



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 22-Apr-2022 | Report No: PIDISDSA34124



**BASIC INFORMATION**

**A. Basic Project Data**

Country Afghanistan	Project ID P178760	Project Name Afghanistan Community Resilience and Livelihoods Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 21-Mar-2022	Estimated Board Date 29-Apr-2022	Practice Area (Lead) Social Sustainability and Inclusion
Financing Instrument Investment Project Financing	Borrower(s) UNOPS	Implementing Agency UNOPS	

Proposed Development Objective(s)

The main objective is to provide short-term livelihood opportunities and deliver urgent essential services in rural and urban areas.

Components

- Emergency Livelihoods Support and Services in Rural Areas
- Emergency Livelihoods Support and Services in Urban Areas
- Social Grants for Women and the Most Vulnerable in Rural and Urban Areas
- Strengthening Community Institutions for Inclusive Service Delivery especially for Women
- Implementation Support

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

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

**SUMMARY**

<b>Total Project Cost</b>	265.00
<b>Total Financing</b>	265.00
<b>of which IBRD/IDA</b>	0.00
<b>Financing Gap</b>	0.00

**DETAILS**



**Non-World Bank Group Financing**

Trust Funds	265.00
Afghanistan Reconstruction Trust Fund	265.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

Country Context

**Introduction**

1. **In response to the humanitarian crisis in Afghanistan, the World Bank (WB), Afghanistan Reconstruction Trust Fund (ARTF) donors, and international partners have found pragmatic ways to provide support for essential basic services to the Afghan people.** On November 30, 2021, the World Bank’s Board of Executive Directors supported Approach Paper 1.0<sup>1</sup> for an immediate Transfer Out of US\$280 million of uncommitted ARTF funds to World Food Programme (WFP) and United Nations Children’s Fund (UNICEF) for humanitarian gap financing, following a decision by ARTF donors. On March 1, 2022, responding to requests from the international community, the Board approved Approach Paper 2.0<sup>2</sup> (“Approach 2.0”) which aims to protect the vulnerable, help preserve human capital and key economic and social institutions, reduce the need for future humanitarian assistance, and improve gender equality outcomes. This includes financing, analytical work, and coordination/convening opportunities. A key element of this support will be Recipient Executed grants, to be decided by the ARTF and made off budget and outside of the control of the interim Taliban administration (ITA), to United Nations agencies and potentially international and national non-governmental organization (iNGOs). Approach 2.0 is designed to respond flexibly, based on experiences of early implementation, and informed by strong coordination among the development partners.

2. **Approach 2.0 prioritizes partnership with other funding sources in support of the Afghan people,** including from multilaterals like the Asian Development Bank, European Union, and Islamic Development Bank (IsDB) and the Special Trust Fund for Afghanistan (STFA) managed by the United Nations Development Programme; bilateral partners; and international NGOs. The Bank’s Afghanistan Futures analytical work is supporting the United Nations Assistance Mission in Afghanistan (UNAMA) and multilateral and bilateral

<sup>1</sup> Afghanistan Immediate-Term Approach Paper, November 12, 2021, SecM2021-0292

<sup>2</sup> Afghanistan Approach Paper 2.0: Options for World Bank Engagement to Support the Afghan People, February 15, 2022, R2022-0018/IDAR2022-0036



partners in the development of a simple prioritization and reporting framework to support an agile aid architecture that can respond to the magnitude of the crisis in basic services and livelihoods.

3. **The Bank and ARTF have taken a programmatic approach of engaging in four priority sectors: agriculture, livelihoods, health and education.** The support to the agriculture sector responds to the critical food production situation by providing seeds needed for the next planting season and other support to farmers to improve food security. The livelihoods support focuses on cash-for-work to provide short-term opportunities and deliver essential services in rural and urban areas. The support to the health sector focuses on primary health centers (PHCs), as well as secondary care, in rural and urban settings and is targeted to reach the most vulnerable Afghans in the post-August 15 environment. The support for education remains under development with a focus on access to primary and secondary education and on girls and women teachers. Entry Criteria for Access (ECA) are being introduced, including the principles of equitable access for women are maintained. In addition, support is being provided to two cross-cutting engagement areas: the establishment of the Humanitarian Exchange Facility (HEF) and capacity-building support to non-governmental organizations (NGOs). Together, these activities are designed to respond rapidly to the situation in Afghanistan and help reduce the need for future humanitarian assistance.

