

ARTF Steering Committee Meeting

March 17, 2015

Summary of Discussion

The ARTF Steering Committee Meeting was held in Kabul on March 17, 2015 with participation from the Ministry of Finance and 12 donor countries.

The Acting Minister of Finance, Mustafa Mastoor, opened the meeting noting major results achieved through the ARTF in important sectors including rural development, health, education, agriculture and infrastructure. He emphasized the importance of continued ARTF support to continue responding to the needs of the Afghan people. The Acting Minister thanked the ARTF administrator and the donors for their innovative solutions and support during a transition period for the Afghan Government.

Administrator's Report: The Administrator provided a brief update on the financial status of the ARTF. It was noted that the cost of pipeline projects that have been identified by the government far outweigh the current amount of contributions.

ARTF Interim Arrangement: While a new Financing Strategy was to be in place by the beginning of FY1394, the new Government requires additional time to agree internally on their priorities for ARTF funding. To bridge the time until a new Financing Strategy is in place, the Administrator, the Government, and the ARTF Strategy Group agreed on an Interim Arrangement to allow ARTF to continue financing key priorities. The ARTF Steering Committee endorsed the Interim Arrangement. For more detail please see Annex 1.

ARTF Fee Income: While donors already endorsed the fee increase in the spring of 2014, the administrator proposed that the start date be formally endorsed. The proposal included a fee increase to 3% for contributions received starting January 1, 2016 and then to 4% for contributions received starting January 1, 2017. The fee for contributions to ARTF *ad hoc* window will remain at 2%. The Steering Committee endorsed the ARTF fee increase.

Attachments:

Annex 1: The Administrator's Report and ARTF Interim Arrangement

Annex 2: ARTF Fee Income