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ARTF Afghanistan Reconstruction Trust Fund

Rebuilding Together



#ProtectTheGains



The Afghanistan Reconstruction Trust Fund (ARTF) is a multi-donor trust fund that coordinates international aid to create better lives for millions of Afghans.

ARTF is the largest single source of funding for Afghanistan's development, financing up to 30 percent of Afghanistan's civilian budget, and supporting core functions of the government.

Since 2002, ARTF has delivered support through public programs and driven some of the fastest progress in the world in reducing infant mortality and increasing education enrolment.

The World Bank administers the ARTF on behalf of 34 donors.

Flexible and fit for purpose

ARTF ALIGNS WITH THE STRATEGIC PRIORITIES of the government to improve development outcomes and living standards for all Afghans. ARTF relies on multiple instruments, including technical assistance, budget support linked to policy reforms, and project investments in health, education, community development, women's empowerment, water and sanitation, electricity, and job creation to help the Afghan government toward self-reliance.

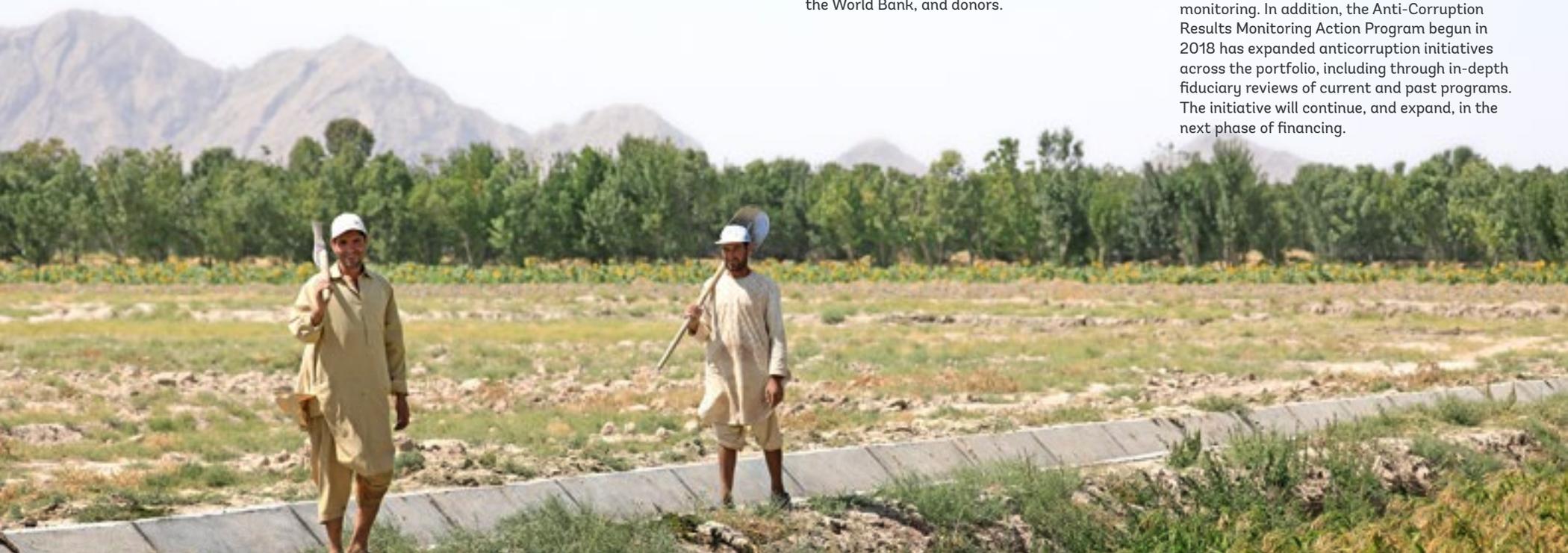
ALL ARTF SUPPORT TO THE AFGHAN GOVERNMENT'S BUDGET is incentivized as grants are released once the World Bank verifies that Afghan authorities have completed agreed reforms. To that end, ARTF donors collaborate with the World Bank and the Afghan government to identify critical reforms that inform how funds supporting recurring costs, including salaries and other operating government expenses, are spent. All ARTF investments are guided by rolling multi-year strategies developed jointly by the government, the World Bank, and donors.



