

ARTF Steering Committee Meeting

September 24, 2013

Summary of Discussion

The ARTF Results Workshop was held on September 24, 2013 to facilitate a discussion between Government, Donors and the ARTF Administrator on the new ARTF Scorecard. The objective of the day was to inform future discussions on development issues as well as prioritization of ARTF funds within the framework of the Financing Strategy. The Workshop ended with an ARTF Steering Committee meeting focusing on the key decisions on future direction. The Steering Committee meeting was attended by Minister of Finance, Omar Zakhilwal, Deputy Minister Mustafa Mastoor, staff from Ministry of Finance and representatives from 13 donor countries.

MINISTER ZAKHILWAL'S REMARKS: The role of ARTF becomes more important in the transition process, as resources are increasingly reduced, it is important the resources are well-coordinated. The track record of the ARTF in pushing reforms has been good, but caution should be adopted before widening the scope of the ARTF. Maintaining a focus on development is critical to the effectiveness of the ARTF.

The Minister noted that a strengthened focus on poverty needs to be carefully balanced between short and longer term interventions as well as between service delivery and infrastructure. The ARTF approach has so far been effective in addressing both. Solid data on impact will be critical to reflect the poverty reduction effects of ARTF-supported programs so far.

The Minister stressed that alignment is necessary not just thematically, but at the project level. He expressed his gratitude for the progress ARTF has made in this area, and requested that discussions continue to ensure Ministry of Finance remains involved in prioritization of funds.

AGREED ISSUES FOR DISCUSSION AND ACTION: Seven key issues were raised for discussion during the workshop and for final decision at the Steering Committee. Thus to ensure agreement between Government, donors and the World Bank as ARTF Administrator on what issues and activities should be raised in the ARTF working Groups, both in the short term in preparation of the 1393 Update to the ARTF Financing Strategy (to be finalized by December 2013), and in the medium term to prepare the new ARTF Financing Strategy 1393-1396 (to be finalized by December 2014).

- 1. FOCUS ON POVERTY;**
- 2. PRIORITIZATION OF FUNDING;**
- 3. ALIGNMENT WITH NATIONAL PRIORITY PROGRAMS AND USE OF COUNTRY SYSTEMS;**
- 4. PORTFOLIO PERFORMANCE;**

5. **DONOR PREDICTABILITY AND ENGAGEMENT;**
6. **RESULTS MONITORING;**
7. **RISK AND RISK MITIGATION.**

For each of those issues several deliverables and actions were agreed to further strengthen the ARTF. Please find more detailed information on the agreements made for each of these topics in annex 1.

PRESENTATION ON RESULTS OF PEFA 2013: The World Bank did a presentation on the results of the review Public Expenditure and Financial Accountability 2013 (PEFA). Ministry of Finance (MoF) and World Bank will host a workshop at later stage to share additional detail from the assessment.

ANNEX 1: ARTF STEERING COMMITTEE PRESENTATION

Afghanistan Reconstruction Trust Fund



ARTF STEERING COMMITTEE



THE WORLD BANK



ARTF RESULTS WORKSHOP

The purpose of today's workshop:

- To discuss how the Scorecard findings and results can help drive and inform the discussions on development issues and prioritization of ARTF funds within the framework of the Financing Strategy
- Proposed outcome: Identify and agree on development issues for further discussion in the Strategy Group:
 - Short term in preparation of the 1393 Update to the Financing Strategy
 - Medium-term in preparation of the new 1393-1396 Financing Strategy



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KEY MESSAGES FOR DISCUSSION

Based on the Scorecard findings the following issues arise:

1. FOCUS ON POVERTY

- Bringing greater focus to poverty reduction as poverty levels remain high.
- Providing and sharing analytical work including poverty assessment results with Strategy Group in 3 months;
- Identifying forum for sharing and discussing development issues with wider audience.



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KEY MESSAGES FOR DISCUSSION

2. PRIORITIZATION OF FUNDING:

- Drivers of conflict – discuss how ARTF can better address those;
- Government is preparing fragility/conflict assessment;
- Explore sector approaches, informed by experiences from education, health etc. – possible next step agriculture;
- Outline prioritization process for the Financing Strategy to identify points of engagement/influence for stakeholders.



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KEY MESSAGES FOR DISCUSSION - continued

3. ALIGNMENT WITH NPPS AND USE OF COUNTRY SYSTEMS

- Based on ARTF alignment index, Bank to share experiences on alignment and NPP mapping;
- Gradual hand over of select responsibilities to MoF, aligning capacity with donors expectations



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KEY MESSAGES FOR DISCUSSION - continued

4. PORTFOLIO PERFORMANCE

- Bank to brief donors following Portfolio Performance Review in November-January;
- Identify high performers and positive lessons to replicate in other projects/sectors;
- Share ongoing analytical work with donors, specifically on service delivery binding constraints;
- Focus on supervision challenges and how to further strengthen this area, including sustainability in use of third party monitoring agents.

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KEY MESSAGES FOR DISCUSSION - continued

5. DONOR PREDICTABILITY AND ENGAGEMENT

- **Funding Predictability:**
 - Donors possibly using ARTF as leverage for government performance;
 - Donors to prepare thoughts on resilience, Bank to provide analytics;
- **Donor engagement:**
 - A guidance note will be drafted and shared with Strategy Group for discussion, including donor participation in implementation support missions;
 - Disseminate more info on lessons learned from projects and clarify ability to participate in design process;
 - Strategy Group to review project level reporting from line ministries;
 - Bank to share experiences on monitoring and supervision approaches;
 - To discuss agendas for SG and SC respectively, considering need for discussion of substantive development issues;
 - GWG to provide upfront planning and include HQ quarterly
 - **Strategy Group:**
 - Reviewing SG membership on annual basis in accordance with requirements for minimum \$10 million annual contribution.

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KEY MESSAGES FOR DISCUSSION - continued

6. RESULTS MONITORING

- **Results Monitoring:**
 - Further work to aggregate data at thematic level and across portfolio;
 - Further work on gender results monitoring, including disaggregate data and categorization of projects;
 - Continue working on outcome level data, explore particularly impact on RCW;
 - Translate summary of Scorecard and work with MoF to share results more widely within country and specifically with civil society;

7. RISK AND RISK MITIGATION

- Continue focus on risks and opportunities

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