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Report No: PAD2019

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 71.8 MILLION

(US$ 100 MILLION EQUIVALENT)

AND

A PROPOSED GRANT

FROM THE AFGHANISTAN RECONSTRUCTION TRUST FUND

IN THE AMOUNT OF US$ 400 MILLION

TO THE

ISLAMIC REPUBLIC OF AFGHANISTAN

FOR A

CITIZENS' CHARTER AFGHANISTAN PROJECT

(P160567)

October 6, 2016

Social, Urban, Rural and Resilience Global Practice
SOUTH ASIA

CURRENCY EQUIVALENTS

(Exchange Rate Effective August 31, 2016)

Currency Unit =

US$ =   66.50 Afghani

US$ =   .71718519 SDR

FISCAL YEAR
January 1 - December 31

ABBREVIATIONS AND ACRONYMS

AFN	Afghanistan Afghani (Afghanistan currency)
AFMIS	Afghanistan Financial Management Information System
ARTF	Afghanistan Reconstruction Trust Fund
CBR	Capacity Building for Results
CCDC	Cluster Community Development Council
CCAP	Citizens' Charter Afghanistan Project
CDC	Community Development Council
CDD	Community Driven Development
CDP	Community Development Plan
CPF	Country Partnership Framework
CPM	Community Participatory Monitoring
DAB	Da Afghanistan Bank
DG	Director General
DMM	Deputy Minister of Municipalities
DRR	Disaster Risk Reduction
EC	Environmental Clearance
ERR	Economic Rate of Return
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESSU	Environmental and Social Safeguards Unit
FP	Facilitating Partner
FMA	Financial Management Agent
GA	*Gozar* Assembly
GRS	Grievance Redress System or Service
HQ	Headquarters
IA	Implementing Agency
IBRD	International Bank for Reconstruction and Development

ICR	Implementation Completion Report
IDA	International Development Association
IDLG	Independent Directorate of Local Governance
IDP	Internally Displaced Person
IE	Impact Evaluation
IFR	Interim Financial Report
MAIL	Ministry of Agriculture, Irrigation and Livestock
MCG	Maintenance Cash Grant
MEW	Ministry of Energy and Water
MoE	Ministry of Education
MoF	Ministry of Finance
MoPH	Ministry of Public Health
MoU	Memorandum of Understanding
MRRD	Ministry of Rural Rehabilitation and Development
MUDA	Ministry of Urban Development Affairs
M&E	Monitoring and Evaluation
NCB	National Competitive Bidding
NEPA	National Environmental Protection Agency
NPA	National Procurement Agency
NPP	National Priority Program
NSP	National Solidarity Program
OC	Oversight Consultant
PCMT	Procurement Contracts Management Team
PDO	Project Development Objective
PFMRP	Public Financial Management Reform Project
PIU	Project Implementation Unit
PMU	Provincial Management Unit
PP	Procurement Plan

PPR	Procurement Prior Review
PPU	Public Procurement Unit
PRAMS	Procurement Risk Assessment and Management System
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SAO	Supreme Audit Office
SBD	Standard Bidding Document
SDU	Special Disbursement Unit
STEP	Systematic Tracing of Exchange in Procurement
ToR	Terms of Reference
TTL	Task Team Leader
UN	United Nations
UNAMA	United Nations Assistance Mission in Afghanistan
UNHCR	United Nations High Commissioner for Refugees
WDR	World Development Report

BASIC INFORMATION

Is this a regionally tagged project?	Country (ies)	Lending Instrument
No		Investment Project Financing

[✓] Situations of Urgent Need or Assistance/or Capacity Constraints

[ ] Financial Intermediaries

[ ] Series of Projects

Approval Date	Closing Date	Environmental Assessment Category
27-Oct-2016	31-Oct-2020	B - Partial Assessment

Bank/IFC Collaboration	Joint Level
No	

Proposed Development Objective(s)

The Project Development Objective for the Citizens' Charter Afghanistan Project is to improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils (CDCs). These services are part of a minimum service standards package that the Government is committed to delivering to the citizens of Afghanistan.

Components

Component Name	Cost (USD Million)	Comments
1. Service Standards Grants	$290	Government will be providing an additional US$128 million for service standards grants
2. Institution Building	$131	
3. M&E, Knowledge Learning	$ 5	
4. Project Implementation and Management	$ 74	

Organizations

Borrower :	Ministry of Finance
Implementing Agency :	Ministry of Rural Rehabilitation and Development, Independent Directorate of Local Governance

PROJECT FINANCING DATA (IN USD MILLION)

[✓] Counterpart Funding	[ ] IBRD	[ ] IDA Credit [ ] Crisis Response Window [ ] Regional Projects Window	[✓] IDA Grant [ ] Crisis Response Window [ ] Regional Projects Window	[✓] Trust Funds	[ ] Parallel Financing

Total Project Cost:	Total Donor Financing:	Financing Gap:
628.00	500.00	0.00
	Of Which Bank Financing (IDA):	
	100.00	

Financing (in USD Million)

Financing Source	Amount
Afghanistan Reconstruction Trust Fund	400.00
Borrower	128.00
IDA Grant	100.00
Total	**628.00**

Expected Disbursements (in USD Million)

WB Fiscal Year	2017	2018	2019	2020	2021
Annual	20.0	120.0	150.0	150.0	60.0
Cumulative	20.0	140.0	290.0	440.0	500.0

INSTITUTIONAL DATA

Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice

Contributing Practice Areas

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Substantial
7. Environment and Social	Substantial
8. Stakeholders	Moderate
9. Other	
10. Overall	High

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes   [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes   [✓] No

Have these been approved by Bank management?

[ ]Yes   [ ] No   N/A

Is approval for any policy waiver sought from the Board?

[ ] Yes   [✓] No

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Natural Habitats OP/BP 4.04		✓
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓
Physical Cultural Resources OP/BP 4.11	✓	
Indigenous Peoples OP/BP 4.10		✓
Involuntary Resettlement OP/BP 4.12	✓	
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓

Legal Covenants

The Recipient shall carry out the Project in accordance with the Operations Manual, the Safeguard Instruments, the Financial Management Manual and the Procurement Plan.

The Recipient shall make the proceeds of the financing available as Rural Area Service Standards Grants to Community Development Councils (including clusters of CDCs) under Rural Area Service Standards Grant Agreements to be entered

into by representatives of the CDC and MRRD, and as Urban Area Block Grants to Community Development Councils or Gozar Assemblies under Urban Area Block Grant Agreements to be entered into by representatives of the CDC or the GA (as the case may be) and IDLG, all under terms and conditions which shall have been approved by the Association.

The Recipient shall provide counterpart funds for the financing of the Project in an amount which shall not be less than $128,000,000 in the aggregate to be disbursed for the Project no later than the Closing Date.

Effectiveness Condition

The Operations Manual has been submitted to, and found to be satisfactory by, the Association.

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Susan Wong	Team Leader (ADM Responsible)	Lead Social Development Specialist	GSUSD
Anand Kumar Srivastava	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	GGO06
Muhammad Abbass Rahimi	Procurement Specialist	Procurement Analyst	GGO06
Asha Narayan	Financial Management Specialist	Sr Financial Management Specialist	GGO24
Abdul Hai Sofizada	Team Member	Senior Education Specialist	GED06
Abdul Wali Ibrahimi	Team Member	Urban Operations Officer	GSU12
Amanullah Alamzai	Team Member	Agricultural Specialist	GFA12
Ghulam Dastagir Sayed	Team Member	Senior Health Specialist	GHN06
Hamayon Aslan	Team Member	Team Assistant	SACKB
Juan Carlos Alvarez	Team Member	Senior Counsel	LEGES
Komlan Kounetsron	Team Member	Senior Operations Officer	GSURR
Megumi Makisaka	Team Member	Consultant	GSU06
Mir Ahmad Ahmad	Team Member	Water Resources Specialist	GWA09
Mohammad Yasin Noori	Team Member	Sr. Social Development Specialist	GSU06
Mohammed Ajmal Askerzoy	Team Member	Transport Specialist	GTI05
Najla Sabri	Team Member	Social Development Specialist	GSU06
Obaidullah Hidayat	Team Member	Environmental Specialist	GEN06
Paul Maximilian Bisca	Team Member	Consultant	GSUGL
Qais Agah	Team Member	Consultant, Social Specialist	GSU06
Rahimullah Wardak	Team Member	Senior Procurement Specialist	GGO06
Sean Bradley	Team Member	Lead Social Development Specialist	GSUGL
Shankar Narayanan	Team Member	Sr. Social Development Specialist	GSU06

| Stephen George Karam | Team Member | Lead Urban Specialist | GSU12 |
| Wahida Obaidy | Team Member | Team Assistant | SACKB |

Extended Team

Name	Title	Organization	Location
Elizabeth Mccall	Social Development Specialist (Consultant)	Formerly WB	
Mohammad Ateeq Zaki	Social Development Specialist (Consultant)	Formerly WB	Kabul, Afghanistan

AFGHANISTAN
CITIZENS' CHARTER AFGHANISTAN PROJECT

TABLE OF CONTENTS

I. STRATEGIC CONTEXT

A. Country Context

1.   **Following the fall of the Taliban government in 2001, Afghanistan has been the focus of a large-scale reconstruction effort that has gone through a number of phases.** The peace and reconstruction agreements reached in Bonn produced a national constitution, a restructured executive branch headed by a strong presidency, and an elected national parliament, nearly a third of which consists of women representatives. This first phase of reconstruction launched quickly, with donors using the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF) to pool funding in support of a core set of national governance and service delivery programs.

2.   **From 2008 onwards reforms began slowing, coinciding with a return of the Taliban insurgency and an increase in cross-border attacks**. The heavily criticized 2009 election was followed by a period of confrontation between the Karzai government and the US-led support coalition. During this period corruption increasingly spun out of control, reforms tapered off, and popular disillusionment with the government led to rising support for the insurgency. At the same time, the international coalition announced its plans to withdraw over 100,000 troops by 2014, with a target of full withdrawal and handover to the Afghan government by 2016. To help smooth that transition, an International Conference held in Tokyo in July 2012 committed development assistance for the next ten years at levels that were intended to allow the country to maintain a slow glide down from the unrealistically high levels of international aid to more sustainable levels of aid that would complement rather than replace national revenue and expenditure.

3.   **Many of the initial assumptions that supported this scenario however did not prove to be realistic**. Attacks by the Taliban and other groups rose significantly, forcing the government and donor partners to maintain high levels of security expenditure. The contested election of 2014, which brought the current National Unity Government to power, led to long delays in naming key government appointments, which not only prevented the new government from following through on policies but also deterred Afghan and outside investors from marshalling private sector resources into the Afghan economy, where they could create jobs. And both donors and the new government were surprised by the size of the fiscal gap inherited from the outgoing administration, which was filled only when donors agreed to move outer year pledges forward.

4.   **Despite the political and security upheavals over the past 15 years, some notable economic and social progress on post-conflict reconstruction was achieved.** From 2003 – 2012, economic growth averaged 9.4 percent annually driven primarily by aid and security spending. This positive economic growth helped raise GDP per capita from US$186 in 2002 to US$688 in 2012.   Key human development indicators including school enrollment, life expectancy, and access to water also improved markedly. School enrollment increased from 1 million in 2001 to 9.2 million in 2011. Today, girls account for over one-third of school children compared to nearly none in 2001. In the health sector, primary health care coverage expanded

significantly and infant and maternal mortality rates declined. Major infrastructure investments have led to gains in access to water, sanitation, electricity, and road connectivity. From 2007-08 to 2013-14, the share of population with access to safe drinking water increased from 27 to 65 percent; and the share of population with access to electricity increased on average from 41.7 to almost 90 percent nationally.[1] Afghanistan has held five national elections since 2001, established a more open environment for the media and civil society, and drastically increased women's participation in government, business, and public life.

5.   **Major security threats however pose formidable challenges to continuing socio-economic progress.** The foremost constraint facing Afghanistan's development prospects is the ongoing conflict and its broader implications for the economy and society. Afghanistan is a deeply fragile and conflict-affected country. Nearly four decades of protracted conflict have resulted in weakened government institutions and severe social and ethnic cleavages. The three most relevant sociological fracture lines concern ethnic and tribal identity; rural versus urban divides; and varying beliefs in the changing role of women in political and economic life. Fragility and conflict continue to be critical threats to personal safety, public service delivery, and private investments. According to the United Nations (UN), civilian casualties are on the increase, with 2015 recording the highest level on record of conflict-related civilian deaths and injuries.   The latest July 2016 report by the United Nations Assistance Mission in Afghanistan covering the period April-June 2016 estimated that civil servants had access to only 60 percent of districts, the lowest figure recorded since 2007**,** when access stood at over 80 percent.[2] The lack of security affects Afghan citizens on a daily basis and makes the government's delivery of services across the country's 34 provinces extremely difficult.

6.   **And despite earlier accomplishments, Afghanistan remains one of the least developed countries in the world**. Poverty rates stand at 39.1 percent as of 2013-14, with signs of growing inequality. Gaps in access to services between the poor and non-poor are sizeable. Economic growth fell sharply to 1.5-2 percent in 2014 and 2015 respectively. Donor plans to reduce foreign aid is another major challenge. Afghanistan is highly dependent upon foreign aid, which amounted to 45 percent of GDP in 2013. Security expenditures are remarkably high (with on-budget and off-budget security spending amounting to approximately 25 percent of GDP in 2014), thus limiting fiscal space for much needed civilian operating and development spending. Furthermore, the country's demographic trends make poverty reduction challenging. Afghanistan faces high population growth and a youth bulge, with 400,000 entrants into the labor force each year. The proportion of the population aged 15 or below is 51.3 percent, making Afghanistan one of the youngest countries in Asia with extremely high dependency ratios. These demographic pressures are in the future likely to be exacerbated by significant numbers of returning refugees and internally displaced persons (IDPs). Lastly, vulnerability to weather-related shocks and natural disasters is high in Afghanistan especially among poorer households.

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[1] Central Statistics Organization of Afghanistan (CSO). 2016. *Afghanistan Living Conditions Survey 2013-2014*. Kabul: CSO; World Bank. 2016. *Afghanistan Systematic Country Diagnostic*. Washington, DC: World Bank
[2] UNAMA. 2016. *Civil Servants Districts Accessibility*, April to June 2016.

B. Sectoral and Institutional Context

7.   **In 2003, and in response to the severe deficit of basic services and trust in central government's abilities, the newly installed government of President Karzai established the National Solidarity Program (NSP).** NSP is one of the earliest World Bank-funded initiatives, which has used a community-driven development (CDD) approach to reach approximately 35,000 communities over the past 14 years. NSP is an on-budget program implemented by the Ministry of Rural Rehabilitation and Development (MRRD) that provides block grants to communities so that they can invest on the basis of community development plans formulated with the help of Facilitating Partners (FPs) (usually NGOs) hired and managed by the government.   NSP has helped establish CDCs across all provinces of Afghanistan. Half of all council seats are allocated to women, giving them the opportunity to participate in decision-making at the village level and a forum to voice their opinions. NSP has worked through CDCs to identify and implement some 82,000 small-scale reconstruction and development activities, providing over 20 million Afghans with access to improved water supply and sanitation, rural roads, irrigation, power supply, health, and education services. The program has generated 47.8 million days of work for skilled and unskilled workers, injecting much needed short-term wage transfers into poor rural communities throughout Afghanistan. NSP's recent Maintenance Cash Grant (MCG) program, which has so far reached 3,800 communities, helps to ensure that the employment generated will provide an estimated two to three months of food security to participating households.

8.   **From the perspective of the national government, while NSP has been a major success story, it also operates under a number of constraints.** First, the NSP model was never adopted by Afghan cities, even though several of the same NGOs that execute NSP have been running small but successful projects of their own in urban areas. Second, despite many efforts by MRRD and the World Bank, other line ministries have been reluctant to work through CDCs, viewing them as project committees of MRRD and NSP only. This approach has resulted in fragmentation and parallel channels of service delivery. And third, NSP block grant sizes are too large for the government to sustain over the long term given the fiscal scenario for the country. At US$200 per family and an average block grant size of approximately US$38,000 per community, national coverage – which would require at least 50 percent of the Government's development budget[3] – would be unsustainable. Gaps in service delivery for the poor would in the future need to be filled in a more harmonized and coordinated manner working across multiple ministries.

9.   **In response to these and other clear development challenges, in December 2014, the new National Unity Government declared its commitment to reform and recovery through its paper "Realizing Self-Reliance: Commitments to Reforms and Renewed Partnership."** That paper, presented at the London Conference, outlined a reform agenda aimed at helping the

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[3] Calculations based upon analysis from report of Bradley, Sean, Robert Wrobel, Makiko Watanabe, Naila Ahmed, and Richard Spencer Hogg. 2015. *Technical Assistance Paper on the National Solidarity Program of the Islamic Republic of Afghanistan*. Washington, DC: World Bank.

country move towards peace, recovery, and growth.[4]   The Government prioritized seven programmatic areas of critical importance for reform: (i) improving security and political stability; (ii) tackling the underlying drivers of corruption; (iii) building better governance; (iv) restoring fiscal sustainability; (v) reforming development planning and management; (vi) bolstering private sector confidence and creating jobs; and (vii) ensuring citizens' development and securing human rights.

10.   **Within the last pillar, the Government promised to develop a Citizens' Charter that will set a threshold of core services to be provided to all communities and help make CDCs inclusive and representative bodies**.   Consequently, in September 2015, the Government announced its intention to launch the Citizens' Charter National Priority Program ("Citizens' Charter") as one of twelve national priority programs meant to implement the reform agenda.

11.   **In line with the country's reform plans, the Afghanistan Country Partnership Framework (CPF) is currently being prepared and is expected to be completed by the end of CY2016.** It covers the four year period from FY2017 to FY2020 and contains three broad pillars: (i) building strong and accountable institutions; (ii) inclusive growth; and (iii) social inclusion. The Citizens' Charter will be a major contributor to the first pillar of building strong and accountable institutions especially by strengthening the capacity of CDCs to plan and monitor local service delivery and hold government and service providers better to account. By helping to improve services, especially for the poor and most vulnerable, the Citizens' Charter will also contribute to the third CPF pillar of social inclusion.

C. Higher Level Objectives to which the Project Contributes

12.   **The Citizens' Charter aims to contribute to the Government's long-term goals of reducing poverty and deepening the relationship between citizens and the state**. It will achieve this in two ways. First, by providing development services and grants through CDCs, the government will be increasing trust that a distant government can nevertheless provide valued local benefits. The Charter will help connect government, especially local government and municipalities, with its citizens. Second, using community oversight over service provision through a high profile government program is the best bet for monitoring local level service delivery in such a difficult environment. While neither objective will be achieved solely through the Citizens' Charter, the Charter builds upon NSP's proven fiduciary mechanisms and popularity across broad swathes of the Afghan public, making it a potentially valuable platform for supporting inclusive development in a country like Afghanistan.

13.   The Citizens' Charter Afghanistan Project (CCAP) is one slice of the larger, ten-year Citizens' Charter National Priority Program that will be supported through the government budget,

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[4] Government of Afghanistan. 2014. *Realizing Self-Reliance: Commitments to Reform and Renewed Partnerships*, presented at the London Conference on Afghanistan in December 2014.

the ARTF, and the World Bank/IDA. CCAP will support the first four-year phase of the Citizens' Charter.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

14.   **The Project Development Objective for the Citizens' Charter Afghanistan Project is to improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils (CDCs).**   These services are part of a minimum service standards package that the Government is committed to delivering to the citizens of Afghanistan.

B. Project Beneficiaries

15.   **Under its first four-year phase, CCAP will reach an estimated 8.5 million direct and indirect beneficiaries in select rural and urban areas**. Beneficiaries reside in all 34 provinces and approximately one-third of districts in each province, although coverage will be highly dependent upon security considerations.[5]   In addition, four urban cities will be covered: Herat, Mazar-i-Sharif, Kandahar, and Jalalabad.

C. PDO-Level Results Indicators

16.   The key results indicators for the PDO are:

(a)   Minimum of 8.5 million direct and indirect beneficiaries reached by CCAP;

(b)   Minimum of 50 percent of direct and indirect beneficiaries will be women;

(c)   Minimum of 9,000 communities in rural and urban areas receiving the stated minimum service standards.   The minimum target is estimated at 9,000 communities (8,600 rural and 400 urban) due to high risks of insecurity and fluctuating conditions.   However, the overall coverage target is planned for 12,600 total communities (12,000 rural and 600 urban communities); and

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[5] MRRD and its FPs under NSP have recently conducted security assessments in 31 provinces and 152 districts to gauge the feasibility of operations at the community level. They have found that in two-thirds of the country (21,800 communities), operations can continue; however the other one-third of the country (approximately 14,000 communities) is deemed highly or extremely insecure.

(d)   Minimum of 10,500 CDCs/clusters/*Gozars*[6] able to plan, implement, monitor and coordinate development activities as measured by an institutional maturity index.[7]

III. PROJECT DESCRIPTION

A. Project Components

17.   **CCAP will seek to address key limitations of line agency efforts and NSP to date, and respond to financial constraints to national development investments.** First, it will bring together under one umbrella program the rural and urban community level work. Afghan cities are growing at a rapid rate, caused partially by an influx of returning refugees and internally displaced. The population of Afghan cities is expected to double within the next 15 years and by 2060, one in every two Afghans will be living in cities.[8] The 2013-2014 Afghanistan Living Conditions Survey estimates that 74 percent of the urban population lives in slums. Informal settlements in major cities are growing while the number of poor – an estimated 29 percent of the urban population – do not have access to basic services. As urban areas have spread over the years, NSP and other projects have formed some 1,800 peri-urban and urban CDCs to increase community participation, give voice to urban residents, and provide some vital services. The CCAP will build upon the ground work already being done in urban communities.

18.   **Second, consolidating service delivery under the Citizens' Charter brings many advantages to Afghanistan's development planning**. First and foremost, it will streamline the various parallel service delivery mechanisms amongst ministries and focus on key basic services needed by communities. Afghanistan's poor need to have access to a basic level of services in order to participate productively in the country's economic development. The Charter aims to fill these needs and focus investments exclusively on critical services such as clean drinking water, road access and electricity. Second, by strengthening citizen engagement and monitoring in the delivery of services such as education and health, it increases the chances of those services actually being delivered. Third, by transferring resources and responsibilities for local level infrastructure to communities, it frees up technical line agencies to focus upon larger, more technically sophisticated infrastructure. As evidenced during the past 14 years of NSP, communities feel more ownership of their infrastructure. Despite their high rates of poverty, Afghan communities contribute approximately 13 percent on average to NSP's construction costs (30 percent on average in urban areas), and they can build infrastructure more cost effectively using local labor. The emphasis on labor-intensive works and use of local labor injects valuable liquidity and short-term employment into poor rural areas. And lastly, community programs have had the best track record in Afghanistan for involving women in local decision-making.

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[6] *Gozar* is an urban neighborhood area-based organization structure at the sub-district level.
[7] Under NSP, a CDC Maturity Index was developed to assess the organizational and management capabilities of CDCs. This Maturity Index will be enhanced for use under the Citizens' Charter.
[8] Government of Afghanistan. 2015. *The State of Afghan Cities 2015*. Kabul: Government of Afghanistan.

19.   **This transition means that there will be increased emphasis on linking CDCs with local government institutions and ministries following a systems-based rather than project-based approach**. CDCs will focus much more in the future on monitoring and leveraging services from the various line ministry programs and other national priority programs. This role is consistent with the 2006 CDC By-Law (See Box 1). In the past under NSP, there has been some incremental progress in using CDCs to coordinate service delivery across various sectors, especially given the difficulties for all line ministries to reach communities. For example, the Ministry of Agriculture has worked closely with CDCs in several areas to deliver agricultural extension services to communities; in other areas, the Provincial Education Departments have worked hand-in-hand with CDCs in remote areas to construct schools and add facilities. Past studies highlight the advantages of working through CDCs for geographical and social outreach especially to remote and insecure areas, as well as to the most vulnerable groups.[9] However, those efforts have been ad-hoc and non-systematic. Moving forward, the Citizens' Charter will build upon the community platform created through NSP over the past 14 years and strengthen the partnership between government and communities. CDCs will be the means by which citizens can demand services, hold line agencies accountable, and ensure that the poorest and most vulnerable can access services.

20.   **To provide improved services, the Citizens' Charter will set a threshold of core infrastructure and services that the government will provide to all accessible communities over the next ten years**. The critical services include: clean drinking water, other rural infrastructure as well as basic education and health services as explained below. The Charter is not only about the delivery of services but also about the standards of service delivery citizens can expect.

21.   **The Citizens' Charter will be the first inter-ministerial program where Ministries collaborate on a single program in both rural and urban areas**. The Ministry of Finance (MoF) chairs the government's working group on Citizens' Charter with MRRD and the Independent Directorate of Local Governance (IDLG) as lead implementing agencies for the rural and urban components respectively. The working group also consists of the Ministry of Education (MoE), Ministry of Public Health (MoPH), and Ministry of Agriculture, Irrigation and Livestock (MAIL).

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[9] See Bradley et al., 2015.

Box 1: Community Development Councils in Afghanistan

Community Development Councils or CDCs are community-based decision-making bodies, composed of both men and women who are democratically elected by their communities. While the Afghanistan Constitution calls for the election of village councils, these have not yet been constituted nor is it feasible to hold formal village level elections throughout the country currently given security and fiscal constraints. Thus, CDCs act as the subnational governance and development body to help the government deliver services at the local level. A 2006 CDC By-Law passed by the President of Afghanistan forms the legal basis for CDCs. The By-Law defines CDCs as "the social and development foundation at the community level, responsible for the implementation and supervision of development projects, serving also as a liaison between communities, the Government and non-government organizations." They also may have responsibilities for local dispute resolution amongst community members as well as assisting with identity, birth, and marriage certification however those responsibilities are highly variable across areas. Each Council includes an elected chairperson, vice-chair, treasurer and secretary who jointly prepare with their communities Community Development Plans and investment proposals in a participatory and inclusive manner. Under NSP and other projects, CDCs were trained in financial management and book-keeping, project implementation, and in basic principles of transparency, participation, and accountability. As with *gram panchayats* in India, CDCs are composed of volunteers who are committed to helping their communities develop. Nationally, approximately 35 percent of the Council members are women. NSP's impact evaluation found that the creation of gender-balanced CDCs increased female representation in local institutions by 38 percentage points and increased the provision of governance services particularly to women (Beath et al, 2013). Furthermore, another evaluation on aid distribution by the same authors found that in villages where elected CDCs exist and manage distributions, aid targeting of the poor improves.

Approximately 35,000 CDCs have been formed in all rural areas of 34 provinces. In urban and peri-urban areas, some 1,800 CDCs have been formed. Cluster CDCs are groupings or federations of smaller CDCs covering several communities to reach scale, especially for service delivery in health and education. In the urban domain, the CDCs – composed of up to 250 households - are organized into *Gozars,* which are clusters of five CDCs or up to 1,000 – 1,250 households.

22. **Core design features of the Citizens' Charter include**:

    (a) **CDCs/clusters are the linchpin of the Citizens' Charter strategy.** They will become the central body for community development overseeing sectoral associations or *shuras*[10] as sub-committees. Education, health and agricultural *shuras* will work more closely with CDCs/clusters to deliver the minimum package of services;

    (b) **Social inclusion will be much more heavily emphasized under the Charter.** As witnessed in recent years, Afghanistan can experience rapid economic growth,

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[10] *Shura* is a consultative council or assembly.

however that growth may not be shared. The project will be putting a much greater emphasis upon social inclusion of vulnerable groups including women, refugee returnees IDPs and others. This will be done through enhanced community mapping and well-being exercises, needs identification and gap analysis, more intensive training of all staff and CDCs, clusters, and *Gozar* Assemblies, and monitoring and evaluation of poverty targeting and inclusion. The project will be developing a more robust monitoring and reporting system building upon the existing NSP management information system to track whether women, the poor and vulnerable groups such as returnees/IDPs are participating. The Government is already working on modifying the operations manual and systems to emphasize more social inclusion aspects;

(c) **In addition to overseeing implementation of infrastructure projects, CDCs will monitor and report upon service delivery from other line ministries at the community level** (e.g. monitoring teacher attendance, health clinic hours and services, etc.). Citizens will monitor and report upon services that communities *should be receiving* under existing programs;

(d) **The project will strengthen the service delivery capabilities and accountability of sub-national government, including provincial, district and municipality levels**. These entities will help select project locations, provide technical assistance and oversight to communities, and help resolve problems and grievances;

(e) **Improved disaster risk prevention, mitigation and management measures will be included**. While NSP implemented some disaster risk management measures, they were ad hoc and not program-wide. The Citizens' Charter will strengthen the disaster risk management aspects; and

(f) **The project will also work with CDCs and communities to identify key local issues that can be solved without external resources** to ensure that development efforts do not create dependencies on outside funding and facilitation.

23. **The service standards of the Citizens' Charter and CCAP are:**

In Rural Areas:

Approximately 12,000 rural communities across 34 provinces will receive the following services over the course of four years:

(a) **Universal access to clean drinking water:** one water point per 25 households, providing 25 liters of water per person per day;

(b) **Rural infrastructure:** communities will have at least <u>one</u> of the following services (depending on gap analysis, community prioritization and accessibility):

- **Basic electricity:** 100W per household through solar, micro hydro, biogas or wind (only in areas that cannot be reached by the grid);
- **Basic road access**: within two kilometers walking distance from nearest accessible rural road (accessible areas only); and
- **Small-scale irrigation infrastructure**: this includes intakes (for secondary/tertiary canals), water divider, water control gates, siphon, water reservoir up to 10,000 M3 capacity, rehabilitation or construction of small irrigation canal, protection wall, gabion wall, aqueducts, and super passage;

(c) **Quality education in government schools** as part of MoE's <u>existing</u> education standards[11]. Citizens will monitor that:

- Teachers have at least grade 12 education; and
- Students have 24 hours per week of education in grade 1-3, 30 hours of education in grade 4-6 and 36 hours of education in grade 7-12; and

(d) **Delivery of basic package of health services,** as part of the MoPH's <u>existing</u> health package[12]. Citizens will monitor the following services:

- Health facilities will comply with required opening hours (8am to 4pm), required staffing requirements, and provide mandated services;
- **Health post**: awareness on malaria, diarrhea, and acute respiratory infections, and referral to health facilities and health education;
- **Health sub-center**: treatment of pneumonia, diarrhea, and malaria, antenatal care, family planning, tuberculosis case detection and referral, and immunization services;
- **Basic health center**: outpatient care, immunizations and maternal and newborn care, and nutrition interventions; and
- **Comprehensive health center**: antenatal, delivery, postpartum and newborn care, routine immunization, nutrition interventions.

In Urban Areas:

24. **Urban areas require a different set of criteria and operating procedures because of the complex structure of community representation and population density, as well as different infrastructure needs.** Also, the urban areas have not had the years of experience with NSP as in rural areas. Lastly, urban infrastructure needs to be part of an overall municipal development plan with linkages to trunk infrastructure.

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[11] It is recognized that not all communities have schools, given fiscal and security constraints. Citizens' Charter monitoring of service standards will take place only where these exist.

[12] It is recognized that not all communities have health-care facilities, given fiscal and security constraints. Citizens' Charter monitoring of service standards will take place only where these exist.

