“Rural communities across Afghanistan benefit from better access to basic services through all-weather roads under the Afghanistan Rural Access Project.”
The central bank of Afghanistan, Da Afghanistan Bank, recently launched a National Financial Inclusion Strategy that will ensure access to finance for households and enterprises in key areas, particularly in agriculture and livestock, to boost productivity, create jobs, and contribute to the broader economy. World Bank Afghanistan closely worked with Da Afghanistan Bank in the past 18 months undertaking a thorough review of financial institutions, which helped prepare the strategy. The review found that the agriculture and livestock sector employs 44 percent of the national workforce and accounts for a quarter of national gross domestic product. But it has remained one of the most overlooked sectors in accessing finance, representing only four percent of total bank lending in the country. Microfinance institutions provide the majority of agriculture loans while formal banks cater to only a tiny portion. Most financial institutions including banks have little knowledge of the agriculture sector and insufficient capacity to design products that can appeal to agribusinesses, according to the review. Micro, small, and medium enterprises, most of which operate in agriculture, represent a huge opportunity for growth as they need more than $4.7 billion in credit. The new strategy addresses many of these issues. It will help increase access to finance in critical areas of the economy and promote formal financial services for households and the private sector, including digital payments and services. The strategy also includes regulatory and policy reforms that will enable agribusinesses to secure affordable financing on suitable terms. Offering the right financial products to micro, small, and medium enterprises in rural Afghanistan will enable them to create jobs for rural people and ensure sustainable supply of agricultural products.
World Bank projects and programs

Since April 2002, the World Bank’s Interna-
tional Development Association (IDA) has
committed over $4.48 billion for develop-
ment and emergency reconstruction pro-
jects, and six budget support operations in
Afghanistan. This support comprises over
$4.14 billion in grants and $436.4 million in non-interest loans known as “credits”. The
Bank has 10 active IDA-only projects ($908
million) and 14 projects jointly funded with
the Afghanistan Reconstruction Trust Fund,
with net commitment value of over $2.3 bil-
lion from IDA.

Since the adoption of the Afghanistan Na-
tional Peace and Development Framework
(ANPDF), the World Bank's engagement has
become increasingly programmatic. Under-
pinned by advisory work, both policy and
investment lending focus on the main enga-
gement clusters: macro-fiscal management
and institution building, stimulating private
investments and growth to create jobs, go-
to private sector, and institution building,
stimulating private sector investment and
promote private sec-
tor growth.

IFC’s current cumulative committed invest-
ment portfolio stands at over $238 million and
its advisory services portfolio stands
currently at $31.5 million. IFC’s investment
portfolio includes investments in the tele-
communication sector, agribusiness, and
financial markets. The investment pipeline
looks promising and includes investments in
the power and education sectors.

For more information about completed projects:

International Finance Corporation

The International Finance Corporation (IFC),
the World Bank Group’s private sector arm,
is supporting economic development in
Afghanistan by providing a broad suite of
investment services to the private sector, par-
ticularly in the infrastructure, finance, agribu-
siness, and services sectors.

The investment program is supported by
advisory services, including access to finance,
corporate governance enhancement, sup-
ply chain development, food safety manage-
ment, financial system management, environ-
mental and social management, strengthening
horticulture export, access to
to renewable energy and investment climate
reforms, for both public and private sectors,
to strengthen the environment for private
sector investment and promote private sec-
tor growth.

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ment portfolio stands at over $238 million and
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currently at $31.5 million. IFC’s investment
portfolio includes investments in the tele-
communication sector, agribusiness, and
financial markets. The investment pipeline
looks promising and includes investments in
the power and education sectors.

For more information about completed projects:

Multilateral Investment Guarantee Agency

The Multilateral Investment Guarantee Agen-
cy (MIGA) has $316.5 million of gross expo-
sure for two projects in dairy and cashmere
production.

Among MIGA’s global priorities for FY
2018–2021 are support for foreign direct
investment with high developmental impact
in IDA countries and fragile and conflict affec-
ted situations. Afghanistan is a key country
for MIGA to deliver on these objectives.

COUNTRY PARTNERSHIP FRAMEWORK,
2017–2020

The World Bank Group’s current
engagement with Afghanistan
over 2017–2020 is determined
by the Country Partnership Fra-
amework strategy, which is closely
aligned with the government’s
Afghanistan National Peace and
Development Framework.

The World Bank Group strategy
aims to help Afghanistan:

• Build strong and accountable
institutions to support the gov-
ernment's state-building ob-
jectives and enable the state to
fulfil its core mandate to deli-
ver basic services to its citizens,
and create an enabling environ-
ment for the private sector;

• Support inclusive growth, with a
focus on lagging areas and ur-
ban informal settlements; and

• Deepen social inclusion through
improved human development
outcomes and reduced vulnera-
ility amongst the most under-
privileged sections of society,
including the large numbers of
internally displaced persons and
returnees.

In 2013, MIGA launched its “Conflict Affec-
ted and Fragile Economies Facility” that uses
donor partner contributions and guarantees
as well as MIGA guarantees to provide an ini-
tial loss layer to insure investment projects in
difficult contexts. This facility could be used to
boost the agencies’ exposure in Afghanistan.

Afghanistan Reconstruction Trust Fund

The Afghanistan Reconstruction Trust Fund
(ARTF) is a partnership between the interna-
tional community and the Government of the
Islamic Republic of Afghanistan (GoIRA) to
improve effectiveness of the reconstruction
effort. As of May 21, 2019, 34 donors have
contributed over $11.4 billion, making the
ARTF the largest contributor to the Afghan
budget—for both operating costs and deve-
lopment programs.

The ARTF’s support for National Priority
Programs (NPPs), operating costs of govern-
ment operations, and the policy reform
agenda is contributing to the achievement
of the ANPDF goals. More than $5 billion has
been disbursed to the government to help
cover recurrent costs, such as civil servants’
salaries, and over $5.5 billion had been made
available, both for closed and active invest-
ment projects. As of August 20, 2019, there are
eight active ARTF-only ($644 million) pro-
jects, while 34 projects are financed jointly
with IDA ($1.99 billion), with net commit-
ment value of $2.6 billion.

For more information: see page XX

Japan Social Development Fund

The Japan Social Development Fund (JSDF)
was established by the Government of Japan
in 2000 as a means of supporting activities
that directly respond to the needs of poor
and vulnerable groups, enhance their capaci-
ties, and strengthen their empowerment and
participation in the development process.
The fund is administered by the World Bank.
The Government of Japan and the World
Bank agreed to set up a special window with
in JSDF to support activities in Afghanistan
under a multi-year program of assistance for
the country’s reconstruction and transition to-
ward political, economic, and social stability.

As of January 2019, JSDF’s total commit-
ment had reached $85 million. A number of
JSDF-financed projects have been completed.

For more information: http://go.worldbank.org/0i0DZYFzoc

For more information about the International Finance Corporation:
www.ifc.org

For more information about the Multilateral Investment Guarantee Agency:
www.miga.org

For more information about the World Bank Group’s support in Afghanistan:
www.worldbank.org/af
The project supports the Government of Afghanistan in its strategy to build market-relevant vocational and technical skills for economic growth and development. Building on the former Afghanistan Skills Development Project, this program will continue to strengthen the Technical Vocational Education and Training (TVET) institutional system, improve performance of TVET schools and institutes, and improve teacher competencies. In July 2017, the project was restructured to reemphasize its focus on the development objective of improving TVET teacher competencies and curriculum in selected priority trades. The purpose of restructuring was to support implementation of the significant new skills development reforms that the government has launched. The reforms include: (i) realignment of the TVET sector with labor market needs in eight priority trades, including areas with potential to improve women’s labor force participation; (ii) assessment of the qualification of all TVET teachers; (iii) training abroad offered to the best qualified; (iv) mobilizing four lead institutes to support teacher assessments/training in the eight priority trades; (v) upgrading and standardizing competency-based curriculum across the priority trades; and (vi) implementing a teacher policy framework to guide reforms in teacher recruitment, management, and training.

To streamline institutional capacity to deliver on the human capital development agenda, GoIRA has established a standalone TVET Authority (TVETA) based on Presidential Decree No. 11, dated April 21, 2018. The mandate for vocational education has been transferred from the Ministry of Education and Deputy Minister for TVET to the TVETA, which has been tasked to oversee the coordination and implementation of TVET policy.

In 2018, the government will benefit a second round of restructuring mainly to respond to the government’s strategic priorities, and revision of the institutional arrangements in the TVET sector and of some of the disbursement and capacity-building frameworks. Upon request of the TVETA, the World Bank has initiated an institutional and capacity assessment of the Authority to improve efficiency and capacity in service delivery. An action plan with concrete steps for improving TVETA’s implementation capacity is being developed.

**AFGHANISTAN SECOND SKILLS DEVELOPMENT PROJECT (ASPD II)**

The project also works on the concept of a select number of lead institutes located in Herat, Kabul, and Nangarhar for targeted support and capacity building to serve as hubs for teacher training and curriculum development. The project also supports an in-service Technical Teacher Training Institute.

The curricula for the three priority trades of information and communications technology (ICT), accounting, and business administration have been redeveloped. The work on the revision and redevelopment of the curricula for construction, auto-repair, and agriculture is ongoing.

ASPD II is financing an academic partnership contract with Pune University in India, where 20 faculty members from the National Institute of Management and Administration and other TVET institutes are enrolled to pursue master’s degrees in ICT, commerce, and business administration.

About 380 teachers are expected to enroll by the end of 2019 for one-year teacher training programs in priority trades at Reva University (26 teachers) and Sam Higginbottom University of Agriculture, Technology and Sciences (54 teachers) in India.

In addition, over 522 TVET graduates have been supported with scholarships through a voucher program, which facilitates further professional studies for mentorious students who have graduated from TVET institutes.

