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Report No: PAD3949

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 112.7 MILLION

(US\$ 155 MILLION EQUIVALENT)

AND A PROPOSED GRANT

FROM THE AFGHANISTAN RECONSTRUCTION TRUST FUND

IN THE AMOUNT OF US\$ 125 MILLION

TO THE

ISLAMIC REPUBLIC OF AFGHANISTAN

FOR THE

COVID-19 RELIEF EFFORT FOR AFGHAN COMMUNITIES AND HOUSEHOLDS (REACH)

July 24, 2020

Social Development Global Practice

South Asia Region

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The World Bank

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective {June 30, 2020})

### Currency Units

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AFN 77 = US\$1

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US\$ 1 = SDR 0.7269

### FISCAL YEAR

December 21 - December 20

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## ABBREVIATIONS AND ACRONYMS

AHF	Afghanistan Humanitarian Fund
ALCS	Afghanistan Living Conditions Survey
ARTF	Afghanistan Reconstruction Trust Fund
CASA CSP	CASA-1000 Community Support Project
CCAP	Citizens' Charter Afghanistan Project
CDC	Community Development Council
CDD	Community Driven Development
CE	Citizen Engagement
CIP	Cities Investment Project
COVID-19	Corona Virus Disease 2019
CWG	Community Working Groups
DABS	Da Afghanistan Breshna Sherkat
ENETAWF	Early Warning, Finance, and Action project
ESCP	Environmental and Social Commitment Plan
ESRS	Environmental and Social Review Summary
ESMF	Environmental and Social Management Framework
EZ-Kar	Eshteghal Zae Karmondena
FHH	Female-Headed Households
FMM	Financial Management Manual
FP	Facilitating Partners
FY	Fiscal Year
GBV	Gender-based violence
GDP	Gross Domestic Product
GoIRA	Government of the Islamic Republic of Afghanistan
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Services
HCT	Humanitarian Country Team
HH	Household
HRP	Humanitarian Response Plan
IDA	International Development Association
IDLG	Independent Directorate of Local Governance
IPC	Integrated Food Security Phase Classification
IOM	International Organization for Migration
KM	Kabul Municipality
KMDP	Kabul Municipal Development Project
KYC	Know Your Customer

LMP	Labor Management Plan
MHH	Male-Headed Household
MIS	Management Information System
MMO	Mobile Money Operator
MNO	Mobile Network Operators
MOF	Ministry of Finance
MOPH	Ministry of Public Health
MRRD	Ministry of Rural Rehabilitation and Development
NGO	Non-Governmental Organization
NHSP	National Human Security Program
NPA	National Procurement Authority
NSIA	National Statistics and Information Agency
NSP	National Solidarity Program
OHS	Occupational Health and Safety
OM	Operations Manual
PAISA	Payments Automation and Integration of Salaries in Afghanistan
PIU	Project Implementation Unit
PMU	Provincial Management Unit
PP	Procurement Plan
PPSD	Project Procurement Strategy for Development
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SIG	Social Inclusion Grant
SIM	Subscriber Identification Modules (SIM Card)
STEP	Systematic Tracking of Procurement
TPMA	Third-Party Monitoring Agents
VGD	Vulnerable Group Development
WB	World Bank
WEE-RDP	Women's Economic Empowerment Rural Development Project
WFP	World Food Programme



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DATASHEET

**BASIC INFORMATION**

Country(ies)	Project Name		
Afghanistan	COVID-19 Relief Effort for Afghan Communities and Households (REACH)		
Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P174119	Investment Project Financing	Substantial	Urgent Need or Capacity Constraints (FCC)

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input checked="" type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
07-Aug-2020	31-Dec-2021
Bank/IFC Collaboration	
No	



**Proposed Development Objective(s)**

To provide emergency support to selected households through communities in project areas during the COVID-19 outbreak.

**Components**

Component Name	Cost (US\$, millions)
REACH Rural: Household Support in Rural and Peri-urban Areas	136.00
REACH Urban: Household Support in Provincial Capital Cities	56.00
REACH Kabul: Household Support in Kabul Municipality	80.00
Project Management, Communication, and Monitoring	8.00

**Organizations**

Borrower:	Islamic Republic of Afghanistan
Implementing Agency:	Ministry of Rural Rehabilitation and Development (MRRD) Independent Directorate of Local Governance (IDLG) Kabul Municipality

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	280.00
<b>Total Financing</b>	280.00
<b>of which IBRD/IDA</b>	155.00
<b>Financing Gap</b>	0.00

**DETAILS**



**World Bank Group Financing**

International Development Association (IDA)	155.00
IDA Grant	155.00

**Non-World Bank Group Financing**

Trust Funds	125.00
Afghanistan Reconstruction Trust Fund	125.00

**IDA Resources (in US\$, Millions)**

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
<b>Afghanistan</b>	0.00	155.00	0.00	155.00
National PBA	0.00	155.00	0.00	155.00
<b>Total</b>	<b>0.00</b>	<b>155.00</b>	<b>0.00</b>	<b>155.00</b>

**Expected Disbursements (in US\$, Millions)**

WB Fiscal Year	2020	2021	2022
<b>Annual</b>	0.00	250.00	30.00
<b>Cumulative</b>	0.00	250.00	280.00

**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Social

**Contributing Practice Areas**

Agriculture and Food, Poverty and Equity, Social Protection & Jobs, Urban, Resilience and Land

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks



**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	● High
7. Environment and Social	● Substantial
8. Stakeholders	● Substantial
9. Other	● Moderate
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



**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

**Legal Covenants**

**Conditions**

Type	Description
Disbursement	No withdrawal shall be made under Category (3) for Food Grants and Cash Grants until the Recipient, through Kabul Municipality, has successfully implemented the management



	information system, acceptable to the Association, to register and record payments.
Type	Description
Effectiveness	The Additional Condition of Effectiveness consists of the following: the Operations Manual, acceptable to the Association, has been adopted and disclosed by the Recipient.

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## I. STRATEGIC CONTEXT

### A. Country Context

- COVID-19 is already imposing a large social and economic burden on Afghanistan.** As of July 22, 2020, the Ministry of Public Health reported 35,727 confirmed cases in the country, with cases reported in all 34 provinces. While the number of confirmed cases and deaths is still relatively low compared to nearby countries, Afghanistan is extremely vulnerable to rapid spread of the virus due to limited access to information, high percentage of poor and vulnerable households who subsist on daily earnings, constrained access to water and sanitation, weaknesses in health systems, and ongoing violent conflict. The recent large influx of hundreds of thousands of people crossing back into Afghanistan from Iran has further exacerbated the situation. Economic impacts are already severe and expected to worsen. The pandemic and related containment measures, including border closures and the recent lockdown of major cities, has led to: (i) massive disruptions to productive economic activity and consumption; (ii) disruptions to imports, including of vital household items, leading to rapid inflation; (iii) reduced exports due to disruptions at border points; (iv) negative impacts on remittances; and (v) increased fiscal pressures, with government revenues expected to decline by at least 30 percent below budgeted levels. Due to the impacts of COVID-19, GDP is expected to contract by at least 5.5 percent in 2020.
- Afghanistan faces several additional challenges and uncertainties over 2020.** Despite the recent signing of a peace agreement between the United States and the Taliban, active conflict between Taliban and government forces continues, and there is no clear path to a sustained and comprehensive peace. Grants equal to around 43 percent of GDP continue to finance more than 75 percent of total public spending, and around half of budget expenditures. Current civilian aid pledges expire in December 2020 and future levels of grant support are not known. Grants may decline rapidly over coming years in the context of the global COVID-19 crisis, and with some donors dissatisfied with the pace of anti-corruption and governance reform efforts. A power-sharing agreement has recently been reached between the two major factions contesting the outcomes of the 2019 presidential elections. Additional disputes may arise through implementation of this agreement, including around control of key ministries, posing risks of further political instability and administrative disruption.
- Afghanistan's economy was fragile even before the COVID-19 crisis.** Growth has averaged only around three percent since 2012, due to the combined impacts of declining grants, increasing insecurity, and political instability. The trade deficit remains extremely large, over 30 percent of GDP, financed mostly by grant inflows. While revenues reached a new high of 14.1 percent of GDP in 2019, more than half of budget expenditure is financed by grants. Short-term priorities for sustainable growth include continued implementation of reforms to improve private sector confidence, mobilize investment, and ensure confidence of the international community. Over the medium-term, reforms should focus on attracting additional investment in agriculture and extractives, to deliver increased employment, exports, government revenues, and growth. To ensure that benefits of growth are maximized, and widely shared, continued investment is required in human capital, regional connectivity, expanded infrastructure, and an improved business regulatory environment.
- The poverty rate in Afghanistan has increased markedly from 38 percent in 2012 to 55 percent in 2017, when the last household survey was carried out.** The mass majority of the Afghan population was poor and vulnerable before the arrival of the COVID-19 crisis. The official poverty rate of 55 percent understates the extent of poverty and



vulnerability as illustrated by the fact that 93 percent of the population lived on less than US\$ 2 a day before the crisis. Poverty co-exists with exposure to a large number of shocks, which disproportionately affect the poor. Shocks that are inherent in a conflict affected country (e.g. forced displacement, disrupted access to markets and basic services, price volatility of consumption staples) are added to high prevalence of food insecurity due to the unique geography of Afghanistan (e.g. droughts, floods, avalanches and infestation of agricultural production). Three in four poor households are affected by at least one shock and 80 percent of them cannot recover from their shocks within one year; many of them need to turn to harmful coping strategies such as the sale of productive assets and taking children out of school for income generation. While new data is not available, poverty is expected to have since increased and deepened. The widespread poverty also makes the population especially vulnerable to extreme weather events such as droughts and floods. Drought-induced displacement has reached record levels of nearly 300,000 individuals. Economic growth over recent years has barely exceeded the rate of population growth (2.7 percent annually). Per capita incomes will decline substantially over the coming years as the economy contracts in 2020, leading to a likely substantial deterioration in living standards. While new data is not available, poverty is expected to have since increased and deepened. The widespread poverty also makes the population especially vulnerable to extreme weather events such as droughts and floods. Drought-induced displacement has reached record levels of nearly 300,000 individuals. Economic growth over recent years has barely exceeded the rate of population growth (2.7 percent annually). Per capita incomes will decline substantially over the coming years as the economy contracts in 2020, leading to a likely substantial deterioration in living standards.

5. **Afghanistan has a Human Capital Index of 0.4 and is in a bottom quartile globally.** This suggests that children born in Afghanistan today will be on average 60 percent less productive than they would be if there was perfect survival, education and health in the country. About 7 out of 100 children do not survive to age 5; children on average have only about 4.9 learning-adjusted years of school (out of a maximum of 14 years); 41 out of 100 children are stunted ; and only 78 percent of the population over 15 years survive to the age of 60. In addition to increasing the intrinsic benefits and values of optimal health and education of its people, Afghanistan could more than double its GDP by improving its health and education outcomes. In contrast, an income and nutritional shock to the population may significantly worsen human capital prospects for the future.

## B. Sectoral and Institutional Context

6. **The country context and unfolding crisis have made food insecurity and hunger critical concerns.** The United Nation's Food Security and Agriculture Cluster (FSAC) in Afghanistan estimates that 12 million people (32 percent of the population) face acute food insecurity and need urgent action over June-November 2020; around 4 million are in IPC<sup>1</sup>

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<sup>1</sup> The Integrated Food Security Phase Classification (IPC) is an innovative multi-partner initiative for improving food security and nutrition analysis and decision-making by determining the severity and magnitude of acute and chronic food insecurity. See [ipcinfo.org](http://ipcinfo.org).



Phase 4 “Emergency” and 8 million in IPC Phase 3 “Crisis” food insecurity states. The United Nations has included Afghanistan in a list of ten countries at risk of famine in 2020; and World Food Program (WFP) data indicates rapid food price increases occurred in Afghanistan’s main city markets in April 2020. The updated Humanitarian Response Plan (HRP) for Afghanistan has for the first time included a category of emergency “Social Safety Net Population in Need” (SSN PIN) and estimates this to be 35 million people (over 93 percent of the population)<sup>2</sup>. Analysis reveals that a common strategy in poor Afghan households to cope with negative shocks is to reduce the quantity and quality of food intake, which has several potential long-term impacts, especially for children. There are also increasing signs of economic suffering through loss of jobs, livelihoods, and other income sources.

**7. Afghanistan urgently needs to address the large co-variate loss of income shock the pandemic is causing through a nation-wide emergency effort that can contribute towards establishing a social safety/protection system in the future.** President Ghani’s 8-point COVID-19 response plan clearly recognizes this need and articulates this in the form of a *National Human Security Program*. While in normal settings, this relief could be made in the form of cash for work/labor intensive public works, COVID-19 makes such a strategy infeasible because of the need to maintain social distancing. Likewise, security concerns and the lack of development of digital money markets limit the ability to use cash except in very specific geographic locations<sup>3</sup>. The country does not possess a single national social safety net or comprehensive resilience building platform that could deliver benefits to households. In addition, access to financial services is limited both in terms of account ownership and access points. Fewer than 2 out of 10 Afghan adults own any type of financial or transaction account (banks, microfinance institutions, mobile money providers). Only 11 percent of the population has received or made a digital payment in a year. Therefore, a flexible and pragmatic approach combining in-kind and cash relief is required that leverages existing structures and programs. This multi-pronged approach mirrors what other countries are doing globally - as of mid-June, 2020, a total of 195 countries/territories have planned, introduced or adapted altogether 1,024 social protection measures in response to COVID-19; 621 of these measures are social assistance interventions including 301 cash transfer initiatives and 116 interventions delivering in-kind benefits.

**8. The country’s humanitarian community cannot meet the needs of all people in need of a social safety net.** In the absence of a nation-wide social safety net to help people properly recover from acute needs and repeated shocks, humanitarian agencies (UN and NGOs) provide ongoing emergency support to vulnerable groups to ensure they can lead dignified lives. For example, in the final quarter of 2019, humanitarian agencies were able to reach people with some form of assistance in all but five of the country’s 404 districts. While the role of humanitarian agencies in addressing the COVID-19 crisis is crucial, and the Humanitarian Country Team (HCT) is already stepping up its efforts, their mission is

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<sup>2</sup> The HRP notes that inclusion of a figure for people in need (PIN) of a Social Safety Net underlines the reality that humanitarian action is just the first part of a more comprehensive package of urgent measures that is needed from wider development actors to ensure no one is left behind in Afghanistan in 2020 due to the COVID-19 crisis. If these development needs are not met in a timely manner, the group risks slipping into humanitarian need. Anticipatory development funding and action are the key to avoiding suffering and the requirement for more expensive humanitarian assistance.

<sup>3</sup> As per the 2017 Global Financial Inclusion Index, only 1 percent of the Afghan adult population owns a mobile money account. More generally, financial inclusion levels in Afghanistan are very low, with only 15 percent of the adult population owning a transaction account at any financial institution (banks, microfinance institutions, mobile money providers). This is even lower among low-income households.



more narrowly focused on providing life-saving assistance to those in dire need, rather than providing broad social protection to all those who are temporarily impacted by the current crisis. The Humanitarian Response Plan 2018-21 has been revised in June 2020 with a request for \$1.1 billion to reach 11.1 million people (out of a total 14 million estimated to require humanitarian assistance) who are acutely affected by the Covid-19 pandemic, the ongoing conflict, as well as natural disasters and other sources of vulnerabilities.

9. **Leveraging Afghanistan’s longstanding community driven development (CDD) platform is thus critical to manage such a large-scale human security/social protection effort.** Over the last decade, many programs have actively involved local communities in the planning and implementation of development projects through a CDD approach. The furthest reaching and most comprehensive of these programs was the *National Solidarity Program (NSP)* which helped establish *Community Development Councils (CDCs)*. Over a decade and a half, NSP provided the main participatory platform for service delivery in an estimated 90 percent of villages in rural Afghanistan. It was repeatedly called in to be the emergency response mechanism for various shocks (displacement, earthquakes, droughts, etc.) the country faced. Approximately 35,000 CDCs were formed by NSP between 2003-2016 in all rural areas of the 34 provinces. The successor to the NSP, is the Citizens’ Charter National Priority Program, with the support of the IDA/ARTF-financed Citizens’ Charter Afghanistan Project (CCAP). CCAP is implemented by the Ministry of Rural Rehabilitation and Development (MRRD) in rural areas and by the Independent Directorate of Local Governance (IDLG) in urban areas.<sup>4</sup> The project features several interventions that can be used for COVID-19 responses, most notably the Social Inclusion Grant (SIG)/Grain Banks program that has established almost 10,000 “grain banks”<sup>5</sup> across the country and became a critical response mechanism during the 2018 drought. These provide food and cash assistance to the most vulnerable households in the community. CCAP also launched a cash for work community asset building program (Maintenance and Construction Cash Grant – MCCG) as part of the emergency response to the 2017 regional displacement crisis.<sup>6</sup> CCAP currently operates only in one third of Afghanistan’s 36,000 communities as well as the four major cities of Jalalabad, Mazar-i-Sharif, Herat, and Kandahar. CDCs have their own bank accounts, which could be used to deliver cash support to target communities. The proposed operation (REACH) will complement CCAP and provide the same household relief packages in the remaining two thirds of the country except the hard-to-reach districts. Taken together, CCAP and REACH provide the largest and institutionally most capable set-up to provide scaled-up relief to communities and households nationwide.

### C. Relevance to Higher Level Objectives

10. **The proposed operation is fully consistent with the priorities and approach established in the World Bank Group’s Country Partnership Framework (CPF) (FY17-FY20) discussed by the Board on October 27, 2016 (Report #108727-AF).** Building on a Systematic Country Diagnostic completed in 2016, the CPF is structured around three pillars:

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<sup>4</sup> CCAP currently operates only in one third of Afghanistan’s 36,000 communities as well as the four major cities of Jalalabad, Mazar-i-Sharif, Herat, and Kandahar.

<sup>5</sup> These grain banks are essentially local reserves used for philanthropic contributions from the community to help the most vulnerable HH in their villages. They aren’t ‘banks’ per se as they only service grants. Also, they often provide more than just grains to needy HH.

<sup>6</sup> MCCG has been in the core of the recent expansion of CCAP services to internally displaced or former refugee Afghan returnee populations through the EZ-KAR project.



i) building strong and accountable institutions; ii) supporting inclusive growth; and iii) social inclusion. Performance and Learning Review of the CPF was completed in 2019. The CPF period was extended an additional two years to cover FY21 and FY22 with revisions to the results matrix to reflect increased emphasis on climate resilience, women's empowerment, and private investment.

11. **The proposed operation contributes directly to the extended CPF strategic priorities on (i) 'Enhanced social protection for poor and vulnerable people' and (ii) 'Improved government and community capacity to manage and respond to natural disasters', which were confirmed and extended through FY22 in the 2019 CPF Performance and Learning Review (PLR).**<sup>7</sup> The combined efforts under CCAP and the proposed REACH project delivers on these priorities by providing relief in the form of emergency social assistance/protection interventions to a population catchment that is proportional to the likely size of the COVID-19 impact. While set up as a temporary emergency effort, the design of REACH aligns with the two other key World Bank (WB) operations related to these CPF priorities: (i) it enhances the community service delivery and governance capacity of the ongoing CCAP, and (ii) it prepares institutional capacity for the shock responsive resilience-building Early Warning, Action, and Finance project ('ENETAWF' in Dari) in the pipeline.

12. **The proposed operation is complementary to broader World Bank/ARTF interventions and CPF adjustments made in response to COVID-19.** Afghanistan is facing a major public health and economic crisis as a result of COVID-19. As of July 22, 2020, the Ministry of Public Health reported 35,727 confirmed cases in the country. While the number of confirmed cases and deaths is still relatively low compared to nearby countries, the actual infection levels are likely much higher given very low levels of testing, limited access to information (including some social stigma associated with the virus), high percentage of poor and vulnerable households who subsist on daily earnings, and constrained access to services due to violent conflicts among others. The recent large influx of hundreds of thousands of people crossing back into Afghanistan from neighboring countries has further exacerbated the situation.

13. **Economic impacts of COVID-19 are already severe and expected to worsen.** The pandemic and related containment measures, including border closures and the recent lockdown of major cities, has led to: (i) massive disruptions to productive economic activities and consumption; (ii) disruptions to imports, including of vital household items, leading to rapid inflation; (iii) reduced exports due to disruptions at border points; (iv) negative impacts on remittances; and (v) increased fiscal pressures, with government revenues expected to decline by at least 30 percent below budgeted levels. GDP is expected to contract by at least 5.5 percent in 2020, exacerbating the already dire socio-economic situation; the poverty rate is expected to spike from 55 percent in 2017 to at least 72 percent forcing an additional 1.9 to 6.0 million people into poverty.

14. **Recognizing the need for urgent actions, the Government has identified eight key priorities and programs in a framework document spanning short-term response and medium-term recovery:** (i) a national health program, including expanding the scope and scale of basic healthcare and hospital reform and expansion; (ii) a national human security program, involving expansion of community driven development and reform of humanitarian programs; (iii) a national human capital program, to enhance use of technology for distance learning; (iv) a national infrastructure program, to accelerate access to electricity and internet; (v) a diaspora reintegration program to assist returning refugees

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<sup>7</sup> World Bank Group's Afghanistan Country Partnership Framework 2017-2020 (Report #108727-AF) was approved by the Board on October 27, 2016 and the period covered was extended until 2022 through the Performance and Learning Review (Report #136690-AF) approved on July 1, 2019.



and migrant workers; (vi) a national stimulus program to balance social and spatial development; (vii) a national recovery program to assist provincial, municipal, district, civic organizations, and the private sector; and (viii) an enhanced regional connectivity program to expand links with neighboring countries. The government has set up an inter-ministerial task force under the leadership of the First Vice President to manage the overall COVID-19 response efforts. The Government is seeking coordinated support from donors to align response efforts through established coordination mechanisms in the face of the unprecedented pandemic.

**15. The World Bank is providing support to operationalize the Government’s response strategy in close coordination with other development partners and humanitarian agencies while building a stronger nexus between the humanitarian and development support.** The World Bank response to the pandemic is prepared for the three interlinked phases – Relief, Restructuring, and Resilient Recovery – effectively to sequence and extend the most critical support at the right time.

**16. In the early Relief phase, a US\$100.4 million IDA grant for the Afghanistan COVID-19 Emergency Response and Health System Preparedness Project was approved in April 2020 as an immediate response to the health crisis and to strengthen national systems for public health preparedness in the country.** A COVID-19 Response Development Policy Grant of US\$200 million (\$100 million IDA and \$100 million from the Afghanistan Reconstruction Trust Fund – ARTF) was approved in June 2020 to support policy actions linked to the government’s relief and recovery measures to respond to the health, social, and economic crisis, and to address critical constraints to longer-term inclusive development while providing immediate liquidity to help recover from the economic shocks.

**17. In preparation for the next phases of support, the World Bank has worked closely with the Government and the ARTF donors to consolidate and prioritize the portfolio by restructuring and cancelling projects and to adjust the FY21 pipeline.** The objective of the portfolio consolidation was to reallocate resources to the immediate priority operations that are aligned with the COVID-19 response efforts and create a much more pronounced synergy within the country portfolio. The released resources (both IDA and ARTF) will be reallocated to the Restructuring phase of the COVID-19 response through operations under preparation to strengthen community social protection through the proposed Relief Effort for Afghan Communities and Households (REACH), and additional finance to the ongoing Citizen’s Charter Afghanistan Project (CCAP) to ensure a nationwide distribution of relief packages. A proposed Emergency Agriculture and Food Supply (EATS) Project will lay the foundation for food security and strengthen agribusiness by supporting smallholder farmers and micro, small and medium enterprises (MSMEs) involved in the food supply chain. A proposed Afghanistan Water, Sanitation and Hygiene COVID-19 Response (AWASH) Project will focus on a sustainable COVID-19 response in the three largest cities of Afghanistan (Kabul, Kandahar and Herat) that have been particularly hard-hit by the pandemic. The operation will support emergency relief measures and restructure the urban water supply and sanitation sector through strategic reforms and capital investments to enable a resilient recovery in the long run.

**18. Impacts of these operations will be enhanced by the proposed longer-term Early Warning, Finance and Action Project (ENETAWF in Dari) designed for the Resilient Recovery phase.** The ENETAWF project will establish an adaptive safety net linked to a drought early warning system and an overall community resilience mechanism. Finally, a proposed Strengthening Afghanistan’s Financial Intermediation (SAFI) project, will support the private sector to build a resilient economy by providing access to finance for MSMEs, among others.



19. **The above projects (jointly financed by IDA and ARTF) are designed to support Afghanistan during each phase of the COVID-19 response.** The projects complement each other to strengthen efforts to address the health, economic and social impacts of the COVID-19 pandemic and to support Afghanistan regain a positive growth trajectory. Given the urgency and the scale of support required in Afghanistan at this time, the World Bank will continue closely to coordinate with other development and humanitarian partners to maximize the collective impacts.

## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

To provide emergency support to selected households through communities in project areas during the COVID-19 outbreak.

The project areas to be covered under REACH comprise approximately two-thirds of the country. The remaining areas will be covered under the CCAP. Communities here refer to a combination of CDCs and Gozar Assemblies/Councils who will be the locus for implementation delivery of the project.

#### PDO Level Indicators

20. **The PDO will be measured against three PDO-level indicators, counting the total number of households who are supported by this project.**

- Households receiving in-kind support in rural or peri-urban areas (Number)
  - Of which female-headed (Percent)
- Households receiving in-kind or cash support in provincial capital cities (Number)
  - Of which female-headed (Percent)
- Households receiving in-kind or cash support in Kabul municipality (Number)
  - Of which female-headed (Percent)

21. **The relatively simple PDO indicators reflect the speed with which the project is expected to roll out in the current emergency context.** Given the almost universal coverage of households, the gender disaggregation above actually reflects a *universal coverage of FHH* in the areas covered by the country. Targets for these indicators have been set at 80 percent of total HH estimates in view of the uncertainties of implementation roll-out of the program. The PDO indicators will be complemented by intermediate-level indicators to track the speed of delivery, beneficiary satisfaction, responsiveness to grievances, female staffing, and training of project personnel on social distancing protocols.



## B. Project Components

22. **The project has four components based on the geographic coverage of three different implementing agencies already managing relevant projects (i.e., CCAP, EZ-Kar, and KMDP).** This component structure mimics that of CCAP and the EZ-Kar Project and will aid in rapid and easy absorption of REACH responsibilities into the implementing agencies.

- Component 1: REACH Rural: Household support in rural and peri-urban areas (\$136 million) - Provision of relief support in the forms of food and hygiene products to selected households in rural and peri-urban areas, including nineteen (19) provincial capital cities and those areas outside the municipal boundaries of Kabul and the other provincial cities.
- Component 2: REACH Urban: Household support in provincial capital cities (\$56 million) - Provision of relief support in the forms of food and hygiene products and/or cash to selected households, including returnees living in settlement camps inside municipal boundaries, through CDCs and/or GAs in fourteen (14) provincial capital cities.
- Component 3: REACH Kabul: Household support in Kabul Municipality (\$80 million) - Provision of relief support in the forms of food and hygiene products and/or cash transfer to selected households in Kabul.
- Component 4: Project management, communication, and monitoring (\$8 million) - Provision of support for Project management and capacity building; dedicated strategic communications; and monitoring, including safeguard compliance for: (a) MRRD; (b) IDLG; and (c) Kabul Municipality.

23. **The REACH project targets all households in Afghanistan with incomes of US\$2 per day or lower, twice the national poverty line.** This broad coverage, covering an estimated 90 percent of households in targeted communities (with local flexibility), is required to assist households to withstand the impacts of the temporary disruptions to daily economic lives caused by the COVID-19 crisis and to encourage them to follow the social distancing norms. To efficiently identify and exclude a minimal proportion of wealthy households who do not require support, the project will adopt an approach called “Targeting from the Top”. In this approach, a combination of objective and subjective criteria is identified in advance that can be easily and quickly assessed without any interaction with the household in question. Distribution of relief packages will follow internationally accepted good practice regarding composition of a nutritious food basket (including carbohydrates, protein, and fat) as well as hygiene and social distancing based on the varying contexts in different parts of the country. The table below shows overall coverage estimated by both CCAP and REACH.



