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Report No: {PAD2428}

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

RESTRUCTURING AND PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF SDR 93.2 MILLION  
(US\$ 127.7 MILLION EQUIVALENT)

AND

A PROPOSED ADDITIONAL GRANT

FROM THE AFGHANISTAN RECONSTRUCTION TRUST FUND

IN THE AMOUNT OF US\$ 44.3 MILLION

TO THE

THE ISLAMIC REPUBLIC OF AFGHANISTAN

FOR THE

CITIZENS' CHARTER AFGHANISTAN PROJECT –  
EMERGENCY REGIONAL DISPLACEMENT RESPONSE ADDITIONAL FINANCING

May 30, 2017

Social, Urban, Rural and Resilience Global Practice  
SOUTH ASIA

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective {23 MAY 2017})

Currency Unit = Afghani (AFN)  
 66.10 AFN = US\$1  
 US\$1.37 = SDR 1

## FISCAL YEAR

July 1 - June 30 (World Bank)  
 December 22 – December 21 (Government of Afghanistan)

## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AFN	Afghanistan Afghani
ARTF	Afghanistan Reconstruction Trust Fund
CASA	Central Asia South Asia transmission line
CASA-CSP	CASA Community Support Project
CC	Citizens' Charter
CCAP	Citizens' Charter Afghanistan Project
CCDC	Cluster Community Development Council
CCNPP	Citizens' Charter National Priority Program
CCSA	Cross-Cutting Solutions Area
CDC	Community Development Council
CDD	Community Driven Development
CDP	Community Development Plan
CGC	Clean and Green Cities program
EC	Environmental Clearance
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
EU	European Union
DA	Designated Account
DAB	Da Afghanistan Bank
DiREC	Displacement and Returnee Executive Committee
FCV	Fragility, Conflict and Violence
FM	Financial Management
FP	Facilitating Partner
GoIRA	Government of Islamic Republic of Afghanistan
GRM	Grievance Redress Mechanism
HH	Household
IA	Implementing Agency
IDLG	Independent Directorate for Local Governance
IDP	Internally Displaced Person
IDP/R	Internally Displaced Person/Returnee
IOC	Incremental Operating Costs
IOM	International Organization for Migration
M&E	Monitoring and Evaluation

MAIL	Ministry of Agriculture, Irrigation, and Livestock
MCCG	Maintenance Cash and Construction Grant
MCG	Maintenance Cash Grant
MIS	Monitoring Information System
MOE	Ministry of Education
MOEW	Ministry of Energy and Water
MOF	Ministry of Finance
MOLSAMD	Ministry for Labor, Social Affairs, Martyrs and Disabled
MOPH	Ministry of Public Health
MRRD	Ministry of Rural Rehabilitation and Development
MSS	Minimum Service Standards
NEPA	National Environmental Protection Agency
NGO	Non-Governmental Organization
NSP	National Solidarity Program
NPF	New Procurement Framework
NPP	National Priority Program
NUG	National Unity Government
OC	Oversight Consultant
PAD	Project Appraisal Document
PDO	Project Development Objective
PIU	Project Implementation Unit
PMU	Provincial Management Units
PP	Project Paper
PPSD	Project Procurement Strategy for Development
RAP	Resettlement Action Plan
RASS	Rural Area Service Standards
RVP	Regional Vice President
SAR	South Asia Region
SCD	Systematic Country Diagnostic
SIG	Social Inclusion Grant
SO	Social Organizer
SORT	Systematic Operations Risk Rating Tool
SSAR	Solutions Strategy for Afghan Refugees
STEP	Systematic Tracking of Exchanges in Procurement
UABG	Urban Area Block Grant
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees/UN Refugee Agency
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
WB	World Bank
WBG	World Bank Group
WEE-NPP	Women's Economic Empowerment National Priority Program

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**AFGHANISTAN**  
**CITIZEN CHARTER AFGHANISTAN PROJECT –**  
**EMERGENCY REGIONAL DISPLACEMENT RESPONSE ADDITIONAL FINANCING**

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**ADDITIONAL FINANCING DATA SHEET**

*Afghanistan*

*Citizens' Charter Afghanistan Project - Emergency Regional Displacement Response Additional Financing  
(P163468)*

**SOUTH ASIA**

**GSU06**

Basic Information – Parent							
Parent Project ID:	P160567	Original EA Category:	B - Partial Assessment				
Current Closing Date:	31-Oct-2020						
Basic Information – Additional Financing (AF)							
Project ID:	P163468	Additional Financing Type (from AUS):	Restructuring, Scale Up				
Regional Vice President:	Annette Dixon	Proposed EA Category:					
Country Director:	Shubham Chaudhuri	Expected Effectiveness Date:	31-Aug-2017				
Senior Global Practice Director:	Ede Jorge Ijjasz-Vasquez	Expected Closing Date:	31-Oct-2021				
Practice Manager/Manager:	David Seth Warren	Report No:	PAD2428				
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Project Financing Data - Parent (Citizens' Charter Afghanistan Project-P160567) (in USD Million)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P160567	IDA-D1390	Effective	27-Oct-2016	06-Dec-2016	23-Jan-2017	31-Oct-2020	31-Oct-2021
P160567	TF-A3827	Effective	27-Oct-2016	06-Dec-2016	23-Jan-2017	31-Oct-2020	31-Oct-2021

Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P160567	IDA-D1390	Effective	USD	100.00	100.00	0.00	0.00	97.75	0.0
P160567	TF-A3827	Effective	USD	100.00	100.00	0.00	45.91	54.09	45.91
<b>Project Financing Data - Additional Financing Citizens' Charter Afghanistan Project - Emergency Regional Displacement Response Additional Financing (P163468) (in USD Million)</b>									
<input type="checkbox"/>	Loan	<input checked="" type="checkbox"/>	Grant	<input checked="" type="checkbox"/>	IDA Grant				
<input type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee	<input type="checkbox"/>	Other				
Total Project Cost:		172.00		Total Bank Financing:		172.00			
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
IDA Grant								85.80	
Afghanistan Reconstruction Trust Fund								44.30	
IDA recommitted as a Grant								41.90	
Total								172.00	
<b>Policy Waivers</b>									
Does the project depart from the CAS in content or in other significant respects?							No		
Explanation									
Does the project require any policy waiver(s)?							No		
Explanation									
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<b>Bank Staff</b>									
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<b>Locations</b>					
<b>Country</b>	<b>First Administrative Division</b>	<b>Location</b>	<b>Planned</b>	<b>Actual</b>	<b>Comments</b>
<b>Institutional Data</b>					
<b>Parent (Citizens' Charter Afghanistan Project-P160567)</b>					
<b>Practice Area (Lead)</b>					
Social, Urban, Rural and Resilience Global Practice					
<b>Contributing Practice Areas</b>					
<b>Additional Financing Citizens' Charter Afghanistan Project - Emergency Regional Displacement Response Additional Financing (P163468)</b>					
<b>Practice Area (Lead)</b>					
Social, Urban, Rural and Resilience Global Practice					
<b>Contributing Practice Areas</b>					
<b>Consultants (Will be disclosed in the Monthly Operational Summary)</b>					
Consultants Required? Consultants will be required					



## I. INTRODUCTION

1. This Project Paper (PP) seeks the approval of the Executive Directors for a Level One Restructuring and the provision of an additional grant in an amount of SDR 93.2 million (USD 127,700,000 equivalent) for the Citizens' Charter Afghanistan Project (CCAP: P160567; IDA Grant D1390-AF and ARTF Grant TFOA3287) for an Emergency Regional Displacement Response Additional Financing (AF). The AF will be co-financed through an additional grant in the amount of USD 44,300,000 from the Afghanistan Reconstruction Trust Fund (ARTF) to the Government of the Islamic Republic of Afghanistan (GoIRA).<sup>1</sup> The Level One restructuring includes:

- i. a minor revision of the Project Development Objective (PDO);
- ii. revisions to the results framework which include: (a) addition of a new PDO indicator and three intermediate indicators; (b) revision of a few intermediate outcome indicator targets; (c) adjustments of the target end dates and some indicator definitions in line with this AF; and
- iii. a 12-month extension of the original Project closing date, from October 31, 2020 to October 31, 2021.

2. The proposed AF was specifically requested by the GoIRA through a letter dated March 20, 2017, in order to support an emergency response to the regional displacement crisis that Afghanistan is facing through the rapid influx of over one million expected returnees from Pakistan and other countries. Specifically, the AF will assist in: (a) expanding the geographic coverage of the CCAP to additional areas of high returnee and displaced population density; (b) adding new activities, including a component around emergency income/cash for work assistance through labor intensive public works/maintenance cash grants for both displaced households and host communities; and (c) contributing through enhanced returnee data collection and registration support to the regional coordination mechanism supported through the Tri-Partite Arrangement between the GoIRA, the Government of Pakistan (GoP) and the UNHCR. The institutional, project management, and monitoring and evaluation (M&E) arrangements of the parent project will be updated accordingly to cater to the above expansion and inclusion of new activities.

## II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

### A. REGION, COUNTRY AND SECTOR CONTEXT

3. **Afghanistan, and with it the South Asia region, is witnessing a massive displacement and potential humanitarian crisis.** Over the course of 2016 and first quarter of 2017, an estimated 775,000 undocumented and registered refugees returned to Afghanistan from Pakistan and Iran. In addition, Afghanistan has 1.2 million individuals at different stages of displacement and added an additional 400,000 new internally displaced persons (IDPs) in 2016. According to UNCHR, there are still 1.5 million registered Afghan refugees living in Pakistan, and authorities there have asked for all Afghan refugees in Pakistan to return to Afghanistan by December 2017. The UN is therefore projecting almost 500,000-700,000 additional Afghans will return from Pakistan in 2017.<sup>2</sup>

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<sup>1</sup> The AF also has parallel financing through bilateral contributions of Euros 25,000,000 and 5,500,000 from the Governments of Germany and Denmark respectively.

<sup>2</sup> Source: IOM, UNOCHA, and UNHCR data. See for instance: <https://data.humdata.org/dataset/ocha-afghanistan-topline-figures> and [http://reliefweb.int/sites/reliefweb.int/files/resources/afg\\_idp\\_situation\\_response\\_dashboard\\_20170430.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/afg_idp_situation_response_dashboard_20170430.pdf)

4. **This massive influx of returnees is putting tremendous pressure on Afghanistan’s already fragile social, economic, and service delivery infrastructure and is a threat to regional stability.** Despite its accomplishments in improving GDP per capita between 2002 (\$186) and 2012 (\$688), as well as several human development indicators (e.g. school enrollment, life expectancy, and access to water), Afghanistan remains one of the least developed countries in the world and nearly four decades of protracted conflict have left weakened government institutions and severe social and ethnic cleavages. Poverty rates stand at 39.1 percent as of 2013-14, with signs of growing inequality. Economic growth fell sharply to 1.5-2 percent in 2014 and 2015, influenced in part by the three binding constraints of deteriorating security, declining external financial aid, and demographic and geographic factors identified in the recent Afghanistan Systematic Country Diagnostic (SCD)<sup>3</sup>. In this context, the sudden influx of returnees is likely to further escalate the fragile humanitarian situation in Afghanistan and potentially become a fourth binding constraint to economic development and social progress. The geographical concentration of returnees is likely to put extra strain on local absorption capacity in host communities, particularly for basic services like education, health, energy, and water. Population growth and movement has also meant that most of the land left by returnees has been taken over by others in the interim, which leaves many of these new returning households without land and property rights. Likewise, the pressure to create new jobs and employment for both host communities and IDPs and returnees (IDP/Rs) has escalated tremendously. In 2016, unemployment and underemployment stood at around 22 and 46 percent respectively (with 400,000 entrants into the labor force each year), and these have significantly increased over the past years (up from 8.1 and 22.6 percent in 2011) due to stagnating growth, the deteriorating security environment and withdrawal of international security forces from the country, and now the influx of returnees.

5. **The National Unity Government (NUG) of Afghanistan's goal is to grant returnees and IDPs decent and humane treatment.** Planning for the successful return of refugees and migrants, and responding to the needs of IDPs, is first and foremost a humanitarian and constitutional concern, but absorbing over one million returnees and IDPs poses severe economic and political risks. Therefore, longer-term development interventions alongside humanitarian ones are needed to facilitate durable solutions for both returnees and displaced populations. Consequently, the “Solutions Strategy for Afghan Refugees” (SSAR) was jointly developed by the Governments of Afghanistan, Pakistan, Iran, and UNHCR in 2012 to provide an overall framework for moving towards a sustainable mechanism for voluntary repatriation and reintegration of Afghan refugees, while maintaining support for host communities. Since then, working in coordination with the Government of Pakistan (GoP) through a Tri-Partite Arrangement between the GoIRA, the GoP and facilitated through UNHCR, the GoIRA has developed a Policy Framework for Returnees and IDPs that was officially endorsed by the Afghan Cabinet in March 2017. A high level ‘Displacement and Returnee Executive Committee’ (DiREC) has been established by the GoIRA to coordinate the inter-ministerial and regional work on the displacement response.<sup>4</sup>

6. **The GoIRA’s Policy Framework for IDP/Rs aims for a safe and successful re-integration of returnees and IDPs into the social and economic fabric of Afghanistan,** in line with their constitutional rights as citizens of Afghanistan.<sup>5</sup> The Government’s policy is to enable IDP/Rs to become productive and well-integrated members of their community, minimize the time they spend in transitional arrangements, and encourage their active participation in the identification of long-term sustainable solutions that promote their own self-reliance and development. The IDP/R Policy Framework is therefore articulated in

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<sup>3</sup> World Bank. 2016. *Afghanistan Systematic Country Diagnostic*. Washington, DC: World Bank

<sup>4</sup> Annex-4 provides a brief summary of the Government’s policy IDP/R framework and status of the regional and national coordination on the displacement crisis.

<sup>5</sup> Islamic Republic of Afghanistan “*Policy Framework for Returnees and IDPs*”, final version, March 1, 2017.

*three stages*, with long-term actions needing to be planned in parallel to the humanitarian intervention so as to facilitate sustainable integration of returnees and IDPs. In the *first humanitarian stage*, consideration must be given to issues such as the proper identification of returnees and IDPs, assessments of their needs and intentions and the determination of their entitlements, initially as a provision of emergency support. In the *second stage*, when returnees and IDPs join existing or new communities or return to their places of origin, efforts must be made to receive them, and planning must include host areas and offset the burden on local services. The *third stage* shifts to a focus on livelihoods, employment and integration with the surrounding host communities, markets and government support. This three stage approach has been applied operationally through an *Action Plan Matrix* approved by Cabinet (February, 2017) that sets out 8 *goals* and corresponding actions to be implemented to support the overall Policy Framework.<sup>6</sup>

7. **The proposed AF is part of the initial package of support proposed to manage the returnee and displacement crisis.** It was conceived in recognition of the need for implementing an emergency operation facilitating access to basic services, providing quick disbursing cash-based transfers based on labor intensive public works, and aiding in the social reintegration of IDP/Rs. This builds on the GoIRA's Policy framework and Action plan, while recognizing an appropriate division of labor between government, international partners, and the WBG. By focusing on service delivery provision and short-term income support, the AF fits in the second stage of the overall IDP/R Framework in terms of providing the bridge between the immediate humanitarian support being provided by UN agencies and the longer livelihoods and sectoral support that is planned through ongoing and future development programs, including a proposed IDA-18 regional operation.<sup>7</sup> The AF will further link to and provide a platform for supporting other ongoing and future development programs that will be re-directed or restructured to respond to the needs of reintegration and rehabilitation of IDP/Rs as part of the overall Policy Framework.

8. **The Project is aligned with both the first (building strong and accountable institutions) and third (social inclusion) pillars of the Afghanistan Country Partnership Framework (CPF).**<sup>8</sup> In addition, it is part of the proposed Joint Displacement Response paper that the Afghanistan and Pakistan CMUs are putting together to address the regional displacement crisis under IDA-18.

## **B. BACKGROUND AND STATUS OF THE CITIZENS' CHARTER AFGHANISTAN PROJECT (CCAP)**

9. **The IDA/ARTF<sup>9</sup> financed CCAP supports Afghanistan government's Citizens' Charter (CC) National Priority Program (CCNPP) that was officially launched in late 2016.** It is the successor project to the highly successful National Solidarity Program (NSP), which introduced a community-driven development (CDD) approach towards rural infrastructure and service delivery and reached approximately 35,000 communities over the past 14 years. One of the NSP's signature achievements was the creation of democratically elected 'Community Development Councils' (CDCs), which helped identify and deliver over 82,000 small-scale

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<sup>6</sup> The eight goals of the IDP/R Policy Action Plan are as follows: *Goal 1:* All new arrivals are registered and receive documentation; *Goal 2:* All returnees and IDPs are provided with immediate assistance for basic necessities; *Goal 3:* Facilitate access to basic services for returnees, IDPs and host communities; *Goal 4:* Improve access to land and adequate housing; *Goal 5:* Improve access to livelihood opportunities and jobs; *Goal 6:* To facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed policies; *Goal 7:* Improve Citizens' engagement and social cohesion; *Goal 8:* Strengthen accountability and transparency through reporting, monitoring and feedback mechanisms

<sup>7</sup> It caters directly to Goals 3, 5, 7, and 8 of the GoIRA's IDP/R Policy Action Plan.

<sup>8</sup> FY2017-20, Country Partnership Framework, Report No. 108727-AF, October 2, 2016, World Bank.

<sup>9</sup> The original CCAP has US\$100mn equivalent IDA funding and US\$400mn from the ARTF.

reconstruction and development activities, providing over 20 million Afghans with access to improved water supply and sanitation, rural roads, irrigation, power supply, health, and education services. The CCNPP aims to build off this CDC platform to deliver a broader range of basic services and help foster trust between citizens and the state. The CCAP is one slice of the larger, ten-year CCNPP that will be supported through the government budget, the ARTF, and the World Bank/IDA. CCAP will support the first four-year phase of the CCNPP. It will reach an estimated 8.5 million direct and indirect beneficiaries in approximately one-third of districts located across all 34 provinces of the country.

10. **Original Project Components:** The CCAP has been set up as an inter-ministerial program for the delivery of a package of basic services. It is structured around 4 components which are as follows:

a) **Component 1: Service Standards Grants.** This component supports two types of grants to CDCs:

- i. **Rural Areas Service Standards (RASS) Grants.** The Ministry of Rural Rehabilitation and Development (MRRD), which is the rural implementing agency of the CCAP and has overall responsibility for the implementation of these service standard grants. This rural sub-component supports delivery of the *minimum service standards* related to rural infrastructure (see Box-1 below). Allocations per community under this component are *needs-based* based upon an initial gap and needs assessment against the minimum service standards. The investments include water supply and a choice between basic road access, electricity, or small-scale irrigation. The average cost for all types of subprojects is expected to be US\$28,000 and it will cover about 12,000 CDCs, who will implement most of these projects with technical assistance from MRRD's provincial and district offices.
- ii. **Urban Areas Block Grants (UABGs).** The Independent Directorate of Local Governance (IDLG) – CCAP's urban implementing agency – has overall responsibility for the implementation of the urban areas block grants. This sub-component supports grants to 600 urban CDCs and 120 *Gozars* in four major cities (Herat, Mazar-i-Sharif, Kandahar, and Jalalabad) to fund small infrastructure works in urban settings. These four major cities are home to some 945,000 urban dwellers. The menu of options includes street upgrading, parks, lighting, provision of potable water, solid waste management arrangements, and women's economic activities. Urban CDCs will receive US\$70,000 and *Gozars* (clusters) will receive US\$200,000 over the course of four years. This urban sub-component supports service delivery linkages between the CDC, cluster/*Gozar*, urban district, and municipal levels. All urban CDC and *Gozar* development plans will be validated and be consistent with overall municipality plans.

b) **Component 2: Institution Building.** This component supports: capacity building; technical assistance; and community facilitation services. In **rural areas**, MRRD will work with 14 facilitating partners (FPs) in undertaking capacity building and training of provincial and district staff to oversee, monitor and report upon project progress, Social Organizers (SOs), and engineering and technical support to communities across all 34 provinces. In **urban areas**, IDLG is working with UN Habitat, who will serve as an Oversight Consultant (OC) as well as four FPs on capacity building and training of municipality staff to supervise, monitor and report upon project progress.