**EQRA**

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In addition, over 522 TVET graduates have been supported with scholarships through a voucher program, which facilitates further professional studies for mentorious students who have graduated from TVET institutes.
Constraints that limit school participation in Afghanistan, such as deteriorating security, cultural norms that undervalue education, opportunity costs to attending school, lack of gender-segregated latrines, and lack of female teachers, will be addressed through key interventions. These include (i) improving school infrastructure, which will be implemented by the Ministry of Rural Rehabilitation and Development; (ii) providing school grants, and (iii) establishing community-based education classes.

To improve learning conditions, the project will support textbook development based on a new curriculum, dissemination of learning materials, and improvements in teaching quality through coaching and subject-specific training.

EQRA also seeks to enhance transparency and management capacity of the Ministry of Education and in the provinces through strengthening its Education Management Information System and data collection procedures, improving teacher recruitment and human resource management, and implementing budget planning and norm-based operations and maintenance budget allocation formulae.

Components that limit school participation in Afghanistan, such as deteriorating security, cultural norms that undervalue education, opportunity costs to attending school, lack of gender-segregated latrines, and lack of female teachers, will be addressed through key interventions. These include:

1. **Improving access to financial services for micro and small enterprises.** This component aims to provide continuing support to the microfinance sector through the Microfinance Investment Support Facility for Afghanistan (MISFA), as well as, supporting MISFA to take on a broader role as a catalyst for innovations to increase access and usage of financial services from the lower end of the market according to its new strategic plan. It should, however, be underlined that the role of MISFA is primarily that of market facilitator, rather than direct technical assistance provider.

Under component 1, MISFA has initiated a series of activities, including expanding the Targeting the Ultra Poor (TUP) program in six provinces (Balkh, Kabul, Kandahar, Kunar, Laghman, and Takhar), where it has been successful in targeting and initiating meaningful improvements in the well-being of ultra-poor beneficiaries.

An impact evaluation of the program, carried out jointly with the Development Impact Evaluation, has been completed in Balkh province, tracking households from before the interventions started to one year after the program ended. The baseline survey showed that the TUP selection process was effective in identifying households that were poorer than the average resident in target areas, and arguably more in need of support to help shift them closer to sustainable livelihoods.

The results of the impact evaluation published in June 2019 show that the TUP program in Balkh led to a significant reduction in the incidence of extreme poverty, increased consumption, and improved food security among the beneficiaries, over 90 percent of whom are women.

A fifth of participating households in Balkh moved above the national poverty line (roughly equivalent to $1 per person per day). Their spending was up by a third. Psychological well-being, the number of hours spent working, financial inclusion, and the empowerment of women all rose too.

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**Strengthening Women’s Economic Empowerment Project (SWEEP)**

**JSDF Grant $2.7 Million**

SWEEP is a three-year pilot project implemented by the Aga Khan Foundation-Afghanistan in close coordination with the Ministry of Labor and Social Affairs. SWEEP was requested by the government to develop tools and methods and provide a platform to share experiences to inform the Women’s Economic Empowerment National Priority Program (see page 54).

The main beneficiaries will be poor women in select rural and peri-urban areas. SWEEP will support the development and capacity building of clusters (self-help groups comprising community-based savings groups), and provide them with training, business development services, and access to finance.

A baseline survey was completed in October 2018, followed by implementation of the project in November 2018. Since December 2018, a total of 45 clusters have been formed in four provinces, 290 monthly cluster meetings have been held, and sub-committees formed. Cluster members are being trained and expected to receive revolving loan funds in the next quarter.

**Access to Finance Project**

**IDA Grant $50 Million**

The Access to Finance Project aims to build institutional capacity to improve access to credit of micro, small, and medium enterprises. The project has the following components:

1. **Targeting the Ultra Poor (TUP) program in six provinces (Balkh, Kabul, Kandahar, Kunar, Laghman, and Takhar), where it has been successful in targeting and initiating meaningful improvements in the well-being of ultra-poor beneficiaries.**

An impact evaluation of the program, carried out jointly with the Development Impact Evaluation, has been completed in Balkh province, tracking households from before the interventions started to one year after the program ended. The baseline survey showed that the TUP selection process was effective in identifying households that—across a range of dimensions—were worse off than the average resident in target areas, and arguably more in need of support to help shift them closer to sustainable livelihoods.

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**FINANCIAL SECTOR**
Specifically, the project aims to allow DAB transactions. For efficient and transparent payment transactions and implement a modern payment system (DAB), the central bank, to develop a set of rules. IDA Grant $45.7 million (FSRRP) Response Project Sector Rapid Afghanistan Financial The revised project closing date is June 30, 2021. Implementation of component 2 started in June 2017, after an implementation partnership agreement was signed between the Ministry of Finance and the Afghanistan Credit Guarantee Foundation. As of end-June 2019, the outstanding guaranteed SME loan portfolio of three partner financial institutions is $21.8 million, down from $25.7 million in the previous quarter. This is explained by the current operating environment, which affects the investment decisions of and ensuing demand for loans by SMEs, as well as the risk appetite of financial institutions. Afghanistan Financial Sector Rapid Response Project (FSRRP) –IDA Grant $45.7 MILLION The project assists the Da Afghanistan Bank (DAB), the central bank, to develop a set of action plans to improve banking supervision and implement a modern payment system for efficient and transparent payment transactions. Specifically, the project aims to allow DAB to accurately assess the financial situation of 15 commercial banks through audits conducted in accordance with international standards. The audits will lead to the development of action plans to address weaknesses that are identified, with oversight from DAB. The audits of the 10 commercial banks were completed in June 2012. The project also aims to modernize the national payment system with the goal of reducing the use of cash transactions, the main means of making payments in Afghanistan, and transitioning to electronic, card, or mobile payments. The project also provides further support to the Afghanistan Institute of Banking and Finance (AIBF) to allow it to scale up its activities, in order to increase the availability of banking sector skills. AIBF has trained over 7,800 professionals from commercial banks for bachelor and master’s programs in Kabul for eligible staff. Some 700 DAB employees have been given the opportunity to pursue a degree or professional certification, with 220 of whom having completed or enrolled in a bachelor or master’s program. A DAB delegation also visited Bangladesh Bank, the central bank of Bangladesh, in February 2018 to exchange experiences in implementing core banking system upgrades. Establishment of the national card and mobile payment switch was finalized under the Afghanistan Payment System (APS) and officially inaugurated by the DAB governor on April 26, 2016. The contract to develop the Automated Transfer System (ATS) was awarded in April 2016. ATS will modernize the national payment system for efficient and transparent payment transactions. With the closing of the FSRRP on October 31, 2019, remaining activities to strengthen the payment infrastructure will be carried out by DAB under a new lending operation pending approval in 2020.

Results of an impact evaluation of the Targeting the Ultra Poor program in Balkh province showed that the program significantly reduced the incidence of extreme poverty, increased consumption, and improved food security among the beneficiaries, over 90 percent of whom are women.
This is the second of three planned operations aligned with the government’s current three-year program of policy reforms. Supported reforms are organized under two pillars: (i) strengthening the policy framework to support state effectiveness, private investment, and social inclusion; and (ii) improving the policy and institutional framework for public financial management.

Reforms under the first pillar support development of e-payments and mobile money, civil service reforms, access to finance, power sector reform, land titling, and water productivity. Reforms under the second pillar support an improved public investment management system, tax administration, and accountability of public finances.

The operation will provide up to $400 million of recurrent cost support to the Government of Afghanistan to support vital services, mobilized against a series of high-priority policy operations in the Ministry of Finance, to develop a pipeline of feasible privately and publicly funded projects.

The project, implemented in July 2018, is organized around three complementary investment components:
- Strengthening institutional and technical capacity of relevant institutions and supporting the development of a Public Investment Management–Public-Private Partnership framework,
- Supporting the establishment and operation of an Investment Project Preparation Facility, including the development of its governance structure, institutional roles and responsibilities, and
- Project management.

### Afghanistan Incentive Program Development Policy Grant (IP-DPG)
- IDA Grant $100 million
- ARTF Grant $100 million

The IP-DPG operation supports continued progress on key reforms under the Afghanistan National Peace and Development Framework. The operation will provide up to $400 million of recurrent cost support to the Government of Afghanistan to support vital services, mobilized against a series of high-priority policy and institutional reforms.

The project is the second of three planned operations aligned with the government’s current three-year program of policy reforms. Supported reforms are organized under two pillars: (i) strengthening the policy framework to support state effectiveness, private investment, and social inclusion; and (ii) improving the policy and institutional framework for public financial management.

Reforms under the first pillar support development of e-payments and mobile money, civil service reforms, access to finance, power sector reform, land titling, and water productivity. Reforms under the second pillar support an improved public investment management system, tax administration, and accountability of public finances.

### Fiscal Performance Improvement Support Project (FSP)
- IDA Grant $25 million
- ARTF Grant $75 million
- Government of Afghanistan $100 million

FSP is designed to improve management of public finances in Afghanistan by strengthening the capacity of the Ministry of Finance (MoF), National Procurement Authority, and Supreme Audit Office. It supports the implementation of the Afghanistan Fiscal Performance Improvement Plan (FPIP), through recipient-executed investment financing.

The project aims to improve domestic revenue mobilization and public expenditure management, and to reinforce a performance-oriented management culture in MoF. FSP, which came into effect in January 2018, provides strategic support at a critical moment in Afghanistan’s development.

### The operation will provide up to $400 million of recurrent cost support to the Government of Afghanistan to support vital services, mobilized against a series of high-priority policy operations in the Ministry of Finance, to develop a pipeline of feasible privately and publicly funded projects.

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- Strengthening institutional and technical capacity of relevant institutions and supporting the development of a Public Investment Management–Public-Private Partnership framework,
- Supporting the establishment and operation of an Investment Project Preparation Facility, including the development of its governance structure, institutional roles and responsibilities, and
- Project management.