4. **Afghanistan achieved important development gains between 2001 and 2021, driven by the reestablishment of a basic functioning state and a huge influx of international grant support.** The economy expanded rapidly, driving a 75 percent increase in average real per capita incomes. Afghanistan experienced rapid improvements in literacy, life expectancy, infant mortality, and access to basic infrastructure and services. These gains were achieved with the support of the international community, with grants equal to around 45 percent of gross domestic product (GDP) financing around half of the government budget and 75 percent of total public expenditure. The WB provided critical support to core state functions, including administering national programs for primary health, basic education, and community development.

5. **Development gains are now at high risk, with Afghanistan facing a major economic crisis.** The August 15, 2021 political crisis has resulted in an abrupt cessation of most international aid and all international security assistance. This has led to major disruption to core government services and a massive contraction in aggregate demand. Reductions to grant inflows have left Afghanistan without a source of hard currency to finance critical imports (grants previously financed a trade deficit of around 35 percent of GDP, with aid inflows providing hard currency to pay for critical imports including electricity, food, fuel, and medical supplies). The exchange rate has depreciated by 15 percent against the US dollar since August. As a result of international sanctions, Afghanistan has lost access to international reserves while linkages to the international financial system have been disrupted, driving the financial sector into crisis. Unless mitigating measures are taken, fiscal contraction and disruptions to private sector activity are expected to lead to a 30 percent reduction in economic output over the year from August 15, 2021.

6. **The crisis is having extreme impacts on firms and households.** Two-thirds of businesses have experienced a decline in consumer demand while firms report having laid off more than half of their employees on average. One in four businesses has closed operations. Reduced availability of household products is driving increasing prices with annual inflation for a package of basic household goods reaching around 40 percent. More than two-thirds of households are unable to cover basic food and non-food needs, with around one-third of households unable to cover even food needs. Extreme poverty had led to the widespread adoption of harmful coping mechanisms - such as borrowing at high interest rates, consumption or sale of assets, and reducing investment in human capital. This will have long-term consequences, creating a cycle of poverty. Disruption to health



services has further undermined Afghanistan's capacity to manage the ongoing COVID-19 crisis (Afghanistan has recorded a total of around 174,000 cases and 7,619 deaths<sup>3</sup>, but actual cases and deaths are likely to be far higher given limited testing).

7. **Major international efforts are underway to address immediate humanitarian needs and to provide support for essential basic services.** While almost all development assistance has paused, humanitarian actors remain active on the ground. UN agencies as well as NGOs are active in addressing food security and supporting the continued provision of education and other vital services. The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) assessed calendar year 2022 humanitarian financing needs at US\$4.4 billion, with 24.4 million Afghans in need of assistance.

8. **The ITA is facing major challenges to effective governance.** It is also facing major fiscal constraints, with many government workers remaining unpaid.<sup>4</sup> Priorities remain unclear to the international community, with policy decisions often appearing subject to substantial regional variation (including policies regarding girls' access to education). Repeated commitments to the establishment of an inclusive government are yet to be borne out, with women entirely excluded from leadership positions and minimal representation of various ethnic groups. Security conditions, however, have significantly improved, allowing for humanitarian assistance.

9. **Recent developments by the United Nations Security Council (UNSC) and the US Office of Foreign Assets Control (OFAC) have clarified the space for financing flows for humanitarian and basic human needs.** UNSC Resolution (UNSCR) 2615 clarifies that humanitarian assistance and other activities that support basic human needs are permitted under UN sanctions against the Taliban. Coinciding with and following adoption of UNSCR 2615, the US Treasury Department announced several new General Licenses for Afghanistan. These licenses provide additional support for humanitarian assistance and extend the scope of permissible activities.

