



AFGHANISTAN RECONSTRUCTION TRUST FUND (ARTF)
Strategy Group Monthly Meeting January 2021

Wednesday, January 20, 2021
2:30-4:30 PM Kabul Time
Virtual Format

MEETING SUMMARY

The ARTF Strategy Group (SG) met on Wednesday, January 20, 2021. Representatives of 14 donor partners¹, the Ministry of Finance (MoF) (Deputy Minister of Finance Habib Zadran), and the ARTF Administrator (World Bank) attended. The World Bank and Ministry of Finance co-chaired the meeting.

Summary

The ARTF Strategy Group discussed an update on ARTF Partnership Framework and Financing Program FY1400-FY1403 (2021-2024) preparations; expressed its support to use ARTF financing for GoIRA's COVID-19 vaccination support program; reviewed initial plans for the upcoming Country Portfolio Performance Review (CPPR); and reviewed standing updates on Gender Working Group (GWG) activities, ARTF financials, Anti-Corruption and Results Monitoring Action Program (ACReMAP) activities, and the ongoing process of soliciting signatures of current and former donors for amendments to the ARTF Administration Agreement Annex on Standard Terms and Conditions Governing Contributions to the ARTF. The WB invited donors to consolidate inputs/comments on the forthcoming review of the now-closed Recurrent and Capital Costs operation. Under the AOB, WB solicited a volunteer to represent Development Partners at the WB's review on the evaluation of the ARTF Recurrent and Capital Cost Operation. The UK volunteered to lead this consolidation and present donor views at the upcoming internal WB review of the study. The WB also updated donors on recent communications related to ongoing insecurity.

1. Update on the preparation of the ARTF Partnership Framework and Financing Program (PFFP) 2021-2024.

- The WB thanked the donors who had already submitted pledges for 2021 or the full PFFP period. While some pledges remain unconfirmed, based on informal communication and historical contribution data, the WB currently projects ARTF resources in the next PFFP period to decline by at least 20 percent from the annual average of the last PFFP, but these projections are subject to revision until confirmed by donor partners. The PFFP document will be finalized once those confirmations have been made. The WB recognizes uncertainties and the need for a flexible planning but noted that early submission of outstanding commitment data will help to ensure timely completion of the PFFP in line with the timeline presented in December, which anticipates presentation to the Steering Committee in the second quarter of the calendar year. In response to donor suggestions, the WB team indicated it would be open

¹ Australia, Canada, Denmark, EU/EC, Finland, Germany, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, UK, and US

to producing another interim draft, updating the PFFP text based on additional comments received to date.

- In response to donor requests, the WB team offered a more detailed discussion of (i) the indicative results framework/logic model for the next phase of ARTF programming; (ii) the approach to scenario-based planning; and (iii) the timeline of the implementation of the PFFP. The team noted that in response to valuable suggestions from donor partners, it will endeavor to present an annual fiduciary plan in the next PFFP draft. The second discussion draft already reflected donors' suggestion to engage partners in the selection of projects for targeted in-depth fiduciary reviews, a discussion that the WB proposes to undertake following the Country Portfolio Performance Review (CPPR).
- Donors requested the future ARTF program to present clear prioritization and emphasized an importance of close coordination with bilateral donors and other MDBs operations given the broader financial constraints expected in the next few years. For the sake of transparency, some donors requested to receive all donors' comments on the second PFFP discussion draft and the WB agreed to share a consolidated matrix of comments in the next few weeks.

The WB team thanked donors for the useful feedback and committed to reflecting inputs into the next discussion draft of the PFFP.

2. Requested SG support of ARTF financing for COVID-19 Vaccination Support Program

- The WB health team presented at the November 2020 SG meeting the preliminary plan to prepare a COVID-19 vaccination support program. Since then, the preparation rapidly advanced over the holidays period and in early January 2021 the government formally requested to the WB to provide support to the design and execution of the country's vaccination program. The latest project paper was circulated prior to the Jan SG meeting and the team presented to the SG the project design to support equitable distribution of the vaccines.
- While the current draft of the 2021-2024 PFFP does not detail specific initiatives, it does note that COVID-19 response programming will be fully integrated into the ARTF strategy during the PFFP period. The WB sought SG's feedback on the design and requested partners' support to use ARTF resources to partially finance (\$50m ARTF and \$60m IDA) the vaccination program.
- The WB team confirmed that recognizing a greater impact of infectious diseases, including COVID-19, on women, the project design pays close attention to women's access to information, gender sensitive communications, placement of female health workers, among others.
- A number of questions were raised, including impact on wider health program in Afghanistan, opportunity to improve the national immunization program, operating in hard to reach areas, coordination amongst development partners, capacity gap in MOPH, monitoring and evaluation arrangement, among others.
- Good coordination is the key in this program and the mechanism is already in place. The team is closely coordinating with humanitarian actors for effective vaccines deployment especially in HTR areas. ARTF's third party monitoring agent will monitor equitable distribution of the vaccines.