### Afghanistan: Public-Private Partnerships and Public Investment Advisory Project (PPIAP)
- IDA Grant $20 million
- ARTF Grant $30 million

PPIAP will work with the government and, in particular, the central Partnerships Authority in the Ministry of Finance, to develop a pipeline of feasible privately and publicly funded projects.

Under UNCTAD’s contract for ASYCUDA implementation, a disaster recovery center will be operationalized in Valencia, Spain, by the end of 2018. A command-and-control
Procurement Reform: The National Procurement Authority has advanced its piloting of Electronic Government Procurement (e-GP) and open procurement to improve transparency and accountability in procurement processes. Progress has been gradual over the last year, with four out of the 18 planned modules developed and the remaining modules currently being developed through contracted system developers and information technology (IT) infrastructure. E-Tending, the key e-GP module, is under development and expected to be launched by mid-2020.

Institutional Capacity and Performance Management: FSP has been helping develop MoF as an institution by building staff capability and putting systems in place. However, resources remain overstretched and under-capacitated, but nonetheless provide the operational anchorage for FPIP implementation actions start.

The office of the Deputy Minister (DM) for Administration in MoF has made concerted efforts to improve management and sustain transparency and accountability in procurement processes. The DM Administration identified 52 business processes that require simplification, of which one administration-related, five procurement-related, and two finance-related processes have been simplified to date.

The project aims to strengthen corporate governance and enhance operational efficiency of state-owned banks. The project, implemented by the Ministry of Finance, will contribute to the modernization, transparency, and efficiency of the three Afghan state-owned banks: New Kabul Bank, Bank Millie Afghan, and Pashmehr Bank. It will modernize their IT infrastructure and develop sustainable business models to support inclusive growth.

The project, effective April 2018, is achieving significant progress in addressing reforms in the corporate governance framework of the state-owned banks. With project support, MoF has developed an ownership policy, established an ownership unit, and defined the terms of reference of the supervisory boards by means of a presidential decree that was issued in December 2018. The World Bank is working closely with MoF and the state banks to prioritize corporate governance reforms and critical IT upgrades to boost operational efficiency of the state banks.

The project comprises four components: (i) supporting a biometric identification system for civil servants and pensioners, making digital government-to-person payments more efficient and transparent; (ii) promoting electronic and cashless payments; (iii) expanding financial services and access points for digital cash out and cashless payments; and (iv) project management.

The project was approved by the World Bank Board on April 25, 2019, and expected to be effective by end-October.
Afghanistan also has one of the highest levels of child malnutrition in the world. About 36.6 percent of children under five suffer from chronic malnutrition, and both women and children suffer from high levels of vitamin and mineral deficiencies.

The project aims to increase the utilization and quality of health, nutrition, and family planning services across Afghanistan. The project comprises three components:

**Component 1:** To improve service delivery, this component will finance performance-based contracts to deliver the Basic Package of Health Services and Essential Package of Hospital Services across the country.

**Component 2:** To strengthen the health system and its performance, this component will support a systematic organized approach to establish a performance management culture in the Ministry of Public Health (MoPH) and among stakeholders.

**Component 3:** To strengthen demand and community accountability for key health services, the third component will finance a range of activities, including communication campaigns aimed at raising overall awareness of health rights as well as specific health behaviors to support MoPH and service providers to be more responsive to community health needs.

The Afghan health system has made considerable progress during the past decade thanks to strong government leadership, sound public health policies, innovative service delivery, careful program monitoring and evaluation, and development assistance. Data from household surveys (between 2003 and 2018) show significant declines in maternal and child mortality. Despite significant improvements in the coverage and quality of health services, as well as a drop in maternal, infant, and under-five mortality, Afghanistan health indicators are still worse than the average for low-income countries, indicating a need to further decrease barriers for women in accessing services.
Afghanistan Digital CASA 1 Project

- IDA Grant $51 million

The project, which came into effect in March 2018, aims to increase access to affordable internet, attract private investors to the sector, and improve the government’s capacity to deliver digital government services by supporting a regionally integrated digital infrastructure and creating an enabling environment. The Ministry of Communications and Information Technology is the implementing agency.

Afghanistan Strategic Grain Reserve Project

- IDA Grant $20.3 million
- JSDF Grant $9.7 million

The project will enable the Ministry of Agriculture, Irrigation and Livestock to establish a strategic wheat reserve to be available to Afghan households to meet their needs following any unforeseen emergency situation that affects access to wheat for their consumption, and to improve the efficiency of grain storage management.

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

- IDA Grant/Credit $26.5 million, including $76.5 million IDA grant to Afghanistan

CASA-1000, covering Afghanistan, Kyrgyz Republic, Pakistan, and Tajikistan, will put in place the commercial and institutional arrangements as well as the infrastructure required for 3,380 megawatts (MW) of sustainable electricity trade. The total project cost is estimated at $11.7 billion, to which the World Bank has contributed $526.5 million in loans and grants to the four countries. Several other development partners are also providing financing for CASA-1000, including the Islamic Development Bank, European Bank for Reconstruction and Development, United States Government, United Kingdom Department for International Development, and United States Agency for International Development.

CASA-1000 will build more than 1,200 kilometers (km) of electricity transmission lines to transmit excess summer hydropower energy from existing power plants (such as the Toktogul power plant in Kyrgyz Republic and Nurek power plant in Tajikistan) to Pakistan and Afghanistan. CASA-1000 will build more than 1,200 kilometers of high voltage alternating current (HVAC) transmission lines and associated substations.

Afghanistan is expected to receive 300 MW of electricity import from Tajikistan and Kyrgyz Republic through the existing 220 kV AC lines from Sangtuda substation, and Tajikistan to Chintala substation in Kabul via Pul-e-Khumri. Da Afghanistan Breshna Sherkat (DABS), Afghanistan’s electricity company under the Ministry of Energy and Water, is the implementing agency for the Afghanistan portion of this project, which includes a Security Management Plan for both the construction and operation phase.

CASA-1000 came into effect in January 2018. Three contracts for the HVAC transmission line in Afghanistan were signed in December 2017. Survey and design works are in advance stage. According to the contract’s schedule, construction of the line is expected to commence soon.

The Grain Reserve Managing Charter has been developed and included in the Ministry of Justice’s legislative plan. The first draft of three operational guidelines has been completed. The project is benefiting from technical assistance from the UN World Food Programme, especially on the construction of physical infrastructure.

The project supports the establishment of a governmental semi-autonomous corporation to be in charge of managing the grain reserve of the country and coordinate its activities with other governmental agencies and donors.

For the storage of grains, the project will upgrade two existing storage facilities, build four new large facilities, as well as build national capacity in human resources to operate these facilities according to international standards. It is estimated that by the end of this five-year project, the overall storage capacity for wheat will reach 200,000 metric tons, sufficient for the consumption of 2.5 million Afghan families for six months.

Progress is underway on the Herat Electrification Project, which will provide electricity to over 250,000 people and 1,600 institutions and businesses in selected areas in Herat province.

Afghanistan has received $316.5 million in the form of an IDA grant. The grant will support construction of about 560 km of an overhead HVAC transmission line from Sangtuda converter station in Tajikistan to Nowshera converter station in Pakistan. In addition, Afghanistan has received a $40 million grant from the ARTF for the CASA Community Support Program (see page 44).
to begin from the third quarter of 2019.

The contracts for preparation of the coun-
ytry-specific Environmental and Social Impact
Assessment, and the Resettlement Action
Plan for the HVDC transmission line are un-
der implementation. A contract for a Project
Owner’s Engineer for the HVDC components
was awarded in November 2018.

Procurement for the majority of key in-
frastucture packages under CASA-1000
in the other three countries has also been
completed, including the procurement for
the two converter stations in Tajikistan and
Pakistan for which the contracts were signed
in September 2018.

Irrigation Restoration
and Development
Project (IRDP)

Projects have been awarded for the con-
struction of the 110 kV transmission line to
Karokh district and Chesht-e-Sharif, Karokh,
Obe, and Pahstun Zarghoon 110/20 kV sub-
stations, and medium and low voltage dis-
tribution networks in four districts of Herat
province; (i) extension, intensification, and
upgrading the existing grid to provide access
to new or improved electricity service to other-
parts of Herat province; and (ii) piloting con-
struction of solar mini-grids and solar-hybrid
mini-grids in villages that are unlikely to ob-
tain grid electricity in less than five years.

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ALL-WEATHER ROAD PUTS district on path to development in Kabul province

- For years, villagers in a rural district in Kabul province lived with bad dirt roads that impeded their access to essential facilities only 6 km away.
- After a district main road was asphalted under the Afghanistan Rural Access Project, villagers enjoy better access to schools, health care, and markets and look forward to more development in their villages.
- Over 150,000 people in Kabul province have benefited from the project, which has increased the number of people accessing essential services more frequently.

In his self-modified motorcycle mini-truck that serves as a local taxi, Zarkarim, 26, waits patiently alongside the road outside Sonobar village for his next customer.

His motorcycle mini-truck was an important means of transport for villagers in Mirbachakot district when most other vehicles refused to take passengers down the unpaved rural roads. “My motorcycle mini-truck was getting damaged and slowly destroyed by the rough road conditions over time,” recalls Zarkarim, who has spent four years as a driver, traversing the roads in and around the district.

In recent years, however, Zarkarim has been happy to carry passengers and goods in his motorcycle mini-truck. A district main road was asphalted between 2015 and 2016 by the Afghanistan Rural Access Project (ARAP), connecting 12 villages. Since then, “I and the other drivers are so happy because we can make our trips on a paved road,” Zarkarim says. “I also make more money because I can make four or five trips a day carrying goods when before I could only make one trip because I had to drive so slowly and carefully over the dirt road, often having to repair damage along the way.”

The 3.1-km main road connects more than 8,700 households in Mirbachakot district to basic and essential facilities in the district center, about 6 km away, as well as to roads leading to other villages and the capital, Kabul.