#### Sectoral and Institutional Context

10. **The political crisis in August 2021 has led to severe negative impacts on local businesses, employment and income.** Overall, the economic crisis that followed the political crisis has negatively impacted the labor market. The number of people looking for employment has increased in both rural and urban areas. The share of public sector employment has decreased, due to a decline in employment in the armed forces, police, security services and other employees in administration, while the share of households reporting self-employment has risen. Even employed workers across all sectors and in all regions of the country report a significant decline in earnings. This is consistent with reported lags in the payment of salaries.<sup>5</sup> Over 500,000 Afghan security force members have lost their jobs while many civil servants, who comprise a significant proportion of the urban population, have been unpaid since August 2021. Surveys show a 50 percent reduction in households receiving remittances, a critical coping mechanism for many Afghans. The local private sector contracting capacity that has been built over the past two decades also faces an existential threat due to the lack of opportunities that exist because of the sudden halt of development work. Up to 80 percent of economic activity in Afghanistan is estimated to be in the informal sector which is also impacted heavily by the liquidity crisis, drought conditions, COVID-19 crisis, and lack of access to basic services. WFP's market and price monitoring showed a drastic decline

<sup>3</sup> WHO Coronavirus Dashboard: Afghanistan (database), World Health Organization, Geneva (accessed 6th March 2022), <https://covid19.who.int/region/emro/country/af>.

<sup>4</sup> The ITA is estimated to be raising revenues of around US\$1.5 billion per year (relative to total public spending of around US\$11 billion in 2020).

<sup>5</sup> World Bank Group. 2022. *Afghanistan Welfare Monitoring Survey, Round 1*. January. Washington, DC.



in the number of days that work is available for casual labor in urban areas. These were two days per week in July 2021, dropping to 1.8 days in August, and to only one day of work in September, a level which is 50 percent lower compared to both July 2021 and September 2020. According to the 2021 Seasonal Food Security Assessment, 95 percent of the population reported reduced incomes, out of which 76 percent reported a significant decrease (83 percent for urban and 72 percent for rural households) compared to the previous year. The main reasons for decreased income were reduced employment (42 percent) and conflict (41 percent).<sup>6</sup>

11. **Basic service delivery also remains vitally needed during this time of crisis**, with approximately 30-40 percent of rural populations still in need of clean water sources. Improved access to transport, roads and electricity remains essential for economic productivity, jobs, and connecting remote communities to schools and health facilities. In addition, without necessary maintenance and repair work, many communities (that currently have access) would also soon lose access to these essential services.

12. **Afghan women and girls were already vulnerable prior to the August 15, 2021 political crisis and are now facing new restrictions.** Afghan women, particularly rural women, have historically suffered due to weak service delivery systems, acute shortages of female healthcare workers and teachers, and conservative gender norms. Under the ITA, women are especially vulnerable as they face diminishing access to public spaces, education, restrictions on work and employment, harassment, death threats and violence. Sub-groups of women, including female-headed households and adolescent girls, will need specialized support. According to WFP, almost 100 percent of female-headed households are facing insufficient food consumption with female-headed households more likely to employ crisis-level coping strategies compared to male-headed households.<sup>7</sup> In urban areas, women have reported fear over returning to work, modifying their outfits and opting towards norms enforced during the previous Taliban rule, including restricting their mobility and ensuring the presence of a male relative. Across the country, and particularly in rural areas, the picture is less clear. Local groups loyal to the ITA are enforcing wide ranging gender norms, with some areas seeing greater restrictions towards women and others seeing continuity. Expanding restrictions on women's mobility and interaction with men are likely to further inhibit girls' and women's access to services in many areas of the country.