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

*citizens' monitoring and scorecard* – which covers a range of participatory monitoring and evaluation (M&E) tools, including the roll out of simple citizens' scorecards to be completed by CDCs and Social Organizers (SOs) to report upon the minimum service standards; and (b) *studies and evaluations* - there will also be several coordination and reporting arrangements, as well as a program of technical studies, thematic research, and evaluations that are supported through this component.

d) **Component 4: Project Implementation and Management.** The last CCAP component supports the management and oversight of the Project at the national, provincial and district levels in rural areas and the municipal management units in the four regional hub cities. This includes areas such as policy and operational planning; capacity building; management information and reporting systems; grievance redress mechanisms (GRM); human resource management; communications; donor and field coordination, financial management (FM) and procurement functions; and safeguards oversight.

**Box-1: CCAP Minimum Service Standards for Rural and Urban Areas<sup>10</sup>**

Rural Areas	Urban Areas
<p><b>Access to Clean Drinking Water</b>  <b>Access to Rural Infrastructure.</b> Choice of:</p> <ul style="list-style-type: none"> <li>▪ Road access</li> <li>▪ Electricity (in areas not reached by grid)</li> <li>▪ Small-scale irrigation</li> </ul>	<p><b>Access to Urban Infrastructure.</b> Choice of:</p> <ul style="list-style-type: none"> <li>▪ Potable water</li> <li>▪ Street upgrading and drainage</li> <li>▪ Lighting, electricity</li> <li>▪ Park, recreation area</li> <li>▪ Solid waste management</li> <li>▪ Household numbering</li> <li>▪ Livelihood projects for women</li> </ul>
<p><b>Ministry of Public Health (MoPH) Health Standards</b></p> <ul style="list-style-type: none"> <li>▪ Health facilities complying with required open hours, staffing, and mandated health services <ul style="list-style-type: none"> <li>▪ In urban areas, pharmacies will be registered and meet basic MoPH requirements</li> </ul> </li> </ul>	
<p><b>Ministry of Education (MoE) Education Standards</b></p> <ul style="list-style-type: none"> <li>▪ Teachers with a least grade 12 education</li> <li>▪ Students will have 24 – 36 hours per week of education</li> </ul>	

11. **Implementation Status:** The CCAP was declared effective on January 23<sup>rd</sup>, 2017 and is currently rated Satisfactory in terms of implementation progress and progress towards development objectives. The core project staff in both MRRD and IDLG have been hired. Recruitment of sub-national staff, facilitating partners, as well as field testing and refinement of the social mobilization strategy are all ongoing. All operations, technical, and social manuals have been completed. The core 'training of trainers' for FPs started in May and will be followed by the core SO training by FPs. The actual field roll out of the social mobilization process at the community level is expected to commence in July soon after Eid. The first critical milestone in the mobilization would be completing the elections for the new CDCs, which would be done by end July allowing for the first set of grants to roll out in August. This implementation schedule allows for the additional activities in this AF to roll-out pretty much simultaneously with the parent CCAP, provided that the additional staffing and FP procurement processes can be completed in the months of

<sup>10</sup> The Project Appraisal Document for the original CCAP describes these standards in more detail (see pp. 18-21). Note that the health and education standards are only monitored under CCAP, but not financed through the RASS/UABGs.

May and June. To allow for this early mobilization, the retroactive financing provision will be applied to the AF.

### C. RATIONALE FOR PROVIDING EMERGENCY DISPLACEMENT RESPONSE AS AF TO CCAP

12. **The CCAP was always designed to be the key delivery mechanism for providing basic services and short-term employment support to IDP/Rs.** Building off the experience of NSP, the CC was intended to also serve as the main community response mechanism for returnees, providing short-term employment and basic infrastructure works such as roads, irrigation, electricity and water. As a result, CCAP had developed operational guidelines to respond to the returnee/IDP crisis, and was designed to be able to expand its geographical scope rapidly to target high returnee areas. Key priorities for CCAP in relation to IDP/R integration as per these guidelines included access to basic services and inclusion into decision-making mechanisms such as representation in CDCs<sup>11</sup>, *shuras*, city governance structures, and municipal advisory boards. A \$10m contingency line to accommodate returnees and IDPs was also set aside in the original CCAP. Therefore, an AF to the CCAP was considered the best and quickest way to channel the emergency support for the IDP/R crisis.

13. **Using the CDD model also helps foster social reintegration.** The GoIRA's Policy Framework for Returnees clearly promotes the use of a *'whole of community'* approach in tackling the reintegration of displaced populations as this helps foster a sense of social cohesion. Therefore, directing the emergency response through the CCAP has the advantage of using a community-driven approach to reintegration. The CCAP through CDCs will help to build relations between host communities and IDPs/Rs to avoid further conflict and adverse impacts between returnees, IDPs, and hosts. Moreover, the process of consensus building and joint decision making involved in CCAP (e.g. for selection of priority sub-projects and services for helping the community) as well the provision of infrastructure and services that help the whole community is seen by the GoIRA as a clear advantage of delivering through the CC platform.

14. **The Government has experience running the short-term employment assistance programs being proposed under the AF.** The MRRD has been running programs around labor-intensive public works and cash-for-work in the past years as part of the *Jobs for Peace* initiative that the GoIRA launched in 2015. Under this, NSP-III was provided additional financing to roll out a *"Maintenance Cash Grant"* (MCG) program. The MCG was designed to be a quick disbursing, labor-intensive public works scheme that would give measurable (income) benefits to people, while ensuring that the employment generated would also provide an estimated 2-3 months of food security to participating households. Over the last two years, the MCG rolled out equitably to 11,071 communities in 148 districts of 34 provinces that were selected based on underemployment, the security situation and to CDCs that had already completed work under their block grant allocation. Likewise, over the past year, the Government has also worked with other donors and the UN Habitat to roll out a basic labor stimulus and stabilization package on a pilot basis called *"Clean and Green Cities"* (CGCs). The CGC covers comprehensive labor intensive urban clean-up, repair, beautification, and basic solid-waste management activities (e.g. street paving/upgrading, greening, drainage repair, waste removal, etc.).<sup>12</sup> The experience of the Government, and in particular the MRRD, with these labor intensive/cash-for-work programs strengthens the case to channel the emergency response through an AF.

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<sup>11</sup> The CDC election process under CCAP has been revamped to make it 'neighborhood based'. This change ensures that informal settlements and neighborhoods that may have a concentration of IDP/R or minority households get representation on the CDCs and become eligible for becoming CDC office bearers.

<sup>12</sup> Annex-8 provides some more description and background on the CGC program and current status.

15. **Finally, the CCAP platform also provides the opportunity for inter-ministerial collaboration and to draw in and coordinate additional donor support.** Being a multi-donor and multi-ministry program, an AF through CCAP also provides the opportunity for several donors to coordinate and channel their financing through the program. For instance, the European Union (EU), which had originally planned to provide Euro 30 million in financial support to the NSP as part of the Jobs for Peace Initiative, has now committed to channeling these resources through the ARTF to the CCAP AF for the emergency displacement response. Similarly, when it comes to inter-ministerial coordination, the CCAP allows for several sectoral priorities outlined in the GoIRA Policy Framework to be coordinated. For instance, the construction of additional classrooms to accommodate the high returnee influx (which is part of the MoE's response to the IDP/R crisis) will now likely be delivered/coordinated through the CCAP AF.

16. For the above reasons, and even though the parent CCAP has only been effective since January 2017, the GoIRA and the World Bank agreed that an AF to CCAP was the best mechanism to move forward with this emergency displacement response.

#### **D. CASE FOR REGIONAL IDA ALLOCATION**

17. **As an emergency response to a regional crisis, it is proposed to partly finance the Project with Regional IDA-17 funds for the South Asia Region (SAR).** The proposed project is consistent with the WBG's overall approach to addressing forced displacement (endorsed by IDA deputies during the IDA-18 replenishment) as it focuses on medium-term socio-economic responses that compliment humanitarian support. Close collaboration is also being forged with UN agencies to strengthen complementarity in displacement responses through more effective and efficient developmental interventions that are better aligned with the government priorities and plans. Because forced displacement is a regional challenge, the Project strongly emphasizes knowledge generation and learning through enhanced data collection that will help future interventions, as well.

18. Following the criteria for Regional IDA programs, the application for use of SAR Regional IDA 17 funds is based on the following:

- i. **Regional fragile states crisis:** The proposal addresses an emerging regional crisis that involves the mutual interest of two IDA countries- Pakistan and Afghanistan – with the latter being a fragile state. a) Pakistan's interest is to return Afghan refugees to Afghanistan by end December 2017 as smoothly as possible avoiding a humanitarian crisis; and b) on the side of the Afghan government to receive these returnees and support their rapid and humane re-integration into Afghan host communities.
- ii. **Cross-border benefits:** The operation has clear cross-border benefits as effective re-integration of this population will contribute to regional stability and is in line with the policy objectives of both countries. Conversely, a mismanaged reintegration and rehabilitation process can lead to severe social, economic and security risks threatening the stability of not just Afghanistan and Pakistan, but the broader South Asian sub-continent. The Project will mitigate the negative regional spill-over effect of conflict, which can be termed the "public bad" through a development response that seeks to support the host communities in overcoming the shocks and impacts of refugees. The social inclusion elements proposed might prevent local conflicts from arising between refugees and hosts, while improved social services and livelihoods for refugees will secure their human capital and self-reliance, allowing them to contribute to the local development in

Afghanistan upon their return. These two aspects have clear positive spill-over effects beyond country boundaries.

- iii. **Regional and country ownership:** The proposal seeks to respond to an urgent request from the GoIRA, which expects large scale returns to resume this summer following a resumption of returns in March 2017, and is aligned with the policy interests of the GoP as spelled out in the SSAR. The Conclusions of the 28th Tripartite Commission meeting held in February 2017 between the GoIRA, GoP and UNHCR stressed the need for regional efforts to support the process of repatriation and reintegration of Afghan refugees. Both the GoIRA and GoP desire an orderly return to minimize/mitigate economic and social disruption and have therefore agreed to a package of support for returning refugees as part of the tri-partite arrangements facilitated through UNHCR.
- iv. **Platform for regional cooperation:** The proposal provides an immediate response to an emerging crisis and will provide an important building block for a longer term response that should help support policy objectives around migration and displacement in both Afghanistan and Pakistan. In particular, the proposed AF will assist in the overall registration and data collection (see new proposed subcomponent 3C) efforts that are informing the Tri-Partite Arrangement and national coordination on the displacement crisis. The AF will be implemented in coordination with several regional branches of international and UN agencies (e.g. UNOCHA, UNHCR, and IOM). Finally, this initial emergency response instrument will help inform and guide the broader regional IDA-18 livelihoods program that will be prepared in FY18.

19. Of the total \$127.7 million IDA financing under the AF, **\$41.9 million** is expected to come from the SAR regional IDA allocation. This corresponds to a roughly 2:1 ratio of national to regional IDA for the Project. In addition, financing worth \$44.3 million is being provided through the ARTF for the AF. There is also parallel financing through bilateral donors worth \$33 million that has been secured in order to respond to this regional crisis and is being coordinated with the AF roll out. The regional IDA funds and regular funds will both be used to fund all elements of the Project – including the main CC package and the MCCG and Social inclusion grants.

## E. POTENTIAL RISKS AND MITIGATION

20. **Overall:** The overall risk rating for the proposed AF is **H (High)** as was for the parent CCAP. Other risk ratings have also been kept the same as the parent CCAP, as outlined in the Systematic Operations Risk Rating Tool (SORT), since much of the institutional and implementation arrangements will remain the same.

21. **The key additional risk factors** peculiar to the AF as compared to the main CCAP and the corresponding measures to mitigate these risks include the following:

- **Complexity of design.** The introduction of new components (see below) with an enhanced requirement to reach out to IDP/R and ultra-vulnerable households adds to the complexity of an already challenging and complex program. To mitigate this, simplified fiduciary and safeguard arrangements that are similar to what was in the original project design have been developed and additional training will be undertaken for the new components.
- **Implementation and staffing capacity:** There is a need for a much faster roll out of the emergency grants, which will require staffing and institutional arrangements to be ready quickly. Recruitment of staff (especially field staff) for both the CCAP expansion and MCCG will need to be initiated right away and completed by late June such that staff can be on board by July, trained and mobilized to the field by mid-July. For this reason, as noted earlier, the retroactive financing provision has been



provided for in the AF. Further, the GoIRA has been coordinating across the different agencies to ensure that the staffing transition from NSP to CCAP can be done quickly (including in the new AF districts) so that they can help implement the AF activities. IDLG has in turn agreed to mobilize the additional city and district social officers and engineers for the two cities where the AF will expand its coverage.

- **Intra-community relations and targeting:** The large-scale influx of returnees will also strain intra-community relations and become a source of social tension and conflict since it poses social and economic burdens on host communities. At the same time, given the goal to ensure re-integration of IDP/Rs it is important to ensure that AF targets these groups adequately. To mitigate this risk of social tensions, the Project follows GoIRA's Policy Framework which is particularly explicit about the need to deal with the needs of host communities and IDP/Rs together. Thus benefits of the package of the support are extended to the whole community based on vulnerability criteria and through WBA. Likewise, additional measures to ensure that IDP/Rs are adequately targeted (while retaining a 'whole of community' approach) are included in design (see Box-2 below).
- **The dynamic nature of the crisis and dealing with new arrivals:** The AF has been conceived as a one-time emergency package of support. However, given the overall uncertainty in bilateral relations between the GoIRA and GoP which can greatly influence the stream and volume of returnees, there might be a new influx in the selected communities and this can create an imbalance between what was provided for under the AF and the needs on the ground. In order to mitigate this risk, the current cap on the size of the new emergency support grants was done using assumptions of expanded population so there is built-in flexibility. Further, some of the targeting provisions (such as the community profile and well-being analysis) will be updated when there is a large influx of IDP/Rs (e.g. 20+ households). The CDC will also be expanded to include additional representatives once there are more than 25 new households in a community.
- **Security:** The implementation of the highly decentralized project is made even more difficult by continuing insecurity, weak rule of law, and corruption. Worsening security in many parts of the country threatens to derail implementation, undermine state building efforts, and adversely affect service delivery. Under the original CCAP the criteria for district selection included a security requirement. However, under the AF, new insecure districts were selected with high presence of returnees and IDPs which increases risks. To mitigate these risks, the AF will now develop a "*high risk area strategy*" similar to the one that existed under NSP. This will outline the operational steps that would apply in insecure areas as well as the response mechanisms that would set in should the security situation in target districts worsen.
- **Gaps in data access and quality around IDP/Rs:** Gaps in data can lead to targeting errors (both "Type 1 – i.e. going to areas without many IDP/Rs" and "Type 2 – missing areas with high IDP/R concentration"). For targeting, the selection has been done using as many sources of data as possible and covering 'very high' returnee areas (based on available information) so that the Type-1 error is minimized –since given the budget constraints there will always be some Type 2 error.
- **Enhanced regional coordination requirements.** The AF will now require coordination at both the national and regional level and with several new stakeholders. On this, the GoIRA and the WB are coordinating with the high-level DiREC to ensure that these elements of the Project are set up smoothly.

## Box-2: Measures to Ensure Targeting of IDP/Rs and their Needs under AF

- Targeting of the top IDP/R districts based on the average of all available data sources
- New CDC election process using 'neighborhood' level voting makes it easier for IDP/R representation on CDCs
- Informal settlements included within CCAP coverage and new CDCs will be developed
- Intra-community targeting of households for Maintenance and Construction Cash Grants (MCCGs) based on vulnerability criteria that factor in IDP/R challenges (e.g. indebtedness, no land, etc.)
- Community wide lottery for selecting beneficiary households from list of eligible households lessens the risk of elite capture
- Large influx of new returnee households will trigger expansion of CDC and update of community profile and well-being analysis
- Inclusion of classrooms and light construction in MCCG scheme helps cater to specific service needs of IDP/Rs
- CDC platform and community profile will also be leveraged to target other support to IDP/Rs (e.g. skills training, registration support, etc.)

22. **Climate and Disaster Risk Screening:** The parent project CCAP (P160567) was screened for disaster and climate risks on August 29th 2016, at the National level. Given this recent assessment, the fact that the nature of investments in the AF are similar to the parent project, and that the geographic expansion is in similar high returnee areas, no new climate and disaster risk screening is required. The potential impact on key components due to exposure from hazards is modulated by the Project's non-physical components (enabling and capacity building activities). Further, the Project will collaborate with the Afghanistan: Disaster Risk Management & Resilience Program which has just finalized a national multi-hazard risk assessment which provides critical data and mappings to inform the Project's resilient infrastructure designs, differentiated by provincial and district-level risk profiles. These capacity building measures could increase preparedness and longer-term resilience and reduce the Project's climate and disaster risks.

### III. PROPOSED CHANGES

#### A. Revision of Project Development Objective (PDO) and Results Indicators

23. The original PDO for the CCAP is *to improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils (CDCs). These services are part of a minimum service standards package that the Government is committed to delivering to the citizens of Afghanistan.*

24. The inclusion of the income/cash for work assistance as part of the emergency response to the regional displacement crisis warrants an update to the PDO of the program since it doesn't adequately cover such income support. Therefore, in order to include this activity, as well as to provide for a contingency to be able to respond to any future emergency needs (e.g. earthquakes/natural disasters) for which the CCAP may be an effective instrument for delivery the words "emergency support" will be included in the PDO statement. This would be understood to refer to the emergency IDP/R response in this case covering both the service standards package and the income/cash for work assistance. Accordingly, the revised PDO statement is as follows:

*The Project Development Objective for the Citizens' Charter Afghanistan Project is to improve the delivery of core infrastructure, **emergency support**, and social services to participating communities through strengthened Community Development Councils (CDCs).*

25. **New Indicators:** Given the change in the PDO, a new PDO indicator has been added to the Project as follows:

*Number of targeted high IDP/Returnee communities provided with emergency support.*

In addition, the results framework for the Project is being revised to: (a) adjust the targets for several of the service standard related indicators given the expansion associated with the AF (see below); and (b) include additional indicators relating to the emergency cash for work and social assistance being provided under the AF as well as the speed of delivery part of the emergency response. The specific intermediate indicators being added are as follows:<sup>13</sup>

- i. *# of vulnerable households receiving MCCG support (disaggregated by displacement status)*
- ii. *# of communities in rural areas receive MCCG grants within 6 months of effectiveness of the AF*
- iii. *# of persons benefitting from social inclusion grant (disaggregated by gender, displacement status and ability)*

26. **Project Beneficiaries:** Under the original CCAP, an estimated 8.5 million direct and indirect beneficiaries were to be targeted with provision of basic infrastructure and services as part of the minimum service standards. Under the AF, it is estimated the Project will reach an additional 1.5 million direct and indirect beneficiaries. Of these, an estimated 660,000 are IDP/Rs returnees who are located in the 14 high IDP/R concentration rural/per-urban districts and 2 cities that are being covered under the AF. Beyond

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<sup>13</sup> Annex-1 provides the updated Results Framework and monitoring indicators for the Project. Note that the targets for the results indicators include values attributable to the IDA and ARTF financing only, even though the broader Government emergency operation has parallel bilateral financing as well.

these beneficiaries within the direct target coverage of the AF, the proposed data collection and regional coordination elements of the Project will have indirect benefits on the rest of the country, as well as cross-border benefits to host communities in Pakistan in the form of: (a) fostering greater regional stability, and (b) relieving economic and social pressures.