Table 01: Estimated Population Coverage of CCAP and REACH projects

	Administrative Unit	Estimated Population <sup>8</sup>	Estimated Households	Estimated Beneficiary Households
Urban: municipalities, Provincial capital Cities, and Kabul				
CCAP and REACH <sup>9</sup>	19	1,222,344	174,621	162,397
REACH Urban	14	3,301,805	471,686	453,168
REACH Kabul	1	4,575,832	785,931	628,745
Rural Districts				
CCAP	123	12,070,788	1,724,398	1,603,690
REACH Rural	234	16,878,789	2,411,256	2,215,721
<b>Total</b>	<b>354</b>	<b>38,049,559</b>	<b>5,567,892</b>	<b>5,063,721</b>

**Component 1: REACH Rural - Household support in rural and peri-urban areas (\$136 million)**

24. **Provision of relief support in the forms of food and hygiene products to selected households in rural and peri-urban areas, including nineteen (19) provincial capital cities (PCCs) and those outside the municipal boundaries of Kabul and the other provincial capital cities.** This will support an estimated 2.2 million households in 234 districts and 19 PCCs, where CCAP is not currently operating, and where IDLG does not operate as they fall outside of municipal boundaries.<sup>10</sup> The coverage area of this component (as with the rest of the REACH project) will eventually include 47 HTR districts where the Government has limited access due to ongoing security concerns. They will be added on to the coverage in a subsequent phase of implementation once a plan is finalized for how to safely and effectively implement the program in those areas. The component will be managed by the MRRD through the existing CCAP project implementation unit (PIU) and with support of NGO facilitating partners (FPs)<sup>11</sup> who will help with mobilization, verification of household lists, helping with procurement and monitoring of the whole distribution.

25. **The benefit amount will be indexed at AFN 4000 (approx. US\$50 equivalent) per household in one tranche, delivered in-kind through a standard relief package that will include essential food staples and hygiene products.** The

<sup>8</sup> These population estimates are based on UN projections. Note that for all component-wise estimates of coverage a ‘contingency/buffer’ has been factored in to allow for significant uncertainty (including returnees) since exact population numbers are not known. This is why the aggregate population numbers here are higher than official estimates.

<sup>9</sup> The 19 PCC will get their first tranche from CCAP and second from REACH. Since these are already under MRRD coverage they come under Component 1.

<sup>10</sup> Note that the other 19 provincial capitals are covered by CCAP. More details of district coverage in Annex 6.

<sup>11</sup> There are currently 14 FP consortiums comprising both international and national NGOs (e.g. Agha Khan, Oxfam, BRAC, CARE, DACAAR, Swedish Committee for Afghanistan, AfghanAID, etc.) that support the implementation of CCAP. It is expected that a majority of these, as well as other NGOs engaged in cash/food delivery will be contracted as FPs for REACH.



package has been selected based on the calculation of 50 percent of monthly food ration of an average Afghan household<sup>12</sup>. The package will be provincially differentiated based on local preferences. The option of a cash transfer was considered, but dropped on account of (a) security concerns with carrying large amounts of physical cash in rural areas; (b) higher fiduciary and corruption risks with cash; and (c) gender and usage considerations - it is highly likely that men will be the ones who decide how to use the cash in the HH, and women may not benefit. The early experience under CCAP of transferring the social inclusion grants in cash showed that these risks did materialize. Therefore, the rural transfers will be done in a single in-kind tranche<sup>13</sup>. Also, as female-headed households (FHHs) are more vulnerable to economic shocks, ensuring that all FHHs receive benefits under this project will be prioritized under all three implementation modalities. This will be done by ensuring that at least a quarter of all field staff are female. All mobilization efforts during delivery that involve women will be done through these female staff. Since FHH are all likely to be vulnerable, the universal targeting of the project would ensure that all FHH in the country (except in HTR areas) are covered through the combined REACH+CCAP effort. Required resource and proper arrangements to achieve this target are explained in Annex 1 and 4. In districts with high food insecurity, the forthcoming ENETAWF project will provide continuing support during the upcoming lean season and beyond.

26. **There are three separate implementation modalities that will be adopted, reflecting variations in existing community-level structures that can be used for implementation across the coverage area.** The figure below provides a quick summary of these three implementation modalities that will be used to differentiate the approach used in specific communities under the component. All three modalities will require the support of agencies to serve as FPs, similar to those used by CCAP. Annex 1 describes these three modalities in more detail including the implementation steps being applied across them. The delivery mechanisms will include measures to ensure that women and FHHs are able to access the relief to the same extent as men and MHHs. These measures include, among others, tailored outreach to women to inform them about the program as well as the health risks associated with COVID-19, and the engagement of female delivery staff (see Annex 4 for details).

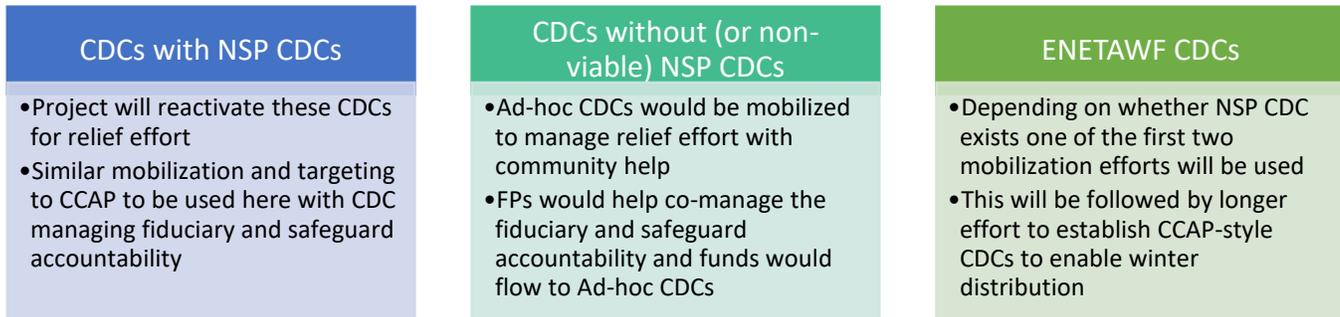
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<sup>12</sup> This is also similar to the base food package used by the Humanitarian Food Security and Agriculture Cluster in Afghanistan to guarantee a 2000 calorie balanced nutritional diet to a family of seven.

<sup>13</sup> An analysis of feasibility for in-cash delivery in rural communities (e.g. proximity to provincial centers where Banks are, security, existing CDC capacity, etc.) showed that in any case only 10-15% of CDCs could have gone this route. It therefore didn't make sense to have a separate operational modality for such a small fraction of coverage. In contrast, having a separate modality could increase social tensions and confusion in delivery.



Figure 01: Three implementation modalities for REACH Rural



**Component 2: REACH Urban: Household Support in Provincial Capital Cities (\$56 million)**

27. **Provision of relief support in the forms of food and hygiene products and/or cash to selected households, including returnees living in settlement camps inside municipal boundaries, through CDCs and/or GAs in fourteen (14) provincial capital cities (PCCs).** This will support an estimated 450,000 households (approximately 90 percent of total households) in those PCCs,<sup>14</sup> including approximately 1.45 million returnees based on estimates by the International Organization for Migration (IOM). Based on the underlying principle of near-universal coverage, approximately top 7 to 10 percent of affluent households will be excluded from the coverage using pre-determined standard exclusion criteria.

28. **A relief package worth a total of AFN 8000 (approx. US\$100 equivalent) will be distributed to each eligible household in two tranches.** The first tranche of AFN 4000 (approx. \$50 equivalent) per household will be transferred to all eligible households through Community Development Councils (CDCs), Gozar Assemblies (GAs),<sup>15</sup> or Ad-hoc COVID-19 CDCs (Ad-hoc CDCs). Each CDC, GA, or Ad-hoc CDC will distribute the relief package to its constituent eligible households either in-kind (based on a standard relief package that will include essential food staples and hygiene products) or in cash, based on the preference of communities and subject to local circumstances based on pre-determined criteria (e.g. . pre-existence of NSP CDC or UN-Habitat GA; security of the area and the trip between the bank and the community does not require travel through insecure areas; ability to distribute cash within the same day of the withdrawal). The second tranche of AFN 4000 (approx. \$50 equivalent) per household will be rolled out later in 2020 (depending on the trajectory of the crisis), which will also be distributed to each household likely fully in cash. Application of the mobile money technology will also be explored for the second tranche to the largest extent possible (subject to feasibility).

<sup>14</sup> The 14 provincial capitals covered by Component 2 are: Qala-i-Naw (BADGHIS), Mazar-i-Sharif (BALKH), Bamyan (BAMYAN), Chaghcharan (GHOR), Hirat (HIRAT), Kandahar (KANDAHAR), Mahmudi Raqi (KAPISA), Jalalabad (NANGARHAR), Zaranj (NIMROZ), Paroon (NURISTAN), Gardez (PAKTYA), Bazarak (PANJSHER), Chaharikar (PARWAN), Aybak (SAMANGAN). Annex 6 includes more details on the estimated number of households within each provincial capital city. The remaining 19 provincial capital cities, except Kabul, are wholly covered by CCAP for the first tranche and Component 1 for the second tranche. The four provincial capital cities of Mazar-i-sharif, Kandahar, Herat and Jalalabad are partially covered by CCAP and partially by REACH Component 2.

<sup>15</sup> Gozars are sub-district level administrative units. GAs are elected bodies at Gozar level usually constituted through CDC representatives.



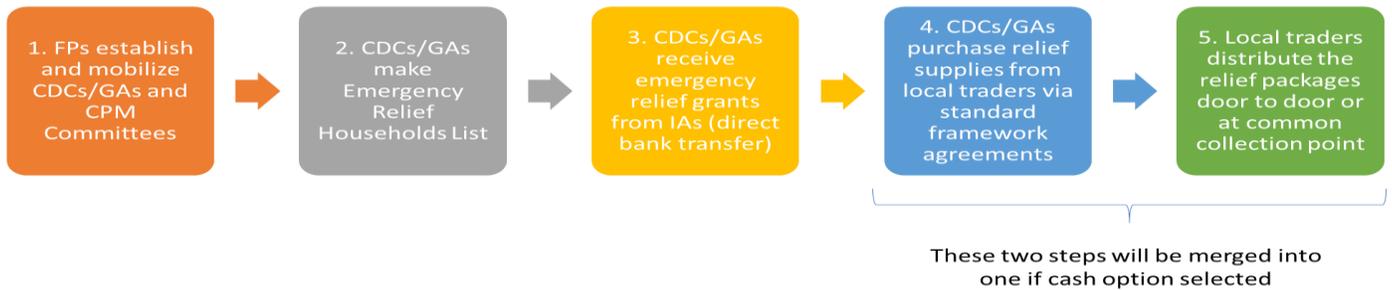
29. **This component builds on the community-driven implementation modality of CCAP and will also directly engage local small and medium enterprises (SMEs) for in-kind distribution where selected.** The implementation of this component will be coordinated by the IDLG’s combined CCAP/EZ-Kar PIU at the national level. In places where CDCs established by NSP or UN-Habitat exist, those CDCs will be mobilized. Where CDCs do not exist but GAs established by UN-Habitat exist, those GAs will be mobilized with the support of FPs. Where neither CDCs nor GAs exist, temporary CDCs/GAs (Ad-hoc CDCs) will be established for REACH. CDCs and GAs already include women representatives, and even in these temporary Ad-hoc CDCs, women’s participation will be considered. These CDCs, GAs, and Ad-hoc CDCs will be supported by FPs for the identification of households, community procurement, financial management, and monitoring. The CDCs/GAs/Ad-hoc CDCs will first prepare an “Emergency Relief Household List” at the community level. Municipalities will review, clear, and aggregate these lists. Each CDC/GA/Ad-hoc CDC will open a bank account to receive the Emergency Relief Grants from the Project. The Project will then disburse the Emergency Relief Grants to these bank accounts, based on the information provided in the “Emergency Relief Household List”. Using the grant money, each CDC/GA/Ad-hoc CDC will, based on their choice and the application of eligibility criteria, either distribute cash to each of the households on the list or purchase a standard package of food/sanitation commodities worth US\$50 per household for the aggregate number of target households for the first tranche using standardized framework contracts. These contracts will use pre-defined prices for commodities to ensure uniformity and to guard against price rises.<sup>16</sup> Where possible, the transport and delivery of the packages to the households would be included in the contracts (on top of the US\$50 packages) with the suppliers (who can subcontract delivery service providers); where not, CDCs/GAs/Ad-hoc CDCs can contract the delivery service providers separately. While door-to-door distribution will be the default modality for both cash and in-kind for the first tranche so as to avoid large crowds and maintain social distancing norms, households in select neighborhoods may receive the in-kind packages at designated collection points while observing social distancing. CDC/GA/Ad-hoc CDC members, local mosque representatives, Community Participatory Monitoring (CPM) committee members, and FPs will accompany the delivery service providers to verify every delivery. Wakil Gozars, Nahia, and Municipality staff will also monitor the delivery on an extensive-sample basis. The ARTF’s Third Party Monitoring Agent (TPMA) will also monitor/verify delivery on a sample basis. Detailed descriptions of the implementation modalities are provided in Annex 1 and are summarized in the figure below.

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<sup>16</sup> The project will track food prices through provincial offices as well as data from the ongoing food market monitoring (JMMI) by humanitarian partners. At national level, the Government intends to enter into a MOU with major food price suppliers to ensure continuity of food supply.



Figure 02: Step-by-Step Delivery Process for in-kind delivery in PCCs



30. **For the second tranche, digital cash transfers will be considered in select urban areas, only where feasible.** While mobile money is desirable based on other countries' experience<sup>17</sup>, the prerequisites are not yet in place in Afghanistan for mobile money to become the main delivery modality at the scale of REACH. First, mobile money is not well-established in the country. As per the 2017 Global Financial inclusion Index, only 1 percent of the Afghan adult population owns a mobile money account. Mobile money accounts would need to be opened for a large number of beneficiaries to receive their cash benefits, provided that they are able to present the necessary beneficiary identification document. During the first tranche, the component's implementing arrangements will therefore, seek to lay the ground for digital payments under the second tranche, through robust beneficiary identification and data collection (including mobile number and national ID ownership, with attention to women). Second, the network of agents and retail merchants that accept mobile money is currently very limited. Based on available information on agent network distribution in all 14 PCCs, the beneficiaries-to-agent ratio currently ranges from 450:1 to 2700:1, which is very high compared to cities where the existing digital payment infrastructure was successfully leveraged to deliver social benefits during the COVID-19 crisis. Through close coordination with the Payments Automation and Integration of Salaries in Afghanistan (PAISA) project,<sup>18</sup> the ability to deploy mobile money for the second tranche will depend on (i) the number of households that own an acceptable ID for receiving mobile money transfers in select PCCs; and (ii) mobile money operators (MMO)'s capacity to expand the network of cash-out points in these PCCs, while maintaining cost-efficiency and program delivery standards. Additional details are outlined in Annex 5. In cases where mobile cash transfers are not feasible for beneficiary households in the second tranche, alternative modalities for the delivery of in-kind or physical cash relief to households will be implemented along the lines of what was done in the first tranche.

<sup>17</sup> Experience from other countries and a few small-scale pilots in Afghanistan indicate that potential benefits of direct mobile-based cash transfer include reduction of program delivery costs; minimization of fraud and leakage risks; financial inclusion for the most vulnerable who would otherwise not have access to the formal financial services; and, from a welfare perspective, improved flexibility and choice for HH to use relief for their most pressing needs. In terms of viability, small-scale efforts by humanitarian agencies to transfer cash to their beneficiaries using mobile money in Afghanistan have proven generally reliable, targeted, secure, and cost-effective.

<sup>18</sup> Payments Automation and Integration of Salaries in Afghanistan (PAISA) project supports the development of the digital payment ecosystem including through unique identification of government payment beneficiaries and scaling-up of mobile money agent network.



### **Component 3: REACH Kabul: Household Support in Kabul Municipality (\$80 million)**

31. **Provision of relief support in the forms of food and hygiene products and/or cash transfer to selected households in Kabul.** This will support approximately 630,000 households (approximately 80 percent of total households) in Kabul Municipality (KM). Following the same modality and exclusion criteria as Component 2, it is expected that nearly 20 percent of affluent households will be excluded from the coverage, as Kabul has higher proportion of better-off households. A relief package worth a total of AFN 8000 (approx. US\$100 equivalent) will be distributed to each eligible household in two tranches. Each tranche will be AFN 4000 (approximately US\$50 equivalent) per household. The contents of relief packages and tranche distribution timings will be the same as Component 2.

32. **This component will be implemented by KM through a community-driven implementation modality.** KM has experience working with various community groups. Recently, KM worked with vulnerable groups, Masjed Shuras, Wakil Gozars, women groups/representatives and others, to deliver the Government's bread distribution program. Building on this, KM will mobilize ad-hoc COVID-19 Gozar Councils (GCs) to identify eligible households and distribute the relief packages with support of KMDP PIU, Facilitating Partners (FPs), local Masjed Shuras and communities. FPs will provide additional support for identification of households, community procurement, financial management, and monitoring. The GCs will first prepare an "Emergency Relief Household List (List)" at the Gozar level. KM will review, clear, and aggregate these lists. Each GC will open a bank account to receive the Emergency Relief Grants from the Project. Using the grant money, each GC will contract local suppliers (and local delivery service providers if needed) and distribute relief packages to eligible households. While door-to-door distribution will be the default modality, households in selected neighborhoods may receive the packages at designated collection points while observing social distancing. GC Representatives, FPs, local Masjed Shuras and other community representatives will accompany the local suppliers (or local delivery service providers) to verify every delivery while maintaining social distancing. KM District Offices and KMDP PIU will also monitor the delivery on an extensive-sample basis, along with the Third-Party Monitoring (TPM) agents.

### **Component 4: Project management, communications and monitoring (\$8 million)**

33. **This component will support for Project management and capacity building; dedicated strategic communications; and monitoring, including safeguard compliance for: (a) MRRD; (b) IDLG; and (c) KM.** The three agencies will work together to ensure that communications, grievance management and monitoring are closely coordinated to report jointly on a single Results Framework and to ensure that public communications are aligned.

34. **The REACH project will not establish dedicated Project Implementation Units (PIU) in any of the three implementing agencies (IAs).** In order to forgo this time-consuming activity and to hasten the roll-out of this emergency relief effort, the project will leverage the existing capacity of existing PIUs from other Bank projects in the three implementing agencies. Both the MRRD and IDLG have dedicated PIUs for CCAP and the KM has a dedicated PIU for the Kabul Municipality Development Project (KMDP). Overall coordination across these three IAs will be done by the President led inter-ministerial COVID-19 Response Task Force. The REACH project will supplement these existing PIUs and the CCAP regional offices with additional human and financial resources to allow them to undertake the additional responsibilities of the REACH project. The component will also finance essential goods for efficient and safe benefit delivery, such as smartphones and personal protective equipment for staff of the implementing agencies.



35. **The project will finance the development and implementation of a robust communications strategy and full-scale awareness-raising campaign supported by a working group comprised of MRRD, IDLG, and KM communication staff.** Transparency and accountability will be at the center of the communication approach and link back with grievance channels. The objective is to ensure that every Afghan citizen, and especially women, are aware of the COVID-19 socio-economic relief effort (which comprises efforts by REACH, CCAP, and humanitarian agencies).<sup>19</sup> In particular, the awareness campaign will ensure that the population is aware of their entitlements and responsibilities under the COVID-19 relief campaign, covering the following: (i) Eligibility for COVID-19 relief package (who will receive a transfer and who will not); (ii) Timeline of COVID-19 relief effort (when to expect a transfer); (iii) The amount, form, and contents of the relief transfer (what will be offered); and (iv) How to get more information or lodge a grievance. The relief effort will be clearly branded as a GoIRA initiative, with implementation responsibility for MRRD, IDLG, and KM in their designated geographies. The communications have also been coordinated with the humanitarian community so that there is no confusion or misunderstanding associated with the roll out of REACH alongside humanitarian programs.

36. **The Government will monitor the project at the provincial, municipal and national levels.** At the provincial and municipal levels, the internal monitoring teams of MRRD, IDLG, and KM will observe the distribution of assistance on a sample basis. At the national level, call centers will be established by IDLG, KM, and MRRD to conduct phone surveys of beneficiaries of REACH and community participatory monitoring members, contacting approximately 1600 HHs/respondents per day. Each IA will also conduct its own physical monitoring. Results of the monitoring will be posted regularly on Government websites. Facilitating partners engaged under any of the components will also conduct routine monitoring and spot-checks to ensure adherence to the protocols in the Operations Manual (OM).

37. **The data collected during the distribution of relief packages, as well as community-level information such as the type and quantity of food items distributed and the receipts of purchase, will be uploaded into a Management Information System (MIS).** Rather than develop a new MIS from scratch, the REACH project will rely on a module to be added to the existing CCAP MIS and KMDP MIS. Data collected on paper will be transported to the nearest CCAP regional office for entry by existing trained MIS officers. Data collected on smartphones will be uploaded nightly to cloud-based servers. Data from all three IAs will undergo quality control checks by the CCAP MIS team in Kabul. The REACH project will finance supplemental MIS personnel to allow the CCAP MIS team to efficiently process the large volume of additional data generated by the REACH relief effort.

38. **The Component would have three sub-components (one for each IA).** These will cover project management, communications and monitoring for MRRD (Sub-Component 4A), IDLG (Sub-Component 4B) and KM (Sub-Component 4C). The subcomponent activities will maximize alignment of the communications and monitoring under REACH with those under CCAP and KMDP that already exist. Additional project personnel for the existing CCAP PIU within MRRD/IDLG will include M&E and MIS staff at national and municipal levels that may be required to absorb the additional responsibilities and data processing for REACH. The sub-component will also finance each IA's activities to support the

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<sup>19</sup> The President's office has named this program "*Dastarkhan-e-Milli*" referring to the "national dinner cloth" used for communal dining in Afghanistan which would be reflective of the Government's effort to build solidarity and respond to food insecurity.



communications campaign and any costs associated with expansion and improvement of the existing CCAP MIS to document and monitoring the REACH project (including the alignment of the KMDP MIS with that of CCAP).

### C. Project Beneficiaries

39. **The REACH project targets all households in Afghanistan with incomes of US\$2 per day or lower, twice the national poverty line, in 275 rural districts, 14 PCCs, and Kabul Municipality.** This broad coverage is required to assist households to withstand the impacts of the temporary disruptions to daily economic lives caused by the COVID-19 crisis and to encourage them to follow the social distancing norms. All female-headed households will be eligible for support.

40. **To efficiently identify and exclude a minimal proportion of wealthy households who do not require support, the project will adopt an approach called “Targeting from the Top” or “Exclusion Based Targeting”.** In this approach, a combination of objective and subjective criteria is identified in advance that can be easily and quickly assessed without any interaction with the household in question. In urban areas, the project will exclude affluent households, identified by local leaders from IDLG, mayor’s office, and municipality officials and street/ neighborhood representatives based on simple, pre-agreed criteria<sup>20</sup>. In rural areas, community structures (“Ad-hoc CDCs”) will decide on exclusion of affluent households based on the patterns in CCAP wellbeing analysis presented by Field Responders to communities, but in a manner that recognizes the additional vulnerabilities that the COVID-19 shock may have created. The exclusions will be based on observable characteristics to the communities and will be exercised in a flexible manner such that the 10 percent exclusion would be achieved at an aggregate rather than community level. This will allow 100 percent of households to receive benefits in poorer communities without a single ‘affluent household’.

41. **Estimates of need are based on a scenario where households would lose up to 50 percent of their income due to the economic disruption caused by the pandemic.** Based on this scenario, the number of eligible households and the amount of economic support are determined as follows:

- Households making up to twice the national poverty line (approx. US\$2 per person per day) are considered vulnerable, as they would be unable to comply with stay-at-home orders without some form of economic support. This constitutes 93 percent of the population (80 percent in Kabul).
- A household at the poverty line would require the equivalent of US\$50 per month to compensate for their diminished food consumption, allowing for income elasticity.
- Assuming 2.3 percent population growth and accounting for an estimated 1.45 million returnees since 2017 (according to IOM), 5.4 million households, 37 million people, are vulnerable in the targeted 404 districts and therefore eligible to benefit from the proposed transfer under either REACH or CCAP.

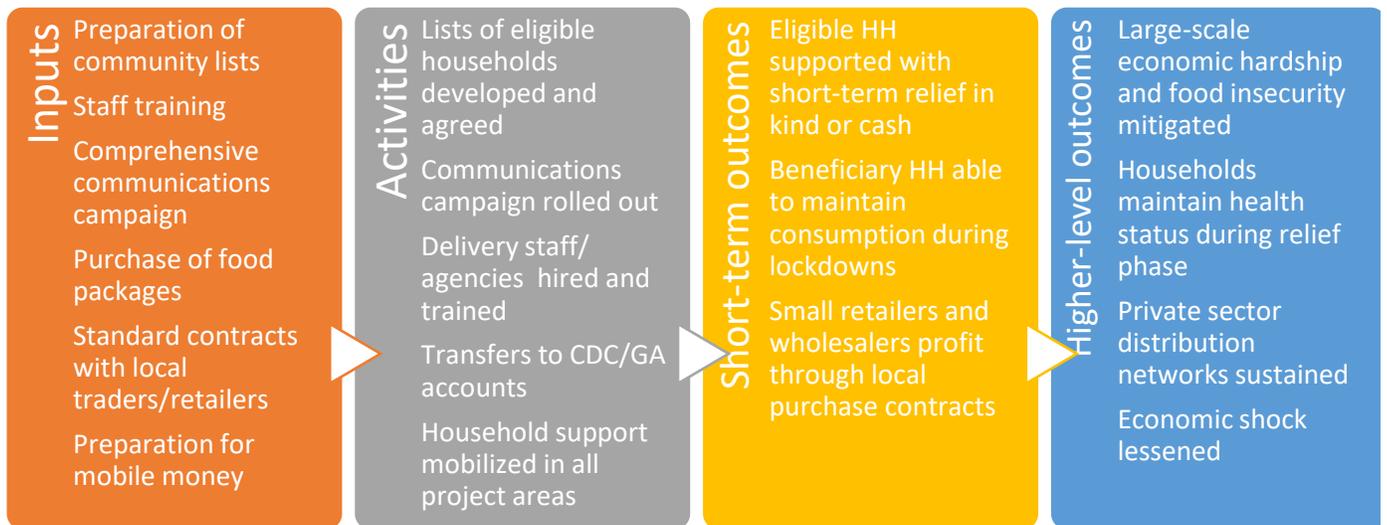
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<sup>20</sup> The current exclusion criteria being considered in urban areas are: (1) HH owns a concrete house of more than 1 floor; (2) HH where one or more members are owners off large/medium business; (3) HH owns a 4-wheel private car (not used as a taxi); (4) HH possesses a Government plate car; (5) HH employs external personnel such as security guards and domestic workers. Any HH meeting at least 2 of these 5 criteria would be excluded.



### D. Results Chain

Figure 03. Results Chain



- Critical assumptions:**
- Community leaders adhere to project criteria for choosing households with special attention to FHHs, can agree on households to be targeted by the project, and will ensure that transfers are distributed fairly.
  - Adequate staff including females can be hired and trained in a timely manner.
  - Food aid can be procured and delivered with acceptable quality in a short time period.
  - Food items will be shared among all household members (including women and children as well as elderly)

### E. Rationale for Bank Involvement and Role of Partners

42. **The economic rationale for investing in REACH is strong, given that success can reduce the economic burden suffered by individuals and the damage to the Afghan economy during the COVID-19 global pandemic.** The COVID-19 outbreak is a unique, once-in-a-century shock which has already imposed hardship on the health, education, and earnings of nearly all Afghans. The disease is almost certain to exacerbate the factors that contribute to the high poverty rate in Afghanistan, a country that has nowhere near sufficient resources to provide assistance to its vulnerable population.

43. **As Afghanistan main development financier and manager of the ARTF, the WB is the only actor that can fulfill this urgent need.** The scale of the social safety net need (37 million people) requires a development response to complement humanitarian action that aims provide emergency support to the 11.1 million that are acutely affected by the humanitarian consequences of the COVID-19 pandemic among other things. The Bank/ARTF is the only actor in the development scene in Afghanistan that is capable of mobilizing sufficient financing to provide the broad relief that the population requires. The Government is fiscally constrained and is also facing severe revenue contraction as a result of



the crisis. Humanitarians rely on foreign donations which are also scarce considering the worldwide nature of the COVID-19 pandemic. The Bank's involvement could help to prevent catastrophic damage to the economy and loss of life. Without economic relief, the vast majority of households cannot comply with social distancing measures that are necessary to contain the spread of the disease. Second, involvement in this emergency effort capitalizes on the Bank's ongoing dialogue on the need for a systematic approach to safety nets in Afghanistan. All over the world, the COVID-19 pandemic has exposed vulnerabilities and strengthened the case for shock-responsive safety net systems that can flexibly scale up or down during and after disasters. The Bank is in a unique position to link this one-off relief to broader, more sustainable assistance in related areas of social protection and community resilience.

44. **Through close coordination with humanitarian partners on the design and rollout of REACH, the project will exemplify a new model for operationalizing the humanitarian-development nexus.** Coordination with partners, particularly the Humanitarian Country Team, the Afghanistan Humanitarian Fund, and UN agencies, will be critical to ensure that there is no duplication of effort or miscommunication around the support reaching different communities. Particular coordination will be required in the HTR areas to rapidly finalize a plan for their coverage under this program, to reduce any risk of marginalization and escalation of tension in those areas. In addition, the project has already benefited and will continue to benefit from feedback from bilateral development partners through the ARTF.