13. **Furthermore, the large influx of IDPs in cities and peri-urban areas has created challenges in terms of the availability and quality of basic services, infrastructure, and economic opportunities.** In 2021, over 1.3 million Afghans fled their homes as IDPs. The majority of those (62 percent) were displaced due to intensifying conflict after the withdrawal of international troops in the summer of 2021. As of December 2021, there are an estimated total of 5.8 million IDPs in the country.<sup>8</sup> Approximately 80 percent of the IDPs are women or children.<sup>9</sup>

14. **To ensure that the country addresses both the emergency humanitarian response and the short-to-medium term recovery needs, assistance is needed to boost livelihoods and incomes and to continue providing essential local service delivery in the form of clean water, road rehabilitation, and other basic services.** Throughout the emergency and recovery phases, building community resilience and strengthening community organizations will be critical. International lessons from Fragility, Conflict and Violence (FCV) settings emphasize the importance of community participation and active engagement so as not to exacerbate underlying grievances and tensions. Experience in FCV settings highlights how critical it is to support the role of

<sup>6</sup> Integrated Food Security Phase Classification, *IPC Acute Food Insecurity Analysis, September 2021 - March 2022*

<sup>7</sup> World Food Programme. 2022, *Afghanistan Situation Report*, 17 February.

<sup>8</sup> International Organization for Migration. 2022. *Baseline Mobility Assessment: Summary Results*. Kabul.

<sup>9</sup> International Organization for Migration. 2021. *Situation Report*. November.



communities (and the private sector) during transitions.

15. **Non-governmental, community-based organizations such as Community Development Councils (CDCs) are well-established channels for local development interventions, which have allowed the Bank and other development partners to reach local communities directly.** CDCs are community-based organizations, composed almost equally of men and women democratically elected by their communities. Afghanistan hosts a nation-wide platform of community-based organizations/councils that have been operating for over a decade. There are over 35,000 CDCs established in 361 districts in all of Afghanistan's 34 provinces, providing the largest participatory platform for service delivery in an estimated 90 percent of villages in rural Afghanistan and most major urban cities. Even in Taliban-controlled areas from 2003-2021, CDCs have been able to operate to coordinate and negotiate access to services and help the poorest. As trusted and apolitical community representatives, CDCs can help identify beneficiaries and the most vulnerable, coordinate relief efforts and assistance for optimal efficiency and effectiveness and raise awareness amongst communities. During the recent COVID-19 crisis, CDCs were able to successfully identify and assist the most vulnerable including female heads-of-household, persons with disabilities, the elderly, and IDPs.<sup>10</sup> Working with well-established and known CDCs offers the Bank and other humanitarian actors a channel to reach the most vulnerable directly without interaction with the ITA.

16. **CDCs have also proven especially effective as an entry point for supporting women.** The framework of CDCs has contributed to improving women's livelihoods and helping them gain access to basic services such as clean water, health and education. CDCs and their subcommittees for health, education and youth provide a safe space for women to meet which is especially important given increased mobility constraints. CDCs have provided a forum for women to engage, receive information, and access services.

17. **According to reports from humanitarian actors on the ground, CDCs are currently operating in the majority of provinces although there is variation across and within provinces.** Two WB-sponsored rapid surveys in February 2022 indicate that CDCs are still active and, in many cases, helping to coordinate assistance in their communities. The first survey is a key informant survey of 356 Afghanistan humanitarian and development actors at the central, provincial and district levels. The second survey is an anonymous online survey of 19 international and national NGO partners engaged previously under the World Bank/ARTF-supported Citizens' Charter Afghanistan Project (CCAP). Responses from the surveys confirmed that CDCs are largely operational across the country and are being used to varying degrees by UN agencies and NGOs in ongoing humanitarian and development activities. In the key informant survey, respondents reported that CDCs were operational in 30 out of 34 provinces (88 percent). In the survey of international and national NGOs, 16 out of 19 (84 percent) NGOs reported currently working with CDCs where they exist.<sup>11</sup> UN agencies such as UNICEF and WFP have also reported working with CDCs in several provinces during the current humanitarian crisis. It is important to note however, that there is heterogeneity across and within the provinces as one would expect. Notably, challenges with CDCs were reported in Wardak, Ghazni, Paktika, and Faryab provinces. For example, in Ghazni province, ITA representatives were monitoring distributions but not interfering in ten out of 18 districts.