25.   **CCAP will cover 600 CDCs and 120 *Gozars* in the four major provincial capitals.** Each urban CDC will receive a grant of $70,000 over the course of four years. Based upon the needs and priorities of the community and the Community Development Plan, the community can choose one or more services from the list below:

(a)   **Street upgrading and drainage:** includes concreting streets, sidewalks, drainage and tree planting along streets;

(b)   **Provision of potable water:** can include extension of existing municipal water network, small water supply scheme or hand pump installation;

(c)   **Solid waste management:** solid waste management from the household level, which includes awareness raising, linked to existing municipal waste collection mechanisms;

(d)   **Household numbering**; and

(e)   **Lighting/electricity:** can include extension of electrical grid, including installation of electrical transformers. Additionally households will be encouraged to install lights outside their homes.

26.   **Each *Gozar* (composed of five CDCs or up to 1,000-1,250 households) will receive a total grant of US$200,000 over the course of four years.** Based on the needs and priorities of the community and the Community Development Plans, the community can choose one or more services from the menu below:

(a)   **Secondary road upgrading and readjustment:** includes concreting streets, sidewalks, drainage, and tree planting along streets;

(b)   **Provision of potable water:** extension of existing municipal water network;

(c)   **Park/recreation area/playground** for children and women;

(d)   **Solid waste management**: linkage for transfer of waste from designated waste site to dump site, facilitated by municipality;

(e)   **Lighting/electricity:** can include extension of electrical grid, including installation of electrical transformers. Additionally lights will be installed on secondary streets; and

(f)   Livelihood projects for women: a percentage of the *Gozar* grant will be designated for women's projects, particularly women's economic activities with linkages to relevant urban market demands in the area. The Citizens' Charter will coordinate these livelihood activities closely with the upcoming Government's

Table 1: Citizens' Charter Service Standards

Rural Areas	Urban Areas
Access to Clean Drinking Water **Access to Rural Infrastructure.** Choice of: ▪ Road access ▪ Electricity (in areas not reached by grid) ▪ Small-scale irrigation	**Access to Urban Infrastructure.** Choice of: ▪ Potable water ▪ Street upgrading and drainage ▪ Lighting, electricity ▪ Park, recreation area ▪ Solid waste management ▪ Household numbering ▪ Livelihood projects for women
MoPH Health Standards ▪ Health facilities complying with required open hours, staffing, and mandated health services ▪ In urban areas, pharmacies will be registered and meet basic MoPH requirements	
MoE Education Standards ▪ Teachers with a least grade 12 education ▪ Students will have 24 – 36 hours per week of education	

National Priority Program for Women's Economic Empowerment, to support women-only business skills training centers, partner with existing, community-based women's lending and business groups to provide business and financial skills training, and access credit.

27.   **All infrastructure investments at the community and *Gozar* levels will be validated by municipal authorities to ensure that they are consistent with municipal development plans.** Under the current urban community projects, it is standard practice to have municipalities join the community planning meetings and validate these plans so that there is no duplication and to improve linkages with trunk infrastructure.

28.   **At the *Gozar* level, communities will monitor to ensure:**

(a)   **Quality education in government schools** (same as in rural areas, noted above);

(b)   **Delivery of basic package of health services** (same as in rural areas, noted above);

(c)   **Private health facilities will provide health services according to agreed standards with MoPH.** All facilities must: be appropriately staffed; meet hygiene requirements, including disposal of medical waste; provide adequate space and privacy, particularly for female patients; and keep patient records; and

(d)   **Pharmacies will be registered and meet basic requirements stipulated by MoPH.** All pharmacies must: have a license that is visibly displayed, with licensed pharmacists on duty; and clearly state and stamp the price of medication.

29.   **For agriculture, during project preparation, it was determined that it would be difficult to specify a service standard which would be applicable and meaningful across all 34 provinces given the diverse agricultural climates and needs in the country.** And unlike education and health, the existing agricultural projects are not national in scope. As with NSP, however, MAIL will work closely with CDCs and the agricultural sub-committees in specific areas of the country to provide extension services, train farmers, and assist with farm to market linkages and agricultural processing as part of existing MAIL projects.

30.   **Strengthening the Sectoral Response and Supply Side of Service Delivery**. Attaining the minimum service standards as described above will require strong commitment and enhanced coordination between communities and line ministries at the various levels. To make the "supply-meets-demand" cycle work, and concurrently with the implementation of the grants, the project will build a strong monitoring and reporting mechanism into the operation, building upon NSP's existing systems. CDCs, assisted by FPs, will complete simple scorecards on the achievement of the standards, and these scorecards will be discussed with local service providers (schools, health clinics, and district line ministries) and reported back to the district and provincial levels where results will be reviewed at a forum chaired by the Governor. Semi-annual reports will also be sent to the Office of the President, MoF, and Citizens' Charter national working group to monitor progress, remove obstacles, and re-allocate resources if needed. The Office of the President has signaled its strong commitment to this "flagship program" and will be monitoring it closely in the future. Second, the Citizens' Charter will be tied to MoF's current performance-based budgeting reforms whereby national priority programs and projects will be evaluated each year and resources allocated based upon good performance. While these budget reforms are part of the Government's broader national reform agenda and are not directly tied to the Citizens' Charter, they do indicate a desire by the government to more carefully monitor project performance and disbursement rates across the development portfolio. Third, the project will strengthen the presence of engineers and management units at the provincial, municipality and some district levels to provide technical assistance to CDCs, address grievances, and resolve issues. Strengthening district outreach to communities will increase the chances of services actually being delivered. Lastly, new training modules, adapted from NSP's training curricula and those of other community development projects, are being developed to build the capacity of CDCs and provincial and local governments to provide services.

31.   **Selection of Project Locations for Phase One**. For equity reasons, CCAP will start in all 34 provinces of the country and the four major city hubs (except for Kabul). Approximately one-third of districts were chosen in each province based upon two criteria: (i) security and accessibility of communities; and (ii) those communities that have not recently received a second round of grants from NSP or other donor funding for similar activities. Using the aforementioned criteria, the President's Office, line ministries, and provincial governors and mayors have selected the districts. The other two-thirds of the country will be covered in subsequent phases, funding

permitting. As for the urban municipalities, CCAP will cover 600 urban communities and 120 *Gozars* which represent approximately 50 percent of the total communities and *Gozars* in those four main cities. Communities in these cities will be chosen based upon access to basic infrastructure and services. Kabul is not part of the first phase of CCAP because Kabul already has several urban projects funded through separate sources. It is expected that Kabul will be included in the future, assuming funding becomes available.

Project Components

32.   **Component 1: Service Standards Grants.** This component will support two types of grants to CDCs:

(a)   **Rural Areas Service Standards Grants.** MRRD will have overall responsibility for the implementation of these service standard grants in rural areas. Approximately 12,000 rural communities (or some eight million residents) across 34 provinces will receive assistance over the course of four years. This rural sub-component will support the minimum service standards related to rural infrastructure (see earlier description). Allocations will be based upon an initial gap and needs assessment, undertaken by communities and FPs to determine the current status of the minimum service standards in each community/cluster. Investments follow a *needs-based approach* rather than a uniform block grant allocation as previously practiced under NSP. The investments include water supply and a choice between basic road access, electricity, or small-scale irrigation. The average cost for all types of subprojects is expected to be US$28,000. CDCs will implement most of these projects with technical assistance from MRRD's provincial and district offices.

(b)   **Urban Areas Block Grants.** IDLG will have overall responsibility for the implementation of the urban areas block grants. This sub-component supports grants to 600 urban CDCs and 120 *Gozars* in four major cities (Herat, Mazar-i-Sharif, Kandahar, and Jalalabad) to fund small infrastructure works in urban settings. These four major cities are home to some 945,000 urban dwellers. The menu of options includes street upgrading, parks, lighting, provision of potable water, solid waste management arrangements, and women's economic activities. Urban CDCs will receive US$70,000 and *Gozars* will receive US$200,000 over the course of four years. This urban sub-component will support service delivery linkages between the CDC, cluster/*Gozar*, urban district, and municipal levels. All urban CDC and *Gozar* development plans will be validated and be consistent with overall municipality plans. Municipality authorities will participate in meetings regarding the CDC and GA plans to ensure proper linkages for more comprehensive urban development.

33.   **Component 2: Institution Building.** CCAP aims to build strong Afghan institutions from national to local levels, capable of planning and managing their own development. This component will support: capacity building; technical assistance; and community facilitation services.

(a) **Rural Areas.** MRRD will be responsible for this sub-component in rural areas. This sub-component will support approximately 14 FP contracts, capacity building and training of provincial and district staff to oversee, monitor and report upon project progress, Social Organizers, and engineering and technical support to communities across all 34 provinces.

(b) **Urban Areas.** IDLG will be responsible for this sub-component in urban areas. This sub-component supports the OC services for IDLG as well as approximately four FP contracts, one for each of the cities. Capacity building and training of municipality staff to supervise, monitor and report upon project progress are also included in this sub-component.

34. **Component 3: Monitoring and Knowledge Learning.** This component includes learning activities from village to national levels, exchange visits across communities, especially for women, and support for thematic studies and evaluations. MRRD will be in charge of the activities described in this component for rural areas and IDLG will be in charge of activities in urban areas.

(a) **Citizens' monitoring and scorecard.** A core part of CCAP will be to strengthen citizens' monitoring and their ability to report problems at the same time as they are implementing the rural and urban grants. The Project will develop simple citizens' scorecards to be completed by CDCs and Social Organizers to report upon the minimum service standards. CCAP will also track more closely through the scorecards, regular reporting and evaluations the participation of women, poor and vulnerable groups, such as returnees and IDPs, during the project cycle. Furthermore, taking advantage of technology and high mobile access coverage in the country, CCAP will explore mobile applications for reporting and grievance redress. Second, the project will innovate and use the satellite imagery of the existing ARTF third party monitoring activity to validate infrastructure gaps and service delivery outputs. For example, the presence of schools and irrigation canals in a sample number of areas will be validated through satellite imagery against community monitoring reports. Lastly, this component will support ways to strengthen a coordinated approach across line ministries' monitoring and evaluation mechanisms, including at the community, district and provincial levels, within government and with third party monitors. As part of the Government's strong commitment to making the Citizens' Charter operate effectively, the Office of the President and MoF will receive semi-annual progress reports on the achievement of the service standards so they can closely monitor progress, assist with removing bottlenecks in service delivery, and allocate budgetary resources as needed.

(b) **Studies and evaluations.** Several studies are planned related to service delivery, CDC institution strengthening, social inclusion, social accountability, and technical quality audits. The project will also explore the possibility of an evaluation to

examine the nexus between quality of service delivery and social cohesion, an under-researched area in the global conflict literature. Due to MRRD's longer experience managing studies, sub-component 3 (b) on studies and evaluations has been included in MRRD's portion of the budget although some studies will cover both rural and urban areas.

35.   **Component 4: Project Implementation and Management.** This component will support the management and oversight of CCAP at the national, provincial and district levels in rural areas and the municipal management units in the four regional hub cities. MRRD will be responsible for the implementation and management in rural areas, and IDLG will be in charge of urban areas. The management teams will carry out the following functions: policy and operational planning; Operations Manual development; capacity building; management information and reporting systems; grievance redress mechanisms; human resource management; communications; donor and field coordination, quality assurance on financial management and procurement; and safeguards oversight.

36.   **Internally Displaced Persons and Returnees.** Afghanistan is the second largest refugee source country in the world, with millions of refugees overseas and an increasing number of refugees returning from Pakistan. The top three drivers of displacement are generally insecurity, lack of income opportunities and poor service provision. Over the years, NSP has served as a community response mechanism for returnees, to provide short-term employment and services. During the early NSP years when there were large numbers of returnees, the project coordinated closely with the United Nations High Commissioner for Refugees (UNHCR) and other UN agencies to prioritize assistance to the districts and provinces with the most number of IDPs and returnees. NSP I and II also had specific operational policies to assist these groups. For example, IDPs and returnees settling into communities could elect representatives to CDCs so that their voices were heard and they could benefit from community subprojects. A 2012 independent evaluation by the University of York found that NSP was widely recognized by returnees and IDPs as the largest provider of community development projects from which they benefited.[13] Additionally, an overwhelming majority of returning refugees and IDPs considered the development projects implemented by CDCs to be important in their reintegration, and the resulting short-term employment from these projects had a positive impact on their reintegration into the communities. While much is to be learned and improved from past experience, CCAP will use the lessons from NSP and other community projects in urban areas to inform response mechanisms as needed. (See Annex 4: NSP Achievements and Lessons Learned for more details). CCAP will provide the community platform in rural and urban areas to coordinate interventions. For example, CDCs together with education *shuras* can proactively assist children of IDP/returnee families to enroll in school within a certain time period, or monitor grievances of IDPs/returnees in accessing basic services so that their specific needs are addressed. Initial funds of US$10 million are set aside in Component One to assist with quick responses.

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[13] Post-War Reconstruction & Development Unit (PRDU), University of York. 2012. *The Study of NSP's Impact on IDP/Refugee Returnee Reintegration in Afghanistan.* York: University of York.

37.   **Disaster Risk Management.** Afghanistan is highly prone to intense and recurring natural hazards, including earthquakes, floods, flash floods, landslides, avalanches and droughts. Since 1980, disasters caused by natural hazards have affected 9 million people and caused over 20,000 fatalities in Afghanistan. While earthquakes cause the highest loss of life, drought affects the most people and flooding causes the most economic damage. Most disaster risk management programs in Afghanistan support disaster preparedness and humanitarian responses. National community development programs provide a unique opportunity to significantly improve both local level disaster-preparedness as well as cost-effective, rapidly mobilized post-disaster reconstruction.

38.   **CCAP will include a stronger focus on disaster risk reduction (DRR)** to ensure resilient community infrastructure, greater sustainability in investments as well as more resilient communities. While FPs have been asked under earlier phases of NSP to train CDCs on DRR, this was never done in a consistent and coherent manner across all communities. Also, important lessons have since been learned both within Afghanistan (from NGO partners working at the community level) and in other countries, which could help inform a stronger approach in CCAP. Several activities will be carried out:

(a)   A national multi-hazard risk assessment was recently finalized and will provide critical data and mappings to inform resilient infrastructure designs, differentiated by provincial and district-level risk profiles;

(b)   A training program for the MRRD and IDLG staff and engineers will be rolled out to raise awareness of resilient infrastructure aspects. Easy to use checklists will be developed for provincial officials and FPs to use in their engagements with CDCs;

(c)   The Operations Manual will incorporate resilience aspects; and

(d)   A new CDC training module will be designed for rolling out a stronger and more coherent DRR approach across the targeted 12,600 rural and urban communities.

B. Project Cost and Financing

39.   Over the four-year period, it is proposed that the ARTF provides US$400 million while the World Bank/IDA provides US$100 million towards CCAP. The Government also plans to contribute an estimated US$128 million from its internal budget to fund the service standards grants.

Table 2: Project Financing by Component (in US$ Million)

Project Components	Project Costs	IDA Financing	ARTF	Counterpart Funding
1. Service Standards Grants	$418.3	$100.0	$190.3	$128.0
(a) Rural Areas Service Delivery Grants	$352.3	$100.0	$124.3	$128.0
(b) Urban Areas Block Grants	$66.0		$66.0	
2. Institutional Building	$130.7		$130.7	
3. M & E, Knowledge Learning	$5.0		$5.0	
4. Project Implementation and Management	$74.0		$74.0	
Total Costs	**$628.0**	**$100.0**	**$400.0**	**$128.0**
Total Project Costs				
Front End Fees				
Total Financing Required	**$628.0**	**$100.0**	**$400.0**	**$128.0**

C. Lessons Learned and Reflected in the Project Design

40.   Below are some of the lessons learned over the past 14 years implementing the community development model in Afghanistan as well as some applicable global lessons for fragile and conflict environments.

(a)   **Partnering with communities and community representative bodies has proven to be an effective way for the Government to deliver services in Afghanistan.** Given its fiscal and capacity constraints, the Government cannot be expected to deliver all services. CDCs have shown over the past 14 years of NSP that if given control over resources, they are capable of planning and managing development activities. The community driven development (CDD) approach is also more cost-effective and more sustainable because of: (i) lower transaction costs due to community participation in development planning and executing subprojects; and (ii) communities own the work and maintain the infrastructure.

(b)   **More attention needs to be paid to issues of equity and inclusion**. The design of NSP placed great emphasis on collective planning, implementing and building

NSP subprojects, and providing labor days for short-term employment. The next step for this CDD model is to deepen the equity and inclusion dimensions so that women and the most vulnerable segments, such as returnees and IDPs, are included. This can be achieved through more frequent Social Organizer visits, better mapping and poverty data collection, enhanced training and facilitation, and more focus overall on the vulnerable.

(c) **Clustering of CDCs can improve service delivery but should not take place at the expense of the vulnerable.** The key issues when it comes to clustering are: (i) building a common identity and vision for CDCs that share different traits, such as varying levels of access to services, geographic location, or land ownership; (ii) ensuring the mobilization and participation of women; and (iii) diminishing risks of elite capture in the decision-making process of CDC leadership. CCAP will need to take pro-active measures as mentioned above to ensure that the poor and vulnerable are not left out of the decision-making process.

(d) **There is a need to coordinate more closely with line agencies and district and provincial levels for effective service delivery.** Communities can help mobilize labor and report upon service delivery, but line agencies must be responsible for ensuring actual service delivery and responding to needs beyond a community's control and mandate. Looking at global case studies where large-scale poverty reduction has been effective, supply must meet community demand. In other words, the government must be able to respond to deliver services effectively. NSP was never designed to link to sub-national governance structures, but instead it was vertically organized with lines of reporting from the field to Kabul. As a result, line ministry presence at the district level is uneven, the interface of citizens with the state is absent at the district level, and channels of communication between local level government units and CDCs are not regular. Under the Citizens' Charter, MRRD and IDLG will decentralize more staff to the provincial, district and municipality levels where security permits, establish greater linkages with CDCs/clusters, and set up a citizens' scorecard system to monitor service delivery.

(e) **Global lessons working in fragile and conflict environments**. The World Bank and the Government have learned important lessons from past experience in Afghanistan, as well as from global experience working in fragile and conflict situations. The World Development Report (WDR) 2011 emphasizes that perfection should not be the enemy of progress and it is important to move forward and find pragmatic and "best-fit" approaches to the country's political realities, institutional capacity, and levels of insecurity.[14] Blueprint approaches are not realistic given fluctuating security situations. The WDR 2011 also underlines that multi-sectoral community empowerment programs are important to build state-society relations from the bottom up and to deliver development improvements in

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[14] World Bank. 2011. *World Development Report 2011: Conflict, Security, and Development*. Washington, DC: World Bank.

fragile and conflict-prone environment. It illustrates how CDD approaches can increase citizen trust in institutions and contribute to longer-term institution building. Attributes, such as participatory planning and decision-making, cooperation between local authorities and elected community committees, and community control of funds, mean the programs can signal a change in the attitude of the state to communities, even before physical projects are completed. They can thereby enhance state-society relations, increase citizens' trust in institutions, and contribute to longer-term institution building. The Citizens' Charter and its predecessor, NSP, build upon these principles and methodologies.

(f)   **Finally, there is broad recognition of the limitations in the model of providing single large block grants to communities over a period of 10-12 years under NSP.** The periodicity does not permit for institutional strengthening that can come with repeated grants. Smaller, but regular grants support better institutional strengthening. However, the fiscal constraints the government faces currently limit the likelihood of such repeater grants across the country. Therefore, the broader elements of Citizen Charter such as a needs-based approach to investments and deepening the participatory planning and monitoring roles for CDCs will help mitigate the institution-building challenge.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

41.   **The Citizens' Charter is an inter-ministerial effort of the Government to make service delivery more effective and citizen-responsive in Afghanistan.** At the national level, the Citizens' Charter and CCAP will be under the responsibility of the Government's High Council for Governance, chaired by the President and composed of the Ministers of Finance, Justice, Interior, Women's Affairs, MRRD, IDLG as well as the Attorney General, Supreme Court and Civil Service Commission. The High Council serves as the oversight body for all National Priority Programs (NPPs) and provides broad strategic direction for the NPPs.

42.   **The National Citizens' Charter/CCAP Working Group** consists of Ministers from the concerned ministries who are directly concerned with the implementation of the Citizens' Charter/CCAP: MoF as Chair, MRRD as Secretary, with IDLG, MoPH, MoE, and MAIL as members. The purpose of this inter-ministerial working group is to guide overall strategic and policy directions, and oversee the progress of the Citizens' Charter. This group is supported by a secretariat based out of MoF's Policy Department to coordinate activities and ensure smooth implementation. MoF will have the overall oversight and reporting responsibility given that actual implementation under CCAP will involve multiple agencies and the Citizens' Charter is tied to the Government's efforts to strengthen performance-based budgeting. Sub-committees under the

secretariat include monitoring and reporting, communications (both led by MRRD), and financial management (led by MoF).

43.   **MRRD and IDLG will be the implementing agencies for rural and urban areas respectively.** MRRD will have project units at the national and provincial levels, with some outposts for remote districts. IDLG will work through municipality offices in the four main cities. A maximum of 14 FPs will be recruited for rural areas and a maximum of four FPs for urban areas. In terms of administrative capacity and feasibility, MRRD has built its capacity over the years through NSP and other rural development national programs; the estimated 12,000 rural communities to be covered under CCAP represent only 40 percent of the communities covered under the current NSP III.

Rural Areas

44.   **The Citizens' Charter is expected to cover approximately 36,000 rural communities over the period of ten years.** In the first phase of four years, it is expected to cover some 12,000 rural communities through CCAP.

45.   **Rural CDCs.** The CDC will be established through democratic election processes to be outlined in the Citizens' Charter Operations Manual and will be similar to the hamlet-based election process used in NSP. Elected CDCs will have a term of four years in office. Elected members of the CDC will then elect the CDC's office bearers: the Chairperson, the Vice Chairperson, the Secretary and the Treasurer. Since the last elections were held in 2012/2013, most rural areas will require new elections as part of the community activities cycle. The elections themselves will take just a few days but there will be preparation work required ahead of time for an accurate population count and community awareness campaigns.

46.   **CDC Clusters in Rural Areas.** To better meet the spatial dimensions of service delivery, especially for education and health, communities will be organized into sub-district clusters based upon pre-defined criteria related to accessibility in terms of proximity to physical infrastructure, services and natural resources, and taking into account women's mobility and access. During project preparation, the government has formulated some guidelines for clustering based upon the previous NSP pilots.

47.   While exact numbers will be determined based on final application, it is estimated that each cluster will include an average of five communities, and hence the 12,000 communities will form some 2,400 rural clusters.

Urban Areas

48.   **Urban Component of the Citizens' Charter.** With the exception of Kabul, municipalities are accountable to IDLG, which reports to the President's Office according to Presidential Decree 73 of August 2007 (the Kabul Mayor also reports directly to the President). IDLG is also part of the separate Urban National Priority Program working group that is coordinated by the Ministry

of Urban Development Affairs (MUDA). The MUDA has the primary policy-making and urban planning role for all urban areas in Afghanistan, except Kabul.

49.   **Urban CDCs**. In urban areas, CDCs represent up to 250 households. Functions are similar to those in the rural areas in terms of community elections, women's participation as CDC members and office bearers, mobilization, planning, decision-making, implementation of small-scale infrastructure and monitoring and evaluation. Under the Citizens' Charter, they will help to report upon the key standards, especially education and health. As spatial planning is an essential part of comprehensive urban development, work at the *Gozar* and community levels needs to be intricately tied to higher level planning at the district level, especially related to tenure security improvements. One advantage of the CDC approach is to build a strong urban community platform to help provide organized, urban residents' feedback to macro-level planning and development.

50.   *Gozar* **Assemblies (GAs).** GAs are clusters of CDCs in urban areas, composed of an average of five CDCs or up to 1,000-1,250 households. After GA establishment, the participating communities within a GA will come together to elect a GA Chair (*Wakil Gozar*), Deputy, Finance and Secretary. *Gozars* will play similar roles as CDCs but for a larger geographical space and for higher levels of planning. The GA will have two kinds of sub-committees, those that extend to all line ministries, such as operations and maintenance, project management, etc., and those specific to the mandates of the line ministries under the Citizens' Charter, such as education, health, etc. Sub-committee membership will include both GA and non-GA members and will be outlined in the Citizens' Charter Operations Manual.

51.   **Public Administration Reforms within MRRD and IDLG.** As with other ministries in Afghanistan, MRRD and IDLG are both undertaking internal public administration reforms as part of the Capacity Building for Results (CBR) Program. The CBR Program is an institutional development and public administration reform program launched in 2012 by the Government and funded by the ARTF through the national budget. MRRD and IDLG will be strengthening their core civil service human resources and restructuring to eliminate duplication of functions. For MRRD, nine directors of Finance, Internal Audit, Procurement, M&E, Planning, Human Resources, Training, Engineering, and Administration, along with all 34 provincial directors are expected to be civil servants and supported through the CBR Program. They will play important oversight roles for the Citizens' Charter. For IDLG, six directors and subdirectors at the headquarters (HQ) as well as four assistant mayors and heads of departments in each of the four cities will be civil servants and CBR-supported.

52.   A detailed description of the implementation arrangements for both MRRD and IDLG for CCAP and phasing of activities are presented in Annex 2. An Operations Manual will describe the detailed Project implementation and institutional arrangements as well as subproject eligibility and processing. The Manual is under preparation and is a condition of effectiveness.

B. Results Monitoring and Evaluation

53.   **The Citizens' Charter Working Group has formed a Monitoring and Evaluation (M&E) Sub-committee to review best practices across the ministries and coordinate local level monitoring.** The M&E Sub-committee will design simple community scorecards based upon the Citizens' Charter service standards to monitor service delivery to communities. CDCs with the assistance of Social Organizers and FPs will complete the scorecards every six months. These scorecards will be discussed with local service providers (schools, health clinics, and district line ministries) and reported back to the district and provincial levels where results will be discussed at a forum chaired by the Governor. These reports will be sent semi-annually to the Office of the President and MoF for review and comments. CCAP will explore with the Afghanistan Information and Communications Technology Sector Development Project the possibility of using mobile technology for community scorecard reporting. With 85 percent of the country currently having mobile access, the Citizens' Charter can use the available mobile application technology to expedite citizens' reporting and grievance redress. Performance indicators for gender, including gender-disaggregated data and citizen engagement, have been incorporated into the project's Results Framework (see Section VII).

54.   **CCAP will also take advantage of the third-party independent monitoring arrangements under the ARTF.** The third party monitors will provide critical data and a level of additional evidence from the field to complement the government monitoring systems and Bank missions. CCAP will make use of their reviews of infrastructure quality as well as their satellite imagery data in order to verify infrastructure assets and gaps based upon the initial needs assessment. The third party monitors will also review the achievement of the service standards, social inclusion dimensions, and CDC organizational maturity.

55.   **Evaluation and Studies**. The Citizens' Charter provides a rich environment for testing various hypotheses important for development effectiveness in Afghanistan as well as other fragile and conflict situations. The Government together with the World Bank have discussed eight studies, some to be funded through CCAP and others through additional government resources. Due to the purposive selection methodology by which locations were chosen for CCAP, a randomized impact evaluation may not be possible. However, several unique evaluations are planned and there is room to potentially undertake some nested experimental studies on citizens' monitoring and reporting.

Table 3: Possible Evaluations for Citizens' Charter National Program

	Evaluation Areas	Funded through
1	Improved service delivery evaluation	CCAP
2	CDCs/clusters/*Gozars* Study	CCAP
3	Gender study	CCAP
4	Technical quality of infrastructure	CCAP or through ARTF 3rd party monitoring
5	Service delivery and its relationship to state legitimacy	CCAP
6	Conflict and fragility study	CCAP or Government resources
7	Local economic development and value chains	Government
8	Public financial management at the local level	Government

Note: See Annex 2 for details

C. Sustainability

56.   **CCAP's strategy for addressing issues of sustainability is to work on three fronts, institutional, financial and technical.** First, the project will build institutional capacity at the various levels, from the national level to provincial, district and community levels. The Capacity Building for Results (CBR) Program plays an important part in ensuring that MRRD and IDLG have a highly qualified group of professional civil servants undertaking core ministerial functions at the national, provincial, and municipal levels. Provincial and district levels will play a much more prominent role than in the past to make service delivery more responsive to citizens. The role of the district will be essential to bring the "face of the state" closer to communities. CDCs and *shuras* will be intensively trained on their roles and functions and project implementation, including financial management and procurement.

57.   **In terms of financial sustainability, the project aims to streamline service delivery to reduce duplication and inefficiencies**. Standard unit costs for infrastructure (especially water points, roads, irrigation and electricity) have been reviewed across different projects in Afghanistan (both World Bank/ARTF-funded as well as other donors) during CCAP preparation to ensure they are realistic and cost-effective. The full costs of the Citizens' Charter first phase are already incorporated into the government's budget plan, including its four year forward estimates. This budget will be approved by the parliament in early 2017. The overall ten-year projected plan for the Citizens' Charter has been reviewed by MoF and the World Bank and has

been found to be fiscally feasible in line with the government's medium-term revenue generation and growth projections as well as continued donor assistance at levels consistent with the past two years. As for technical quality and sustainability of infrastructure works, CCAP will place greater emphasis than the past on operations and maintenance of small-scale infrastructure and develop new training modules on this topic. Past technical audits of the NSP infrastructure have found that routine maintenance costs of water points, roads, irrigation and electricity schemes are usually borne by the communities through collective user fees or pooled voluntary labor. The NSP Maintenance Cash Grants of approximately US$10,000 also provided sufficient support to maintain public infrastructure works over the past year. As mentioned earlier, CCAP will also be strengthening its disaster resilience infrastructure designs and training.

D. Role of Partners

58.   The Citizens' Charter will be funded through the World Bank/IDA and the ARTF. During preparation, the Government and World Bank teams have met with the ARTF donors as well as several UN agencies, European Union, bilateral donors, and NGOs who have expressed interest in coordinating with the Citizens' Charter.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

59.   **The overall risk rating for this project is high due to the country's fragile security environment, limited government capacity especially at the sub-national levels, overall fiscal uncertainties and the declining foreign aid budget.** Furthermore, the project runs the risk of over-promising to its citizens, which may further exacerbate state-society tensions. Given a unity government, the risk of political instability remains high both from within the coalition and from outside. The government is committed to reforms, improving governance, and tackling corruption, but these actions could also increase political uncertainty.

60.   **The deteriorating security situation poses the largest risk to the project.** Fragility and conflict continue to be critical threats to personal safety, public service delivery, and private investments. With civilian casualties on the rise and decreasing accessibility of civil servants to districts, the project will need to adjust to fluctuating and uncertain circumstances. Growing insecurity in parts of the country will mean changes to the way development is delivered. Increasingly local communities will be the arbiters of their own development. They will need to broker development space with insurgent groups to allow services to be delivered. This will be easier in some rather than other areas depending on the level of ongoing violent contestation between groups. Understanding these local conflict dynamics and how local political settlements impact development will become increasingly important for effective service delivery, and even

for allowing development to take place at all. Within this new space, as access by civil servants reduces, the role of the intermediary agents, whether NGO or private contractor, will become increasingly critical in mobilizing communities, monitoring projects and articulating the needs of communities upwards to service providers. [15]

61.   **The project will need to adjust to the fluctuating security situation in several ways**. First, the Government has selected to work in areas of the country that are secure and currently accessible. However given the changing security landscape, some areas may become inaccessible so the situation will need to be closely monitored at the provincial and district levels and coordinated with the line ministries and FPs. The shifting security conditions may also delay the speed of implementation as precautionary measures are taken to ensure the safety of staff and negotiate access to certain areas. To some extent, risk levels will be mitigated through the selection of more peaceful districts but the risks cannot be ruled out entirely. Lessons from other CDD projects around the world point to ways of building community capacities to support local level dispute resolution, provide deliberative forums for issues to be discussed, and opportunities to interface with government officials and influential local actors. The project provides grievance redress and other citizen engagement mechanisms to potentially diffuse disagreements and complaints.