45. **While the project is structured as a short-term (15-month) intervention, it will establish a national delivery structure that can be leveraged for the future.** REACH will revive the nationwide CDC structure that had been invested in for almost two decades under the NSP. This sets the stage for a fast-track expansion of CCAP as well as the forthcoming ENETAWF project, which will establish an adaptive social safety net through an early warning, finance, and action system. Through partnerships with the National Statistics and Information Agency (NSIA) the community-based beneficiary household list established through the REACH and CCAP effort will become a basis for developing a national household registry for planning and targeting in future. Finally, to the extent that the mobile/digital transfer mechanism is implemented in the second tranche in urban areas, it will also lead to strengthened partnerships with Banks, telecom companies, and mobile money operators that will be leveraged in the upcoming financial inclusion projects of the Bank (see Annex 8).

## F. Lessons Learned and Reflected in the Project Design

46. **The project design reflects lessons learned from many sources.** First, lessons learned from Bank-supported response efforts to the **Ebola outbreaks** in West Africa and the **ongoing responses to the COVID-19 crisis** from across the globe. These include the following:

- **CDD programs (such as CCAP) can be key to emergency response.** CDD programs operate in over 86 countries. According to the Bank's Independent Evaluation Group (IEG), CDD operations are the Bank's most frequently used instrument in FCV settings due to their rapid response ability and partnerships with communities and trusted local leaders. This rapidity and flexible response has made CDD programs frequent first responders after disasters, e.g. in Afghanistan after earthquakes and droughts as well as across Asia after the 2004 tsunami. For the global COVID-19 response, CDD and local government operations are being expanded rapidly to assist with social assistance, especially for vulnerable groups such as women, refugees, and migrants.



- **Mixes of modalities for social protection (cash, food, vouchers, etc.) have been deployed globally in response to COVID-19 based on local circumstances.** As of mid-June, 2020, a total of 195 countries/territories have planned, introduced, or adapted a total of 1,024 social protection measures in response to COVID-19; 621 of these measures are social assistance interventions including 301 cash transfer initiatives and 116 interventions delivering in-kind benefits. The fastest and most effective way to protect households against unexpected shocks is through cash transfers, ideally transferred digitally.<sup>21</sup> In the case of REACH, however, the security and logistics feasibility for cash transfers is only realistically feasible in urban areas and that too in physical form. Given the current constraints to mobile money and operational challenges of previous mobile payment initiatives in Afghanistan, this modality will only be explored under the second tranche in select urban areas, where feasible.
- **The Project builds on a wealth of experience from previous crises in terms of whom to target support.** While the COVID-19 crisis is unprecedented in modern history, we know it will be transmitted to households via reduced labor incomes (main channel), reduced remittances and higher food prices. Informal workers, who are most workers in Afghanistan, have no protection against it, nor access to formal coping mechanisms. Nearly all households in Afghanistan require economic support because they are poor (under US\$1/ day in per capita expenditures) or near-poor (under US\$2/day). Experience shows that in the absence of support, poor and near poor families may resort to de-investing in human capital, which has long term consequences on their welfare.
- **Poor coordination of partner-funded or -implemented activities leads to duplication of effort or gaps in support for critical activities or confusion among beneficiaries on the support they will receive.** In this case, the REACH project is coordinating closely with CCAP and with humanitarian partners to reduce duplication, align communications and support packages in different parts of the country, and identify mechanisms for coordination during implementation. Internally, multi-sectoral collaboration across Global Practices has been a strength of the REACH project (see Annex 10 for a list of the Bank task team members from at least 9 GPs).
- **Simplified implementation arrangements and carefully assigned project implementation roles based on comparative advantages can accelerate implementation after approval.** In this regard, the project plans to work through and expand existing institutions rather than create new ones in parallel. The REACH project leverages the systems of CCAP and utilizes the implementation capacity in various Government agencies from other Bank-financed projects. Likewise, prepositioned contracts with institutions or vendors can speed up implementation after approval. The project will build off existing contractual arrangements in CCAP.
- **Using the crisis as an entry point for not only immediate emergency interventions but also medium-term risk reduction through safety net system strengthening;** recognizing that future opportunities to engage may be limited once the crisis has passed. While the REACH project is envisaged as an intensive intervention of short duration (12 to 15 months) to protect vulnerable households in the context of the COVID-19 outbreak, its design acknowledges that the impacts of the COVID-19 will be long-lasting and would necessitate longer-term support for some of these households. The linkages to CCAP, ENETAWF, PAISA, and NSIA mentioned earlier all help secure this medium-term responsiveness.

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<sup>21</sup> Cash transfers: what does the evidence say? ODI, July 2016



47. **Second, the project builds off lessons learned from the GoIRA's COVID-19 Ramadan bread distribution program.** That program's reliance on a large number of shops (bakeries or otherwise) spread across urban areas proved to be an expeditious way to deliver in-kind assistance to urban residents. However, there were several issues in the program that were picked up and which are factored in REACH design:

- (i) *Need for transparent targeting that can realistically be implemented quickly.* Concerns arose initially about inclusion and exclusion errors in the Government's hastily drawn-up lists of households to receive free bread in Kabul according to seven standard criteria. The Government put more systematic methods in place for the cities to be reached subsequently, but overall complaints on targeting continued to be received. The REACH project avoids this by a universal/exclusion-based targeting approach with well-publicized criteria and triangulation by different parties to mitigate the risks of selection errors and elite capture.
- (ii) *Need for adoption of social distancing protocols while distributing items to households.* After the start of the bread distribution programs, photos quickly emerged on social media of people crowded around bakeries waiting to receive their free bread rations, without maintaining adequate distance between persons. Although the situation improved over time, the approach risked exacerbating the spread of this highly contagious virus. The REACH project will rely primarily on door-to-door distribution in urban areas and provide adequate personal protective equipment (PPE) to all delivery personnel. In rural areas, project staff organizing public distribution events will receive training on crowd control and social distancing protocols.
- (iii) *Need for more than bread for a nutritionally appropriate relief package.* While the concept of bread distribution has historical roots in Afghanistan, modern humanitarian relief efforts recognize the need for dietary diversity to maintain the health of a population with high rates of malnutrition. This is especially true during a viral pandemic when malnutrition can weaken the body's immune system and contribute to the spread of the disease. The REACH project will provide a thrifty yet sufficient basket of food items including all major macronutrients and soap to sustain the health of beneficiaries and induce compliance with lockdowns.
- (iv) *Issues with quality and quantity standards.* The bread program also saw numerous complaints around the quality of bread and size standards that were offered. This can become a larger issue with a more diverse package/basket of support. To mitigate this, the contract agreements for local procurement by CDCs/GAs/Ad-hoc CDCs will specify exact standards and quantities so that there is no uncertainty on what is to be delivered/received.
- (v) *Putting communities more in control.* Finally, the bread distribution program largely ran through large centrally-run framework agreements between the Government and flour distributors/bakery associations. The success of local delivery was however best ensured when civil society and local community representatives (including Mullahs) were involved in the process. REACH design factors this lesson at its core, by channeling all resources down to communities and shifting the locus of implementation and contracting to the local level.

48. **Finally, the project benefitted from considerations of different alternative design options that were considered but eventually dropped.** Among the key ones were the following:

- (i) *Use of a program for results (PforR) or disbursement-linked indicator (DLI) approach* – The Bank is using a mix of multiple interventions for the COVID-19 response. Direct budget finance is a part of this mix; a COVID-19 related Development Policy Grant has recently been approved Board just prior to REACH. Recent experience in Afghanistan with IPF DLI design suggests that the PforR and the IPF DLI design options are not suitable for this emergency operation. First, the budget situation is so stressed that the Government simply cannot afford



prefunding until financing trigger conditions are achieved. This has been the case even for relatively modest amounts for pre-financing. Second, the independent verification of project results in the context of the fragile and conflict affected country is difficult and may become impossible in certain geographic areas due to changing security conditions outside of the control of the Government. REACH is thus designed as an IPF to build upon the institutional capacity of CCAP. The experience of CCAP show the benefits from the direct fiduciary and safeguards support of WB supervision in the IPF context.

- (ii) *Channel all delivery via humanitarian agencies and NGOs* - The Bank frequently delivers assistance in emergency projects in conflict affected fragile states through UN humanitarian agencies such as the World Food Program (WFP). Examples include Yemen, South Sudan, Somalia and the Rohingya crisis response in Bangladesh. This option was considered initially, but it was agreed that the better approach from a longer-term sustainability and development perspective would be to channel resources directly to CDCs and leverage the community development platform that Afghanistan has invested heavily in over the last 17 years. NGOs would still be brought in as facilitating partners, but not for direct handling of funds and distributions. Working through community platforms would help reinforce its sustainability and prepare them for future development interventions. Moreover, in the ENETAWF districts, the investment in the CDC infrastructure will pave the way for establishing a social protection/ resilience building system for the most food insecure that can be expanded during other shocks like droughts.
- (iii) *Use of the private-sector led bread distribution model* – Finally, the option of working through a similar approach to the Ramadan bread distribution program was also considered at least for urban areas and Kabul. However, it was ultimately dropped in favor of a CDD approach since this would permit the use of more tested community governance structures and modalities and allow for local purchases via community procurement methods.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

49. **The overall coordination for COVID-19 response efforts is led by an inter-ministerial task force led by the President and First Vice President.** The task force includes several key line ministries, including the Ministry of Finance, Ministry of Commerce and Industry, IDLG, MRRD, NSIA, the Ministry of Public Health, Kabul Municipality, etc. with clear Terms of Reference for each agency. This task force also coordinates on a regular basis with the network of Provincial Governors and Municipal Mayors on overall COVID-19 response efforts and obtains situational information across the country. As the REACH project will be anchored within the overall Government relief and response efforts (including the bread distribution program), it will be overseen through this high-level strategic coordination body. The MOF is overseeing coordination on communication and monitoring efforts across the IAs and acts as a liaison with the VP Office. It will also take the lead in ensuring smooth establishment and funds transfer to CDCs' accounts.



50. **In terms of specific implementation architecture, the project will leverage existing national and sub-national implementation capacities to ensure a rapid rollout.** The project's component structure has been purposely set up to align with implementation responsibilities as follows:

- (a) In *rural areas*, the MRRD will be the lead implementing agency, with the CCAP project implementation unit (PIU) in charge of overall project management functions (e.g. procurement, financial management, M&E, safeguards, etc.). They will work through a network of civil society facilitating partners (FPs) who will be selected based on their presence/ongoing work in different provinces as well as relevant experience in similar relief work.
- (b) In *urban areas outside Kabul*, the IDLG will lead implementation through the joint CCAP-EZ Kar PIU situated there. They will collaborate closely with the Municipalities/Mayors' offices in all the non-capital cities covered as well as community level institutions (like CDCs and Gozar Assemblies) as well as religious and civil society representatives (e.g. Mullahs, youth and women representatives) for mobilization, household identification, and monitoring purposes. Actual supply of relief packages and distribution will be done through wholesale and retail businesses as part of the Government's effort to ensure that the relief efforts in cities support the private sector as well.
- (c) Finally, in *Kabul*, KM will lead implementation with support of the PIU for the Kabul Municipal Development Project (KMDP). The roll-out in Kabul will be similar to other urban areas but rely on the implementation architecture of ad-hoc Gozar councils established under the Government's Ramadan bread distribution program.

51. **The existing capacity within these PIUs will be supplemented with short-term/temporary staff/consultants.** This will ensure efficient and effective roll-out of the relief effort without compromising the essential functions of the ongoing projects managed by these PIUs. Approximately 600 temporary staff/consultants are expected in MRRD, 180 in IDLG and 110 in KM to provide monitoring, social mobilization, and oversight support. The PIUs will also be supported with necessary training and support from the Bank teams for tasks that are new to them, such as ESF implementation and household-level data collection and analysis.

52. **The project will also work in close coordination with the Afghanistan Humanitarian Country Team (HCT).** The HCT has issued a 2020 mid-year update (in June 2020) to the Humanitarian Response Plan (HRP) 2018-2021 to incorporate the COVID-19 response. This will largely be financed through direct bilateral financing and the Afghanistan Humanitarian Fund (AHF). The project will therefore work closely with the HCT partners (including UN Agencies) to coordinate roll-out of relief packages, to avoid duplication of effort or confusion among beneficiaries. In particular, the HCT partners have access to the majority of Hard-To-Reach areas, where access to Government staff or FPs is likely to be restricted and therefore their support/partnership may be key to roll out implementation in those communities.

## **B. Results Monitoring and Evaluation Arrangements**

53. **The Results Framework for the project is presented in Section VII.** In line with the streamlined project design and need for efficiency, the Results Framework has only three PDO indicators all focused on the number of households reached with an emergency relief package either in-kind or in cash, with gender disaggregation of household headship.



The straightforward PDO indicators belie the scale and complexity involved in providing emergency relief to approximately 90 percent of the population in 2/3rds of the country. Because the project has budgeted for additional households as a precaution due to uncertainty around population numbers, *the PDO targets are set to 80 percent of the household targets* stated in Section II (Project Description). To complement these ambitious targets, the Results Framework includes intermediate-level indicators to track for example the number of communities reached within 6 months, percent of grievances resolved, and beneficiary satisfaction. The responsibility for tracking and reporting on all results lies with the three implementation agencies.

54. **Strong monitoring mechanisms will be put in place to assess project performance as well as social impacts.** At the community level, community participatory monitoring (CPM) committees will be formed or re-activated in previous NSP locations. In addition, to increase transparency and oversight, local trusted leaders such as *mullahs* and village elders as well as women and youth will monitor the preparation process and distribution of assistance and report if there are vulnerable or female-headed households being excluded. Grievance redress mechanisms (GRMs) are also being strengthened to respond to inquiries and complaints.

55. **The Government will monitor the project at the provincial, municipal and national levels.** At the provincial and municipal levels, the internal monitoring teams of MRRD, IDLG, and KM will observe the distribution of assistance on a sample basis. At the national level, call centers established by the KM, MRRD and IDLG monitoring teams will conduct phone surveys of beneficiaries and community participatory monitoring members, contacting approximately 1600 HHs/respondents per day both during and after the distribution. Results of the monitoring will be posted regularly on Government websites, and any identified issues will be followed up by project management. The President's task force has also requested weekly briefings on the roll out of the program and will be kept apprised of any issues and complaints that may be emerging. Facilitating partners engaged under any of the components will also conduct routine monitoring and spot-checks to ensure adherence to the protocols in the OM. Certain sanctions (e.g. cancellation of second tranches) have also been included in the OM in cases where communities or HHs have been found through TPM or ex-post verification to have submitted fraudulent or falsified information. The data collected during the distribution of relief packages, as well as community-level information such as the type and quantity of food items distributed and the receipts of purchase, will be uploaded into the MIS and audited.

56. **The Bank will also engage in monitoring to supplement the efforts of the Government.** The Bank has an existing contract with a Third-Party Monitoring Agency (TPMA) for all projects financed by ARTF and IDA in Afghanistan. The TPMA will engage in independent monitoring of the REACH project, both in-person to observe the distribution and by phone. Furthermore, as part of a global effort across CDD programs to conduct rapid social impact monitoring related to COVID-19, the Bank will contract a firm to conduct periodic phone surveys of male and female CCAP CDC members (who are spread throughout all provinces) to assess knowledge, attitude and behaviors and assistance to vulnerable groups as well as social unrest related to the pandemic. More details on all aspects of monitoring and data collection can be found in the detailed component description in Annex 1.



### C. Sustainability

57. **Sustainability of benefits:** While REACH is designed as a rapid emergency response operation REACH, to the extent the relief allows the households to avoid negative coping methods such as indebtedness, unwanted sale of assets, or severe malnutrition due to the crisis, the beneficial impact of the relief will be sustained. The aim is not to address chronic poverty but temporary loss of income and livelihoods. The intervention itself is not expected to be continued beyond the delivery of the benefits during short duration (one or two tranches), unless the severity and duration of the COVID-19 crisis lasts much longer than expected and cannot be addressed through ongoing longer-term projects. For those in dire economic situations, including those with crisis or emergency-level food insecurity, would require continued humanitarian assistance in addition to the relief package delivered through this project.

58. **Sustainability of institutions:** The intervention is not creating or relying on delivery mechanisms that need to be sustained over time because the urgency of the response requires mobilization of one-off arrangements that are quicker to set up and operate but may be less efficient and/or reliable for regular social protection delivery. That being said, by working through existing implementation structures and by investing in reviving or establishing the community institutional structures in areas that would be covered by the ENETAWF project, the project is contributing towards the longer-term goal of developing of a sustainable system for social protection benefit delivery in Afghanistan. This effort would expand the overall catchment of the Citizens' Charter program beyond what is currently in CCAP. Likewise, the potential mobile cash delivery mechanism will create an institutional platform for public-private partnership in the future. And finally, the humanitarian-development cooperation that REACH is establishing in the roll-out of this unprecedented national relief effort creates a precedent for much better coordination of emergency response for Afghanistan in the future, thus operationalizing the humanitarian-development nexus in a very direct way.

## IV. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis

59. **Under the REACH Project, emergency relief packages will be provided to all eligible households in the project's coverage areas across the country.** Accurately quantifying the economic impacts of COVID-19 and of these emergency relief packages is challenging given the extent, complexity, and uncertainty of the crisis looking forward. Hence a qualitative assessment is applied.

60. **The COVID-19 crisis in Afghanistan is exacerbating human suffering in the form of loss of life, deterioration of health, and economic stress.** As noted previously, the Food and Security Cluster estimates that at least 12 million people will fall into IPC3 and IPC4 classifications from June to November 2020. Analysis reveals that a common strategy in poor Afghan households to cope with negative shocks is to reduce the quantity and quality of food intake, which has several potential long-term impacts, especially for children. There are also increasing signs of economic suffering through loss of jobs, livelihoods, and other income sources since the start of COVID-19: in recent weeks, the Ministry of Economy has forecast that unemployment could increase by 40 percent and poverty by 70 percent; the Ministry of Labor and Social



Affairs has stated that most employees working for small businesses have lost their jobs; the National Union of Afghanistan Workers and Employees have claimed that approximately two million workers and employees have lost their jobs; and officials from the Afghanistan Chamber of Commerce and Investment have estimated that operations of small and medium businesses are down by 80 percent due to restrictions imposed to prevent COVID-19 spread. These affected businesses may be forced to reduce their hours of work, lay off workers, remain closed to conserve working capital, and even sell assets, with enduring negative impacts on earning capacity, livelihoods, and human capital accumulation.<sup>22</sup> WB microsimulations estimate that a combination of reduced purchasing power and increased food prices could increase overall poverty between 7 percent and 17 percentage points, equivalent to between 2 and 6 million people falling into poverty as a consequence of the crisis.<sup>23</sup> Moreover, impacts are expected to be felt along the entire income distribution, with consumption levels falling for all, but especially for the urban poor. In summary, by the time the crisis ends, many households may have permanently and irreversibly lost health, savings, assets, and livelihoods.

61. **There is strong social and economic rationale for emergency relief transfers to households, since Afghanistan lacks formal safety net structures.** Conventional public works are not advisable during the social distancing phase. Social distancing efforts will also not work without immediate relief to vulnerable households that would otherwise be forced to continue their attempts to earn a living. Failure of social distancing could potentially result in direct loss of human capital through increased deaths and sickness and consequent breakdown of the health system. There could also be substantial indirect costs to the economy on account of the need for longer and/or repeated lockdowns. Given these scenarios, emergency transfers (whether in in-kind or cash) is deemed a viable “immediate relief” measure to encourage social distancing and to partly meet the immediate cash and food needs of poor and vulnerable households.

62. **Expected benefits: Emergency transfers under REACH will provide support to around 3.3 million households (of which 1.1 million urban and 2.2 million rural) during the immediate relief phase.** The benefits include a higher proportion of households that maintain social distancing, access food, remain healthy, stay solvent, and retain their assets during the peak pandemic and shutdown phases. Public sector financing to achieve these benefits is deemed justified during the current economic crisis. Another 1.7 million households will receive equivalent support through CCAP in parallel. The WB’s involvement offers material value-added to the proposed emergency relief grants activity.

## B. Fiduciary

63. **Financial Management (FM): The project FM risk is assessed “High”.** MRRD, IDLG, and KM are implementing ongoing IDA-ARTF financed projects and are familiar with the Bank’s fiduciary requirements. However, the tasks involved in delivering food or cash benefits to approximately 3.6 million households nationwide and properly accounting for these deliveries within a short period of time under emergency situations are considerable. MRRD and IDLG have developed systems to implement community grants but completeness and quality of the CDCs expenditure data in MRRD’s MIS

<sup>22</sup> Simulations show that, on average, selling assets or livestock may only cover 2 months of basic consumption.

<sup>23</sup> World Bank (2020).



remains a significant concern. The same MIS will be implemented in KM as well. To ensure data sufficiency of CDCs expenditure, MRRD will employ existing accounting associates from CCAP to scan and upload expenditure data. Moreover, the implementing agencies would employ facilitating partners to support the whole process including ensuring proper expenditure documentation. All three implementing agencies have shown control weaknesses in staff recruitment, fixed assets management, budget credibility, and management oversight through internal audit. However, REACH would only finance a limited number of additional staff and fixed assets. The project will leverage the existing financial management and disbursement arrangements of the CCAP, and the internal controls prescribed in the Financial Management Manual (FMM) for IDA-ARTF financed projects. An enhanced fiduciary framework incorporating additional specific internal controls have been agreed on for different grant modalities to manage the high risk. Please refer Annex 2 for details. Retroactive financing up to US\$5 million will be provided under the ARTF and IDA for payments made from June 1, 2020.

64. **Procurement: The Procurement risk is also assessed 'High'.** Procurement for the project will be carried out in accordance with the WB's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017 and August 2018). The project will be subject to the WB's Anti-Corruption Guidelines, dated October 15, 2016, revised in January 2011, and as of July 1, 2016. The project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record and track procurement transactions. Since the primary focus of the project is to provide economic relief to poor households in kind or cash, the bulk of the procurement will happen at community and city levels. The major planned procurement is a food basket worth US\$50 including commodities like grains, lentils, cooking oil, sugar and basic hygiene products like soap, standardized at provincial levels, keeping in mind the varied dietary habits of local communities and specificities of the items to be included in the package. Given the low value but large volumes of these procurements at geographically diverse locations across the country, the Borrower has agreed to develop a standard food basket concept with details of quality, quantity and range of prices for items to be included with flexibilities built in for adjusting different items within each category. The procurement of this food packages will be carried out by community institutions like Community Development Councils (CDC) in rural areas and Gozar Assemblies/ Gozar Councils (GAs/GCs) in urban areas. Considering the average number of households in a rural CDC is around 150, the contract value for community procurement by a CDC will be about US\$7,500. Similarly, in urban areas, the coverage by a GA/GC will be about 500 to 1000 households, thus the contract value will be about US\$25,000 to US\$50,000. The process to be followed for the community procurement by CDCs, GAs, GCs, and their Ad-hoc counterparts will be part of the Operations Manual. A simple and streamlined Project Procurement Strategy for Development (PPSD) will be developed and finalized during the early phase of project implementation.

65. **In addition to the main community procurement of food packages to be undertaken by CDCs, GAs, and GCs, there are some consultancies and other goods and equipment for protective gear etc. to be procured by PIUs, for which provisions of Bank procurement regulations will be followed.** The Project has developed an initial Procurement Plan (PP) and will finalize the same in consultation with the Procurement Specialist for these activities to be procured by PIUs. The proposed procurement approach prioritizes fast track emergency procurement for the emergency required goods and services under the Procurement Regulations.

### C. Legal Operational Policies



	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

**D. Environmental and Social**

**Environmental Risks**

66. **The project activities involve relief support to rural and urban households delivered in-kind in the form of essential food staples and hygiene products and potentially cash (considering options such as mobile money, vouchers or sim cards), where deemed necessary and feasible.** The distribution of relief packages will be door-to-door as a preferred method to ensure social distancing, however designated collection points would also be established while observing social distancing in such circumstances. These activities supported by the Project do not have a physical footprint and are not expected to have significant negative environmental impacts. No rehabilitation or construction of infrastructure or other actions having an impact on the environment will be financed through the project. However, activities such as distribution of relief items have the potential to increase the spread of the Coronavirus by infected but asymptomatic workers or workers coming into contact with infected community/household members in the dispensation of their duties. The disposal of used Personal Protective Equipment (PPE) if improperly disposed could cause pollution, including ground and surface water bodies and infections, but these can be minimized through the implementation of guidelines for disposal of PPEs.

67. **The project environmental risks are therefore considered to be moderate** and can be minimized or eliminated by the implementation of relevant guidelines for observing social distancing and minimizing exposure and spread of the virus as a result of project activities. The project will prepare an Environmental and Social Management Framework (ESMF) within 30 days of effectiveness to include aspects that cover the relevant Environmental and Social standards as applicable to the project and develop guidelines and procedures for each of the activities on Labor Management Procedures (LMP), Occupational Health and Safety (OHS) and community health and safety to guide implementation. Measures relating to OHS, to protect workers from injury, illness, or impacts associated with exposure to hazards encountered in the workplace or while working, will be documented in the LMP that will be included in the ESMF. The Project ESCP have clearly defined necessary provisions for all activities.

68. **The project has been screened for climate and disaster risks.** The project’s exposure rating is Moderate, as is the outcome/ service delivery rating. As part of the project’s soft components, it will revive CDCs created under the National Solidarity Program (NSP) which have historically been a platform for community development and emergency response to natural disasters such as earthquakes and droughts. A set of these CDCs will be mobilized and given capacity building for the upcoming ENETAWF project that will develop a longer-term drought and natural hazard response system in the



country. ENETAWF will support CDC-level investments that build community resilience to water scarcity and support agriculture production under drought conditions.

### Social Risks

69. **Although the project explicitly targets poor and marginalized households there are still a number of risks that could jeopardize the full realization of the project's objectives.** The health and safety of those who are delivering the packages needs to be ensured. This includes physical safety and freedom from intimidation. Those delivering the packages in different parts of the country could be targets for intimidation and violence. Female-headed or majority female households who qualify for assistance could also be potential victims of gender-based violence (GBV), including other forms of sexual exploitation and abuse (SEA). People with disabilities may find it harder to access the services or indeed to access information. People with disabilities are disproportionately affected by pandemics and situations of high unemployment. The management of social distancing has been a challenge for Afghanistan during the pandemic and in some parts of the country it has been ignored in favor of searching for sources of food. The risk of a rise in the pandemic due to lack of social distancing measures or use of protective equipment is a substantial risk in this project. There may also be potential conflict between communities especially between settled and non-settled groups, as well as between big and smaller HH groups or between different ethnic groups due to perceptions of inequitable distribution of resources.

70. **Safeguarding and Do No Harm principles.** The project will ensure clear measures are in place to make sure that the most vulnerable and marginalized are protected from any potential misuse of power and funds. This is being done through development of a strong communication strategy in place whereby clear messages are communicated on how to report GBV, adequate training for field personnel, and adoption of a Code of Conduct for project personnel at all levels.

### Risk Ratings

71. **The social risk rating is classified as Substantial (S).** The overall social risks of the project are significant as the project involves activities that have a high potential to both positively and negatively affect the local population and can bring reputational risk to both the Government and the WB. The emergency response nature of the project, if not properly managed, can lead to widespread social exclusion, corruption and nepotism resulting in decreased trust in local and national government and social conflicts among vulnerable, elite groups and local authorities. There are a number of different players in this project and different layers of authority with a potentially complex supply chain. Lack of security and heightened violence due to the pandemic all contribute to a substantial risk. Additional measures, including COVID-19-specific measures, will need to be added to the project OM, which builds off the CCAP OM. The management of crowds attending aid distribution points is another risk in this project. Recent clashes between demonstrators at a free government bread distribution program point and security forces,<sup>24</sup> has highlighted the need for agreed protocols for

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<sup>24</sup> At least six people were killed when protesters angry at the distribution of food aid clashed with security forces in western Afghanistan, May 9, 2020



security and social distancing. As stipulated in the borrower's commitment plan, the OM will include risk assessment and monitoring plans for the project. The borrower should also be encouraged to work with civil society actors such as the Afghanistan Independent Human Rights Commission.