<sup>10</sup> According to ARTF's independent Monitoring Agent (MA) for the COVID-19 response in 2020-2021 and based upon door-to-door surveys, the program reached 99 percent of female-headed households (sample size of 8,450), 96 percent of households headed by a person with disabilities (sample size of 5,000), 92 percent of IDP households (sample size of 17,205) and 91 percent of elderly households (sample size of 14,397). See MA. *COVID-19 Response: CCAP/REACH Monitoring, Q3 2021 Final Project Report*. February 2022.

<sup>11</sup> World Bank "*Rapid Assessment of Afghanistan Community Development Councils: Results from Two Rapid Surveys*", March 2022.



In Paktika, local ITA representatives were taking an active role in managing food distribution in all 15 districts. As a result, CDCs were not engaged in activities in Paktika. Across Faryab province, CDC activities and all other local institutions in urban and rural areas have been put on hold. Furthermore, there are mixed reports on working with women in communities, although results indicate that women remain CDC members and are holding CDC office bearer positions in 30 out of 34 provinces. Fifteen (15) out of 19 NGOs reported experiencing issues working with women in communities with variation in the issues they identified. Some NGOs described constraints including women not being allowed to work or requirements that women should be accompanied by a *Mahram*. Other NGOs shared that the women were currently being engaged in village activities through female social organizers and that engagement depended upon the type of project and intervention.

**18. Ensuring a coordinated framework of interventions will enhance each organization’s individual abilities while optimizing the collective impact.** Leveraging those partnerships – institutionalized with UN agencies in more than 40 crisis-affected situations<sup>12</sup> – is critical to deliver on the ground. The recognition from the donor community that the aid architecture needs to be adjusted to the current situation to manage the present challenges has led to a joint approach, under the auspices of the United Nations Assistance Mission in Afghanistan (UNAMA). The proposed mechanism for ensuring international coordination within Afghanistan’s new aid environment is structured at three levels: (i) agency level coordination; (ii) coordination between financing platforms; and (iii) coordinated policy dialogue with the interim administration.

**19. Specifically, the coordination between financing platforms around approaches to sustaining basic services and livelihoods would be fully leveraged by the proposed Project.** The objective of this mechanism will be to provide harmonized monitoring of objectives, activities, and results under the various multi-donor financing platforms, including the ARTF, the Afghanistan Infrastructure Trust Fund, the Afghanistan Humanitarian Trust Fund (AHTF), the Special Trust Fund for Afghanistan (STFA), as well as funding channels from the European Union and bilateral funding streams. This joint approach builds on an active and ongoing dialogue between the United Nations Development Programme (UNDP), the Asian Development Bank (ADB), the Islamic Development Bank (IsDB),<sup>13</sup> the European Union (EU) and the World Bank to ensure strategic and operational synergies as well as the deployment of harmonized funding flows.

**20. This platform also ensures that complementarities are pursued at sector level, notably on community resilience and livelihoods with the UNDP-led *Area-based Approach for Development Emergency Initiatives (ABADEI)* program.**<sup>14</sup> The ABADEI strategy aims to address the challenges and opportunities of the area,

<sup>12</sup> The UN and the WB are increasingly collaborating in Fragile, Conflict and Violence (FCV) settings through cooperation, at both strategic and operational levels, in support of peace, security and prosperity efforts. Partnerships across the HDP nexus are necessary given the highly protracted nature of fragile situations, as well as the spillover impacts caused by violence, forced displacement and conflict. See *United Nations-World Bank Partnership in Crisis-Affected Situations – 2020 Monitoring Report*.

<sup>13</sup> The IsDB is establishing an Afghanistan Humanitarian Trust Fund (AHTF) under the auspices of the Organisation of Islamic Cooperation (OIC).

