

ARTF Steering Committee Meeting

June 15, 2015

Summary of Discussion

The ARTF Steering Committee Meeting was held in Kabul on Monday, June 15, 2015 with participation from the Ministry of Finance and 16 donor countries. The meeting objective was to finalize discussions on the three-year ARTF Financing Strategy for the Afghan years 1394 – 1396.

The Minister of Finance opened the meeting. He thanked all donors for their generous contributions and the World Bank for the administration of the ARTF. He noted the importance of the ARTF for the development of Afghanistan and for providing services to alleviate poverty. The Government appreciates the flexibility provided by donors and the Bank for the pipeline projects in 1395 and 1396.

Overview of the Financing Strategy: The ARTF Coordinator presented the achievements of ARTF under the previous Financing Strategy and provided an overview of the proposed Financing Strategy.

Discussions included the following issues:

Programmatic Approach: The FS supports government priority to move toward programmatic approaches as highlighted in the *Realizing Self-Reliance* document. Donors supported government leadership in determining sector-wide priorities and coordinating the donor community's engagement. They highlighted that government ownership is critical in this process. The SEHAT Project will be a pilot initiative that can provide lessons learned for other sectors and projects.

Capacity Building for Reform Project: Government's political support was requested from donors. Minister of Finance emphasized that CBR is not just a project for the government but a civil service reform program. The Ministry of Finance will raise the issue of pay scales in the cabinet and come to agreement about mainstreaming the use of NTA and/or CBR pay scales.

Governance of the ARTF: The ARTF has been able to evolve in response to changing contexts in consultation with government and donors. Ministry of Finance continues to improve its capacity and the ARTF will facilitate discussions on how ownership of the ARTF can be further enhanced.

Incentive Program: An update was provided on the Incentive Program highlighting that over the past few weeks, 16 reform series were agreed upon. Follow-up meetings will take place with Deputy Ministry of the Ministry of Finance for confirmation of the reform agreements.

The Steering Committee endorsed the ARTF Financing Strategy.