Contribute to Development
Ahmad Hamed Serat, 36, ARAP project manager for Kabul province, says that ARAP is having an impact on the district’s development. “Paved roads facilitate development of the communities—easy access to school, hospitals, and other villages and cities are all necessary for Mirbachakot to grow and improve,” he says. “Our people need help to improve their circumstances, and having traversable roads is one of the first steps to help them.”

ARAP is implemented by the Ministry of Public Works and Ministry of Rural Rehabilitation and Development and coordinated by the Ministry of Finance. To date, 19 ARAP projects have been completed in Kabul province, benefiting over 150,000 residents. An additional six projects are underway, which will benefit close to 40,000 people when completed.

The upgrade to an all-weather road has meant that villagers enjoy safe and reliable transportation, which has boosted social inclusion among Mirbachakot district residents. “If there was a ceremony, like a wedding, we could not attend before,” says farmer Haji Nizamuddin, 65, from Siawe Charmgar village. “Since the road was paved, our transport problems have been solved. The cars can now come to our door and take us to our destination. We can go anywhere.”

“Since the road was paved, our transport problems have been solved. The cars can now come to our door and take us to our destination. We can go anywhere.”

–Haji Nizamuddin, farmer, Siawe Charmgar village, Mirbachakot district, Kabul Province
Programme (NSP), which introduced the highly successful National Solidarity Program (Rural Afgha

The Citizens’ Charter is the successor to the Afghan government’s two previous initiatives: the Afghanistan Rural Access Project (ARAP) and the Afghan Reconstruction Trust Fund (ARTF). The Citizens’ Charter is a long-term, community-driven development approach towards rural infrastructure and service delivery. It is expected to increase the number of people living within 2 kilometers (km) of all-season roads, reduce travel time to essential services, and enable rural communities to access essential services more frequently.

As of July 31, 2019, construction of 670 km of secondary gravel roads, 265 km of secondary asphalt roads, and 1,500 km of tertiary roads has been completed. In addition, 1,480 linear meters of secondary bridges and 1,980 linear meters of tertiary bridges have been built. Routine and periodic maintenance of 600 km of secondary roads has been undertaken as well as routine and periodic maintenance of 3,500 km of tertiary roads. Rollout of the first nationwide inventory and condition survey of rural roads has been completed and over 90 percent of inventory for secondary roads and above have been completed for 32 out of 14 provinces.

Citizens’ Charter Afghanistan Project (Citizens’ Charter)

- **IDA Grant $227.7 million**
- **ARTF Grant $444.3 million**
- **Government of Afghanistan $128 million**

The Citizens’ Charter is the successor to the highly successful National Solidarity Programme (NSP), which introduced a community-driven development approach toward rural infrastructure and service delivery and reached about 35,000 communities over 14 years.

The project will support the first phase of the Government of Afghanistan’s 10-year Citizens’ Charter National Program and will target one third of the country. The first phase of the program is expected to be implemented over a period of four years, ending by 2020.

The Citizens’ Charter aims to improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils (CDCs). These services are part of a minimum service standards package that the government is committed to delivering to the citizens of Afghanistan.

The project has been set up as an inter-ministerial program for the delivery of a package of basic services and is structured around four components:

**Component 1:** Service Standards Grants.

This component supports two types of grants to CDCs:

1. **(1a) Rural Areas Service Standards Grants.**

The Ministry of Rural Rehabilitation and Development (MRRD) has overall responsibility for the implementation of the grants. This subcomponent supports delivery of minimum service standards on rural infrastructure. Allocations per community will be needs-based and based on an initial gap and needs assessment against the minimum service standards. The investments include water supply and a choice between basic road access, electricity, or small-scale irrigation.

2. **(1b) Urban Areas Block Grants.**

The Independent Directorate of Local Governance (IDLG)—the project’s urban implementing agency—has overall responsibility for the grants to 600 urban CDCs and 120 Guzars (neighborhoods) in four major cities (Herat, Jalalabad, Kandahar, and Mazar-i-Sharif) to fund small infrastructure works. The menu of options includes street upgrading, parks, lighting, provision of potable water, solid waste management arrangements, and women’s economic activities. This subcomponent supports service delivery linkages between the CDC, cluster/Guzar, urban district, and municipality.

**Component 2:** Institution Building.

This component supports capacity building, technical assistance, and community facilitation services. In rural areas, MRRD works with 14 facilitating partners (FPs) in undertaking capacity building and training of provincial and district staff to oversee, monitor, and report on project progress, as well as Social Organizers. The Ministry provides engineering and technical support to communities across all 14 provinces.

In urban areas, IDLG works with UN Habitat, which serves as an Oversight Consultant, as well as four FPs on capacity building and training of municipality staff to supervise, monitor, and report on project progress.

**Expected Citizens’ Charter Results**

Results expected under the first phase include:

- 10 million Afghans reached.
- 3.4 million people gaining access to clean drinking water.
- Improvements in quality of service delivery in health, education, rural roads, and electrification.
- Increase in citizen satisfaction and trust in government.
- 35 percent return on investment for infrastructure projects.
Component 3: Monitoring and Knowledge Learning. This component includes robust supervision and learning activities from village to national levels, exchange visits across communities, especially for women, and support for thematic studies and evaluations. It covers a range of participatory monitoring and evaluation tools, including the rollout of simple citizens’ scorecards to be completed by CDCs and Social Organizers to report on the minimum service standards.

Component 4 (new under Additional Financing) Project Implementation and Management. This component supports the management and oversight of the project at national, provincial, and district level in rural areas and the municipal management units in the four regional hub cities. This includes areas such as policy and operational planning, capacity building, management information systems, grievance redress mechanisms, human resource management, communications, donor and field coordination, financial management and procurement functions, and safeguards oversight.

Component 5 (new under Additional Financing) Social Inclusion and Maintenance and Construction Cash Grants (MCCGs). This component will provide emergency short-term employment opportunities through labor-intensive public works, as well as support for collective action activities beyond public works that are aimed to foster greater social inclusion and protect the ultra-poor/vulnerable in communities.

There are two subcomponents:
(i) Social Inclusion Grants and Collective Action Activities will take the form of a “matching grant” up to a total value of $2,000 per community that will be used to provide incentives for community philanthropy. The combination of the matching grant and community donations will be used in the first instance to initiate a food/grain bank for the ultra-poor in each of the targeted communities. It is expected that this will be replenished periodically with additional community donations.
(ii) MCCGs are to serve as quick-disbursing emergency grants for work/labor-intensive public works schemes that are targeted at vulnerable households within the communities and managed through a community-driven development approach. The cash for works will include repairs, rehabilitation, cleaning, expansion, or construction. Cash for services will target ultra-vulnerable households that cannot participate in public works.

The Kuchies Development Sub-Program (KDSP) is an additional sub-program to the Citizens’ Charter. The sub-program was officially launched in April 2019 and aims to reach semi-nomadic and fully nomadic Kuchies communities in Afghanistan. It adheres equally to the principles of equity, inclusion, participation, accountability, and transparency. KDSP is expected to comply with the guidelines described in the Citizens’ Charter.

KDSP will support the provision of development services to the Kuchies communities in the areas of health, education, road construction, safe drinking water, electricity, and drainage system. Additionally, the sectoral menu for KDSP will include specific services tailored to the unique development needs of the nomadic communities, which include electricity through solar or biogas systems and modernization of water reservoirs.

Implementation progress to date includes:
In rural areas: Over 11,600 community profiles (CPs) completed; nearly 11,500 new CDCs elected; over 11,200 Community Development Plans (CDPs) completed; and more than 10,900 sub-project proposals prepared.
In urban areas: Implementation has been rolled out in over 840 communities. A total of 836 CPs completed; 836 CDCs elected; 813 CDPs completed; and 814 sub-project proposals approved.

Overall, 92 percent of CDC membership in communities previously covered by the NSP comprise new members (i.e., those who had never previously served on CDCs) and almost half (49 percent overall and 50 percent office bearers) are women. This is evidence that the new election system and norms on CDC governance are having a strong impact.
COMMUNITY GRAIN BANK STAVES OFF hunger in food insecure households

- Food insecure households in a district in Kabul Province have found relief in community grain banks, which are being set up across the country.
- About 60 percent of the district’s population have benefited from the grain banks, philanthropic community food reserves, which have been set up to fight seasonal hunger.
- Over 4,000 grain banks have been set up across Afghanistan under the Citizens’ Charter Afghanistan Project.

“...I was so relieved and happy because they brought food to our home and I could buy medicine for my sick wife.”

—Wazir Gul, resident, Tolat village, Guldara district, Kabul province.

Farmer Wazir Gul, 43, from Tolat village examines the mangled and shriveled grape vines damaged by hail in the spring and drought in the summer. He looks doubtful that he will have enough good grapes to sell to support his family.

But Wazir Gul does not despair. From previous experience, he knows first-hand how helpful the community grain bank is. On an earlier occasion, the community grain bank in his village, a philanthropic community food reserve initiated under the Citizens’ Charter Afghanistan Project (Citizens’ Charter), had distributed food and other basic necessities to Gul and other food insecure families like his.

“When I found out our family’s name was with the grain bank, I was so relieved and happy because they brought food to our home and I could buy medicine for my sick wife,” says Wazir Gul.

Villagers with small farms, like Wazir Gul, are particularly vulnerable to natural disasters. “Even a small shock can adversely affect their livelihood,” says Saleh Mohammoad Samit, head of the vulnerable groups division of the Citizens’ Charter. “The grain bank is designed and set up particularly for such situations—to assist people in dire need of help.”

Fighting Seasonal Hunger

The community grain bank is set up by the village Community Development Council (CDC), with support from the Citizens’ Charter, to fight seasonal hunger by assisting the most vulnerable households in the community, including internally displaced persons and returnees. The CDC assesses and identifies the households most in need.

The Citizens’ Charter is implemented by the Ministry of Rural Rehabilitation and Development in rural areas. The community grain bank initiative is part of the Citizens’ Charter Emergency Regional Displacement Response, which supports collective community action aimed at improving social inclusion and protecting the ultra-poor and vulnerable.