<sup>14</sup> The **ABADEI** Strategy is the designed approach to support UNDP’s Special Trust Fund for Afghanistan. The ABADEI program supports four thematic areas: (i) Provision of Essential Services: health services, COVID response, education, reducing food insecurity, and renewable energy; (ii) Community-Based Livelihoods and Local Economic Activities: unconditional cash transfers (UCTs); cash-for-work and skills development; local private sector, Small and Medium Enterprise development, and cross border trade and access to markets; (iii) Protecting Farm-based Livelihoods from Natural Disasters: community preparedness for disasters and ecosystem restoration; and (iv) Community Resilience and Social Cohesion: conflict prevention and reconciliation, access to justice and human rights. The estimated budget is US\$1.4 billion over 2 phases extending over the next 24 months. To date, the ABADEI program has mobilized US\$102m and committed US\$65m (including US\$16m under community livelihoods theme). See <https://mptf.undp.org/factsheet/fund/AFG00>.



promoting flexible, integrated, multi-sectoral and locally led interventions. At the project level, the World Bank and UNDP teams, as well as with ADB teams, will therefore coordinate given the similarities in terms of context-sensitive and participatory approaches. These synergies will facilitate the roll-out and scaleup to deliver critical services to the most vulnerable populations, at national and community levels.

21. **The proposed project will continue to engage and coordinate with relevant stakeholders throughout project implementation.** Through regular updates to ARTF donors and meetings with humanitarian and development partners, the Bank team will place special emphasis on coordination in order to maximize impact on the ground. This approach is in keeping with the strong engagement pursued so far with UN agencies and donors, by both Bank country and project teams, with nearly one hundred consultations organized since August 2021. Given the scope of activities of the proposed operation, the project team has worked in collaboration with the United Nations Office for Project Services (UNOPS), UNDP (ABADEI), UNICEF, WHO, WFP, FAO, UNHCR and UN-Habitat. The objective of these meetings was chiefly to coordinate with relevant UN agencies on the design of the operation and avoid overlaps and duplications in terms of geographical coverage, scope of activities, implementation arrangements and partners, and financing channels. The proposed Project has also been enriched by the sectoral engagements on education, health and food security and continued dialogue with UN agencies.

### C. Proposed Development Objective(s)

#### Development Objective(s)

22. **The main objective is to provide short-term livelihood opportunities and deliver urgent essential services in rural and urban areas.** This immediate assistance will first provide short-term employment and income to millions of Afghans while also improving access to basic services such as clean water and sanitation, roads, and basic neighborhood improvements. Women and vulnerable groups, such as IDPs and persons with disabilities, will be especially assisted. Further, the Project will support community-level systems and institutions for long-term resilience, sustainability and inclusive development. These community systems lay the groundwork for citizen engagement and a more accountable, transparent recovery. International experience confirms that in similar contexts of political change and conflict, it is critical to maintain livelihood opportunities, investments in basic services, as well as non-government local institutions and systems, to preserve core development gains. Finally, by engaging local private sector contractors in the cities, the Project will help preserve the local civil works implementation capacity that has been gradually developed over the past two decades. The Project will be delivered through a UN agency, UNOPS, and will be off-budget and outside of the control of the Interim Taliban Administration.

23. **A total of one million households or seven million Afghans<sup>15</sup> in some 6,450 rural communities and eight cities will receive livelihoods and income through this program. An estimated 9.3 million Afghans in the same areas will benefit from services essential to meeting basic human needs such as clean water and sanitation and access to roads.** These targets may change depending upon progress made on the Entry Criteria for Access and satisfactory performance during implementation. The two ECA are as follows: (i) established CDCs in the project areas are not prohibited to operate; and (ii) women's involvement continues in established CDCs. These two ECA will be monitored at the beginning and during the life of the Project.

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<sup>15</sup> The program assumes an average household size of seven (7) persons.