## B. Geographic Expansion and Coverage

27. As part of the 'Phase-1' roll-out of the national CCNPP, the original CCAP covers a total of 117 rural/peri-urban districts (around one-third of the country) across all 34 provinces, as well as approximately half the catchment of 4 major cities – Herat, Mazar-e-Sharif, Kandahar, and Jalalabad. In terms of CDCs, this translates into 12,000 on the rural side<sup>14</sup> and 600 CDCs (plus 120 *Gozars* or CDC clusters) on the urban side in the four cities. The funding under the AF will expand the overall coverage of the CCAP to cover additional high IDP/R concentration areas as well as provide extra support in the high IDP/R districts that were already in the original project's catchment.

28. Specifically, based on the available funding (including parallel financing) the geographic coverage of the proposed AF is follows:

- i. **Rural/Peri-Urban Coverage:** The AF will cover a total of 14 rural/peri-urban districts as described in Table-1 below – half of which were already part of the original CCAP coverage. These districts have the highest estimated population of displaced persons (both IDPs and returnees)<sup>15</sup> among rural/peri-urban areas when taking the average of all existing data sources.<sup>16</sup> Approximately 580,000 IDP/Rs are located in these 14 districts, which reflects more than a third of the total estimated displaced population in the country as of 2016. Given their large size, these districts cover a total of 2214 communities/CDCs and the financing from different sources (IDA, ARTF, and bilateral) has been allocated across each of these in a manner that can be easily discernable (see Box-3).<sup>17</sup>
- ii. **Urban Coverage:** Beyond the above 14 districts, the AF will be used to expand and fully cover 2 cities – Jalalabad and Kandahar – that are also amongst the top 10 IDP/R hosting areas in the country based on existing data sources<sup>18</sup>. These two cities were already under CCAP coverage, but

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<sup>14</sup> The targeting approach of the main CCAP was 'district based' on the rural side – in that once a district was included all CDCs were covered within it.

<sup>15</sup> Given the difficulty of separating "Returnees" from "IDPs" at the ground level (e.g. a Returnee who moves from one district to another after a few months could be labeled as an IDP), these two categories are usually merged to track overall displaced populations.

<sup>16</sup> There are several data sources and consequently different estimates on the number and location of IDP/Rs in Afghanistan. While UNHCR records documented returnees by 'intent of stay' other agencies like IOM cover undocumented returnees and UNOCHA tracks all IDPs using both 'intent of stay' and final location. Targeted surveys like IOM's "Displacement Tracking Matrix" (DTM) have a more specific, but geographically limited estimate of the number of IDP/Rs by location. Given these differences, for the purposes of targeting the AF, the average estimated displaced population was taken per district from as many sources as possible. This was then ranked to give the top IDP/R hosting districts. Annex-5 provides a short summary of the status of data collection on IDP/Rs in Afghanistan and elaborates further on the methodology for district selection used.

<sup>17</sup> Originally, the AF was meant to target the top 20-25 high IDP/R hosting districts. However, given that these districts are much larger than average (most rural districts have about 80 communities), the AF could only cover 14 total districts with the funding available.

<sup>18</sup> The two cities are estimated to be hosting over 85,000 IDP/Rs based on the existing data available.

were only covered for about half their catchments. With the expansion under the AF, an additional 250 CDCs and 50 Gozars will be added to the urban component of the CCAP.

**Table-1: Rural/Peri-Urban District Coverage of CCAP AF<sup>19</sup>**

Province	District	# of Communities	Est. Displaced population (average from all sources)	Already covered under CCAP
NANGARHAR	Bihsud	120	81,401	YES
KUNDUZ	Kunduz	225	73,167	YES
TAKHAR	Taluqan	330	56,666	NO
FARAH	Farah	144	52,482	YES
NANGARHAR	Surkh Rod	145	51,572	YES
HILMAND	Lashkar Gah	161	40,425	NO
BAGHLAN	Puli Khumri	99	37,665	NO
URUZGAN	Tirin Kot	197	35,480	YES
GHAZNI	Ghazni	181	32,443	NO
NANGARHAR	Chaparhar	91	24,998	NO
NANGARHAR	Kama	74	24,692	YES
NANGARHAR	Khogyani	208	24,367	NO
LAGHMAN	Qarghayi	150	21,977	YES
NANGARHAR	Shinwar	89	21,848	NO

**Box-3: Summary Details of Rural/Peri-Urban Coverage under the CCAP AF**

# of provinces= 9  
 # of districts= 14  
 # of communities covered = 2214  
 # of new communities for CCAP expansion= 1,159  
 # of communities with MCCG expansion from IDA+ARTF funds= 1,276  
 # of communities with MCCG expansion from IDA funds only = 120  
 # of communities with MCCG expansion from ARTF funds only = 1,156  
 # of communities with MCCG expansion from bilateral/parallel financing only= 938

29. **Decision to not cover Kabul:** While it as originally planned to also have the AF cover Kabul during the project preparation, it was decided this would not be feasible for the following reasons: (a) given the need for emergency roll-out, adding Kabul Municipality as a new implementing agency (IA) would be difficult and time-consuming; (b) neither IDLG nor MRRD had the capacity or mandate to implement in Kabul; (c) given its size, covering even one-third of Kabul would essentially require the majority of AF financing; and (d) the main IDP/R hosting peri-urban districts outside Kabul Municipality were already being covered through the MRRD. It was also confirmed by the President’s Office and Ministry of Finance (MOF) that the parallel ongoing expansion of the CGC initiative with UN Habitat as well as other ongoing ARTF/IDA financed projects (e.g. the Kabul Municipality Development Project) were already focusing on and covering

<sup>19</sup> For provincial centers, it was agreed that MRRD would only cover the ‘non-municipality’ areas given their mandate.

Kabul in terms of providing basic service delivery and infrastructure as well as short-term employment/labor-intensive public works support for host communities.

### C. Additional Components, Activities, and Package of Support

30. The AF adds one additional component and one sub-component to the overall scope of the CCAP, while also expanding the scope of the remaining components on account of the geographic expansion. The details of these are provided below (see Annex-3 for a table with full list and financing amounts by component).

31. **New Subcomponent 3(c): Enhanced Displacement Data Collection and Coordination Support (US\$400,000)** – In addition to the new component described above, a new sub-component would be included in the overall Component 3 of the CCAP around M&E, Knowledge, and Learning. This sub-component would adapt the community profiling that will be undertaken via the CCAP roll-out to include additional data around IDPs and returnees. This includes getting a much clearer picture of where IDP/Rs are, what their vulnerability and livelihood profiles are, and what the core service delivery and infrastructure needs are for the communities hosting them. This enhanced data collection will fill several existing information gaps and help guide future IDP/R programs at both the national and regional level. The enhanced data collection will in the first instance be rolled out in the AF target districts, but subsequently will be applied nationwide through the main CCAP. This sub-component will also facilitate greater regional and cross-sectoral collaboration around the response to the displacement crisis through linkages with the DiREC high-level committee as well as various UN Agencies (UNOCHA, UNHCR, and IOM). The Bank will further support this sub-component through drawing in global lessons, experience, and expertise, through the ARTF financed *Forced Displacement Learning Platform* and with the support of the *Global Fragility Conflict and Violence (FCV)* cross-cutting solutions area (CCSA) and the *Security, Peace, and Stability*, Global Solutions Group.

32. **New Component-5: Social Inclusion and Maintenance and Construction Cash Grants (MCCG) (US\$ 48.6 million)** - This component will provide emergency short-term employment opportunities through labor-intensive public works, as well as support for collective action activities beyond public works that are aimed to foster greater social inclusion and protect the ultra-poor/vulnerable in communities. The two sub-components in this new component are as follows:<sup>20</sup>

- i. **Maintenance and Construction Cash Grants (MCCG)** - The *objective* of MCCG is to serve as a quick-disbursing<sup>21</sup> emergency grant for work/labor-intensive public works scheme that is targeted to vulnerable households within the AF communities and managed through a CDD approach<sup>22</sup>. It is built around known best practices for emergency employment in fragile states: administrative and managerial simplicity, high labor content, and wages at or below local market rates to avoid distorting functioning markets. The MCCG is a modified version of the MCG program that was implemented by the MRRD under NSP-3 as part of the *Jobs for Peace*

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<sup>20</sup> Annex-6 provides a more detailed description of the proposed MCCG component.

<sup>21</sup> The entire MCCG grant will be disbursed from the national level to community accounts in a single tranche upon submission of the MCCG Plan. It will subsequently be withdrawn against agreed milestones/outputs from this Plan.

<sup>22</sup> Community driven refers to communities selecting the infrastructure and the beneficiaries based on criteria provided, as well as CDCs administering and accounting for the funds, and overseeing the implementation of the public work project. It is proposed that all poor families can qualify for targeting or for the lottery (if the number of poor families is greater than the funds can cover).

*Initiative.*<sup>23</sup> *Mechanism:* The MCCG essentially expands the menu of public works covered by MCG to include ‘light construction’ – defined to be anything that can be built within a 6-month time frame and which involve a minimum labor to materials ratio of 60-40.<sup>24</sup> The maintenance and construction could include things like road repairs, maintenance of community infrastructure, building of boundary walls and toilets in clinics/schools, and construction of additional classrooms in existing schools, etc. The specific maintenance and construction sub-projects that would be covered in a community would be determined through an “MCCG Plan” that would be developed by the CDC in a participatory manner. *Implementation:* The combination of Social Organizers (SOs) and engineers from the MRRD will be involved in managing the MCCG mobilization, planning, and execution. The roll out of the MCCG would be done through a *household level targeting model* in which eligible households will be selected using specific vulnerability criteria outlined in the well-being analysis that is part of the social mobilization process (see Annex-6).<sup>25</sup> This would be in line with the GoIRA’s proposed whole of community approach to reintegration of displaced people and returnees. The maximum number of households to be supported through the MCCG per community would be capped at 35% of the total household population in the community. In communities where more than 35% of the population was eligible based on the vulnerability criteria, a community wide lottery process would be used to select which households would get work under the MCCG program.<sup>26</sup> Subsequently, up to 3 individuals per eligible household would be allowed to do MCCG work, with a ceiling of a total of 40 labor days per household. A market wage rate of Afghanistan Afghani (AFN) 350/day of unskilled labor will be given so as to provide sufficient income support (namely 14000 AFN or roughly \$205) to tide over target households during the lean months of the year and mitigate seasonal hunger. *Expected Outcome:* Based on these parameters a total of 115,000 vulnerable households are expected to benefit from the MCCG under the IDA and ARTF financing of the AF. This corresponds to an estimated 805,000 individuals (assuming an average family size of 7).<sup>27</sup>

- ii. **Social Inclusion Grants (SIGs) and Collective Action Activities:** Recognizing that there may actually be a number of households in the target communities where there is no able bodied man<sup>28</sup> to undertake the MCCG work (e.g. women headed households or disabled households), a ‘social inclusion grant’ (SIG) will be provided alongside the MCCG roll out. The *objective* is to promote collective action and community philanthropy in an effort to provide sustainable welfare support for these ‘ultra-vulnerable’ households (HHs). Given that this would be quite a new and relatively untested approach, this is being treated as an “*experimental/learning*” subcomponent from which lessons would be drawn to inform future work on social protection and welfare targeting to these ultra-vulnerable groups. *Mechanism:* The SIG will take the form

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<sup>23</sup> Annex-7 provides some background and lessons learnt on the MCG scheme implemented under NSP.

<sup>24</sup> The addition of ‘light construction’ within the MCCG would mean that the Bank’s fiduciary and safeguards policies would apply to this element of the grant. These construction items are meant to fall outside the main CCAP construction menu, which covers water points, electricity, roads, and irrigation. The menu for MCCG will also allow ‘cash for service’ in exceptional cases to ultra-vulnerable households who can’t participate in public works.

<sup>25</sup> Note that while the district selection for the AF was done using a ‘displacement lens’, the application of MCCG within communities is ‘displacement blind’ in that it will target ‘vulnerable households’ regardless of whether they are IDP/Rs or from the host community based on the well-being analysis.

<sup>26</sup> Those eligible households who didn’t get selected in the lottery would in turn be given preference as labor for the regular CC infrastructure sub-projects.

<sup>27</sup> These numbers increase to 178,000 households and 1.25 million individuals when the bilateral financing is included.

<sup>28</sup> Given that under prevailing social norms in Afghanistan, women will not undertake construction/public works.

of a ‘matching grant’ up to a total value of \$2000 per community that will be used to provide incentives for community philanthropy (particularly around festivals such as Eid). The combination of the matching grant and community donations will be used in the first instance to initiate a ‘*food/grain bank*’ for the ultra-poor in each of the targeted AF communities. It is expected that this will be replenished periodically with additional community donations. ***Implementation:*** The combination of Social Organizers (SOs) and engineers from the MRRD as well as the SOs in the FPs will be involved in managing the SIG mobilization and planning. Targeting and identification of the ultra-vulnerable (female-headed, disabled, etc.) households will be done the same way as in MCCG grants through the community “well-being analysis”. The social mobilization through FPs and SOs will promote the idea of collective action and helping the poor and vulnerable in the community in an effort to stock this food bank with grain, fuel, and other items that can be used for distribution during the lean season. The social inclusion campaign will also promote the idea of other ‘in-kind’ forms of community philanthropy such as providing household repairs for ultra-poor HHs by youth volunteers. All of these will be articulated in an SIG Plan for the community. In the longer-term, CDCs with the support of SOs may identify public and private resources (village land, private under-utilized land, green houses, advice from expert farmers, etc.) to cultivate valuable cash crops (chilies, onions, etc.) by these ultra-poor HHs in coordination with other GoIRA programs such as the Women’s Economic Empowerment National Priority Program (WEE-NPP) and the national Agriculture NPP managed by the Ministry of Agriculture, Irrigation, and Livestock (MAIL).<sup>29</sup> ***Expected Outcome:*** It is expected that at least 30,000 ultra-vulnerable HHs will be helped through the SIG roll out under the AF. In addition, the lessons from this pilot will help inform future social protection programs in the country and potentially stimulate a scale-up of this approach across the entire CCAP.

33. **Distribution of package of support:** With regards to the overall package of support, in the 14 rural and peri-urban districts covered by the AF (and for which MRRD is the IA), both the regular CCAP RASS grant as well as the MCCGs and SIGs would be provided. This combination would provide both host communities and IDP/Rs access to basic services as well as short-term employment support as part of a longer vision of reintegration of displaced households. Moreover, the CDD approach of the core CCAP would allow for integration of IDP/Rs into a participatory governance process in the community thus building greater social inclusion. In the two target cities on the urban side, however, the AF would only provide urban area block grants as the parallel CGC program under UN Habitat was already providing labor-intensive public works in those areas.<sup>30</sup> The sub-component on enhanced data collection would apply in all the AF communities.

34. **Linkages with other programs.** The AF is meant as an immediate response to the emergency regional displacement. However, the CCAP will serve more as a longer term platform linking with several

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<sup>29</sup> The option of developing a direct ‘unconditional cash transfer’ to these ultra-poor HH was also considered, but was eventually dropped because: (a) the fiduciary tracking of such a cash transfer was considered challenging and beyond the scope of the current MRRD SOs and Engineers; and (b) the provision of unconditional cash transfers was not currently under the mandate of MRRD. That being said, it was agreed that in the future, the experience with the social cohesion grants and use of the CDC platform for social protection needs could be explored in partnership with the Ministry for Labor, Social Affairs, Martyrs and Disabled (MOLSAMD).

<sup>30</sup> The CGC program is in fact being scaled-up so as to cover additional cities and urban centers for labor-intensive public works. The GoIRA is working with UN Habitat to ensure that there were commonalities in the approach undertaken in the CGC scale-up and the MCCG program in rural/peri-urban districts.



ongoing and future programs that are being (re-) directed to provide support for the displacement response. Some examples include the following:

- i. **IDA-18 Regional Displacement Response Livelihoods Project:** The community profiling and data collection on IDP/Rs undertaken in the AF will be used to inform the forthcoming Regional Displacement Response Livelihood Project under IDA-18 that will be developed in coordination with the Pakistan CMU.
- ii. **WEE-NPP:** the CCAP is also meant to be linked with the Women’s Economic Empowerment National Priority Program (WEE-NPP), which expects most of its rural work around women’s empowerment to be undertaken under the aegis of the CCNPP. The WEE-NPP would provide a further mechanism for reaching IDP/R women with livelihood support via financial linkages, enterprise development, and formation of savings/self-help groups.
- iii. **TA for Afghanistan Land Authority (ARAZI):** The issue of land allocation for IDP/Rs is also a key response area under the overall GoIRA IDP/R Policy Framework and Action Plan. While there is no immediate role for CDCs to help with land registration, the data collection undertaken in the AF (particularly the community profile) could be useful in helping inform the land registration process that the GoIRA is putting in place. ARAZI is also finalizing guidelines on grievance/dispute resolution mechanism under their program for IDP/Rs that could potentially be linked with CDCs.
- iv. **Education Support for IDP/Rs:** Beyond the construction of classrooms as part of the MCCG, the AF will also support the education needs for IDP/R children through: a) rolling out IEC campaigns around access to education for IDP/Rs that being developed by the MoE with support from UNICEF; and b) collecting specific data on schooling, issues with IDP/R children getting registered and promoted, as well as IDP/R children out of school.
- v. **Analytical work:** On the analytical side, the AF will support the broader national and regional efforts to build a common understanding of the current evidence base on displacement including understanding the process of repatriation and return, socio-economic profiles and location decisions, and their evolution over the repatriation cycle (from refugees to returnees to potentially IDPs). This will involve close collaboration with the UNHCR to improve data systems, targeting mechanisms, and socio-economic assessments.

35. **Carryover of existing and addition of new programs:** Given that the AF is being accompanied with the restructuring of the parent CCAP, part of the financing will also be used to carry-over and absorb ongoing programs that were previously under the NSP (e.g. the last round of MCG disbursements). Further, the institutional arrangements are being tweaked to also take-over programs like the CASA-Community Support Program (CASA-CSP) that was previously under NSP, as well as to build links to new programs (e.g. the WEE-NPP) that are meant to be delivered using CCNPP structures. Annex-9 provides a short description of these carry-over and cross-program linkage elements of the restructuring.

#### IV. Proposed Changes Datasheet

##### Summary of Proposed Changes

The proposed additional financing (AF) to the CCAP is meant to provide emergency support to respond to the regional displacement crisis that Afghanistan is facing. The five main changes it will introduce are to:

(a) adjust the PDO of the parent project to include the element of ‘emergency support’ being introduced through the AF;

(b) expand the geographic coverage of the CCAP to additional areas of high returnee and displaced population density (this includes up to 8 additional rural/per-urban districts and expansion to cover all communities in the two cities of Jalalabad and Kandahar);

(c) add a new component to the Project for "Social Inclusion and Maintenance and Construction Cash Grants (MCCG)" (US\$45.08m) to provide emergency income/cash for work assistance to finance community selected labor-intensive public works for both displaced households and host communities, as well as a sub-component to Component 3 (US\$0.4m) for enhanced data collection on IDPs and returnees to help in both national and regional coordination mechanism on the displacement crisis;

(d) modify the institutional, M&E, and project management arrangements accordingly to reflect the above expansion and inclusion of new activities. In particular, the results framework will be updated to include additional indicators relevant to the Social Inclusion and MCCG program and the New Procurement Framework will apply from now on for both the AF and Parent Project; and finally

(e) extend the closing date of the project from October 31, 2020 to October 31, 2021 on account of the delays in implementation roll out.