The initiative has strengthened significantly since it started in June 2017. Grain banks have been established in over 4,000 villages in 114 districts across Afghanistan. In Guldara district, 42 out of 45 villages have community grain banks, with plans to cover the remaining three villages soon. So far, an estimated 60 percent of Guldara district’s population have benefited from the project’s efforts.

Yet, asking for help is not always so simple, and because hunger is a silent threat, identifying those who need help can also be difficult, especially households headed by women. This was evident in the case of Hafiza Samadi, 20, and her widowed sister, Firozah Samadi, 22, from Deh Naw village, who did not know where or how to ask for help when their earnings came up short one month. But the village CDC was able to identify the Samadi family as needing assistance and brought food to their home. “It was like they gave us the world,” says Hafiza.
Afghanistan and will work in close collaboration with several other rural development programs in the country, including the Citizens’ Charter, Ministry of Rural Rehabilitation and Development projects, National Horticulture and Livestock Project, Access to Finance Project, and microfinance institutions. The project has begun mobilization through new Community Development Councils in the provinces previously covered under AREDP.

WEE-RDP will provide support to community-level women’s institutions through seed capital and technical assistance and link them to formal financial institutions and markets to enable economic empowerment.

The project has three components:

**Component 1: Community Mobilization and Institution Development.** It comprises (i) providing technical assistance to support community mobilization for establishing self-help groups (SHGs) and federating them into Village Loan and Savings Associations (VLSAs), and Enterprise Groups (EGs) and federating them into Producer Associations (PAs); and (ii) carrying out a program of activities to strengthen capacity, quality, and financial performance of SHGs, VLSAs, EGs, and PAs.

**Component 2: Access to Finance.** It comprises (i) providing seed grants to eligible SHGs and VSLAs to establish long-term revolving funds; and (ii) facilitating access to financial services for rural women through partnerships with microfinance institutions and commercial banks to promote financial inclusion of women groups, developing relevant financial products and services with commercial banks and microfinance institutions; eliminating institutional constraints on women’s access to formal financial services; exploring feasibility of piloting a system, enabled by information technology, for delivery of financial products; and financial capacity building.

**Component 3: Enterprise Development and Market Linkages.** It comprises (i) providing technical assistance and supporting promotional activities to strengthen the capacity of EGs, PAs, and individual women entrepreneurs to access markets and manage their businesses; (ii) providing catalytic funds to eligible EGs and PAs; and (iii) supporting EGs, PAs, and/or individual women entrepreneurs through facilitating their partnerships with business enterprises to improve the supply of business development services and access to markets.

The pace of social mobilization under WEE-RDP has been remarkably high and more than 4,000 self-help groups (SHGs) have been created as of July 2019, over 3,200 of which were created over an eight-month period. The number of new SHGs already exceeds the total number created for women before the start of the project.

Overall, 78 percent of SHG members belong to the “poor” and “poorest” categories, according to the Well-Being Analysis carried out by the Citizens’ Charter, which WEE-RDP uses to identify target beneficiaries. The SHGs have cumulatively saved over $125,000 and have issued over 4,500 loans to their members amounting to 61 million afghani ($76,250).

**Trans-Hindukush Road Connectivity Project**

The project aims to support the government’s efforts to improve road transport links across the Hindukush mountain range, including the rehabilitation of the Salang road and tunnel. It will develop existing mountain crossings into dependable, all-season roads that will allow the vital transport of passengers and goods to cross the Hindukush mountain range throughout the year.

There are currently only two road crossings over the mountain range, with the Salang highway carrying most of the cross-Hindukush traffic and an unpaved secondary crossing between Baghlan and Bamiyan. The project will carry out civil works for the upgrading of the Baghlan to Bamiyan (B2B) road (152 km) into a paved road as well as the rehabilitation of the Salang road and tunnel (87 km). Two out of the six segments along the B2B road are under construction, namely segments 1 and 6. The procurement process of segments 2, 3, and 5 are well advanced. The procurement for segment 4 is under process by the Ministry of Transport. The Construction Supervision Unit of the Ministry of Transport is supervising the implementation of the segments under construction.
The design consultancy for the Salang Tunnel rehabilitation has advanced as per schedule but early findings suggest that work on B2B should be completed before rehabilitation work on Salang tunnel starts. This may have implications on the overall implementation schedule of the project.

The grievance redress mechanism is operational at various levels. Mid-term review of the project was completed on June 20, 2019. The outcome of the review suggests that project restructuring should take place soon, tentatively by December 2019.

**Afghanistan Land Administration System Project (ALASP)**
- IDA Grant $25 million
- ARTF Grant $10 million

ALASP supports the development of the Afghan land administration system and provides the population in selected areas with improved land registration services.

The project aims to:
1. Establish an effective land administration system in Afghanistan that provides transparent land services, contributing to stability and growth.
2. Help close the gaps and further develop the policy, legal, and institutional framework for land administration.
3. Provide the building blocks for a modern land administration system in Afghanistan.
4. Support building capacity of the Ministry of Urban Development and Land and improving its governance structure to enhance institutional effectiveness and accountability.

ALASP is in its early implementation stage and key activities, such as support to the issuance of occupancy certificates for informal land occupants, will start soon.

**Eshteghal Zaiee – Karmondena Project (EZ-Kar)**
- IDA Grant $150 million
- ARTF Grant $50 million

EZ-Kar aims to strengthen the enabling environment for economic opportunities in cities where there is a high influx of displaced people. The project will support actions to increase returnees’ access to civil documents, provide short-term employment opportunities, improve market enabling infrastructure, and support investor-friendly regulatory reforms.

The project has five components:
1. Regional and national integration of displaced persons.
2. Short-term employment opportunities, reforms, and market-enabling infrastructure under the Independent Directorate of Local Governance.
3. Prioritized urban investments in four provincial capital cities (Herat, Jalalabad, Kandahar, and Khost).
5. Red carpet and program coordination under the Ministry of Economy.

**Tackling Afghanistan’s Government HRM (Human Resource Management) and Institutional Reforms (TAGHIR)**
- IDA Grant $25 million
- ARTF Grant $50 million

TAGHIR is a follow-on to the Capacity Building for Results (CBR) Facility. It assists the Government of Afghanistan deliver its key policy priorities by having more qualified and competent civil servants in key positions and administrative reforms in 16 line ministries.

The project supports up to a total of 1,500 civil service positions to enable the ministries to meet objectives and deliver on their priorities. The 1,500 positions include around 600 legacy positions from CBR. The Independent Administrative and Civil Service Reform Commission leads the project implementation.

The line ministries have identified 400 new key strategic positions in the key priority ministries to be filled through TAGHIR. TAGHIR will also help the government establish and operationalize a functional governance structure.
Cities Investment Program (CIP)

- IDA Grant $25 million
- ARTF Grant $25 million

CIP aims to improve the sustainability and livability of nine provincial capital cities (PCCs) by strengthening municipal capacity, management, and infrastructure.

- The program will support the government and the PCCs to build municipal capacity to improve revenue collection and design a system for performance-based fiscal allocations.
- It will also provide support to strengthen municipal planning and management through technical assistance, training, and supply of equipment and software.
- CIP will provide financing to five PCCs (Herat, Jalalabad, Kandahar, Khost, and Mazar-e-Sharif) to rehabilitate urgently needed basic municipal infrastructure to improve service delivery and livability. This would consist of localized and small-scale interventions with limited and mitigable environmental and social impacts.

Urban Development Support Project

- IDA Grant $20 million

The project will support the Ministry of Urban Development and Housing (MUDH) to create an enabling policy framework and enhance urban policymaking capacity in relevant agencies at the national level, as well as strengthen city planning, management, and service delivery capacity in five selected provincial capital cities. These cities are Herat, Jalalabad, Kandahar, Khost, and Mazar-e-Sharif.

- The project consists of the following components:
  - **Component 1: Urban Information** - Building an Urban Management Information System. Technical assistance to create a database and web architecture for key statistics, maps, and geographic information system data to facilitate better urban planning and results monitoring.
  - **Component 2: Urban Institutions** - Institutional and Capacity Development. Undertaking a functional review of current planning functions, practices, and capacities at MUDH and the five PCCs, and developing an action plan to address deficiencies in legal/regulatory issues, processes, and staffing. Support for four “work streams” to provide diagnosis and recommendations on key policy areas, including urban planning and land use management, affordable housing, urban regeneration, and municipal finance.
  - **Component 3: Urban Integration** - Strengthening Urban Planning at National and Local Levels. Financing the completion of Strategic Development Plans (SDPs) for each of the PCCs that will identify medium-term development goals, based on a consultative stakeholder engagement process. The SDPs will draw from data inputs in component 1, identify key challenges and development goals, and propose activity and investment plans to achieve them. The component will also build a culture of planning through development of curriculum for urban planning practitioners.
  - **Component 4: Urban Investments** - Feasibility and Design Studies for Urban Infrastructure. Preparation of multi-year capital investment plans (CIPs) linked to the SDPs for PCCs to undertake priority projects (no regret, quick-win projects) and catalytic investments (identified under SDPs, economically transformative projects). The CIPs would also be used to develop a pipeline of bankable projects for financing under a future performance-based finance project.

Nine provincial capital cities will receive support under CIP to improve sustainability and livability by strengthening municipal capacity, management, and infrastructure. The project will provide financing to five of the cities to rehabilitate urgently needed basic municipal infrastructure to improve service delivery and livability.
INTERNATIONAL FINANCE CORPORATION

The International Finance Corporation’s key prong of engagement has been through advisory support focused on improving the investment climate and building capacity, while supporting selective investments in sectors with high development impact and job creation. IFC’s current strategy is aligned with the ongoing World Bank Group’s Country Partnership Framework, 2017 to FY 2020 (extended to FY 2022).