72. **Citizen Engagement** is an integral part of project implementation to enable an effective two-way interaction between citizen and government officials from the relevant government agencies. The CE strategy includes: (i) Dedicated communication and outreach component focusing on transparency and accountability, (ii) Robust Citizen / Community Engagement plan which will include outreach, consultations during implementation, and feedback on support received, (iii) Participatory monitoring methods, and (iv) Grievance Redressal Mechanism. The project will use the existing institutional GRMs developed under (a) CCAP by IDLG and MRRD and (b) KMDP which will be customized to address all citizen complaints and requests and adapt them to the COVID-19 circumstances. The collected information will be used to improve operational performance, enhance the project's legitimacy among stakeholders, to promote transparency and accountability, deter fraud and corruption and mitigate project risks. All CE approaches will be elaborated on in the Stakeholder Engagement Plan (SEP). In addition, the project is exploring the use of an independent grievance system available across Afghanistan. The project also includes a Beneficiary Feedback indicator measuring percentage of grievances resolved.

## E. Gender

73. **The full series of analysis, actions, and monitoring steps to ensure that the project both reaches men and women equally and where possible, contributes to closing gender gaps is elaborated in Annex 4.** Research points to larger adverse effects on women than on men of poverty, reduced consumption, or higher prices of essential items. Female-headed households are already quite vulnerable in the Afghan context and have fewer resources to cope with the COVID-19 crisis. Female-headed households (FHHs) and households with no able-bodied male worker comprise around 10 percent of the very poor categories in the community well-being analysis conducted by CCAP. In addition, women's lower access to information about public programs and socio-cultural barriers to directly seeking information in the public space. Therefore, they are more vulnerable to corrupt practices and are at a greater risk of not receiving the transfers to which they are entitled. The widespread distribution of food or cash resources also carries risk for GBV/SEA.

74. **In response, all FHHs, including households with no able-bodied male worker, will be eligible for support under the project.** In addition, the project will take several actions to ensure that FHHs have safe access to the support being offered. First, to address women's limited access to information, the project's communication efforts will use a variety of media and other channels to ensure that all Afghans, particularly women, are aware of the benefits they will receive under the project. Communications will take note of women's usual modes of information exchange and there will be targeted outreach to FHHs (e.g. making public announcements through loudspeakers so that women can hear). Second, considering the strict social norms restricting male-female interaction, especially in rural areas, the project will engage female field responders and female CDC members to reach out to women, identify FHHs and ensure safe delivery of the package to them. Third, the distribution efforts will account for differential access to public spaces and cultural



restrictions on male-female interactions to ensure that female-headed households, or households with no able-bodied males, are able to receive their transfers. Field staff will be trained to be mindful of suitable times for women for delivery, to reduce person-to-person interactions especially by men, and on the consequences of any misconduct. The project will also ensure the safety of women at distribution sites and on their way home (for details, see Annex 4). Finally, the project’s GRM will ensure that female community members are aware of the GRM, and that there are female-friendly mechanisms of lodging and resolving complaints, for example by hiring female call center operators. As part of its results monitoring, the project will collect gender disaggregated data on household headship of beneficiaries, gender-sensitive training of field staff, and the ratio of female to male field personnel.

**V. GRIEVANCE REDRESS SERVICES**

75. **Communities and individuals who believe that they are adversely affected by a 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 WB’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the WB’s corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the WB Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

**VI. KEY RISKS**

76. **The overall risk rating of the project is High (H).** The size and scale of the nationwide emergency relief effort envisaged through the combined CCAP and REACH projects is unprecedented. This gets further complicated with the uncertainty and specific dangers associated with the COVID-19 outbreak and its associated health risks.

Table 02. Risks

Risk Categories	Rating
1. Political and Governance	H
2. Macroeconomic	S
3. Sector strategies and policies	S
4. Technical design of project	S
5. Institutional capacity for implementation and sustainability	S
6. Fiduciary	H
7. Environmental and social	S
8. Stakeholders	S
9. Other	M
<b>Overall</b>	<b>H</b>



77. **Political and governance risks are High (H).** A power-sharing agreement has recently been signed between the two factions disputing the outcomes of the 2019 presidential elections. Difficulties associated with implementing this power-sharing agreement may present risks to the project, including through: i) continued disputes and associated political instability; and ii) disruptions to administrative capacity arising from changes of staff in key agencies and broader restructuring of government agencies under the terms of the agreement. This risk is partly mitigated through the direct provision of World Bank technical support to all areas of project implementation, which should allow for effective implementation even in the context of further administrative disruptions to government administration.

78. **Security risks are High (H).** Continued insurgent activity represents another source of risk to achievement of program outcomes. A peace agreement has recently been signed between the United States and the Taliban, but insurgent attacks on Government security forces remain at record highs. Planned negotiations between the Taliban and other Afghan parties are yet to commence, and prospects for a future comprehensive peace agreement remain unclear. Deterioration in the security situation could divert government capacity and policy attention from project implementation, impede the provision of technical assistance, disrupt monitoring arrangements, or undermine the achievement of expected results. These risks are somewhat mitigated through the proven capacity of the World Bank to deliver programs in the context of difficult security conditions. Previous experience has shown that the Bank can successfully monitor and support implementation of projects even in a deteriorating security environment.

79. **Macroeconomic risks are Substantial (S).** Afghanistan's macroeconomic outlook is subject to substantial downside risks. More severe and protracted economic impacts of the global COVID-19 crisis would have serious implications for growth, revenues, and – potentially – international grant support. Precipitous declines in grant support would have implications for economic growth and poverty, the sustainability of government finances and service delivery, and the sustainability of the external position. Macroeconomic risks are further exacerbated by weaknesses in the financial sector including potential fiscal risks arising from state-owned banks. Serious fiscal or macroeconomic shocks may constrain the achievement of program objectives by distracting government capacity away from project implementation in the context of fiscal shocks and associated administrative disruptions. Risks are partly mitigated by government's previously demonstrated capacity to maintain overall macroeconomic stability in the context of revenue declines, through effective expenditure control and maintenance of the monetary policy framework.

80. **The risks emanating from the sector strategies and policies, the technical design and institutional capacity are inter-related with each other and the residual risks are rated Substantial (S).** Afghanistan lacks a social protection policy or system that can serve as the basis for this emergency response. In parts of the country (roughly one third of the districts nationwide), adequate mechanisms to reach communities using the CDD approach have been set up under CCAP, which are being used to deliver the same packages in the CCAP catchment area. REACH, by design, is intended to deliver these packages in those geographic areas without the CCAP mechanisms through a set of diverse implementation modalities. As a result, the design of the institutional arrangements which differ by geography is inherently complex. The pressure on food supply chains, increasing prices, and availability of goods across the country is a key market risk for in-kind distribution. The possible delay in activity implementation resulting in the benefit delivery being too late vis-à-vis the needs on the ground (e.g., timing of the lockdown and/or virus spread) is an additional risk. The strategy risk is mitigated by keeping the program objective simple and narrow. The design risk is mitigated by keeping aspects of the design as



standardized as possible (e.g., same benefit package, pre-set prices on food and soap, minimum frequency of delivery, simple targeting, community-led implementation) to compensate for the complexity in the implementation arrangements. The project will coordinate with ongoing Government efforts to maintain adequate food supplies. The implementation capacity risk is partly mitigated by the reliance on the existing PIUs in MRRD, IDLG and KM with additional support by contracted facilitating partners and temporary staff/consultants. Residual risks on all these fronts remain Substantial (S).

81. **The stakeholder risk is Substantial (S).** Given the ongoing conflict and the underlying social tension and exclusion, the perceived fairness of the project is of high importance. The design mitigates this risk by adopting a near-universal approach to beneficiary identification, excluding only those who are deemed well-off by objective criteria. Nonetheless, the actual application of the “targeting by exclusion” could still generate discontent. The perception of capture could further fuel such a negative stakeholder perception. Strong communications campaigns prior to the start of the benefit delivery to clarify the eligibility criteria and other project details, combined with robust ongoing implementation monitoring and a grievance redress mechanism will form of the core of the strategy to mitigate the stakeholder risk.

82. **Fiduciary risk is High (H).** Afghanistan’s portfolio as a whole is characterized with high fiduciary risks with a number of allegations of fraud and corruption constantly reaching the Bank and numerous cases of procedural non-compliance frequently detected. Allegations have been made against one of the implementing agencies, although these have not been substantiated. The project adopts the enhanced fiduciary framework that the Bank has introduced to the entire Afghanistan portfolio under the Anti-Corruption and Results Monitoring Action Program (ACReMAP). This includes the use of SOE-based disbursement combined with ex-ante sample-based review of expenditure documents. The Bank-contracted third-party monitoring agent (TPMA) will be deployed for both physical performance monitoring and fiduciary oversight. But the emergency nature of the project elevates the risk despite the mitigation measures being proposed. Details of the identified risks and specific mitigation steps proposed are described in Annex 2.

83. **As described above in Section IV Part D, the environmental and social risk is rated as Substantial (S).** The overall social risks of the project are rated as Substantial (S) as the project involves activities that have a high potential to both positively and negatively affect the local population and can bring reputational risk to both the Government and the WB. Mitigation measures, including COVID-19-specific measures, a robust grievance response mechanism, and targeting protocols to minimize exclusion errors, will be added to the project OM. The project environmental risks are considered to be moderate and can be minimized or eliminated by the implementation of relevant guidelines for observing social distancing and minimizing exposure and spread of the virus as a result of project activities.

84. **Other risks:** An additional risk of this project concerns the possibility of relief distribution efforts contributing to the spread of the Coronavirus. As noted throughout the document, this risk will be mitigated through careful training, protocols on social distancing, and provision of PPE to all distribution personnel. Some residual risk remains, as does the possibility of delays in roll-out due to key staff falling ill. These risks are clubbed under the category of “Other” risk and the residual risk is rated as Moderate (M).



**VII. RESULTS FRAMEWORK AND MONITORING**

**Results Framework**

**COUNTRY: Afghanistan**

**COVID-19 Relief Effort for Afghan Communities and Households (REACH)**

**Project Development Objectives(s)**

To provide emergency support to selected households through communities in project areas during the COVID-19 outbreak.

**Project Development Objective Indicators**

<b>Indicator Name</b>	<b>PBC</b>	<b>Baseline</b>	<b>End Target</b>
<b>Support to Rural and Peri-urban Households</b>			
Households receiving in-kind support in rural or peri-urban areas (Number)		0.00	1,760,000.00
Of which female-headed (Number)		0.00	176,000.00
<b>Support to Urban Households in Provincial Capital Cities</b>			
Households receiving in-kind or cash support in provincial capital cities (Number)		0.00	360,000.00
Of which female-headed (Number)		0.00	36,000.00
<b>Support to Households in Kabul Municipality</b>			
Number of households receiving in-kind or cash support in Kabul		0.00	500,000.00



Indicator Name	PBC	Baseline	End Target
(Number)			
Of which female-headed (Number)		0.00	50,000.00

### Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
<b>Project Effectiveness, Efficiency, and Operations Management</b>			
Field staff/ Facilitators trained in COVID-19-compliant and gender-sensitive distribution of transfers to households (Number)		0.00	2,000.00
Percent of field staff who are female (Percentage)		0.00	25.00
Number of communities provided with support within 6 months of project effectiveness (Number)		0.00	14,000.00
Beneficiaries satisfied with support received (Percentage)		0.00	80.00
Grievances Addressed (Percentage)		0.00	70.00
Households reached through the Government's COVID-19 relief communications campaign (Number)		0.00	2,800,000.00



**Monitoring & Evaluation Plan: PDO Indicators**

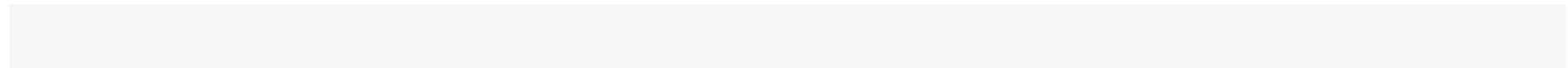
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Households receiving in-kind support in rural or peri-urban areas	A simple count of the number of households which have received at least one transfer through the REACH project, in areas covered by MRRD under Component 1. The target is set as 80% of the total listed in Component 1 so as to exclude contingency and unforeseen delays.	Quarterly	Project administrative data	FPs responsible to provide counts	MRRD, through FPs
Of which female-headed	same as parent indicator. The term "female headed households" in this project is intended to cover households headed by a female, household in which the eldest member is a widow, and households with no able-bodied men of working age. Target values have been set such that 100% of all FHHs (which are estimated as 10% of the	same as parent indicator	same as parent indicator	same as parent indicator	same as parent indicator



	population) are covered.				
Households receiving in-kind or cash support in provincial capital cities	A simple count of the number of households which have received at least one cash or in-kind transfer through this project in an area classified as "urban", other than Kabul. "Household" defined as per Afghan Living Conditions Survey (ALCS).	Quarterly	Project Administrative Data	Distribution agents responsible to provide counts, as per Operations Manual	IDLG
Of which female-headed	same as parent indicator. The term "female headed households" in this project is intended to cover households headed by a female, household in which the eldest member is a widow, and households with no able-bodied men of working age. Target values have been set such that 100% of all FHHs (which are estimated as 10% of the population) are covered.	same as parent indicator	same as parent indicator	same as parent indicator	same as parent indicator
Number of households receiving in-kind or cash support in Kabul	A simple count of the number of households which have received at least one cash or in-kind transfer through this project in Kabul	Quarterly	Project Administrative Data	KM responsible for counts	KM



	city or surrounding area. "Household" defined as per Afghan Living Conditions Survey (ALCS).				
Of which female-headed	same as parent indicator. The term "female headed households" in this project is intended to cover households headed by a female, household in which the eldest member is a widow, and households with no able-bodied men of working age. Target values have been set such that 100% of all FHHs (which are estimated as 10% of the population) are covered.	same as parent indicator			



**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Field staff/ Facilitators trained in COVID-19-compliant and gender-sensitive distribution of transfers to households	Staff involved in distribution or delivery will receive training on how to distribute transfers to households according to project Operations Manual. Training	Quarterly	Project reporting	Attendance records of workers in training sessions	MRRD, IDLG, and KM, through FPs if applicable



	will include adherence to social distancing protocols, monitoring of worker health, and documentation of household locations, identity, and/or receipt of transfer. Training will also include gender sensitivity and actions to ensure that women or female headed households safely receive their relief support.				
Percent of field staff who are female	The proportion of social organizers and field responders engaged under the project to deliver support to communities over the duration of the project who are female.	quarterly	Project administrative records	FPs to provide gender-disaggregated data on staffing	IAs, via FPs.
Number of communities provided with support within 6 months of project effectiveness	This indicator measures the number of communities (CDCs, Gozars, or GAs), starting from project effectiveness, that have received at least one tranche of support from the project. The target is to reach 75 percent of communities within 6 months. The total number of communities is estimated	Monthly	Project administrative records	A count of the number of communities reached within 6 months of project effectiveness.	MRRD, IDLG, and KM



	at 20,500 across all three components excluding contingency and HTR.				
Beneficiaries satisfied with support received	The proportion of beneficiaries reporting either moderate or high levels of satisfaction with the relief package received from the REACH project.	Annual	Specialized survey and/or routine monitoring	Survey of sample of beneficiaries	MRRD, IDLG, and KM
Grievances Addressed	A Grievance Redress Mechanism will be developed for the project. This indicator tracks the percentage of grievances received through any channel of the GRM that are satisfactorily addressed by the project.	Annual	Project reporting / MIS	Grievances will be resolved at many levels in the project -- community, district, provincial-level staff or at central level by staff headquarters. Every grievance will be logged in the MIS and marked as "resolved" when addressed with explanation as needed.	MRRD, IDLG, and KM
Households reached through the Government's COVID-19 relief communications campaign	An estimate of the number of households the Government will reach through their TV, radio, print and social media campaigns. Set as the total of all households to be reached under all three components.	quarterly	Data collected by the various media channels, radio and TV stations about their coverage,	IAs to collect data from media channels	IAs, through media channels



			combined with estimates of population in those coverage areas.		
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## ANNEX 1: Detailed Description of Components

COUNTRY: Afghanistan

COVID-19 Relief Effort for Afghan Communities and Households (REACH)

1. **The project has four components based on the geographic coverage of three different implementing agencies already managing relevant projects (i.e., CCAP, EZ-Kar, and KMDP).** This component structure mimics that of CCAP and the EZ-Kar Project and will aid in rapid and easy absorption of REACH responsibilities into existing PIUs within the implementing agencies.
  - Component 1: REACH Rural: Household support in rural and peri-urban areas (\$136 million)
  - Component 2: REACH Urban: Household support in Provincial Capital Cities (\$56 million)
  - Component 3: REACH Kabul: Household support in Kabul Municipality (\$80 million)
  - Component 4: Project management, communication, and monitoring (\$8 million)

### **Component 1: REACH Rural - Household Support in Rural and Peri-urban Areas**

2. The design features of Component 1 are summarized in the main text in terms of
  - a. *benefits* (US\$50 equivalent food package per household),
  - b. *targeting* (approximately 90 percent of households covered with ‘exclusions from the top’ based on CCAP wellbeing analysis patterns, but not excluding food insecure households), and
  - c. *the acquisition and distribution of food packages*
3. The implementation of Component 1 will happen under the supervision of MRRD, but through NGOs preferably with existing in the assigned geographic areas and with prior experience in facilitating CCAP activities. This contractual institutional solution for the emergency effort is necessary as all the CCAP implementation personnel will be fully committed to relief efforts in CCAP communities simultaneously.
4. **There are *three separate implementation modalities* that will be adopted in Component 1, reflecting variations in existing community-level structures that can be used for implementation across the coverage area.** The three implementation modalities are described below followed by the detailed step-by-step mobilization process that is envisaged to roll out and monitor the distribution of relief package in rural communities.



5. **Modality 1: Rural and peri-urban districts with former NSP CDCs**In some areas, the CDCs created under the NSP (the predecessor to CCAP that operated from 2003 to 2016) can be leveraged for REACH implementation.<sup>25</sup> These NSP CDCs, where active, can provide adequate fiduciary, management, and implementation capacity to undertake the key community-level activities required for the procurement and distribution of in-kind transfers to households. Depending on the availability of the Office Bearers of those CDCs, the project will provide any necessary support to re-activate CDC members including female members to the extent possible and organize indirect elections of new Office Bearers if needed. Involvement of female CDC members and female staff are critical for identifying and reaching out to FHHs. Considering strict social norms and almost no interaction between male and female community members, female field responder will play key role in identifying and facilitating outreach to women/FHH in all 3 modalities from mobilizing female CDC members who can further enhance mobilizing female community members and identifying FHHs, to conducting sessions with female community members, running the community list by female CDC members, communicating messages/information related to the package, and finally distributing the package and in most of the cases being the first point of contact for female especially in case of any gradients as women don't usually trust GRM). To minimize the risk of elite capture of resources, the project will also work closely with public authorities (elders, mullahs, and teachers), as well as participatory monitoring teams to ensure delivery to beneficiaries.
  
6. **The reactivated CDCs and other community structures will support the delivery of benefits very similarly to how CCAP CDCs deliver relief under the Social Inclusion Grant / Grain Banks operational modality.** The reactivation of the NSP CDCs and the community bank accounts will allow the flow of funds to the communities who will purchase the in-kind packages for the community with the community control mechanisms in place. The targeting will utilize the patterns learned from CCAP well-being analysis (WBA) to exclude the most affluent 7 percent of households in a somewhat flexible manner such that no food insecure household would be excluded. For the distribution of food packages, households will be organized into their neighborhoods and requested to collect their food packages from a public distribution point (e.g. the community Masjid/Mosque) at pre-set times to avoid a large number of community members gathering at once. Detailed operational guidance will ensure compliance with public health, hygiene and social distancing requirements when distributing the food packages and women's safety measures. These will be outlined in the Operations Manual (OM) for REACH.

***Modality 2: Rural and peri-urban districts without (or non-viable) NSP CDCs***

7. **In communities where NSP CDCs were never formed or are no longer active, the project will be implemented through "Ad-hoc CDCs" that will be temporarily established.**<sup>26</sup> Here, the FPs would bring together elders from all

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<sup>25</sup> As mentioned, the National Solidarity Program (NSP) that operated between 2003 and 2016 covered some 36,000+ communities of which the rural CCAP Phase I is currently implemented in just over 12,000 communities. Of the 24,000 non-CCAP communities, nearly 8,500 communities received Repeater Block Grants to develop their infrastructure as well as three additional years of institutional strengthening of the CDCs and their committees.

<sup>26</sup> There is still discussion ongoing, however, to see if a basic CDC structure could also be considered for these communities so as to provide more legitimacy and a more robust institutional platform. This would however slow the roll out in these communities.



neighborhoods and create a temporary CDC with minimum 10 percent of female representation with the sole mandate to create awareness, identify households and distribute the relief packages through inclusive, transparent and accountable processes. The life of the AD-hoc CDC will be no longer than six months. Mullahs/ Imams from all mosques in the communities, as well as teachers, will be part of the process to observe and ensure geographic representation in the Ad-hoc CDCs. Youth will collect a basic community profile per neighborhood under the supervision of local teachers. The community profile would count the total number of HH in the community with gender disaggregated data (MHH and FHH) and guide the Ad-hoc CDC including representation from the various neighborhoods of the community. The FPs would also organize local youth (to be identified by the public authorities, with female inclusion to the extent possible) that have shown commitment to community work and have done well in school (and at least completed grade 6). The community profile exercise, and the related guidance for the various community neighborhoods to be represented in the community bodies, is a lesson learned from the implementation of the NSP as a means of reducing the risk of elite capture and forming a legitimate Ad-hoc CDC in this case.

8. **The role of “COVID-19 Relief CDC” would be similar to the reactivated NSP CDCs, including the transfer of funds through bank accounts.** The exclusion of affluent households would be decided by the COVID 19 Relief CDC, along with teachers and mullahs/imams, based on the guidance of the FP from the pattern CCAP WBA for identification top 10 percent most affluent households.

***Modality 3: Rural and peri-urban districts targeted by the proposed ENETAWF project, with or without former NSP CDCs***

9. **Finally, REACH will be providing assistance to 51 of the 78 districts that are proposed to be part of the upcoming ENETAWF project as they are particularly vulnerable to droughts and hence highly food insecure.**<sup>27</sup> In these districts, the REACH project will supplement the emergency distribution of a relief package with a social mobilization process to form key community institutions– CDCs and their sub-committees with 50 percent female participation following CCAP model – in preparation for ENETAWF which is intended to distribute shock responsive targeted assistance for the upcoming winter lean season and beyond. The project is scheduled for Board consideration in September 2020 and would be rolled out soon thereafter.
10. **The formation of community institutions would proceed through a structured process including CDC elections, a community-wide WBA to identify poor and vulnerable households, and the set-up of community grain banks.** While the initial relief roll-out would be undertaken immediately using one of the two modalities above (depending on whether an NSP CDC exists or not), it would be followed by a longer social mobilization process spread over 2 to 3 months to establish the CCAP community institutions. The social mobilization will be inclusive to ensure legitimacy but will also have to adhere to social distancing requirements. Implementation of the soft component (social mobilization and elections) will be conducted by the same FPs that will be contracted to support REACH relief distribution. Based on the experiences of CCAP implementation thus far, sound and effective mobilization to ensure

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<sup>27</sup> The other 27 districts in the CCAP catchment areas, benefiting from the same in-kind assistance in parallel to this project.



fair, equitable, transparent and accountable community institutions requires around four months and the lighter social mobilization version proposed here will take around 2 months. Hence, depending on the status of the COVID-19 outbreak in those districts by 2021, the FPs should begin their work no later than November 2020 in order to have CDCs in place for the lean season. If necessary, the Project will prioritize ENETAWF districts to ensure that implementation starts within this time frame.

#### **Step-by-Step Implementation Plan:**

11. **Step 1: MRRD acquires FP services to add Field Respondent capacity:** MRRD will acquire FP services such that 1 FP-affiliated Field Responder will cover 10 communities, carrying out 6 to 8 community visits during the relief period. Female Field Responders will be engaged at a ratio of 1:3 with males to ensure sufficient outreach to FHHs. In non-CCAP ENETAWF districts, there would be one additional 1 FP-affiliated Field Responder for 2 to 3 months after the relief period for social mobilization to create participatory and inclusive community councils.
12. **Step 2: Classify Each Community into an Implementation Modality:** Each community will be classified based on the three implementation modalities above. 78 ENETAWF districts have been identified based on a composite indicator that identifies the most food and nutrition insecure and drought prone districts. Out of the 78 districts, 51 fall under Component 1 of REACH as they are Government controlled, but CCAP has not built structures or delivered services there. (See Table in Annex-6 with the list of ENETAWF districts highlighting the districts falling under Component 1.) These districts fall under the “ENETAWF community modality”. From NSP administrative data the communities without NSP CDCs will be identified. These will be classified as non-NSP communities and indicate that a temporary COVID 19 Relief CDC will be created. For the remaining districts the 1st visit by the assigned Field Respondent will determine whether the CDC members and key Office Bearers are still in place or could be legitimately replaced rapidly. If yes, the community is classified under the former NSP community modality. If not, the community is classified under the non-NSP implementation modality.
13. **Step 3: Implement the Core Relief Efforts:** Field Responders facilitate the core of relief efforts as described in the Component 1 earlier in this document. Field responders will pursue an additional 5 to 8 visits to the communities depending on implementation modality and situational need. The activities include, as applicable, NSP CDC activation, temporary Ad-hoc CDC establishment (with female representation), community profile creation (with MHH and FHH), facilitating ‘exclusions from the top’ targeting decisions, coordination with MRRD for timely transfer to reactivated community bank accounts or to FPs for communities in areas where NSP was not rolled out, management of the distribution of food packages in line with public health and social distancing standards and facilitating the record generation of the receipt of benefits by households together with collection of basic information on household characteristics. The REACH OM will provide detailed guidance towards these core FP responsibilities. In particular, the trigger for transfers to CDCs will be a confirmation of the exact list of beneficiary households, and the final accounting of these will be done through verification of the receipt of the relief package by each of these. Forms for each of these steps will be included in the REACH OM. As part of the beneficiary selection and relief package delivery, it is being proposed that at least one of the following: Tazkira number, photo of Tazkira,



phone number, phone number of relative/neighbor, photo of household head, geo-tag/time stamp – would be required.

14. **Step 4: Build Core Community institutions in ENETAWF districts:** Upon conclusion of the May – Aug, 2020 period devoted to delivering the relief packages the Field Respondents working with the ENETAWF communities will continue their engagement for another 2 to 3-month process to carry out inclusive CDC elections, to establish the Vulnerable Groups Development Subcommittee and the Youth Subcommittee all in accordance with the related operational standards of CCAP. The CDC and these two sub-committees can then establish Grain Banks. The related social mobilization activities need to follow inclusive election processes yielding legitimate CDCs but considering the public health guidelines for social distancing. The ENETAWF project will engage with these newly elected CDCs and sub-committees to deliver targeted benefits in the winter lean season.
15. **Step 5: Monitoring:** Several agencies will be involved in monitoring and verifying the distribution of relief packages. The ARTF TPMA already under contract with the Bank will also be deployed for both implementation monitoring and fiduciary oversight. CDC and Ad-hoc CDC members, Community Participatory Monitoring (CPM) committees, and FPs will review the beneficiary lists and be present during the distribution of packages. The phone numbers on the Beneficiary Household Lists will also be used to call households immediately after the delivery by the MRRD call center and the TPMA. The feasibility of using video and photos during distribution will also be explored. Given the FHH target, the monitoring forms will ensure data on all FHH is inputted into the MIS.

## **Component 2: REACH Urban: Household Support in Provincial Capital Cities**

16. Component 2 will be implemented by the IDLG through the PIU that is also implementing two other WB-supported projects: the CCAP and the EZ-Kar Project. The IDLG and Facilitating Partners (FPs), together with the Municipalities of the 14 PCCs, will work closely to mobilize and oversee the work of Community Development Councils (CDCs), Gozar Assemblies (GAs), Ad-hoc CDCs, and Community Participatory Monitoring (CPM) committees; in all these efforts will be made to have female representation as well. The ARTF TPM agents (TPMA) already under contract with the Bank will also be deployed to assist the monitoring. The IDLG's 12 Provincial Management Units (PMUs) supporting the implementation of CCAP and EZ-Kar will also be mobilized to support the Municipalities and CDCs/Gas/Ad-hoc CDCs. The implementation of emergency relief efforts in urban areas will follow the following four-step process (in addition, the use of mobile money technology will also be explored for cash distribution under the second tranche, for which these steps may be adjusted).
17. **Step 1: Identification of eligible households**
  - CDCs/GAs/Ad-hoc CDCs will help identify all households in their neighborhoods (disaggregated by gender, e.g., MHH and FHH). A pre-determined set of exclusion criteria will be applied at this stage to identify affluent households that may not require emergency relief. The exclusion criteria will be clearly and widely communicated to the public. Based on the demographic information collected, an "Emergency Relief Household List" will be prepared at the community level. The lists will be signed by the CDC/GA/Ad-hoc CDC



representatives, validated by FPs, and reported to the Municipality and IDLG for review, approval, and aggregation.