62.   **Corruption and rent-seeking behavior pose another high risk to project implementation.** Afghanistan ranks as the third most corrupt country in the world in Transparency International's 2015 corruption perceptions index. Sub-national institutions are particularly weak so independent monitoring by third parties, national level oversight, strong M&E systems, transparent project information, and grievance redress mechanisms will be critical. Citizen engagement aspects of service delivery monitoring are built into the project design. Financial and procurement risks are described in their respective sections below and in Annex 2.

63.   **There is also a risk that CDCs and CDC Clusters are captured by the elite and decisions do not benefit the poor and vulnerable.** In NSP, there were some reported cases of elite capture especially when the socialization and election process of CDCs was rushed or not managed well. This risk is not unique to Afghanistan or developing countries, and in fact, a 2013 field experiment in 500 Afghan villages showed that in villages where elected CDCs exist and manage aid distribution, aid was targeted for the poor.[16] Nevertheless, there is no doubt that more can be done to make community processes more socially inclusive. To the extent possible, CCAP will mitigate risks of elite capture or social exclusionary practices through greater involvement of ordinary people in CDC sub-committees, improved community socialization and planning processes, budgeting sufficient time to train CDCs and communities, improved training modules, more communication materials and information campaigns, and regular monitoring of social inclusion indicators. While elite capture cannot be eliminated, the project can certainly encourage more inclusive community practices.

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[15] World Bank. Forthcoming. *Afghanistan: Country Partnership Framework.* Washington, DC: World Bank.

[16] Beath, Andrew, Fotini Christia, and Ruben Enikolopov. 2013. *Randomized impact evaluation of Afghanistan's national solidarity program.* Washington DC: World Bank.

64.   **Climate change and disaster risks.** In compliance with IDA17 priority commitments, this IDA-supported operation has been screened to identify and if relevant, address any potential short- and long-term climate change and disaster risks. The risk screening suggests an overall low risk rating for the project outcome. Therefore, achievement of the PDO defined for this operation is unlikely to be affected by climate change and disaster risks. However, as mentioned earlier, CCAP will be incorporating several disaster risk mitigation measures including enhanced training for staff on disaster risk prevention and mitigation and a review of more disaster-resilient infrastructure designs. The potential impact on key component(s) due to exposure from hazards is modulated by the project's non-physical components (enabling and capacity building activities). A national multi-hazard risk assessment was recently finalized by the World Bank's South Asia Disaster Risk Management Team, which will provide critical data and mappings to inform the project's resilient infrastructure designs, differentiated by the provincial and district-level risk profiles. These capacity building measures could increase preparedness and longer-term resilience and reduce the project's risks.

VI. APPRAISAL SUMMARY

A. Economic and Financial (if applicable) Analysis

65.   **The proposed CCAP builds upon NSP's accomplishments in strengthening the capacities of CDCs across the country and delivering much needed infrastructure services in rural areas.** Since 2003, NSP has funded some 82,000 subprojects to improve access to transport, water supply and sanitation, irrigation, electricity and schools in approximately 35,000 communities in all 34 provinces. Return on investments has been high. In terms of infrastructure rates of return, an external study of NSP III found positive economic rates of return (ERR), especially for water, irrigation and power subprojects (the same infrastructure types supported under CCAP). The overall ERR was 41.4 percent for the four main subproject investments. Under NSP II, the ERR analysis conducted as part of NSP II Implementation Completion Report (ICR) concluded a weighted ERR for sampled subprojects of 69.3 percent while the financial rate of return was calculated at over 100 percent across a small sample.[17]

66.   **Furthermore, an independent impact evaluation of NSP found that the program has led to a number of important multiplier effects and positive impacts for women**, in terms of increased male acceptance of female participation in public life and broad-based improvements in women's lives, including increases in participation in local governance, access to counseling, and mobility. These and other economic, institutional, and social impacts of NSP further drove increases in girls' school attendance and in women's access to medical services, as well as improved economic perceptions and optimism among women.[18]

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[17] World Bank. 2012. National Solidarity Program II - Implementation Completion and Results Report. Washington, DC: World Bank.

[18] Beath et al., 2013; Independent Evaluation Group. 2013. *Evaluation of World Bank Programs in Afghanistan, 2002-11*. Washington DC: World Bank.

Cost Effectiveness Analysis

67.   **Compared to the cost structure of other projects in Afghanistan with significant infrastructure investments, NSP's cost structure is competitive.**   More specifically, investments in basic services and infrastructure make up on average 69 percent of total project costs across the projects surveyed in a 2015 Afghanistan study as compared to NSP's 73 percent allotment for infrastructure block grants.[19] In terms of unit costs, a 2014 assessment of key NSP sectors by expenditure (roads, power, irrigation and water within the rural development sector) showed that NSP was at the lower end or within benchmark norms relative to other projects.[20] For example, the average cost of NSP's basic access road investments is US$7,471, which rises to around US$13,626 for graveled solutions, whereas benchmark comparators lie between US$11,000-45,000.[21] Comparing cost structures internationally with similar large-scale CDD programs, NSP's costs were found to be comparable as well.[22] Lastly, based upon the experience of NSP and other community programs over the past 14 years in Afghanistan, communities contribute 13 to 30 percent of total costs in order to access these services.

68.   **Building upon the recent NSP cost analyses, the Citizens' Charter preparation team reviewed the unit costs and cost structure for the main infrastructure types, comparing those with other similar programs in the country.**   For budgeting purposes, the range of actual investment costs for water points, roads, irrigation, and renewable energy were reviewed (from NSP and other similar programs) and calculated, factoring in a contingency for possible overruns. For the urban component, the budget costs were calculated based upon ongoing experience from NSP, UN-Habitat and other urban programs. Component 1, the investment component (inclusive of the government's contribution), represents 67 percent of the total project costs which is comparable to other project ratios in Afghanistan. This is equivalent to approximately US$10 per capita per year over the five-year period. Costs related to institution building (Component 2) – representing 21 percent of the overall total budget - such as FP, OC, Social Organizers and engineering support were also found to be reasonable and consistent with previous unit costs under NSP.

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[19] See Bradley et al., 2015. The other projects included National Priority Programs, such as: (a) the Emergency Irrigation Rehabilitation Project; (b) its successor the Irrigation Restoration and Development Project; (c) the National Rural Access Project, and (d) the Strengthening Health Activity for the Rural Poor Project, and (e) the Health Action in Transition Project.
[20] Atos Consulting. 2014. *National Solidarity Programme: Phase III Financial and Economic Analysis Final Report*. Kabul: Atos Consulting. The benchmarks used for the comparison come from MRRD (NERAP and CARD-F projects), the World Bank's Rocks Database, the Water Project Organization, Oxfam, and UNICEF.
[21] Ibid., p.22.
[22] Ibid.

B. Technical

69.   **The World Bank has found the technical design for CCAP to be technically feasible overall and appropriate for the context of Afghanistan.** Given the limits of government's reach and its current fiscal constraints, it makes sense for government to build upon the community platform built over 14 years with the successful NSP and to partner with communities and FPs to deliver a core set of services more effectively and efficiently. And changing from a needs-based approach to investments rather than uniform block grants allows the government to focus its efforts towards a minimum package of core activities and services. During project preparation, the World Bank and the Citizen's Charter Working Group reviewed available rural infrastructure surveys and administrative and project data from the various line agencies to assess infrastructure needs and determine service standards. The team has also looked at other international examples of large-scale CDD programs involving "front-line service delivery" and similar Citizens' Charter types of projects, especially in India, Philippines, Korea, Indonesia and Cambodia.   The current government has expressed a strong commitment to making front-line service delivery work, and bringing government closer to citizens.   Afghanistan provides a useful setting for testing this model.

C. Financial Management

70.   **The fiduciary arrangements in MRRD and IDLG have been assessed and found adequate for the purposes of the project**. The overall project financial management (FM) risk, after applying the risk mitigation measures, is rated as *SUBSTANTIAL*.

The FM arrangements are at two levels—the central level and the implementing agency level. Country systems are used for budgeting, accounting, funds flow, internal audit, and external audit.

71.   **At the central level, accounting and audit functions for the proposed project will be undertaken by MoF and the Supreme Audit Office (SAO) respectively**, with technical assistance supported under the ARTF-financed Public Financial Management Reform Project (PFMRP) II. The project activities will be implemented by MRRD and IDLG. At the implementing agencies' level, the overall responsibility for project FM will rest with the head of MRRD and IDLG finance departments, and the day-to-day functions will be carried out through the focal finance department staff identified for the project. In MRRD, these focal staff will be from NSP. While the MRRD finance staff has prior experience of working on the World Bank funded projects, IDLG staff will be provided the necessary training to familiarize them with World Bank FM and disbursement requirements.

72.   **Project transactions will be recorded in the Afghanistan Financial Management Information System (AFMIS) by MoF.** Simultaneously, MRRD and IDLG will maintain subsidiary books of records for the project segregated for each grant, and will prepare interim financial reports (IFRs) on a quarterly basis. The responsibility for submission of consolidated IFRs within 45 days from the end of the quarter will rest with the Citizens' Charter dedicated unit within MoF's Policy Department. The project will follow the Afghan fiscal year (December 21 to

December 20) for project accounting and reporting. As CCAP is similar to NSP in terms of the activities to be implemented, the systems (for grants and other expenditures) used under NSP will be adopted and modified for CCAP within MRRD and will also be replicated in IDLG. The MRRD finance staff will provide training to the focal IDLG staff in operating and maintaining these systems. The FM focal persons will be responsible for facilitating the internal and external audit process, providing necessary documentation for review, and responding to audit queries.

73.   **Project funds will be channeled through segregated designated accounts (DAs) for each line ministry to be opened at the Da Afghanistan Bank (DAB).** The three DAs (2 under ARTF and 1 under IDA) will be maintained and controlled by MoF; however, MRRD and IDLG finance departments will be responsible for managing the DA and carrying out periodic reconciliation. In addition, MoF will set up two clearance accounts in AFN (one each for MRRD and IDLG) to channel grant funds to the CDCs and GAs. All project payments will be centralized in Kabul, except for operational cash needs in the provinces and districts. Disbursements from the grant will be made using advances, reimbursements and direct payments. The project will follow the IFR based disbursement method. All withdrawal applications to the Bank, including advances, reimbursement and direct payment applications, will be prepared by MRRD and IDLG and submitted by MoF. Copies of supporting documentation for all project payments will be maintained at the MRRD and IDLG central and provincial offices. Retroactive financing up to US$2 million will be provided under the ARTF for payments made from June 1, 2016.

74.   **Internal audit for the project will be carried out by the Internal Audit Department of MoF, MRRD, and IDLG; however these reviews are largely focused at the central level.** Given the scope and complexity of this project, a technical audit is also proposed. The periodicity and terms of reference will be discussed during implementation. The annual project audit will be carried out by SAO, with technical assistance from an audit agent. The project financial statements will be prepared by MoF, using the AFMIS. Annual audited project financial statements will be submitted within six months of the close of the government's fiscal year.

75.   There are no overdue audit reports, no overdue IFRs and no ineligible expenditures under ongoing or closed projects implemented by MRRD or IDLG. Further details on the fiduciary arrangements are presented in Annex 2.

D. Procurement

76.   **Procurement of goods, works and non-consulting services shall be carried out in accordance with the "Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers"** published by the World Bank in January 2011 (revised July 2014). For the selection of consultants, the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the World Bank in January 2011 (revised July 2014) shall be applied. The "Guidelines on Preventing and Combating Fraud and Corruption

in Projects Financed by IBRD Loans and IDA Credits and Grants," dated October 15, 2006 and updated January 2011, shall apply to the project.

77.   **The overall responsibility for procurement and contract management under the project will be with the staff of the project management team (PMT) of the respective implementing agencies (IAs), namely IDLG for urban areas and MRRD for rural areas.** PMT staff will act as the World Bank's main interlocutors for all procurement aspects of the project. The PMT will also be responsible for contract management. Training on procurement and contract management will be provided to the staff of the PMT and designated officials of MRRD and IDLG. MRRD and IDLG's own staff of civil servants will be complemented by contracted staff on procurement and contract management who will have dual responsibilities – functional tasks and transfer of knowledge and capacity building to the MRRD and IDLG civil servant staff. To this end, the contracted project procurement and contracts management staff will be embedded within implementing agencies' procurement departments to work alongside with the civil servants. Project engineers and FPs will provide basic procurement training to CDCs, and the CDCs' procurement under the overall procurement and contracts management responsibilities will be facilitated by the respective IAs.

78.   **An assessment of the procurement capacity of MRRD and IDLG was carried out.** It concluded that that MRRD has procurement staff with experience implementing the World Bank funded projects, while IDLG is an agency new at implementing the World Bank funded projects. The World Bank's Procurement Prior Review (PPR) thresholds for the project were set based on the procurement risk rating assuming existing procurement capacity. The World Bank will initially provide increased implementation support of three missions/meetings for the staff of the relatively new IDLG as needed, and some of these would be through the use of information technology (e.g. video-conference) for effective and timely communication. The initial increased implementation support may be reduced as IDLG's capacity increases.

79.   **An initial Procurement Plan (PP) has been prepared by the IAs and agreed with the World Bank team.** The Procurement Plans have been submitted through the online Systematic Tracing of Exchanges in Procurement (STEP) tool and a summary of the PP is included in Annex 2. The PPs will be updated at least annually during the life of the project, when new information becomes available which warrants changes in the plan.

80.   The FPs will support CDCs in project implementation, including for procurement and contract management.

81.   **Any goods, works and non-consulting services contract can be procured by CDCs, following Community Procurement** as per paragraph 3.19 of the World Bank's Procurement Guidelines and provisions of the Operations Manual, which will be prepared by the respective IAs and agreed by the World Bank.

82.   **The procurement risk assessment was done in consultation with the IAs, and the risk mitigation measures were identified.**   The online Procurement Risk Assessment and

Management System (PRAMS) tool has been used for the purpose. The PRAMS was finalized at the time of appraisal and then archived. The procurement risk rating for the experienced MRRD is *Substantial* and for new IDLG is *High*. Since the ratio of the funding by the World Bank for MRRD & IDLG is 82 percent and 18 percent respectively, the overall project procurement rating is **SUBSTANTIAL**. These ratings could become *Moderate* (for MRRD) and *Substantial* (for IDLG) with the implementation of agreed risk mitigation measures. The risks will be periodically assessed during the implementation support missions.

E. Social (including Safeguards)

83. **A central concept of CCAP is improved governance through broader and more systematic interaction between the state and its citizens at the local level.** Project investments call for increased participation of women and men through elected CDC representatives in planning and implementing subprojects and monitoring service delivery. It is anticipated that the impact of enhanced participation will help: (i) build the confidence and strengthen the capacity of local communities to engage in decision-making on a broad range of services, which directly affect people's lives; (ii) make government more responsive and accountable to its citizens; (iii) enhance the quality of services and the efficiency of their delivery; and (iv) ensure that the views and voices of the most vulnerable groups, especially returnees/IDPs, and female- headed and landless households, are reflected in the selection and implementation of subprojects under Component 1. Subproject activities are also expected to contribute to improved living standards, including social services, access farm to markets, and employment opportunities.

84. **Local communities are the primary stakeholders in CCAP.** The project's inclusion strategy prioritizes: (i) a facilitated participatory planning process at the community level, which sets out an approach for an election of CDC members, who will represent all sub-groups in the community; and (ii) internal monitoring, external independent evaluation and third party monitoring to assess the inclusiveness of CDCs and provide feedback to inform corrective actions as necessary. Local government structures in both rural and urban areas are also key stakeholders, and the project will strengthen their capacity to support and monitor CDCs.

85. **Subproject activities under Component 1 Service Standards Grants of CCAP are not expected to have major adverse social impacts.** Systematic involvement of local citizens throughout the planning and implementation of infrastructure projects will underpin the identification of potential negative social impacts and corresponding mitigation measures to be included in the Environmental and Social Management Plans (ESMPs). Clearly defined transparent selection criteria will inform identification of subprojects.

86. **Citizen Engagement**. Citizen engagement is a critical core element of the Project. The Project will mainly focus on working closely with communities and will use the grievance redress mechanism (GRM) as one of the main citizen engagement tools, as is done under NSP. The implementing agencies will establish a dedicated unit for receiving, registering, processing, analyzing, monitoring and resolving grievances. The results framework contains indicators related to resolution of grievances and citizens' satisfaction with CDCs' performance as well as with grant

investments.

87.   **OP/BP 4.12: Involuntary Resettlement is triggered due to potential land acquisition.**
Although no resettlement, major land acquisition and/or asset loss is expected, very small areas of
land may be bought outright (willing buyer - willing seller) or acquired against community
compensation to facilitate new or rehabilitation of small-scale infrastructure work under
Component 1. In regard to the Government land transferred by the authorities to the project,
documentation must be free of encroachments, squatters, competing claims or other
encumbrances. In exceptional cases, minor voluntary land donation may occur in certain areas but
only if there are no structures or assets on the land and the impact of the donation on the livelihood
of the landowner is not significant (less than 10 percent). The voluntary nature of the donation
will be fully documented and independently verified. Abbreviated Resettlement Action Plans
(RAPs) will be prepared as required. Guidelines on their preparation are included as part of the the
the Resettlement Policy Framework (RPF).

88.   **WB OP 4.11: Physical Cultural Resources is triggered because it is possible that
proposed investments might be located in areas and locations that may negatively impact
local cultural properties and/or historical sites.** Such possibilities are considered remote
because of the small size of any sub-investments, none of which involve excavation. Procedures
for dealing with chance finds of historical or cultural artifacts are set out in the ESMF. Cultural
and Historical Management Plans will be prepared as required.

89.   **Consultations on an advanced draft of the ESMF were held with a range of
stakeholders in Kabul on June 29, 2016.** The minutes from those consultations are attached as
an annex to the final ESMF. The final ESMF and RPF were disclosed on the MRRD and IDLG
websites on August 31, 2016.

90.   **Gender will be mainstreamed in all components of CCAP.** Building on NSP's
achievements in this regard and lessons learned, CCAP will take proactive measures to ensure
women's active participation throughout the project cycle, including quotas for female
participation in CDCs, female staffing, provision of gender-related trainings, involving women in
community planning, decision-making, and monitoring processes, and sensitizing the communities
on the role of gender in development. CCAP will coordinate closely with the upcoming Women's
Economic Empowerment Program in helping to identify women's needs, access services, mobilize
women, and avail of female literacy and other training opportunities. See Annex 6: Gender Plan
for CCAP for more details.

F. Environment (including Safeguards)

91.   **The CCAP subprojects are considered Category B, and the World Bank policies,
including OP/BP 4.01, OP/BP 4.11 and OP/BP 4.12, are triggered** while a number of relevant
laws and regulations are also applicable.

92.   **OP/BP 4.01: Environmental Assessment is triggered as the Service Standards Grants under Component 1 may cause adverse environmental impacts, including occupational health and safety issues.** The ESMF addresses issues regarding the environmental impacts as well as spelling out the policy, guidelines and procedures to minimize and mitigate the likelihood of the any negative impacts. It is anticipated that the proposed upgrading of small infrastructure works under Component 1 will have minimal adverse impact on the environment. Such impacts are expected to be small, localized and temporary and thus effectively managed with tangible and easily applied mitigation measures to be included in ESMPs. An assessment of the negative impacts can be classified into pre-construction, construction and post-construction phases. Typical potential minor environmental impacts during rehabilitation and construction include, but are not limited to, soil and land degradation, increased dust/air pollution, noise level increase, water pollution, and construction debris.

93.   In compliance with the World Bank's safeguards policies and the Afghanistan Environmental Law and Evaluating Environmental Impact Regulation, subprojects with significant adverse impact should go for Environmental Clearance by the National Environmental Protection Agency (NEPA). The CCAP subprojects are small-scale and community based and expected to have very limited adverse impacts. As a result, it is anticipated that Environmental Clearance will be taken for a sample of subprojects by NEPA per province, as was the agreement for NSP.

G. Other Safeguard Policies

94.   No other safeguard policies apply.

H. World Bank Grievance Redress

95.   Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the World Bank Inspection Panel, please visit http://www.inspectionpanel.org

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY : Afghanistan
CITIZENS' CHARTER AFGHANISTAN PROJECT

Project Development Objectives

The Project Development Objective for the Citizens' Charter Afghanistan Project is to improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils (CDCs). These services are part of a minimum service standards package that the Government is committed to delivering to the citizens of Afghanistan.

Project Development Objective Indicators

PDO Level Results Indicators	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/ Methodology	Responsibility for Data Collection
Name: Project beneficiaries	✓	Number	0.00	8.5 million	Semi-annually	Project MIS	MRRD and IDLG
Name: Female beneficiaries	✓	Percentage	0.00	50 %	Semi-annually	Project MIS	MRRD and IDLG
Description: Important: These indicators include the populations covered under CCAP during the first phase. As planning and implementation involve entire communities and CCAP is building public goods such as roads and water points, the estimated population for the entire CCAP coverage area is included. This follows earlier OPCS guidance on CDD and local government projects.							

Name: Number of CDCs in rural and urban areas able to plan and manage their own development projects		Number	0.00	Total = 10,500 Rural: 10,000 out of 12,000 rural CDCs Urban: 500 out	Semi-annually	Project MIS CDC Maturity Index CDC Evaluation third party monitoring	MRRD and IDLG Third party monitors

			of 600 urban CDCs		reports	

Description: Measured as part of CDC Maturity Index assessing organizational and management capacities. This index was developed previously under NSP and will be updated for CCAP. Due to high risks related to fragility and insecurity, the end target is @ 83% of the planned total, e.g., 10,000 out of planned 12,000 rural CDCs and 500 out of planned 600 urban CDCs. Therefore total CDCs by the end of project for this particular indicator is 10,500.

Name: Number of rural and urban communities meeting all minimum service standards		Number	0.00	9,000 communities Rural: 8,600 out of 12,000 communities Urban: 400 out of 600 communities	Semi-annually	Project MIS Improved service delivery evaluation Third party monitoring	MRRD and IDLG ARTF

Description: Due to high risks related to fragility and insecurity, as well as sectoral challenges in providing some services, the end target is @ 70% of the planned total, e.g., 8,600 out of planned 12,000 rural communities and 400 out of planned 600 urban communities. Therefore, total communities by end of project for this particular indicator are 9,000 communities.

Intermediate Results Indicators

Intermediate Level Results Indicators	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Component 1: Service Standards Grants							
Name: Rural areas - Number/type of rural subprojects completed (for water points, roads,		Number	0.00	8,600	Semi-annually	Project MIS	MRRD

irrigation, electricity)

Description: The Project cannot determine subproject targets ex-ante as communities decide on types of projects they need and prioritize based upon service standards. Investments will be determined based upon a needs assessment of the first year.

Intermediate Level Results Indicators	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Urban areas - Number/type of urban subprojects completed (drainage, streets, street lighting, parks)		Number	0.00	400	Semi-annually	Project MIS	IDLG

Description: The Project cannot determine subproject targets ex-ante as communities decide on types of projects they need and prioritize based upon service standards. Investments will be determined based upon a needs assessment of the first year.

Name: Rural areas - Number of people (male/female) benefitting from each type of subproject (access to water, roads, irrigation and electricity)		Number	0.00	TBD	Semi-annually	Project MIS	MRRD
Name: Urban areas - Number of urban residents (male/female) benefitting from each type of subproject (drainage, streets, street lighting, parks)		Number	0.00	TBD	Semi-annually	Project MIS	IDLG

Description: Cannot determine beneficiary target numbers ex-ante as communities decide on types of projects they need and prioritize. Project will be tracking number of persons benefitting directly from each type of service.

Intermediate Level Results Indicators	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: % of sampled community respondents (male/female) (satisfied with subproject/grant investments		Percentage	0.00	60%	Annually	Project MIS, evaluations, third party monitoring	MRRD and IDLG

Component 2: Institution Building

Intermediate Level Results Indicators	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: % of CDCs initiating activities to benefit marginalized and vulnerable groups such as women, IDPs/returnees (in addition to service standards)		Percentage	0.00	35%	Annually	Project MIS	MRRD and IDLG
Name: % of sampled community respondents (male/female) satisfied with CDCs' performance in their mandated roles		Percentage	0.00	60 %	Annually for monitoring, mid-term and final for external evaluation	Based upon social audits, random sample	MRRD and IDLG, third party monitors, external evaluator
Name: % of CDC members in rural and urban areas who are women		Percentage	0.00	Rural: 35% Urban: 40%	Reported once elections are held and confirmed at mid-term and final	Project MIS, third party monitoring, mid-term and final evaluation, gender study	MRRD and IDLG, third party monitors, external evaluator
Name: % of sampled CDCs/communities whose CDPs include at least one women's priority activity		Percentage	0.00	60%		Project MIS, gender study	MRRD and IDLG

Intermediate Level Results Indicators	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: # of districts/cities where Citizens' Charter coordination meetings are held between government authorities and CDC clusters/*Gozars*		Number	0.00	Rural: 70 districts Urban: 4 cities for urban areas	Semi-annual	Semi-annual progress reports	Citizens' Charter Working Group, provincial and district governors
Description: Meeting frequency may fluctuate throughout the life of project. At a minimum, the coordination meetings should take place at least twice a year until minimum service standards are met.							

Name: Number of government provincial and municipalities whose abilities are strengthened in engineering, project management, FM and procurement		Number		Rural: 34 provinces Urban: 4 cities	Quarterly	Quarterly progress reports	MRRD and IDLG
Description: Rural = 34 provinces, Urban = 4 cities. Total 38 provinces and cities							

Component 3: Monitoring and Knowledge Learning

Name: Number of evaluations and studies completed		Number	0.00	6	Reported in quarterly reports. It is anticipated that there will be studies throughout the project life.	Quarterly project reports	Citizens' Charter working group
Description: See list of studies and evaluations in Annex 2.							

Intermediate Level Results Indicators	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: % of rural and urban CDC cross-visits that include women CDC members		Percentage	0	Rural: 20% Urban: 50%	Annual reports	Annual project progress reports	MRRD and IDLG

Component 4: Project Implementation and Management

Intermediate Level Results Indicators	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: % of grievances received which are resolved		Percentage	0.00	70%	Quarterly	MIS	MRRD and IDLG
Name: Number of rural and urban CDCs reporting semi-annually on service standard targets		Number	0.00	9,000	Semi-annual reports,	MIS, score cards and annual social audits	MRRD and IDLG

Description: 8,600 CDCs out of a target of 12,000 in rural areas; 400 out of a target of 600 in urban areas. This indicator relates to CDCs' reporting their status not the attainment of the standards which is listed above.

COUNTRY : Afghanistan
CITIZENS' CHARTER AFGHANISTAN PROJECT

1.   The Project Development Objective (PDO) for the Citizens' Charter Afghanistan Project (CCAP) is to improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils (CDCs). These services are part of a minimum service standards package to citizens.

Project Description

2.   **To provide improved services, CCAP's parent program, the Citizens' Charter, will set a threshold of core infrastructure and services that the government will provide to all accessible communities over the next ten years**. The critical services include: basic education and health services; clean drinking water; and other rural infrastructure as explained below. The Charter is not only about the delivery of services but also about the standards of service delivery citizens can expect.

3.   **The Citizens' Charter will be the first inter-ministerial program where Ministries collaborate on a single program in both rural and urban areas**. MoF chairs the government's working group on Citizens' Charter with MRRD and IDLG as lead implementing agencies for the rural and urban components respectively. The working group also consists of MoE, MoPH, and MAIL.

4.   **The service standards of the Citizens' Charter and CCAP are:**

In Rural Areas

Approximately 12,000 rural communities across 34 provinces will receive assistance over the course of four years:

(a)   **Universal access to clean drinking water:** one water point per 25 households, providing 25 liters of water per person per day;

(b)   **Rural infrastructure:** communities will have at least <u>one</u> of the following services (depending on gap analysis, community prioritization and accessibility):

▪   **Basic electricity:** 100W per household through solar, micro hydro, biogas or wind (only in areas that cannot be reached by the grid);

▪   **Basic road access**: within 2 kilometers walking distance from nearest accessible rural road (accessible areas only); and

- **Small-scale irrigation infrastructure**: this includes intakes (for secondary/tertiary canals), water divider, water control gates, siphon, water reservoir up to 10,000 M3 capacity, rehabilitation or construction of small irrigation canal, protection wall, gabion wall, aqueducts, and super passage.

(c) **Quality education in government schools** as part of MoE's existing education standards. Citizens will monitor that:
- Teachers will have at least grade 12 education; and
- Students will have 24 hours per week of education in grade 1-3, 30 hours of education in grade 4-6 and 36 hours of education in grade 7-12; and

(d) **Delivery of basic package of health services,** as part of the MoPH's existing health package. Citizens will monitor the following services:
- Health facilities will comply with required opening hours (8am to 4pm), required staffing requirements, and provide mandated services;
- **Health post**: awareness on malaria, diarrhea, and acute respiratory infections, referral to health facilities, and health education;
- **Health sub-center**: treatment of pneumonia, diarrhea, and malaria, antenatal care, family planning, tuberculosis case detection and referral, and immunization services;
- **Basic health center**: outpatient care, immunizations, maternal and newborn care, and nutrition interventions; and
- **Comprehensive health center**: antenatal, delivery, postpartum and newborn care, routine immunization, and nutrition interventions.

In Urban Areas

5. **Urban areas require a different set of criteria and operating procedures because of the complex structure of community representation and population density, as well as different infrastructure needs.** Also, the urban areas have not had the years of experience with NSP as in rural areas. Lastly, urban infrastructure needs to be part of an overall municipal development plan with linkages to trunk infrastructure.

6. **CCAP will cover 600 CDCs and 120 *Gozars* in the four major provincial capitals.** Each urban CDC will receive a grant of US$70,000 over the course of four years. Based upon the needs and priorities of the community and the Community Development Plan, the community can choose one or more services from the list below:

(a) **Street upgrading and drainage:** includes concreting streets, sidewalks, drainage and tree planting along streets;

(b) **Provision of potable water:** can include extension of existing municipal water network, small water supply scheme or hand pump installation;

(c) **Solid waste management:** solid waste management from the household level, which includes awareness raising, linked to existing municipal waste collection mechanisms;

(d) **Household numbering;** and

(e) **Lighting/electricity:** can include extension of electrical grid, including installation of electrical transformers. Additionally households will be encouraged to install lights outside their homes.