## Key Results

24. The achievement of the Project Development Objective (PDO) will be measured through the following key results:

- Number of beneficiary households receiving livelihoods support
- Number of vulnerable households receiving social grants
  - Number of female-headed households receiving social grants
- Number of people with improved access to basic services

## D. Project Description

25. **The Project will be financed by an ARTF recipient-executed grant of US\$265 million. The key components over two years are:**

26. **Component 1: Emergency Livelihoods Support and Services in Rural Areas (US\$141 million).** This component will support implementation of a cash-for-work program aimed at rehabilitating small-scale basic infrastructure services such as clean water, sanitation, or tertiary roads, and generating income opportunities for ultra-poor and vulnerable households.<sup>16</sup> It will *inter alia* support provision of cash for work sub-project grants and associated equipment and material. Building upon the earlier community development experience, poor households will be provided a minimum of 28 days of work<sup>17</sup> over the life of the project benefitting approximately **774,000 poor rural households or 5.4 million Afghans**. Target beneficiaries for cash-for-work/livelihoods support include those who were identified as the ultra-poor and vulnerable as part of the CCAP and REACH<sup>18</sup> planning process which would allow activities to move rapidly once started. These lists will also be updated given the number of “new poor” and recent movements due to the current humanitarian crisis. This component would also preserve 18 years of investments through repairs and maintenance of critical works such as small flood management walls and terraces to increase resilience and reduce the risk from natural hazards and climate change. Basic service provision in terms of climate resilient community infrastructure will benefit **an estimated 6.8 million Afghans in 6,450 rural communities in six regions, 23 provinces and 71 districts**.

27. The geographical coverage of component 1 will remain flexible but will prioritize areas of highest need and those areas not yet fully covered by other projects and humanitarian actors. Strong coordination related to geographical coverage will be critical at the start of implementation including with the UNDP ABADEI program, WFP and other actors in the livelihoods space. In relation to other WB programming, the Afghanistan Emergency Food Security Project (P178280) will focus primarily on the highest drought-affected areas and this Project for the most part, will cover different districts. This component would cover initially and as a first priority, rural communities that already have established CDCs and have not recently received assistance through CCAP, REACH or other donor programs. With additional fund availability, the assistance could expand to other geographical areas depending upon reaching the Entry Criteria for Access as well as satisfactory implementation

<sup>16</sup> The program will finance a menu of labor-intensive community subprojects including: construction/maintenance of climate-resilient water infrastructure, water canals and drainage; terracing; maintenance and basic tertiary road access; sanitization of community and public places; environmental and natural resource protection activities such as tree planting and agroforestry, and small food (grain) storage facilities. These small-scale infrastructure subprojects would average approximately US\$21,000.

<sup>17</sup> Based upon past field experience, a minimum of 28 days of work per HH provided sufficient wages to buy approximately four to six weeks of food, and allowed the project to provide assistance to a greater number of poor.

<sup>18</sup> COVID Relief Effort for Afghan Communities and Households (REACH; P174117)



progress.<sup>19</sup>

28. **Component 2: Emergency Livelihoods Support and Services in Urban Areas (US\$65 million):** This component will provide livelihood opportunities for unskilled and semi-skilled labor and respond to urgent service delivery needs in urban areas through the provision and implementation of small-scale Labor-Intensive Works (LIWs).<sup>20</sup> The LIWs will be selected based on local priorities identified through CDC, Gozar Assemblies (GAs)<sup>21</sup> and community consultations in the target cities.<sup>22</sup> The project will entail strong community involvement in the oversight and implementation of the civil works. The LIWs will take a “whole of community” approach, targeting urban host communities and IDPs in order to mitigate potential tensions. Target beneficiaries for participation as day laborers will be individuals from poor households. The selection process for beneficiaries will have provisions for the inclusion of vulnerable groups, including minorities.