Change in Implementing Agency	Yes [ ] No [ X ]
Change in Project's Development Objectives	Yes [ X ] No [ ]
Change in Results Framework	Yes [ X ] No [ ]
Change in Safeguard Policies Triggered	Yes [ ] No [ X ]
Change of EA category	Yes [ ] No [ X ]
Other Changes to Safeguards	Yes [ ] No [ X ]
Change in Legal Covenants	Yes [ ] No [ X ]
Change in Loan Closing Date(s)	Yes [ X ] No [ ]
Cancellations Proposed	Yes [ ] No [ X ]
Change in Disbursement Arrangements	Yes [ ] No [ X ]
Reallocation between Disbursement Categories	Yes [ X ] No [ ]
Change in Disbursement Estimates	Yes [ X ] No [ ]
Change to Components and Cost	Yes [ X ] No [ ]
Change in Institutional Arrangements	Yes [ X ] No [ ]
Change in Financial Management	Yes [ ] No [ X ]

Change in Procurement	Yes [ X ] No [ ]
Change in Implementation Schedule	Yes [ X ] No [ ]
Other Change(s)	Yes [ X ] No [ ]
<b>Development Objective/Results</b>	
<b>Project's Development Objectives</b>	
Original PDO The Project Development Objective for the Citizens' Charter Afghanistan Project is to improve the delivery of core infrastructure and social services to participating communities through strengthened Community Development Councils (CDCs). These services are part of a minimum service standards package that the Government is committed to delivering to the citizens of Afghanistan.	
<b>Change in Project's Development Objectives</b>	
Explanation: The inclusion of the income/cash for work assistance as part of the emergency response to the regional displacement crisis warrants an update to the PDO of the program. In order to include this activity, as well as to provide for a contingency to be able to respond to any future emergency needs (e.g. earthquakes/ natural disasters) the words "emergency support" will be included in the PDO statement and understood to refer to the emergency IDP/R response in this case.	
Proposed New PDO - Additional Financing (AF)	
The Project Development Objective for the Citizens' Charter Afghanistan Project is to improve the delivery of core infrastructure, emergency support, and social services to participating communities through strengthened Community Development Councils (CDCs).	
<b>Change in Results Framework</b>	
Explanation: The Results Framework has been updated to include indicators to capture the MCCG scheme as follows:  # of vulnerable households receiving MCCG support (disaggregated by displacement status)  # of persons benefiting from social inclusion grant (disaggregated by gender, displacement status and ability)  # of communities in rural areas receive MCCG grants within 6 months of effectiveness of the AF  The targets for several indicators have been revised to capture the expansion in the AF. Further, all end target dates have been revised to match the new end date of the Project	
<b>Compliance</b>	
<b>Covenants - Additional Financing (Citizens' Charter Afghanistan Project - Emergency Regional Displacement Response Additional Financing - P163468)</b>	

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
				<input type="checkbox"/>		
<b>Conditions</b>						
<b>Source of Fund</b>		<b>Name</b>		<b>Type</b>		
IDAT		Operational Readiness		Effectiveness		
<b>Description of Condition</b>						
The General Directorate for the Citizens' Charter referred to Section I.A.3(a) of Schedule 2 to this Agreement, and the Central Project Implementation Unit referred to in Section I.A.4(a) of Schedule 2 to this Agreement are adequately staffed and operating in a manner satisfactory to the Association.						
<b>Source of Fund</b>		<b>Name</b>		<b>Type</b>		
ARTF		Operational Readiness		Effectiveness		
<b>Description of Condition</b>						
The General Directorate for the Citizens' Charter referred to Section I.A.3(a) of Schedule 2 to this Agreement, and the Central Project Implementation Unit referred to in Section I.A.4(a) of Schedule 2 to this Agreement are adequately staffed and operating in a manner satisfactory to the Association.						
<b>Source of Fund</b>		<b>Name</b>		<b>Type</b>		
IDRT		Operational Readiness		Effectiveness		
<b>Description of Condition</b>						
The General Directorate for the Citizens' Charter referred to Section I.A.3(a) of Schedule 2 to this Agreement, and the Central Project Implementation Unit referred to in Section I.A.4(a) of Schedule 2 to this Agreement are adequately staffed and operating in a manner satisfactory to the Association.						
<b>Risk</b>						
<b>Risk Category</b>				<b>Rating (H, S, M, L)</b>		
1. Political and Governance				High		
2. Macroeconomic				Substantial		
3. Sector Strategies and Policies				Substantial		
4. Technical Design of Project or Program				Substantial		
5. Institutional Capacity for Implementation and Sustainability				Substantial		
6. Fiduciary				Substantial		

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

**Finance**

**Loan Closing Date - Additional Financing (Citizens' Charter Afghanistan Project - Emergency Regional Displacement Response Additional Financing - P163468)**

Source of Funds	Proposed Additional Financing Loan Closing Date
Afghanistan Reconstruction Trust Fund	31-Oct-2021
IDA Grant	31-Oct-2021
IDA Grants provided from the IDA Regional Projects Window	31-Oct-2021

**Loan Closing Date(s) - Parent (Citizens' Charter Afghanistan Project - P160567)**

Explanation:  
 Given the delays in implementation roll out (largely on account of the time taken to complete the procurement of Facilitating Partners), the overall timeline for implementation for the parent CCAP is being extended by a year as part of the restructuring that is accompanying the AF.

Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
IDA-D1390	Effective	31-Oct-2020	31-Oct-2020	31-Oct-2021	
TF-A3827	Effective	31-Oct-2020	31-Oct-2020	31-Oct-2021	31-Oct-2020

**Change in Disbursement Estimates (including all sources of Financing)**

Explanation:  
 Totals have been adjusted to include AF amount and actuals for FY16. Note that disbursement estimates calculated for IDA and ARTF only.

**Expected Disbursements (in USD Million) (including all Sources of Financing)**

Fiscal Year	2016	2017	2018	2019	2020	2021	2022			
Annual	0.11	115.49	275.80	200.88	58.52	21.20	0.00			
Cumulative	0.11	115.60	391.40	592.28	650.80	672.00	672.00			

**Allocations - Additional Financing (Citizens' Charter Afghanistan Project - Emergency Regional Displacement Response Additional Financing - P163468)**

Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)
			Proposed	Proposed
ARTF	USD	Maintenance Cash	44,300,000.00	100.00

		Construction Grants and Social Inclusion Grants under Part 5 of the Project		
		<b>Total:</b>	44,300,000.00	
IDAT	USD	Serv. Std. Grants; Goods, wrks, non-cnsulting serv., cnsult. serv, Trg and IOC by MRRD and IDLG under Pt 234	85,800,000.00	100.00
		<b>Total:</b>	85,800,000.00	
IDRT	USD	Serv. Std. Grants; Goods, wrks, non-cnsulting serv., cnsult. serv, Trg and IOC by MRRD and IDLG under Pt 234; and MCCG	41,900,000.00	100.00
		<b>Total:</b>	41,900,000.00	

**Reallocation between Disbursement Categories**

Explanation:

No reallocations of parent CCAP amounts. However, adjustments using AF financing have been applied. This includes adding a new component around MCCG and including a new Designated Account for IDLG for IDA funds.

Ln/Cr/TF	Currency	Current Category of Expenditure	Allocation		Disbursement % (Type Total)	
			Current	Proposed	Current	Proposed
TF-A3827	USD	Gds, Wks,Ncs,CS,Trng OC Pt 234 MRRD	46,000,000.00	46,000,000.00	100.00	100.00
TF-A3827		Rural are srvc stds grants	24,000,000.00	24,000,000.00	100.00	100.00
TF-A3827		Gds,Wks,Ncs,CS,Trng,OC Pt234 IDLG	30,000,000.00	15,000,000.00	100.00	100.00
TF-A3827		Designated Account	0.00	0.00	0.00	0.00
TF-A3827		Designated Account	0.00	0.00	0.00	0.00
TF-A3827		MCCG and Soc. Incl. Grants Pt 5 MRRD	0.00	44,300,000.00	0.00	100.00
TF-A3827		Urban area grants Pt 1 IDLG	0.00	15,000,000.00	0.00	100.00

		<b>Total:</b>	100,000,000.00	144,300,000.00		
IDA-D1390	XDR	Rural area Serv Std grants	71,800,000.00	121,250,000.00	100.00	100.00
IDA-D1390		Designated Account	0.00	0.00	0.00	0.00
IDA-D1390		Gds, Wks,Ncs,CS,Trng OC Pt 234 MRRD	0.00	16,950,000.00	0.00	100.00
IDA-D1390		Gds, Wks,Ncs,CS,Trng OC Pt 234 IDLG	0.00	3,600,000.00	0.00	100.00
IDA-D1390		MCCG and Soc. Incl. Grants Pt 5 MRRD	0.00	3,150,000.00	0.00	100.00
IDA-D1390		Urban area grants Pt 1 IDLG	0.00	20,050,000.00	0.00	100.00
		<b>Total:</b>	71,800,000.00	165,000,000.00		

### Components

#### Change to Components and Cost

Explanation:

The geographic expansion of the CCAP in both rural and urban areas will correspondingly increase the costs per component of the parent project. In particular, for component 3 on M&E, Knowledge and Learning additional data collection on IDPs and Returnees will be undertaken and information and coordination work for national/regional coordination will be included as a sub-component named: "Enhanced displacement data collection and coordination support"

In addition, the AF will include an additional component on "Social Inclusion and Maintenance and Construction Cash Grants (MCCG)" to provide emergency income/cash for work support to vulnerable households in high-returnee/IDP communities in order to finance community prioritized labor-intensive public works and maintenance activities.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
1. Service Standards Grants	1. Service Standards Grants	290.00	385.55	Revised
2. Institution Building	2. Institution Building	131.00	141.65	Revised
3. M&E, Knowledge Learning	3. M&E, Knowledge Learning	5.20	5.40	Revised
4. Project Implementation and Management	4. Project Implementation and Management	73.80	90.80	Revised
	MCCG and Social Inclusion Grants	0.00	48.60	New

	<b>Total:</b>	500.00	672.00	
Other Change(s)				
Implementing Agency Name	Type	Action		
Ministry of Rural Rehabilitation and Development	Implementing Agency	No Change		
Independent Directorate of Local Governance	Implementing Agency	No Change		
Change in Institutional Arrangements				
<p>Explanation:</p> <p>The new MCCG and social inclusion component will be managed by MRRD social organizers and engineers. As the current number of these is not sufficient additional SOs will need to be hired at the community. Moreover, given the expansion in coverage of the CC as a whole, additional staffing will be required for both IDLG and MRRD at both national and sub-national levels. Finally, the Facilitating Partners (FPs) assisting both MRRD and IDLG with social mobilization in the provinces in which the AF will be implemented, will require contract extensions. The staffing and FP procurement for the AF will be initiated as soon as possible and will be financed retroactively once the AF is effective.</p> <p>Other changes include: (a) addition of an annex around MCCG and social inclusion in the main CCAP Operations Manual (OM); (b) adjustment in the M&amp;E and MIS arrangements to include additional data collection on displacement (including the launch of a mobile-phone based monitoring mechanism).</p>				
Change in Procurement				
<p>Explanation:</p> <p>The Government and Bank have agreed that the New Procurement Policy will apply to the AF and as part of the restructuring will now be applied to the parent CCAP for procurements moving forward. All ongoing procurements will continue to use the old Procurement Guidelines. As noted earlier the main procurement need would be to expand the scope of work of FPs to cover the additional target CDCs. The Government will submit a proposal for the preferred method of procurement in this regard, recognizing that this will likely need to take the form of a single source extension of specific FPs covering the provinces and cities where the AF would be implemented. The Bank will review the client request and agree with the fastest selection method to bring the FPs on board in view of the emergency nature of the operation. It was also agreed during preparation that once the procurement needs were known the selection process could be initiated to ensure that it was completed in time to allow for a rapid implementation roll out of the AF. As confirmed by the Government, new World Bank regulations will apply uniformly to all procurement under the CCAP and the AF (including for incremental operating costs).</p> <p>No new procurement assessment would be required for the AF since this was completed recently for the parent CCAP. The Government will however prepare a PPSD soon after effectiveness of the AF. Further details on procurement arrangements can be found in Annex-2.</p>				



<p><b>Change in Implementation Schedule</b></p> <p>Explanation:</p> <p>Given the emergency need of the AF, the implementation roll out will now favor those districts that are under the AF's catchment.</p> <p>Since in rural areas both the MCCG/Social Inclusion as well as the main CC service standard grant will be provided, it is expected that a standard social mobilization process is undertaken using the same methodology as had been planned for the parent CCAP. The adjustment would be that at the conclusion of the CDC election and the "Well-Being Analysis" phase of the social mobilization, the MRRD Social Organizers and Engineers would take over further mobilization for the MCCG and social inclusion grants, while the FPs would continue with the development of the Community Development Plans and the roll out of the Rural Area Service Standard Grants.</p> <p>In the cities, since only the Urban Area Block Grants are being rolled out the overall mobilization process is unchanged, but the cities of Jalalabad and Kandahar will be provided additional support to roll out CCAP to the entire city.</p>
<p><b>Other Change(s)</b></p> <p>Explanation:</p> <p>As the AF is accompanied with a restructuring of the parent CCAP, some programs that were originally under the management of the NSP are being carried over into the institutional architecture of the CCAP (e.g. CASA-CSP) and some carry-over expenses from the NSP's MCG will now be transferred over to CCAP and financed under the AF. The Special Programs unit under CCAP will handle these carry-over programs as well as other bilateral programs that were under NSP implementation arrangements. The CCAP's revised staffing arrangements have also been adjusted to will link up with future programs like the Women's Economic Empowerment National Priority Program (WEE-NPP). Further details can be found in Annex-9.</p>

**IV. APPRAISAL SUMMARY DATASHEET**

<b>Appraisal Summary</b>
<p><b>Economic and Financial Analysis</b></p> <p>Explanation:</p> <p>The Economic and Financial Analysis with respect to the main CCAP and its expansion remains the same. The new element is now the inclusion of the MCCG component which forms part of the emergency income/cash for work support the AF is providing in the high IDP/R areas.</p> <p>As the MCCG is modeled around the MCG program that ran under NSP-3, the economic and financial analysis of the latter provides insights into the expected outcomes from the MCCG, which are expected to be positive. Under NSP, 8.5 million person days of employment were generated through the MCG scheme. A total of 11,084 maintenance and rehabilitation sub-projects were completed which in turn benefited about 2.3 million families. For instance, the transport sector subprojects alone -that constitute</p>

about 68% of total MCG Sub-Projects (11,084) - contributed in rehabilitating more than 11,500 km of tertiary/secondary roads which had maximum offshoot benefits including reduced travel time and transportation costs, increased access to health, education and livelihood opportunities /services etc. Similarly, irrigation sector MCG interventions (20% of total) brought more than 297,000 ha (1.5 million *jarib*) of agriculture land under improved and reliable irrigation through canal/ *karez* rehabilitation / cleaning. 0.97 million *jarib* (194,00 ha) through Canal rehabilitation/ cleaning. Access to improved water supply and sanitation services were given to about 0.13 million families through rehabilitating more than 1,500 shallow/deep wells and maintenance of more than 516 km of pipe networks. About 3,400 KWs were restored through rehabilitating MHPs while re-electrifying about 41,000 households.

In a similar vein, the MCCG scheme is expected to help about 180,000 households and generate over 14 million person days of employment. The first order benefit of the MCCG scheme will be the direct income benefit for beneficiary households, which is estimated to provide for 3 months' worth of food security. Since 35% of the total community will be covered with this income support, a second order benefit in terms of a demand side multiplier for the local economy is expected. Finally, the rehabilitated /and or newly constructed infrastructures are expected to benefit more than 1 million families across each of the target communities.

#### **Technical Analysis**

Explanation:

The technical feasibility of the AF is considered sound. The only new element introduced to the parent project (apart from geographic expansion) is the MCCG scheme. However, as this draws on the MCG program that was successfully implemented under NSP-3 there is both experience and capacity in the Government to take on this task. Moreover, the MCCG design brings in several lessons from the implementation of the MCG (some of which have been summarized in Annex-7).

#### **Social Analysis**

Explanation:

The Additional Financing (AF) activities do not trigger any new World Bank Safeguards OP /BP and the safeguards instruments – namely the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF), the Environmental and Social Management Plans (ESMPs), and the Abbreviated Resettlement Action Plan (RAP) and Screening Checklists - of the parent project would be adequate to apply.

The MCCG under AF will mainly focus on maintenance works, such as 'light construction' – defined to be anything that can be built within a 6-month time frame and which involves a minimum labor to materials ratio of 60:40. The maintenance and construction could include activities like road repair, maintenance of community infrastructure, building of boundary walls and toilets in schools/clinics, and construction of additional classrooms in schools, etc. of which the overall social adverse impacts are expected to be low. It is important to highlight that all relevant safeguard documents have already been subject to consultations and disclosed in-country on MRRD and IDLG websites and as well as on the World bank external website.

Grievance Redress Mechanism- The client has already prepared the GRM manual for the parent project which will be applied to the AF activities too.

Citizen Engagement (CE): The project intends to establish a real and active interaction between citizens and government agencies. A number of citizen engagement indicators have been established, which will also cover the AF activities. The client will engage a consulting firm to conduct beneficiaries' satisfaction surveys to evaluate level of satisfaction of citizens. The beneficiaries' satisfaction survey shall cover both the parent project and AF activities.

Gender: Building on NSP's achievements on women's participation, and aligned with the lessons learned from the MCG under NSP, the AF particularly under the MCCG and SIG, the Project will take measures to be inclusive and ensure that women are benefiting from the program. The experience from MCG showed that due to social norms, women do not participate in the public/civil work. This affects their participation in the MCCG, especially for those who don't have able-bodied males to participate on behalf of the household. Considering that there is a sizable number of female-headed households and/or widows in the communities, the AF includes SIG and collective action activities to address this gender gap and accommodate those poor and female-headed households who cannot participate in the program otherwise. This will not only benefit these households but also sensitize communities on the need for such social activity addressing the most vulnerable groups in their communities.

### **Environmental Analysis**

Explanation:

The AF activities do not trigger any new World Bank Safeguards OP /BP. The safeguards instruments, e.g. ESMF, RPF, Abbreviated RAP, conformity of Health & Safety guidelines, Screening Checklists and requirements of site specification ESMPs for infrastructure subproject as decided for parent project would be adequate to apply. In addition, the existing institutional arrangements of the parent project are sufficient to address the safeguards prerequisites. It is not anticipated that the proposed activities under component one and MCCG grant under AF will have large scale adverse environmental or social impacts. The MCCG grants include small maintenance of the existing infrastructures in rural Afghanistan, likewise, CCAP sub-projects are small-scale and community demand driven therefore, are expected to have very limited adverse impacts. However, the safeguards instruments will thoroughly investigate to ensure avoiding intervention posing negative impact on the environment and the surroundings. The ESMF of the parent project will address issues regarding the environmental impacts as well as spelling out the policy, guidelines and procedures to minimize and mitigate the likelihood of any negative impacts. It is anticipated that the proposed upgrading of small infrastructure works under Component 1 and activities under MCCG will have minimal adverse impact on the environment. Such impacts are expected to be small, localized and reversible and thus, can effectively be managed with easily applied mitigation measures addressed in the Environmental and Social Management Plans (ESMPs). An assessment of the negative impacts can be classified into pre-construction, construction and post construction phases. Typical potential minor environmental impacts during rehabilitation, maintenance services and construction include, but are not limited to, soil and land degradation, increased dust/air pollution, noise level increase, water pollution and construction debris.