7. **Each *Gozar* (composed of five CDCs or up to 1,000 – 1,250 households) will receive a total grant of US$200,000 over the course of four years.** Based on the needs and priorities of the community and the Community Development Plans, the community can choose one or more services from the menu below:

(a) **Secondary road upgrading and readjustment:** includes concreting streets, sidewalks, drainage, and tree planting along streets;

(b) **Provision of potable water network:** extension of existing municipal water network;

(c) **Park/recreation area/playground** for children and women;

(d) **Solid waste management**: linkage for transfer of waste from designated waste site to dump site, facilitated by municipality;

(e) **Lighting/electricity**: can include extension of electrical grid, including installation of electrical transformers. Additionally, lights will be installed on secondary streets; and

(f) **Livelihood projects for women**: a percentage of the *Gozar* grant will be designated for women's projects, particularly women's economic activities with linkages to relevant urban market demands in the area. The Citizens' Charter will coordinate these livelihood activities closely with the upcoming Government's National Priority Program for Women's Economic Empowerment, to support women-only business skills training centers, partner with existing, community-based women's lending and business groups to provide business and financial skills training, and access credit.

Table 1.1: Citizens' Charter Service Standards

Rural Areas	Urban Areas
Access to Clean Drinking Water **Access to Rural Infrastructure.** Choice of: ▪ Road access ▪ Electricity (in areas not reached by grid) ▪ Small-scale irrigation	**Access to Urban Infrastructure**. Choice of: ▪ Potable water ▪ Street upgrading and drainage ▪ Lighting, electricity ▪ Park, recreation area ▪ Solid waste management ▪ Household numbering ▪ Livelihood projects for women
MoPH Health Standards ▪ Health facilities complying with required open hours, staffing, and mandated health services ▪ In urban areas, pharmacies will be registered and meet basic MoPH requirements	
MoE Education Standards ▪ Teachers with a least grade 12 education ▪ Students will have 24 – 36 hours per week of education	

8.   **All infrastructure investments at the community and *Gozar* levels will be validated by municipal authorities to ensure that they are consistent with municipal development plans**. Under the current urban community projects, it is standard practice to have municipalities join the community planning meetings and validate these plans so that there is no duplication and to improve linkages with trunk infrastructure.

9.   **At the *Gozar* level, communities will monitor to ensure:**

(a)   **Quality education in government schools** (same as in rural areas, noted above);

(b)   **Delivery of basic package of health services** (same as in rural areas, noted above);

(c)   **Private health facilities will provide health services according to agreed standards with the MoPH.** All facilities must be appropriately staffed, meet hygiene requirements, including disposal of medical waste, provide adequate space and privacy, particularly for female patients, and keep patient records; and

(d)   **Pharmacies will be registered and meet basic requirements stipulated by the MoPH.** All pharmacies must have a license that is visibly displayed, with licensed pharmacists on duty and clearly state and stamp the price of medication.

10.   **For agriculture, during project preparation, it was determined that it would be difficult to specify a service standard which would be applicable and meaningful across all 34 provinces given the diverse agricultural climates and needs in the country.** And unlike education and health, the existing agricultural projects are not national in scope. As with NSP,

however, MAIL will work closely with CDCs and the agricultural sub-committees in specific areas of the country to provide extension services, train farmers, and assist with farm to market linkages and agricultural process as part of existing MAIL projects.

11.   **Strengthening the Sectoral Response and Supply Side of Service Delivery**. Attaining the minimum service standards as described above will require strong commitment and enhanced coordination between communities and line ministries at the various levels. To make the "supply-meets-demand" cycle work, and concurrently with the implementation of the rural and urban grants, the Project will build a strong monitoring and reporting mechanism into the operation, building upon NSP's existing systems. CDCs, assisted by FPs, will complete simple scorecards on the achievement of the standards, and these scorecards will be discussed with local service providers (schools, health clinics, and district line ministries) and reported back to the district and provincial levels where results will be reviewed at a forum chaired by the Governor. Semi-annual reports will also be sent to the Office of the President, MoF, and Citizens' Charter national working group to monitor progress, remove obstacles, and re-allocate resources if needed. The Office of the President has signaled its strong commitment to this "flagship program" and will be monitoring it closely in the future. Second, the Citizens' Charter will be tied to MoF's current performance-based budgeting reforms whereby national priority programs and projects will be evaluated each year and resources allocated based upon good performance. While these budget reforms are part of the Government's broader national reform agenda and are not directly tied to the Citizens' Charter, they do indicate a desire by the government to more carefully monitor project performance and disbursement rates across the development portfolio. Third, the project will strengthen the presence of engineers and management units at the provincial, municipality and some district levels to provide technical assistance to CDCs, address grievances, and resolve issues. Strengthening district outreach to communities will increase the chances of services actually being delivered. Lastly, new training modules, adapted from NSP's training curricula and those of other community development projects, are being developed to build the capacity of CDCs and provincial and local governments to provide services.

12.   **Selection of Project Locations for Phase One.** For equity reasons, CCAP will start in all 34 provinces of the country and the four major city hubs (except for Kabul). Approximately one-third of districts were chosen in each province based upon two criteria: (i) security and accessibility of communities; and (ii) those communities that have not recently received a second round of grants from NSP or other donor funding for similar activities. Using the aforementioned criteria, the President's Office, line ministries, and provincial governors and mayors have selected the districts. The other two-thirds of the country will be covered in subsequent phases, funding permitting.   As for the urban municipalities, CCAP will cover 600 urban communities and 120 *Gozars*, which represent approximately 50 percent of the total communities and *Gozars* in those four main cities. Communities in these cities will be chosen based upon access to basic infrastructure and services. Kabul is not part of the first phase of CCAP because Kabul already has several urban projects funded through separate sources. It is expected that Kabul will be included in future phases assuming funding becomes available.

Project Components

13.   **Component 1: Service Standards Grants.** This component will support two types of grants to CDCs:

(a)   **Rural Areas Service Standards Grants.** MRRD will have overall responsibility for the implementation of these service standard grants in rural areas. Approximately 12,000 rural communities (or some eight million residents) across 34 provinces will receive assistance over the course of four years. This rural sub-component will support the minimum service standards related to rural infrastructure (see earlier description). Allocations will be based upon an initial gap and needs assessment, undertaken by communities and FPs to determine the current status of the minimum service standards in each community/cluster. Investments follow a *needs-based approach* rather than a uniform block grant allocation as previously done under NSP. The investments include water supply and a choice between basic road access, electricity, or small-scale irrigation. The average cost for all types of subprojects is expected to be US$28,000. CDCs will implement most of these projects with technical assistance from MRRD's provincial and district offices.

(b)   **Urban Areas Block Grants.** IDLG will have overall responsibility for the implementation of the urban areas block grants. This sub-component supports grants to 600 urban CDCs and 120 *Gozars* in four major cities (Herat, Mazar-i-Sharif, Kandahar, and Jalalabad) to fund small infrastructure works in urban settings. These four major cities are home to some 945,000 urban dwellers. The menu of options includes street upgrading, parks, lighting, provision of potable water, solid waste management arrangements, and women's economic activities. Urban CDCs will receive US$70,000 and *Gozars* will receive US$200,000 over the course of four years. This urban sub-component will support service delivery linkages between the CDC, cluster/*Gozar*, urban district and municipal levels. All urban CDC and *Gozar* development plans will be validated and be consistent with overall municipality plans. Municipality authorities will participate in meetings regarding the CDC and GA plans to ensure proper linkages for more comprehensive urban development.

14.   **Component 2: Institution Building.** CCAP aims to build strong and sustainable Afghan institutions from national to local levels, capable of planning and managing their own development.   This component will support: capacity building, technical assistance, and community facilitation services.   Specifically, this component includes Facilitating Partner services to: raise awareness within communities about the Citizens' Charter; facilitate elections of CDCs and Cluster CDCs/*Gozars*; assist in creating community profiles and conducting infrastructure gap analyses; encourage the participation of women and marginalized groups in project activities; facilitate communities to prepare community development plans; provide

training to communities on financial management, participatory monitoring and reporting; monitor the achievement of the minimum service standards; monitor safeguards compliance; and conduct assessments of CDCs' institutional development. This component also supports training of provincial, district and municipal staff on a range of project management and social organizing skills as well as local engineering technical services.

(a) **Rural Areas.** MRRD will be responsible for this sub-component in rural areas. This sub-component will support approximately 14 FP contracts, capacity building and training of provincial and district staff to oversee, monitor and report upon project progress, Social Organizers and engineering, and technical support to communities across all 34 provinces.

(b) **Urban Areas.** IDLG will be responsible for this sub-component in urban areas. This sub-component supports the OC services for IDLG as well as approximately four FP contracts for each of the cities. Capacity building and training of municipality staff to supervise, monitor and report upon project progress are also included in this sub-component.

15. **Component 3: Monitoring and Knowledge Learning.** This component includes learning activities from village to national levels, exchange visits across communities, especially for women, and support for thematic studies and evaluations.

(a) **Citizens' monitoring and scorecard.** A core part of CCAP will be to strengthen citizens' monitoring and their ability to report problems at the same time as they are implementing the rural and urban grants. The project will develop simple citizens' scorecards to be completed by CDCs and Social Organizers to report upon the minimum service standards. CCAP will also track more closely through the scorecards, regular reporting and evaluations on the participation of women, poor and vulnerable groups, such as returnees and IDPs, during the project cycle. Furthermore, taking advantage of technology and high mobile access coverage in the country, CCAP will explore mobile applications for reporting and grievance redress. Second, the project will innovate and use the satellite imagery of the existing ARTF third party monitoring activity to validate infrastructure gaps and service delivery outputs. For example, the presence of schools and irrigation canals in a sample number of areas will be validated through satellite imagery against community monitoring reports. Lastly, this component will support ways to strengthen a coordinated approach across line ministries' monitoring and evaluation mechanisms including at the community, district and provincial levels, within government, and with third party monitors. As part of the Government's strong commitment to making the Citizens' Charter operate effectively, the Office of the President and MoF will receive semi-annual progress reports on the achievement of the service standards so they can closely monitor progress, assist with removing bottlenecks in service delivery, and allocate budgetary resources as

needed. MRRD will be in charge of the activities described in this sub-component for rural areas, and IDLG will be in charge of activities in urban areas.

(b)   **Studies and evaluations.** Several studies are planned related to service delivery, CDC institution strengthening, social inclusion, social accountability, and technical quality audits. The project will also explore the possibility of an evaluation to examine the nexus between quality of service delivery and social cohesion, an under-researched area in the global conflict literature. Due to MRRD's longer experience managing studies, sub-component 3 (b) on studies and evaluations has been included in MRRD's portion of the budget although some studies may cover both rural and urban areas.

16.   **Component 4: Project Implementation and Management.** This component will support the management and oversight of CCAP at the national, provincial and district levels in rural areas and the municipal management units in the four regional hub cities. MRRD will be responsible for implementation and management in rural areas, and IDLG will be in charge of urban areas. The management teams will carry out the following functions: policy and operational planning; Operations Manual development; capacity building; management information and reporting systems; grievance redress mechanisms; human resource management; communications; donor and field coordination; quality assurance on financial management and procurement; and safeguards oversight.

17.   **Project Cycle and Phasing of Activities.** CCAP builds upon much of the institutional foundation established over 14 years of NSP implementation. Under the first phase, CCAP will be starting in 12,000 rural communities which represent only 40 percent of the communities covered under NSP III. So while institutional arrangements need to be enhanced, the government is not starting from zero, and the organizational capability of MRRD has been proven. It is expected that approximately 80 percent of MRRD staff who worked on NSP will continue onto CCAP, although their duty stations may change and subject to satisfactory performance evaluations. Furthermore, MRRD is only contracting up to 14 FPs as opposed to approximately 30 FPs as in previous phases. The adjustments from NSP to CCAP will however take time and be phased in over the course of the four-year project period. For the urban component, IDLG has worked on several urban and community-based programs in the past (see Table 2.3) and will be supported by an OC over the first few years. During project preparation, both MRRD and IDLG have prepared a detailed implementation schedule over the life of this four-year project which includes staff review and recruitment, FP and OC recruitment, procurement of goods and equipment, project orientation, preparation of training materials, training and capacity building, and the implementation of the community cycle (for community cycle, see Diagram 1.1).

Diagram 1.1: Community Cycle

18.   **Internally Displaced Persons and Returnees.** Afghanistan is the second largest refugee source country in the world, with millions of refugees overseas and an increasing number of refugees returning from Pakistan. The top three drivers of displacement are generally insecurity, lack of income opportunities and poor service provision. Over the years, NSP has served as a community response mechanism for returnees, to provide short-term employment and services. During the early NSP years when there were large numbers of returnees, the project coordinated closely with the United Nations High Commissioner for Refugees (UNHCR) and other UN agencies to prioritize assistance to the districts and provinces with the most number of IDPs and returnees. NSP I and II also had specific operational policies to assist these groups. For example, IDPs and returnees settling into communities could elect representatives to CDCs so that their voices were heard and they could benefit from community subprojects. A 2012 independent

evaluation by the University of York found that NSP was widely recognized by returnees and IDPs as the largest provider of community development projects from which they benefited.[23] Additionally, an overwhelming majority of returning refugees and IDPs considered the development projects implemented by CDCs to be important in their reintegration, and the resulting short-term employment from these projects had a positive impact on their reintegration into the communities. While much is to be learned and improved from past experience, CCAP will use the lessons from NSP and other community projects in urban areas to inform response mechanisms as needed. (See Annex 4: NSP Achievements and Lessons Learned for more details). CCAP will provide the community platform in rural and urban areas to coordinate interventions, and work with UNHCR and other relevant development actors on appropriate interventions. For example, CDCs together with education *shuras* can proactively assist children of IDP/returnee families to enroll in school within a certain time period, or monitor grievances of IDPs/returnees in accessing basic services so that their specific needs are addressed. Initial funds of US$10 million are set aside in Component One to assist with quick responses.

19.   **Disaster Risk Management.** Afghanistan is highly prone to intense and recurring natural hazards, including earthquakes, floods, flash floods, landslides, avalanches and droughts. Since 1980, disasters caused by natural hazards have affected 9 million people and caused over 20,000 fatalities in Afghanistan. While earthquakes cause the highest loss of life, drought affects the most people and flooding causes the most economic damage. Most disaster risk management programs in Afghanistan support disaster preparedness and humanitarian responses. National community development programs provide a unique opportunity to significantly improve both local level disaster-preparedness as well as cost-effective, rapidly mobilized post-disaster reconstruction.

20.   **CCAP will include a stronger focus on disaster risk reduction (DRR)** to ensure resilient community infrastructure, greater sustainability in investments as well as more resilient communities. While FPs have been asked under earlier phases of NSP to train CDCs on DRR, this was never done in a consistent and coherent manner across all communities. Also, important lessons have since been learned both within Afghanistan (from NGO partners working at the community level) and in other countries, which could help inform a stronger approach in the CCAP. Several activities will be carried out:

(a)   A national multi-hazard risk assessment was just recently finalized and will provide critical data and mappings to inform resilient infrastructure designs, differentiated by provincial and district-level risk profiles;

(b)   A training program for the MRRD and IDLG staff will be rolled out to raise awareness of resilient infrastructure aspects. Easy to use checklists will be developed for provincial officials and FPs to use in their engagements with CDCs;

(c)   The Operations Manual will incorporate resilience aspects; and

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[23] Post-War Reconstruction & Development Unit (PRDU), University of York. 2012. *The Study of NSP's Impact on IDP/Refugee Returnee Reintegration in Afghanistan.* York: University of York.

(d)   A new CDC training module will be designed for rolling out a stronger and more coherent DRR approach across the targeted 12,600 rural and urban communities.

Table 1.2: Some of the Major Changes from NSP to Citizens' Charter

Themes	NSP	Citizens' Charter
Focus on core services/standards	Open menu with larger block grants in rural areas.	Focus on minimum package of core services, determined based upon needs assessment and standards.
Urban community coverage	Operating in small number of peri-urban areas.	Expand urban coverage into 4 major municipalities.
Strengthening CDCs as "whole-of-government" development bodies	CDCs primarily used by MRRD/NSP, limited coordination with other line ministries	CDCs will monitor and leverage services across various ministries and programs.
Inclusion and participation of vulnerable groups in local development process	Communities democratically elected CDCs with gender representation. Wide range of participation by vulnerable groups.	Greater emphasis on inclusive development and vulnerable groups through enhanced community mapping, needs assessments, more intensive training and monitoring.
Gender	Women representation in CDCs and participation of women in planning, decision-making and implementation.	Deepening of needs analysis and roles for women and girls, training, exchange visits, women's projects in urban areas. Coordination with Women's Economic Empowerment Program.
Stronger linkages with provincial, district and municipal levels of government	Vertical lines of reporting and communications between communities, province and Kabul. District level representation uneven.	Provincial, district and municipalities play more prominent role in terms of coordination, site selection, planning, implementation, oversight, and grievance redress.
Inter-ministerial coordination on national and sub-national levels	Limited inter-ministerial coordination on national and sub-national levels. Done on ad hoc basis.	Coordination across major Citizens' Charter ministries at national and local levels. Inter-ministerial Citizens' Charter Working Group formed.
DRR	Some limited DRR training on ad hoc basis depending upon FP.	Systemic changes in Operations Manual, training modules, infra designs and use of provincial and district level risk profiles.
Clustering CDCs	Clustering CDCs was pilot-tested in a few rural areas.	CDCs will be clustered in rural and urban areas to match service delivery needs at more aggregated levels (e.g. schools, health clinics, infra).

Country: Afghanistan
CITIZENS' CHARTER AFGHANISTAN PROJECT

Project Institutional and Implementation Arrangements

1.   **The Citizens' Charter is an inter-ministerial effort of the Government to make service delivery more effective and citizen-responsive in Afghanistan.** At the national level, the Citizens' Charter and CCAP will be under the responsibility of the Government's High Council for Governance, chaired by the President and composed of the Ministers of Finance, Justice, Interior, Women's Affairs, IDLG, MRRD, as well as the Attorney General, Supreme Court, and Civil Service Commission. The High Council serves as the oversight bodies for all NPPs and provides broad strategic direction for the NPPs.

2.   **The National Citizens' Charter/CCAP Working Group** consists of Ministers from the concerned ministries who are directly concerned with the implementation of the Citizens' Charter/CCAP: MoF as Chair, MRRD as Secretary, with MoPH, MoE, IDLG and MAIL as members. The purpose of this inter-ministerial working group is to guide the overall strategic and policy directions, and oversee the progress of the Citizens' Charter. This group is supported by a secretariat based out of MoF's Policy Department to coordinate activities and ensure smooth implementation of the work. MoF will have the overall oversight and reporting responsibility given that actual implementation under CCAP will involve multiple agencies and the overall Citizens' Charter is tied to the Government's efforts to strengthen performance-based budgeting. MoF will report to both the donor community and the relevant ministerial committees. Sub-committees under the secretariat include monitoring and reporting, communications (both led by MRRD), and financial management (led by MoF).

Rural Areas

3.   **National Level.** MRRD will be the main implementing agency for Citizens' Charter/CCAP in rural areas. MRRD has recently undergone an internal reform to restructure its departments. MRRD is dismantling its independent Program Implementation Units for various programs, in line with the President's vision for streamlined government, to increase the Government's efficiency and capacity to deliver services on its own. MRRD is establishing a General Directorate for the Citizens' Charter with sub-directorates for each of the four core services, which will be responsible for the Citizens' Charter's minimum services, and one sub-directorate for coordination. Housing sectors under one General Director for the Citizens' Charter will optimize coordination of services across the project.

Diagram 2.1: Organigram of the Citizens' Charter Afghanistan Project
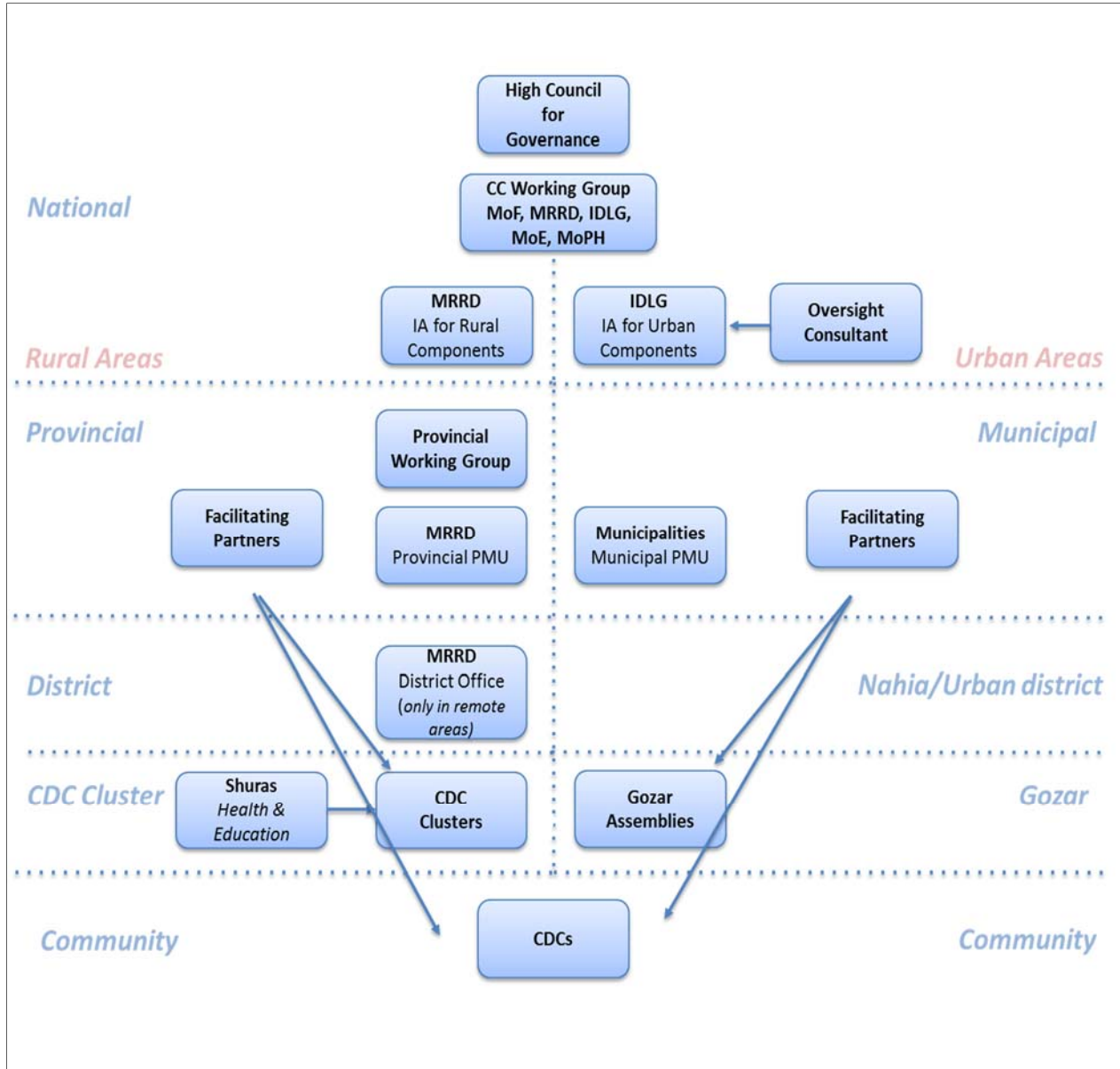
4.   **MRRD's General Directorate for the Citizens' Charter will lead on program implementation.** A Director General, reporting directly to the Deputy Minister of Programs, will head the MRRD Citizens' Charter Directorate. The Directorate will include five Sub-Directorates as follows:

(a)   Sub-Directorate for Small Rural Irrigation and Flood Control;

(b)   Sub-Directorate for Rural Water Supply and Sanitation;

(c)   Sub-Directorate for Rural Access;

(d)   Sub-Directorate for Rural Energy Development; and

(e)   Sub-Directorate for Coordination which will include FP management, MIS/M&E, capacity development, finances, procurement, and external liaison (donor/ government/public) and field coordination.

5.   **Regional, Provincial and District Levels.** At the provincial level, the Provincial Governor will chair the Provincial Citizens' Charter Management Committee, composed of all relevant line ministries of the Citizens' Charter. The same will apply for the district level. MRRD will have a single Provincial Management Unit (PMU), one for each of the 34 provinces located in existing MRRD provincial offices.

6.   **The PMU will be the primary unit responsible for field monitoring of all FP activities on the ground**, sample monitoring of all community and cluster level activities under the Citizens' Charter related to MRRD, review of all subproject proposals and disbursement requests under the investment windows to the communities/clusters, coordination with other line ministries and sectoral plans for the province, and database management and reporting.

7.   **The six main PMUs are located in Mazar-i-Sharif, Balkh (for the North-West Region), Jalalabad, Nangarhar (for the East Region), Kunduz City, Kunduz (for the North-East Region), Herat City, Herat (for the West Region), Kandahar City, Kandahar (for the South Region) and Kabul City.** Kabul (for the Central Region) will have additional staffing that will not be exclusive to that PMU but will support all the PMUs in the whole region mentioned. This will include one staff each for Environmental and Social Safeguards, Gender, Engineering Support, Monitoring, Training/Capacity Building, and IT/Administration Support.

8.   At the district level, for remote areas, which are far away from the provincial capital, some outposts will be established to provide district level support on engineering and supervision.

9.   **Facilitating Partners.** The role of FPs has been a controversial one in Afghanistan of late, because of their cost and concerns over government visibility. Both problems are being addressed through the Citizens' Charter design rules, which distribute facilitation costs across multiple services and with clear guidelines on government branding. Under the Citizens' Charter, the government's roles are to define strategy, lead policy and provide oversight and technical assistance, while the FPs act as community facilitators and partners to support delivering services, particularly in remote areas. All Citizens' Charter documents will only have government branding on them.

10.   **MRRD will contract up to 14 firms to serve as the Citizens' Charter FPs.** FPs will support all Citizens' Charter activities at the local level regardless of their originating ministry. Each FP will facilitate between 500 to 1,400 communities, and a total of 12,000 communities are

expected to be covered with facilitation support (one-third of the country). The facilitation is proposed for a period of three years in all, of which at least two and half years must be spent with each community contracted to them.

11.   **The FP's role will include:** community mobilization; CDC and Cluster CDC (CCDC) elections and office bearer elections; Community Participatory Monitoring (CPM) team selection; capacity building of CDC, CCDC, CPM members and communities in various areas; social audits; linkages; participatory community and cluster development planning; and training on the service standards and good practices related to those standards, such as hand-washing, proper sanitation, nutrition, etc. Unlike in NSP, FPs will not be involved in subproject design, preparation or implementation, or related technical assistance for the same. The engineering functions are handed over to the MRRD engineers (see above).

12.   **Rural CDCs.** CDCs will be established through democratic election processes to be outlined in the Citizens' Charter Operations Manual and will be similar to the hamlet-based election process used in NSP. Elected CDCs will have a term of four years in office. Elected members of the CDC will then elect the CDC's office bearers, such as the Chairperson, the Vice Chairperson, the Secretary and the Treasurer.

13.   **The CDC will have two kinds of sub-committees**, those that extend to all line ministries, such as operations and maintenance and project management, and those specific to the mandates of the line ministries under the Citizens' Charter, such as education, health, agriculture, and irrigation. Sub-committee membership will include both CDC and non-CDC members and will be outlined in the Citizens' Charter Operations Manual.

14.   **The CDCs' mandate will include**: community representation; leading a participatory community development planning process; raising awareness of citizens'' development rights; ensuring equitable development outcomes under the Citizens' Charter; overseeing the sub-committees; ensuring inclusion and participation in decision-making of the poorer and more marginalized persons/groups within all development efforts; leading the participatory community empowerment process; maintaining bank accounts on behalf of the communities and the development funds for the communities channeled through them via the Citizens' Charter funds and others; managing and reporting on all Citizens' Charter funded subprojects/initiatives; managing the activities of its various sub-committees; and supporting FPs and line ministry staff in project implementation and other activities on the ground.

15.   **CDC Clusters.** To better meet the service spatial needs of the Citizens' Charter, communities will be clustered based on pre-defined criteria into sub-district clusters. While exact numbers will be determined based on final application, it is estimated that each cluster will include an average of five communities, and hence 12,000 communities will form around 2,400 clusters. Once the clusters are defined, the CDCs established in the participating communities within a cluster will come together to elect a CCDC. The CCDC will play similar roles to the CDC but at the sub-district level.

Table 2.1: Responsibilities for Service Delivery in Rural Areas

Levels	Roads	Water Supply	Irrigation * (water resources)	Renewable Energy (electricity)	Education	Health
National	• Ministry of Public Works – primary and secondary roads	• Ministry of Energy and Water (MEW)	• MEW – construction of large schemes	• MEW	• MoE, e.g. Education Quality Improvement Project	• MoPH, e.g. System Enhancing for Health Actions in Transition Program
Province			• MAIL – sectoral policy, design standards, support for Irrigation Associations, farmer training on irrigated agriculture	• *Da Afghanistan Breshna Sherkat* (Afghan National Electricity Company), >5 MW output		
District			• MAIL/ MRRD	• MRRD <5 MW output at community level		
Community level (CDCs/ CCDC)	• MRRD – small tertiary roads (inter-village, intra-village)	• MRRD mandate for rural water supply, especially drinking water	• MRRD for small-scale, community /cluster-based irrigation schemes in coordination with MAIL and MEW		• Education shuras, communities help monitor	• Health shuras, communities help monitor

*Note: At the local level, provincial governors and district governors will chair Citizens' Charter management committees to provide inputs and oversee the program. *Irrigation and water resources responsibilities between MAIL and MRRD especially at cluster level are still under discussion with the President's office.*

Urban Areas

16.   **National Level.** IDLG through the Deputy Minister of Municipalities (DMM) will be the main implementing agency for Citizens' Charter/CCAP in urban areas. IDLG will assign a total of 114 total staff to work on CCAP at the national and municipal levels, of which 18 staff are civil servants, and an expected number of 26 staff will be covered under the CBR program during the life of the project.   During the design phase, a short-term OC will be recruited for an initial two years to take responsibility for program implementation and build the capacity of IDLG to oversee

the program. The need for an OC presence will be assessed after those two years based upon performance benchmarks and the World Bank's assessment of IDLG capacity.

17. **The OC with national and international technical expert advisors will support the DMM office in the Citizens' Charter implementation management, with regard to policy formulation and overall management issues.** The OC will report directly to the DMM. The OC will have 23 staff in at the national level and 44 staff at the provincial level in four municipal offices.

18. **IDLG's Citizens' Charter Central Project Implementation Unit (PIU) will be responsible for policy development and implementation as well as coordination with other national development programs.** It will be the structure that is responsible for all management and administrative issues of the Citizens' Charter as well as communications. The PIU will be supported by the OC and will take over key national role of the OC over two years. The PIU will be staffed with 19 professional staff. Five additional advisors will be brought into the PIU as the OC role is phased out.

19. **Facilitating Partners.** For the urban areas, up to four FPs will be recruited across the country to work at the sub-district level with CDCs and GAs to mobilize them, oversee election, build their capacity and train CDC sub-committees. FPs will be directly overseen by the PMUs.

