



ARTF Strategy Group Meeting

November 13, 2017

Summary of Discussions

An ARTF Strategy Group (SG) Meeting was held on November 13, 2017, and was attended by 11 donor country representatives¹, Scan team (by VC- Mr. Arne Disch and Mr. Zubair Hakim), and the ARTF Administrator (the World Bank [WB]). The meeting was chaired by Mr. Abdoulaye Seck (Operations Manager, WB). The objective was to have a discussion with the ARTF External Review firm- Scan team on the first draft of the final review report which they recently submitted.

ARTF External Review Final Report:

- Scan team gave an update on progress- they have had discussions with most of the External Review Contact Advisory Group (CAG) members which were useful in structuring the final report draft. Scan team will also be having a joint discussion with the CAG later today to focus on: (i) issues of government ownership i.e.- at what point does ownership get to the level of moving away from having a MDTF to purely budget support; and (ii) whether the context of Afghanistan- deteriorating security- has been presented adequately and what impact that may have on the ARTF; (iii) Scan team recently received the government's national anti-corruption plan and the Bank's proposed approach to scaling up its anti-corruption efforts, and would like to see if they can better address this aspect in the recommendations of the report; and (iv) the review report recommendations- how to better structure, re-prioritise, rethink and present them in the next version of the report. Scan team requested confirmation the absolute deadline for receiving comments from the SG, so that they can work on the comments response sheet after this deadline. Also for the donors to confirm whether comments will be received from only donors in Kabul and/or their headquarters.
- The World Bank Operations Manager noted that the purpose of the meeting was to give the SG an opportunity to raise any issues they have. He emphasised the importance of ensuring feedback was sent to Scan team by November 20th as requested when the report was shared, so that some of the Review recommendations are reflected in the next ARTF Partnership Framework and Financing Program in time for the Steering Committee to endorse this in mid-December. Further since the completion of the ARTF External Review Report is a SMAF indicator, it would be critical to ensure the action is completed within the agreed time frame.
- SG confirmed that they would be able to provide comments to Scan team by November 20th. It was also agreed that SG members would provide consolidated comments from each organisation, and overall general comments on report structure and methodology for

¹ Australia, Canada, Denmark, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom, US.



instance, followed by comments on each chapter, and with a reference to the report page number to facilitate Scan team's preparation of the Comments Response Sheet.

Discussion:

UK: commended Scan team for a strong and well-balanced report. Wanted to know how the views of the government reflected in the report on ownership will come together in the recommendations, and whether there would be any separate discussions between the government and the donors on this prior to the December SC meeting.

Scan team: pointed out that they had extensive discussions with the MoF during the field work. And that they have received some comments informally on the report from advisors in the Office of the President. Noted that during the discussions they tried to clarify what government meant by ownership, and other issues, and that MoF acknowledged that they had to clarify certain areas themselves first e.g. programmatic approaches. Raised issue of whether the MoF can both work on their ambitious Fiscal Performance Improvement Plan and some of the issues related to ownership of the ARTF that they raised, and how they would balance this considering capacity issues.

Norway: asked how the issue of ownership was viewed by line ministries.

WB: informed the SG that the draft report was shared with the MoF for them to share their comments with Scan team by the deadline. Noted that ensuring and working together to support strong government ownership on the ARTF, the FPIP through the Fiscal Improvement Support Project was a priority for the Bank.

Netherlands: asked Scan team to clarify what were their final recommendations on key areas, and how the issue of population growth and the issue of the returnees will be reflected in the government's programs and results achieved.

WB: noted that population estimates were likely to be adjusted in the coming year, and this would have a higher population.

Scan team: noted that they tried to address the issues outlined in the terms of reference and that it wouldn't be possible to address all issues related to development such as these, although they are important. Also, that they were not the right organisation to address some of these issues such as the population growth etc. Noted that they would be discussing the recommendations with the CAG on how to best structure the recommendations e.g. those that are short-term or longer-term, or to decrease the number etc. Suggested that they will explicitly indicate in the comments response sheet how/what changes they would make to the recommendations. Also, any substantive changes that they would make to any sections of the report.

Australia: suggested each member of the SG in their comments try to identify what the most important recommendations are.

UK: asked what the process for the SC endorsement of the review report and how implementation of the recommendations would be handled.

WB: noted that most of the key recommendations currently presented in the report converge with the main issues that the SG has been discussing in the last few months on future directions of the ARTF, and which would be presented in the new ARTF Partnership Framework and Financing Program. Noted that there would likely be the formal endorsement of the report by the SC in fulfilment of the SMAF indicator. Also, that as with the last review, specific key areas and actions



arising from the review would be tracked by the Bank and progress in achieving these would be reported over time to the SG.

Scan team: noted that with the last report the Bank as administrator provided a management response to the various main issues raised in the report noting which areas they agreed with or not. Clarified that the report presented Scan team's views and not everything may be acceptable to the ARTF stakeholders or be implemented.

Sweden: 3 main comments- (i) important for government capacity on monitoring and quality assurance needed to be strengthened, and then how to ensure the government responds to issues that are found through the monitoring efforts; (ii) have specific ideas on how to strengthen the gender working group which they have shared with the Bank and would share with Scan team; (iii) issues of conflict sensitivity, would like to see a strengthened conflict perspective in ARTF operations, and for it to be done in a more systematic way. Also for the report to better highlight the recommendations related to conflict sensitivity.

Denmark: issue of geographic preferencing, and that it would be complicated to do in practice.

Scan team: stated that they heard from at least one donor of their concern that ARTF resources were not made available to non-state actors, therefore one possible solution was to note that funds were only used in government controlled areas. But noted that this was up to the Administrator/ARTF stakeholders to see whether this would be possible or not.

WB: pointed out the complexity of the question of how program delivery strengthens or weakens the legitimacy of the state.

Denmark: were there any recommendations to improve participation of the government in the ARTF governance groups and meetings, and what was the government's view on the future of the ARTF?

Scan team: noted that the ARTF is still the government's preferred development assistance mechanism, as noted even to in their recently released anti-corruption strategy.

US: was any analysis done on the existing anti-corruption mechanisms within ARTF financed projects?

Scan team: noted that the proposed ASIST- expanded technical assistance and support program proposed by the Bank for the next ARTF Financing and Partnership Framework was a very good starting point on how to support the government support various aspects and to work with local agencies and civil society in these efforts.

Norway: requested more clarity on the third-party monitoring (TPM) recommendations

Scan team: noted that the third-party monitoring agents main mandate is not addressing corruption issues, they have specific monitoring functions. But if the ARTF stakeholders want the role to expand to this issue then their work program would need to be reviewed and expanded for instance.

WB: noted that reviewing the TPM ToRs to see how these could be expanded for larger coverage was work that had already started as discussed with the SG in the last few meetings. And that greater geographic coverage and scope of the TPM would be part of the future directions of the ARTF to be outlined in the new ARTF Partnership Framework and Financing Program.