Investment Portfolio
IFC provides a mix of investments services in Afghanistan, with a focus on financial inclusion, telecommunications, agribusiness, and infrastructure. IFC’s current cumulative committed portfolio stands at over $238 million, including investment in Roshan Telecom, First Microfinance Bank, Afghanistan International Bank, and Afghan Processing Plant (Rikwedal).

IFC investments have had a transformational impact in access to finance and outreach, particularly in the microfinance and telecommunication sectors. IFC will continue to seek new investment opportunities and engage with local players to support the development of Afghanistan’s private sector.

The investment pipeline looks promising and includes investments in the power, education, and agribusiness sectors.

/ ADVISORY PROJECTS WITH THE PRIVATE SECTOR

Access to Finance
IFC provided assistance to DAB, the central bank, in collaboration with the World Bank’s Financial Sector Strengthening Program to support the establishment of the first electronic Movable Collateral Registry and the Public Credit Registry. IFC has helped DAB establish the leasing law and the regulatory framework for leasing. IFC also assisted DAB with the establishment of a leasing licensing and supervision department to be the regulator of licensing and supervision of leasing companies to pave the way for developing leasing operations under the conducive completed legal framework. The project activities are focused on raising awareness and building capacity to increase knowledge among stakeholders (both government and private sector) on the benefits of leasing, thus improving access to finance for micro, small, and medium enterprises.

Afghanistan Raisins Supply Chain Development
The project aims to support the development of raisin supply chains in Afghanistan by building the capacity of a raisin processing firm, implementing and managing food safety systems, financial management, and supply chain development, thus, creating a best practice example for the rest of the industry in the country.

Corporate Governance (CG)
The CG project aims to address foundational market failures in Afghanistan’s banking sector: through scoping activities, a combination of market failures has been identified at all levels, i.e., individual bank, regulatory, and sector.

IFC is working with banks to help them improve firm performance (improved decision-making, risk management, operating efficiency, profit, and valuations) and increase access to finance (reduced costs of capital, improved loan terms, and increased access to investors) by promoting better CG practices among the banks in Afghanistan.

Lighting Afghanistan (LA)
LA is an integral part of IFC’s “Lighting Global” program. It is a market transformation program aimed at increasing access to clean, affordable off-grid energy in rural Afghanistan through the private sector by accelerating the development of a sustainable commercial market for high-quality solar products. The program works with international and local firms to remove market entry barriers, provide market intelligence, foster B2B linkages, and raise consumer awareness on modern energy options.

Strengthening Afghanistan Horticulture Exports
IFC is working to develop Afghanistan’s horticultural exports by helping agriculturalists enhance efficiency and supporting the extension of market opportunities, both nationally and internationally. This project aims to improve the livelihood of horticulture farmers by linking them to fruit processing companies through contract farming and supporting processing companies to expand their export markets.

/ ADVISORY PROJECTS WITH GOIRA

Investment Climate
The program is designed to tackle business and investment climate challenges of the country. The overarching goal of the program is to support improvements in the business environment and help the government facilitate investment and trade.

The program aims to improve the quality of business regulations, strengthen mechanisms for trade facilitation and export promotion, and enhance mechanisms for investment attraction and retention to reduce private sector’s cost of compliance (cost savings) in Afghanistan.

IFC is currently working to support the government in promoting an investment and business climate that is conducive to private sector growth through the investment climate program’s sub-projects: (i) Business Licensing Reform Project: Phase II; (ii) Business Enabling Environment Project; and (iii) Agribusiness Export Competitiveness Project.

Scaling Solar
Scaling Solar is a “one stop shop” program for governments to rapidly mobilize privately funded grid connected solar projects at competitive tariffs. The program brings together a suite of World Bank Group services under a single engagement based on a template approach to create viable markets for solar power in each client country.

IFC’s transaction advisory team is supporting GoIRA to attract private sector participation in the development of a solar power plant of up to 40 MW under the Public Private Partnership model.
The Afghanistan Reconstruction Trust Fund (ARTF) was established in 2002 to provide a coordinated financing mechanism for GoIRAs budget and national investment projects. Since its inception, 34 donors have contributed over $12.4 billion to the ARTF, making it the largest single source of on-budget financing for Afghanistan’s development.

Management
The ARTF has a three-tier governance framework (Steering Committee, Management Committee and Administrator) and three working groups. This sound framework has enabled the ARTF to adapt to changing circumstances and development priorities with consistency and consensus. The World Bank is the administrator of the trust fund.


The ARTF Strategy Group, consisting of donors and MoF, meets monthly to review the implementation of the ARTF program and to discuss strategic issues.

How the ARTF works
Donors contribute funds into a single account held by the World Bank in the USA. The ARTF Management Committee makes decisions on proposed allocations at its regular meetings, and those decisions are translated into funds through Grant Agreements signed between the World Bank as administrator of the trust fund and the Government of Afghanistan.

ARTF allocations are made through four “windows”: (i) Recurrent Cost Window, (ii) Investment Window, (iii) Advisory Services, Implementation Support, Technical Assistance Facility (ASIST), and (iv) Anti-Corruption and Results Monitoring Action Plan (ACRReMAP).

The Recurrent Cost Window reimburses the government for a certain portion of eligible and non-security related operating expenditure every year. The Investment Window provides grant financing for national development programs in the development budget.

ASIST was developed in answer to GoIRAs request to the World Bank to provide more direct hands-on advisory services, implementation support, and technical assistance to ensure more effective implementation of ARTF programs and strengthening of government institutions and capacity in the development and execution of national priority programs.

The “window” to fund ACRReMAP is a redoubling of the World Bank’s commitment to further ramp up its efforts on anti-corruption and results monitoring in Afghanistan, where the Bank had already applied a more stringent set of oversight mechanisms than elsewhere. The World Bank, as a trustee and administrator of the ARTF, is committed to strengthening its fiduciary oversight of ARTF-financed projects both to minimize risks of fraud, corruption, and misuse of funds and to maximize the fund’s development impact.

Donor Contributions
Donor contributions have increased year after year, with both old and new donors contributing to the ARTF. Over the last few years, the “preferred” portion of donor contributions has been the main factor driving growth. The agreed ARTF rule is that donors may not “prefer” more than half of their annual contributions. This rule is to ensure that the ARTF has sufficient funding to finance the Recurrent Cost Window and that it retains some flexibility in the approval of projects in support of government priorities.

The Recurrent Cost Window (RCW)

The objective of the Recurrent Cost Window is to provide a coordinated and incentive-driven financing mechanism, enabling the Afghan government to make predictable, timely, and accurate payments for approved recurrent costs—related to salaries and wages of civil servants, and non-security related government operating and maintenance expenditures.

The Recurrent Cost Window was set up in 2002 to help the Afghan government meet its recurrent (operating) budget needs. The RCW has been restructured several times, most recently in 2018. For the first time, RCW support is being provided through standard World Bank instruments, including an annual $300 million Development Policy Grant supporting key structural and policy reforms.

To date, the ARTF has disbursed $5.057 billion through the government’s non-security operating budget. Domestic revenues continue to be insufficient to cover the costs of government. The ARTF RCW has therefore ensured the basic functioning of government, including the delivery of services such as health care and education. Given that around 60 percent of the non-uniformed Afghan civil service is accounted for by teachers, the Ministry of Education has in general received about 40 percent of total ARTF resources. The Ministries of Public Health, Foreign Affairs, Labor and Social Affairs, and Higher Education have also been major recipients.

It should also be highlighted that the RCW resources are national in scope, ensuring the payment of salaries of around 62 percent of non-uniformed civil servants in all 34 provinces of the country. Steady year-on-year increases in operating costs across government mean the RCW accounts for a declining share of the overall budget. Nevertheless, the RCW still finances around 16 to 20 percent of the government’s non-security operating budget.

The ARTF’s support of the government’s priority programs, policy reform agenda, and the non-security operating costs of government operations contributes to the achievement of Afghanistan’s national strategic goals.
On a hot sunny day in Dehdadi district, west of Mazar-e-Sharif city in northern Balkh province, work was ongoing to produce foundation seeds at Khasa-Paz, a 973-jembi (194 hectares) inter-ministerial farm managed by the Ministry of Agriculture, Irrigation and Livestock (MAIL).

The foundation seeds, primarily wheat, produced at Khasa-Paz play an important role in producing high-yielding and disease- and pest-resistant crops adapted to the local climate. Foundation seeds are used to produce certified seeds that can eventually be used by farmers to grow healthy crops.

Although Khasa-Paz farm, which falls under one of the country’s six Improved Seed Enterprises, has been running since 1987, the years of war had destroyed the farm. “The Khasa-Paz farmland was ruined during the war, but it has slowly become better since 2003,” said Kateb Shams, general manager of administration and finance for the Directorate of Agriculture, Irrigation and Livestock in Balkh province, which oversees the farm.

With support from MAIL’s Afghanistan Agricultural Inputs Project (AAIP), Shams said the farm was rehabilitated to improve production capacity. “We had the human resources to run the farm, but not technical and financial support,” he said. “We appreciate that AAIP provided us the technical and financial support.” He said the project, which closed on June 30, 2019, generated results at the farm, which “is functioning well now and we hope it will become even better.”

AAIP provided technical and financial support to MAIL to improve the effectiveness and efficiency of seed production farms, like Khasa-Paz, through capacity building and infrastructural improvement. The seed sector is a vital pillar in Afghanistan’s agricultural development. With the development of these improved seeds, farmers can expect to grow healthy crops.
For the land development target for ARIA, or PhD.

ics, including 35 receiving a master’s degree

Component A: for seeds, guided by the results of field surveys

carrying out during the preparation phase. The

demand-led action plan to improve and de-

Thirdly, the project designed and piloted a

Secondly, the project developed the neces-

Firstly, the project sought to improve the

Irrigation and Livestock (MAIL), and increas-

sector is central to Afghanistan’s economy,

crop production technologies. The agriculture

AAIP aimed to increase adoption of improved
crop production technologies. The agriculture

Afghanistan will benefit

Afghanistan will benefit

Agricultural Inputs

Afghanistan

Agricultural Inputs

Project (AAIP)

AAIP, closed in June, was

The land laser leveling services under the

AFWMP has sustained good progress in

The project objective is to improve agricultur-

OfWMP has sustained good progress in

The project-supported Farmer Call Center

To date, over 600 km of canals against the

The draft report on Quarante-

Seven new varieties of

remained undeveloped at project closure. Under ISE, five farms were considered for land development, with four completed by

Component B: The draft report on Quarantine Pest and Diseases was completed and

The bio-efficacy trial target also exceeded the
target stipulated in the project’s framework. The

pesticides.