Table 2.2: Responsibilities for Service Delivery in Urban Areas

Levels	Planning and M&E	Solid Waste Management	Roads and Drainage	Greening	Other Facilities
Municipality	• Urban Strategic and Economic Development Plans • M&E: Municipal Advisory Board	• Dump site (land fill) • Recycling plant	• Primary roads • Rain and waste water flow chains • Street lights • Central bus station	• Central parks • Green belt	• Central market • Central library • Museum • Theatre • Hospitals • Universities
Nahia / **Urban District**	• Urban detailed plan • *Nahia* Development Plan • M&E: *Nahia*[24] Association	• Waste collection coordination • Vehicle park	• Secondary roads • Secondary drainage • Bus stops • Street lights	• Local park for women and children • Green space	• Markets, library • Slaughter house • Public toilets • Hospital • High school • Water supply
Gozar	• *Gozar* Development Plan • M&E: *Gozar* Assembly	• Waste collection coordination • Collection committee	• Tertiary roads • Tertiary drainage	• Football and cricket fields • Children's parks	• General hammam • General store • Health clinic • Primary and secondary school
CDC	• Community Development Plan • M&E: CDC	• Collections point management	• Waste water generation • Local streets • Pavements	• Playgrounds • Green spaces	• Hammam • Retail stores • Health workers • Drinking water

*CCAP will fund service provision activities at the *Gozar* and CDC levels only.

Municipal Level

20.   **IDLG's PMU will oversee program implementation in each municipality.** The OC will help build the capacity of IDLG's PMUs, especially for planning, supervision and oversight of field activities.

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[24] *Nahia* is an urban district

21.   **Urban *Gozar* Assemblies.** Communities will be clustered based on pre-defined criteria into GAs. Each GA will compose an average of five CDCs with up to 1,250 households. After GA establishment, the participating communities within a GA will come together to elect a GA Chair (*Wakil Gozar*), Deputy, Finance and Secretary. *Gozar* will play similar roles as CDCs but for a larger geographic space and for higher levels of planning. The GA will also have the two kinds of sub-committees, those that extend to all line ministries, such as operations and maintenance and project management, and those specific to the mandates of the line ministries under the Citizens' Charter, such as education, health, etc. Sub-committee membership will include both GA and non-GA members and will be outlined in the Citizens' Charter Operations Manual.

22.   **Urban CDCs**. In urban areas, CDCs represent up to 250 households. Functions are similar to those in the rural areas in terms of community elections, mobilization, planning, decision-making, implementation of small-scale infrastructure and monitoring and evaluation. Under the Citizens' Charter, they will help to report upon the key standards, especially education and health. As spatial planning is an essential part of comprehensive urban development, work at the *Gozar* and community levels need to be intricately tied to higher level planning at the *Nahia* level, especially related to tenure security improvements. One advantage of the CDC approach is to build a strong urban community platform to help provide organizational and inclusive contributions to macro-level planning.

23.   **With the exception of Kabul, municipalities are accountable to IDLG**, which reports to the President's Office according to Presidential Decree 73 of August 2007 (The Kabul mayor also reports directly to the President). IDLG is also part of the separate Urban National Priority Program working group that is coordinated by the Ministry of Urban Development Affairs (MUDA). MUDA has the primary policy-making and urban planning role for all urban areas in Afghanistan (except Kabul).

24.   **CCAP will not be including any mapping or land titling activities directly.** However, urban CDCs and GAs will help with citizens' action planning, monitoring and feedback in this process. IDLG, MUDA, land authority, Arazi and UN-Habitat are already working on several projects in Kabul, Herat, Jalalabad, Kandahar, and Mazar-e-Sharif, Farah, Bamyan and Nili, focused on land and property surveying for municipal revenues and issuing occupancy certificates.

25.   **IDLG has worked on eleven different urban development projects, together with other line ministries and donors (see Table 2.3).** Through these projects, they have developed some institutional capacity enabling them to implement the urban component of the Citizens' Charter. They will be assisted by an OC at the beginning to further enhance their capacity.

Public Administration Reforms in MRRD and IDLG

26.   **MRRD is currently undertaking an internal reorganization in line with overall public administration reforms occurring in the country especially through the CBR Program.** The CBR Program is an institutional development and public administration reform program launched

in 2012 by the Government and funded by the ARTF through the national budget. As part of the CBR program, line ministries and independent agencies are required to develop and implement major reforms to their structures, develop the capacity of civil servants, improve budget execution, simplify business processes, and enhance their ability to design and implement development programs independently. MRRD has prepared a reform proposal – approved already by the CBR Steering Committee– for managerial and organizational changes to be implemented during the coming three to five years. These changes are aimed at building a strong core of civil servant staff, improving efficiency and addressing structural duplication and fragmentation within the ministry. MRRD currently has some 2,225 civil servants or *Tashkeel* staff and 2,500 contracted staff. Of the civil service staff, 749 or 35 percent are based in the central office in Kabul and 1,476 are in the provincial offices. The central office is heavily reliant on contracted staff while the provinces are largely the domain of career civil servants. Under the CBR-sponsored reform program, MRRD has applied for 360 initial *Tashkeel* posts and will be looking over the next 1.5 years to make the heads of key departments, such as Human Resources, Finance, Procurement, M&E, MIS, Planning, IT, Training, Administration, Media and Public Relations, Donor Coordination, and Engineering services, become *Tashkeel* staff and drawing upon these central ministerial services for operational support and some technical support to the Citizens' Charter work. For example, the M&E and Finance, Administration, and HR teams working on Citizens' Charter will be reporting technically to the heads of those respective departments. The 34 Provincial Directors will also be under the CBR Program and will provide oversight on CCAP. All project-funded staff in MRRD will be under the new National Technical Assistance (NTA) scale as of July 1, 2016 and the salary scales for the Citizens' Charter/CCAP are completely aligned with the NTA scale.

27.   **For IDLG, it is a newly added independent agency under the CBR program, and its CBR proposal is still in preliminary stages.** In June 2016, 250 positions were approved as *Tashkeel* staff, and IDLG is preparing the shift for the heads of technical departments, senior governance director, administration, and finance. It is anticipated that some key positions for each provincial governor will shift over to CBR positions. All of the aforementioned positions are core government positions, which will have some oversight role in the Citizens' Charter implementation. See following table.

Table 2.3 MRRD and IDLG Professional Staff Working on Citizens' Charter

Level	Contract Staff (including advisors)	Civil Servants	TOTAL	Notes
MRRD				
National	122	17	139	4 staff to be covered under CBR
Provincial	540	34	574	34 Provincial Directors to be covered under CBR
District (Social Organizers & engineers)	1,104	262	1,366	
MRRD Total	**1,766**	**313**	**2,079**	
IDLG				
National	44	6	50	6 staff to be covered under CBR
Municipalities	52	12	64	16 staff to be covered under CBR (Assistant Mayors, Heads of Municipal Finance, Heads of Municipal Sectoral and Technical depts
IDLG Total	**96**	**18**	**114**	

Table 2.4: IDLG Urban Projects

No.	Name of Project	Description of Project	Location	Project Budget	On/Off budget	Funding Source	Implementing agencies
			Brief Description of IDLG projects				
1	Afghanistan Peace and Reintegration Program (APRP)	Capacity building and trainings to districts about peace and reintegration process	Multiple cities	>$1 m	On Budget	Ministry of Finance	IDLG
2	Afghanistan Stabilization Program (ASP)	Construction of provincial and district governors' offices and other construction at the sub-national level.	Multiple cities	> $90 m	On Budget	Ministry of Finance	This program has now transferred to Ministry of Urban Development Affairs
3	District Delivery Program (DDP)	Provision of the equipment to the provincial and district governors' offices	Multiple cities	> $60 m	On Budget	Multiple Donors	This program is now closed
4	Local Governance (LoGo)/UNDP	To establish national level policies, laws, systems and mechanisms to provide and effective and efficient framework for subnational governance. Provide technical assistance through hiring qualified national Afghans to the offices of the governers, provincial councils, and municipalities.	13 Provincial Governor offices, IDLG, and 22 Municipalities, Including Hirat, Mazar-e-Sharif, Jalalabad, Kandahar, Kunduz and few other major cities	> $54 m	Off Budget	UNDP, Multiple Donors	IDLG, DMM, PGO's & Municipalities
5	Initiative to Strengthen Local Administrations (ISALA)/USAID	The ISLA Project aims to strengthen the sub-national government system in Afghanistan to enable GIRoA to improve provincial governance in the areas of fiscal and development planning, representation of citizens, and enhanced delivery of public services. ISLA has 4 main components: A. Provincial Planning & Budgeting B. Sub-National Institution Building C. Inclusive Advocacy D. Public Engagement	16 provinces; North: Balkh, Baghlan, Faryab South: Kandahar, Zabul East:Nangarhar, Laghman, Kunar, West:Herat, Ghor, Farah, Badghis Central: Parwan, Wardak, Logar, Ghazni	$62 m over 5 years(February2015 – January 2020)	Off Budget	USAID	IDLG/DMM
6	Strong Hubs for Afghan Hope and Resilience (SHAHAR)/USAID	To improve the performance & legitimacy of Afghan municipalities by: - Creating well-governed, fiscally sustainable municipalities capable of meeting the needs of a growing urban population. - Improving policies & procedures, transparency & accountability, public financial management, & community engagement & involvement in municipal decision-making processes.	Multiple cities including Mazar-e-Sharif, Hirat, Jalalabad, Kandahar, Kunduz and few other Major cities	$ 73.5m for 3 years (2015 – 2018)	The program is off-budget, but the on-budget processes will be supported through SHAHAR with MoF.	USAID	IDLG/DMM
7	Afghan Urban Peace Building Program (AUPP)/UN-Habitat	• Improved Urban safety & security • Community engagement in Civic affairs/Municipal Governance	Mazar-e-sharif Kunduz, Jalalabad Herat, Nili, Farah Bamyan	$ 13 m for 3 years Started May 2015	Off Budget	Sweden & Holland	IDLG/DMM, MoI & MUDA
8	Local Integration of Vulnerable & Excluded Uprooted People (LIVE UP)/UN-Habitat	• Returnees,IDPS focused • Provision of basic services & adequate housing	Jalalabad Herat	$13 m for 3 years Started January 2015	Off Budget	European Union	Min of Refugees and Repatriations, IDLG/DMM, ARAZI
9	Community-Led Urban infrastructure Programme (CLUIP)/UN-Habitat	• Strengthening communities • Establishing CDCs • Service Delivery projects(drainage, culvert, sidewalk , public parks etc	Herat Mazar-e-sharif Jalalabad Kandahar	$ 20 m including Kabul city, Started April 2015	Off Budget	Embassy of Japan	IDLG/DMM MUDA
10	Municipal Governance Support Program (MGSP)	• Effective land Management • Strategic Urban planning improved • Municipal Finance system /Revenue enhancement	Herat, Jalalabad Kandahar, Mazar-e-sharif, Kunduz, Farah Nili, Bamyan	$ 14 Million for 3 years. Started Oct 2015	Off Budget	European Union	IDLG/DMM,MUDA, ARAZI
11	Future of Afghan Cities 2nd phase	• collecting data of beyond city boundaries of five main cities & 28 Strategic District Municipalities • Supporting UNPP Document	5 Major Cities & 28 Strategic District Municipalities	$ 694,000 for 1 year. Started in Nov 2015.	Off Budget	Australia & UK	IDLG/DMM,MUDA, ARAZI, Natl Environmental Protection Agency, Afghanistan National Disaster Management Authority, Min of Economy

Financial Management

Integrated Fiduciary Assessment for Preparation

28.   **Background.** The Bank has gained substantial experience and understanding of the public FM environment in Afghanistan through the large number of projects under implementation over the past years. The PFMRP II (under the series of PFMRPs) is the primary instrument to continue and enhance the fiduciary measures put in place during the past years to help ensure transparency and accountability for the funding provided by the World Bank and other donors.

29.   **A public financial management performance rating system using 28 high-level indicators, which was developed by the Public Expenditure and Financial Accountability multiagency partnership program, was applied in Afghanistan in June 2005 and updated in 2008 and 2013.** Afghanistan's ratings against the public financial management performance indicators generally portray a public sector where financial resources are, by and large, being used for their intended purposes. This has been accomplished with very high levels of support from international firms; this assistance will continue to be needed over the medium term if these ratings are to be maintained.

30.   **The World Bank is financing a FM advisor to assist MoF, and an audit advisor to assist SAO.** The internal audit function is being strengthened within MoF with World Bank financing. The activities carried out under the series of PFMRPs have helped the government to ensure that appropriate fiduciary standards are maintained for public expenditures, including those supported by the Bank and the donor community.

31.   **The key FM risks under the project are weak FM capacity within the civil service, and the shift from the float account arrangement (that is available to MRRD under the ongoing CDD project i.e. NSP III) that will impact on the timely processing of grant payments through the designated accounts.** While almost all Bank funded projects in Afghanistan follow the centralized system for payments, there are sometimes delays due to the lengthy processing cycle on the part of both the implementing agencies and MoF. In the past six months, MRRD and IDLG in discussions with the MoF Budget and Treasury Departments have gradually addressed many of the bottlenecks through a number of measures (e.g. bulk allotment for contracts, streamlining the processes within MRRD, etc.). There are established service standards in MoF for processing of allotments and payments, and there is strong commitment on the part of MoF to adhere to these standards. MRRD and IDLG will need to ensure that the documentation sent to MoF is complete and free of errors. This requires efficient oversight and management on the part of MRRD and IDLG, as well as effective liaison with MoF. MoF has been bringing positive internal changes gradually for better service delivery. Specifically, some of the mitigating measures for the identified risks are:

(a)   Support to IDLG through the services of an OC at HQ and the provinces. Although IDLG has not managed a Bank-funded project before, the IDLG Finance Department staff have experience in managing other donor funded projects. Four finance staff are planned for each of the four provincial offices, of which one staff will be from the OC;

(b)   Having core MRRD finance staff in MRRD for CCAP, who will be from NSP Finance Department and who have long years of experience working on NSP. One finance staff in each of the 34 provinces will be accounted for and report on provincial fund transfers for operational expenditures. In addition, there will be one administration and finance officer in each of the proposed district offices;

(c)   Adoption of the existing NSP accounting systems for grants and operational expenditures to CCAP in MRRD and IDLG. This will ensure robust accounting and reporting for the project. In addition, the focal finance staff in IDLG will be trained by the NSP finance staff in operating and maintaining these accounting systems;

(d)   Processing of bulk allotments for CCAP and identification and training of two focal staff in the Special Disbursement Unit (SDU) of the MoF Treasury Department on CCAP documentation and prioritization of CCAP payment requests;

(e)   Establishing a CCAP Coordination Unit within the MoF Policy Department for coordination of CCAP activities with MRRD and IDLG;

(f)   Hiring of a Senior Finance Officer to be part of the CCAP Coordination Unit to specifically coordinate and resolve FM matters and consolidate financial reporting; and

(g)   Setting up of two clearance accounts (one each for MRRD and IDLG) to facilitate grants' disbursements and reconciliation, etc.

This continues to be work in progress, and the World Bank is engaging closely with the implementing agencies as well as MoF to streamline and simplify the processes.

32.   **The overall fiduciary risk for the project is rated as *Substantial*, based on the assessment of the fiduciary arrangements in MRRD and IDLG.** The details of the assessment are in the following paragraphs. This rating will be reviewed at every implementation support mission and will be adjusted as necessary. The effectiveness of the mitigation measures will also be monitored on a periodic basis, and any bottlenecks will be discussed with all relevant agencies in order to resolve it in a timely manner and to consider the need for any additional measures to facilitate smooth implementation.

Joint Fiduciary Aspects (FM and Procurement)

33.   **Fiduciary capacity.** The overall responsibility for project FM will rest with the heads of the departments in MRRD and IDLG finance departments. MRRD will assign eight focal contracted staff to carry out the FM activities of CCAP. The MRRD finance staff have significant years of experience working on World Bank-funded projects, although not directly involved in the core financial management activities of NSP (that was managed through the Financial Management Agent), which is very similar to CCAP in terms of activities to be implemented and FM arrangements. Given this, the eight focal staff will be key national staff from the ongoing NSP. IDLG will also assign focal staff for CCAP. IDLG does not have prior experience of working on World Bank-funded projects, however it has experience with other donor and government-funded projects.

34.   **For MRRD, there will also be 34 accountants for the 34 provincial offices and 72 administration and finance staff for the 72 planned district offices.** The district level administration and finance staff will primarily be responsible for handling operational funds and will report to the relevant PMU accountants. The PMU Accountant will in turn report to the Operational Fund Manager at the MRRD HQ. For IDLG, focal staff from the Finance Department will be assigned to CCAP. There will be four finance staff (one from the OC) in each of the four provincial offices.

35.   **In addition, there will be a Senior Finance Officer within the dedicated CCAP Coordination Unit to be set up within the MoF Policy Department** to oversee primarily financial, budgetary and delivery issues across the Citizens' Charter. For the project, this Senior Finance Officer will have responsibility to consolidate project IFRs. The World Bank will provide the required training to CCAP finance staff on the World Bank FM and disbursement requirements.

36.   **There is segregation of FM functions in MRRD and IDLG**, considering the internal control framework that is applied within the line ministries. All provincial finance staff will report to a focal finance staff at the central level, who in turn will report to the Head of the Finance Department in the respective agencies.

37.   **Planning and budgeting.** Annual project budgets for MRRD and IDLG will be prepared in line with the MoF regulations and according to the Afghanistan fiscal year. Project budget will be prepared on the basis of the procurement plan and work plan. A robust budget monitoring mechanism will be followed by maintaining a detailed budget broken down by funding source (IDA, ARTF and others) and period. The quarterly IFRs will compare actual expenditures to budgeted expenditures, and explain significant variances. MoF will ensure that temporary budget at the beginning of the fiscal years will be provided while the new budget is pending approval. Bulk allotments will be processed by the MoF Budget Department for the grants.

38.   **Internal control (including internal audit).** The internal control mechanism at the central and implementing agency levels is acceptable. MRRD and IDLG will ensure that the processing

cycle for allotments (B27 form) and payment requests (M16 form) is streamlined to avoid delays. These timelines will be monitored by the IAs and reviewed by the Bank during implementation support missions. There will be a FM manual for CCAP (covering both MRRD and IDLG), to be reviewed and approved by the Bank by Oct 31, 2016. This manual will include details on the FM arrangements and disbursements procedures, including but not limited to staffing arrangements at various levels (HQ, provincial and district), reporting lines, coordination arrangements between MRRD, IDLG, and MoF, disbursement arrangements, simplified allotment and payment processes applied by MoF for CCAP, documents retention and control mechanism at various levels, oversight arrangements, service standards for document processing, payment triggers, documentation requirements for grants, and key performance indicators for project FM. There is a robust FM manual under NSP; this will be updated for CCAP. At the central level, there is a Treasury Accounting Manual applied across the government.

39.   **The internal audit for the World Bank-funded and administered projects is being carried out by MoF's Internal Audit Department**. This arrangement has been in place since FY1393. MRRD and IDLG also have their internal audit departments that carry out periodic reviews, although the scope of such reviews is largely restricted to the central level. Given the scope and complexity of this project, a technical audit for the project is proposed. The periodicity and specific terms of reference will be agreed during implementation. Alternatively, if the third party monitoring arrangement will cover this project, it may be considered to expand the scope of work under the contract. The internal audit reports will be shared with the Bank during project supervision, and MRRD and IDLG will ensure that the observations from the audit are addressed satisfactorily in a timely manner.

40.   **Fixed assets register will be maintained by MRRD and IDLG for assets purchased from project funds.** Assets will be coded and a system of annual physical inventory will be maintained. All project bank accounts (including the clearance accounts) will be reconciled by MRRD and IDLG at least on a monthly basis with AFMIS and DAB records. Robust procedures for transfer of operational funds to the provinces, accounting and reporting, and acquittal procedures will be established. More details will be included in the project FM manual.

Governance and Oversight Arrangements

41.   **Audit arrangements - external audit of project financial statements**. The SAO, with support from the Audit Agent, carries out the annual audit for all Bank-funded and administered projects; it will also be responsible for annual audits of this project. Annual audited project financial statements will be submitted within six months of the close of the government's fiscal year[25] (December 21 to December 20). The financial statements for the project audit will be prepared by MoF based on AFMIS records. There is a common term of reference (ToR) for the audit of all projects that is reviewed by the Bank on a yearly basis.

42.   **Technical audit reviews.** As explained earlier, a technical audit for the project is proposed given the scope and complexity of the project. The periodicity and specific terms of reference will

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[25] Current fiscal year is 1395 and covers the period December 22, 2015 to December 21, 2016.

be agreed during implementation. Alternatively, if the third party monitoring arrangement will cover this project, it may be considered to expand the scope of work under the contract.

FM Considerations in the Fiduciary Assessment

43.   **Funds flow.** Project funds will flow through segregated designated accounts set up for the project in Da Afghanistan Bank (DAB: Central Bank) and controlled by MoF. Three designated accounts (1 under IDA and 2 under ARTF) will be set up for the implementing agencies, MRRD and IDLG. MoF will also set up three clearance accounts in AFN (one for each designated account), into which the grants will be transferred from DAs before being transferred to the beneficiaries' bank accounts maintained with DAB. This will aid the reconciliation process for grants' transfers and reversals, if any. As CDCs may receive funds from multiple sources, MRRD and IDLG have agreed with DAB to have sub accounts set up (that will be linked to the main account) to segregate the funds and enable CDCs to efficiently account and report for funds from segregated sources. This arrangement will be formalized through a Memorandum of Understanding.

44.   **All project expenditures are expected to be paid centrally, except for some operational expenditures at the provincial and district levels.** MRRD and IDLG will prepare annual estimates of operational fund requirements for each of the 34 and 4 provincial offices respectively (including districts as applicable). The funds will be channeled to the provinces through MRRD and IDLG HQ (similar to the arrangement under the ongoing NSP). With a view to gradually mainstream all funds flow to the government system, the project will also use the *mastufiat* channel to transfer funds to 1-2 provinces. It is expected that gradually over time, the use of *mastufiat* system will cover more provinces for the project. Petty and operational cash imprest for the project (for each ministry) will be limited to a maximum of US$15,000 as per an earlier agreement between the World Bank and MoF. Any increase to this limit, if justified, will have to be approved by the World Bank and communicated to MoF.

45.   **Advances will be made to the DAs, and disbursements from the grant will be made using advances, reimbursements and direct payments.** The project will follow IFR based disbursement arrangements. The advances to the DAs will be a floating amount based on the forecasts provided in the IFRs. Further details of disbursement arrangements for the project, including supporting documentation requirements, are spelled out in the Disbursement Letter.

46.   **All payments from the DAs will be made through check or bank transfer.** Requests for payments from DA funds will be made to the SDU in MoF's Treasury Department by MRRD and IDLG. In the SDU, two focal staff will be identified and trained in CCAP documentation requirements to ensure smooth processing of payment requests on a priority basis. In addition to payments from the DAs, requests can also be submitted for direct payments from the grant. All withdrawal applications to the Bank, including advances, reimbursement and direct payment applications will be prepared by MRRD and IDLG, and submitted by MoF. The project will be 100 percent financed by the IDA and ARTF grants (as per table below), inclusive of taxes, covering

grants, goods, works, non-consulting services, consulting services, training and workshop, and incremental operating costs.

Table 2.5: IDA and ARTF Financing by Category of Expenditures

Category	Amount of IDA Grant (in US$ millions)	Amount of ARTF Grant (in US$ millions)	Percentage of expenditures to be financed
(1) Goods, works, non-consulting services, and consultants' services, Training and Incremental Operating Costs incurred by MRRD under Parts 2, 3 and 4 of the Project		$185.70	100%
(2) Rural Area Service Standards Grants	100.00	$124.30	100% of the amounts disbursed by MRRD for carrying out subprojects
(3) Goods, works, non-consulting services, and consultants' services, Training and Incremental Operating Costs incurred by IDLG under Parts 2, 3 and 4 of the Project; and Urban Area Block Grants		$90.00	100% of the amounts disbursed by IDLG for carrying out subprojects
TOTAL	**100.00**	**400.00**	

Diagram 2.2: Funds Flow Chart
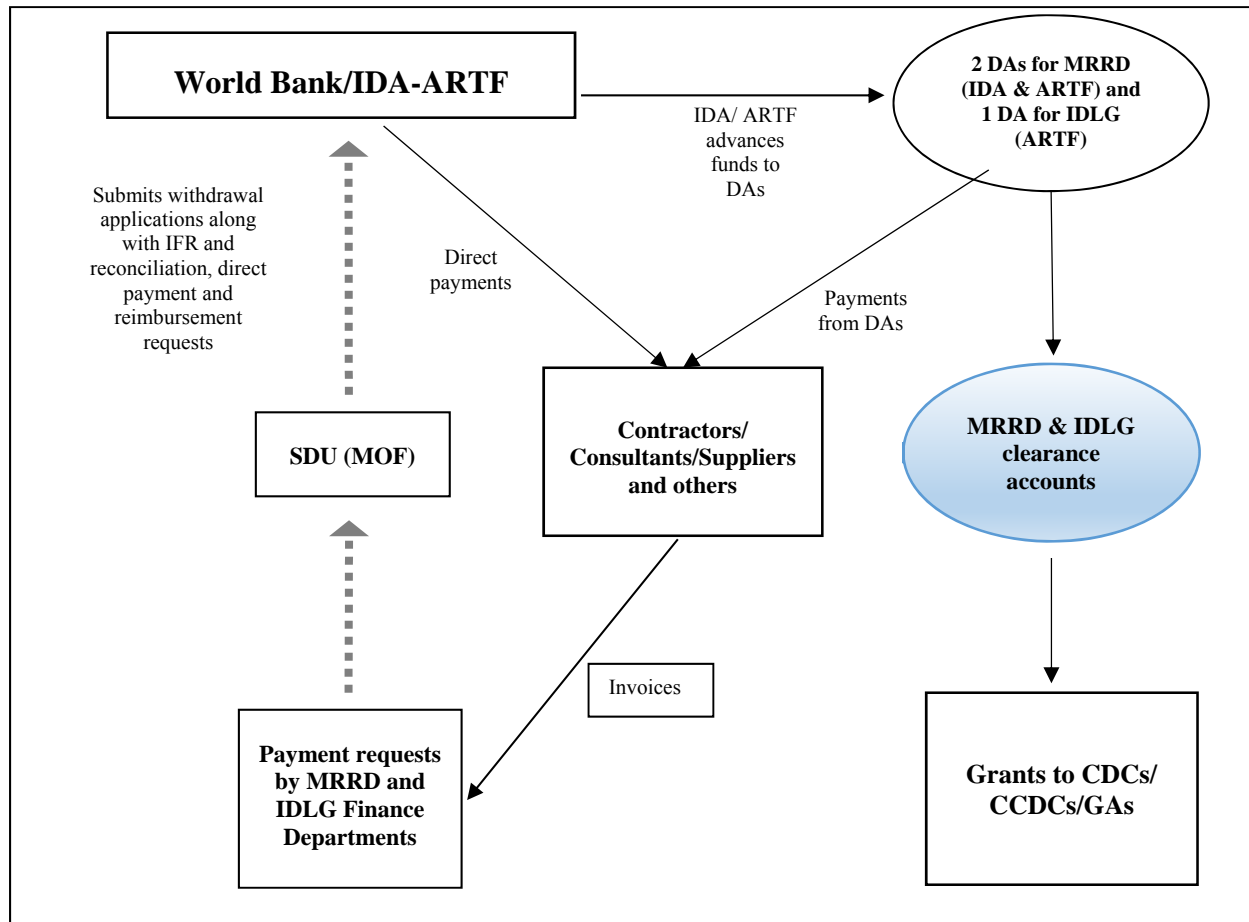
47. The funds flow process for the grants to the CDCs/ CCDCs/ GAs is quite straightforward as depicted in the above chart; there are a number of measures to ensure that the funds flow smoothly and in a timely manner such as:

(a) MRRD and IDLG will process batch payment requests for the grants (i.e. single M16 form covering multiple CDCs/CCDCs/GAs);

(b) SDU focal staff for the CCAP project will prioritize the payment requests. These staff would be specifically trained on CCAP documentation requirements to ensure smooth processing;

(c) DAB upon receiving the transfer request from MoF will move the required funds from the DAs to the respective clearance accounts for each designated account. Thereafter, the funds will be transferred to the bank accounts of the CDCs/ CCDCs/ GAs.

(d) The clearance accounts are maintained only for the grants' transfers and the purpose of the clearance accounts is to aid reconciliation. Funds transferred into the clearance

accounts should be transferred out within 1-3 days and the account should be zeroed out. Funds remaining in the clearance accounts for longer will mean the funds have not reached the intended beneficiaries and will help MRRD/ IDLG to timely follow up. MRRD/ IDLG will have access to the clearance account bank statements on a daily basis.

(e) Monitoring at the provincial level of the funds transfers through reconciliation of the batch transfer requests with the funds received by the CDCs/ CCDCs/ GAs.

48.   Maintenance of sub accounts (linked to a main account) by DAB for the CDCs will enable the latter to efficiently reconcile, account and report in a segregated manner for the funds received from different sources (for example, different ministries under the broader Citizens' Charter program of the government).

49.   **Retroactive financing of US$2 million will be provided under the ARTF** for eligible expenditures paid before the signing date but on or after June 1, 2016.

50.   **Further advances in cash from the DAs up to a maximum of US$15,000 may be withdrawn and maintained by MRRD and IDLG.** The actual amount of funds to be maintained as imprest, if needed, will be based on project needs and will be reviewed by the Bank. Such imprest funds will be subject to adequate petty cash management procedures (for custody, control, limits, physical cash verification, and replenishment). The custodian of the imprest cash will be the cashiers in MRRD and IDLG.

51.   **Accounting.** All accounting is centralized in the AFMIS in MoF. Subsidiary books of project records, such as bank book, cash book, contract register, asset register, record of grant transfers and utilization, etc., will be maintained by MRRD and IDLG. Given that CCAP is similar to NSP, the existing systems used under NSP for grants (in-house MIS) and other expenditures (off-the-shelf accounting software) will be adopted for CCAP. It has also been agreed between IDLG and MRRD that the same systems will be replicated in IDLG. MRRD/NSP finance staff with the experience of operating these systems will provide training to the IDLG CCAP focal staff in the use of these systems. These systems will also track receipts and expenditures under each funding source if CCAP receives multiple sources of funding. Cash basis of accounting will be followed for the project.

52.   **Financial reporting.** Consolidated quarterly IFRs will be required for the project. These reports will be submitted in form and substance agreed with the World Bank. The reports will have to be submitted to the Bank within 45 days from the end of the quarter (Dec 20, Mar 20, Jun 20 and Sep 20) as per the government fiscal year. MRRD and IDLG will each prepare the IFRs for their relevant activities and disbursements and share it with the MoF Citizens' Charter dedicated unit. The Senior Finance Officer who will be part of this unit will be responsible to consolidate the IFR for submission to the World Bank. The IFRs will include the Statement of Cash Receipts and Payments, Statement of Uses of Funds by Project Activity, bank and advances reconciliation, and the bank statements. Customized formats for CCAP were shared prior to negotiations.

53.   **With the above arrangements in place, the residual FM risk is rated as *Substantial*.** Review of the risks will be carried out during implementation support missions with a view to adjust the risk ratings if necessary.

54.   There are no overdue audit reports, no overdue IFRs nor ineligible expenditures under ongoing or closed projects implemented by MRRD or IDLG.

55.   **Monitoring of fiduciary performance and implementation support plan.** While IDLG has experience working on donor-funded projects, it has not implemented a Bank-funded project before. The risk factor is the limited knowledge of the World Bank FM procedures and requirements among the IDLG finance staff. The World Bank will provide the required training and hands-on support to enable the IDLG FM staff to become familiar with the requirements.