### **Risk**

Explanation:

The overall risk rating for the proposed AF project is H (High) as was for the parent CCAP. Other risk ratings have also been kept the same as the parent CCAP, as outlined in the SORT, since much of the institutional and implementation arrangements will remain the same. There are however key additional risk factors peculiar to the AF as compared to the main CCAP, namely: (i) complexity of design; (ii)

implementation and staffing capacity; (iii) intra-community relations and targeting; (iv) the dynamic nature of the crisis and dealing with new arrivals; (v) security; (vi) gaps in data access and quality around IDP/Rs; and (vii) enhanced regional coordination requirements. These have been described in section II.

## **V. WORLD BANK GRIEVANCE REDRESS**

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

**ANNEX-1: REVISED RESULTS FRAMEWORK AND MONITORING INDICATORS<sup>31</sup>**

Project Name:	Citizens' Charter Afghanistan Project - Emergency Regional Displacement Response Additional Financing (P163468)			Project Stage:	Additional Financing	Statu
Team Leader(s):	Janmejaya Singh	Requesting Unit:	SACKB	Created by:	Janmejaya Singh on 25-Apr-20	
Product Line:	IBRD/IDA	Responsible Unit:	GSU06	Modified by:	Janmejaya Singh on 31-May-2	
Country:	Afghanistan	Approval FY:	2017			
Region:	SOUTH ASIA	Financing Instrument:	Investment Project Financing			
Parent Project ID:	P160567	Parent Project Name:	Citizens' Charter Afghanistan Project (P160567)			

**Project Development Objectives**

Original Project Development Objective - Parent:

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

Proposed Project Development Objective - Additional Financing (AF):

The Project Development Objective for the Citizens' Charter Afghanistan Project is to improve the delivery of core infrastructure support, and social services to participating communities through strengthened Community Development Councils (CDCs).

**Results**

Core sector indicators are considered: Yes

Results reporting level: Project Level

<sup>31</sup> Given the change in end-date of the Project, all target end dates are revised. Cases where end values have also been adjusted to take into account the change in the AF are *italicized*.

**Project Development Objective Indicators**

Status	Indicator Name	Corporate	Unit of Measure		Baseline	Actual(C
Revised	Direct project beneficiaries	<input type="checkbox"/>	Number	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	Female beneficiaries	<input type="checkbox"/>	Percentage	Value	0.00	
			Sub Type			
			Supplemental			
Revised	Number of CDCs in rural and urban areas able to plan and manage their own development projects	<input type="checkbox"/>	Number	Value	0.00	
				Date	01-Oct-2016	
				Comment		
Revised	Rural CDCs able to plan and manage their own development projects	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	01-Oct-2016	
			Breakdown	Comment		
Revised	Urban CDCs able to plan and manage their own development projects	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	01-Oct-2016	
			Breakdown	Comment		
Revised	Number of communities meeting all minimum service standards	<input type="checkbox"/>	Number	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	Rural communities meeting all minimum service standards	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	01-Oct-2016	
			Breakdown	Comment		

Revised	Urban communities meeting all minimum service standards	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	01-Oct-2016	
			Breakdown	Comment		
New	Number of targeted high IDP/returnee communities provided with emergency support	<input type="checkbox"/>	Number	Value	0.00	
				Date	31-May-2017	
				Comment		
New	Number of rural targeted high IDP/returnee communities provided with emergency support	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	31-May-2017	
			Breakdown	Comment		
New	Number of urban targeted high IDP/returnee communities provided with emergency support	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	31-May-2017	
			Breakdown	Comment		

### Intermediate Results Indicators

Status	Indicator Name	Corporate	Unit of Measure		Baseline	Actual(C
Revised	Rural areas - Number/Type of rural subprojects completed (for water points, roads, irrigation, electricity)	<input type="checkbox"/>	Number	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	Urban areas - Number/type of urban subprojects completed (drainage, streets, street lighting, parks)	<input type="checkbox"/>	Number	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	Rural areas - Number of people (male/female) benefitting from each type of subproject (access to water, roads, irrigation and	<input type="checkbox"/>	Text	Value	0	
				Date	01-Jul-2016	
				Comment		



	electricity)					
Revised	Urban areas - Number of urban residents (male/female) benefitting from each type of subproject (drainage, streets, street lighting, parks)	<input type="checkbox"/>	Text	Value	0	
				Date	01-Jul-2016	
				Comment		
Revised	% of sampled community respondents (male/female) satisfied with subproject/grant investments	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	% of CDCs initiating activities to benefit marginalized and vulnerable groups such as women, IDPs/returnees (in addition to service standards)	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	% of sampled community respondents (male/female) satisfied with CDC's performance in their mandated roles	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	% of CDC members in rural areas who are women	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	27-Oct-2016	
				Comment		
Revised	% of CDC members in urban areas who are women	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	27-Oct-2016	
				Comment		
Revised	% of sampled CDCs/communities whose CDPs include at least one women's priority activity	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	01-Jul-2016	
				Comment		

Revised	Number of districts/cities where Citizens' Charter coordination meetings are held between government authorities and CDC clusters/Gozars	<input type="checkbox"/>	Number	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	Number of rural districts where Citizens' Charter coordination meetings are held between government authorities and CDC clusters/Gozars	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	01-Jul-2016	
			Breakdown	Comment		
Revised	Number of cities where Citizens' Charter coordination meetings are held between government authorities and CDC clusters/Gozars	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	01-Jul-2016	
			Breakdown	Comment		
Revised	Number of government provincial and municipalities whose abilities are strengthened in engineering, project management, FM & procurement	<input type="checkbox"/>	Text	Value	TBD	
				Date	01-Jul-2016	
				Comment		
Revised	Number of provinces whose abilities are strengthened in engineering, project management, FM and procurement	<input type="checkbox"/>	Text	Value	TBD	
			Sub Type	Date	01-Jul-2016	
			Breakdown	Comment		
Revised	Number of municipalities whose abilities are strengthened in engineering, project management, FM and procurement	<input type="checkbox"/>	Text	Value	TBD	
			Sub Type	Date	01-Jul-2016	
			Breakdown	Comment		

Revised	Number of evaluations and studies completed	<input type="checkbox"/>	Number	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	% of rural CDC cross-visits that include women CDC members	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	% of urban CDC cross-visits that include women CDC members	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	01-Jul-2016	
				Comment		
Revised	% of grievances received which are resolved	<input type="checkbox"/>	Percentage	Value	0.00	
				Date	27-Oct-2016	
				Comment		
Revised	Number of rural and urban CDCs reporting semi-annually on service standard targets	<input type="checkbox"/>	Number	Value	0.00	
				Date	01-Jul-2016	
				Comment		
New	Number of vulnerable households receiving MCCG support	<input type="checkbox"/>	Number	Value	0.00	
				Date	31-May-2017	
				Comment		
New	Number of vulnerable IDP/R households receiving MCCG Support	<input type="checkbox"/>	Text	Value	0.00	
			Sub Type			
			Supplemental			
New	Number of communities in rural areas receiving MCCG grants within 6 months after AF effectiveness	<input type="checkbox"/>	Number	Value	0.00	
				Date	31-May-2017	
				Comment		

New	Number of vulnerable households benefitting from social inclusion grant	<input type="checkbox"/>	Number	Value	0.00	
				Date	31-May-2017	
				Comment		
New	Number of vulnerable female-headed households benefitting from social inclusion grant	<input type="checkbox"/>	Number	Value	0.00	
			Sub Type	Date	31-May-2017	
			Breakdown	Comment		
New	Number of vulnerable IDP/R households benefitting from social inclusion grant	<input type="checkbox"/>	Text	Value	0.0	
			Sub Type			
			Supplemental			
New	Number of vulnerable disabled households benefitting from social inclusion grant	<input type="checkbox"/>	Text	Value	0.00	
			Sub Type			
			Supplemental			

## ANNEX-2: REVISED IMPLEMENTATION ARRANGEMENTS AND SUPPORT

### A. Institutional Arrangements

1. The overall institutional arrangements for the AF will remain the same as the parent CCAP. MRRD will be the main implementing agency (IA) for Citizens' Charter/CCAP in rural areas whereas IDLG through the Deputy Minister of Municipalities (DMM) will be the main IA in urban areas.
2. In early 2017, MRRD established a General Directorate for the Citizens' Charter with sub-directorates for each of the four core services, which is responsible for the Citizens' Charter's minimum services, and one sub-directorate for coordination. In addition, MRRD has a single Provincial Management Unit (PMU), one for each of the 34 provinces located in existing MRRD provincial offices. The PMU is the primary unit responsible for direct monitoring of all Facilitating Partner activities on the ground, sample monitoring of all community and cluster level activities under the Citizens' Charter related to the MRRD, review of all subproject proposals and disbursement requests under the investment windows to the communities/clusters, coordination with other line ministries and sectoral plans for the province, and database management and reporting. As of April 2017, 208 of 225 HQ positions for MRRD had been filled; and 938/2083 of the sub-national positions had been filled.
3. On the urban side, IDLG has established a Citizens' Charter Central Project Implementation Unit (PIU) that will be responsible for policy development and implementation as well as coordination with other national development programs. It will be the structure that is responsible for all management and administrative issues of the Citizens' Charter, as well as communications. The PIU will be supported by an Oversight Consultant (OC), for which UN Habitat was selected on a sole-source basis. The PIU will be staffed with over 30 professional staff. Five additional advisors will be brought into the PIU as the OC role is phased out. At the sub-national level, four Provincial Management Units (PMUs) will oversee program implementation in each municipality (Mazar-i-Sharif, Herat, Jalalabad, and Nangarhar). The OC will oversee implementation for the first two years and then build the PIUs to take over key responsibilities during that time. As of end-April 2017, IDLG had filled 109 of 141 positions at the central PIU (with another 22 in progress) and the PMUs in all four cities were fully staffed.
4. With the expansion in the coverage and the overall package of support (e.g. addition of new districts and of a new component on *Social Inclusion and MCCG*), additional staffing will be needed. Both agencies MRRD and IDLG will need to hire additional staff to deliver and manage the activities rural and urban areas. The new MCCG and social inclusion component will be managed by MRRD social organizers and engineers. As the current number of these is not sufficient, additional SOs will need to be hired at the community level. Moreover, given the expansion in coverage of the CC as a whole, additional staffing will be required for IDLG and MRRD at both the national and sub-national levels.
5. In addition to the Government implementation structure, NGO FPs act as implementation arms in delivering services, particularly in remote areas. MRRD is to contract up to 14 firms to serve as the Citizens' Charter FPs while IDLG will contract 4 FPs – one for each city under CCAP. The FP's role includes: community and cluster of communities' mobilization; CDC and Cluster CDC (CCDC) elections and office bearer elections; Community Participatory Monitoring (CPM) team selection; capacity building of CDC, CCDC, CPM members and communities in a variety of areas; participatory community empowerment; social audits; grievance handling; linkages; participatory community and cluster development planning, etc.

6. With the AF and expansion of activities in terms of scope and geographical coverage, the FP scope is also being expanded. The FPs assisting both MRRD and IDLG with social mobilization, in the provinces in which the AF will be implemented, will require contract extensions. The main CC package is being rolled out in all target areas; therefore, only extensions to the scope of their work under the main CCAP are required for those provinces and two cities where the AF will be implemented. In addition, extra facilitation visits to implement the social inclusion grants will be required and added into the FP contract extensions. The number of social mobilizers and engineers (contracted directly by the MRRD) for the communities covered under the MCCG will be increased to ensure there is at least one social organizer and one engineer to support the MCCG in every 15 communities. It is understood that the field facilitation, technical assistance and monitoring of the MCCG will be done by MRRD social organizers and engineers who will take over the social mobilization once the FPs have completed the CDC election and the “Well-Being Analysis” for the community. The FPs would then continue the mobilization work for the main Community Development Plan (CDP) and RASS Grants.

7. At the community level, the Community Development Councils (CDCs), Cluster CDCs, and *Gozar Assemblies* (urban areas) remain the vehicles for program implementation. The CDC will be established through democratic election processes to be outlined in the Citizens’ Charter Operations Manual and will be similar to the hamlet-based election process used in the NSP. Elected CDCs will have a term of four years in office. Elected members of the CDC will then elect the CDC’s office bearers, such as the Chairperson, the Vice Chairperson, the Secretary and the Treasurer. Two of the four office bearers’ positions will be reserved for women members only. The CDC will have two kinds of sub-committees, those that extend to all line ministries, such as operations and maintenance and project management and those specific to the mandates of the line ministries under the CC, such as the educational sub-committee, health sub-committee, etc. Sub-committee membership will include both CDC and non-CDC members; the details are outlined in the CCAP Operations Manual. The Operations Manual which in turn describes in detail the Project implementation and institutional arrangements will be revised to include an overall annex on the MCCG and social inclusion grants.

## **B. Financial Management**

8. The FM arrangements in MRRD and IDLG have been reassessed and found adequate for the purposes of the AF. The FM risk is **Substantial**. The financial management risks will be reviewed as part of implementation and adjusted as necessary.

9. The FM arrangement for the AF will mostly remain as in the parent project. The FM arrangements are at two levels—the central level and the implementing agencies level. Country systems are used for budgeting, accounting, funds flow, internal audit, and external audit. The detailed FM arrangement are outlined in the Project appraisal document of the parent CCAP. The changes are as follows:

10. **Staffing:** Additional financial management staff will be hired for MRRD and IDLG to cover the additional scope of the Project. The overall FM staffing with their respective TORs and department structures within MRRD, IDLG and MoF will be reviewed and agreed by the Bank’s team.

11. **Internal control (including internal audit).** The internal control mechanism at MoF, MRRD and IDLG is acceptable. There is proper segregation of duties. The FM manual for CCAP (covering MRRD, IDLG and MoF) will be adopted under the additional financing of the Project. The manual documents the

details on the FM arrangements and disbursements procedures including staffing arrangements, reporting lines, coordination arrangements between MRRD, IDLG and MoF, disbursement arrangements, simplified allotment and payment processes applied by MoF for CCAP, documents retention and control mechanism at various levels, oversight arrangements, service standards for document processing, payment triggers and documentation requirements for grants.

12. The internal audit for the Project will be carried out by the internal audit departments of MRRD and IDLG. A capacity assessment of the internal audit departments of ministries is ongoing. Scope of the internal audit will be extended to cover operations in provinces and districts.

13. **Funds flow.** Project funds will flow through segregated designated accounts set up for the Project in Da Afghanistan Bank (DAB) (central bank) and controlled by MoF. Two designated accounts for MRRD (one each for IDA and ARTF) and one designated account for IDLG (for ARTF) have already been set up for the Projects. Additional financing funds will be channeled through the same existing accounts, but an additional designated account for IDLG will be set up for IDA funds. All beneficiary grant funds (including MCCG) will be transferred from the designated account to the separate clearance accounts set up for MRRD and IDLG respectively; these will be subsequently transferred to the beneficiaries' banks accounts maintained with DAB. This will aid the reconciliation process for grant transfers and reversals, if any. As the CDCs may receive funds from multiple sources, MRRD/ IDLG have agreed with DAB to have sub accounts set up (that will be linked to the main account) to segregate the funds, and enable the CDC to efficiently account and report for funds from segregated sources. This arrangement is formalized through a Memorandum of Understanding.

14. **Financial reporting.** The project will use report-based disbursements method. Consolidated quarterly IFRs (Interim Financial Reports) will be required for the Project. These reports will be submitted in form and substance agreed with the Bank. The reports will be submitted to the Bank within 45 days from the end of the quarter (Dec 21, Mar 20, Jun 20 and Sep 20) in line with the government fiscal year. MRRD and IDLG will each prepare the IFRs for their relevant activities and disbursements, and share them with the MoF CCNPP dedicated unit. The Senior Finance Officer who is part of this unit will be responsible for consolidating the IFR for submission to the Bank. The IFRs will include Statement of Cash Receipts and Payments, Statement of Uses of Funds by Project Activity, bank and advances reconciliation, and bank statements. A customized interim unaudited financial report format will be shared as part of the overall negotiation package.

15. There are no overdue audit reports, no overdue IFRs and no ineligible expenditures under ongoing or closed projects implemented by MRRD or IDLG.

### **C. Procurement**

16. Procurement will be carried out by the CC Procurement Division/Department of MRRD and IDLG in accordance with the Bank's Procurement Regulations for Borrowers for Goods, Works, Non-Consulting and Consulting Services and applicable to Investment Project Financing, hereinafter referred to as "Regulations". The project will be subject to the Bank's Anticorruption Guidelines, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.

17. The World Bank's Standard Procurement Documents (SPDs), Requests for Proposals, and Forms of Consultant Contract will be used. Goods, work, and non-consultancy service following Open National competition shall be procured using the agreed bidding documents for Afghanistan. In case of

conflict/contradiction between the World Bank’s procurement procedures and any national rules and regulations, the World Bank’s procurement procedures will take precedence as per the Article 4(2) of the Procurement Law of the Islamic Republic of Afghanistan dated October 7, 2015. As confirmed by the Government, new World Bank regulations will apply uniformly to all procurement under the CCAP and AF, including for incremental operating costs.

18. In addition, the capacity of the Directorate of Procurement MRRD and IDLG have been assessed and the risk ratings in the most recent assessment were **Substantial** for MRRD and **High** for IDLG. However, the capacity of the Procurement Directorate of MRRD and IDLG will be periodically assessed and this risk/threshold will be reviewed and updated accordingly.

19. As per the National Regulations, Procurement Directorates will prepare a Project Procurement Strategy for Development (PPSD) to decide procurement methods and approaches for procurement (template of PPSD already shared). Once the PPSD is complete and procurement officials are identified in Procurement Directorate, the Bank will arrange a procurement training for them.

20. **Systematic Tracking of Exchanges in Procurement (STEP).** The Project will implement STEP, a World Bank planning and tracking system, which would provide data on procurement activities, and establish benchmarks. The details of the procurement activities under the AF, presently prepared in the procurement plan would be transferred in the STEP system. Training on the operation of the STEP system have been provided to both the agencies and the staff are familiar with the STEP system.

**Procurement Prior Review Threshold MRRD & IDLG**

**I. Procurement Prior Review Threshold [USD Million] MRRD**

Type of Procurement	High Risk
Works (including turnkey, supply & installation of plant and equipment, and PPP)	10
Goods, information technology and non-consulting services	2
Consultants: firms	1
Consultants: individuals	0.3

**II. Procurement Prior Review Threshold [USD Million] IDLG**

Type of Procurement	High Risk
Works (including turnkey, Supply & installation of plant and Equipment, and PPP)	5
Goods, information technology and Non-consulting services	1.5
Consultants: firms	0.5
Consultants: individuals	0.2

**Goods and Non-Consulting Services**

**Table 1: Procurement Method and Threshold**

	Procurement Method	Threshold for Methods (US\$)	Comment
1.	Open International (Works)	5,000,000	Equivalent or more
2.	Open National (Works)	5,000,000	Equivalent or less
3.	Open International (Goods)	200,000	Equivalent or more
4.	Open National (Goods)	200,000	Equivalent or less



5.	Open International (Non-Consulting Services)	200,000	Equivalent or more
6.	Open National (Non-Consulting Services)	200,000	Equivalent or less
7.	RFQ (Goods)	50,000	Equivalent or less
8.	RFQ (Works)	100,000	Equivalent or less

**Consulting Services**

**Table 2: Consultants: Selection Methods and Thresholds**

	Selection Method	Threshold	Comments
1.	CQS for Firms	US\$300,000 equivalent or less	
2.	QCBS, QBS, FBS, LCS	Depending on the nature and complexity of assignment	

**Prior Review Thresholds**

21. **In the case of contracts subject to prior review**, the Implementing Agency shall seek the Bank’s no objection **before granting/agreeing to:** (a) an extension of the stipulated time for performance of a contract that either increases the contract price or has an impact on the planned completion of the Project; (b) any substantial modification of the scope of works, goods, non-consulting services or consulting services, other significant changes to the terms and conditions of the contract; (c) any variation order or amendment (except in cases of extreme urgency) which singly or combined with all variation orders or amendments previously issued, increase the original contract amount by more than 15 percent; (d) the proposed termination of the contract. A copy of all amendments to the contract shall be furnished to the Bank for its record.