Out of 14 target quarantine stations and

The planned voucher scheme was piloted successfully, reaching

Component C: The planned voucher scheme was piloted successfully, reaching

The planned voucher scheme was piloted successfully, reaching

The World Bank Group in Afghanistan

The World Bank Group in Afghanistan

Agricultural Inputs

Project (AAIP)

Grant $67.25 million

closed on June 30, 2019

Afghanistan

Agricultural Inputs

Project (AAIP)

Grant $67.25 million

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Seven new varieties of

of improved seeds that will

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good commercial demand in project areas. While 36 land laser levelers, which were distributed earlier, are now being operated to serve farmers on a commercial basis, an additional 86 land laser levelers have been procured and are being distributed to private operators.

The project team continues to showcase high efficiency irrigation technologies at 51 demonstration sites and to support 122 Farmer Field Schools, covering over 3,600 farmers.

In addition, OFWMP has provided support to M4i in various areas, including surveying and designing several irrigation canals to be financed by the ministry and other donor-funded projects. This support among others includes a feasibility study of the Qush Tepa, Andikhoy, and Hairatan irrigation canal, which flows through Faryab, Jowzjan, and Balkh provinces in northern Afghanistan; 60 gabion protection wall sub-projects; five irrigation schemes in the Nah-e-Shahi canal of Balkh province; and 34 pipe irrigation schemes.

Central Asia South Asia-1000 Community Support Program (CASA-CSP)

Grant $40 million

CASA-CSP supports communities along the CASA transmission line in Afghanistan. The project was restructured last year and is now being implemented in alignment with the Citizens’ Charter Afghanistan Project and in close collaboration with CASA-1000.

The implementation has been a challenge because the route still has not been finalized and there are more route alignment changes proposed for the transmission line, while the agreement is that CSP will cover communities within the four-km “corridor of influence” (COI) along the transmission line.

It is estimated that there will be more than 480 communities in the seven selected provinces along the most recent transmission line route. It was agreed that work will begin shortly in the communities that have been confirmed and MRRD will hire social mobilizers within 2–3 months to start the social process to form CDCs in the selected communities.

As of September 2019, recruitment for District Social Organizers and District Engineers has been completed and work has started in over 145 communities. To raise the awareness of the communities along the CDI of the transmission line, a comprehensive communication strategy has been developed, which aims to promote cooperation and support for the CASA-1000 project among these communities. The strategy also targets the wider stakeholders of the CASA-1000 in Afghanistan and will supplement the overall regional communication strategy, currently being devised by the CASA-1000 Secretariat.

DABS Planning and Capacity Support Project

Grant $6 million

The project aims to improve Da Afghanistan Breshna Sherkat (DABS) capacity in distribution investment planning, implementation, and operation and maintenance.

This project has two components:

Component 1: Staff capacity building, which aims to support DABS capacity to plan and implement new investments in distribution systems and to operate and maintain the investments properly.

Component 2: Development of a training center in Kabul. DABS does not have any training facility for its staff, and this has been identified as a critical gap in its overall capacity building efforts.

The project is supporting the preparation and implementation of annual O&M plans for six major load centers using new procedures based on good international practice adjusted for local conditions. The project-supported training and a new training center are expected to improve skills of 90 percent of DABS planning and O&M staff.

The project provided internship opportunities for new women engineering graduates to work in DABS. Twelve female engineers were hired as interns in DABS and assigned to different departments.

A contract with a consultancy firm for staff capacity building was signed in May 2019 and training has started. The contract for construction of the training center was awarded in June 2019, with construction activities already started. Procurement of equipment for the training center is delayed due to an unsuccessful bidding process. However, DABS is currently working on alternative options for the procurement of the equipment.
Experts of the Farmers' Call Center (FCC) are busy attending to callers, searching their computers as they respond to questions. The computers are linked to a database on agricultural issues, which support the 15 On-Farm Water Management Project (OFWMP) experts who operate the center on the west side of Kabul city.

The FCC team is made up of specialists in a wide range of fields, including agriculture, agronomy, animal science, and irrigation. Each team member has passed theoretical and practical exams on farming and livestock and received training on how to use the online database to better assist callers.

The experts field about 250–300 calls a day, covering a wide range of topics. “About 40–50 percent of queries are about crop disease and the rest covers irrigation, livestock disease, planting, and fertilizing,” says Mohibullah Raza, 26, one of the experts.

By dialing “150”, farmers from across Afghanistan connect toll free with the FCC. “We want all farmers to call ‘150’ for issues that they have with their land and livestock,” says Ishaq Sahebzada, OFWMP Project Manager at the Ministry of Agriculture, Irrigation and Livestock, which implements the project.

The FCC was created in response to the deteriorating security situation in Afghanistan, which prevents extension workers from making field trips to address farming problems. “The security situation is not good,” says Sahebzada. “Before the setup of the Farmers’ Call Center, we sent extension workers to meet the farmers in person and teach them new farming methods. Now that this is no longer feasible, OFWMP together with the General Directorate of Extension and Agriculture Development initiated this call center to fill the gap.”

Vital Advice to Farmers

Call center lines are open daily during government working hours from Saturday to Thursday. There are, however, plans to expand the call center hours to better accommodate early-morning and late-night calls when farmers are most likely to encounter an issue at the start or end of their working day.

Since its inception in June 2018, the call center has registered calls from over 10,000 farmers across all 34 provinces using a software that records the name, village, district, and query of the caller. According to Sahebzada, this information can help track disease outbreaks and the spread of infestations as well as identify key areas of improvement to better target OFWMP projects in specific areas.

Bahram Shams, 52, a greenhouse farmer, has used the call center several times. “We called the Farmers’ Call Center and described the problem. They told us how to treat the disease and solved our problem... When we call “150”, we know the problem will be solved.”

AFGHAN FARMERS FIND solutions a phone call away

- Farmers across Afghanistan have improved access to agricultural extension services by dialing a toll-free number to a call center set up by the On-Farm Water Management Project.
- The Farmers’ Call Center is staffed by experts, who advise callers on farming and livestock issues. More importantly, the center is able to track serious issues like disease outbreaks through information from the calls.
- Thousands of farmers have received help from the center, which was set up in June 2018 in response to the worsening security situation in Afghanistan that has prevented extension workers from making field visits.

We called the Farmers’ Call Center and described the problem. They told us how to treat the disease and solved our problem... When we call “150”, we know the problem will be solved.”

—Bahram Shams, 52, farmer, Kabul city
Higher Education Development Project (HEDP)

Grant $55 million

HEDP aims to increase access to higher education in Afghanistan, as well as improve its quality and relevance. HEDP uses an investment Project Financing instrument based on the Results-based Financing modality.

Under component one, project funds are being disbursed against selected line items in the annual budget of the Ministry of Higher Education (MoHE) up to capped amounts, and on condition that the agreed set of disbursement-linked indicators (DLIs) are achieved.

The DLIs reflect the priorities for development. These include intermediate outcomes that build cumulatively over the lifespan of HEDP to improve access to the higher education system and raise its quality and relevance. This component supports the reforms initiated through the National Higher Education Strategic Plan II and focuses on outcomes and results rather than inputs.

The project started in September 2015 and MoHE is on track to meet the fourth round of the DLIs, which include increased female enrollment in the first year of priority disciplines in higher education and establishment of Internal Quality Assurance Units functioning to international standards at six universities.

Enrollment in key priority disciplines (those that contribute to economic and social development) has increased substantially from 64,200 at the project baseline to about 81,900 to date. The special focus on increasing female enrollment has paid off with female enrollment increasing from 11,400 to about 16,900.

MoHE has developed a policy and by-law for the practice of e-learning. This will support gradual introduction of blended learning toward program credits. In the pilot phase, a select number of online courses have been uploaded on AfghanEx and supplement courses taught at public universities. AfghanEx has been developed based on the EdX platform for online teaching and learning. Promotion of e-learning in higher education to improve access and quality has become one of the key priorities of MoHE.

The project received additional financing of $5 million, mainly to expand the following successful project interventions to scale up project impact and development effectiveness: (i) provision of faculty scholarships (350 postgraduate scholarships to public university academics in priority disciplines with one third allocated to female academics), (ii) support to public universities to prepare and implement Strategic Institutional Development Plans, (iii) training of teaching faculty in outcome-based education and student-centered learning, and (iv) grants to support individual and group research projects at universities.

The additional financing has been incorporated into the project and the project closing date has been extended from December 31, 2020, to December 21, 2022, to allow sufficient time for completion of the additional activities and achievement of the final targets.

Kabul Municipal Development Program (KMDP)

Grant $170 million

Kabul Municipality is responsible for implementing the project. The project objectives are to (i) increase access to basic municipal services in selected residential areas of Kabul city, (ii) redesign Kabul Municipality’s Financial Management System to support better service delivery, and (iii) enable early response in the event of an eligible emergency.

KMDP is expected to deliver welfare and human development benefits to over 700,000 people through services provided in some 2,400 hectares of private land. The project also supported development of a plan to improve the municipality’s financial management and planning capacity to deliver improved services. The implementation of the plan is underway, which will enhance Kabul Municipality’s institutional capacity.

To date $73.24 million has been disbursed. Over 1.36 million people (about 73 percent women and children) have benefited from the construction of about 513 kilometers of neighborhood roads, 670 kilometers of community drains, and 36 kilometers of trunk roads.