18. Step 2 (if in-kind): Procurement of supplies

- CDCs/GAs/Ad-hoc CDCs will be guided to distribute the relief package to their constituent eligible households in-kind or in cash, based on pre-determined criteria that will be specified in the Operations Manual. The in-kind relief package contents will be defined ex-ante. Alternatives within the same quantity and quality parameters may be permitted to accommodate the risk of supply shortages and price spikes. Contracting through community procurement method is applicable under this component.
- CDCs/GAs/Ad-hoc CDCs will receive funds from the Project based on the Emergency Relief Household List.
- CDCs/GAs/Ad-hoc CDCs, with the support of FPs, will contract local shops or suppliers that will be responsible for supplying the relief package commodities at pre-identified prices. The contract will be based on a fixed price for the relief package. The Project will provide all CDCs/GAs/Ad-hoc CDCs with a standard contract template.

19. Step 3: Distribution of relief packages

- If the relief is to be distributed in cash, it will be distributed by CDC/GA/Ad-hoc CDC members to households on a door-to-door basis.
- If the relief is to be distributed in-kind, where possible, the transport and delivery of the packages to the households will be included in the contracts with the local shops or suppliers (who can subcontract delivery service providers); where not, CDCs/GAs/Ad-hoc CDCs can contract the delivery service providers separately. While door-to-door distribution will be the default modality, households in select neighborhoods (e.g., where delivery vehicles cannot access) may receive the packages at designated collection points (e.g., Masjids) while observing social distancing. Special assistance will be provided to FHHs and old people carrying their package to their homes.

20. Step 4: Monitoring

- Several agencies will be involved in monitoring and verifying the distribution of relief packages. The ARTF TPMA already under contract with the Bank will also be deployed for both implementation monitoring and fiduciary oversight. CDC/GA/Ad-hoc CDC members, local mosque representatives, Community Participatory Monitoring (CPM) committees, and FPs will accompany the delivery service providers to verify every delivery. Wakil Gozars, Nahia, and Municipality staff will also monitor the delivery on an extensive-sample basis. The phone numbers on the Emergency Relief Household Lists can be used to conduct spot-checks. The feasibility of labeling and geo-tagging each delivery will also be explored.

**Component 3: REACH Kabul: Household Support in Kabul Municipality**

21. Kabul Municipality is the capital city of Afghanistan, and home to approximately 5 million people. Most residents of Kabul live below the poverty line, with minimal savings. As a result, millions of residents are currently struggling to meet their basic needs, as incomes plummet during the economic lockdown associated with COVID-19. Component 3 aims to provide relief support to residents of Kabul Municipality, so that they can continue to meet their basic needs during the COVID-19-induced crisis.



22. Component 3 will be implemented by Kabul Municipality (KM) through a community-driven implementation modality. KM has been working with various community groups. Recently, KM worked with vulnerable groups, Masjed Shuras, Wakil Gozars, women groups and others, and delivered the bread distribution program. Building on this, KM will mobilize Ad-hoc -19 Gozar Councils (GCs) with both male and female representation to identify eligible households and distribute the relief packages with support of KMDP PIU, Facilitating Partners (FPs), local Masjed Shuras and communities. The implementation will follow a four-step process, similar to Component 2.

23. Step 1: Identification of eligible households

- Each GC will identify all households in their constituency by building on and updating existing household-level data, disaggregated by gender (e.g., MHH and FHH). KM, 22 KM District Offices, KMDP PIU, FP(s), local Masjed Shuras and community representatives will provide additional support. A pre-determined set of exclusion criteria will be applied at this stage to identify affluent households that may not require emergency relief. The exclusion criteria will be clearly and widely communicated to the public. Based on the demographic information collected, an “Emergency Relief Household List” will be prepared at the Gozar level. The lists will be signed by the GC Representatives, validated by FP(s), and reported to KM for review, approval, and aggregation.

24. Step 2 (if in-kind): Procurement of supplies

- GCs will be guided to distribute the relief package to their constituent eligible households, based on pre-determined criteria that will be specified in the Operations Manual. The in-kind relief package contents will be defined ex-ante. Alternatives within the same quantity and quality parameters may be permitted to accommodate the risk of supply shortages and price spikes. Contracting through community procurement method is applicable under this component.
- GCs will receive funds from the Project based on the Emergency Relief Household List.
- GCs, with the support of FPs, will contract local shops or suppliers that will be responsible for supplying the relief package commodities at pre-identified prices. The contract will be based on a fixed price for the relief package. The Project will provide all GCs with a standard contract template.

25. Step 3: Distribution of relief packages

- If the relief is to be distributed in cash, it will be distributed by GC Representatives to households on a door-to-door basis.
- If the relief is to be distributed in-kind, where possible, the transport and delivery of the packages to the households will be included in the contracts with the local shops or suppliers (who can subcontract delivery service providers); where not, GCs can contract the delivery service providers separately. While door-to-door distribution will be the default modality, households in select neighborhoods (e.g., where delivery vehicles cannot access) may receive the packages at designated collection points (e.g., Masjids) while observing social distancing and gender sensitive arrangements (separate queue for FHH, and presence of FP female social organizer at the collection point when possible).

26. Step 4: Monitoring



- Several agencies will be involved in monitoring and verifying the distribution of relief packages. The ARTF TPMA already under contract with the Bank will also be deployed for both implementation monitoring and fiduciary oversight. GC Representatives, FPs, local Masjed Shuras and other community representatives will accompany the local suppliers (or local delivery service providers) to verify every delivery. It will be the same for distribution in cash. KM District Offices and KMDP PIU will also monitor the delivery on an extensive-sample basis. The phone numbers on the Emergency Relief Household Lists can be used to conduct spot-checks. The feasibility of labeling and geo-tagging each delivery will also be explored.

#### **Component 4: Project Management, Communication, and Monitoring**

27. **The REACH project will not establish dedicated PIUs in any of the three implementing agencies.** In order to forgo this time-consuming activity and to hasten the roll-out of this emergency relief effort, the project will leverage the existing capacity of existing PIUs from other Bank projects in the three implementing agencies. Both the MRRD and IDLG have dedicated PIUs for CCAP and the KM has a dedicated PIU for the Kabul Municipality Development Project (KMDP). The REACH project will supplement these existing PIUs and the CCAP regional offices with additional (short-term) human and financial resources to allow them to undertake the additional responsibilities of the REACH project. The component will also finance essential goods for efficient and safe benefit delivery, such as smartphones and personal protective equipment for staff of the implementing agencies.

#### **Communications**

28. **The project will finance the development and implementation of a robust communications strategy and full-scale awareness-raising campaign supported by a working group comprised of MRRD, IDLG, and KM communication staff.** The objective is to ensure that every Afghan citizen is aware of the COVID-19 socio-economic relief effort (which comprises efforts by REACH, CCAP, and humanitarian agencies). In particular, the awareness campaign will ensure that the population especially those with minimal access to information e.g. women and FHHs are aware of their entitlements and responsibilities under the COVID-19 relief campaign, covering the following:

- Eligibility for COVID-19 relief package (who will receive a transfer and who will not)
- Timeline of COVID-19 relief effort (when to expect a transfer)
- The amount, form, and contents of the relief transfer (what will be offered)
- How to get more information or lodge a grievance
- Responsibility for the effort: the relief effort will be clearly branded as a GoIRA initiative, with responsibility for MRRD, IDLG, and KM.

29. **In addition to raising awareness about the socio-economic relief effort, the communications campaign will also complement the Government-wide effort to raise awareness on the COVID-19 outbreak itself.** To this end, all food package distributions will be accompanied by a flyer or sticker that conveys short messages on protection and prevention of COVID-19, including the need for social distancing, hand washing, and what to do if a family member experiences symptoms.



### **Monitoring**

30. **The Government will monitor the project at the provincial, municipal and national levels. At the provincial and municipal levels, the internal monitoring teams of MRRD, IDLG, and KM will observe the distribution of assistance on a sample basis.** At the national level, the monitoring teams will conduct phone surveys of beneficiaries and community participatory monitoring members, contacting approximately 1600 HHs/respondents per day. Results of the monitoring will be posted regularly on the MRRD, IDLG, and KM websites and identified problems will be immediately handled by project management. Facilitating partners engaged under any of the components will also conduct routine monitoring and spot-checks to ensure adherence to the protocols in the OM.

31. **The delivery service providers who actually distribute the relief packages at public events under Component 1 and the FPs and community representatives who accompany the door-to-door distribution of relief packages through household visits in Components 2 and 3 will be required to collect real-time information on the identities of the beneficiaries.** This information will be used to populate the “Emergency Household Relief Lists” to be collected either on paper forms or using smartphones and will include:

- Geo-location of dwelling and time stamp [only for locations using smartphone]
- Identity of household by some subset of the following (based on informed consent of household head or proxy): household name, Tazkira number, photo (with permission), signature or thumbprint
- Amount delivered (and contents)
- Date delivered
- Phone number of household (verify or collect)
- Whether the information was collected on paper vs smartphone

32. **The in-person interaction with nearly every household in Afghanistan required for the REACH project also provides an unprecedented opportunity to build a rudimentary social registry of households.** Such a registry could be used in the short-term for means-testing or targeting of additional COVID-related relief or recovery efforts, and in the medium-term as the basis for a systematic safety net to provide social assistance on the basis of objective need. It would also allow the REACH project to report on the demographic characteristics of REACH beneficiaries, such as FHHs and people with disabilities. Socio-economic information would only be collected on a voluntary basis and with the informed consent of the beneficiary. The type of socio-economic information that would need to be collected would be minimized (so as not to slow down the delivery of relief packages and minimize contact time) and could include a subset of 3 to 5 of the following:

- i. Gender of household head, Presence of widow, Presence of able-bodied adult males
- ii. Vulnerability: IDP/refugee status of the household, presence of any household members with disabilities
- iii. Number of household members
- iv. Tazkira ownership of at least 1 adult household member

33. **The data collected during the distribution of relief packages, as well as community-level information such as the type and quantity of food items distributed and the receipts of purchase, will be uploaded into the MIS.** Rather than develop a new MIS from scratch, the REACH project will rely on a module to be added to the existing CCAP MIS.



Data collected on paper will be transported to the nearest CCAP regional office for entry by existing trained MIS officers. Data collected on smartphones will be uploaded nightly to cloud-based servers. Data will undergo quality control checks by the CCAP MIS team in Kabul. The REACH project will finance supplemental MIS personnel to allow the CCAP MIS team to efficiently process the large volume of additional data generated by the REACH relief effort.

34. **The Bank will also engage in monitoring to supplement the efforts of the Government.** The Bank has an existing contract with a Third-Party Monitoring Agency (TPMA) for all projects financed by ARTF and IDA in Afghanistan. The TPMA will engage in independent monitoring of the REACH project, both in-person and by phone. In addition, the team is exploring the involvement of Citizen’s Charter Youth Sub-Committees (YSC) in selected urban locations in monitoring the relief distributions for REACH, building on an existing CCAP youth pilot that is on hold due to the pandemic. This technology-enabled monitoring would proceed with two steps. First, existing YSC members would receive remote training on the use of existing digital tools for community monitoring. This would draw on the list of 900 youth ready to be trained for the CCAP Youth pilot to monitor the distribution efforts in their own and nearby neighborhoods covered by the REACH project.



## ANNEX 2: Enhanced Accountability and Fiduciary Framework for the REACH Project

### COUNTRY: Afghanistan

### COVID-19 Relief Effort for Afghan Communities and Households (REACH)

1. **Given the high fiduciary risk across the Afghanistan portfolio, the Bank has introduced a series of measures to enhance its fiduciary oversight of the Bank-financed projects in Afghanistan, including the proposed REACH Project.** These enhanced measures, specially identified for this project, supplement the standard fiduciary arrangements to mitigate the potential perceived risks.

#### KEY FIDUCIARY RISKS

2. **Risks exist throughout the implementation process from beneficiary identification/selection to benefit distribution.** The proposed risk management framework draws on the team's understanding of the control environment, including emerging lessons from the ongoing pilot of cash and in-kind distribution under the Citizens' Charter Afghanistan Project (CCAP) in parallel.
3. **Large Advance Payments:** The project design requires fund transfers from the project designated accounts (DA) to accounts held by numerous CDCs and Gozars across the country as soon as the communities are read for benefit distribution. To facilitate speedy implementation for emergency response and because the Government has no fiscal space to pre-finance the expenditures, the Bank will disburse the funds to the DAs held by each of the three implementing agencies (IAs) as advances, and these will subsequently be transferred to CDC/Goza accounts as advances. These advances will only be reconciled/documentated as expenditures approximately 2.5-3 months later when the distributions are completed in those communities and documentation verified. This creates an inherent fiduciary risk, but it is also recognized that without advances and sufficiently high DA ceilings the speed of implementation roll-out will be significantly choked. Thus, a balance has been struck, which makes the mitigation measures below critical.
4. **Beneficiary identification/selection:** Funds could be misappropriated if beneficiary lists are inaccurate in some ways. Absence of a robust social registry, or even a recent census data, in Afghanistan increases the risk probability. Either by error or willful manipulation, lists could include households that do not meet the eligibility criteria or even those that do not exist. Inaccuracy in beneficiary lists could result from "inflation" of the number of households or exclusion of eligible households.
5. **Procurement:** The project relies on community procurement predicated on the assumption, validated in numerous community-driven development (CDD) operations worldwide, that adequate horizontal assurance mechanisms exist within the communities. Nevertheless, potential risks of local elite capture and favoritism remain, and the highly decentralized nature of community procurement poses a monitoring challenge. For example, those responsible for procuring the assistance packages may collude with suppliers to deliver baskets of inferior quality or less than the contracted quantity and retain the surplus funds. Considering the average size of the number of households to be covered by a CDC to be around 150 households, the average



contract value for community procurement by a CDC will be about \$7,500. Similarly, in urban areas, the coverage by a Gozar will be about 650 households; thus, the contract value will be about \$32,500.

6. **Another procurement-related risk is the oligopolistic structure of the market and the potentially limited supply chain to meet the demand.** The risk is relevant given the project is going to infuse additional demand for the supply of basic food commodities like rice, wheat, sugar, cooking oil, lentils etc., to cater to about 90% of the households in the country. Possibility of unfair trade practices, like artificial inflation of prices, hoarding, etc. could also pose risks for the project implementation.
7. **Distribution:** The likely risks during the distribution phase include possible omission of certain households from the benefit delivery, either intentionally or unintentionally, while delivery is reported as complete to the center. The project packages could be sold to households connected to the distributors. There may also be instances where some beneficiary households are extorted money or other favors in exchange for the assistance. In those limited cases where physical cash is delivered, the risk could be intensified as cash can be more tempting to misuse and challenging to trace.
8. **Payment and financial reporting:** Weak financial reporting by CDCs/Gozaars is a serious concern. Many CDCs/Gozaars are unaccustomed to keeping proper financial records and maintaining appropriate supporting documentation. While the CCAP has recently begun to collect financial documents from CDCs/Gozaars, the system is not fully set up in many locations. Lack of proper documentation of the specific transactions carried out, inconsistency among documents at different stages (e.g., contracted, paid for, delivered, etc.), or questionable authenticity of submitted documents are some of the possible problems.
9. **The risk arising from weak financial reporting is exacerbated by the project design whereby a large amount of funds (USD120 million to start implementation) would have to be disbursed as advances to the DAs under the three implementing agencies (IAs) as noted earlier.** The IAs would in turn provide advances to the CDCs/Gozaars nationwide to procure the relief packages. The CDCs/Gozaars would be required to report actual fund utilization and submit supporting documents for advance acquittal. The IAs would consolidate these CDC/Gozaars reports, with their supporting documents, to request replenishments of their DAs to continue project implementation. The risk is that a portion of the advances would not be properly supported with appropriate documentation (i.e., the risk that the Government would not be able to account for proper use of the advances). This in turn would prevent full replenishment of the DAs, which would lead to a situation where the IAs would not have sufficient funds to continue benefit distributions for some communities (i.e., direct risk to development outcome).

#### **ENHANCED FIDUCIARY CONTROLS IN PROJECT DESIGN**

10. **Communication for Transparency and Accountability:** A first step in preventing fraud and corruption in the use of project funds, especially in a CDD project such as REACH, is to inform the stakeholders of the key project details and foster transparency of what is expected. Ill-informed beneficiaries are unlikely to be able to detect wrongdoings and seek remedies. The project will finance the development and implementation of a robust communications strategy and full-scale awareness-raising campaign supported by a working group comprised



of MRRD, IDLG, and KM communication staff. The objective is to ensure that every Afghan citizen is aware of the COVID-19 socio-economic relief efforts (which comprises efforts by REACH, CCAP, and humanitarian agencies). In particular, the information campaign will ensure that the population is aware of their entitlements and responsibilities under the COVID-19 relief campaign, covering the following: (i) eligibility for COVID-19 relief package (who will receive a transfer and who will not); (ii) timeline of COVID-19 relief effort (when to expect a transfer); (iii) the amount, form, and contents of the relief transfer (what will be offered); and (iv) how to get more information or lodge a grievance. The relief effort will be clearly branded as a GoIRA initiative, with implementation responsibility for MRRD, IDLG, and KM in their designated geographies.

- 11. **Ex-Ante Controls:** The project Operations Manual (OM) specifies processes, documentation requirements, and internal controls from beneficiary identification to distribution and expenditure documentation in detail. The OM details steps for validation and certification of the beneficiary lists; approval of advance release to the CDCs/GoZars based on approved beneficiary lists; community procurement facilitation; relief package distribution overseen and certified by different stakeholders; multiple layers of monitoring; and, review of CDC/GoZars expenditure documents to liquidate advances. The controls will be equally balanced to ensure risks are properly mitigated with timely delivery of funds and packages provided by the project.
- 12. **Use of Technology:** REACH would leverage the CCAP Management Information System (MIS) to collect and compile data on the beneficiary households, financial management, procurement, distribution of relief package, and monitoring for each CDC/GoZars. In the urban areas, the team is exploring the collection of data by smartphones, and the location of households would be geo-tagged. Initial data collection in rural areas would be done manually to be fed later on into the MIS at the provincial level. The MIS design would have controls embedded to mitigate the risks related to beneficiary selection, package distribution, and expenditure documentation. For each beneficiary household, the MIS would mandate Tazkira (national ID) and mobile phone numbers. The MIS will generate alerts if duplicate Tazkira and/or mobile phone numbers are identified. The MIS would also have the functionality to reconcile the initial beneficiary list with the distribution list, when the digitization is completed. Deliveries would be verified by signature or thumbprint by all beneficiaries, complemented by photograph on a voluntary basis and uploaded to the MIS. All CDC/GoZar advances would be processed and liquidated through MIS ensuring proper tracking of advances and recording of expenditure. For liquidation of advances, the MIS would mandate the uploading of supporting documents. The table below presents key MIS forms to be prepared at various stages of the process and the controls applied.

Table 03: MIS Forms and Controls

Number	Form Name & Description	Controls
1	<b>CDC/GA Bank Account Opening</b>	Prepared by CDC/GA, providing details of the bank signatories including pictures. Reviewed and verified by the IA Provincial Manager/ City Manager cum Grants Manager and provincial accountant and



		submitted to the DAB. Details of the signatories recorded in the MIS.
2	<b>Beneficiary Household Selection:</b> List of the beneficiary households eligible for the relief packages.	Prepared by HH selection committee comprising CDC members. Reviewed and cleared by Community Participatory monitors, local leaders (e.g., mullahs), FP representatives, and IA representatives. In cases where the number of households exceeds a pre-established benchmark, a verification will be conducted by FP representatives to ensure all households on the list exist. TPM will conduct phone monitoring after list preparation to ensure that listed households are aware of their eligibility. Approved by the IA Provincial Manager/ City Manager cum Grants Manager.
3	<b>Disbursement Request:</b> To transfer the funds to CDC bank account based on approved Form 1.	Prepared by CDC/GA, and verified by the provincial manager of FP. Reviewed by the IA Provincial Manager/ City Manager cum Grants Manager and provincial accountant. The accountant prepares and submits the payment voucher to HQ for approval. Senior officials at HQ approves as per their financial authority. The finance department at HQ processes the payment, and the MoF Treasury transfers the funds to the CDC account.
4	<b>Cash Withdrawal Request:</b> To withdraw funds and make payments from the CDC bank account.	Prepared by CDC/GA, and verified by a representative of FP. Reviewed by the provincial accountant and approved by a Provincial Manager/ City Manager cum Grants Manager. DAB maintaining the CDC bank account verifies completeness of forms and authenticity of the signature, including those of provincial accountant and manager before payment.
5	<b>Verification of In-kind Distribution; Verification of Cash Distribution</b> CDC procurement and expenditure documents and distribution logs for cash and food packages.	Signed by the members of CDC/GA procurement and distribution committees facilitated by representatives of the FPs. Signed form along with original supporting documents submitted to the IA. The provincial accountant reviews the completeness and accuracy of the documents. The Provincial Manager/ City Manager cum Grants Manager approves, and the expenditure is documented against cash withdrawn by the CDC.

Note: Form numbers and content will be standardized across all IAs in the OM.

13. **The data entered in the MIS would go through a quality assurance process, and the system would generate multiple periodic reports.** In addition to normal data field programming pre-configurations to lessen the chance of human error, both IDLG and MRRD MIS units employ quality assurance personnel to undertake quality checks of data. Furthermore, the international advisors and WB task team members would regularly check data quality and the statistics used in the reports.



14. **Capacity Injection and Monitoring through the NGO Facilitating Partners (FPs).** FPs will play critical roles in buttressing the project internal control by providing additional support for the identification of households, community procurement, financial management, and monitoring. They will support IAs' staff to reactivate or establish the CDCs and prepare the household lists. FP's representatives would validate the list through discussion with CDC members, CPM committee, and local leaders. In cases where there are concerns raised by stakeholders, or in cases of low exclusion or an excess number of households relative a pre-specified threshold, the FP representative and/or an IA staff will conduct a verification exercise. FPs would guide and oversee the CDCs/Gozars as they procure food packages as per the prescribed guidelines, distribute the relief packages to the households, maintain appropriate accounting records, and document expenditure with the implementing agencies. Where necessary, FPs will handhold CDCs to prepare their monthly simplified expenditure reports to be submitted to the IAs.
15. **FPs would not only support community monitoring but would also themselves monitor program implementation at all sites.** They would work with the IAs to establish and operationalize Community Participatory Monitoring (CPM) committees that will accompany the CDCs/Gozars distributing the packages. One hundred percent of sites will have monitors from civil society including the CPM committees, religious leaders and/or youth to oversee the distribution process. FPs engaged under any of the components will also conduct routine monitoring and spot-checks to ensure adherence to the protocols in the Operations Manual. The FPs would submit their monitoring reports to the IAs.
16. **Monitoring by the Government and Communities:** The Government will monitor the project at the provincial, municipal, and national levels. At the provincial and municipal levels, the internal monitoring teams of MRRD, IDLG, and KM will observe the distribution of assistance on a sample basis. At the national level, the three IAs will form call centers to conduct phone surveys of the REACH beneficiaries and the CPM committee members, contacting approximately 1,600 respondents per day. Each IA will also conduct its own physical monitoring and posts the results regularly on Government websites.
17. **Procurement Controls:** Given the highly decentralized procurement at community level, appropriate market mechanisms to offer fair competition or capacity of the community institutions to conduct robust bidding and evaluate right offers seldom exist. Community entities in proximate areas encountering different prices, qualities, and quantities due to these factors would create unequal distribution and allegations of fraud and corruption. To address these issues, CDCs/Gozars will seek offers from all available suppliers in the area for specific quantity that each can supply against a fixed priced food package with pre-determined contents. Given the fixed price, items and quantities, CDCs/Gozars would not be expected to seek price discovery through requests for quotes. Suppliers will be selected on the basis of their ability and commitment to deliver the packages as defined. Given the large scale of the operation, a single supplier may not be able to meet the entire demand in many locations. In such circumstances, the CDCs/Gozars will split the order among all available suppliers.
18. **In order to address the possible unfair trade practices, Municipalities and District Administrations will carry out outreach activities with potential suppliers.** The government at the national level will engage with large



wholesalers and importers and may enter into MoU's to ensure seamless supply and control possible monopolistic practices.

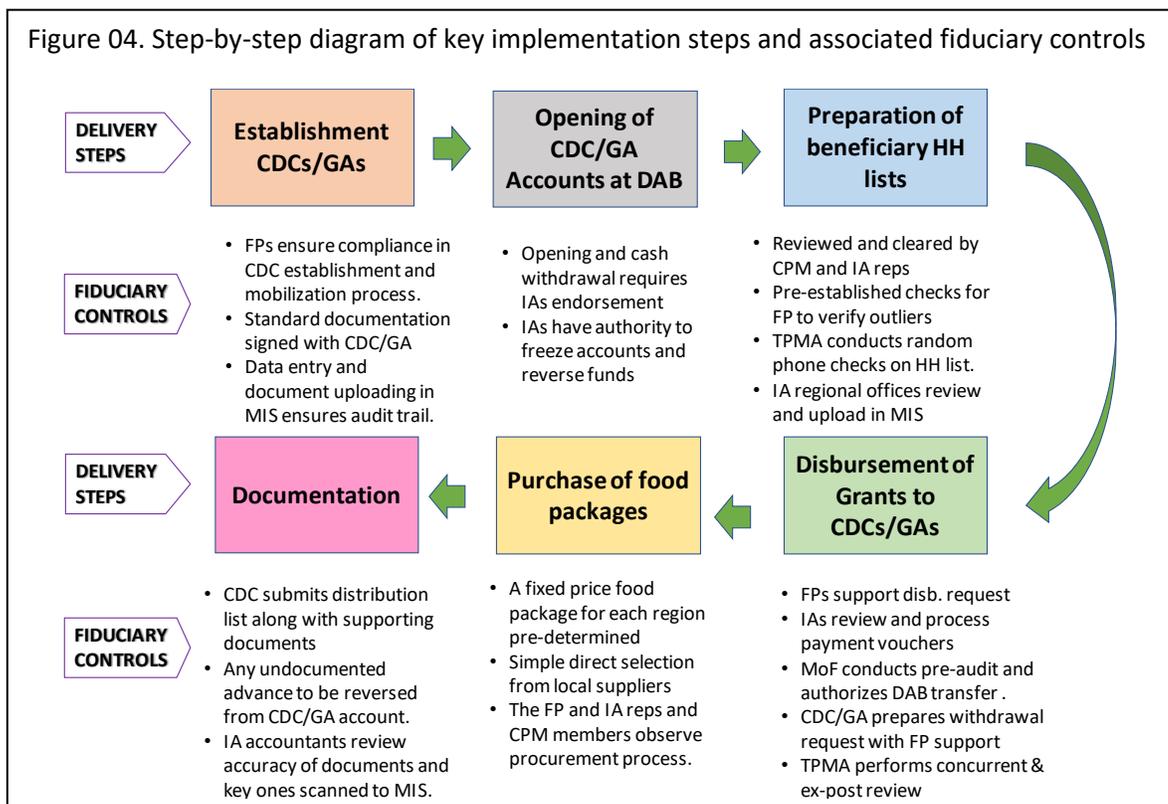
## INDEPENDENT MONITORING AND OVERSIGHT

19. **Expanding the role of ARTF Third-Party Monitoring Agent (TPMA):** The Bank will expand the existing contract of the ARTF TPMA for independent assurance of compliance with the project's control framework. Through concurrent physical monitoring, TPMA will verify delivery of food or cash to the beneficiaries. Through concurrent transaction reviews, TPMA will check proper documentation of the expenditure. The sample size of the TPMA coverage for REACH has been enhanced to monitor at least 20 percent of the CDCs/Gozars during benefit delivery across the country, whereas in other similar operations, TPMA monitors about 5 to 10 percent of the CDCs. A four-fold approach towards TPM has been agreed involving the following:
- Direct observation in 20 percent of the CDCs/Gozars through unannounced visits to review compliance with the agreed implementation procedures and delivery of the correct benefit packages to the eligible beneficiaries;
  - Phone surveys of an additional 10 percent of CDCs/Gozars to supplement direct observations before and immediately after benefit distribution;
  - Prior document reviews, on a sample basis, to verify completeness and accuracy of the financial documents before the implementing agencies submit these to the Bank for replenishing the project designated accounts; and,
  - Transaction review as part of SOE disbursement verification after the IAs have submitted the SOE with supporting documents.
20. **The monitoring activities would be carried out in three phases, i.e., before, during, and after distribution.** During the pre-distribution phase, the TPMA would monitor the process of beneficiary selection to ascertain compliance with the control framework, completeness of the beneficiary lists, and beneficiary selection as per the eligibility criteria. It would also review the procurement of goods by CDCs/Gozars for compliance with the applicable procurement regulations. The TPMA would select CDCs/Gozars through a combination of targeted sampling and random sampling and the visits would not be announced. Immediately after the distribution, the TPMA would carry out phone surveys of a sample of households to get the feedback on the package delivered and if they have any complaints. The last part of the monitoring would be the document review at the level of CDC/Gozar as well as the implementing agencies. The direct observations and the phone surveys combined will cover about 30 percent of the CDCs.
21. **The results would be reported to the Bank within 3 days of monitoring activities, specifically highlighting the issues requiring action by the WB team.** Functionalities would be added to the existing TPMA digital platform to include the REACH specific dashboard and reports for the Bank to oversee the field monitoring. Any issues noted during the phone surveys would be escalated to the implementing agencies for review and response. In addition, the TPMA would send the monitors to the field to investigate the complaints.
22. **WB's prior review and approval of the Staffing and Operating Cost:** The operating cost, including payroll, would be eligible for financing to the extent approved by the Bank as part of staffing and operating cost plan.
-



Each implementing agency will prepare a detailed plan for staffing and operating costs specifying the cost elements and justification for their financing. The plan would also detail the staff positions, the recruitment method, duration of the contract, proposed salary, and justification for the position. The Bank would review the plan and cost estimate for eligibility as per the legal agreement, relevance to the project objectives, considerations of alternate sources of financing, and economy. Any changes to the operating plan during implementation would require prior approval of the Bank. The TPMA and external auditors would monitor compliance with the approved staffing and operating cost plan, and any operating expense incurred beyond the approved plan would be considered ineligible.