- The team was not able to fully respond to the donors' question due to the limited time; however, a consolidated written response was shared with the SG shortly after the SG meeting.

The SG expressed its strong support to provide ARTF financing to the vaccination program.

3. ARTF Overview and timeline of the upcoming Country Portfolio Performance Review (CPPR)

- CPPR is part of the overall ARTF commitment to enhance development results achieved through the ARTF. Since 2019, the MOF has been leading structured annual portfolio review with the WB, line ministries, project teams, and development partners.
- CPPR discussions focus on each project's achievement of results, bottlenecks and solutions, and cross-cutting issues, such as fiduciary issues, safeguards, gender, etc. At the end of each project's review, DPs collectively recommend the way forward.
- The WB supports the MOF suggestion to begin annual CPPR meetings this year in late March, and to take the CPPR recommendations to the Steering Committee along with the final 2021-2024 PFFP sometime in April/May. Final timing would of course be subject to confirmation by MOF leadership.

The WB and MOF committed to continue advancing CPPR preparations and to keep ARTF partners updated on the planning.

4. Standing Updates

- **Quarterly Anti-Corruption and Results Monitoring Action Program activity update.** As discussed in the fall, the Q3 and Q4 ACRReMAP reports were combined into a consolidated report disseminated ahead of the January SG meeting. Highlights include implementation of a procurement improvement plan, which is well underway, the continuation of ACRReMAP supported third-party monitoring (TPM) operations under a Covid contingency plan, the completion of a retrospective review of the last phase of TPM contracting, and steady progress on safeguards work, which is generating analytical works – land reports/other reports available. Gender-based violence work likewise continues to roll out.
- **Gender Working Group.** The GWG ARTF co-chair gave a brief update on its recent activities and discussions. The GWG has been providing inputs to the new PFFP and is happy to see a number of recommendations already incorporated. Going forward, the GWG looks forward to being engaged in developing ARTF's results framework. The November GWG monthly meeting was joined by a MOWA representative and it looks forward to having Deputy Minister in one of the future monthly meetings to understand their visions and plans for the WEE program. MOF participation in the future GWG monthly meetings was strongly recommended.
- **Financial Status Update.** The WB thanked donors for their strong January 2021 contributions and reaching close to respective pledges. As always, donor partners are welcome to raise any questions regarding the ARTF financial status.
- **Administration agreement amendments.** So far, the amendment to update the ARTF's current Standard Terms and Conditions has been signed by 17 out of 19 active donors. The remaining two active donors intend to sign, but require additional time because of internal

administrative requirements. The 15 inactive partners must decide whether to sign the amendment or exit the trust fund for the amendment to become effective. The ARTF team has already been informed that Spain and New Zealand plan to withdraw from the trust fund program. Besides these partners, ARTF Administrator is facing a challenge to engage with five inactive donors - Bahrain, Brazil, Kuwait, Luxemburg, and Portugal. The WB requested SG partners, especially Nordic+ donors that initiated the dialogues to update the STCs to indicate if they would be available to support the WB's outreach to these five connect with the five inactive donors.

5. AOB

- **Evaluation of the Recurrent and Capital Cost Operation** The findings of the Evaluation of the Recurrent and Capital Cost Operation were discussed at the December SG meeting. The evaluation will shortly move to the WB's management review. To have balanced views, the WB team requested a volunteer among SG to participate in the review in late January/early February. Once identified, a volunteer will coordinate with DPs to collect comments. The UK agreed to consolidate and present donor inputs on the evaluation.
- **Communication regarding Community Development Councils (CDCs)** The WB updated the SG regarding two recent communications, styled as decrees, from the Islamic Emirate of Afghanistan (Taliban) NGO Commission. The communications announce limitations on CDC-led initiatives, with one indicating that CDCs should not be permitted to approve new projects and a second indicating that the Government's Dastarkhawn-i-Meli initiative (of which the ARTF-financed Relief Effort for Afghan Communities and Households (REACH) forms a part) should not proceed through CDCs. The Citizens' Charter and REACH teams report no manifestation of these restrictions in the field for the ARTF/IDA financed operations as of the meeting date. WB teams are monitoring developments closely with the Ministry of Rural Rehabilitation and Development (MRRD) and the Independent Directorate of Local Government (IDLG), as well as central government authorities in the event they wish to discuss the communication with Taliban representatives. In the meantime, MRRD and IDLG have advised all government and facilitating partner staff to proceed cautiously and keep in regular contact and coordination with local authorities. If there are any insecurity concerns, they should stop and report it to govt counterparts at the province and Kabul levels.
- **SG meeting follow up** The meeting ran out of time to discuss additional donor questions. The WB promised to send an updated response in writing; this was transmitted in the weekly email on January 30, 2021.