22. **Procurement plan.** A Procurement Plan for the first 18 months of both the Parent Project and AF implementation has been prepared and reviewed by the Bank. The Procurement Plan will be disclosed at the MRRD website as well as at the Bank, and will be updated annually or as needed, to reflect changes during implementation.

**D. Safeguards**

23. **Overall:** The Additional Financing (AF) activities do not trigger any new World Bank Safeguards OP /BP. The safeguards instruments for the triggered OP/BPs 4.01, 4.11, and 4.12, namely, the Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), Abbreviated Resettlement Action Plan (RAP), conformity of Health & Safety guidelines, Screening Checklists and requirements of site specification ESMPs for infrastructure subproject as decided for parent project would be adequate to apply. In addition, the existing institutional arrangements of the parent project are sufficient to address the safeguards prerequisites. It is not anticipated that the proposed activities under component one and MCCG grant under AF will have large-scale adverse environmental or social impacts. The MCCG grants envision small maintenance of existing infrastructure in rural Afghanistan, likewise, CCAP sub-projects are small-scale and community- driven and, therefore, are expected to have very limited adverse impacts. However, the safeguards instruments will be used to thoroughly investigate sub-projects under both the RASS and MCCG to ensure avoidance of interventions posing negative impact on the environment and the surroundings. Issues related to human health, including labor and community health and hygiene would have some temporary impact which can be dealt with through application of the existing safeguards management tools, guidelines and instruments as described in the ESMF of the parent project. Although no resettlement, major land acquisition and/or asset loss is expected, very small areas of land may be bought outright (willing buyer - willing seller) or

acquired against community compensation to facilitate new or rehabilitation of small-scale infrastructure under Component 1 and MCCG grant under AF. The RPF for the parent project will be adopted for the additional financing to provide guidelines on land acquisition issues, if any.

## E.1 Environment

24. Environmental Assessment OP/BP 4.01 is triggered as the service delivery grants under component 1 of the parent Project, as well as the MCCG under the AF may cause some level of adverse environmental impacts, including occupational health and safety issues. The ESMF of the parent Project will address issues regarding the environmental impacts as well as spelling out the policy, guidelines and procedures to minimize and mitigate the likelihood of any negative impacts. It is anticipated that the proposed upgrading of small infrastructure works under Component 1 and activities under MCCG will have minimal adverse impact on the environment. Such impacts are expected to be small, localized and reversible and thus, can effectively be managed with easily applied mitigation measures addressed in the Environmental and Social Management Plans (ESMPs). An assessment of the negative impacts can be classified into pre-construction, construction and post construction phases. Typical potential minor environmental impacts during rehabilitation, maintenance services and construction include, but are not limited to, soil and land degradation, increased dust/air pollution, noise level increase, water pollution and construction debris.

25. In compliance with World Bank's safeguards policies and Afghanistan Environmental Law and Environmental Impact Regulations, sub-project with significant adverse impacts will go for Environmental Clearance (EC) to the National Environmental Protection Agency (NEPA). CCAP sub-projects are small-scale and community driven, therefore, it is expected to have very limited adverse impacts. However, the safeguards instruments will thoroughly investigate to ensure avoidance of Category A type of interventions. Based on the scale and scope of the sub-projects, it is anticipated that EC from NEPA will be taken for only a small number of sample sub-projects per province.

## E.2 Social

26. The MCCGs under the proposed AF will mainly focus on maintenance works, such as 'light construction' – defined to be anything that can be built within a 6-month time frame and which involves a minimum labor to materials ratio of 60-40.<sup>32</sup> The maintenance and construction could include activities like road repair, maintenance of community infrastructures, building of schools boundary walls, construction of additional classrooms and construction of toilets in the existing clinics, etc, for which the overall social and environmental adverse impacts are expected to be low and easily manageable by existing safeguard tools. All relevant safeguard documents for the parent project which are applicable for the AF of CCAP have already been consulted and disclosed in-country on MRRD and IDLG websites, as well as on the World Bank external website.

27. **Grievance Redress Mechanism-** The client has already prepared the GRM manual for the parent project which will also be applied to the AF activities.

28. **Citizen Engagement (CE):** The Project will establish ongoing interaction between citizens and government agencies. Through CDC participation, citizens will be able to identify priorities and select projects to be funded under the grants. A number of citizen engagement indicators have been

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<sup>32</sup> The addition of 'light construction' within the MCCG would mean that the Bank's fiduciary and safeguards policies would apply to this element of the grant. These construction items fall outside the main CCAP construction menu.

established under the main project, which will also cover the proposed AF activities. The client will engage a consulting firm to conduct beneficiary satisfaction surveys for the entire project. Under the AF, ICT enabled feedback will also be introduced using mobile phones.

29. **Gender:** Building on NSP's achievements in women's participation, and aligned with the lessons learned from the MCG under NSP, the AF, particularly under the MCCG, will take measures to be inclusive and ensure that women are benefiting from the program. The experience from MCG showed that due to social norms women do not participate in the public/civil works. This greatly affects their participation in the MCCG especially those who do not have able-bodied males to participate on behalf of the household. Considering that there is a sizable number of female-headed households and/or widows in the communities, the AF includes social inclusion grants and collective action activities to address this gender gap and accommodate poor and female headed households who cannot participate in the program otherwise. This will not only benefit these households but also sensitize communities regarding the value for such social activities addressing the most vulnerable groups in their communities.

### ANNEX-3: REVISED ESTIMATE OF PROJECT COSTS

#### A. Rural Side Budget distribution by Component and by Source for MRRD (excluding bilateral funds)

Component	Source	Original	AF	New Total
Component 1: RASS Grants	ARTF	124,300,000	-	124,300,000
	IDA	100,000,000	67,750,000	167,750,000
	MOF <sup>33</sup>	128,000,000	0	128,000,000
Component 2: Institution Building	ARTF	119,820,000	0	119,820,000
	IDA	-	8,050,000	8,050,000
Component 3: Evaluation and Studies	ARTF	5,000,000	-	5,000,000
	IDA	-	400,000	400,000
Component 4: Project Implementation & Management	ARTF	60,880,000	-	60,880,000
	IDA	-	14,800,000	14,800,000
Component 5: Social Inclusion & MCCG	ARTF	-	44,300,000	44,300,000
	IDA	-	4,300,000	4,300,000
<b>Total</b>		<b>538,000,000</b>	<b>139,600,000</b>	<b>677,600,000</b>

#### B. Urban Side Budget distribution by Component and by Source for IDLG

Components	Original CCAP (ARTF)	Funds from Afghan Government	AF Total (IDA)
Component 1b: (Grant for 850 CDCs USD 70,000/ CDC)	\$42,000,000	-	\$ 17,500,000
Component 1b: (Grant for <i>Gozars</i> - 170 <i>Gozar</i> Assemblies @ USD 200k/GA)	\$24,000,000	-	\$ 10,000,000
<i>Sub-Total Component 1: Total Urban Area Block Grants</i>	<i>\$66,000,000</i>	-	<i>\$ 27,500,000</i>
Component 2: Capacity Building FP for 850 CDCs and 170 GAs (ARTF)	\$7,001,820	-	\$ 2,870,280
Component 2: Capacity Building OC for 21 months (ARTF)	\$3,870,864	-	-
Component 4: Operations cost (ARTF) (PIU+PMU)	\$13,127,316	\$ 1,400,000	\$ 2,000,500
<b>Total for ARTF CC Urban Part</b>	<b>\$90,000,000</b>	<b>\$ 1,400,000</b>	<b>\$ 32,370,780</b>

<sup>33</sup> The MOF contribution reflects the counterpart funding for the parent CAP which is entirely directed towards RASS Grants.

**C. Summary Budget by Component for ARFT and IDA only (both Urban and Rural):**

<b>Current Component Name</b>	<b>Proposed Component Name</b>	<b>Current Cost (US\$M)</b>	<b>Variation with AF (US\$M)</b>	<b>Proposed Cost (US\$M)</b>
1. Service Standards Grants	1. Service Standards Grants	290.3	95.25	385.5
2. Institution Building	2. Institution Building	130.7	10.95	141.6
3. M&E, Knowledge Learning	3. M&E, Knowledge Learning	5	0.40	5.4
4. Project Implementation and Management	4. Project Implementation and Management	74	16.80	90.8
	5. MCCG and Social Inclusion Grants	-	48.60	48.6
<b>TOTALS</b>	<b>Total:</b>	<b>500</b>	<b>172</b>	<b>672</b>

#### **ANNEX-4: BACKGROUND ON DISPLACEMENT AND RETURNEE POLICY AND REGIONAL COORDINATION**

1. Forced displacement in Afghanistan has been a reality of Afghan life over nearly 40 years of internal conflict. It is also a key dimension of the country's poverty challenges putting the country under huge pressure to deliver services to an increasingly impoverished population.

2. In 2016 some 1.5 million Afghans were displaced, falling into three categories, of which 44 percent were internally displaced, 31 percent undocumented returnees and 25 percent were documented returnees from mainly Pakistan and Iran, but a few also from Europe. The prognosis for 2017 is that Afghans will continue to return to the country but in fewer numbers than in 2016, due mainly to changes in Pakistan's policy towards Afghan refugees hosted in the country, in particular: a) extension of the Tripartite Agreement between Pakistan, Afghanistan and UNHCR and validity of the proof of registration cards of Afghans in Pakistan until end 2017; b) approval of a visa regime for different categories of Afghans ; d) agreement to adopt a national refugee law and, finally, d) agreement to provide legal documentation for undocumented Afghans living in Pakistan. (Conclusions of 28<sup>th</sup> Tripartite Commission between Afghanistan, Pakistan and UNHCR, February, 2017). Planning for the successful return of refugees and migrants, and responding to the needs of IDPs, is first and foremost a humanitarian and constitutional concern, but moving over one million returnees and IDPs to new communities poses real economic and political risks.

3. The Afghan government has been keen to put in place a comprehensive policy framework and set of institutional mechanisms to respond to the crisis (see Afghan Government's "Policy Framework for Returnees and IDPs", 2017). The government's response recognizes the need for a longer term development response. The goal of the government is to ensure that returnees and IDPs receive decent and humane treatment in line with their constitutional rights as citizens. The basic framework for the sustainable integration of returnees and IDPs recognizes that successful integration is complex and multi-sectoral, and needs to respond, not just to the needs of the displaced, but of host communities, as well, who may be equally impoverished.

4. The overall objective of the policy is to ensure the safe and successful re-integration of the displaced into the social and economic fabric of the country and to minimize the time returnees and IDPs spend in transitional arrangements. The basic principles of the policy are as follows:

- a) A single Policy Framework will govern humanitarian and development assistance for returnees and IDPs.
- b) Humanitarian assistance should transition to permanent solutions based on sustainable development as rapidly as possible.
- c) 100 per cent registration for all undocumented returnees is to be provided at major border crossing points with Iran and Pakistan, on a fast-track basis.
- d) The reduction of any barriers to accessing basic services, including but not limited to education and health services, will also need to be fast-tracked, including the use of interim documentation measures, such as temporary occupancy certificates, where considered appropriate.
- e) The Government will provide facilitation services for those returnees willing to relocate or re-establish their businesses in Afghanistan.

- f) A “*whole of community*” approach should be followed wherever possible. According to resources available, this approach should include the host communities in definitions of eligibility for humanitarian and development assistance.
- g) Financial packages provided by national and international agencies and foreign governments must be calibrated at levels capable of being sustained for an agreed period of time. Financial packages must also be harmonized to the extent possible, taking into account the various existing modalities for assistance, to avoid inequities in treatment.
- h) Benefits for returnees and IDPs should distinguish between the legal entitlements being provided, and the longer-term investments that will materialize as part of the government’s long-term development programming.
- i) Building sustainable settlements for returnees and their hosts is the main means for absorbing resettlers and IDPs. Given the constraints on budget, land, and other resources, all options, including land allocation, land consolidation, rentals, and other means for supporting returnees should be explored.
- j) Land allocation will be a central contributor to the success of durable solutions, but land allocation and registration can only proceed following a proper identification of suitable and viable sites, according to established technical criteria; a verification of the land’s legal status by ARAZI (Tasfiya process); the land is free of mines and explosive remnant of war and the determination of clear and transparent eligibility criteria for the various categories of people of concern. Other processes to ensure security of tenure for returnees and IDPs, as well as the urban poor, should accompany land allocation. To do so, the Government will seek approval of the Law on Occupancy Certificates to recognise the specific needs of IDP/Rs.
- k) Settled returnees and IDPs will be assisted to join local representative bodies such as Community Development Councils, *Gozar* and *Nahia* assemblies, and other models of local self-government. The CDC Law provides the legal basis for CDCs and *Gozar* assemblies to include representation from IDP/Rs.

5. The IDP/R Policy Framework is articulated in *three stages*, with long-term actions needing to be planned in parallel to the humanitarian intervention so as to facilitate sustainable integration of returnees and IDPs. In the first humanitarian stage, consideration must be given to issues such as the proper identification of returnees and IDPs, assessments of their needs and intentions and the determination of their entitlements, initially as a provision of emergency support. In the second stage, when returnees and IDPs join existing or new communities or return to their places of origin, efforts must be made to receive them, and planning must encompass host areas and offset the burden on local services. The third stage shifts to a focus on livelihoods, employment and integration with the surrounding host communities, markets and government support. Through the AF, Bank is supporting the second stage of the framework.

6. Another critical aspect of the government’s policy framework is the establishment of an institutional architecture to implement the framework and coordinate stakeholder efforts:

- a) **The High Migration Council**, chaired by the President of Afghanistan, is the apex body for defining national policy and resolving issues of policy interpretation and updating.
- b) **Council of Ministers’ Sub-Committee on Migration Affairs**. The Chief Executive will lead the Government’s short, medium and long-term response efforts on returnees and IDPs through the

**Council of Ministers' Sub-Committee on Migration Affairs.** The Sub-Committee will be the main decision-making body on operational issues relating to returnees and IDPs. The Secretariat of the Sub-Committee will be provided by the Ministry of Refugees and Repatriation (MoRR).

- c) **Displacement and Return Executive Committee (DiREC).** DiREC will lead and oversee the implementation of this Policy Framework, which will be chaired jointly by nominated representatives from the Office of Chief Executive (OCE), Ministry of Refugees and Repatriations (MoRR), and the United Nations Assistance Mission to Afghanistan (UNAMA). Membership of DiREC will comprise nominated representatives from: The Office of the President, the OCE, MoRR, UNAMA, the National Security Council, the Ministry of Finance, the Office of the State Minister for Disaster Management and Humanitarian Affairs, ARAZI, the World Bank, UNHCR, IOM and OCHA. DiREC will provide fortnightly reports to the Cabinet, the High Migration Council, the Council of Ministers' Sub-Committee on Migration Affairs on crucial returnee issues in the country. A Coordination and Oversight Unit will support DiREC.
- d) **DiREC Working Groups:** Three working groups addressing policy, technical and financial support issues will support DiREC. Membership in the working groups will vary depending on the issues at hand.

7. To-date this new architecture is still relatively new and hence untested. Time will tell how effective it will be in implementing the government's policy on forced displacement. However, it has already allowed international stakeholders to come round the table to discuss how the international community might support the government's plans, both in terms of direct funding support for the government's action plan, but also in terms of technical assistance and advice. The proposed AF intends to link with these institutional bodies – particularly the DiREC.

8. The GoIRA's National Action Plan around IDP/Rs, which flows from the policy framework encompasses 8 goals. These are:

- i. All new arrivals are registered and receive documentation;
- ii. All returnees and IDPs are provided with immediate humanitarian assistance;
- iii. The facilitation of access to basic services;
- iv. Improved access to land and adequate housing for returnees and IDPs;
- v. Improved access to livelihood opportunities and jobs;
- vi. The facilitation of orderly, safe and responsible migration and mobility of people through planned and well implemented policies;
- vii. Improved citizen engagement and social cohesion; and, finally
- viii. Strengthened accountability and transparency through reporting, monitoring and feedback mechanisms.

9. The current AF proposal for CCAP is housed in goal 3 of the action plan, but also supports several of the other goals (e.g. 5, 7, and 8) and is therefore a key part of the Policy Action Plan.



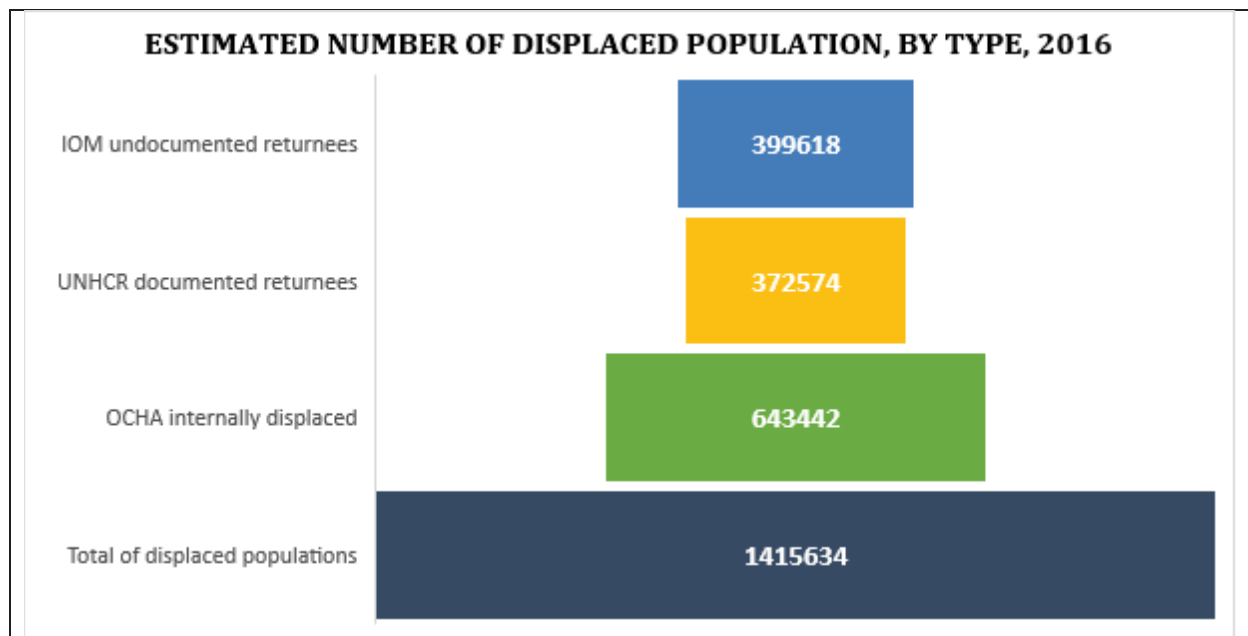
## ANNEX-5: STATUS OF DATA ON IDP/Rs AND DISTRICT SELECTION PROCESS

### I. Introduction

1. Afghanistan, and with it the South Asia region, is witnessing a massive displacement and potential humanitarian crisis. Over the course of 2016 and first quarter of 2017, an estimated 775,000 undocumented and registered refugees returned to Afghanistan from Pakistan and Iran. In addition, Afghanistan has 1.2 million individuals at different stages of displacement and additional 400,000 new IDPs in 2016. According to UNCHR there are still 1.5 million registered Afghan refugees living in Pakistan, and authorities there have asked for all Afghan refugees in Pakistan to return to Afghanistan by December 2017. The UN is therefore projecting almost 500,000-700,000 Afghans will return from Pakistan in 2017. (Source: UNOCHA, UNHR, IOM)

### II. Current IDP/Returnee Data Collection Efforts

2. Data on migration flows are collected and maintained by several international humanitarian organizations, NGOs, and line ministries. UNHCR tracks return movements for registered refugees. IOM and the Ministry of Refugee and Repatriation (MoRR) jointly collect data on return movements of undocumented Afghans, and IOM has just launched its Displacement Tracking Matrix to track and monitor at-risk population movements, with its first phase completed in Nangarhar, Laghman and Kunar provinces. OCHA collects data for internally displaced persons. The databases from these agencies cumulatively provide the most accurate picture of displacement flows in Afghanistan. These three categories are mutually exclusive. The combined database from the three agencies suggests that the 1.4 million individuals fall into one of these three categories, of which 45% are IDPs, 28% are undocumented returns and 26% are documented returns<sup>34</sup>.



