

**AFGHANISTAN RECONSTRUCTION TRUST FUND (ARTF)**

**MANAGEMENT COMMITTEE (MC) MEETING**

**TUESDAY JULY 07, 2015, 09:30 AM KABUL**

**MINUTES OF MEETING**

**MC MEMBERS**

**MINISTRY OF FINANCE**

- DG Budget, Mustafa Aria
- Mr. Moheb Arsalan Jabarkhail

**ASIAN DEVELOPMENT BANK**

- ADB Country Director Tom Panella

**UNAMA**

- Ms. Katie Blanchette

**WORLD BANK (ADMINISTRATOR)**

- Mr. Stephen Ndegwa, Operations Manager
- Ms. Ditte Fallesen, Senior Operations Officer
- Ms. Wezi Msisha, Senior Operations Officer
- Mr. Anantha Karur, Financial Management Analyst
- Mr. Wali Ahmadzai, Financial Management Analyst
- Mr. Harsha Aturupane, Lead Education Specialist
- Mr. Abdul Hai Sofizada, Senior Education Specialist
- Ms. Palwasha Mirbacha, Education Specialist
- Ms. Fanny Missfeldt-Ringius, Lead Energy Specialist
- Ms. Afsana Afshar, Consultant
- Mr. Abdul Hameed Quraishi, Operations Officer
- Mr. Farhad Zimarai, Consultant

## **1. APPROVAL OF MEETING MINUTES**

The Management Committee (MC) approved the meeting minutes from the last meeting on May 25, 2015.

## **2. ADMINISTRATOR'S REPORT ON FINANCIAL STATUS OF ARTF**

The Administrator presented the financial status of the ARTF as of June 21, 2015. The total amount of donor contributions during the first 6 months of the fiscal year 1394 amounted to \$225 million, but an additional approximately \$600 million is expected to be continued this year. The Administrator explained that the United States was planning to transfer funds under its New Development Partnership through the ARTF AHP. A first allocation of \$75 million is awaiting the bilateral agreement between the US and MOF.

## **3. APPROVAL: HIGHER EDUCATION DEVELOPMENT PROJECT (\$50 million)**

The project development objective is to increase access to, and improve the quality and relevance of, higher education in Afghanistan. An estimated 500,000 higher education students, and 10,000 university academics, managers and technical staff members will benefit from the HEDP over its life-span. As the universities are directly contributing to economic base of Afghanistan, the project will have a positive impact on economic development in the country.

The HEDP is organized under two components. Component one is the Higher Education Development Program and will support five key themes; Increasing Access to Priority Degree Programs for Economic Development, Modernizing and Enhancing the Quality of Teaching and Learning, Improving the Qualifications and Skills of University Staff Members, Strengthening Governance, Quality Assurance and Accreditation and Stimulating Development Oriented Research. Component two is the Program Operations and Technical Support which aims to strengthen the capacity of MoHE and universities to implement the reforms. Support under this component will cover coordination, capacity building, innovations, monitoring and evaluation, research and communication.

Since the project aims to support economic development, the MC asked the Team to clarify how a strong linkage to the private sector will be secured. The Team explained that the project scope will cover private higher education institutions in addition to the public universities. Furthermore, enrollment and graduation from degree programs will let employers recruit qualified labor, which will result in outcomes directly relevant to future economic development.

As the entry point to the higher education in Afghanistan, the MC also probed the Team on the interaction of the project with the Kankor examination. The Team explained that the project would provide technical assistance to the MoHE to reform the Kankor examination to suit the requirements of the universities and faculties. The project aim to address the post-Kankor drop-out rate, which is high, especially for female students. Scholarships, accommodation and other facilitations will be considered to strengthen retention of female students after enrollment.

**Decision: The Management Committee approved \$50 million for the new HEDP.**

#### **4. APPROVAL: AFGHANISTAN POWER SYSTEM DEVELOPMENT PROJECT ADDITIONAL FINANCING (\$15 MILLION)**

The purpose of proposed Additional Financing (AF) for the Afghanistan Power System Development Project (APSDP) is to help address an existing financing gap caused by cost escalations in the original project. The AF will finance the following activities: (i) the supply of meter boxes and equipment for the final connections to the houses for the rehabilitation of distribution networks (12,500 connections at Charikar, Gulbahar and Jabul-es-Seraj and 5,500 connections at Pul-e-Khumri), which were not included in the original contracts for the work; (ii) the incremental cost of the rehabilitation of the switchyards at Naghlu and Mahipar hydropower stations; and (iii) capacity building and implementation support to Da Afghanistan Breshna Sherkat (DABS), the electricity utility that would become the new implementation agency.

The Team explained that two changes to the original project are being proposed, including (i) a change in implementing agency from Ministry of Energy and Water to DABS to align it with the core mandates of the two respective agencies; and (ii) an extension of the closing date of the project to allow for sufficient time for implementation.

**Decision: The Management Committee approved the additional financing of \$15 million for the APSDP.**

#### **5. AOB**

##### **a. Restructuring of the ARTF Projects**

The Administrator informed the MC of the restructuring of five ARTF projects during the World Bank's FY15, including extension of the closing dates for: (i) Second Public Financial Management Reform Project; (ii) Afghanistan Resource Corridor Project; (iii) Naghlu Hydropower Rehabilitation Project PPG; and (iv) Preparation of Higher Education System Improvement Project. In addition to the four projects with extension of closing dates, additional financing was processed for the System Enhancement for Health in Transition Project (SEHAT) and approved by the MC.