23. The figure below summarizes the key fiduciary controls exercised at each step of the roll-out of the intervention in the case of food distribution. Similar controls are in place for cash and mobile money.



### FINANCIAL MANAGEMENT & DISBURSEMENT – IMPLEMENTATION ARRANGEMENTS

24. **Implementation Readiness:** IDLG and MRRD have the implementation arrangements in place for the ongoing CCAP implementation. They will also support KM to swiftly operationalize the project implementation arrangements, including provision and customization of the MIS. KM will agree on a staffing plan with the Bank and will on-board the key financial management staff within one month of project effectiveness. Hiring of the key FM staff, as per the plan agreed with the Bank, and operationalizing the MIS to be used for food



and cash grants under component 3 have been agreed as disbursement conditions. Retroactive financing up to US\$5 million will be provided under the ARTF and IDA for eligible expenditures paid before the signing date but on or after June 1, 2020.

25. **Financial Management Framework.** The Financial Management Manual (FMM) for IDA and ARTF projects in Afghanistan, notified by the MOF (shumara no. 109 dated 16/10/1398), will be used for all FM aspects of the project. The manual includes details on the FM arrangements, internal controls, disbursement procedures, reporting lines, allotment and payment processes, documents retention control mechanism at various levels, and service standards.
26. **Budgeting:** For annual budget preparation, detailed guidelines are available in the FMM that will be followed. The Project budget would be based on the procurement plan and annual work plan. The IAs will initiate the process to include the project allocation in the FY1399 government budget. As mentioned above, each IA will also prepare the staffing and operating cost plan that will be prior reviewed by the Bank.
27. **Accounting and Reporting:** Each implementing agency will maintain separate books of accounts for the activities executed under their respective DAs following FMM. Payment vouchers will be prepared for each transaction, and the relevant accounting codes, disbursement category, and project component will be mentioned on the payment vouchers. The project will submit quarterly interim financial reports to the Bank. The SOE submission for DA replenishment will also be quarterly. The Bank would follow downstream accounting, and expenditure would be recognized based on the actual amount spent to procure food or actual cash distributed to the households. The implementing entities would provide advances to the CDCs/Gozars, who will report actual utilization for advance acquittal. Any unutilized advance to the CDCs/Gozars would be refunded to the designated account of the relevant implementing entity.
28. **External Audit:** The Supreme Audit Office (SAO), with the support of consultants, carries out the annual audit of all ARTF/World Bank-funded projects. The same audit arrangements will be used. The SAO will submit to the World Bank, audited yearly project financial statements and Management Letters within nine months of the close of the fiscal year. The financial statements of the project audit will be prepared by MoF based on AFMIS records. There are common TORs for the audit of all projects that are reviewed by the World Bank annually. The SAO will engage with the Bank's fiduciary team on key risks that need to be considered when planning for its annual audit. The audit would review the flow of funds from the DAs to the community accounts, reconciliation of funds transferred and received, reconciliation of closing balances in community accounts, and refund of unspent balances from the community accounts. The auditors would select a representative sample of the CDCs/Gozars to verify the relief package distribution and expenditure incurred that would include site visits to the CDCs/Gozars and households. The review of technical assistance and services procured to determine whether they were used for intended purposes in accordance with the terms of the financing agreement would be covered during the audit. The audit TORs will be recalibrated to ensure it is focused on three budget areas from which most of the funds could be abused such as: 1) training, 2) vehicles and fuel, and 3) procurement.



29. **The fiscal year 2019 audit reports for the other IDA-ARTF financed projects implemented by the REACH implementing agencies were due on June 21, 2020.** Due to the pandemic, the government initially announced lockdown and subsequently reduced office hours and limited on-site staff, which is continuing. These restrictions, coupled with the departure of ex-pat audit managers due to the pandemic, limited the SAO’s ability to carry out its oversight and reporting responsibilities. The Bank team has been closely working with MOF and SAO to hasten finalization of the annual financial statements and the associated audits. An action plan has been agreed with MOF and SAO to submit the overdue audit reports of Afghanistan projects in batches. The first batch would be submitted by July 31, and all project audited financial statements would be submitted to the Bank by October 21, 2020, i.e., within four months of the due date.

**30. Funds Flow and Disbursement**

	<b>MRRD</b>	<b>IDLG</b>	<b>KM</b>
<b>Three Designated Accounts</b>	Pooled (IDA+ARTF)	Pooled (IDA+ARTF)	Pooled (IDA+ARTF)
<b>DA Ceiling</b>	US\$ 60 million	US\$ 30 million	US\$ 30 million
<b>Currency of DA and Expenditure</b>	United States Dollar (US\$)		
<b>DA will be Opened at</b>	Da Afghanistan Bank (DAB)		
<b>Basis of Expenditure Documentation</b>	SOE verified by the TPMA		
<b>Frequency of SOE</b>	Quarterly		

**Table 04. Disbursement Categories**

<b>Disbursement Categories</b>	<b>IDA</b>		<b>ARTF</b>	
	<b>Amount US\$ in million</b>	<b>Financing Percentage</b>	<b>Amount US\$ in million</b>	<b>Financing Percentage</b>
1. Food Grant under Component 1	2	1.6%	125	98.4%
2. Food Grant and Cash Grant under Component 2	50	100%	0	0
3. Food Grant and Cash Grant under Component 3	73	100%	0	0
4. Goods, Consulting Services, Non-Consulting Services and Incremental Operating Cost (all components)	27.5	100%	0	0
5. Project Implementation Personnel (all components)	2.5	100%	0	0
<b>Total</b>	155 million		125 million	

31. **Disbursement Condition:** No disbursement under the disbursement category 3 shall be made until the KM has i) employed the project implementation staff in accordance with the staffing plan agreed with the Bank and ii) successfully implemented the MIS to register and record payments to Gozars.

**PROCUREMENT – IMPLEMENTATION ARRANGEMENTS**



32. **Procurement for the project will be carried out in accordance with the World Bank's Procurement Regulations for IPF Borrowers for Goods, Works, Non-Consulting and Consulting Services, dated July 1, 2016 (revised in November 2017 and August 2018).** The project will be subject to the World Bank's Anti-Corruption Guidelines, dated October 15, 2016, revised in January 2011, and as of July 1, 2016. The project will use the Systematic Tracking of Exchanges in Procurement (STEP) to plan, record, and track procurement transactions.
33. **A simple and streamlined Project Procurement Strategy for Development (PPSD) will be developed and finalized during the early phase of project implementation.** The Project will also develop an initial Procurement Plan immediately on effectiveness and finalize the same in consultation with the Bank's Procurement Specialist.
34. **The procurement staff of PIUs of CCAP project in MRRD and IDLG, and KMDP in KM will carry out procurements for all goods, services at the PIU level.** These procurement staff have been conducting procurement under the Bank-financed projects and have experience in the Bank's procurement procedures. If needed, the project can request procurement facilitation from the National Procurement Authority (NPA). The CDCs/GoZars will undertake procurement at the community level under the PIUs' guidance and with FPs' facilitation.
35. **The major planned procurement is a food basket worth AFN 4000 (\$50) per household consisting of commodities like grains, lentils, cooking oil, sugar, and basic hygiene products like soap and sanitizing items.** The food basket will be standardized at the provincial level taking into account the regional food consumption habits, community preferences, and specificities of the demand and supply situation. The IAs have agreed to define the standard food baskets in the OM, with details of quality, quantity, and price ranges for items to be included with flexibilities built in for adjusting different items within each category.
36. **Procurement in the Head Quarter by the PIUs.** The proposed procurement approach prioritizes fast-track emergency procurement for the required goods, works and services and would mainly focus on provisions for Commodity Procurement under the Procurement Regulations. Key measures to fast-track procurement include the following measures:
  - i. Direct contracting and/or limited competition with identified manufacturers and suppliers;
  - ii. Increasing the threshold for goods shopping to \$200,000 and increasing the threshold for national procurement to \$500,000;
  - iii. Post review of all emergency procurement for relief phase classified, and;
  - iv. Other measures including shorter bidding time, no bid security, advance payments, direct payments, etc. to be applied on a case by case basis by the Accredited Procurement Specialist.
37. The main procurement at the PIUs level will be the hiring of FPs. Keeping in mind, the size and complexity of the FPs contracts, facilitation may be provided by the NPA to KMDP. For National Complete Procurement [NPC] the project shall use MPD document agreed by the bank along with the six NPP conditions



38. **Procurement information and documentation for procurement by CDC/Gozars:** The PIUs at the provincial/district level shall keep complete sets of hard copies of all community procurement documents, including advertisement/solicitation of bid/quotation up to the delivery of goods. They shall provide the documents to the Bank at any time upon request.
39. **Procurement information and documentation for procurement by PIUs:** The PIUs will maintain the following procurement information, and made it available for reviews and audits:
- a. complete procurement documentation for each contract, including advertisements, bids/proposals received, evaluation reports, letters of acceptance, contract agreements, securities, complaints (if any) and their resolution, and related correspondence;
  - b. contract award information, and contract rosters, and;
  - c. semiannual procurement progress reports that would include; (i) revised cost estimates, where applicable, for each contract; (ii) status of ongoing procurements, including a comparison of originally planned and actual dates of the various procurement actions, and; (iii) updated PPs, including any revisions in dates or cost estimates, for procurement actions.
40. **Procurement thresholds.** The following procurement thresholds will be used for determining the procurement method and the prior-review requirements, unless specifically agreed by the Procurement Specialist on a case by case basis for addressing emergency requirements as stated in paragraph 35 above.

Type of Procurement	High Risk Million USD
Works (including turnkey, supply and installation of plant and equipment, and public-private partnership)	5
Goods, Information Technology (IT), and non-consulting services	1.5
Consultants: firms	0.5
Consultants: individuals	0.2

**Mobile Money**

41. **In urban areas including Kabul, a second tranche would be provided either as a food or cash grant.** The implementing entities would prepare the design of the second tranche during implementation. The grant financing allocated for the second tranche would be released upon the Bank’s approval of the plan for utilization and the documentation of expenditure equivalent to at least 80 percent of the first tranche.
42. **Mobile money for cash distribution would likely be effective at reducing some of the fiduciary risks associated with cash grants.** The use of actual/hard cash has many risks associated and is not recommended for a country-wide scale. Mobile money, while reducing fiduciary risks associated with physical cash, presents several other important risks, including implementation, liquidity and technology risks. To roll out payments at a scale under REACH, the implementing entities would be required to partner with mobile-money operators



which are licensed electronic money institutions under the oversight of the central bank of Afghanistan. The implementing agencies will lead the critical program activities like identification registering the targeted households. They will then disburse the funds to the designated accounts of the mobile money operators held at commercial banks for onward distribution to the households. The registry developed during food distribution could be used for cash distribution. If all beneficiaries are not registered during the food distribution, the FPs can be tasked to register the remaining beneficiaries.<sup>28</sup>

**43. Mobile money transfer is new to the implementing agencies of REACH, and following fiduciary risks have been identified:**

- Non-availability of household registry for advanced identification of beneficiaries;
- Linking one-sim card per household as some HH may have no sim-card or multiple sim-cards per HH;
- Recovery of un-withdrawn grants from mobile money operators;
- Ability of mobile money operator to provide supporting documents for actual distribution;
- Lack of quality data management systems to accurately report on the transactions conducted;
- Number of transactions overstated to maximize fees earned by mobile providers (through false reporting or splitting transactions);
- Mobile providers' distribution agents ultimately refuse to accept mobile money or do not honor terms of the agreements with providers, and overcharge customers or charge a "fee" to accept mobile money;
- Possibility of fraud by criminal elements through the breach/compromise of the mobile provider's systems, if they have inadequate system security;
- Mobile provider employee fraud where they may create fictitious accounts to receive funds under the program;
- Fraud by mobile providers in accounting un-withdrawn funds from mobile wallets as their revenue; and
- Breach of customer data (reputational and fiduciary risk); and
- Fraud and corruption in the procurement (if required) of the services of mobile operators.

**44. The following mitigation measures will be considered by implementing agencies when designing the arrangements for the use of mobile money under the second tranche:**

- Add functionalities for the household registration and listings in the existing CCAP MIS. The system to generate alerts for missing information and restricting further processing without minimum details. Dashboards and reporting functionalities to analyze the grants, transfers, and withdrawal by the households;
- Proper due diligence of the mobile providers' financial capability as well as of the robustness of their systems and procedures;
- The mobile providers' systems to be assessed with respect to their security;

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<sup>28</sup> An identification document will be required for beneficiaries to withdraw funds sent through mobile money, after verification by the agent that they are registered (list to be provided to mobile money agent).



- The mobile operator to provide regular reports of the disbursement with the implementing agencies with agreed supporting documents for the disbursement;
- The reporting to be agreed on upfront with the mobile operators to ensure the format meets the government and the Bank's requirements. These reports to be compared/triangulated to other available data from the program, including government reports and TPMA verification reports;
- Frontloading funds into the mobile operating designated accounts against bank guarantees;
- Ensure conflict of interest is checked. If a key official has a commercial interest in a mobile operator or firm, this needs to be disclosed;
- Upfront notification to the mobile operators that the WB Anti-Corruption Guidelines will be applied to the project ensuring they are aware of the sanctionable practices and other aspects of the guidelines;
- The procurement contract of the mobile money operator to include a clause for the recovery of un-withdrawn grants; and
- TPMA to review the processes and documents, monitor implementation, and conduct surveys.



### ANNEX 3: Safeguards

COUNTRY: Afghanistan

COVID-19 Relief Effort for Afghan Communities and Households (REACH)

#### Environmental Safeguards

1. **The project will be implemented nation-wide covering both urban and rural areas with diverse environmental, social, and institutional settings.** The project will finance activities that assist the vulnerable communities, neighborhoods and households who might have financially impacted from COVID-19 pandemic and those who do not have any other funding sources. The planned project operations are not expected to pose adverse impacts on environment and endanger natural habitats or cultural sites. However, REACH activities such as food/cash distribution and hygiene items may have minor environmental issues (e.g. disposal of protective equipment), however risks related to spread of infection among and between project workers are fundamental issue which requires serious supervision during the project implementation stage. These risks can be escalated if relief package distribution triggers public gatherings.

#### **Institutional arrangements for the implementation of the Environmental Safeguards.**

2. **The MRRD and IDLG will be the lead IAs in rural and urban areas (Components 1 and 2), with the CCAP project implementation unit (PIU) in charge of overall project management functions. Kabul Municipality will lead Component 3 and will get support from the KMDP PIU.** The Safeguards staff in the PIUs of MRRD, IDLG, and KM will have overall oversight responsibility for the preparation of the ESMF be responsible for ensuring that the Environmental and Social Standards (ESS) applicable to the project and the implementation of all associated guidelines are implemented at the activity level as well as coordination of implementation of all safeguards requirements in KM and IDLG and as spelt out in the ESCP. However, these agencies will engage existing structures within local authorities and other implementing partners which will be responsible for the implementation and day-to-day activities under each component. The project will use the existing safeguards capacity within existing PIUs in Bank financed projects in all three institutions. MRRD, IDLG and KM have previous experience managing and implementing investment operations financed by the WB, however none of these agencies have experience of implementing the Environmental and Social Framework (ESF) and related standards.

3. **The Existing E&S staff of these agencies who will be working on the project will need to have some specific capacity building in the requirements of the ESF standards as may be applicable to the REACH project.** Where staff gaps are currently existing the relevant staff will be recruited and trained as described in the Environmental and Social Commitment Plan (ESCP), capacity building measures will be necessary for each PIU staff, in particular in relation to occupational health and safety (OHS), proper use of personal protective equipment (PPE), and community health and safety to limit the community spread of the virus whilst carrying out the assigned duties. Capacity building will also cover culturally appropriate dimensions in service provision as well as the establishment of a robust and accessible grievance redress system that is functioning and widely disseminated.



## **Social Safeguards**

### **ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

4. **Some of the most salient issues under the project activity is the identification of extremely poor households, and vulnerable populations entitled to receive cash transfers and relief packages.** It is critical to ensure that the measures to reach the extreme poor are effective, particularly with regards to access to social services, understanding of rights and responsibilities, multicultural approaches to service provision, and robust grievance redress mechanisms. MRRD, KM, IDLG and relevant municipalities will provide implementation support to ensure that environmental and social standards are applied effectively. Mitigation measures would include increasing the capacity of local teams of implementation partners to support households. The ESCP includes preparation of ESMP, which will be prepared within 30 days of project effectiveness. MRRD, IDLG KM will appoint field supervisors from other existing WB financed project who are responsible for monitoring the implementation of REACH programs in their assigned territory (region, provinces and neighborhood). However, these implementing agencies will need to strengthen the local level monitoring and evaluation system to ensure that every office has the right tools and methodologies to enable more effective information collection and supervision of risk related to ESS1.

5. **The COVID-19 pandemic imposes considerable challenges for stakeholder engagement and disclosure of information,** as stakeholder engagement and consultation processes cannot be conducted as per normal ESS10 requirements. Methods and procedures in the light of limitations on social gatherings and other forms of personal contact must however be put in place to address the pandemic and the rapid roll out of the emergency operation. The approach to stakeholder engagement should be based on the principles of meaningful consultation and disclosure of appropriate information – with consultation and communication methods adapted in the light of the pandemic. A robust information and awareness raising campaign surrounding the project is critical in this regard.

6. **Identification of project stakeholders, the project beneficiaries and analysis of their needs and levels of influence has been done during preparation of the draft Stakeholder Engagement Plan (SEP),** with the identification of vulnerable people who might be affected by the project requiring special attention as early as possible. The SEP will be updated within one month of effectiveness with as much information from stakeholders as becomes available, and the engagement and consultation processes would be continuous throughout the life of the project. Project-affected people should have access to a grievance redress mechanism (GRM) and a hotline to raise concerns and grievances as well as to request clarifications on various aspects of the project and its potential impacts. This GRM is identified and described in the SEP.

### **ESS2 Labor and Working Conditions**

7. **ESS2 is considered relevant to this Project as the delivery of the food packages and cash will be labor intensive.** The project will be conducted mainly by direct workers and contractors of the Project such as social mobilizers, employees of implementing agencies and implementing partners, i.e. civil servants, contractors employed by MRRD, IDLG and KM, although there may be some community workers as well from various NGOs and community-based organizations involved. In urban areas, staff of retail shops and wholesale suppliers will be involved in delivery.



Contracted workers may also be foreseen for temporary work such as door to door delivery of relief packages and/or monitoring. Whilst physical works are not envisaged under the project, the very nature of the circumstances of the pandemic requires occupational health and safety (OHS) issues to be considered in all contract with workers in order to limit additional exposure to the virus, provisions for treatment if exposed and also to avoid transmission to local communities and beneficiary households. While the number of workers may not be estimated at the current stage, no large-scale labor influx is expected. The key occupational health and safety risk is in relation to the contamination with COVID-19 or other contagious illnesses as patients taken seriously ill with COVID-19 are likely to suffer from illnesses which compromise the immune system, which can lead to serious illness. All workers will be coming into close contact with communities and the labor management plan will need to include a specific GBV code of conduct as well as a general code for interacting with communities and partners. In line with ESS2, the use of forced labor or the use of child labor for any person under the age of 18 in hazardous work situations is prohibited.

**8. As mitigation measures, the Borrower will implement adequate OHS measures (including emergency preparedness and response measures) in line with the ESMF and the ESCP and other related guidelines on infection prevention during the COVID19 pandemic.** Measures relating to OHS, to protect workers from injury, illness, or impacts associated with exposure to hazards encountered in the workplace or while working, will be documented in labor management procedures (LMP) that will be included in the ESMF. The OHS measures will consider the WB Group's General Environment, Health, and Safety Guidelines (EHSGs). The OHS measures will include the provision of infection prevention and control precautions, adequate supplies of PPE, etc. The Borrower will also ensure a nondiscriminatory, decent work environment; including ensuring that all workers adhere to the WHO Code of Ethics and Professional conduct. A worker GRM will be established and operated through a grievance hotline and assignment of focal points to address these grievances within the project which will be outlined in the LMP. The project will mostly rely on local labor which will be identified through participatory approaches in close consultation of CDCs, Wakil Gozars, Mullah Imams and Street Representatives. The workers will not work in contaminated areas. Also, no large-scale labor influx is expected due to the same circumstance.

## **ESS2 Community Health and Safety**

**9. Recent clashes between government security forces and communities in Ghor province, where several people were killed, has refocused the need to ensure the proper management and monitoring of security forces in both government and WB projects when policing crowds at distribution points.** The Borrower will seek to ensure that government security personnel deployed to provide security services act in a manner consistent with paragraph 24 above and encourage the relevant authorities to disclose the security arrangements for the Borrower's facilities to the public, subject to overriding security concerns. The Borrower will seek to ensure that government security personnel deployed to provide security services act in a manner consistent with ES4 above and encourage the relevant authorities to disclose the security arrangements for the Borrower's facilities to the public, subject to overriding security concerns. The Borrower will update the OM with a plan to manage and monitor security forces in accordance with ESS 4, within 30 days of effectiveness.



## ANNEX 4: Gender

COUNTRY: Afghanistan

COVID-19 Relief Effort for Afghan Communities and Households (REACH)

### Gender

- 1. Analysis:** The COVID-19 crisis has imposed various risks to the health and economic well-being of the population. These risks are even greater for women due to the below reasons.
  - **Increased poverty, reduced consumption, lost jobs, reduced hours of work, rationing or high prices of essential items.** All of these will possibly have more adverse effects on women. For example, during disease outbreaks, female-headed households (FHHs, or households without an able-bodied man) are at a greater risk for increased poverty and nutrition/food insecurity than male-headed households (MHHs). This is because FHHs are already quite vulnerable and will suffer disproportionately from price increases and in some cases the loss of jobs and income (e.g., parlors, female run-bakeries, homebased tailoring). According to the ALCS (2016-17), people in female-headed households experience moderate to severe hunger more than twice as much as those in male-headed households (24.4 and 10.0 percent, respectively). While in CCAP areas through the wellbeing analysis data about the households disaggregated by gender and socio-economic status is available, in non-CCAP areas (REACH areas) there is no registry or database of households, including gender-specific information (e.g., headship of household). This undermines the delivery of services and public assistance to the most vulnerable households. In addition, FHHs are less likely than MHHs to have the coping mechanisms to deal with income shocks (e.g., they are less likely to have assets to sell in times of economic crises). Similarly, in MHHs, the effects of increased household poverty tend to fall disproportionately on women and girls. For example, in times of food shortage, women and girls eat last and least. In poverty, girls are more likely than boys to be kept out of school and there is generally a rise in child marriages or they are sold into marriage in exchange for money to survive at times of crisis as such. And in times of food insecurity and economic challenges, the prevalence of GBV/SEA rises, and in turn, affects women's physical and mental health as well as income generating activities if any. Moreover, women are the primary caregivers in households. Therefore, with school closures, women are the first to withdraw from work to stay home and take care of children. And as primary caregivers, women tend to give up livelihood or income-generation activities when family members fall sick. For FHHs, this affects livelihoods and increases poverty even more. Finally, women in Afghanistan are less likely than men to participate in the labor force, and when they do, they tend to work in the informal sector and rarely participate in public work. Hence, they are often left out of social protection measures targeted to workers
  - **Access to information.** With regard to agency, women are less likely than men to have information about government programs. Due to women's lower access to information about public programs and socio-cultural barriers to directly seeking information in the public space, they (particularly illiterate women and those without an able-bodied male family member) are more vulnerable to corrupt practices and are at a greater risk of not receiving the transfers to which they are entitled.



## 2. Actions.

- **Collection of Beneficiary data on FHHs.** This information is not only useful for the immediate delivery of transfers but it also allows for gender analysis of the characteristics/vulnerabilities/needs of FHHs versus MHHs (which doesn't exist in 2/3<sup>rd</sup> of the country which is not covered by CCAP) as well as data on people with disabilities, thus enabling more effective service delivery in future public programs.
- **Outreach and inclusion of FHHs.** During project preparation and implementation, the project will consult women at the community level to seek their views and input on the implementation arrangements of the project. The FPs (in rural areas) and the distribution agents (in urban areas) will be sufficiently trained and staffed (at least 25% will be female) to inform women, especially FHHs and households without able-bodied male family members, about the support being offered under the project. To ensure that these households have equal access to the relief, having female staff and engaging female representation at the community level (female CDC members) is a must, as in rural areas only female staff can interact with female community members. Therefore, the project will onboard female staff to ensure full coverage of FHHs in terms of mobilization, communication, and delivery. From the first visit to the community, field responders will inform male community members/elders on the requirements of women's engagement as CDC/GA/Ad-hoc CDC representatives. Female field personnel from the project will support women's mobilization as Ad-hoc CDC members, communicating information about the package, GRM and COVID-19 health-related messages, and training them on the collection of household information to ensure that no FHH is left off the list. In cities, very poor families including widows often rent individual rooms in the same house, so to ensure that they are not left behind, the project will employ the usual definition of household based on common cooking pot. Family units within the same compound that use separate cooking pots are countered as separate households. In rural areas, packages will be delivered to doorsteps for women with limited mobility. Finally, the project will ensure that CDCs to be set up in ENETAWF areas follow the CCAP norm of 50 percent female representation on CDCs.
- **Delivery mechanisms.** The project should consider actions to ensure that the delivery mechanism is effective in reaching women to the same extent as men. The processes and protocols for distribution or delivery of relief will vary by region and location and will be further elaborated in the project's operations manual. Considerations that will guide the development of that manual include:
  - Modality used for mobile money. If and when mobile money is used to deliver cash benefits, the project will need to ensure access for female-headed households (FHH), since women have less access to bank accounts and may have more difficulty in accessing mobile money platforms.
  - When and how often is the assistance delivered (e.g. time of the day and frequency) Field staff will be trained to be mindful of suitable times for women (not too early in the morning or late in the evenings) and consider fewer person-to-person interactions.
  - Ensure safety of women at distribution sites and provision of assistance for carrying the package on their way home with the food to prevent theft or gender-based violence. The project will carefully consider the times and locations and have a female representative at the site when possible. In some cases, packages will be delivered to the doorsteps of FHHs keeping in mind social norms and women's safety. The project will ensure, to the extent possible, the participation of female staff in the delivery of transfers given socio-cultural barriers/gender segregation.



- **Information about the safety net programs.** The communications campaign will include targeted approaches to inform women and FHHs about the benefits offered by the REACH project and any other information related to COVID-19. The project will use multiple approaches such as making public announcements through the mosques, and, in selected communities by doing a transect walk with a loudspeaker to ensure that women mostly staying within their homes are also well informed. The project will also explore using mass media especially radio as a common source of information for women in rural areas. The project will also make the list of beneficiaries public. By this approach FHHs can see the list and in case they are not in the list, they can raise their voice to the committee/FP staff/GRM.
- **Dissemination of information on health issues.** The project will aim to increase awareness on health risks and quarantine and hygiene practices for women. Women will be targeted through social messaging at food/cash pickup points or through printed materials in case of door to door delivery mechanism.
- **Preparation for future safety net entitlements.** During distribution, the project plans collect basic socio-economic data to assess eligibility for future safety net programs. The project will ensure collection of gender-disaggregated data (at least gender of household head) and data on people with disability to facilitate targeting of these groups for future outreach/assistance.
- **Prevention and Mitigation of GBV/SEA.** Due to the nature of the project involving cash/kind distribution to communities including women, there is moderate GBV/SEA risk in the project and to mitigate that the project will develop GBV/SEA action plan which will include but not limit to Code of Conduct for all staff and clear message to communities on consequences and disciplinary actions in case of any misconduct or abuse of power against both female staff and female beneficiaries, proper communication on targeting criteria and available GBV helpline and GRM uptake channels, and all staff involved in delivery or distribution will receive gender-sensitive training as part of their training package.