<sup>34</sup> From technical briefing note: *Assessing the Spatial Distribution of the internally displaced and 2016 Returns – Implications for Spatial Targeting of the Response*, World Bank Poverty Team, Afghanistan, March 2017.

3. However, despite multiple mechanisms in place to track mobility flows, significant gaps remain in the data available on forced displacement including the lack of information on secondary movements and the scope of the data collected. Therefore, there is no clear sense of the spatial distribution of IDPs and returnees in real time. Also significantly, the data do not capture more broadly the pressures on service delivery and impact on host communities due to the influx of IDPs and/or returning refugees in urban and rural areas. Through the Citizens' Charter, the Government hopes to be able to complement the UN agencies' databases with data from CCAP's 12,000 rural communities and four major cities to be covered.

### **III. District Selection Process for CCAP AF**

4. The Government has selected the coverage areas for the Additional Financing using the aforementioned datasets from UNHCR, IOM, OCHA and partial datasets collected from IDLG at the provincial and district levels. At the provincial level, IDLG collected IDP and returnee data for 31 of the 34 provinces of Afghanistan, excluding Balkh, Hirat and Panjsher. These 31 provinces account for 96% of the displaced population according to the UN databases. The IDLG district level data provides estimates of IDPs and returnees for 10 of the 34 provinces of Afghanistan. These include Baghlan, Balkh, Kabul, Kandahar, Kunar, Kunduz, Laghman, Logar, Nangarhar and Paktia. Using the various UN datasets and IDLG's provincial and district level figures, the Government calculated the average numbers of displaced, and ranked the top 30 or so districts with the highest numbers of displaced. Fourteen of the top 30 rural districts with an estimated 580,000 IDPs/Rs have been chosen for coverage under the CCAP Additional Financing. In addition, CCAP will expand and fully cover two cities, Jalalabad and Kandahar that are in the top ten IDP/R hosting areas in the country and according to the data available, host some 85,000 IDPs/returnees.

### **IV. Data Collection Efforts Moving Forward**

5. Improving the quality and scope of data on IDPs/Rs and host communities is of critical importance for the Government and international development community. Through the Citizens' Charter Additional Financing, the Project plans to collect data through MRRD and IDLG's management information systems (MIS). Data will be collected by Facilitating Partners, MRRD Social Organizers and Engineers, and entered into databases at the district and provincial levels for rural areas, and through tablets at the municipal level for urban areas. The MIS for CCAP already includes reporting forms related to community profiles, monitoring of the Project cycle, and the semi-annual citizens' scorecards. The reporting forms and Operations Manual were reviewed during project preparation to ensure that data related to IDPs/returnees are captured. The Project has also discussed with several providers of mobile phone survey platform in Afghanistan the possibility to collect data, including on the status and location of IDP/returnees on a more real-time basis. The data from the mobile phone surveys will be shared with the DiREC Secretariat as well as the UN agencies (UNHCR, IOM and OCHA) and regional humanitarian organizations to inform their regional crisis response.

6. For evaluation purposes, CC will include an oversampling of IDP/R areas in its project panel surveys and qualitative evaluations every two years, with information shared with the Government and the international development community. The plan is to oversample using the Afghanistan Living Conditions Survey. The collected data can then be cross-checked with IOM's Displacement Tracking Matrix as well as other data sources. The CC Working Group will share the reports on IDPs/returnees on its website and with the DiREC Secretariat and the data taskforce for budgeting and programming purposes.

## ANNEX-6: DETAILED DESCRIPTION OF PROPOSED SOCIAL INCLUSION AND MCCG COMPONENT

### A. Maintenance and Construction Cash Grants (MCCGs)

1. **Background and Rationale.** The MCCG scheme is intended to provide a source of emergency cash (through short term employment generation) for the most vulnerable households, as well as urgently needed funding for basic infrastructure in communities that are housing IDP/Rs. Given the limited public resources and services available in rural communities, a large number of in-migrant families can create resentment within the host community. This may be exacerbated by the surplus labor created by the migrant influx, making 'integration' more difficult.

2. **Benefits of Grants.** Providing an additional 40 days of work per household would have a considerable 'income effect' for households whose main income source is the sale of unskilled daily wage labor (40 days constitutes anywhere from 25% to 50% additional labor days per year). Besides these economic effects, there are numerous social effects: collective work (and achievements); building a sense of community and laying the foundation for future collective action. Thus, the MCCG program will provide short-term employment opportunities enabling approximately 35% of the communities' households (host and in-migrant) to prepare for the next lean period (winter 2017/2018), to mitigate seasonal hunger, maintain/ repair existing infrastructure, and construct small infrastructure (including class rooms) that falls outside the Citizens' Charter construction menu.

3. **Broader cross-border benefits.** The grants have clear cross-border benefits as effective re-integration of this population will contribute to regional stability and is in line with the policy objectives of countries in the area. Conversely, a mismanaged reintegration and rehabilitation process can lead to serious social, economic and security risks threatening the stability of not just Afghanistan and Pakistan, but the broader South Asian sub-continent. The MCCG scheme (and the SIG scheme) might prevent local conflicts from arising between refugees and hosts, while improved social services and livelihoods for refugees will secure their human capital and self-reliance, allowing them to contribute to the local development in Afghanistan upon their return. These two aspects have clear positive spill-over effects beyond country boundaries.

4. **Integration into Communities/ Development Councils.** The Citizens' Charter will engage communities in an intensive social mobilization process that will raise awareness of peoples' development rights and obligations, work with the communities to create their socio-economic profile, including an analysis of their existing resources and services and their needs. This will provide the basis for Community Development Planning and will ensure a participatory, transparent, context-specific planning processes. Further, building on NSP's experiences where both 'at-large' and 'district' elections were permitted, in the Citizens' Charter, 'district' elections is the only permitted election system. This will be achieved through an election-unit system, where each eligible voter can vote for and will then be represented in the Community Development Council through one man and one woman who live in close proximity to the voter. In other words, the Citizens' Charter will ensure that in-migrants are represented in the Community Development Councils, that their neighborhoods (*mohallas*) are included in all development processes, including the resources mapping and poverty analysis.

5. **Program Participation Criteria.** The MCCG program will incorporate a transparent set of criteria, well-publicized among citizen's groups to ensure a common understanding of how beneficiaries were chosen and increase buy-in for helping the poorest families. The following criteria will be used:

- dependence on casual daily wage work as primary household income and only one adult male working;
- repeated and current indebtedness to others;
- no land ownership or ownership of less than 1 *jerib* (0.2 hectare) of land;
- living in rented houses

A poor or very poor household among the displaced population in the community will qualify if it meets any of the above and at least two of the following criteria:

- living with relatives;
- no work opportunities in the past few weeks;
- food insecurity in the past few weeks or since relocating to the community

6. **Program Operating Parameters.** In the top returnee/ IDP districts, the Government will roll out both the Citizens' Charter and MCCG; in this way returnees/ IDPs benefit from the long-term intervention and the intensive social mobilization process where CC Social Organizers will engage the community in a social analysis process that includes a poverty analysis and this can provide the basis for targeting. The main operating parameters include the following:

- a. The permissible menu under MCCG will include both "cash for works" (repairs/ rehabilitation/ cleaning/ expansion/ construction) and exceptionally "cash for services" for ultra-vulnerable households that cannot participate in public works.
- b. A labor / input ratio of 60/40 and opening up the menu of repairs and maintenance to construction activities that are small in scale, require limited material inputs, generate wage work, and can be achieved within 6 months. The options may include culverts, boundary walls, road paving, retaining walls, class rooms, toilets, etc.
- c. A standard ceiling ratio of labor beneficiary population in relation to the entire population per community to 35% of households.
- d. A wage rate that tends to be at market level (AFN 350 per day).
- e. 40 labor days per household, to enable households to purchase food for 3 months of food.
- f. A minimum age of 15 for eligibility, but with active discouragement of participation of minors during the school year.
- g. The release of the MCCG to communities will be done through a single tranche (100%) irrespective of the amount per community, but thereafter withdrawals and payments from the community account will be based on agreed milestones/outputs in the MCCG plan.
- h. Finally, given the inclusion of 'light construction', the MCCG will be considered similar to a full-fledged block grant and hence all fiduciary, procurement and safeguards requirements will apply, including full utilization and reporting. The details of all of these provisions will be made more explicit in the OM Annex for the MCCG.

7. **Additional Details – Targeting.** A community driven approach<sup>35</sup> in areas with a high number of returnees, requires attention to: returnee settlement patterns, the host communities' demographics,

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<sup>35</sup> Community driven refers to communities selecting the infrastructure and the beneficiaries based on criteria provided, as well as CDCs administering and accounting for the funds, and overseeing the implementation of the public work project. It is proposed that all poor families can qualify for targeting or for the lottery (if the number of poor families is greater than the funds can cover).

socio-economic realities, and public resources needs. Equally important will be the 'public work scheme fund spread': are the funds to be concentrated in key areas with high population densities and with high returnee populations or are the funds somewhat diluted to cover larger numbers of communities? Finally, the earlier MCG phases have illustrated that setting the wage rates below the average rates (reducing by AFN 50) has not dissuaded the non-poor from seeking work through the program.<sup>36</sup> Therefore, instead of relying on self-targeting, specific vulnerability criteria will be used as part of the participatory well-being analysis done as part of the community social mobilization to identify eligible households for the MCCG scheme. If the total number of eligible HH is greater than 35% of the population then a community wide lottery will be used for selecting the beneficiary households (see below). A clear provision that the poor/poorest households from the WBA that do not benefit from the MCCG will then be given first priority for paid labor under the CCAP RASS grants.

8. Communities' Demographics: The preliminary data on returnees illustrates certain settlement patterns in rural areas. NSP has created maps that illustrate population density and community size and when overlaid with the returnee locations, these show a clear correlation between returnee settlement, densely populated areas and distance to urban centers or plain areas with access to water. In other words, there is a concentration of returnees (this is likely the case for IDPs too) in areas close to provincial and district centers, as well as irrigated plain areas. This means returnees are somewhat concentrated and settle in communities that are already relatively larger than the average size of communities. The public work scheme should focus on these areas. Concentrating the funds to increase the purchasing power of a large number of food-deficit households through direct wage transfers in key districts (those with the highest rates of returnees) will stimulate economic activities with second-order economic benefits.

9. Socio-Economics: A large number of returnees (an IOM study indicates nearly 80 percent) who arrived between July to December cite 'casual daily wage labor' as their primary income source in Pakistan. This reality, combined with the current surplus labor market and high rates of under-employment, suggests the need to target a considerable percentage of the population in each community for the proposed public work scheme in the selected districts. Further, to mitigate the immediate effects of poverty, it is proposed to increase the percentage of people that have access to short-term employment and the number of days that people work to provide funds to provide for the basic needs of the poor. It is proposed to target 35% of the communities' population. This will allow for a considerable number of poor households in each community to be included in the scheme and receive sufficient work days to mitigate the 3 months' lean season, but still have a considerable spread across high returnee and IDP districts. The current funding commitments will enable the Government to provide resources to the top 14 high returnee / IDP districts and cover over 2,200 communities.

10. Targeting: A community's MCCG entitlement will be calculated as follows: the total number of households will be taken from the CC community profile. Thirty-five percent of the households will be calculated and the total costs for employing 1 person/household (from each of the 35%) for 40 days each at the unskilled wage rate of AFA 350/day per laborer represents 60% of the MCCG entitlement. Forty percent will be added to account for the material / input costs. This amount will then constitute the MCCG entitlement for that given community with a ceiling of USR 60,000 or AFA 4000,000 / community

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<sup>36</sup> Government of Afghanistan, 2016. The Maintenance Cash Grant Initiative: Case Studies from Balkh, Herat, and Nangarhar. Kabul: Ministry of Rural Development, National Solidarity Program.

11. **Additional Details – Operating Parameters.** Administrative costs. These can be financed from the grants up to a maximum of AFA 10,000 per community, provided it is included in the non-labor cost component, and the latter still does not exceed the maximum 40% of the MCCG grant for that community. All administrative costs mentioned in the main CCAP OM (inclusive but not limited to travel/ transportation, accommodation, bank fees, food during travel to the district/provincial centers for CDC members to be able to implement the MCCG properly) is considered permissible, provided these are clearly indicated in the cash books to be maintained by the CDCs exclusively for the MCCG.

12. MCCG Wage Rate: Unlike the earlier MCG, the wage rate for the MCCG is fixed uniformly across the country as AFA 350/person/day for unskilled labor, and AFA 650/person/day for skilled labor. This is based on the average market wage rate during construction season for the AF districts (which are largely peri-urban).

13. Paid Skilled/ Unskilled labor: For the purposes of this Sub-Program, skilled labor is defined as experienced and/or trained masons, electricians, plumbers and carpenters. All other paid manual labor associated with this Sub-Program is considered unskilled labor. The rates are as defined above. It is recommended (but not mandatory) that not more than 15% of the paid labor for each MCCG is used for skilled labor.

14. Component Cost Ratios: The MCCG of a given community can be used entirely for the paid labor in the approved subprojects. At a minimum 60% of the MCCG of a given community must be devoted to paid labor, and at least 85% of this must be for unskilled labor only. A maximum of 40% of the grant can be utilized towards all non-labor costs (including administrative, transportation, materials, equipment, bank fees if any etc) of the subprojects. This together is simply called the 60:40 component cost ratio in the MCCG. The only exception to this rule is for the construction of new classrooms to existing public schools (see below). In this instance, the ratio can go up to 50% for labor: 50% non-labor costs. Here too, the absolute maximum for non-labor costs can be only 50% of the total MCCG of a given community.

15. Labor Definition: One day of skilled/ unskilled labor under the MCCG is defined as 8 work hours within a calendar day. Extra hours worked during the same calendar day will not constitute an additional part or whole of another labor day. Exceptionally during Ramadan, a labor day under the MCCG is defined as 5 work hours within a calendar day.

16. Menu of Subprojects: The MCCG of a given community may be used for a minimum of 1 and a maximum of 3 subprojects. Under the MCCG, the repairs, maintenance, extension and/or cleaning of existing public productive infrastructure (within or in the community's neighborhood) in the sectors of transport, irrigation and community centers are allowed for the use of the MCCG grants.

17. Construction. As noted, the MCCG allows for light construction defined as anything that can be completed within 6 months and which fall within the prescribed component cost ratios mentioned above. It was clarified during appraisal, that this construction is permissible despite the new Presidential Decree on "Vertical Construction" since this falls under the realm of 'community construction' which is outside the purview of the decree since the latter is meant to apply to government construction.

## **B. Social Inclusion Grants (SIGs)**

18. Recognizing that there might be a number of households in the target communities where there is no able bodied man<sup>37</sup> to undertake the MCCG work (e.g. women headed households or disabled households), a ‘social inclusion’ grant will be provided alongside the MCCG roll out. The program will target those households that are unable to participate in the cash for work program, i.e. very poor households headed by women or where women are the sole income earners. Given local social norms, women cannot work on public work schemes and therefore cannot participate in MCCG as active laborers. These women can identify a male relative to work on their behalf, however, there is no guarantee that the funds will reach them. To ensure that the most vulnerable households (from host and in-migrant neighborhoods) have some benefit from this scheme. The ultimate objective is to provide community welfare support for these ‘ultra-vulnerable’ households.

### ***Implementation Mechanics:***

19. **Short-term (to address the upcoming lean season – Winter 2017/2018):** SOs from FPs, with support of the MRRD SOs, will work with CDCs to conduct a campaign in their communities that will collect food, cash, or fuel for women-headed families from the very poor category. This campaign, that will include food/ grain banks, should begin as early as August, so that by December, when the lean season begins, key items have been collected and stored so that very poor households can access food, cash or fuel. This campaign can also provide other needed assistance to very poor families to prepare for the winter season, including house repair by youth volunteers. To determine the need, CDCs can use the well-being analysis to identify the number of very poor households and hence the funds / food needed. This grant – which has been budgeted through a set-aside on a matching basis (in order to increase collective action) of up to \$2000 per community – will be used to initiate a ‘food/grain bank’ for the ultra-poor in each of the targeted AF communities.

20. **Long-term (to address the structural poverty of very poor households):** CDCs with the support of CC FP Social Organizers will draft proposals, in consultation with the community to support very poor families identified in the well-being/ poverty analysis. This could include landlords making land available for groups of women to cultivate vegetables or other crops in the long-term, and a unique small Grant to provide short-term inputs for these families to purchase food. Not only would this benefit very poor women and their families, but it would bring together host and in-migrant residents in a collective process, building solidarity, to take responsibility for the people that cannot meet their food needs.

### ***Program Participation Criteria and its Determination.***

21. The program will incorporate a transparent set of criteria, well-publicized among citizen’s groups to ensure a common understanding of how beneficiaries were chosen and increase buy-in for helping the poorest families. The criteria will be worked up in each community through a participatory process. In the Citizens’ Charter this process is referred as the well-being analysis. Here a large gathering is called in which anywhere from 40-60 percent of all households from all neighborhoods (*mohallas*) must be present. The elected CDC members (each representing 1 of the 15 election units) must also be present. The participants’ criteria will ensure that for each *mohalla* there are a sufficient number of knowledgeable people about the neighborhood.

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<sup>37</sup> Given that under prevailing social norms in Afghanistan, women will not undertake construction/public works.

22. The well-being analysis process begins with the question: all of us live in this village, yet to earn our livelihoods, we have different resources and capacities, what are these? The larger group then enumerates: land, livestock (incl. bullocks, cows, sheep, etc.), labor, tractor, and remittances. For each criterion, the group then brainstorms: for land which is the range of *jeribs* that is the highest and the lowest and then fills in the middle; this process is followed for each criterion, putting together a picture about the livelihood means available to various groups within the community. Once the livelihood means are ascertained for better off, middle, poor, and very poor, the group is asked about what is the food security (# of months and quantity and quality of food), the provision or the taking of loans / advanced wages, type of house (quality and owned or rented), as well as clothing (buys new clothes or used, or receives clothes through charity); this is followed by access to services (health and education). For in-migrants, additional criteria need to be explored focusing on 'living with relatives, no work opportunities in the past few weeks, and reduction in the quality and quantity of food consumed in the past few weeks. Once this matrix is completed, each head of household name is called out and the group discusses where in the matrix the household falls. For a household to qualify being put into any of the groups, at least 60% of the criteria in that group has to apply.