56.   The fiduciary performance will be assessed through the following indicators: (i) timely and quality submission of quarterly IFRs; (ii) maintenance of adequate books of records and supporting documents of project transactions; (iii) timely submission of audited financial statements; (iv) timely resolution of FM issues raised during Bank supervision, internal audit, external audit, and any other reviews; (v) maintenance of adequate internal controls; (vi) timely processing of allotments and payment requests and project expenditures; (vii) adherence to service standards, etc. The World Bank will carry out two FM reviews annually. The implementation support will include monitoring of fiduciary performance based on identified indicators, review of IFRs and audit reports, review of compliance with legal covenants, review of progress on agreed actions, and review of FM risks.

Procurement

Procurement Arrangements for MRRD and IDLG

57.   **The following relates only to the procurements to be undertaken by MRRD and IDLG for CCAP** and not to the procurements for the remaining wider Citizens' Charter that will be undertaken by various line ministries.

58.   **Procurement for the project will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" (updated July 1, 2014), "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" (updated July 1, 2014), and the provisions stipulated in the Financing Agreement.** In addition, the World Bank's "Guidelines on Preventing and Combating Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants" (dated October 15, 2006) has been shared with the recipient. The World Bank's Standard Bidding Documents (SBDs), Requests for Proposals, and Forms of Consultant Contract will be used. Civil works and goods following National Competitive

Bidding (NCB) procedures shall be procured using the agreed SBDs for Afghanistan. In case of conflict or contradiction between the World Bank's procurement procedures and any national rules and regulations, the World Bank's procurement procedures will take precedence in accordance with general conditions of the financing agreement and also provided in the Article 4(2) of the Procurement Law July 2008 (Amendments in January 2009 and incorporated in October 2015) of the Government.

59.   **With donor assistance, Afghanistan has made considerable efforts to establish the legal and regulatory framework for public procurement over the last five years.** The "Rules of Procedure for Public Procurement," which details the better implementation of the Procurement Law, has been issued by MOF as circular number PPU/COO5/1386 dated April 12, 2007. The Procurement Appeal and Review mechanism is in place and the Manual of Procedures for "Procurement Appeal and Review" has been issued by MOF as circular number PPU/NOO1/1385 on March 18, 2007. The Procurement Law has been revised in July 2008 and amended in January 2009 and issued as a new Law by the Ministry of Justice and was published in the Official Gazette Number 957, 29.10.1387 (January 18, 2009). The revised "Rules of Procedures for Public Procurement" has been issued as circular PPU/CO27/1387 of November 18, 2009. The National Procurement Agency (NPA) and the National Procurement Committee (NPC) have been established. NPA reviews all procurement above a certain threshold, and NPC reviews and approves all contract awards above a certain threshold.

General Procurement for CCAP

60.   **The procurement activities of CCAP in rural areas will be managed by the MRRD Procurement Directorate**. The Directorate comprises both civil servants and contracted staff from the various programs it executes. A significant portion of staff now included in the Directorates underwent such procurement assessments in their previous roles in the procurement departments of the various MRRD programs. The Directorate currently has separate units for procurement of goods and non-consultant services, procurement for works, inventory and warehousing management, and contracts management. When the NSP Procurement Department is integrated into the Directorate, these NSP procurement staff will fall into a new unit dedicated to procurement of consultancy services. Most of the department staff have had procurement related trainings, being trained variously from the World Bank, Afghanistan's Civil Service Institute, and the former Public Procurement Unit (PPU).

61.   **The procurement activities of CCAP in urban areas will be managed by IDLG's Procurement Directorate and the dedicated procurement team for this program.** These comprise both civil servants and contracted staff. The directorate has different sections, such as procurement of goods, non-consultancy services, works, assets and inventory, and contracts management. The procurement staff have received various trainings from NPA and the Afghanistan Civil Service Institute.

Procurement of Works

62.   **The procurement of works referred here does not include any works covered under the community procurement mentioned below.** While not foreseen, any civil works procurement under CCAP (beyond that for the communities using investment grants) will fall in this category. Such procurement will be done using the World Bank's SBD for all International Competitive Bidding (ICB) and national bidding documents agreed with or found satisfactory by the World Bank.

Procurement of Goods and Non-Consulting Services

63.   **Procurement of goods will include the "framework and long term agreements" for office furniture, office and IT equipment, vehicles, etc.** Non-consulting service procurements will include repair/ servicing of office and IT equipment, vehicles, internet services, software licensing/ development agreements, etc. Procurement of goods will be done using the World Bank's SBD for goods for all contracts following ICB procedures. National bidding documents will be used for procurement of goods following NCB procedures. Shopping shall be in accordance with paragraph 3.5 of the Bank's Guidelines. Goods that meet the requirements of paragraph 3.7 of the World Bank Procurement Guidelines may be procured following direct contracting procedures with prior agreement with the World Bank.

Selection of Consultants

64.   **The proposed grant will finance several consultancy assignments.** The selection methods applicable for consultants are QCBS, QBS, CQS, LCS, FBS, and SSS for firms as per Section V of the Bank's Guidelines. Selection of the UN agency, such as UN Habitat, will be conducted on an SSS basis.

The main activity under consultant selection will be the contracting of FPs. MRRD has previous experience of having procured such contracts for NSP and several similar contracts are under implementation.

Community Participation in Procurement

65.   **All procurement for funds channeled directly to CDCs (whether as part of the proposed regular fiscal transfers or as part of the MRRD-CCAP investment window) shall be in line with the "Guidance Note for Design and Management of Procurement Responsibilities in CDC Projects," dated March 15, 2012.** The community basic accounting and procurement manuals, policies, procedural guidelines and forms utilized under NSP will be revised and updated (in consultation with the requirements of MoF as agreed with the World Bank) and will be used for this project. It should be noted that there is a high level of illiteracy in Afghan rural and urban communities, and with the reduced time inputs proposed for FPs, the paper work and other requirements for community-level procurement and accounting need to be kept at a

minimum but acceptable level. Any goods, works and non-consulting services contract can be procured by CDCs following community procurement as per paragraph 3.19 of the World Bank's Procurement Guidelines and provisions of the Operations Manual, which will be prepared by the respective IAs and agreed by the World Bank. The community procurement under US$3,000 can use SSS, for goods any value up to US$50,000 can use competitive shopping, and any value above US$50,000 will use NCB. For works any value up to US$100,000 can use competitive shopping, and any value above US$100,000 will use NCB. Further guidelines shall be provided in a dedicated section on procurement and contracts management in the Operations Manual.

Capacity Building for Community Procurement

66.   **For CDCs/CCDCs/GAs.** The capacity building for procurement for the community institutions (CDCs, CCDCs, GAs and/or their project management sub-committees) will be undertaken by the FPs contracted by MRRD and IDLG. The training materials will be contextualized (as in NSP) to suit the realities of the field, i.e. low literacy levels, etc. The materials will be prepared by the CCAP central units of the implementing agencies. It will then be rolled out in a cascade manner: Capacity Building Department at HQ will train a set of dedicated master trainers among all the contracted FPs and the CCAP provincial managers and trainers. The FP master trainers will be responsible for training their Social Organizers, and the PMU trainers will be responsible for training their engineers and Social Organizers in their respective provinces. The FP Social Organizers and the PMU engineers will then train CDCs, CCDCs, and GAs on the prescribed procurement policies, best practices, guidelines and forms to be used. PMU engineers will also mentor them in actual procurement activities when being conducted. The rollout for this is planned as follows:

- Preparation in capacity building – October - November 2016;
- Training of trainers (ToTs 1) – Master trainers and PMs – December 2016;
- Training of Social Organizers and engineers (ToTs 2) – January 2017;
- Rollout of training to communities – February to June 2017; and
- Actual procurement mentoring – June 2017 to June 2019.

Capacity Building for Procurement Staff

67.   **Both IDLG and MRRD have their own Procurement Directorates/departments.** In the case of MRRD, the current Directorate is relatively new. The earlier Directorate was limited to MRRD procurement only while each of MRRD's programs had their own procurement departments. Recently the program procurement departments have been merged into the MRRD procurement directorate. As such, a clear structure has yet to be worked out in detail. The Directorate is lacking a consultancy procurement unit; however, it hopes that the Directorate will be complete when the NSP Procurement Department is merged with the Directorate in the future.

68.   **The procurement related trainings received by the staff shall be mentioned briefly in the Operations Manual.** It is proposed to agree on a common assessment form that is partially completed by each staff of the Directorate and partially assessed by his/her direct supervisor. An

annual training calendar will be prepared by the IAs and agreed with the World Bank at the beginning of June every year. The first training calendar was agreed upon during project appraisal. However, since IDLG has low procurement capacity to carry out the World Bank funded projects, they will immediately nominate their procurement staff for procurement training.

69.   **A three-tiered procurement capacity building program is planned for the two directorates during the CCAP period, which is outlined below.** The tier-1 is high level and very specialized trainings; tier-2 is more general but procurement focused and aims at mid-level; and tier-3 is general for junior level staff only. The table below summarizes the procurement capacity building program.

Table 2.6: Procurement Capacity Building Program

Tier	Focus Areas	Core Trainers	Core Trainees	Estimated # of trainees	Will be cascaded?
1	WB procurement (goods, works, consultancy and non-consultancy services)	World Bank Procurement Team/ Training Institutions	Heads of units and senior officer levels	15	Yes, but in simplified manner
1	Afghanistan Procurement Law, NPA/NPC notices and guidelines	NPA	Heads of units and senior officer levels	15	Yes, but in simplified manner
1	Contracts management	World Bank Procurement Team /Training Institutions	Relevant unit	15	No
1	Online Systematic Tracking of Exchanges in Procurement (STEP)	World Bank Procurement Team	Heads of units and senior officer levels	15	DONE Yes, but in simplified manner
2	International good practices and lessons learned in procurement implementation	World Bank Procurement Team	Officers and junior officer levels	20	No
2	Community procurement guidelines as ToT	CCAP –MRRD Capacity Development Department	Officers and junior officer levels	20	Yes to PMUs
3	Warehousing, inventory and asset management	Local training institutes	Officers and junior officer levels	15	No
3	Computer literacy/ Microsoft Office	Local training institutes	Officers and junior officer levels	15	No
1,2,3	The Bank's Online Certificate Program in Public Procurement	Online	All relevant officers and staff including contracted staff working on project	50	No
1,2,3	The Bank's Online Certificate Program in Contracts Management	Online	All relevant officers and staff including contracted staff working on project	50	No

70.   **Incremental Operating Costs**. The costs, which are financed by the project, will be procured using the implementing agency's administrative procedures. The incremental operating costs will include operations and maintenance of equipment and vehicles, hiring of vehicles, hiring of contracted staff, office rent, costs of consumable, fuel, office utilities and supplies, bank charges, travel and transportation costs for official domestic and international travel, training and workshops, and advertising expenses, but exclude any salaries and allowances of civil servants.

71.   **Procurement Plans**.   MRRD and IDLG have developed their PPs for project implementation that provides the basis for the procurement methods. The new online STEP is in use and the staff have undergone training on the use of the new system. The PPs will be updated in agreement with the project team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

72.   **Procurement and Contracts Management Sections of the Operations Manual**. The IAs will develop procurement and contracts management sections of the Operations Manual for the procurement, which will be carried out by the IAs. The Operations Manual will have separate section on simplified community basic accounting and procurement and contracts management manuals, policies, procedural guidelines and forms for the community procurement. The section for community procurement will be translated in local language(s) used by the CDC members and disseminated to the CDCs before they can start the procurement.

73.   **Procurement Risk Assessment**.   Based on the information gathered through the questionnaire and followed by detailed discussions with the IAs, the procurement risk assessment was carried out using PRAMS. In close consultation with the IAs, a mitigation plan has been prepared for implementation. MRRD is an experienced IA and has been rated to have Substantial procurement risk, while IDLG as the first time IA for the World Bank funded projects has been rated as having High procurement risk.   The overall procurement risk for the project is *SUBSTANTIAL* as the ratio of the World Bank financing to MRRD and IDLG is 82 percent and 18 percent respectively. The detailed procurement risk matrix and agreed mitigation measures are presented in Table 2.10: Integrated Fiduciary Assessment (MRRD).

74.   During the implementation support missions, the progress on the implementation of risk mitigation measures will be reviewed, and the procurement risks will be reassessed. The risk matrix and procurement risk rating will be updated accordingly.

75.   **Frequency of Procurement Supervision.** In addition to the prior review, supervision shall be carried out from Bank offices. Initially there will be two usual implementation support missions with the task team. In addition, there will be one procurement implementation support meeting with IDLG. Once both the IAs complete the first year of capacity building plan and start implementing the procurement in a reasonable manner, there will be usual two implementation support missions per annum.

76.   **Procurement Audit.** In addition to prior review, the Bank staff or Bank appointed consultant can carry out post procurement audit once per annum and independent procurement review as needed.

Table 2.7: Summary of Procurement Arrangements for MRRD
(Procurement Risk: SUBSTANTIAL)

Expenditure category	Contract value threshold (US$)	Procurement method	Contracts subject to prior review
Works	>5 million	ICB	First Contract and All contracts above US$10 million
	>100,000 and ≤5 million	NCB	First contract
	≤100,000	Shopping	N/A
Goods, IT Systems and non-consulting services	>200,000	ICB	First contract and all contracts above US$1 million
	>50,000 and ≤200,000	NCB	First contract
	≤ 50,000	Shopping	N/A
Consulting (firms)	>1 million	QCBS/FBS/ CQS*/LCS/SSS	All contracts
	≤ 1 million	QCBS/FBS/ CQS*/LCS/S SS	All single source contracts above US$50,000; and first contract for each selection method
Consulting (individuals)		Section V in the Guidelines	All cases above US$200,000 and all single-source contracts above US$50,000.
Direct contracting			All cases above US$50,000

Note: * indicates that Under CQS method of selection of consultant, the contract size will not exceed US$300,000, unless specifically agreed in procurement plan with due justification.

Table 2.8: Summary of Procurement Arrangements for IDLG

(Procurement Risk: HIGH)

Expenditure category	Contract value threshold (US$)	Procurement method	Contracts subject to prior review
Works	>5 million	ICB	All contracts
	>100,000 and ≤5 million	NCB	First contract
	≤100,000	Shopping	N/A
Goods, IT Systems and non-consulting services	>200,000	ICB	First contract and all contracts above US$1.5 million
	>50,000 and ≤200,000	NCB	First contract
	≤ 50,000	Shopping	N/A
Consulting (firms)	> 500,000	QCBS/FBS/ CQS*/LCS/SSS	All contracts
	≤ 500,000	QCBS/FBS/ CQS*/LCS/S SS	All single source contracts above US$50,000; and first contract for each selection method
Consulting (individuals)		Section V in the Guidelines	All cases above US$200,000 and all single-source contracts above US$50,000.
Direct contracting			All cases above US$50,000

Note: * indicates that Under CQS method of selection of consultant, the contract size will not exceed US$300,000 unless specifically agreed in procurement plan with due justification.

77. **Short list comprising entirely national consultants**: A short list of consultants for services, estimated to cost less than US$100,000 equivalent per contract, may comprise entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

78. **Agreed Procedures for National Competitive Bidding:**

    (a)   Standard bidding documents approved by the Bank shall be used;

    (b)   Invitations to bid shall be advertised in at least one widely circulated national daily newspaper and bidding documents shall be made available to prospective bidders at least 28 days prior to the deadline for the submission of bids;

    (c)   Bids shall not be invited on the basis of percentage premium or discount over the estimated cost;

    (d)   Bidding documents shall be made available, by mail or in person, to all who are willing to pay the required fee;

    (e)   Foreign bidders shall not be precluded from bidding;

    (f)   Qualification criteria (in case pre-qualifications were not carried out) shall be stated on the bidding documents, and if a registration process is required, a foreign firm determined to be the lowest evaluated bidder shall be given a reasonable opportunity of registering, without any hindrance;

(g)   Bidders may deliver bids at their option either in person, by courier service, or by mail;

(h)   All bidders shall provide bid security or a bid security declaration form as indicated in the bidding documents. A bidder's bid security or the declaration form shall apply only to a specific bid;

(i)   Bids shall be opened in public in one place preferably immediately, but no later than one hour, after the deadline for submission of bids;

(j)   Evaluation of bids shall be made in strict adherence to the criteria disclosed in the bidding documents, in a format, and within the specified period, agreed with the Bank;

(k)   Bids shall not be rejected merely on the basis of a comparison with an official estimate without the prior concurrence of the Bank;

(l)   Split award or lottery in award of contracts shall not be carried out. When two or more bidders quote the same price, an investigation shall be made to determine any evidence of collusion, following which: (i) if collusion is determined, the parties involved shall be disqualified and the award shall then be made to the next lowest evaluated and qualified bidder; and (ii) if no evidence of collusion can be confirmed, then fresh bids shall be invited after receiving the concurrence of the Bank;

(m)   Contracts shall be awarded to the lowest evaluated bidders within the initial period of bid validity so that extensions are not necessary. Extension of bid validity may be sought only under exceptional circumstances;

(n)   Extension of bid validity shall not be allowed without the prior concurrence of the Bank: (i) for the first request for extension if it is longer than four weeks; and (ii) for all subsequent requests for extensions irrespective of the period in case of prior review;

(o)   Negotiations shall not be allowed with the lowest evaluated or any other bidders;

(p)   Re-bidding shall not be carried out without the Bank's prior concurrence in case of prior review; and

(q)   All contractors or suppliers shall provide performance security as indicated in the contract documents. A contractor's or a supplier's performance security shall apply to a specific contract under which it was furnished.

79.   **Procurement complaints will be handled through the main project grievance redress mechanism for CCAP.** Complaints can be sent to the district, province or national levels, accordingly.

Initial Procurement Plan

80.   The Implementing Agencies have received training in use of Systematic Tracking of Exchanges in Procurement (STEP) and will use the same under the project. The procurement plan will be prepared by the implementing agencies using the STEP tool. The initial procurement plan is agreed with the IAs and as follows.

Table 2.9. Summary Table of Major Contracts to be Procured under the Project for Goods and Consultancy Services

A.   Ministry of Reconstruction and Rural Development (MRRD)

Goods

1	2	3	4	5	6	7
Ref. No.	Description	Estimated Cost (U$S million)	Procure-ment Method	Domestic Preference (Yes/No)	Review by Bank (Prior/Post)	Expected date for Invitation for bidding
1	CCEP-I/MRRD/GDS/GDS-1 / Office & IT equipment	0.58	ICB	Yes	Post	Nov 15, 2016
2	CCEP-I/MRRD/GDS/GDS-2 / Office furniture	0.31	ICB	Yes	Prior	Nov 15, 2016
3	CCEP-I/MRRD/GDS/GDS-6 / Engineering Equipment	0.31	ICB	Yes	Post	Nov 15, 2016
	Total	**1.2**				

Consulting Services

1	2	3	4	5	6
Ref. No.	Description of Assignment	Estimated Cost (U$S million)	Selection Method	Review by Bank (Prior/Post)	Expected RFP Issuance date
1	CCEP-I/MRRD/CS/FP-7 / Facilitation Partner - 7 (Bamyan, Daikundi)	3.45	FBS	Prior	Oct 1,2016
2	CCEP-I/MRRD/CS/FP-12 / Facilitation Partner - 12 (Kabul, Logar, Wardak)	5.47	FBS	Prior	Oct 1,2016
3	CCEP-I/MRRD/CS/FP-13 / Facilitation Partner - 13 (Ghazni, Paktika)	6.31	FBS	Prior	Oct 1,2016
4	CCEP-I/MRRD/CS/FP-5 / Facilitation Partner - 5 (Badghis, Faryab)	3.21	FBS	Prior	Oct 1,2016
5	CCEP-I/MRRD/CS/FP-9 / Facilitation Partner - 9 (Takhar, Badakshan)	6.86	FBS	Prior	Oct 1,2016
6	CCEP-I/MRRD/CS/FP-4 / Facilitation Partner - 4 (Ghor, Hirat)	6.76	FBS	Prior	Oct 1,2016
7	CCEP-I/MRRD/CS/FP-10 / Facilitation Partner - 10 (Kapisa, Panjshir, Parwan)	3.30	FBS	Prior	Oct 1,2016
8	CCEP-I/MRRD/CS/FP-1 / Facilitation Partner - 1 (Uruzgan, Zabul)	4.30	FBS	Prior	Oct 1,2016
9	CCEP-I/MRRD/CS/FP-14 / Facilitation Partner - 14 (Khost, Nangarhar, Paktya)	7.89	FBS	Prior	Oct 1,2016

10	CCEP-I/MRRD/CS/FP-11 / Facilitation Partner - 11 (Nuristan, Kunar, Laghman)	4.88	FBS	Prior	Oct 1,2016
11	CCEP-I/MRRD/CS/FP-6 / Facilitation Partner - 6 (Balkh, Jawzjan, Sarepul)	4.47	FBS	Prior	Oct 1,2016
12	CCEP-I/MRRD/CS/FP-3 / Facilitation Partner - 3 (Nimroz, Farah)	3.10	FBS	Prior	Oct 1,2016
13	CCEP-I/MRRD/CS/FP-8 / Facilitation Partner - 8 (Baghlan, Kunduz, Samangan)	4.88	FBS	Prior	Oct 1,2016
14	CCEP-I/MRRD/CS/FP-2 / Facilitation Partner - 2 (Kandahar, Helmand)	6.74	FBS	Prior	Oct 1,2016
	Individual Consultant Selection				
1	CCEP-I/MRRD/CN/IC-4 / Operations Advisor (International)	0.54	SSS	Prior	Oct 11, 2016
2	CCEP-I/MRRD/CN/IC-1 / Advisor to the Minister's Office (International)	0.36	INDV	Prior	Oct 11, 2016
3	CCEP-I/MRRD/CN/IC-5 / Capacity Development Advisor (International)	0.54	INDV	Prior	Oct 11, 2016
4	CCEP-I/MRRD/CN/IC-3 / Program & Policy Advisor (International)	0.54	SSS	Prior	Oct 11, 2016
5	CCEP-I/MRRD/CN/IC-2 / Advisor to the Deputy Minister's Office (International)	0.36	INDV	Prior	Oct 11, 2016
	Total	73.96			

B. Independent Directorate of Local Governance (IDLG)

Goods

1	2	3	4	5	6	7
Ref. No.	Description	Estimated Cost (U$S million)	Procurement Method	Domestic Preference (Yes/No)	Review by Bank (Prior/Post)	Expected date for Invitation for bidding
1	CCEP-IDLG/G-1 / IT Equipment for four years and in Five office - four cities and PIU Unit	0.42	ICB	Yes	Prior	Oct 1, 2016
2	CCEP-IDLG/G-2 / Furniture for PIU Unit and Four Cities	0.28	ICB	Yes	Prior	Oct 9, 2016
3	CCEP-IDLG/G-3 / Internet Service provision to PIU Unit and Four Cities	0.487	ICB	Yes	Post	Oct 02, 2016
	TOTAL	**1.187**				

Consulting Services

1	2	3	4	5	6
Ref. No.	**Description of Assignment**	**Estimated cost** (in US$ Million)	**Selection Method**	**Review by Bank (Prior/Post)**	**RFP Issuance date**
1	CCEP-IDLG/CS-FP-1 / Facilitating Partner 1 - Herat (Urban)	2.29	FBS	Prior	Oct 07, 2016
2	CCEP-IDLG/CS-FP-2 / Facilitating Partner 2 - Kandahar (Urban)	1.72	FBS	Prior	Oct 07, 2016
3	CCEP-IDLG/CS-FP-3 / Facilitating Partner 3 - Mazar (Urban)	1.72	FBS	Prior	Oct 07, 2016
4	CCEP-IDLG/CS-FP-4 / Facilitating Partner 4 - Jalalabad (Urban)	1.12	FBS	Prior	Oct 07, 2016
5	CCEP-IDLG/CS-OC-1 / Oversight Consultant (OC)	3.87	SSS	Prior	Sep 12, 2016
6	CCEP-IDLG/CS-IC-2 / Operation Advisor (Expert finance and procurement)	0.14	INDV	Prior	Dec 31, 2018
8	CCEP-IDLG/CS-IC-5 / International Oversight Advisor to DMM	0.36	INDV	Prior	Jan 01, 2017
	TOTAL	**11.22**			

Table 2.10: Integrated Fiduciary Assessment (MRRD)

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
1. Joint Fiduciary Aspects					
1.1 Fiduciary Capacity (PRAMS RF4 & FME 7)[26]	**Joint**	High	• The PMT will develop and publish a code of ethics to be followed by project management team (by Dec. 31, 2017). • The PMT will setup the procurement and contracts management team (PCMT) of minimum 9 members. Agree on a plan to acquire the necessary procurement expertise (e.g. through hiring, outsourcing, etc.). The team will comprise of civil servants and contracted staff (by Oct. 31, 2016). • Annual training calendar for procurement and contracts management will be developed. This will enlist the training programs that are both relevant and practical. This will be updated in July every year. All PCMT staff and procurement decision makers and the evaluation committee members to attend the two weeks training in procurement by (by Jun. 30, 2016). • The core project FM staff will consist of national contracted staff. Periodic FM	Substantial	• Code of ethics is published. • PCMT is set-up with agreed manpower. • Training calendar is prepared and all the PCMT members, procurement decision makers have received training.

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[26] References are to the 11 PRAMS Risk Factors (RF) and the 7 FM Elements (FME).

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			training will be provided by the Bank on FM and disbursements aspects.		
1.1.1 Is there adequate fiduciary staff based on the profile of the project, in terms of numbers and experience, to implement the project, with clear definition and segregation of functions between PR and FM?	Joint	High	• No. • PCMT will be set-up and manpower deployed as proposed above (by Dec. 31, 2016). • Yes, for FM. 8 focal FM staff for the project will be from the existing NSP III project. These staff has significant experience working on NSP over the last 10 years. The FM staff in the provinces also has good experience working on NSP, and they will continue under CCAP.	Substantial	• PCMT is set-up and manpower deployed • Continuation of key FM staff under the project.
1.2 Planning and Budgeting (PRAMS RF5 & FME 1)	**Joint**				
1.2.1 Are realistic budgets and procurement plans prepared and reconciled?		High	• Arrange for appropriate support (staff, training, tools) to prepare the project procurement plan such that there is a clear relation between project objectives and the procurement plan (Sep. 30, 2016). • Repackage contracts in commercial groups of goods/works/services to ensure competition in line with market of procured items (Aug. 31, 2016). • Require periodic reviews to identify/remove the cause of the variances between planned and actual and agree on recommendation to avoid occurrence into the procurement and	Substantial	• 50 percent of the contracts awarded within the original plan. • Periodic review of the procurement plan in year 1 to suggest corrective measures to ensure timely procurement. • Variances are reported in the

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			delivery schedule - intensify supervision/ meetings as needed (Jun. 30, 2016). • Annual budgets will be prepared based on procurement plan and work plan. The quarterly financial reports will include comparison of actual expenditures to budgets, and provide explanation thereof, and should lead to budget revision as necessary.		financial reports and explained.
1.3 Internal Control (including Internal Audit)(PRAMS RF 1,2 &3; FME 3)	**Joint**				
1.3.1 Are effective internal controls in place, as jointly assessed by financial management and procurement staff? These include internal audit, clearly defined accountability, quality control processes, and availability of complete records of the procurement and financial management processes.		Substantial	• The delegation of powers to Directors as per the Afghanistan Procurement Law & Rules and Procedures needs to be implemented (Jun. 30, 2017). • Ensure the procurement and contracts management decision-making is fully covered in the Operations Manual and is available and known to staff (Oct 31, 2016). • Agree and include as part of the project funding to improve safe keeping of records. • Clearly describe in the Operations Manual what records should be kept in the contract file and for how long (Dec. 31, 2016) • The FM manual will clearly detail the arrangements for the project. Payments follow the centralized arrangements, and controls in MRRD and MoF over these	Moderate	• Complete manual is to be ready by Oct 31, 2016. • MRRD includes a section on safe keeping of bids and procurement/ contracts documentation in the Operations Manual. • The project audit ToR is finalized and includes procurement audit • The FM manual will be disseminated to the FM staff engaged

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			payments are fairly robust. MRRD will be mandated to submit original copies of payment documents to MoF, and retain copies. Internal Audit will be carried out by the Internal Audit Department of MoF and MRRD.		in the project. • Audits and other reviews do not reveal major anomalies in project FM • Internal Audit is done periodically and corresponding reports submitted. • Monthly reconciliation of the project DAs is carried out, and any unidentified transactions are resolved timely. • Adequate controls exist over petty/ operational cash management and custody. • Reconciliation of expenditures and fund balances at the provincial/district levels and periodic reporting to MRRD HQ.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
1.4 Contract Management (PRAMS RF10, FME 2 & 3)	**Joint**	High	• Establish contracts management system (by Sep. 30, 2016). • Review causes for recurrent amendments and cost overruns. Develop suitable corrections to planning, estimates, lack of proper designs, etc. (Jun. 30, 2017).	Substantial	• Contracts management section in the Operations Manual is ready for use. • Ensure payments under contracts are within the overall contract value.
1.5. Project Management and Governance:	**Joint**				
1.5.1 Audit Arrangements:	**Joint**				
1.5.1.1 External Audit of Project Financial Statements (PRAMS RF 11, FME 6)	**Joint**	Substantial	• Require audit by independent private auditors • Annual project audit will be done by the SAO with support from an Audit Agent, similar to the arrangement for other projects. There is occasional possibility of delays due to delay in contracting of the Audit Agent and/ or mobilization of audit team, and sometimes due to the security situation.	Moderate	• Combined fiduciary, technical and contracts management audit. • Submission of acceptable audit report within 6 months from the government's fiscal year end.
1.5.1.2 Technical Audits (PRAMS RF 11, FME 6)	**Joint**	Substantial	• Include appropriate coverage of procurement aspects to meet project requirements in the audit ToR. Need to distinguish between compliance and performance audits so that auditors know what to do - provide appropriate guidance (Jun. 30, 2017).	Moderate	• Combined fiduciary, technical, and contracts management audit.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
1.5.2 Mitigating Fraud and Corruption – Transparency, Accountability and Participation (PRAMS RF 7 & 11, FME 6)	**Joint**	High	• In the Operations Manual, establish arrangements for safe-keeping of bids/proposals (Sept 30, 2016). • Agree on selection criteria for members of the evaluation committee, including technical expertise and review EC formation regularly in the Operations Manual (Sep. 30, 2016).	Substantial	• The PMT would propose and establish a credible system for safeguarding the bids with adequate checks and balances. • Describe the criteria and process for setting up the evaluation committee.
1.5.3 Grievance Redress Mechanisms – complaints handling (PRAMS RF 9) and grievance redress (PRAMS RF 11, FME 6)	**Joint**	Substantial	• Set deadlines for submission of complaints and for decision-making by the agency (Jun. 30, 2017). • Establish/improve and implement complaint management system (Jul. 31, 2017).	Moderate	• PMT will develop a credible procurement complaints handling system and mechanism and will adequately display on the notice boards and on their website. The efforts will be made to develop an online, SMS linked complaint handling system. The PMT will include the relevant contacts in procurement plan.
2. Procurement Processes and Procedures (PRAMS RF 6,7 &8)	**PR**	Substantial	• Agree on a list of unacceptable NCB issues and remove them from documents to be used	Moderate	• Agency to use agreed documents.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			for Bank financed procurement (Sep. 30, 2016). • Involve technical staff and users in preparation of specifications or agree to hire competent consultants to draft TS/TORs (Dec. 31, 2016).		
3. FM Considerations					
3.1 Funds Flow (FME 4)	**FM**	High	• Annual budget will have to be approved on time. However historically there has been delay in approval of annual budgets. There is provision to make 1/12th of the budget temporary available at the beginning of the fiscal year when there is a delay in approval of the new budget. • Project funds will flow through the designated accounts. However, there are some inefficiencies in the processes that impact timely payments. In the absence of the float account, the timely payments of grants to the CDCs have a risk. There are number of mitigating measures agreed with MoF to ensure smooth funds flow, such as simplified documentation for payment requests, bulk allotments processing, identification and training of 2 focal staff in SDU on CCAP documentation, prioritization of CCAP payment requests, establishment of CCAP coordination unit in MoF for facilitation, hiring of one finance staff in the coordination	Substantial	• Availability of 1/12th of the budget at the beginning of the fiscal year. • Bottlenecks are addressed to MoF in a timely manner. • Project payments are made within agreed service standards by SDU. • All local currency payments are made only from the DA. • Periodic submission of withdrawal applications and sufficient liquidity in the Das.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			unit to address FM matters, setting up of a clearance account to route grants to CDCs, etc. • While direct payment is also an option, local currency direct payments take longer to make. Project should aim to make local currency payments preferably from the DA to avoid delays. • Robust forecasts should be prepared by MRRD, and fund requests should be made periodically.		
3.2 Accounting and Financial Reporting (FME 2 & 5)	**FM**	High	• All accounting is centrally done in MoF using AFMIS. At MRRD, accounting systems used under NSP III will be adopted under CCAP. • Acceptable financial reports should be submitted on a quarterly basis along with robust funds flow forecasts. This will be facilitated by CCAP's accounting systems.	Substantial	• All accounting is done in AFMIS, and MRRD maintains subsidiary books of records. • The financial reports are submitted within 45 days from the end of the quarter, showing accurately project receipts and payments, and balances are reconciled • Timely reporting on the part of MRRD to facilitate timely consolidated reporting by the

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
					CCAP coordination unit.
FM Risk rating	**FM**	**High**		**Substantial**	
Procurement Risk rating	**PR**	**Substantial**		**Moderate**	
Overall Fiduciary Risk Rating	**Joint**	**High**		**Substantial**	

Table 2.11: Integrated Fiduciary Assessment (IDLG)

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
1. Joint Fiduciary Aspects					
1.1 Fiduciary Capacity (PRAMS RF4 & FME 7)[27]	**Joint**	High	• The PMT will establish and publish a code of ethics to be followed by project management team (by Jun. 30, 2018). • PMT will develop and implement formal recruitment system that ensures competition and a competitive compensation (Jun. 30, 2017). • The PMT will setup the PCMT of minimum 5 members. Agree on a plan to acquire the necessary procurement expertise (e.g. through hiring, outsourcing etc.). The team will comprise of civil servants and contracted staff can be supplemented by consultants in specific areas agreed with the Bank (Oct. 31, 2016). • Organize capacity building with emphasis on understanding and application of procurement process. • Annual training calendar for procurement and contracts management will be developed. This will enlist the training	Substantial	• Code of ethics is published • PCMT is set-up with agreed manpower • Training calendar is prepared, and all the PCMT members, procurement decision makers have received training

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[27] References are to the 11 PRAMS Risk Factors (RF) and the 7 FM Elements (FME).

