	149.91	124.16	127.30	1922.99
United States	371.24	218.59	443.47	275.95	261.03	185.40	400.00	3527.68
TOTAL	942.40	781.00	1027.64	651.50	917.82	853.05	1021.10	11376.84

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

In FY 1397, ARTF donors preferred 52 percent (USD 449 million) of their core contributions to IW projects. This sum exceeds the allowable target of 50 percent, but the excess was attributable to legacy preferences expressed in earlier years and not paid in until FY 1397. Table A4.3 details preferences, current and past years, made to initiatives that were active in 2018. The bulk of preferred contributions were directed to the community development initiatives of the Citizens' Charter Afghanistan Project (USD 180 million), health

delivery via the Sehatmandi program (USD 440.29 million), and basic education via the EQRA initiative (USD 554.34 million). One donor preferred financing to the Incentive Program Development Policy Grant (USD 210 million), but this preference is not calculated in the percent of allowable preferencing because the IP-DPG is financed through the Recurrent Cost Window, rather than the Investment Window.



TABLE A4.3: PREFERENCES MADE TOWARD ACTIVE PROJECTS (AS OF END-2018)

Program	Donor	FY 1381–FY 1396 (2002–2017) USD million	FY 1397 (2018) USD million	Total Since Inception (2002–2018) USD million
Citizens' Charter Afghanistan Project	Denmark	0.00	9.34	9.34
	EC/EU	0.00	18.65	18.65
	Finland	3.26	2.91	6.16
	Germany	68.18	34.22	102.40
	Sweden	9.43	0.00	9.43
	United States	0.00	34.31	34.31
Total Citizens' Charter Afghanistan Project		80.87	99.44	180.31
System Enhancement for Health Action in Transition Project (SEHAT)	Canada	26.93	0.00	26.93
	EC/EU	144.12	50.55	194.67
	United States	218.68	0.00	218.68
Total System Enhancement for Health Action in Transition Project (SEHAT)		389.73	50.55	440.29
SEHATMANDI Project	Canada	0.00	24.92	24.92
	United States	0.00	34.60	34.60
Total Afghanistan SEHATMANDI Project		0.00	59.52	59.52
Education–EQUIP	Australia	12.10	0.00	12.10
	Canada	109.81	0.00	109.81
	Denmark	31.30	11.24	42.54
	Estonia	1.13	0.00	1.13
	Finland	8.40	0.00	8.40
	Germany	180.16	0.00	180.16
	Italy	2.60	0.00	2.60
	Spain	2.11	0.00	2.11
	Norway	18.19	0.00	18.19
	Sweden	27.29	0.00	27.29
	Netherlands	4.00	0.00	4.00
	United States	146.00	0.00	146.00
Total Education–EQUIP		543.10	11.24	554.34
Education Quality Reform in Afghanistan (EQRA)	Canada	0.00	26.60	26.60
	Czech Republic	0.23	0.00	0.23
	Estonia	0.17	0.00	0.17
	Finland	0.00	2.91	2.91
	Korea, Republic of	0.00	2.50	2.50
	United States	0.00	21.09	21.09
Total Education Quality Reform in Afghanistan (EQRA)		0.40	53.10	53.50
ARTF Higher Education Development Project	Norway	6.42	2.35	8.77
	United States	22.00	0.00	22.00
Total ARTF Higher Education Development Project		28.42	2.35	20.77
Irrigation Restoration and Development Project	Denmark	1.83	0.00	1.83
	Italy	1.94	0.00	1.94
	Japan	21.15	1.16	22.31
Total Irrigation Restoration and Development Project		24.92	1.16	26.08
National Horticulture and Livestock Project	Czech Republic	0.64	0.00	0.64
	EC/EU	65.38	0.00	65.38
	Japan	45.14	0.00	45.14
Total National Horticulture and Livestock Project		111.16	0.00	111.16
On-Farm Water Management Project (OFWMP)	France	2.59	0.00	2.59
	United States	39.25	0.00	39.25
Total On-Farm Water Management Project (OFWMP)		41.84	0.00	41.84

TABLE A4.3 (continued)

Program	Donor	FY 1381–FY 1396 (2002–2017) USD million	FY 1397 (2018) USD million	Total Since Inception (2002–2018) USD million
Afghanistan Rural Access Project (ARAP)	Japan	15.00	0.00	15.00
Total Afghanistan Rural Access Project (ARAP)		15.00	0.00	15.00
Public-Private Partnerships and Public Investment Advisory	Australia	15.17	0.00	15.17
Total Public-Private Partnerships and Public Investment Advisory		15.17	0.00	15.17
Fiscal Performance Improvement Support Project	EC/EU	0.00	3.51	3.51
Total Fiscal Performance Improvement Support Project		0.00	3.51	3.51
Incentive Program Development Policy Grant 2018	United States	0.00	210.00	210.00
Total Incentive Program Development Policy Grant		0.00	210.00	210.00
AHP (Ad Hoc Payments)	Australia	18.32	0.00	18.32
	Canada	8.11	0.00	8.11
	EC/EU	92.60	61.46	154.06
	Italy	1.19	0.00	1.19
	United Kingdom	66.43	0.00	66.43
	Norway	4.94	0.00	4.94
	United States	419.91	100.00	519.91
Total AHP (Ad Hoc Payments)		611.51	161.46	772.97

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. Sixteen 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, 2018, the ARTF has received a total of USD 11.37 billion from 34 donors.

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