**Indicators:**

As part of its results monitoring, the project will collect gender disaggregated data on the headship of households receiving in-kind or cash transfers, the number of field staff who receive training on gender-sensitive distribution of relief packages, and the percentage of female field personnel.



## ANNEX 5: Mobile Money Modality for Components 2 and 3

### COUNTRY: Afghanistan

#### COVID-19 Relief Effort for Afghan Communities and Households (REACH)

1. This Annex summarizes (a) the current digital financial infrastructure, (b) a feasibility analysis for electronic cash options and (c) mechanisms and prerequisites for digital cash transfers in the context of REACH.
2. **Digital financial landscape in Afghanistan:** Mobile penetration in Afghanistan has grown from 57.9 percent in 2012 to 84.2 percent by end-2019; with over 20 million SIM-card users. In Afghanistan, the wireless market is fully competitive and consists of five major mobile operators, four of which obtained a license from the central bank (Da Afghanistan Bank, DAB) for their mobile money operations. Altogether, the four Mobile Money Operators (MMOs) have 1.2 million mobile wallet users as of end-December 2019 (only 11 percent are female-owned wallets). The remaining SIM-card users have no activated mobile money wallets. In a context of low 3G penetration, mobile money can work on low-level 2G connectivity, which is available in most of the country. The lack of trust and awareness of electronic payments, the low digital literacy and financial education levels, as well as the limited network of financial access points (ATMs, agents, retail merchants, etc.) have significantly limited the adoption of digital payments. As of end-2019, the total number of agents throughout the country is just over 2,000 agents, concentrated in the five major cities.
3. **In the context of COVID-19, there is renewed impetus to support the development of digital financial services, supported by WB operations.** The ongoing IDA and ARTF- funded Payment Automation and Integration of Salaries in Afghanistan (PAISA) Project, which aims to support the development of digital government-to-person (G2P) payments, is under implementation to build the foundational elements of the digital payment ecosystem. PAISA aims to support (i) the creation of unique biometric identification system which can be leveraged for all digital payments; (ii) upgrade the national payment infrastructure; (ii) expand the network of cash-out and cashless payment points. Recent important developments are DAB's May 27 circular that allows the remote activation of mobile wallets and increases the monthly transaction limits applied to mobile money wallets. PAISA is also supporting the onboarding of MMOs on the national payment switch to support interoperability among all financial institutions (banks and MMOs); and the development of a cash-out/cashless payment point strategy, which identifies priority locations to be developed by all financial institutions, based on anticipated G2P payments. These are promising developments given the low financial inclusion levels (only 15 percent of Afghan adults own a financial account).
4. **As the mobile money modality is explored under REACH, previous digital payments pilots yield important lessons.** There have been several pilots that used mobile money for the delivery of social benefits by humanitarian agencies and the government, and for civil servants' salary payments, with varying levels of success. Scaling-up these small-scale efforts in the roll-out of digital payments through REACH will require addressing operational challenges experienced by all pilots: (i) the mobile money scheme is purely an "itinerant" cash-out scheme: MMO hire a few mobile agents to process cash withdrawals on specified dates at specific public locations. Mobile money, thus, continues to be cash-based, offering only slight improvement on the physical cash-based model due to limited opportunities for digital



(i.e. cashless) payments; (ii) payments to beneficiaries were disrupted by liquidity shortages by the designated MMO agents; (iii) the processing of mobile payments required the availability of documentation to identify payment beneficiaries at cash-out. In the absence of Tazkira<sup>29</sup> for beneficiaries, humanitarian organizations have developed their own beneficiary identification registries and verification processes.

5. **A feasibility analysis of digital payments options available in urban areas is summarized in Table 06, at the end of this annex.** In Afghanistan, mobile money would only be a slight improvement over physical cash. It is the most feasible form of digital payments considering the very limited bank branches, ATM and opportunities to use payment cards in Afghanistan. The analysis shows that mobile money transfer – in a wallet or one-time over-the-counter payments (OTP) – are the only options that can be explored under REACH. Beneficiaries will likely fully withdraw funds at cash-out locations (the use of the mobile money for cashless payments is not envisaged at this time due to limited number of retailers or agents accepting cashless payments). This is not the full mobile money model but is an improvement on the cash-based model in terms of identification at cash-outs, financial inclusion potential, and, importantly, re-usability of the system for future social transfers.

6. **As presented in Figure 05 in Annex 5, the decision to proceed with mobile money in the targeted urban areas will depend (i) on beneficiaries' eligibility, and (ii) MMO's ability to ensure cost-effect program delivery.**

- *Given identification and mobile phone ownership prerequisites, mobile money may only be explored under the second tranche.* The feasibility of mobile money hinges on the ability to identify REACH beneficiaries to whom the funds can be transferred. Beneficiary identification and data collection undertaken during delivery of the first tranche relief will open up the possibility to use digital payments in the second tranche for select urban areas. In particular, data on mobile phone number and Tazkira ownership will be collected.
  - i. Beneficiaries that already own a mobile phone number and a Tazkira will be automatically considered “eligible” to receive a mobile money payment in the second tranche.
  - ii. Beneficiaries that have a mobile phone number and own alternative and acceptable forms of identification for mobile money purpose<sup>30</sup>, the project will aim to facilitate mobile money payments leveraging the ongoing policy dialogue under the PAISA project. This will be actively pursued in the five PCCs<sup>31</sup> where the REACH and ENETAWF programs have a quasi-overlap (i.e. ENETAWF districts that are

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<sup>29</sup> The Tazkira is an official document that is printed on (polycarbonate) cards and distributed as a proof of national identity. Various estimates suggest that only about 60 percent of the population own a Tazkira. Evidence shows that Tazkira ownership varies considerably by gender (only 38 percent of women compared to 90 percent of Afghan men) and is higher in urban. According to UNHCR, households reporting no specific vulnerabilities were more likely to report possession of Tazkira (63 percent) than those with unaccompanied elders (48 percent) or unaccompanied minors (36 percent). Since 2009 the development of the electronic national identification card (e-Tazkira) has been initiated to provide a unique type of identification, based on biometric collection. According to the NSIA, more than 800,000 e-Tazkiras have been issued as of end-May 2020; 47 percent of e-Tazkira holders are women. Sources: <https://landinfo.no/wp-content/uploads/2019/08/Afghanistan-Tazkira-passports-and-other-ID-documents-22052019-final.pdf>; [https://www.nrc.no/globalassets/pdf/reports/af\\_civil-documentation-study\\_081116.pdf](https://www.nrc.no/globalassets/pdf/reports/af_civil-documentation-study_081116.pdf)

<sup>30</sup> A Sim Card may be provided to those who meet ID requirements but do not own a mobile phone number

<sup>31</sup> Paron (NOORISTAN); Aybak (SAMANGAN); Ferozkoh (GHOR); Tirenkot (UROZGAN) and Qalat (ZABUL).



in close proximity of urban centers). Discussions with NSIA will assess whether the paper Tazkira process or the eNID roll-out plan can be leveraged to facilitate the unique identification of beneficiaries. In parallel, discussions with DAB will seek to expand the list of alternative ID documents for beneficiary households for more inclusiveness, without increasing AML/CFT risks<sup>32</sup>.

- iii. For households who cannot satisfy these mobile money prerequisites, program delivery alternatives will be assessed; mobile money will no longer be considered (Step 2).
- *Due to MMOs’ currently limited agent network*, it is expected that REACH will only use mobile money for delivery of project benefits in a few PCCs. Available data summarized below indicates that the MMO agent network is very limited: only 3 of the 14 PCCs have a relatively higher concentration of mobile money agents, with a program beneficiaries-to-agent ratio of up to 750. Although the ratio for Kabul is lower, it is currently not considered as viable for mobile money due to high population density in the Afghan capital. During the procurement of MMOs as implementing partner for mobile transfers, costs associated with expanding the MMO agent network at a community level and delivering program benefits at the same standards as other delivery modalities (in terms of social distancing, distance, costs and timeline) will be a key deciding factor, and will be best estimated after beneficiary registration is completed. Procurement of MMOs is expected to be launched as soon as the number of households who already meet MM prerequisites are known in each PCC (minimum number of MM-eligible households).

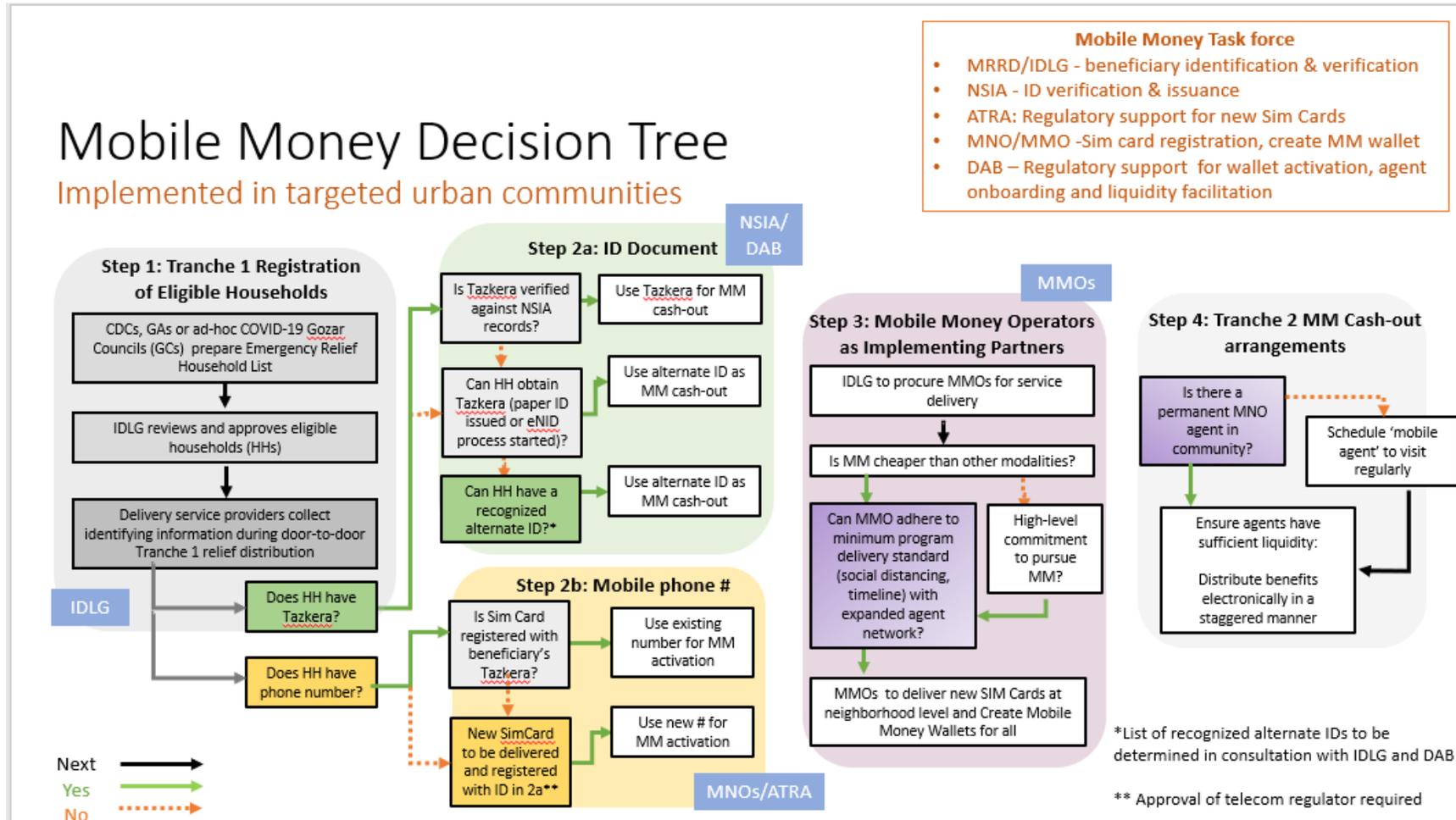
Table 05. Current Coverage of Mobile Money Operators in Provincial Capital Cities

PCC	Estimated # of Households	HH per Fixed Agents	HHs per Fixed and Mobile Agents
<b>Mazar-e-Sharif</b>	<b>95,000</b>	<b>612.9</b>	<b>450.2</b>
<b>Gardez</b>	<b>18,000</b>	<b>1,200.0</b>	<b>600.0</b>
Kabul	630,000	1,042.7	521.8
<b>Aybak</b>	<b>19,000</b>	<b>1,357.1</b>	<b>730.8</b>
Jalalabad	95,000	1,484.4	766.1
Qala-e-Naw	16,000	1,600.0	800.0
Hirat	140,000	2,372.9	972.2
Mahmod-e- Raqi	17,000	3,400.0	1,000.0
Bamyan	14,000	2,333.3	1,076.9
Ferozkoh	15,000	2,142.9	1,363.6
Bazarak	15,000	3,750.0	1,363.6
Kandahar	95,000	2,435.9	1,376.8
Paron	11,000	5,500.0	1,833.3
Zaranj	33,000	8,250.0	2,538.5
Charekar	27,000	3,857.1	2,700.0

<sup>32</sup> Few approaches have been initiated to enable registration of beneficiaries without formal identification. IRC, WFP and NRC have provided beneficiaries with identification cards in Afghanistan, where ownership of formal identification ownership was an issue.



Figure 05: Mobile Money Decision in each PCC





**7. Specifically, enabling mobile money to deliver cash transfers for beneficiaries identified in the second tranche will entail the following arrangements under the mobile transfer (e-cash) options:**

- Identification and registration of eligible households during the first tranche of food delivery:
  - i. During the delivery of the first tranche relief packages, a SIM card number (whether personal or relative/neighbor's) will be registered per each household in the Emergency Relief Household Registry for the purpose of beneficiary identification under the program.
  - ii. For households without a personal phone number, MMOs would be required to deliver and process registration of new SIM-cards at a neighborhood level in targeted PCCs. SIM cards registration will require an acceptable identification document, to be agreed upon with the Afghan telecommunications regulatory authority (ATRA).
- Funds transfer:
  - i. *Mobile wallets to be created remotely for registered households based on collected data:* For households with a registered SIM card and Tazkira (or acceptable ID document), but without an existing mobile money account, an account may be created remotely in an automated manner. The SIM Card owner can initiate remotely the request to open the mobile money account (phone or short code) and would be required to provide identification document<sup>33</sup> at the time of cash-out. The MMO agent would complete the account registration – for KYC (Know Your Customer) purposes– at the time of withdrawal.
  - ii. *For households that would receive a new SIM Card, MMOs would pre-activate mobile money wallets at time of distribution.* Additional fiduciary controls may be necessary for cash-outs by these beneficiaries.
- Cash-out modalities:
  - i. *Coordination of agent network to ensure liquidity:* For existing agents, MMOs will liaise with their banks to ensure that agents at a neighborhood level have sufficient cash to meet the amount of cash withdrawals per day. The transfers to beneficiaries and withdrawal schedules will be done in a staggered manner (e.g. by neighborhood) to ease congestion. The current setup (limited number of fixed agents i.e. shops), KYC onboarding requirements (i.e. business license request from agent) and incentive structure (no guaranteed minimum revenue) make the expansion of the cashout/cashless payments difficult. A minimum number of agents will be required for each target REACH city. MM delivery will be considered only in cities where MMOs have the minimum agent network required. Permanent placement of MMO agents will be preferred to the use of “mobile agents” deployed in communities on a temporary basis. This will be assessed in coordination with the PAISA project.

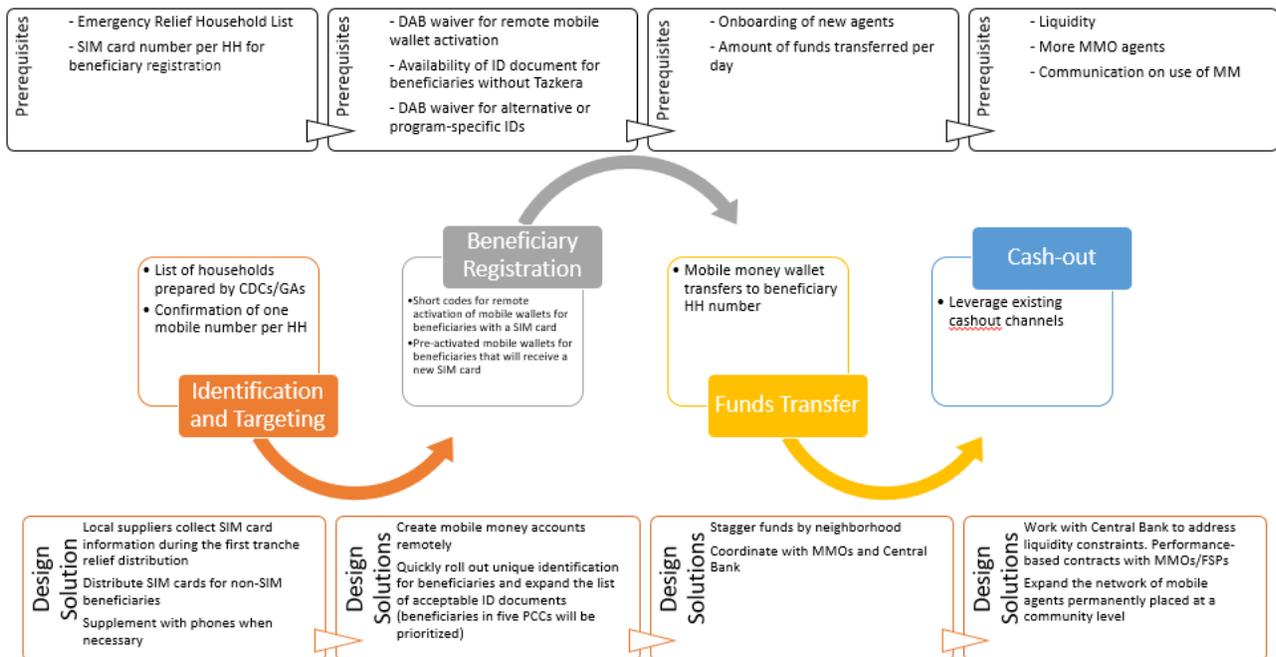
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<sup>33</sup> In the context of the PAISA project, technical assistance will be provided to DAB on KYC and EMI regulations. Discussions are ongoing for possible revisions to regulatory KYC requirements for mobile money accounts (account registration and authentication at cash-out), including the use of alternative ID documents.



- ii. Special attention will be paid to social distancing guidelines in order to ensure that the use of digital payments does not increase COVID-19 risks
  - Communication and awareness raising campaign to increase the adoption of mobile money: Sensitization campaign to be launched by each MMO and DAB to provide accurate information in various formats to households, especially in vulnerable communities, regarding the benefits of using mobile money and ways to access the existing services in a timely manner. Additionally, the REACH communication campaign will include messaging on the second tranche and provide information to eligible households on the identification requirements for mobile money payments.
8. **Figure 06 below presents the design of the Mobile Money Delivery being explored for the second tranche.** It illustrates the prerequisites for each stage of delivery and potential design solutions based on feasibility analysis and information received from MMOs. The cost associated with the program delivery has not yet been assessed. Based on previous pilots, MMOs were remunerated to set up mobile agents to guarantee the availability of cash-out points, and cost of withdrawals (up to AFN20 per transaction) were covered by the government/humanitarian agency. Priority will be given to minimizing program implementation costs.

Figure 06 Mobile Money Delivery Prerequisites and Potential Design Solutions





**Table 06: Digital Payment Feasibility Analysis**

	<b>Digital Payments: E-cash options</b>			
	<i>1. Prepaid card</i>	<i>2. Over-the-Counter payment</i>	<i>3. Mobile money account</i>	<i>4. Bank/MFI account</i>
<b>Description</b>	Beneficiary receives a card with the loaded amount which can be used to withdraw funds and make payments	Beneficiary receives a one-time transfer with notification by the MMO (incl. PIN code)	Beneficiary owns an e-money wallet and receives a transfer into their specified MM wallet	Beneficiary receives a transfer into their bank account
<b>Prerequisites</b>	<ul style="list-style-type: none"> <li>• Available number of cards</li> <li>• Available and functional infrastructure for cash-out (ATM) or payment at merchants</li> </ul>	<ul style="list-style-type: none"> <li>• SIM Card distribution for those who did not own one;</li> <li>• Acceptable ID document available at cash-out. May require roll-out of Program-Specific document based on robust beneficiary registration</li> <li>• Onboarding of new agents to minimum acceptable agent-to-beneficiary ratio, which may raise costs if social distancing to be observed</li> </ul>	<ul style="list-style-type: none"> <li>• For registered SIM Card users, remote opening of wallet for eligible beneficiary</li> <li>• Acceptable ID document available at cash-out. May require roll-out of Program-Specific document based on robust beneficiary registration</li> <li>• Onboarding of new agents to minimum acceptable agent-to-beneficiary ratio, which may raise costs if social distancing to be observed</li> </ul>	<ul style="list-style-type: none"> <li>• Already own bank account (currently only 14% of adults among bottom 40% of population)</li> <li>• Required documentation for account opening available (including national ID and residence)</li> <li>• Creation of special accounts with waived maintenance fees given high bank charges</li> </ul>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• The card could also serve as a program ID</li> <li>• Some level of financial Inclusion; Familiarizes user with digital payments</li> <li>• Direct support to local businesses that become merchants (shops, pharmacy)</li> <li>• Incentives for merchant onboarding</li> <li>• Can be topped-up for future social benefits/G2P payments</li> </ul>	<ul style="list-style-type: none"> <li>• Low-technology solution</li> <li>• Alternate ID that is simpler to obtain could contribute towards setting up a registry</li> <li>• Possible wider network</li> <li>• Reduced leakages/ some accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Low-risk transaction for KYC may allow use of alternate ID without increasing fraud risk</li> <li>• Moderate financial inclusion</li> <li>• High Accountability</li> <li>• Available for future social benefits/G2P payments</li> <li>• Supports mobile money ecosystem, if merchants participate in food purchase</li> </ul>	<ul style="list-style-type: none"> <li>• Financial inclusion; gateway to other financial services</li> <li>• High Accountability</li> <li>• Low cost</li> <li>• Available for future social benefits/G2P payments</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Very limited number of existing outlets in country</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of MMO set-up unknown (estimated at</li> </ul>	<ul style="list-style-type: none"> <li>• Requires dual delivery for those who</li> </ul>	<ul style="list-style-type: none"> <li>- Bank /MFI branches network very limited in most areas</li> </ul>



	<p>(481 throughout country, half not serviced)</p> <ul style="list-style-type: none"> <li>• Without interoperability, MMOs agents excluded</li> <li>• High cost of card (\$1+)</li> <li>• More time needed for card personalization</li> <li>• Possible additional cost of merchant onboarding rapidly</li> <li>• Merchant fraud: different prices for digital payments</li> </ul>	<p>5-6%, including withdrawal fee)</p> <ul style="list-style-type: none"> <li>• De-linked from financial inclusion</li> <li>• Cannot be re-used to receive future payments</li> <li>• Requires regulatory changes</li> </ul>	<p>do not have required ID for MM</p> <ul style="list-style-type: none"> <li>• Cost of MMO set-up unknown (estimated at 5-6%, including withdrawal fee)</li> <li>• Merchant fraud possible for those opting to use their mobile wallets to pay for goods, where agent liquidity is low.</li> </ul>	<ul style="list-style-type: none"> <li>- Remote opening not available</li> <li>- No tiered KYC makes the majority of the target population unable to open accounts (for opening of basic accounts with less documentation requirements)</li> </ul>
<b>Risks</b>	<ul style="list-style-type: none"> <li>• Substantial fraud risk (card not reaching/being used by beneficiary)</li> <li>• Substantial risk of inability to process higher volume of e-transaction</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusion of beneficiaries without ID</li> <li>• Substantial fraud risk if alternate ID (duplicates)</li> <li>• System’s ability process large number of transactions.</li> <li>• High liquidity risk: inability to withdraw funds from MMO agent</li> <li>• High security and health risks if MMO agents meet beneficiaries in public locations</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusion of beneficiaries without ID</li> <li>• Moderate risk of systems’ ability to onboard large number of new users.</li> <li>• High liquidity risk: inability to withdraw funds from MMO agent</li> <li>• High security and health risks if MMO agents meet beneficiaries in public locations</li> </ul>	<ul style="list-style-type: none"> <li>• High Security/health risk due to congregation at branch;</li> <li>• Higher exclusion of ultra-poor</li> </ul>
<b>Feasibility</b>	None	TR1: None TR2: Low, upon completion of all prerequisites and only at small scale	TR1: None TR2: Low, upon completion of all prerequisites and only at small scale	TR1: None TR2: Very Low



## **ANNEX 6: Government Relief Effort in CCAP Areas**

**COUNTRY: Afghanistan**

**COVID-19 Relief Effort for Afghan Communities and Households (REACH)**

### **The Citizens' Charter Afghanistan Project**

1. The Citizens' Charter Afghanistan Project (CCAP), which began its roll-out in 2016 to cover 13,000+ rural and 850 urban communities, aims 'to improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils (CDCs)'. These local-level bodies allocate development funds, implement development schemes and account for their work to the people who elected them. Based on the lessons from the National Solidarity Program (2003-2016), which also created CDCs, but where their work was largely limited to the management of development projects, CCAP has significantly changed the work of CDCs, how they are elected and their members' capacity building process. This was to ensure that a) the new councils are representative and inclusive of all groups in communities, b) decision-making is restructured to reflect the realities of rural communities in terms of socio-economic differentiation, gender relations, and other forms of marginalization, and c) to institutionalize pro-poor approaches in communities' development activities. Further, the project has broadened the CDC platform and established 'thematic' committees that work towards addressing the various development issues (health, education, poverty, agriculture, environment, youth) that rural communities face. At the same time, CCAPs social mobilization approach employs educative processes that emphasize the link between discussion, negotiation, and social action.
2. An example of how this work has yielded successes are the 9,700+ Grain Banks that have been established in the 12,000+ rural communities of 123 districts covered under CCAP Phase I. The establishment of Grain Banks begins with an analysis that involves all CDC members and sub-committees (between 50-80 persons) and reviews the extent of poverty in the community and the coping mechanisms of the very poor (largely women-headed households with no male physically capable wage-earner) and the poor (depend on unskilled daily wage labor, own no or very little land) and the social, economic, and health implications of hunger. Group work and presentations lead to powerful discussions emphasize the long-term outcomes of food deprivation – increased illnesses and medical expenses as well as lost labor days, reduced cognitive abilities children and adolescents, and a sense of despair and unhappiness. When asked if 'seasonal hunger' is acceptable and if not, does the community want to work towards reducing hunger, is answer is invariably in favor for change. The CDC Vulnerable Group Development (VGD) and Youth Sub-Committees then mobilize a 'reduce seasonal hunger campaign' whereby they 1) create a list of households that face food insecurity for prolonged periods, 2) identify the collective need of these households for one month food supply, 3) create a list of middle and better off households, as well as local businesses, 4) campaign and meet those identified in step 3 to ask for food/ cash donations. Finally, the items received are stored in a trusted person's house and are provided to the poorest as and when needed. In areas with large numbers of IDPs, returnees and other in-migrants, CCAP



has been providing matching grants (Social Inclusion Grants) to top up what communities themselves have collected. As of early 2020, US\$ 3.7 million of food / non-food items have been mobilized by communities to mitigate seasonal hunger.

### **Relief Efforts in 12,000+ Rural and 850 Urban Communities**

#### Phasing:

3. Pilot: A pilot effort in 8 urban and 12 rural CDCs was launched in June to test out the design modalities for the COVID-19 relief. This has been used to update both the broader CCAP and REACH designs for the program.
4. Rural: To roll-out relief efforts as quickly as possible, the relief efforts in the 123 CCAP districts will be phased, starting with districts under lock-down because of COVID-19 and the remaining districts with high rates of food insecurity be served in the first instance. This will allow the program to avoid recruitment of additional Social Organizers (SOs), which is time consuming, and make use of the Facilitating Partners (FPs) existing SOs, Government SOs as well as Engineers in districts where construction of sub-projects has stopped because movements of people are restricted and non-essential shops / businesses are closed. This way 1 Field Responder (either a Social Organizer or Engineer) can cover 10 communities so that within a 3 to 4-week time frame, each community can receive their food packages. The remaining districts will be covered in a second round of relief efforts.
5. Urban: In urban areas with only 850 communities, phasing will not be required. Facilitating Partners SOs and other field staff, as well as Government field staff (e.g. monitors) will be deployed. In urban areas, 1 Field Responder will cover 5 communities so that distribution can be completed within 2 weeks' time.