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			programs that are both relevant and practical. This will be updated in July every year. All PCMT staff and procurement decision makers and the evaluation committee members to attend the two weeks training in procurement (Jun. 30, 2018). • IDLG FM staff will be provided training on a periodic basis on the Bank FM and disbursement aspects.		
1.1.1 Is there adequate fiduciary staff based on the profile of the project, in terms of numbers and experience, to implement the project, with clear definition and segregation of functions between PR and FM?	Joint	High	• No. • PCMT will be set-up and manpower deployed as proposed above (by Dec. 31, 2016). • For FM, focal staff will be identified from the IDLG Finance Department. While not having experience on the Bank funded projects, the staff has worked on donor funded projects. At the provincial level, 4 finance staff will be hired for each province, of which 1 will be from the OC. • There is segregation of duties within the Finance Department.	Substantial	• PCMT is set-up and manpower deployed. • Continuation of key FM staff for the project and carrying out of FM functions efficiently and effectively.
1.2 Planning and Budgeting (PRAMS RF5 & FME 1)	**Joint**				
1.2.1 Are realistic budgets and procurement plans prepared and reconciled?		High	• Arrange for appropriate support (staff, training, tools) to prepare the project procurement plan so that there is a clear	Substantial	• 50 percent of the contracts awarded within the original plan.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			relation between project objectives and the procurement plan (Jun. 30, 2017). • Repackage contracts in commercial groups of goods/works/services to ensure competition in line with market of procured items (Jun. 30, 2017). • Require periodic reviews to identify/remove the cause of the variances between planned and actual and agree on recommendation to avoid occurrence into the procurement and delivery schedule - intensify supervision/ meetings. The first year has one additional procurement meeting/mission (Jun. 30, 2017). • Establish a clear relation between the project needs and the procurement plan with a credible substantiation of estimated quantities and timetable and estimates consistent with market rates (Jun. 30, 2017). • Revise plan based on realistic timing of contracts and cash flow constraints. Repackage contracts in an efficient way to increase competition and reduce costs. Build Anti-corruption control plan into project design (Sep. 30, 2016). • Annual budgets will be prepared based on procurement plan and work plan, broken down by period and funding source. The quarterly financial reports will include		• Periodic review of the procurement plan in year 1 to suggest corrective measures to ensure timely procurement • Variances are reported in the financial reports and explained. • Procurement progresses as planned and procurement plan is updated annually through STEP • Variances are reported in the financial reports and explained to enable management to take timely corrective action.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			comparison of actual expenditures to budgets and provide explanation thereof, and should lead to budget revision as necessary.		
1.3 Internal Control (including Internal Audit)(PRAMS RF 1,2 &3; FME 3)	**Joint**				
1.3.1 Are effective internal controls in place, as jointly assessed by financial management and procurement staff? These include internal audit, clearly defined accountability, quality control processes, and availability of complete records of the procurement and financial management processes.		High	• The delegation of powers to Directors as per the Afghanistan Procurement Law and Rules and Procedures needs to be implemented (Jun. 30, 2017). • Ensure the procurement and contracts management decision-making is fully covered in the Operations Manual and is available and known to staff (Oct. 31, 2016). • Ensure that a system of accountability for procurement decision making is established, and the system covers all steps of the procurement process and has timeframes for the decision, including the time allotted to make them (Jun. 30, 2017). • Require that a record is kept of who makes decisions, within what time limit and require justifications when overriding decision. This is to establish where checks and balances are needed (Jun. 30, 2018).	Substantial	• The complete manual is ready by Oct 31, 2016. • The IA includes a section on safe keeping of bids and procurement/ contracts documentation in the Operations Manual. • The project Audit ToR is finalized and includes procurement audit • The FM manual will be disseminated to the FM staff engaged in the project.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			• Procurement and contracts management system is outdated and based on papers and logbooks. To bring effectiveness and efficiency in the system, installing computerized systems and programs for handling procurement related issues is necessary (Dec. 31, 2018). • Include review of time taken to make decisions and justifications for over-riding decisions in the TOR of audits (Jun. 30, 2018). • Prepare the Operations Manual as part of project preparation (Oct. 31, 2016). • Organize mentorship or pupilage programs to build confidence and skills in application of manuals (Jun. 30, 2017). • Agree and include as part of the project funding to improve safe keeping of records. Clearly describe in the Operations Manual what records should be kept in the contract file and for how long (Jun. 30, 2017). • Implement record security and backup program as early as possible in the project (Jun. 30, 2016). • Include auditing of filing practices in ToR for audits (Jun. 30, 2017). • Organize dissemination effort and improved accessibility to manuals and instructions (Oct. 31, 2016).		• Audits and other reviews do not reveal major anomalies in project FM. • Internal Audit is done periodically and corresponding reports submitted. • Monthly reconciliation of the project DAs is carried out and any unidentified transactions are resolved timely. • Adequate controls exist over petty/ operational cash management and custody. • Reconciliation of expenditures and fund balances at the provincial/ district level and periodic reporting to IDLG HQ.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			• The FM manual will clearly detail the arrangements for the project. Payments follow the centralized arrangements, and inbuilt controls in IDLG and MoF are fairly robust. IDLG will be mandated to submit original copies of payment documents to MoF, and retain copies. Internal Audit will be carried out by the Internal Audit department of MoF and IDLG.		
1.4 Contract Management (PRAMS RF10, FME 2 & 3)	**Joint**	High	• Establish Contracts management system (by Jun. 30, 2018). • Develop and implement quality assurance arrangements and inventory controls (Jun. 30, 2017). • Review causes for recurrent amendments and cost overruns. Develop suitable corrections to planning, estimates, lack of proper designs, etc. (Jun. 30, 2017). • Establish system to monitor and expedite contract modifications or change orders. Include as part of the ToR for procurement audits. (Jun. 30, 2017).	Substantial	• Contracts management section in the Operations Manual is ready for use. • When needed, contracts modification is done at appropriate time, and due controls are exercised on contract modifications. • Ensure payments under the contract remain within the contract value.
1.5. Project Management and Governance:	**Joint**				

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
1.5.1 Audit Arrangements:	**Joint**				
1.5.1.1 External Audit of Project Financial Statements (PRAMS RF 11, FME 6)	**Joint**	Substantial	• Require audit by independent private auditors • Annual project audit will be done out by SAO with support from an Audit Agent, similar to the arrangement for other projects. There is occasional possibility of delays due to delay in contracting of the Audit Agent and/or mobilization of audit team, and sometimes due to the security situation.	Moderate	• Combined fiduciary, technical and contracts management audit. • Submission of acceptable audit report within 6 months from the government's fiscal year end.
1.5.1.2 Technical Audits (PRAMS RF 11, FME 6)	**Joint**	Substantial	• Include appropriate coverage of procurement aspects to meet project requirements in the audit ToR. Need to distinguish between compliance and performance audits so that auditors know what to do - provide appropriate guidance. . (Jun. 30, 2017)	Moderate	• Combined fiduciary, technical and contracts management audit.
1.5.2 Mitigating Fraud and Corruption – Transparency, Accountability and Participation (PRAMS RF 7 & 11, FME 6)	**Joint**	High	• In the Operations Manual, establish arrangements for safe-keeping of bids/proposals. (Sep. 30, 2016). • Agree on selection criteria for members of the evaluation committee, including technical expertise and review EC formation regularly in the Operations Manual (Sep. 30, 2016).	Substantial	• The PMT would propose and establish a credible system for safeguarding the bids with adequate checks and balances.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			• Develop standard template for evaluation report for project/agency and ensure compliance (Sep. 30, 2016). • Agency to increase due diligence of winning bidder prior to awarding. Bank staff use online Fraud and Corruption Red Flag Tool and/or discuss with APM/INT (Sep. 30, 2016). • Agree on appropriate publication (i.e. on a website or press bulletins) of procurement decisions and other relevant information as minimum (Oct. 15, 2016).		• Describe the criteria and process for setting up the evaluation committee. • Use of templates is streamlined • Publication is done in accordance with provisions in the guideline.
1.5.3 Grievance Redress Mechanisms – complaints handling (PRAMS RF 9) and grievance redress (PRAMS RF 11, FME 6)	**Joint**	High	• Set deadlines for submission of complaints and for decision making by the agency (Jun. 30, 2017). • Establish/improve and implement complaint management system (Jun. 30, 2019).	Substantial	• PMT will develop a credible procurement complaints handling system and mechanism and adequately display on the notice boards and on their website. The efforts will be made to develop an online, SMS linked complaint handling system.

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
					The PMT will include the relevant contacts in procurement plan.
2. Procurement Processes and Procedures (PRAMS RF 6,7 &8)	**PR**	High	• Agree on list of unacceptable NCB issues and remove them from documents to be used for Bank financed procurement (Oct. 15, 2016). • Prepare acceptable sample bidding documents for NCB. • Use advance contracting or other facility to get documents ready by loan signing at the latest (Oct. 15, 2016). • Involve technical staff and users in preparation of specifications or agree to hire competent consultants to draft TS/TORs (Dec. 31, 2016). • Ensure the technical specialist confirms that the criteria are pass fail and appropriate (Dec 31, 2016). • Establish advertising policy and develop sample advertisement in line with the Bank Guidelines requirements (Oct. 31, 2016). • Negotiate reasonable and absolute minimum time for bid preparation and submission (Oct. 31, 2016).	Substantial	• Agency to use agreed documents • Strong technical team in place

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			• Establish and agree on bid opening procedure that meets the standards of the Bank Guidelines (Oct. 31, 2016). • Agree on appropriate dispute resolution provisions for contracts (at least for Bank financed ones, note that it is mandatory for ICB) (Oct.15, 2016).		
3. FM Considerations					
3.1 Funds Flow (FME 4)	**FM**	High	• Annual budget will have to be approved on time. However historically there has been delay in approval of annual budgets. There is provision to make 1/12th of the budget temporary available at the beginning of the fiscal year when there is a delay in approval of the new budget. • Project funds will flow through the designated accounts. However, there is inefficiency in the processes that impact timely payments. There are number of mitigating measures agreed with MoF to ensure smooth funds flow such as simplified documentation for payment requests, bulk allotments processing, identification and training of 2 focal staff in SDU on CCAP documentation, prioritization of CCAP payment requests, establishment of CCAP coordination unit in MoF for facilitation, hiring of one finance staff in the coordination unit to address FM matters, setting up of a	Substantial	• Availability of 1/12th budget at the beginning of the fiscal year. • Bottlenecks are addressed to MoF in a timely manner. Project payments are made within agreed service standards by SDU. • All local currency payments are made only from the DA. • Periodic submission of withdrawal applications and

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
			clearance account to route grants to CDCs, etc. • Robust forecasts should be prepared by IDLG and fund requests should be made periodically. • While direct payment is also an option, local currency direct payments take longer to make. Project should aim to make local currency payments preferably from the DA to avoid delays.		sufficient liquidity in the DAs
3.2 Accounting and Financial Reporting (FME 2 & 5)	**FM**	High	• All accounting is centrally done in MoF using AFMIS. Accounting systems used under the ongoing NSP III will be replicated in IDLG, and IDLG finance staff will be trained by NSP finance staff on operations and usage of the systems. • Acceptable financial reports should be submitted on a quarterly basis along with robust funds flow forecasts. This will be facilitated by CCAP's accounting systems.	Substantial	• All accounting is done in AFMIS, and IDLG maintains subsidiary books of records. • The financial reports are submitted within 45 days from the end of the quarter, showing accurately project receipts and payments, and balances are reconciled. • Timely reporting on the part of

Fiduciary Element	Responsibility FM, PR or Joint	Risk Rating	Comments & Risk Mitigation	Residual Risk Rating	Key Performance Indicator (to be established by the Fiduciary Team)
					IDLG to facilitate timely consolidated reporting by the CCAP coordination unit.
FM Risk rating	**FM**	**High**		**Substantial**	
Procurement Risk rating	**PR**	**High**		**Substantial**	
Overall Fiduciary Risk Rating	**Joint**	**High**		**Substantial**	

Environmental and Social (including safeguards)

81.   **MRRD and IDLG are responsible for safeguards compliance with CCAP in rural and urban areas respectively.** Environmental Social Safeguards staff at the MRRD and IDLG headquarters and their responsible staff at the field level will be trained to operationalize the ESMF policies and guidelines. Other line ministries, including MoPH and MoE with their own safeguards units, may be involved in implementing Component 1, Service Standards Grants as the project unfolds. To some extent, there is coordination between the environmental and social safeguards staff of the ministries. However, this coordination and collaboration needs to be strengthened as CCAP moves forward.

82.   **MRRD.** At the *national* level, MRRD will have an Environmental and Social Safeguards Unit (ESSU) with two staff, a Senior Environmental Officer and a Senior Social Officer. This unit will be responsible for all ESS issues and for ensuring the ESMF is operationalized at the field level through ESMPs. In each region, there will be one dedicated Environmental and Social Safeguards Officer who will be responsible for training PMU ESS staff, checking sample ESMPs, and monitoring ESMP implementation in a sample of subprojects. At the *provincial* level, one senior engineer from the PMU will be nominated as ESS focal point and assigned all ESS responsibilities. The senior engineer will approve all of the ESMPs and send a sample to the ESSU. S/he will also use ESMPs to monitor safeguards compliance in subproject implementation. The key decision-making with regard to the ESMP will take place at the provincial level, with any queries affecting decisions that will be referred to the National Unit. At the *district* level, one engineer, supported by two Social Organizers (female and male) from the FP, will be responsible for 20 CDCs. A key role of the two Social Organizers will be to work with the CDCs to ensure that the views and voices of the most vulnerable groups, especially female headed households and landless, are reflected in the selection and implementation of subprojects. The district engineer will be responsible for conducting the transect walk, developing the environmental content of the ESMP, and consolidating the document by including social content received from the Social Organizers. The district engineer will monitor ESMP implementation during construction.

83.   **IDLG.** At the *national* level, IDLG will have one Environmental and Social Safeguards Manager. S/he will be responsible for developing the training manuals and training the urban ESS staff. S/he will also receive and review all reports from the urban staff as well as address all queries that are received from the provinces. In the four cities, a Senior Engineer and Environmental and Social Safeguards Focal Point from the FP will be responsible for ESMP implementation. In each city, one engineer, supported by two Social Organizers (female and male) will be responsible for 10 CDCs in regard to the environmental part of the ESMP. The engineer will develop the environmental content of the ESMP and consolidate the document by including social content received form the two Social Organizers. The engineer will monitor ESMP implementation during construction.

84.   **In both MRRD and IDLG subprojects, CDCs, CCDCs, and GAs and communities will use participatory monitoring techniques to monitor activities during the construction**

phase and assess impacts during subsequent operation. The ARTF Third Party Monitor will also monitor safeguards compliance during construction.

Implementation Informed by Lessons Learned

85.   **CCAP will build upon the community platform established under NSP and seek to further enhance safeguards compliance by taking account of key lessons learned from safeguards implementation under NSP**, including:

> (a)   Public awareness is an effective tool to help guarantee the sustainability of the outcome of the subprojects;
>
> (b)   Sharing of findings during transect walks with communities for their input and feedback before the finalization of design will ensure better understanding and inclusion of community opinions; and
>
> (c)   Grievance Redress Mechanisms (GRM) – the number of grievances shows in part the understanding of communities and their expectation with their claims for their rights.

86.   **Grievance Redress Mechanism.** The GRM will function at three levels: (i) at the community level where every effort will be made to resolve the issue; (ii) at the district and municipal levels where the Grievance Redress Committees will be established; and (iii) at the national level where an appeal mechanism will be built.

Monitoring and Evaluation for Safeguards

87.   **The CCAP safeguards officers, together with CDCs and GAs, will be responsible for monitoring the implementation of mitigation measures set out in the ESMP.** Relevant practical indicators to enable effective monitoring will be identified by safeguards staff in close liaison with community representatives during consultations on possible impacts of subproject activities and the preparation of the ESMP. A third party monitoring agent will produce regular reports on selected subprojects and assess safeguards compliance using site specific ESMPs. The agency's reports will be informed by field observation visits and discussions with community representatives and various members of the project team. The role of the third party monitoring agent is increasingly important as security considerations make it difficult for the World Bank staff to visit most subprojects' sites. Safeguards staff from MRRD, IDLG and relevant line ministries will meet regularly with the third party monitor agent to review their safeguards findings and recommendations. Lastly, as with NSP, there will be technical audits of the CCAP subprojects to be undertaken by an independent firm to review infrastructure quality, safeguards compliance and cost effectiveness.

Potential Environment Impacts

88.   **Subproject activities envisaged under CCAP for rural and urban areas are expected to have no significant and negative environmental and social impacts.** The CCAP Environmental Category is B, and the relevant World Bank Policies, such as OP/BP 4.01, OP/BP 4.011 and OP/BP 4.12, are triggered while a number of prevailing laws and regulations are also applicable. A framework safeguards approach has been adopted for CCAP while relevant safeguard instruments will also be prepared and adopted during the project implementation stage.

89.   **The countrywide proposed upgrading of numerous small infrastructure works will have minimal impact on the environment and its settings.** An assessment of the negative impacts can be classified into pre-construction, construction and post-construction phases. Some of the potential minor environmental impacts are as follows, but not limited to: soil and land degradation; air quality impacts; water log; vehicular traffic implications; disruption of utility services (water pipe, power cable, etc.); noise level increase and ground vibration; and construction debris.

90.   **In compliance with the World Bank's safeguards policies and the Afghanistan Environmental Law and Evaluating Environmental Impact Regulation, subprojects with significant adverse impact should go for environmental clearance (EC) by NEPA.** CCAP subprojects are small-scale and community based and expected to have very limited adverse impacts. As a result, it is anticipated that a sample of subprojects per province will be reviewed and cleared by NEPA, as was the agreement for NSP.

Potential Social Impacts

91.   **Subprojects activities under Component 1 of CCAP for rural and urban areas will not have major adverse social impacts.** Systematic involvement of local people throughout the planning and implementation of subprojects will underpin the identification and implementation of any mitigation measures to be included in ESMPs. The project is expected to: (i) build the confidence and strengthen the capacity of local communities to engage in decision-making on a broad range of services, which directly affect people's lives; (ii) make government more responsive and accountable to its citizens; (iii) enhance the quality of services and the efficiency of their delivery; and (iv) ensure that the views and voices of the most vulnerable groups, especially female headed and landless households, are reflected in the selection and implementation of subprojects under Component 1. Subproject activities are also expected to contribute to improved living standards, including social services, access farm to markets, employment opportunities and rising incomes.

92.   **Although no resettlement, major land acquisition and/or asset loss is expected, very small areas of land may be bought outright (willing buyer - willing seller), or acquired against community compensation**, to facilitate new or rehabilitation of small-scale infrastructure work under Component 1. In regard to the Government land transferred by the authorities to the project, documentation must be free of encroachments, squatters, competing claims or other

encumbrances. In exceptional cases, minor voluntary land donation may occur in certain areas but only if there are no structures or assets on the land and the impact of the donation on the livelihood of the landowner is not significant (less than 10 percent). The voluntary nature of the donation will be fully documented and independently verified. Abbreviated RAPs will be prepared as required. Guidelines on their preparation are included in the RPF.

Monitoring and Evaluation

93.   **The Citizens' Charter Working Group has formed a Monitoring and Evaluation (M&E) Sub-committee to review best practices across the ministries and coordinate local level monitoring.** The M&E Sub-committee will design simple community scorecards based upon the Citizens' Charter service standards to monitor service delivery to communities. CDCs with the assistance of Social Organizers and FPs will complete the scorecards every six months. These scorecards will be discussed with local service providers (schools, health clinics, district line ministries) and reported back to the district and provincial levels where results will be discussed at a forum chaired by the Governor. These reports will be sent semi-annually to MoF and the Office of the President for review and comments. CCAP will explore with the Afghanistan Information and Communications Technology Sector Development Project the possibility of using mobile technology for community scorecard reporting. With 85 percent of the country currently having mobile access, the Citizens' Charter can use that available mobile application technology to expedite citizens' reporting and grievance redress. Performance indicators for gender, including gender-disaggregated data and citizen engagement, have been incorporated into the project's Results Framework (see Section VII).

94.   **CCAP will also take advantage of the third party monitoring arrangements under the ARTF.** The third party monitors will provide critical data and a level of additional evidence from the field to complement the government monitoring systems and Bank missions. CCAP will make use of their reviews of infrastructure quality as well as their satellite imagery data in order to verify infrastructure assets and gaps based upon the initial needs assessment. The third party monitors will also review the achievement of the service standards, social inclusion dimensions, and CDC organizational maturity.

95.   **Evaluation and Studies**. The Citizens' Charter provides a rich environment for testing various hypotheses important for development effectiveness in Afghanistan as well as other fragile and conflict situations. The Government together with the World Bank has discussed eight studies, some to be funded through CCAP and others through additional government resources. Due to the purposive selection methodology by which locations were chosen for CCAP, a randomized impact evaluation may not be possible. However, several evaluations are planned and there is room to potentially undertake some nested experimental studies on citizens' monitoring and reporting.

Table 2.12: Possible Evaluations for Citizens' Charter National Program & CCAP

	Evaluation Areas	**Funded through**
1	**Improved service delivery evaluation** • Has the Citizens' Charter/CCAP improved services to citizens in the relevant sectors? • Are citizens satisfied with services? • Are women, vulnerable groups and the poorest benefitting equally from the services? • How do CDCs/Clusters interact with ministries? • Document responsiveness of local governments and line agencies to citizens' voice. • What are the changes in the number of people accessing services? • How has inter-ministerial coordination at various levels improved?	CCAP
2	**CDCs/CCDCs/Gozars Study** • What is the relationship of CDCs to local actors (civil society, communities, shuras, traditional leaders)? • What is the role of CDCs in ensuring social inclusion of vulnerable groups such as IDPs, refugees, disabled, ex-combatants? To what extent were CDCs effective as inclusive decision-making mechanisms? • Have CDCs, Cluster CDCs, and their sub-committees fulfilled their responsibilities to contribute to improved service delivery at the community level? • Do CDCs and Cluster CDCs have adequate capacities to lead, plan and manage projects and mobilize communities to address local development issues? • Have CDCs reached a level of maturity to sustain themselves with very limited facilitation?	CCAP
3	**Gender study** • How have women benefitted through the Citizens' Charter? • What are ways that women can play a greater role in decision-making at the local level? • Are poor women/female heads-of-household benefitting equally.	CCAP
4	**Technical quality of infrastructure**. • Examine technical quality of infrastructure built, safeguards compliance, operations and maintenance, cost-effectiveness, citizens' satisfaction with infrastructure, EIRRs	CCAP (or through ARTF third party monitoring)
5	**Service delivery and its relationship to state legitimacy** • What is the relationship between improved service delivery and citizens' trust and belief in the state?	CCAP
6	**Conflict and fragility study** • What are the drivers of conflict at the local level and how do they affect public service delivery? • What builds social cohesion at the local level? • How do former combatants view the Citizens' Charter and what role do they place in CDCs? • What role can CDCs play in addressing conflict in communities? • What linkages can be made with CDCs, districts and provinces to address local conflict?	CCAP or Govt resources
7	**Local economic development and value chains** • How can the Citizens' Charter promote local economic growth and value chain linkages? What are potential markets for growth and jobs creation? • Can we track second-generation effects (e.g. financial literacy, risk-taking, occupational change)? • Can local economic-decision making be improved? • How has production and productivity of wheat and high value crops improved in the Citizens' Charter areas where MAIL is working?	Govt
8	**Public financial management at the local level** • What are the financial and administrative bottlenecks at the provincial, district, and local levels for service delivery? How can funds flows be improved? • Are the new public financial management arrangements introduced through the Citizens' Charter improving the timeliness of funds flows to communities?	Govt

Role of Partners (if applicable)

96.   The Citizens' Charter Program will benefit from international partnerships with ARTF donors, the World Bank, and UN agencies, such as UN-Habitat on urban issues, and UNHCR and International Organization for Migration for refugee and IDP issues.

ANNEX 3: IMPLEMENTATION SUPPORT PLAN

COUNTRY : Afghanistan
CITIZENS' CHARTER AFGHANISTAN PROJECT

Strategy and Approach for Implementation Support

1. **The implementation support plan of CCAP is developed based upon the experience over the last 14 years of NSP and the risks and challenges identified in the risk matrix**, in particular those risks related to political, security, and governance context, macroeconomic trends, and stakeholder risks.

2. **Intensive implementation support and technical guidance by the World Bank will still be necessary especially during project start-up.** Task Team Leader(s) (TTL) based in Dubai and other technical and fiduciary specialists based in the country office and region will provide overall support, with occasional missions from subject specialists from Washington, DC. As CCAP is a multi-sectoral, multi-ministerial program, close collaboration will be needed from WB sectoral colleagues, especially related to education, health, water, roads, urban, irrigation, energy, ICT and governance. Supervision missions will have multi-sectoral representation.

3. **Major security threats pose formidable challenges to smooth implementation and the necessary Bank implementation support of projects of national scope such CCAP.** The deteriorating security situation poses the largest risk to the project and implementation support. Project implementation will have to remain flexible to respond to possible security shifts. Modalities that may need to be adopted include relying on communities to broker development space with insurgent groups to allow services to be delivered, or reliance on intermediary agents, whether NGO or private contractors. CCAP and the Bank will also take advantage of the third-party independent monitoring arrangements under the ARTF to enhance implementation support. The third party monitors, typically with better and safer access to communities, will provide critical data and a level of additional evidence from the field to complement the government monitoring systems and Bank missions.

Implementation Support Plan and Resource Requirements

4. **The World Bank Task Team will work in partnership with the Government's Citizens' Charter Working Group to solve problems as they arise**. It is expected that the World Bank's support will be most needed on a routine basis for operational, procurement and financial management issues, coordination across sectors and monitoring and evaluation quality support, especially during the initial two years of start-up.

5. **A Mid-Term Review will be conducted after approximately two years of implementation,** to identify and recommend any structural changes that may be needed.

6.   **Procurement.** In addition to the prior review, implementation support shall be carried out from Bank offices regularly. Initially there will be the two regular implementation support missions with the task team. In addition, there will be regular discussions with both MRRD and IDLG as the project proceeds and as questions arise. The first year of the capacity building plan will require more intensive support and for IDLG, an additional mission/meeting will be held.

7.   **Financial Management.** Strong financial management support will be needed to ensure that there are no problems with funds flow and the new accounts system. The Bank will provide the needed training and hands-on support on a routine basis, especially to the IDLG FM staff who have not previously worked on the World Bank-funded projects. The Bank FM staff will join regular supervision missions.

8.   **Social Staff.** Formal supervision will include suitably qualified social expertise that will concentrate as needed on issues of local conflict, refugees and IDP integration, and citizens' engagement.

9.   **Safeguards.** Under NSP, MRRD has built capacity in both environment and social safeguards. Previous audits have not uncovered any safeguard compliance issues. Training will need to be provided to the MRRD and IDLG staff, especially at the provincial and district levels on safeguards to ensure that environmental and social risks are mitigated. A review of safeguards implementation will be included under each supervision mission.