Temporary employment of some 2.9 million people has been generated through the execution of contracts with labor intensive work at an investment of $223/person per month. Durable infrastructure will generate second-order employment in the years ahead.

Importantly, KMDP has established a strong foundation for gender inclusive community participation in decision-making over public expenditures in Guzari (neighborhoods).
Kabul Urban Transport Efficiency Improvement Project (KUTEI)

Grant $90.5 million

KUTEI aims to improve road conditions and traffic flow on select corridors of Kabul city. The project will focus on improving road infrastructure and providing technical assistance to Kabul Municipality in specific areas. Investments in key road infrastructure will improve connectivity and make Kabul more inclusive, while technical and knowledge support will gradually transform Kabul Municipality into a modern planning and implementing agency by adopting best international practice. Kabul Municipality will be responsible for project implementation, including procurement and financial management.

Project objectives will be measured against the following indicators: (i) traffic capacity improvements, measured by average vehicle speed during off-peak hours; (ii) people (within a 500-meter range) in urban areas provided access to all-season roads; and (iii) percentage of Kabul city’s trunk road network in at least “fair” condition.

Project implementation is progressing well and all planned civil works contracts have been awarded. To date, nine civil works contracts totaling 32 kilometers of roadways have been completed and the roads are open to traffic. Implementation of the remaining four civil works contracts started early this year and all the contracts are expected to be completed by December 2019.

Naghlu Hydropower Rehabilitation Project (NHRP)

Grant $85 million

NHRP aims to improve dam safety and sustainability of hydropower and to increase the supply of electricity at the Naghlu Hydropower Plant (NHPP). NHRP is of strategic importance to Afghanistan’s power generation portfolio as it provides more than half of Kabul’s electricity. The project came into effect in January 2016. In November 2018, NHRP started operating at full capacity (100 MW) after the rehabilitation of turbine units 1 and 3. Unit 2 also requires overhauling as it has operated continuously without any major overhaul for more than 40,000 hours. The bidding document for overhauling this unit has been drafted and will be advertised in the last quarter of 2019.

The terms of reference for NHRP staff training and supply of spare parts for five years of operation and maintenance of the power plant will be finalized and advertised shortly. Work on dam safety enhancement is also underway. Submersible water pumps have been installed inside the dam’s drainage gallery to release upward water pressure. Two additional pumps, required to completely drain both galleries, will be purchased and installed by end-2019.

A bathymetric survey of the Naghlu dam reservoir will be performed by DABS personnel with support from the Ministry of Energy and Water (MEW) and Food and Agriculture Organization (FAO) team. DABS had undertaken the first part of the bathymetric survey in March 2019 and with the advice of the FAO expert, has identified a suitable eco-sounder. The procurement of an eco-sounder is expected to be completed by November 2019, and the bathymetric survey results available in December 2019.

Terms of reference for hiring a consultancy firm to carry out a dam safety and hydro-mechanical audit have been finalized and the tenders advertised in March 2019. The expressions of interest of firms are under evaluation.

The contract for the associated procure-ment of a consultancy firm for conducting the Environmental and Social Impact Assessment (ESIA) of Naghlu dam is expected to be signed in October 2019. As the ESIA audit results for proper management of sediment will be available only later, DABS will perform an internal interim sediment assessment and prepare a limited environmental assessment report. The result of the interim sediment assessment is expected to be available by October 2019. Based on this result, the bidding document for sediment assessment and selective removal, including unexploded ordnance, will be finalized.

NHRP also has a benefit-sharing program for the local population, which includes electrification of villages in surrounding districts. Construction of the Sorobi 20 MW substation was completed in April 2019, supplying power to some Sorobi villages. Extension of the distribution system by DABS personnel in 18 villages in Sorobi district is underway and expected to be completed by October 2019.

Further, the project supports preparation work of the Kajaki dam addition. The project management team is under recruitment at MEW. The national environmental specialist has been hired, while national social experts and two international social and environmental consultants are under procurement. The terms of reference for a consultancy service firm to conduct the Environmental and Social Impact Assessment (ESIA) and Analysis Program studies have been prepared and advertised.
National Horticulture and Livestock Project (NHLP)

Grant $190 million
Afghan Farmers’ Contribution $28.2 million

NHLP aims to promote the adoption of improved production and post-harvest practices and technologies by target farmers in the horticultural sector and to support the livestock sector, with gradual rollout of farmer-centred agricultural services systems and investment support.

The project has three components: (i) horticultural production; (ii) animal production and health; and (iii) implementation management and technical assistance support. These activities were initially implemented in 120 focus districts in 23 target provinces.

The original budget of the project was $100 million, but based on the high demand for NHLP services, the project received an additional financing of $90 million to allow expansion of its work programs to more farmers and add new activities.

The project covers 291 districts in all 34 provinces, and, so far, has reached over 570,000 farmers/beneficiaries, including around 242,000 women.

To date, the project has supported 205,360 farmers (69,272 men), clustering them into producers’ groups, including poultry producer groups, to benefit from animal production and health services. It has also extended its activities to new geographical areas under sanitary mandates and is supporting MAIs relevant directorate to implement them.

NHLP activities are based on cost sharing, accordingly it is expected that farmers will contribute $28.2 million to the cost of services and inputs received.

RESULTS EXPECTED UNDER THE NHRP

- Revived 50 MW of previously nonoperational capacity of Naghlu Hydropower Plant by rehabilitating Unit 1 and overhauling Unit 3.
- Improved routine operation and maintenance of the power plant for five years.
- Enhanced staff capacity to operate and maintain the power plant.
- Residents living near NHPP connected to electricity and facilitated NHLP extension services, i.e., poultry farming, kitchen gardening, and establishment of orchards.
- Enhanced security and safety measures of the NHPP.
- Renovate and revive full capacity of Darunta Hydropower Plant.

Following a formal request from MoF, the project was instructed to include the rehabilitation and renovation of the Darunta Hydropower Plant. Three units will be re-energized, and an administrative building and warehouse will be constructed inside the power plant. The bidding document of this activity has been completed and social and environmental impact documents have been prepared and cleared by the World Bank.

“We expect our raisin production to get even better,” says a satisfied producer.

Raisin producers in Kandahar province are seeing a jump in their annual income after adopting a modern method of drying grapes.

The new raisin drying houses, built with NHLP support, reduce wastage and result in better quality raisins compared to drying in traditional facilities. “We expect our raisin production to get even better,” says a satisfied producer.

We have also provided a large number of essential tools (e.g., pruning shears, ladders, bags) for proper harvesting of their products.

Farmers are encouraged to work together through the establishment of Producers Marketing Organizations (PMOs) with 70 PMOs set up so far, having a membership of 300–400 farmers per group. This structure helps farmers with outsourced inputs and access to markets.

Over 1,600 raisin drying houses have been constructed on a cost-sharing basis to reduce post-harvest losses of grapes and improve the quality of raisins produced.

Regarding livestock activities, NHLP continues to focus on key activities, including poultry production and animal health and extension services, while expanding work programs to other areas such as fishery and dairy. Under the National Brucellosis Control Program in 360 districts, more than 2.5 million young female calves and over 13.5 million young female sheep and goats have been vaccinated to ensure sustainability, the project is gradually handing over this activity to the General Directorate of Animal Health under the Ministry of Agriculture, Irrigation and Livestock.

To date, the project has supported 205,360 livestock farmers (236,088 women and 69,272 men), clustering them into producers’ groups, including poultry producer groups, to benefit from animal production and health services. It has also extended its activities to new geographical areas under sanitary mandates and is supporting MAIs relevant directorate to implement them.

NHLP activities are based on cost sharing, accordingly it is expected that farmers will contribute $28.2 million to the cost of services and inputs received.
Women's Economic Empowerment National Priority Program (WEE-NPP)

Grant $5 million

The objective of the WEE-NPP is to advance women's agency, autonomy, and well-being by expanding women's access to economic resources.

The WEE-NPP is led by a Project Coordination Office (PCO) in the Ministry of Labor and Social Affairs (MoLSA). The PCO is responsible for overseeing WEE-NPP activities across six pillars: (i) increasing the availability of gender statistics; (ii) removing legal barriers to participation; (iii) training in literacy, business management, and labor skills; (iv) inclusive access to finance; (v) access to agricultural inputs, extension services, and markets; and (vi) access to creative economy markets.

The three-year Project Preparation Grant (PPG) has three components: (i) coordination and program management; (ii) provide technical assistance and capacity building for line ministries carrying out WEE activities and conduct relevant analytic work; and (iii) establish and operate an Innovation Fund to support women’s economic activities.

Despite a slow start, implementation progress of the WEE-NPP Coordination Support PPG has improved considerably. The WEE-NPP Secretariat is functioning well and almost all of its key positions have been filled. WEE-NPP action plans and targets that have been agreed on by the majority of the implementing line ministries (LMS) are in place. Furthermore, the Monitoring and Results Framework for the program has been developed but has yet to be approved by the WEE-NPP Steering Committee. The Steering Committee and technical working group meet regularly.

Based on the recommendation of the Country Portfolio Performance Review for Afghanistan held in February 2019 and the request from GoIRA, the WEE-NPP will be transitioned from MoLSA to MoF.

The rationale for the transition is three-fold: (i) GoIRA, World Bank, and other development partners seek to ensure that the WEE-NPP remains a core part of the country’s development agenda and therefore it needs to be integrated into MoF’s core budget system; (ii) WEE-NPP stands to achieve greater operational impacts under MoF, where there is an institutional mandate to coordinate outcome-oriented planning across LMs with budgeting processes; (iii) an NPP Coordination Directorate has been established within MoF (financed through FSP), thus creating a clear institutional home for the PCO that did not exist at the time of WEE-NPP inception. It is expected that the transition will be completed by the end of October 2019.

Note: All dollar figures are in US dollar equivalents.

IDA, the International Development Association, is the World Bank’s concessional lending arm.