A focus on "value for money"

THE WORLD BANK APPLIES A MULTI-LAYERED FIDUCIARY control framework to ARTF projects, which aims to establish strong controls, generate continuous learning, and build capacity. These measures complement the alignment and coordination benefits of the ARTF with robust transparency and accountability mechanisms that support value for money in ARTF financing.

REGULAR PROGRAM OVERSIGHT IS SUPPLEMENTED in Afghanistan with the World Bank's largest third-party monitoring program, covering both fiduciary controls and project monitoring. In addition, the Anti-Corruption Results Monitoring Action Program begun in 2018 has expanded anticorruption initiatives across the portfolio, including through in-depth fiduciary reviews of current and past programs. The initiative will continue, and expand, in the next phase of financing.



Delivering results



AFGHANISTAN'S AVERAGE ANNUAL REAL GDP GROWTH between 2001 and 2018 was among the fastest across low-income countries (nearly 7%). Real per capita incomes increased by 75%, with income per capita increasing from around 70% of the low-income country average to 107% of the low-income country average.



GOVERNMENT REVENUES HAVE GROWN from just 3% of GDP in 2002 to around 14.5% of GDP today – equal to the average for low-income countries.



INFLATION AVERAGES ABOUT 6%, compared to about 10% in other fragile low-income countries.



SINCE 2006, PRUDENT FISCAL MANAGEMENT and constrained budget deficits, have kept the level of debt low. Afghanistan now has the lowest level of public debt of any low-income country.



MATERNAL MORTALITY RATES DECLINED from 1,100 to 396 deaths per 100,000 live births between 2000 and 2015. The under-5 child mortality rate has declined from 191 per 1,000 live births in 2007 to 49 per 1,000 live births in 2018.



THE ADULT LITERACY RATE HAS INCREASED from around 28% in 2011 to 43% in 2018. Youth literacy rates have increased from 47% to 65% over the same period. While the adult literacy rate remains below the average of other low-income countries, Afghanistan has achieved progress at a faster pace.



AROUND 21% OF ALL AFGHAN CIVIL SERVANTS ARE WOMEN, up from nearly zero in 2001. Around 16% of senior civil servants are female (grades one and two). Afghanistan now has strong women's representation in politics, from zero representation in 2001. Around 27% of parliamentary seats are held by women, higher than the average for low-income countries.



“In a challenging and rapidly changing context, the ARTF remains a critical arena for joint analysis, discussion and decision; a mechanism for directive, prioritized collective action; a cost-efficient tool for channeling financial and technical support to the Government’s priorities; and an enduring commitment and partnership with Afghanistan’s future that allows and invites critical assessments of choices ahead.”

Taking Charge: Government Ownership in a Complex Context, the Fourth External Review of the ARTF, December 2017.

Responding Flexibly to COVID-19



ARTF HAS RESPONDED BOLDLY AND FLEXIBLY TO THE COVID-19 emergency by rapidly mobilizing and redeploying program resources to support livelihoods and address acute food security risks and support the government’s fiscal stability and policy response. These measures are complemented by ARTF’s existing support to Afghanistan’s health care system and supplemental World Bank financing that specifically supports the health system’s COVID-19 response.



Planning for the future

THE ARTF HAS COMMITMENTS FROM DONORS THROUGH THE END OF 2020. Donors are planning now for the next financing cycle. Planning will address how the ARTF can protect the development gains achieved to date, continue to drive reforms, deliver services, and help Afghanistan prepare for peace.



Afghanistan's largest source of development financing



THE ARTF IS A PARTNERSHIP BETWEEN the international community and the Afghan government for the improved effectiveness of the reconstruction effort. Since 2002, 34 donors have contributed over \$12.3 billion, making the ARTF the largest contributor to the Afghan budget. In addition to recurrent costs, it finances large-scale investments in:



Jobs & Skills Training



Education



Infrastructure



Agriculture & Rural Development



Health



Financial Services

Driving reforms



100 PERCENT OF ARTF support to the Afghan government's recurrent civilian budget is incentivized. Each year, ARTF donors collaborate with the World Bank and government to identify key reforms.



FUNDS ARE RELEASED only once the World Bank verifies evidence that agreed reforms have been completed.



ARTF PROGRAMS SUPPORT REFORMS led by the International Monetary Fund and commitments agreed at international conferences.



ARTF

Afghanistan Reconstruction Trust Fund

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