Table 3.1: Main Focus in Terms of Support to Implementation

Time	Focus	Skills Needed	Resource Estimate
Annually, Yrs 0-4	▪ Work-planning, review progress of producing the Operations Manual, training materials, and project roll-out. Review and clearance of documents ▪ Review FM and disbursements ▪ Review Procurement ▪ Review E&S risk management ▪ CC sectors: Education, health, agriculture, public works, urban ▪ M&E Support	▪ CDD, operations ▪ Training person ▪ Conflict/IDP specialist ▪ FM specialist ▪ Procurement specialist ▪ E&S Safeguards ▪ Education, health, agriculture, public works, urban ▪ M&E	**Fees & Travel:** ▪ TTL: 52 staff weeks (SWs) ▪ TTL Operational Support: 18 SWs ▪ Conflict/IDP specialist: 4 SWs ▪ FM Specialist: 10 SW ▪ FM Consultant: 2 SW ▪ Procurement Specialist: 8 SW ▪ E&S Specialists, 6 SW total ▪ Sectoral staff cross-support: 20 SWs ▪ M&E Specialist: 4 SW
Mid-Term in 2018	▪ Mid-Term Review	Task Team, external staff and experts	▪ 20 SWs
Completion in 2021	▪ Implementation Completion Report	External team with support from Task Team	▪ 30 SWs

Table 3.2: Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips (annually)	Comments
Overall coordination and task management	52 SWs annually	10 regional	TTL based in Dubai
Conflict/IDP specialist	4 SWs annually	4 international	
Technical specialists	2–3 SWs per specialist annually	3-4 International	
FM	6 SWs annually	2-4 Regional	Based in Dubai
Procurement	8 SWs annually	6-8 Regional	Based in Dubai
Safeguards (E&S)	6 SWs annually	4 Domestic	Both environment and social specialists based in CO
M&E	4 SWs annually	2 International	

ANNEX 4: ECONOMIC AND FINANCIAL ANALYSIS
COUNTRY : Afghanistan
CITIZENS' CHARTER AFGHANISTAN PROJECT

1.   **Economic Rates of Return.** The proposed CCAP builds upon NSP's accomplishments in strengthening the capacities of CDCs across the country and delivering much needed infrastructure services in rural areas. Since 2003, NSP has funded some 82,000 subprojects to improve access to transport, water supply and sanitation, irrigation, electricity and schools in approximately 35,000 communities in all 34 provinces. Return on investments has been high. In terms of infrastructure rates of return, an external study of NSP III found positive economic rates of return (ERR), especially for water, irrigation and power subprojects (the same infrastructure types supported under CCAP). The overall ERR was 41.4 percent for the four main subproject investments. Under NSP II, the ERR analysis conducted as part of NSP II Implementation Completion Report (ICR) concluded a weighted ERR for sampled subprojects of 69.3 percent while the financial rate of return was calculated at over 100 percent across a small sample.[28]

2.   **Furthermore, an independent impact evaluation of NSP found that the program has led to a number of important multiplier effects and positive impacts for women**, in terms of increased male acceptance of female participation in public life and broad-based improvements in women's lives, including increases in participation in local governance, access to counseling, and mobility. These and other economic, institutional, and social impacts of NSP further drove increases in girls' school attendance and in women's access to medical services, as well as improved economic perceptions and optimism among women.[29]

3.   **Cost Effectiveness Analysis**. Compared to the cost structure of other projects in Afghanistan with significant infrastructure investments, NSP's cost structure is competitive. More specifically, investments in basic services and infrastructure make up on average 69 percent of total project costs across the projects surveyed in a 2015 Afghanistan study as compared to NSP's 73 percent allotment for infrastructure block grants.[30] In terms of unit costs, a 2014 assessment of key NSP sectors by expenditure (roads, power, irrigation and water, and school buildings within the rural development sector) showed that NSP was at the lower end or within benchmark norms relative to other projects.[31] For example, the average cost of NSP's basic access road investments is US$7,471, which rises to around US$13,626 for graveled solutions, whereas benchmark

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[28] World Bank. 2012. National Solidarity Program II - Implementation Completion and Results Report. Washington, DC: World Bank.
[29] Beath et al., 2013; Independent Evaluation Group. 2013. *Evaluation of World Bank Programs in Afghanistan, 2002-11*. Washington DC: World Bank.
[30] See Bradley et al., 2015. The other projects included National Priority Programs, such as: (a) the Emergency Irrigation Rehabilitation Project; (b) its successor the Irrigation Restoration and Development Project; (c) the National Rural Access Project, and (d) the Strengthening Health Activity for the Rural Poor Project, and (e) the Health Action in Transition Project.
[31] Atos Consulting. 2014. *National Solidarity Programme: Phase III Financial and Economic Analysis Final Report*. Kabul: Atos Consulting. The benchmarks used for the comparison come from MRRD (NERAP and CARD-F projects), the World Bank's Rocks Database, the Water Project Organization, Oxfam, and UNICEF.

comparators lie between US$11,000-45,000.[32]   The only exception was school buildings. Comparing cost structures internationally with similar large-scale CDD programs, NSP's costs were found to be comparable as well.[33]   Lastly, based upon the experience of NSP and other community programs over the past 14 years in Afghanistan, communities contribute 13 to 30 percent of total costs in order to access these services.

4.   **Building upon the recent NSP cost analyses, the Citizens' Charter preparation team reviewed the unit costs and cost structure for the main infrastructure types, comparing those with other similar programs in the country.** For budgeting purposes, the range of actual investment costs for water points, roads, irrigation, and renewable energy were reviewed (from NSP and other similar programs) and calculated, factoring in a contingency for possible overruns. For the urban component, the budget costs were calculated based upon ongoing experience from NSP, UN-Habitat and other urban programs. Component 1, the investment component (inclusive of the government's contribution), represents 67 percent of the total project costs which is comparable to other project ratios in Afghanistan. This is equivalent to approximately US$10 per capita per year over the five-year period, which by international CDD standards is cost-effective especially for a fragile and conflict context. Costs related to institution building (Component 2) – representing 21 percent of the overall total budget - such as FP, OC, Social Organizers and engineering support were also found to be reasonable and consistent with previous unit costs under NSP. CCAP has budgeted for a technical study which will include a cost-benefit and cost-effectiveness analysis of its service standards grants.

5.   **Fiscal impacts.** The task team has reviewed the Government's projections for the Citizens' Charter over the four-year life of the project as well as the next ten years. The full four-year budget of $628 million ($500 million IDA/ARTF and $128 million from government resources) has already been included in the Government's Medium-term Expenditure Framework. The Medium-term Expenditure Framework (2016 – 2020) is fiscally sustainable under the assumption that: (i.) revenue increases from 10.2 % to 12.6% of GDP, (ii.) revenue contributions to security expenditures do not increase above plan; and (iii.) on-budget grants increase from 7.1 to 10.3 % of GDP. However, should any of the aforementioned assumptions fall short, the Citizen's Charter funding runs the risk of being reduced. This risk applies to other categories of spending as well and is not unique to the Citizen's Charter.

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[32] Ibid., p.22.
[33] Ibid.

COUNTRY : Afghanistan
CITIZENS' CHARTER AFGHANISTAN PROJECT

Program Basics

1.   **The Citizens' Charter is an evolution of NSP design.** As such, it is important to reflect upon NSP's achievements over the past 14 years, lessons learned, and areas requiring improvement. The NSP was established in 2003 by the Government of Afghanistan in order to develop the ability of Afghan communities to identify, plan, manage, and monitor their own development projects. Communities, supported by FPs, elect their leaders and representatives to form voluntary CDCs through a transparent and democratic process. CDCs then implement their own infrastructure projects such as building schools, roads, irrigation systems or ensuring access to water and sanitation.

2.   **More specifically, NSP consists of four core elements:** (i) establishing CDCs in a democratic manner; (ii) building the capacities of CDC and community members (both men and women) in local-governance and development; (iii) providing direct block grant transfers to fund approved subprojects identified, prioritized and managed by the communities; and (iv) linking CDCs to government agencies, NGOs, and donors to improve access to services and resources.[34] The project is implemented by MRRD.

3.   **The total NSP budget for the period from May 2003 - February 2016 (not including community contributions) amounts to US\$ 2.5 billion, financed from four sources: IDA, the ARTF, the Japanese Social Development Fund, and bilateral donors.** The program is broadly divided into three components: (i) community block grants for economic and social development; (ii) establishment and capacity building of CDCs; and (iii) project implementation support.[35]

Major Achievements

National Geographic Coverage

4.   **NSP is the only government program to have reached all the country's 34 provinces, touching the lives of over 20 million villagers.** By June 2016, the program had reached approximately 35,000 rural communities in Afghanistan in three phases:

   (i)   NSP I (May 2003 - March 2007) covered around 17,223 communities for the first round of block grants (BG);

   (ii)   NSP II (April 2007 - September 2011) added 5,957 communities for the first round of block grants; and

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[34] See the NSP website at *http://nspafghanistan.org/Default.aspx?sel=109*.
[35] Ibid.

(iii)   NSP III (October 2010 - March 2017) added around 11,850 new communities for the first round of block grants, and extended coverage of just over 11,500 communities for a second round of block grants.

5.   **Since 2003, CDCs have become the mechanism to extend the coverage of service delivery to rural communities**, despite the difficult working conditions generated by conflict and fragility.

Effective Service Delivery

6.   **Under NSP III alone, over 12.5 million people have been provided with access to improved water sources.** Between NSP I and III, 88,802 improved community water points have been constructed; 32,000 km of roads have been built or rehabilitated; 39 MW of power have been generated; over 200,000 hectares of land have been brought under irrigation or provided with irrigation and drainage services, and over 5,300 classrooms built. All these subprojects have generated over 47.8 million days of short-term employment for roughly 2.4 million skilled and unskilled workers.[36] More recently, about 600,000 families have benefited from the follow-up MCG initiative, which provides short-term job opportunities to maintain or rehabilitate road infrastructure built by NSP.[37] Approximately 50 percent of NSP beneficiaries are women.

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[36] Data taken from 3 sources: (i) NSP MIS System (May 2016); (ii) Afghanistan: Concept Memorandum Regarding Additional Financing (P159307) for the Third National Solidarity Program (Original Project: P117103); and (iii) NSP III Additional Financing Project Appraisal Document (P159307). The number of workers was determined by dividing the total million labor days by the average 20 working days spent per project.
[37] MRRD. 2016. *NSP Newsletter, 2nd edition*. Kabul: MRRD.

Table 4.1: NSP Outputs Phase I – III

Key Indicator	Output
# of CDCs elected	34,981
# of subprojects completed	81,609
Labor days for completed subprojects	47,843,064
Kms of road constructed /rehabilitated	32,347
Hectares of land irrigated	233,537
# of school rooms constructed	5,356
MW of power generated	39.05
# of shallow wells and deep wells constructed	88,802
# of male CDC members (1st block grant)	292,751
# of female CDC members (1st block grant)	151,893
# of male CDC members (2nd block grant)	103,265
# of female CDC members (2nd block grant)	84,733

Source: NSP MIS System (May-June 2016)

7.   **The impact evaluation (IE) conducted in 2013 showed that the project resulted in tangible, positive impacts in the lives of beneficiaries.** For instance, the NSP-funded water projects specifically increased the usage of protected water sources at both mid-line and end-line by an estimated 36 and 5 percentage points, respectively. NSP contributed a five percent reduction in the collection of water time.[38] The IE also showed increased access to education (four percent), health care and counseling services for women, as well as improved school attendance and quality of learning for girls. However, the IE revealed that NSP-funded infrastructure projects in irrigation and transportation appear to be less successful.

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[38] See Beath et al., 2013.

Table 4.2: Subprojects, Disbursements, and Beneficiaries by Sector

Sector	# of Subprojects	Disbursements (US$ million)	# of Beneficiaries
Education	6,503	59.8	2,838,563
Irrigation	17,234	304.8	8,582,866
Livelihoods	2,539	9.4	702,263
Power	7,988	185	4,249,368
Transport	22,557	449	12,746,134
Water Supply & Sanitation	19,512	294	8,801,886
Miscellaneous	5,276	111	2,981,014
Grand Total	**81,609**	**1,413**	

Source: NSP MIS System, June 2016.

Better Local Governance

8.   **NSP has made significant contributions to state building and local governance.** The 2013 IE found that NSP strongly increased villagers' favorable view of government agencies at the midline survey (in May-October 2009), but this effect faded at the time of the endline survey (in 2011) when most subprojects were closed and the second round of block grants had not yet disbursed.   Another assessment found that 63 percent of people were satisfied with the performance of their CDC and that CDCs were managing NSP funds transparently and were seen as being accountable to communities.[39]   There is also robust evidence that NSP increased voting by men and women in the 2010 parliamentary elections. Several other studies show that NSP has been able to operate more effectively in insecure areas and is perceived more favorably by communities and stakeholders than other development programs.[40]

Boosting Women's Empowerment

9.   **NSP has expanded the provision of services to women and increased the proportion of women involved in local assemblies.** According to the IE, this has resulted in greater male

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[39] Asia Foundation. 2013. *Afghanistan in 2013 – A Survey of the Afghan People*. Kabul: The Asia Foundation; Wang, Carol. 2014. "Rule of Law in Afghanistan: Enabling a Constitutional Framework for Local Accountability." *Harvard International Law Journal*, 55 (1): 238-239.
[40] Glad, Marit. 2009. *Knowledge on Fire: Attacks on Education in Afghanistan – Risks and Measures for Successful Mitigation*. Kabul and Washington, DC: CARE International, the Afghan Ministry of Education, and World Bank.; Fishstein, Paul and Wilder, Andrew. 2012. Winning Hearts and Minds? Examining the Relationship between Aid and Security in Afghanistan, 51-52. Medford: Feinstein International Center, Tufts University.

acceptance of female participation in public life, such as political candidacy by women, women working with the government and/or NGOs, female membership of village councils, and female involvement in the selection of the village headman. This change in attitudes also affected outcomes, with NSP increasing the participation of women in dispute mediation and aid allocation decisions and increasing female inter-village mobility. These and other economic, institutional, and social impacts of NSP further drive increases in girls' school attendance, the perception that schools are safer for girls, women's access to medical services, as well as improved economic perceptions and optimism among women.[41] See separate Annex on Gender Issues.

Using the Community Platform for Vulnerable Groups such as IDPs/Returning Refugees

10.   **Of growing concern to the humanitarian and development community is the increasing number of returnee refugees and IDPs.** Forced displacement in Afghanistan is cyclical and caused by man-made crises related to violence, conflict and insecurity, and natural disasters. A stunning three-quarters of the Afghan population has been displaced at some point in time during nearly four decades of conflict. As of April 2016, there are some one million internally displaced persons due to conflict and natural disasters. In addition, the Afghan refugee population worldwide was estimated at 2.7 million at the end of 2015 with perhaps an additional 3 million undocumented Afghans in the Islamic Republic of Iran and Pakistan, making Afghanistan the second largest refugee source country. A significant increase in Afghan refugees returning from Pakistan in 2015 has been attributed to growing push factors in Pakistan. As of April 30, 2016, over 64,137 documented refugees and 77,000 undocumented migrants have returned despite deteriorating security conditions in Afghanistan. [42]

11.   **Over the years, NSP has served as a response mechanism for returnees**. During the early NSP years when there were large numbers of returnees, the project coordinated closely with the UNHCR and other UN agencies and prioritized for assistance the districts and provinces with the most number of IDPs and returnees. NSP I and NSP II also had specific operational policies to assist these groups. For example, IDPs and returnees settling into communities could elect representatives to the CDCs so that their voices were heard and needs expressed. A 2012 independent report by the University of York evaluating NSP's impact on IDP, refugee, and returnee reintegration in Afghanistan found that NSP was widely recognized by returnees and IDPs and they identified NSP as the provider of community development projects from which they benefited.[43] Additionally, an overwhelming majority of returning refugees and IDPs consider the development projects implemented by the CDCs to be important in their reintegration, and the resulting short-term employment from these projects, as having a positive impact on their reintegration into the communities. The study also identified areas in which NSP could be more effective in relation to serving IDPs and refugees, for example, designing a more targeted approach

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[41] See Beath et al., 2013.
[42] UNHCR. 2016. Global Trends Forced Displacement in 2015. Geneva: UNHCR.
[43] See PRDU, University of York, 2012.

specifically for vulnerable groups, training project staff and FPs better on inclusion issues, and improving the M&E system to better track interventions for this group.[44]

Lessons Learned

(1)   Partnering with communities and community representative bodies has proven to be an effective way for the Government to deliver services in Afghanistan.

12.   **The Government cannot do everything. CDCs have shown over the past 14 years of NSP that if given control over resources, they are capable of planning and managing development activities.** The CDD approach is also more cost-effective and more sustainable. This is because of communities' contribution – largely in the form of labor – and the work of the CDC members in terms of planning, purchasing inputs, managing the finances and bank accounts, and reducing transaction costs that would be incurred if the management of subproject implementation was conducted in a centralized manner. Communities own this work and maintain the infrastructure: the NSP monitoring data indicate that 85 percent of subprojects are functional.

(2)   More is needed to ensure equity and inclusion.

13.   **The design of NSP placed great emphasis on building social cohesion thorough collective planning, implementing and building subprojects, and providing labor days during project construction to each family.** This has helped communities rebuild social relationships and regain forms of trust over the past 15 years. The next step for this CDD model is to focus on equity and inclusion of the most vulnerable community and CDC members. As local bodies responsible for development, CDCs should create poverty profiles of their communities, which will help them in planning and resource allocation by taking into account the existing cleavages along socio-economic, ethnic, and gender lines. In this regard, work has begun under NSP III where participatory methods have been rolled out by the FP staff in communities receiving a second round of block grants. This Participatory Community Empowerment process could be improved by focusing more on quality rather than quantity. Key lessons from this work are:

    (a)   Infrequent engagement (once per month) of FPs with CDCs and communities does not work well. It is more effective to concentrate the Social Organizers' (SOs) visits over a period of two weeks, instead of monthly visits of two to three hours. Intense engagement (daily visits for 10 days), when people's work cycle permits, is more likely to lead to greater community involvement and collective action. This is because immersion in the collective analysis process allows for building momentum, which is crucial for action;

    (b)   Methods should be limited to a few practical exercises that take the community from abstract to concrete examples;

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[44] *The Study of NSP's Impact on IDP/Refugee Returnee Reintegration in Afghanistan,* Post-war Reconstruction & Development Unit (PRDU). University of York, UK. July 2012

(c)   Good facilitation techniques and skills among Social Organizers require a capacity building process, not a one-time training; and

(d)   Social Organizers need techniques to manage and facilitate powerful actors in the communities, who try to dominate or influence the analytical work with CDCs and community members.

14.   **At the same time, CDC members and people in general respond well to working through participatory methodologies:**

(a)   The "snapshots" of the community that map well-being analyses and seasonal calendars help CDC members make more informed decisions; and

(b)   The emphasis on poor families (that constitute the majority of the population in rural villages) illustrates to communities and to the CDC leadership that poverty matters to the Government and that CDCs play a crucial role in reducing it.

15.   **A key challenge for CDCs and Cluster CDCs (CCDCs) will be to ensure participatory, inclusive, transparent and accountable practices.** Some CDC members hold other leadership roles (*maliks*, *arbabs*, *qariadars*, elders, etc.) and operate differently from the ways in which CDCs function. Their presence in CDCs, based on community elections, is not a problem in itself. Nevertheless, in some areas and communities, leaders with such status prevent discussions and deliberations and/or dominate the CDC as an institution. Institutionalizing participatory processes in CDCs/CCDCs and their sub-committees, with ordinary people being part of the process, is therefore key. Exposure to and the inclusion of a broader spectrum of local society to the CDC/CCDC processes is important not only to prevent elite capture, but also because CDC/CCDC membership will change (as elections are held and new people are voted in). What remains constant, however, will be the expectations of the public that CDCs/CCDCs as institutions must follow the principles of participation, inclusion, equity and transparency through social audits and community monitoring.

(3)   However, not all problems can be solved at the community level, and there is a need to coordinate more closely with line agencies and district and provincial levels for effective service delivery.

16.   **Communities can help mobilize labor and report upon service delivery, but line agencies must be responsible for actions beyond communities' control.** For example, ensuring teacher and health worker quality, providing engineering expertise, ensuring appropriate operations and maintenance interventions and coordinating infrastructure linkages with higher level infrastructure trunk networks (roads, sewerage, etc.) must be led by line ministries. There has to be mutual accountability between citizens, communities, and the government. In the past, NSP has not fared so well when it comes to building linkages between key institutions. This is because NSP was never designed to link to sub-national governance structures (perhaps because

they hardly existed as early as 2003), but instead it was vertically organized with lines of reporting from the field through the PMU channels to the headquarters. Line ministry presence at the district level is uneven, with some districts having "thin" representation and others more. Those line ministries that do have staff at the district level have not had a formal mechanism to interact with CDCs, and linkages that have occurred have been unsystematic. It will thus be important to enable the interaction between the government and its citizens. Following the principles of subsidiarity, this can be achieved through appropriate platforms that allow for public service providers to interface with CDC and CCDC leadership or its sub-committees to discuss and solve issues that prevent or undermine inclusive service provision.

17.   **Lastly, NSP was seen as a ministerial (MRRD) program (by donors and by the Government); hence many other line ministries did not take full opportunity to work with CDCs**. The Citizens' Charter, the preparation of which already has created a spirit of collaboration and sharing, will change this silo mentality.

(4)   Clustering CDCs create economies of scale and can help to bridge the gap with services, which span across communities. However, women and the vulnerable populations must not be left behind.

18.   **Clustering has taken place on a formal and an informal basis, reflecting the need to have higher level decision-making bodies for planning, resources management, and "multiple communities" project implementation.** The key issues when it comes to clustering include:

   (a)   Building a unified CCDC where the members from different communities share a common identity and vision. This requires a different type of capacity building than CDCs that represent a single community. For example, some communities have been linked to roads, have built schools, and can access to health services, while others do not benefit from these services. Some communities are better off (e.g. better land for cultivation) and have more development as a result of being able to attract resources through connections;

   (b)   Moreover, there are considerable differences between communities in mountain areas and those in plain areas. Mountain communities are more egalitarian, whereas those in plains are more differentiated (e.g. land ownership is more concentrated). Settlement patterns in mountains are less concentrated and there is greater distance between communities (with particular implications for women). These key aspects must feature into the mobilization strategies;

   (c)   Women's participation, given their limited mobility. There are numerous factors, which shape women's ability to participate in CDCs and CCDCs. These include prevailing norms and the extent of their enforcement in terms of women's visibility and involvement in the public sphere. Without women Social Organizer staff's key presence and frequent visits, it will be difficult to make progress on gender issues.

Female Social Organizers need to learn about women's mobility, which may vary between villages, and to consider how to build on women's existing freedom to move (selling labor in agriculture, travelling with *moharram* to visit parents and relatives) as well as how their inclusion in meetings in other villages can be possible (with *moharrams* if needed).

(5)   The quality of implementation will vary depending upon the quality of the facilitation process and several operational actions.

19.   **The quality of implementation, particularly the soft elements (e.g. elections, participatory processes, and mobilization) has varied considerably**. Some of the international NGOs with visions and missions that emphasize development rights and participatory approaches have done better than those that are just focused on fulfilling critical community needs. In the future, the Citizens' Charter could ensure that the training program (classroom and field) for FP staff works towards consistent quality emphasis and provides follow-up support. Government monitoring of FP performance will be key in holding FPs accountable in terms of good facilitation. It is crucial that the "right" FPs are hired for this work, and that they in turn hire the "right" Social Organizers.

20.   **The number of FPs should be realistic.** The FPs employed by NSP were too many – at one point up to 32 FPs - and it was difficult to manage their contracts and the quality of their work. However, MRRD must ensure that the contracts and the terms of reference (time-based, output-based) are carefully considered in order to be conducive to the desired outcomes. For example, the capacity building mandate of FPs for CDC and Government staff, including the need to work towards hand-over to the government social facilitation in three years, must be a clear mandate for the FPs. The number of FP female Social Organizers in the field working with women in communities in NSP III has increased significantly as the program introduced specific payments linked to female Social Organizers. The Citizens' Charter should consider maintaining this incentive.

21.   **Starting with NSP III, the program was nationalized, with international staff only holding advisory positions, and the Government civil servant and contracted staff holding executive functions.** Only financial management services were outsourced, not because of a lack of capacity but because Government staff cannot manage the float account. The challenge now will be to build capacity of civil service staff to increasingly take over these responsibilities. This is already underway through the CBR Program and change management process.

22.   **Lastly, key steps like procurement and planning need to be aligned with the realities of working in a highly volatile, fragile state environment like Afghanistan.** There needs to be flexibility. For instance, if the CCAP IAs are inviting expressions of interest for FPs or key project management positions and does not receive sufficient numbers of high quality FPs to apply, deadlines should be extended. In particularly difficult regions, Bank fiduciary rules and oversight mechanisms will need to be adjusted through a proper adaptation that allows the World Bank and

the Government to manage risk while still delivering benefits in high risk, fragile state environments.

<table>
<tr><td colspan="2">ANNEX 6: GENDER PLAN FOR CITIZENS' CHARTER AFGHANISTAN PROJECTS</td></tr>
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COUNTRY : Afghanistan
Citizens' Charter Afghanistan Project

Country Context

1.   **For inclusive development to occur in Afghanistan, the role of women in political, economic and social spheres must be strengthened.** The challenges are enormous. According to the 2014 United Nations Development Programme Human Development Report, Afghanistan ranks the 150th out of 151 countries, in terms of the Gender Inequality Index. Despite notable, consistent improvements in recent years for education and health, these indicators are still low by international standards. Only 19 percent of women aged 15 years and older can read and write, as compared to 49 percent amongst men. Twenty-three percent of pregnant women attend the recommended four ante-natal visits, and the percentage of births attended by skilled health personnel is only 37 percent in rural areas. Employment figures are especially skewed. While men have a labor force participation rate of 81 percent, women score much lower with only 29 percent. Unemployment is more than twice as high among women than among men (37 percent against 18 percent).[45]

2.   **Social and cultural norms make it especially challenging for women to reach their full potential**. Only 57 percent of Afghan men believe that women should be allowed to work outside of the home, and even this level of endorsement comes with caveats as to the types and places of work that are considered acceptable for women.[46] The 2013/2014 Afghanistan Living Conditions Survey found that three-quarters of women do not leave the dwelling without the company of another person and about half leave the house four times or less per month, while 12 percent of women indicate they never left the house in an entire month. Furthermore, female decision-making on spending money is quite restricted.[47]

3.   **Over the past decade, the government has developed several strategies to improve opportunities for women.** These include the National Action Plan for the Women of Afghanistan (2008-2018), the Elimination of Violence against Women law (2009), and a Gender Mainstreaming Guideline for Municipalities (2014). The Government is currently preparing a National Women's Economic Empowerment Program designed to create conditions that will enable women to become full participants in every level of the economy.

Experience under NSP and Urban Areas and Lessons Learned

4.   **Over the years, NSP has put in place several procedures to increase women's participation in the program.** For example, gender awareness training was required for the FP

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[45] See CSO, 2016.
[46] See The Asia Foundation, 2013.
[47] See CSO, 2016.

and NSP staff. Equal numbers of men and women are elected to CDCs where feasible, either to form a mixed CDC or separate ones with two sub-committees and a joint executive committee. At the executive committee level, to ensure women's participation at the higher level and engage them in leadership and financial management, NSP introduced a quota system for women's equal representation; out of four executive committee members two of them are women. Considering the important role female social organizers play, NSP made it mandatory for FPs to have female social mobilizers as part of their staff. NSP's monitoring reports and impact evaluation show impressive results due to these measures. The studies reveal that women can be involved in decision-making, and their participation in local governance has broader impacts with regard to girls' school attendance, women's access to medical services and improved economic perceptions and optimism among women.

5.   **According to monitoring reports, CDCs provide a space for women to gather together, form bonds with fellow women, share problems that they are confronted with and identify possible solutions to said problems**. Women experienced being "seen and heard" by family members or community members due to the skills and/or knowledge they gained from the NSP CDC training. As CDC office bearers and sub-committee members, women gained greater knowledge of village leadership, development governance, and service provision. Women CDC members have reported greater standing and respect in the community (amongst women and men). This work has provided an important foundation from which to improve women's role in all walks of life in the society for the future. NSP's requirement to form women's CDCs has sent a strong signal to men that women have a role in development.

6.   **In urban areas, several "success stories" illustrate what is possible with a mixture of good capacity building, collaboration with local government, and resources placed in the hands of women.** Under the Community- Based Municipality Support Project, in Kabul, a Women's Park was constructed, through negotiations with the Greenery Department of Kabul Municipality. Female CDC members found it to be an ideal experience to negotiate for the benefit of the park for their community. The ongoing Afghanistan Urban Peace Program promotes the leadership and active involvement of women. It has set an example by recruiting 54 percent female staff and placing mixed-gender field teams in every city. It is collaborating with municipal gender advisors in all its activities, which has, in turn, raised their profile within municipalities. In every province, including conservative areas like Farah, the program has some mixed-gender groups and women are leading all levels of administrative and program work. A third example is the Community Led Urban Infrastructure Project in which specific grants were allocated at the GA level to specifically address the needs of women and empower women socially and economically. The project encouraged women to hold leadership roles in the proposed businesses. It also gives them access to project resources, roles in decision-making and access to information and training.

7.   **However, despite these accomplishments, there are significant challenges.** A gender review of NSP concluded that despite positive outcomes for women, not surprisingly barriers still exist, including: (i) social and cultural limitations posed whereby women have traditionally assumed a subordinate role; (ii) lack of education and illiteracy; and (iii) lack of knowledge and experience in public affairs which serves to inhibit their participation in the CDC meetings and

subprojects.[48]   Women's participation also varies according to ethnicity, class, age, status, and regionally.

Lessons Learned and Recommendations for CCAP

8.   Based upon lessons learned over the past 14 years of NSP and several urban project experiences, CCAP will undertake the following new measures.

For MRRD/IDLG staff:

(a)   During the recruitment process, the Government will undertake affirmative action efforts (i.e. hire a female applicant if she has the same qualifications as a male applicant). MRRD and IDLG will increase the number of female staff. IDLG currently has a total of 495 staff, of which 52 or 11 percent are women, in Kabul. MRRD currently has 347 or 9 percent of female civil servant and contracted staff in Kabul and provincial offices.

(b)   To ensure a safe workplace environment, the Government will enforce the anti-harassment act recently approved by the government of Afghanistan. CCAP will also require FPs to abide by and enforce this policy.

For communities in both rural and urban areas:

(c)   **Community analysis**: Under the Citizens' Charter, more specific mapping of women's mobility, socio-economic status of women (e.g. identifying female headed households) will be conducted and the data and findings will be included in the Community Development Plan. The health and education sub-committees of CDCs will be actively overseeing women and girls' education and health related issues in the community. These sub-committees will mobilize communities especially on issues related to girls' education and literacy, proper maternal and infant care, and nutrition.

(d)   **Capacity building:** The CDCs and their sub-committees will be further trained on gender equity and identifying women's specific needs.

(e)   **Exchange visits:** A new initiative under the Citizens' Charter will be organizing and facilitating exchange visits for female CDC and subcommittee members to visit "champion CDCs" which encourage active women's participation.

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[48] See Case Study Series of the Afghanistan Research and Evaluation Unit (AREU). AREU. 2010. *Does Women's Participation in the National Solidarity Program Make a Difference in their Lives? A Case Study in Balkh Province.* Kabul: AREU.; AREU. 2010. *Does Women's Participation in the National Solidarity Program Make a Difference in their Lives? A Case Study in Parwan Province.* Kabul: AREU.; AREU. 2012. *Does Women's Participation in the National Solidarity Program Make a Difference in their Lives? A Case Study in Kabul Province.* Kabul: AREU.

(f) **Increasing women's voice in decision-making:** During the planning process for CDPs, there will be, if needed, separate focus group meetings with men and women to discuss their priorities and needs in the presence of Social Organizers. The outcome of this meeting will be captured in the plans, which will contain a section capturing women's priorities and recommendations.

(g) **Strong collaboration with the Women's Economic Empowerment NPP**. The Citizens' Charter will work closely with the Government's upcoming NPP for Women's Economic Empowerment. CDCs will help mobilize and support female literacy training, women-only business skills training centers and partner with existing, community-based women's lending and business groups to provide business and financial skills training.