#### Implementation:

6. Rural: In light of the institutional arrangements in place in rural CCAP communities, the relief efforts at the community level will be implemented by CDCs, with the help of VGD and Youth Committees, as well as mullah's /imams, and teachers. Elders will be included as long as their ages permit (no older than 55 years of age). Community consultation will be suspended – hence the inclusion of other public authorities – during the relief phase, with field responders visiting each community three to four times to a) do outreach explaining the relief efforts, b) update community profiles, review basic health messages during COVID-19 with the public authorities (who may use loudspeakers to transmit these messages), identify those that will not receive the relief package, prepare the relief proposal to be submitted to the Provincial Management Units c) plan the distribution event with social distancing measures, and d) monitor the distribution event.
7. Urban: In cities, CDCs will also be the main implementation body, but here where Vulnerable Group Development Sub-Committees do not exist, the Youth Sub-Committees will be key to support the CDCs various activities, but particular the door-to-door distribution. (see below) Imams / Mullahs and Nahia officials will be involved as well and take part in meetings, if possible.



Targeting:

8. Rural: Ninety percent of all households will be targeted, based on current food security status. Rather than look for inclusion, the approach to be taken will be to exclude households that remain food secure. The VGD sub-committee members will be crucial in this process as they have intricate knowledge of the socio-economic profile of households in their neighborhoods through the Grain Bank initiative.
9. Urban: As with the rural communities, ninety percent of all households will be targeted, but the criteria for targeting will be different. This is because in urban areas, poverty and wealth can be more easily ascertained through observable criteria, as opposed to rural areas, where boundary walls are a common feature of village life. The exclusion criteria for urban areas are:
  - HHs that own concrete houses of more than 1 story
  - HHs where one or more members are owners of medium to large scale businesses/ factories
  - HHs that own a private 4-wheeler not used as a Taxicab
  - HHs that own a 4-wheel vehicle with a government plate
  - HHs that employ external personnel as security guards/domestic workers

HHs that meet any 2 of these criteria will then be considered ineligible for the relief package inclusion.

Package:

10. Rural: Each package will contain US\$50 worth of food items (wheat or rice, beans, oil, and two bars of soap). Food items will be the preferred package, but under exceptional conditions, cash may be considered.
11. Urban: The packages for urban communities will be US\$100 worth of food items (wheat or rice, beans, oil and soap), but these will be distributed in two tranches. The reason for the higher amount for urban communities is that cities are harder hit by COVID-19, given the density of population and the reason for the tranches is to ensure that in case of food need, communities can receive an additional package later on.

Distribution Events:

12. Rural: In light of the considerable open spaces in communities, there will be public distribution events where 1-2 meters distance can be maintained. In these all-day events, each election unit will send their heads of households at a given time (in the average size village (157 households), election units will have 14 households) to avoid crowding. VGD and Youth Committee members will handle the entry, handwashing, and exit areas and ensure that distribution is well-organized, whilst the CDC members will handle the verification and distribution tables, with the Field Responder and Mullahs/ Imams present to monitor the process. Distribution events are favored over door-to-door distribution to ensure greater transparency in the process.
13. Urban: With the limited public spaces available in urban communities, the preferred method of distribution is door-to-door with 1 CDC Office Bearer (on the CDC executive committee), 1 CDC members for the election unit, 1 Field Responder and 1 mullah/ imam from the community making up the actual distribution team.



Fund Disbursement and Withdrawals:

14. Many rural and urban CCAP communities have sufficient funds in their accounts and once their proposal (that state the number of households and funds required) have been reviewed by the Field Responders and approved by the PMUs, the CDC Bank Account signatories (the Office Bearers) will be able to collect their funds and procure the food items. In communities, where the CCAP infrastructure funds have been utilized, additional funds will be transferred to allow for relief funds.

Procurement of Food Packages:

15. The procurement for food items in rural and urban communities will follow the CCAP procurement policies and Field Responders will be responsible that proper procurement methods are followed and that the proper documentation will be in place. CDCs will be provided with a small administrative fund to cover transport costs to purchase the food items. In urban areas, the CDCs will be provided with lists of food suppliers that provide goods in whole-sale volumes and with the capacity to provide the food items/ soap at short notice. Further CDCs will be encouraged to make all in-kind food purchases from within their nahias, and where not feasible from within their cities so that procurement will also contribute to the local market.

Monitoring:

16. In rural and urban areas, distribution will be monitored by FP or Government staff as well as mullahs/ imams. Further PMU staff will randomly monitor communities choosing a small sample (5 percent) of beneficiary households and either visit or call them to verify that they received their packages.

**Relief Efforts in CCAP Areas for Communities not yet covered as well as 19 Provincial Capitals**

17. There are roughly 800+ communities in rural CCAP areas, where work has not yet begun and 19 district headquarter cities with 500+ communities where work within Municipal Boundaries has not been rolled out. Here, it is proposed to implement program through ad-hoc/ temporary 'COVID-19 Relief CDCs'. The work would require bringing together elders from all neighborhoods to form a temporary CDC, and mullahs/ imams from all mosques, Nahia representatives (in the cities) and teachers, as well as youth ( to be identified by the public authorities) that have shown commitment to community work and are helpful and liked, have done well in school (and at least completed grade 6) to assist with the larger relief effort. This would ensure that all neighborhoods have representation and that there a sufficient number of people that can collect a basic community profile (1 page per household) per neighborhood. In time, this youth group could also become a Vulnerable Group Development Committee that can establish and manage Grain Banks.
18. All other modalities outlined above will apply, and only the actors involved in the relief effort will be different in the absence of CDCs. Here, the social mobilization process will likely require a minimum of 8 visits and will take roughly 80 days to complete.



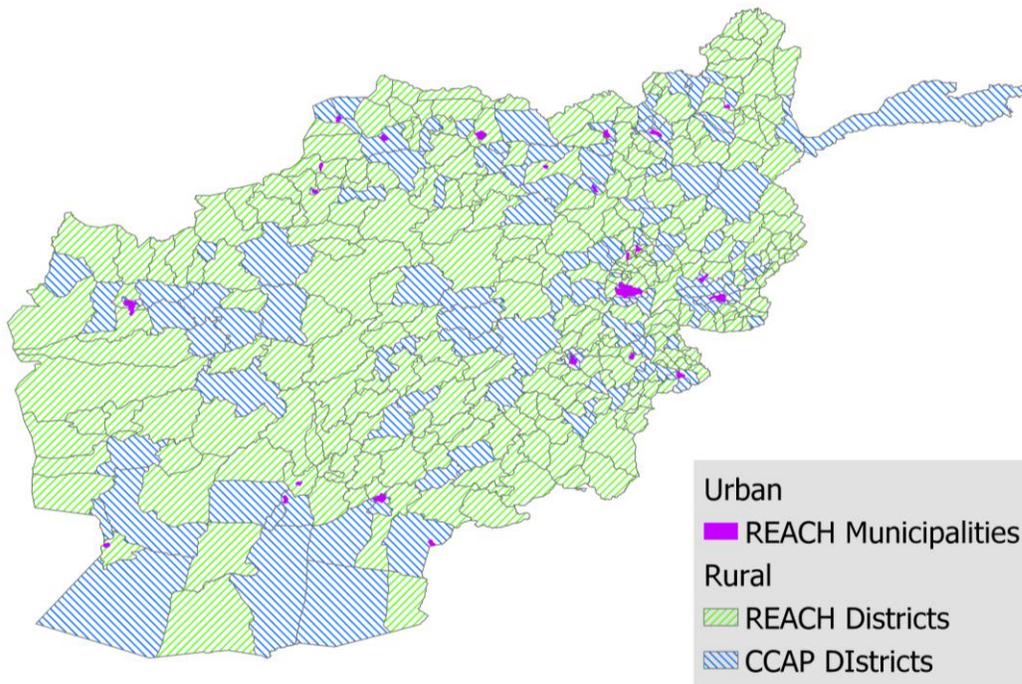
**ANNEX 7: Geographical Coverage of CCAP versus REACH projects**

**COUNTRY: Afghanistan**

**COVID-19 Relief Effort for Afghan Communities and Households (REACH)**

1. REACH will coordinate with CCAP and the humanitarian community to endeavor to provide complementary assistance throughout the country.
2. CCAP is present in 123 rural districts, 19 provincial capitals and partial coverage in 4 of Afghanistan’s major cities (Hirat, Mazar-e-Sharif, Kandahar, Jalalabad), covering an estimated 1.8 million beneficiary households.
3. REACH will complement this coverage, providing coverage in 234 districts outside of CCAP coverage, as well as for the 10 outstanding provincial capitals, 2<sup>nd</sup> tranche for the 19 provincial capitals, the balance of households in the four major cities, and Kabul, for a total of 3.3 million beneficiary households.
4. Finally, in districts considered Hard-to-Reach (HTR) and Highly Insecure<sup>34</sup>, the Project will coordinate with humanitarian partners (WFP, FAO, UNICEF) on their existing relief efforts in these areas, with an estimated 575,000

Figure 07: Proposed allocation of assistance across programs



<sup>34</sup> Hard-to-Reach districts are classified as such by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) based on physical constraints, conflict intensity, and stakeholder complexity. A list of highly insecure districts was provided by MRRD.



beneficiary households. At the same time, the WB and GoIRA will prepare an action plan to minimize delay in the rollout of support to those areas.

Table 07: Proposed allocation of assistance across urban areas

Province	Provincial Capital	Estimated Urban Population	Responsible IA for areas within Municipal Boundaries	Covered Under CCAP Urban	Municipal Areas covered Under CCAP or REACH
BADAKHSHAN	Fayzabad	71,039	MRRD	No	CCAP
BADGHIS	Qala-I- Naw	38,408	IDLG	No	REACH
BAGHLAN	Puli Khumri	200,978	MRRD	No	CCAP
BALKH	Mazari Sharif	608,511	IDLG	Yes	REACH + CCAP
BAMYAN	Bamyan	21,853	IDLG	No	REACH
DAYKUNDI	Nili (Daykundi)	20,107	MRRD	No	CCAP
FARAH	Farah	60,502	MRRD	No	CCAP
FARYAB	Maymana	108,888	MRRD	No	CCAP
GHAZNI	Ghazni	154,372	MRRD	No	CCAP
GHOR	Chaghcharan (Firozkoh)	35,031	IDLG	No	REACH
HELMAND	Lashkar Gah	224,965	MRRD	No	CCAP
HIRAT	Hirat	1,010,741	IDLG	Yes	REACH + CCAP
JAWZJAN	Shibirghan	137,771	MRRD	No	CCAP
KABUL	Kabul	5,033,416	KM	No	REACH
KANDAHAR	Kandahar	580,955	IDLG	Yes	REACH + CCAP
KAPISA	Mahmudi Raqi	51,281	IDLG	No	REACH
KHOST	Khost(Matun)	168,093	MRRD	No	CCAP
KUNARHA	Asadabad	43,249	MRRD	No	CCAP
KUNDUZ	Kunduz	135,840	MRRD	No	CCAP
LAGHMAN	Mihtarlam	120,355	MRRD	No	CCAP
LOGAR	Puli Alam	32,721	MRRD	No	CCAP
NANGARHAR	Jalalabad	244,481	IDLG	Yes	REACH + CCAP
NIMROZ	Zaranj	188,510	IDLG	No	REACH
NURISTAN	Paroon	1,845	IDLG	No	REACH
PAKTIKA	Sharan	63,626	MRRD	No	CCAP
PAKTYA	Gardez	59,441	IDLG	No	REACH
PANJSHER	Bazarak	27,700	IDLG	No	REACH
PARWAN	Chaharikar	135,628	IDLG	No	REACH
SAMANGAN	Aybak	69,764	IDLG	No	REACH
SARI PUL	Sari Pul	35,810	MRRD	No	CCAP
TAKHAR	Taluqan	222,031	MRRD	No	CCAP
URUZGAN	Tirin Kot	38,077	MRRD	No	CCAP
WARDAK	Maydan Shahr	39,223	MRRD	No	CCAP
ZABUL	Qalat	18,761	MRRD	No	CCAP



## ANNEX 8: Complementary relief measures from other ARTF projects

### COUNTRY: Afghanistan

### COVID-19 Relief Effort for Afghan Communities and Households (REACH)

- 1. Eshteghal Zaiee-Karmondena (EZ-Kar) Project:** The key objective of the proposed EZ-Kar restructuring is to re-purpose projects resources and apply its implementing arrangements and capacity to increase support for more immediate and urgent COVID-19 relief and early-recovery responses. As a result of the COVID-19 crisis in Afghanistan, there are increasing signs of economic suffering through loss of jobs, livelihoods, and other income sources. EZ-Kar is considered a key project to provide support for micro and small local businesses and for creating rapid employment opportunities in the immediate relief and early recovery phases, given its coverage of 13 cities (including Kabul, Herat, Jalalabad, and Kandahar), linkages with Business Gozars, and the relevance of its labor-intensive public works scheme. The proposed restructuring consists of the following key changes: (i) addition of emergency cash grants to local businesses (sedentary shops and mobile vendors) through Business Gozars to “keep their lights on” and support business continuity to tide over the crisis period; and (ii) addition of labor-intensive public works in Kabul to create short-term jobs and income opportunities and improve municipal infrastructure and access to markets.
- 2. Cities Investment Program (CIP):** CIP restructuring would repurpose project funds to support municipalities in meeting their needs for effective COVID-19 response. During the relief phase, CIP would be supporting sterilization campaigns at city level, provision of necessary PPEs for municipal staff working in areas requiring regular interaction with public and any other emergency needs of the municipalities. For economic recovery, restructured CIP would support municipality-led labor-intensive works in five PCCs (Herat, Jalalabad, Khost, Mazar and Kandahar). These activities would be larger in size than community level projects and typically span multiple neighborhoods (type of activities not doable under CDC model). These activities are expected to be completed in six to ten months’ time frame. Finally, CIP is prioritizing labor intensive projects from its current pipeline of municipal investments to continue the economic recovery support beyond ten-month window.
- 3. Central Asia South Asia Electricity Transmission and Trade Project (CASA-1000):** The project will facilitate the first electricity trade between four countries in Central Asia and South Asia, based on long-term commercial contracts for 1,300 megawatts (MW) of electricity transmission between the four neighboring countries of Kirghizstan, Tajikistan, Afghanistan, and Pakistan. The CASA-1000 project in Afghanistan includes a Community Support Program (CSP) to increase the shared prosperity associated with the project for communities along the CASA-1000 corridor. The CSP is designed to provide: (a) community support activities and feasible power projects from alternate sources to the affected communities without access to power supply; and (b) other development projects with a socio-economic impact to communities that already have access to power. Under the COVID-19 response, US\$10 million will be re-deployed to support COVID-19 package developed under CCAP COVID-19 response in all 636 communities along the transmission line in the seven provinces.



4. **Women Economic Empowerment Rural Development Project (WEE-RDP):** The main objective of repurposing project funds under WEE-RDP is to restore livelihoods of beneficiaries and sustain operations of the community institutions, which were affected by the outbreak of COVID-19. The impact came through increased cost, reduced demand and a stoppage of their operations due to the national lockdown. The project which covers up to 5000 villages and 76 districts in 34 provinces offers a national framework for women economic empowerment, building on a community platform of local institutions which also provide access to basic services and enable trust. Given its spread and specific targeting of poor women in rural areas, the project offers an effective and unique instrument to support the poor and the vulnerable during the COVID-19 pandemic. The repurposed funds will be utilized to support women livelihood and agricultural value chain development through increased awareness campaigns and support to the community institutions of Self-Help Groups (SHGs), Village Savings and Loans Association (VSLAs) and Enterprise Groups (EGs). The proposed activities include (i) Provision of business support grants to EGs to support livelihood; (ii) Increase in seed grants to eligible VSLAs and SHGs; (iii) Business Development Support to women entrepreneurs; (iv) support activities on GBV/SEA protection; and (v) public awareness campaign about the virus. If the food situation worsens, the WEE-RDP would also mobilize its network of over 120,000 women across the 34 provinces to run community kitchens and restore food supplies across the provinces. Additional activities that would be supported include kitchen gardens, small scale livestock and post-harvest agricultural activities.



ANNEX 9: Prospective plans for the recovery phase

COUNTRY: Afghanistan

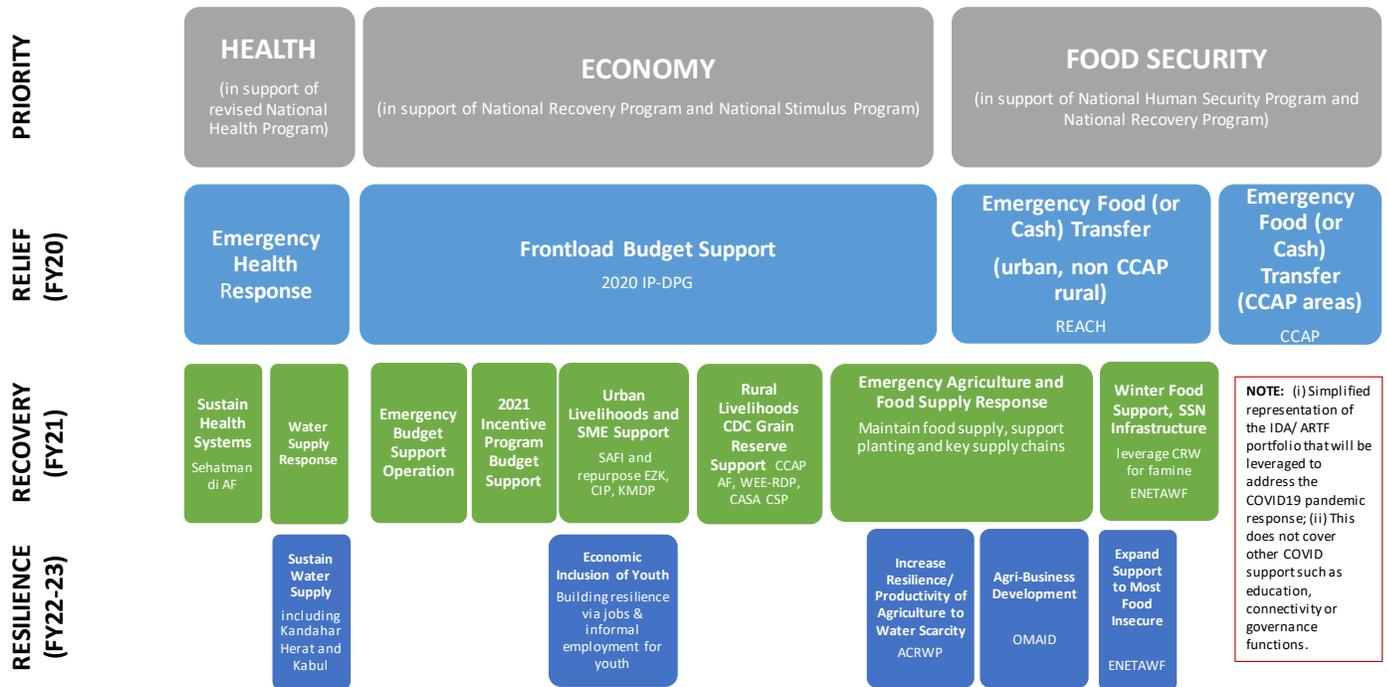
COVID-19 Relief Effort for Afghan Communities and Households (REACH)

1. For the purpose of planning the WB’s support to Afghanistan as the Government tackles the unprecedented health and economic crises resulting from COVID-19, the Bank has conceptualized its response in three interlinked but temporally separate phases: Relief, Recovery and Resilience. The Bank’s initial focus has been to articulate immediate relief measures for the coming 6 months, and to prepare for recovery and resilience. Initial relief measures, which include the REACH project, have been guided by the following needs:

- Health - support and sustain the health system
- Economy - mitigate the fiscal shock
- Food security - provide food (or cash) support in urban and rural areas to address food security and livelihoods impacted by COVID-19

2. These needs respond to the priorities expressed in the government’s plan “Responding to the Corona Virus”, specifically, the Revised National Health Program, the National Recovery Program, and the National Human Security Program. In all cases, immediate relief efforts are designed so they do not undermine medium-to-long term self-reliance efforts.

Figure 08.





3. **In parallel, a prioritized set of recovery and resilience focused interventions are being developed to support Afghanistan over the next 4-18 months by reigniting its economy, supporting much-needed short-term employment generation, and building resilience for the longer term.** This is achieved by leveraging existing operations to reorient them towards early economic recovery and by fast-tracking key pipeline or emergency operations that can support recovery and lay the foundation for future resilience. A simplified overview is provided in Figure O8 that focuses on primary links with the REACH project. As such it does not cover other COVID-19 support like maintenance of basic services (education, connectivity) or governance functions. An overview of the main elements follows.

4. **Health** – On 2 April 2020, a COVID-19 Emergency Response and Health Systems Preparedness Project (\$100.4m) was approved by the Bank’s Board. This program is led by the Ministry of Public Health. It responds to and mitigates the threat posed by COVID-19 in Afghanistan and strengthens national systems for public health preparedness. It is helping to: slow the spread of COVID-19 (through enhanced detection, isolation facilities, community mobilization); strengthen health service delivery (through preparedness, enhanced clinical care and management capacity, and facilities); and mitigate social impacts (through awareness, learning, hygiene, and mental/ psychosocial services). The Sehatmandi Project will ensure continued delivery of essential health services.

5. **Complementary efforts are envisaged in the water sector.** Water and hygiene related emergency response measures which are critical to reduce the spread of CoVID-19 and other infectious diseases. Support will be provided through a proposed water supply response project to design and execute a Utility Pandemic Response Plan to maintain essential services in priority cities, a national public information/behavior change campaign (including on handwashing), as well as to improve the water supply and distribution system in Kandahar, Kabul, and Herat.

6. **Economy** – COVID-19 will have a major economic impact as exports, imports and remittances are affected, and social distancing measures further suppress economic activity. GDP is expected to contract by between 4 and 7 percent in 2020, compared to pre-COVID-19 projections of around 3 percent growth. Revenues are expected to decline by at least 25 percent below budgeted levels. Relief efforts aim to mitigate impacts such as inadequate resources for government services, disruptions to government cash flows, civil servant salaries, and payments to vendors. A three-pronged approach is envisaged: (i) relief - front loading the 2020 Incentive Program Development Policy Grant (\$400m) to provide immediate budget support; (ii) recovery - a proposed Emergency Budget Support Operation with policy actions linked to COVID-19 measures being taken early in the recovery phase, followed later on in the year by the 2021 Incentive Program regular budget support operation; and (iii) resilience – proposed projects that contribute to continued growth and development while also building resilience for future shocks.

7. **In rural areas, similar MCCG livelihoods support will be delivered through CCAP and the CASA Community Support Project (CASA CSP) that will also roll out community grain banks where they are not already present.** Women’s economic activities will be supported through the Women’s Economic Empowerment Rural Development Project (WEE-RDP). Following on to the resilience phase of COVID-19 response, a proposed Youth Inclusion project will increase opportunities for employment in the informal sector.



8. **Households, farmers and firms will continue to receive support, so they can better manage their own risks through programs that promote access to financial services** (such as WEE-RDP, Access to Finance project, PAISA and the forthcoming Strengthening Afghanistan Financial Intermediation Project).

9. **Food Security** – In April 2020, the UN’s Food Security and Agriculture Cluster’s integrated phase classification update highlighted the pressing food security situation in Afghanistan, that is exacerbated by rolling lockdowns that impact the ability of vulnerable people to earn an income. Over April to May 2020, 12.6 million people face acute food security (33 percent of population), and from June to November around 12 million people are projected to be acutely food insecure (32 percent). In both timeframes, around 4 million people are expected to be in emergency status (IPC4, note IPC 5 represents famine). In the relief phase, existing funds and activities are being reprogrammed to assist vulnerable households to meet their needs during the relief phase of the COVID-19 outbreak. This includes leveraging CCAP to provide support to communities in rural areas through facilitating partners and extending this support to other rural areas where possible through REACH. REACH will also deliver a basic food basket in urban areas using private sector delivery modalities to parallel, or follow, the government’s Ramadan bread distribution program.

10. **In the recovery phase, a forthcoming Early Warning, Finance, and Action operation (called ‘ENETAWF’ in Dari), will put in place an adaptive social safety net to provide recurrent support to 250,000 food insecure households, and scale up support during drought (horizontally and vertically) to increase the resilience of 800,000 most vulnerable to food and nutrition insecurity during a drought.** To increase community resilience, seasonal support will be provided through cash for work programs or productive support that improves resilience, for example by strengthening agriculture productivity or water management. Additionally, a risk-based financing facility, connected to a drought early warning system, will enable pre-agreed financing to be released ex-ante to action plans that support the most vulnerable in the event of a drought; allowing the social support system to expand horizontally and vertically.

11. **Also in the recovery phase, an emergency Agricultural and Food Supply Response project is also proposed that will cover:** irrigated agriculture productivity for improved resilience; dryland farming and watershed management; seed production and distribution; and support to protect food security-critical commercial supply/value chains impacted by COVID-19 and other shocks. This will be complemented by a broader private sector intervention focused on market re-engagement and recovery. Grants will be provided to help enterprises engaged in critical food supply chains and important service sectors to retrofit and retool their operations to address COVID-19 constraints and capture opportunities during the crisis.

12. **Follow on support to boost food security and resilience is proposed through an agribusiness development operation.** This will help to implement the Agribusiness Charter, support private sector investment in agribusiness, and assist farmers with food supply chains, agriculture research, extension systems and market access.

**ANNEX 10: Bank Task Team Members****COUNTRY: Afghanistan**  
**COVID-19 Relief Effort for Afghan Communities and Households (REACH)**

Table 08: Team Members

No.	Name	Role	Title	Unit
1	Janamejay Singh	Team Leader (ADM Responsible)	Lead Social Development Specialist	SSAS2
2	Andras Bodor	Team Leader	Senior Social Protection Economist	HSASP
3	Kalesh Kumar	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	ESARU
4	Rahimullah Wardak	Procurement Specialist	Senior Procurement Specialist	ESARU
5	Syed Waseem Kazmi	Financial Management Specialist (ADM Responsible)	Sr Financial Management Specialist	ESAG1
6	Ahmed Shah Ahmadzai	Financial Management Specialist	Financial Management Specialist	ESAG1
7	Anita Takura	Environmental Specialist (ADM Responsible)	Senior Environmental Specialist	SSAEN
8	Edda Smith	Social Specialist (ADM Responsible)	Social Development Specialist	SSAS2
9	Abdul Wali Ibrahim	Team Member	Senior Operations Officer	SSAU1
10	Ajmal Paiman	Team Member	E T Consultant	SACKB
11	Amanullah Alamzai	Team Member	Senior Agricultural Specialist	SSAA1
12	Aminata Ndiaye	Financial Sector Specialist	Senior Financial Sector Specialist	ESAF1
13	Anna Kalashyan	Team Member	Young Professional	SSAS1
14	Brigitta Bode	Team Member	Consultant	SSAS1
15	Donald Mphande	Financial Management Specialist	Lead Financial Management Specialist	ESAG1
16	Endeshaw Tadesse	Team Member	Senior Social Protection Specialist	HSASP
17	Erwin Knippenberg	Team Member	Young Professional	ESAPV
18	Janardhanan Ramanujam	Team Member	Finance Analyst	WFACS
19	Jane Olga Ebinger	Team Member	Program Leader	SSADR
20	Farishta Ali	Team Member	Team Assistant	SACKB
21	Kosuke Anan	Team Member	Senior Social Development Specialist	SSAS2
22	Luiza A. Nora	Team Member	Senior Social Development Specialist	SSAS2
23	Mohammad Yasin Noori	Team Member	Senior Social Development Specialist	SSAS2



24	Najla Sabri	Team Member	Social Development Specialist	SSAS2
25	Obaidullah Hidayat	Environmental Specialist	Senior Environmental Specialist	SSAEN
26	Qais Agah	Social Specialist	Social Development Specialist	SSAS2
27	Ria Nuri Dharmawan	Counsel	Counsel	LEGES
28	Shubha Chakravarty	Team Member	Senior Economist	HSASP
29	Shughla Hellali	Team Member	Operations Officer	SACKB
30	Sally Beth Murray	Team Member	Consultant	SSAU1
31	Suhail Kassim	Team Member	Senior Private Sector Specialist	ESAF2
32	Susan Wong	Team Member	Lead Social Development Specialist	SESF2
33	Tahir Akbar	Team Member	Sr Urban Specialist	SSAU1
34	Yasuhiko Matsuda	Team Member	Practice Leader	HSADR
35	Hyoung Gun Wang	Team Member	Senior Economist	SSAU1
36	Upamanyu Dutta	Team Member	Economist	ESAPV
37	Walker Bradley	Team Member	Geographer	ESAPV
38	Zabiullah Ahrary	Team Member	Program Assistant	SACKB
39	Zhuo Yu	Team Member	Senior Finance Officer	WFACS