23. Recent analyses, the MCG case studies, the field testing of Citizens' Charter social mobilization, and the Citizens' Charter Hands-on Training of Trainers, has highlighted that poverty is defined by key criteria – no or very little land, sale of daily casual wage labor, taking loans / advanced wages to mitigate the lean season or provide emergency medical care to a household member, etc. Recognizing this, and in line with the approach under the MCGG, the following generic criteria will be used under the wellbeing analysis:

- dependence on casual daily wage work as primary household income and only one adult male working;
- repeated and current indebtedness to others;
- food insecure during the lean season (for 3 months);
- no land ownership or ownership of less than 1 *jerib* of land;
- living in rented houses

24. A poor or very poor household among the displaced population in the community will qualify if it meets any of the above and at least two of the following criteria:

- living with relatives;
- no work opportunities in the past few weeks;
- food insecurity in the past few weeks or since relocating to the community

25. The Social Organizers create a poster (a matrix with three columns) that shows the categories (rich, middle, poor, very poor (or 1, 2, 3, 4) and the number of households (percentages of total households) in each category, the criteria for each, and the names of the head of households that fall into the category. This well-being analysis poster can then be used to identify the men who fall into poor (for MCGG) and the women/ men who fall into very poor (for SIG).

### ***Pro-Poor Campaign by CDCs and Managing the Food/ Grain Banks***

26. Once the well-being analysis is completed and all very poor households have been identified, the CDCs start a campaign to mitigate seasonal hunger. The campaign will be called: "stop seasonal hunger" ("*khatm kardani gurusnagi dar phasle on*"). The CDC will make an action plan that includes key activities that will be undertaken (this should include raising funds from local businesses and funds/ in kind contributions from rich and middle households), who will be responsible (youth volunteers) and



where (which mohallas), and a deadline to have lobbied for resources from all potential local donors. If community is very poor (with few rich and middle households, it may lobby neighboring better off community where the very poor communities provides for farming). The CDC Secretary and Treasurer, and one or two volunteers from the community, should maintain careful records of this fundraising drive and what has been collected. The CDC may also mobilize youth to repair the homes of very poor women (if needed) and collect fuel wood.

27. The CDC, in consultation with the community people, will also have to select one or more households that can store the food (these should be trusted person in the community) and rules that outline how much food each 'very poor household' can access and how often. As with the fund drive, the CDC Secretary and Treasurer, with the assistance of volunteers, should maintain records of who has received what. If the food / grain bank nears depletion before the lean season is over, the CDC and youth volunteers should begin another fund drive to replenish the food, so that it can be made available to the very poor.

### ***Learning and Evaluation***

28. Given that this would be quite a new and relatively untested approach for the MRRD to undertake, this is being treated as an "*experimental/learning*" subcomponent from which lessons would be drawn to inform future work on social protection and welfare targeting to these ultra-vulnerable groups. A qualitative evaluation study has therefore been included under Component 3 of the project to draw lessons from the SIG scheme. It is expected that this will help inform future social protection programs in the country and allow for the scale-up of this approach across the entire CCAP.

## ANNEX-7: EXPERIENCE AND LESSONS FROM THE MCG EXPERIENCE

1. In November 2015, President Mohammad Ashraf Ghani initiated a 'Jobs for Peace (J4P) initiative'. Its aim was to help stem the exodus of young Afghans, to tackle growing unemployment, increase security of life, and restore the ground presence and legitimacy of the National Unity Government. The National Solidarity Program (NSP) was identified as the most effective mechanism to directly fund local communities' work on maintenance of public infrastructure, and thereby generate paid labor days for skilled and unskilled workers.
2. The primary objective of the MCG program – initiated in 2015 under NSP-3 to support the J4P Initiative - was the employment generation for the neediest households in the rural communities by creating short term jobs while spending grants on repairing/ maintaining public infrastructure. However, the secondary objectives included the “improved infrastructure and enhanced food security for the poorest HHs. Successful completion of two ARTF MCG phases not only generated more than 10 million<sup>38</sup> paid labor days of work, but also showed substantial achievements in rehabilitating/ revamping the basic infrastructures that were either dysfunctional or operating at sub optimal level.
3. The MCGs were given to eligible Community Development Councils (CDC) to finance maintenance plans that were developed in close consultation with the wider community. These were approved and monitored at various stages by NSP's Provincial Management Units and Finance, M&E and Engineering Departments.

### Lessons Learned and Their Implications for the MCG intervention:

MCGs were generally assessed as an effective and efficient mechanism to channel funds to communities, target beneficiary households and generate short-term labor days, in the context of the high under-employment that prevails in rural Afghanistan. The Government's experience with MCG implementation and the MCG Case Studies of Phase 1, as well as the analysis of the MCG data has highlighted some important findings and yielded lessons, which have been incorporated in the design of the MCGG scheme proposed in this AF. Some of the key lessons were as follows:

- **The “self-targeting” approach proved ineffective in identifying the most food insecure households.** The pilot MCG phase that rolled out to communities used the “self-targeting” approach, where the wage rate was set at AFA 50 less than the local wage rate for skilled and unskilled labor, with the expectation of attracting families unable to meet their basic food requirements and willing to work for less. However, the prevailing high unemployment rates, widespread poverty, steep inflation and increases in food costs, combined with the project rollout at the start of the winter period when labor opportunities are lowest, resulted in large numbers willing to participate in the MCG at these lower rates. Instead, a clear set of vulnerability criteria should be deployed to select eligible households for the MCGG scheme.
- **Participatory community-based approaches, matching community-level resources with MCG funding opportunities and clear household selection criteria can yield fairer targeting and greater impact on household food security.** A situation of insecurity and the risks of diluting the funds by providing work to households that are food secure is a serious challenge. The local community is better placed to manage, identify and distribute the grants; this includes defining the beneficiaries and selecting labor-intensive infrastructure maintenance sub-projects. In the MCG scale up, NSP refined its strategy through working with the CDCs and the wider community to ensure selection of

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<sup>38</sup> NSP MCG MIS Data set as of March 31, 2017

households in a participatory manner, identify the poorest households and ensure a functional grievance redress system. The same method is proposed under the MCCG.

- **Broadening of the menu of projects eligible to MCGs grants can contribute to improvement of productive infrastructure.** In the early stage of MCGs, a significantly large portion of selected subprojects related to road repairs and irrigation (as they are the most labor intensive projects). Roads are important but they are not the only example of infrastructure that needs maintenance and improvement, or that affects local productivity. At the early stages the menu of permissible subprojects under the MCG was limited to NSP sub-projects; at a later stage it was opened for non-NSP subprojects and the construction of new projects (in addition to repairs/maintenance of existing projects), provided the labor costs remain 70% or more of the total MC grants. This principle has been further expanded in the MCCG by reducing the labor to material ratio to 60-40.
- **Partnership with CDCs, coupled with NSP's field presence at the provincial, district and village level is crucial for efficient and cost effective program delivery.** To a large extent, NSP was able to roll out and deliver the project quickly, by hiring individual social mobilizers and engineers, using existing Provincial capacities and long-term presence in the field. This was a shift away from using Facilitating Partners where cost of delivery is high and which take time to procure. Furthermore, the NSP's ability to draw on CDCs resources significantly reduced implementation and monitoring costs. Although a portion of the MCG delivery costing was charged to the core NSP III program, formal operational costs for the MCG initiative were as low as 10-12 percent. Similarly, given that the MCG was a small grant it was agreed that this would be disbursed as a single full cash withdrawal from the CDC bank account, to reduce the costs burdens on CDC members linked to multiple trips to the provincial center for the cash. The same principle will be applied with the MCCG so that the entire grant is disbursed in a single tranche.
- **Decentralized recruitment is vital for ensuring availability of timely and relevant human resources to support the program implementation.** The initial round of staff recruitments for the MCG pilot was done at the central level with the use of very general qualification criteria. It resulted in delays and hiring of people with insufficient experience in community-driven development or working with rural communities. Many were reluctant to be posted in the farther districts and resigned immediately after introductory training. Following this experience, the recruitment was decentralized and fast-tracked, with first preference given to those with satisfactory experience working with NSP as Facilitating Partners. Likewise, most of the high performers in the MCG will be transitioned into the CCAP AF to implement the MCCG scheme.
- **Proper documentation, oversight and monitoring on the ground are important pre-conditions.** The NSP PMU was heavily involved in oversight and monitoring of the MCG scheme implementation, whereby engineers and social organizers are the crucial element of the system at the grass roots level. They also fulfilled important CDC capacity-building functions, for which they needed to be sufficiently trained. The pilot phase showed that the number of communities supervised by an engineer and a social organizer should be reduced from 20 to 15-17. These field staff have been instrumental in ensuring close work with the CDCs, maintaining the project database and field-level monitoring. The experience also showed that for effective monitoring in the field, a concise and proper documentation is essential. For instance, using a Log Book with one daily form for all paid laborers in a community made it difficult to track exactly which person benefitted from how many days of labor: the numbers and the way the names were recorded (common in rural Afghanistan) could vary from day to day. This led to the introduction of the wage register per household (with one or two persons registered from that household with a maximum of one person allowed to work per day of labor available). The same is to be used under MCCG.

- **Seasonality in MCG planning and implementation is crucial for ensuring adequate targeting.** Depending on the region or province the timing of MCG implementation should be considered in light of the agricultural seasons (peak - between May and late August). The case studies undertaken by the Government illustrated that MCG has the potential to enable food-insecure families to mitigate the lean season, but the potential can only be realized if MCG is rolled out in the months before or during the lean season. However, physical maintenance works are not feasible in certain parts of the country during winter and early spring, yet they are also the times of most need in the communities. Hence, rollout of MCG needs to consider whether such communities can benefit from the labor component immediately prior to the onset of the winter period. This is why it is key for the MCCG to roll out over the Fall so that the income is available to vulnerable HH during the winter.
- **The MCGs scheme is not suitable for targeting women: reaching women and female-headed households requires a special safety-net approach.** Regardless of class or marital status, women as a rule could not participate in the MCG public work scheme, due to cultural barriers and their inability to engage in heavy physical labor. The policy allowing women to prepare food for the laborers and thus benefit from the paid labor component, was not really feasible in the field. The laborers themselves were too poor to actually purchase food and hence relied on food from home instead. Also, in many communities, there were too many female-headed households and not all of them could be employed in making food. There is a need to either realize the limitations of MCG to cover all target groups or consider whether additional funds could be made available per community, depending on the number of disabled and female-headed households. This has been the motivation for incorporating the 'social inclusion' grant element under the AF.
- **A sensitive approach is required for the inclusion of the areas affected by migration.** At the community level, inequalities are also evident in the marginalization of displaced people (economic migrants or those displaced due to the conflict). The practice of determining fund allocation to communities based on the number of families, leads CDCs to deny newcomers access to benefits. This can be addressed by taking new family counts in communities instead of allocations based on existing statistics. This has been integrated into the overall social mobilization under the CCAP AF.

## ANNEX-8: BACKGROUND ON THE CLEAN AND GREEN CITIES PROGRAM

- Background:** In 2015 the National Unity Government (NUG) unveiled a 'Jobs for Peace' initiative. This ambitious initiative identified several opportunities to improve economic stability, harness excess unemployed labor, and strengthen government capacity and legitimacy. The initiative identified major Afghan cities as key hubs in need of stabilization and job creation, which could ensure the poorest and most vulnerable could benefit from economic stimulus to maintain social gains made over the past decade. However, the challenges of urban poverty, unemployment, and socio-economic marginalization were worsening due to the international withdrawal and economic slowdown. Urban poor households, IDPs, returnees and female-headed households continue to be most affected from these macro-economic changes. There was thus an urgent need for job creation in urban areas and an economic stimulus was considered necessary that would bridge the critical period between the enactment of reforms such as Citizens Charter, and their eventual return on investment.
- Clean and Green Cities (CGC) program.** To support the Government of Afghanistan efforts to address the urban issues, the United Nations Human Settlements Programme, UN-Habitat is implementing the CGC program. The CGC invests in labor intensive urban clean-up, repair, beautification, and basic solid-waste management activities. It provides a basic labor stimulus and stabilization package for nine strategic Afghan cities. The overall objectives are to (1) improve state – society relations where urban citizens see municipalities delivering basic neighborhood services; (2) establish a cleaner, safer, and healthier urban environment and public spaces; (3) improve urban and household economies, especially for the most vulnerable households, including at risk youth; and (4) increase private sector confidence and investment.
- The program also reflects the government's objective to bridge the gap between the inhabitants of cities/municipalities by formalizing community governance mechanisms such as *Gozar* Assemblies and Community Development Councils (CDCs) with the ultimate aim of improving service delivery and municipal development. It builds on the National Solidarity Program (NSP) experience from rural areas. As currently envisaged, it will be a national program, implemented by the Deputy Ministry of Municipalities (DMM), Kabul Municipality, and other municipalities financed through on-budget mechanisms.
- The proposed CGC program builds on the results and lessons learned from urban development programs over the past years (e.g. Urban Solidarity Program, 2012; Local Integration of IDPs and returnees in Kabul and Jalalabad 2012-2014). It is also aligned with the "City for All" Program, which is an umbrella for two sub-programs, Kabul Strengthening Municipal *Nahias* Program (K-SMNP) and the Municipal Governance Support Program (MGSP), the former supported by USAid and the latter by the EU.
- Geographical coverage.** The program will be implemented in nine strategic Afghan cities which includes Kabul and the four 'Regional Hub' cities (Herat, Kandahar, Jalalabad and Mazar) which play an equally important role in urban Afghanistan as essential hubs of stability in their respective regions (West, South, East and North). Four other fast growing and strategic cities are included: Charikar, Parwan Province; Metherlam, Laghaman Province; Farah in Farah Province; and Bamyān, Bamyān Province. Table 2 outlines the target locations.
- Executing Agencies:** Overall UN-Habitat; Kabul, Herāt, Mazar-e-Sharif, Kandahar and Jalalabad municipalities; communities; under leadership of Deputy Ministry for Municipalities (DMM)

7. **Program Components.** The program has three components with associated activities, differentiated by their implementation location and approach:

a. **Component 1: Urban upgrading and environmental improvement of high-profile public spaces in five major cities** which includes:

A1.1: Participatory mapping, rapid diagnosis and selection of priority public spaces to upgrade;

A1.2: Sub-project design, development, contracting with a focus on local materials, high-visibility and labor-intensive projects;

A1.3 Sub-project implementation, control, monitoring and evaluation and handover.

b. **Component 2: Labor-intensive neighborhood renewal in four secondary cities:**

A2.1: Community Development Council (CDC) and Gozar Assembly (GA) mobilization, registration, training, and action planning;

A2.2: Sub-project design, development, contracting with a focus on local materials, high-visibility and labor-intensive projects;

A2.3 Sub-project implementation, control, monitoring and evaluation.

c. **Component 3: Labor intensive clean-up, repair and maintenance in five major cities:**

A3.1: Rapid diagnosis and development of “citywide cleaning and greening strategy”;

A3.2: Proposal development and contracting through Gozar Assemblies, with a focus on high-visibility and labor-intensive projects whilst ensuring citywide coverage;

A3.3 Implementation, control, monitoring and evaluation;

8. Components One and Two will enable rapid job creation whilst also stimulating the private sector and addressing the large-scale demands (Component One). Component Three may take longer to procure and set-up but all efforts will be made to implement labor payments through this system with the logic that it will build on private sector strengths and capacities in the mobile banking sector.

9. **Implementation of the program.** In 2016 the Kabul Municipality has signed two memorandums of understanding to launch two major projects under the “Clean and Green” city program to beautify Kabul, create employment, collect solid waste, develop creative industry, decrease pollution and minimize heat loss in Kabul city. The launch of the program took place in March 2017 by initiation of ground activities for citywide cleaning, greening and beautification services in Nahias 1 and 2.

## ANNEX-9: SPECIAL PROGRAMS CARRY OVER AND INCLUSION IN CCAP STRUCTURES

1. Given that the AF is being accompanied with the restructuring of the parent CCAP, part of the financing will also be used to carry-over ongoing programs that were previously under the Third NSP. The restructuring also provides an opportunity to undertake necessary institutional arrangements to absorb past and new programs that are meant to link with and use the CCNPP structures as outlined below.
2. **Closing out remaining MCG disbursements:** The MCG under NSP-III (funded from the ARTF) was meant to have been disbursed fully by 31<sup>st</sup> December 2016, which was the original closing date for MCG disbursement. The NSP management had ensured that there were sufficient maintenance plans to make these disbursements before this deadline, but there were insufficient funds remaining on the Government side in the approved ceiling for the FY 1395 budget for the ARTF grant to make these disbursements on time. The closing date for the NSP was therefore extended from 31<sup>st</sup> December 2016 to 31<sup>st</sup> March 2017. With the new fiscal year funds delayed, the actual disbursements took place for the remaining MCG in the last week of March 2017. As such, the project was unable to complete all the proposed maintenance work under disbursed MCGs in about 2400 communities before the March deadline. As a result, approximately \$1 million in delivery costs were carried over on a conditional no objection basis to the CCAP. These will be funded partly through original CCAP allocations (since they involve payments for sub-national staff and engineers who are now transitioned from NSP to CCAP), and the remainder through the AF.
3. **CASA-Community Support Program (CASA-CSP) Restructuring:** The regional Central-Asia South Asia (CASA) transmission line was accompanied by a Community Support Project (CSP) that was meant to be rolled out during the Third NSP project cycle. However, on account of delays in the start of the core CASA-1000 transmission line, the \$40mn ARTF financed CSP remained effective but never began implementation. Given the closure of the NSP III, and following a request from MoF on the 30<sup>th</sup> of January 2017, the MRRD and World Bank are jointly restructuring the CASA-CSP to align its implementation arrangements now to the CCAP. As part of the CCAP restructuring, therefore, the 'Special Units Department' under the CCAP will now take on implementation of the CASA-CSP. The overall social mobilization, and planning process of CCAP would be used for CASA-CSP and the types of grants that would be provided would align with the CCAP MSSs – the only difference being the requirement to saturate energy first for CASA-CSP communities. During the CCAP ISM it was agreed that (i) the CASA-CSP will be aligned to the CCAP's implementation and fiduciary arrangements under MRRD's CCAP General Directorate, (ii) as per MoFs request the CSP financial allocation will remain as US\$40 million from the ARTF and; (iii) the closing date will be extended until June 30 2022 to ensure timely implementation with the CASA 1000. Finally, given the importance of having a joint MRRD and MoEW communications strategy for CASA-1000 it was agreed that the line ministries and DABS will hold quarterly coordination meetings to ensure strong synergy in anticipation of any issues and in preparation of the implementation.
4. **Linkages with Women's Economic Empowerment (WEE) NPP:** Finally, the CCAP will also be linking with the WEE-NPP in terms of the implementation of rural level programs targeting women's empowerment. In particular, the existing Afghanistan Rural Enterprise Development Program (AREDP) which is being transitioned towards a WEE Rural Development Project (WEE-RDP) will likely follow the institutional and implementation structures of the CCAP. It was agreed during preparation of the AF that the two programs would have regular coordination meetings from now on and the CC working group

would be actively involved in discussions on the WEE-NPP and preparation of the WEE-RDP so that the institutional arrangements for the latter could be appropriately finalized.