29. The geographic scope will initially be limited to selected cities and their peripheries which: (i) have witnessed a high influx of IDPs; (ii) were part of Cities Investment Program (CIP)/EZ-Kar, where similar LIWs programs were successfully being implemented in early 2021; and (iii) are hubs of economic and private sector activity. The eight potential cities include: Kabul, Herat, Jalalabad, Kandahar, Mazar-e-Sharif, Bamyan, Kunduz, and Khost. The approach will be kept flexible in order to target areas based on evolving needs in the country. LIW are proposed to be delivered through private sector contractors in order to help preserve the local civil works implementation capacity that has been gradually developed over the past two decades.

30. LIWs would provide on average 60 days of work per beneficiary over a period of two years, directly benefitting approximately **115,000 IDP and poor urban households or 810,000 Afghans**. This approach has shown to be effective in similar FCV contexts, such as Yemen, where successful interventions were implemented, and subprojects delivered results in a one-to-three-year timeframe.<sup>23</sup> **Approximately 2.5 million households will benefit from improved services under the LIW.**

31. **Component 3: Social Grants for Women and the Most Vulnerable in Rural and Urban Areas (US\$18 million):** Experience in Yemen, South Sudan and Afghanistan show that not everyone is able to benefit from cash-for-work and labor-intensive work programs. For example, female heads-of-household or vulnerable households lacking able-bodied members may have difficulty working outside the home. This component will provide social grants to support food/grain banks, livelihood activities and cash transfers to cash transfer beneficiaries. For households who are not able to benefit from physical work activities, each community in rural areas will receive approximately US\$2,000 on average to be used to assist the most vulnerable groups in the form of food/grain banks support, cash, or livelihood activities. In urban areas, vulnerable households would receive livelihoods and cash support as well. Beneficiaries would include female heads-of-households, persons with disabilities and IDPs. Based upon community vulnerability mapping, lists of these chronically vulnerable

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<sup>19</sup> Component 1 will cover approximately 6,450 rural communities or approximately 16 percent of the rural communities in the country. With additional funds, the coverage could be easily expanded if ECA conditions are met.

<sup>20</sup> The program will finance a menu of labor-intensive urban sub projects such as cleaning streets/canals/drainage, planting for parks and greening open spaces, rehabilitation of pavements, gravel roads, boundary walls, small scale water, sanitation, and health, and market improvements. These sub projects will prioritize small-scale labor-intensive works and will avoid any complex works.

<sup>21</sup> Gozar Assemblies are clusters of CDCs in urban areas, composed of an average of five CDCs or up to 1,000-1,250 households.

<sup>22</sup> A pipeline of LIWs identified and prepared under EZ-Kar and CIP would provide an early start to roll off this component. These urban subprojects would average approximately US\$120,000.

<sup>23</sup> Examples include the Yemen Integrated Urban Services Emergency Project (YIUSEP, P164190) and its successor YIUSEP II.



households have already been drawn up by some CDCs, which will help expedite rapid delivery of assistance to communities.<sup>24</sup> These lists would be revalidated with communities at the start of community activities. In urban areas where CDCs do not exist, Mosque Committees, with the support of NGOs (Facilitating Partners), would develop the list of eligible beneficiaries. **Through this component, approximately 132,000 vulnerable households or 924,000 poor Afghans will be assisted.**

**32. Component 4: Strengthening Community Institutions for Inclusive Service Delivery, Especially for Women (US\$27 million):** Investing in CDCs and local communities is critical for long-term sustainability and building social resilience and cohesion. Underpinning the above-mentioned interventions, this component would provide assistance to build the capacity of CDCs and other local community institutions. It will support NGOs' costs for activities related to community mobilization, planning, implementation, monitoring, and training on a variety of topics. These activities would complement the UN and WB interventions for health, education and agriculture by raising community awareness of available services, helping to identify vulnerable beneficiaries, and assisting with information and knowledge campaigns related to healthcare services, vaccinations, nutrition, food assistance, and the importance of girls' education. Supporting CDCs will also build strong accountability mechanisms at the community level for monitoring of activities and resolving grievances.

**33. Finally, working with CDCs is especially important as an entry point for supporting women.** Afghan women are seeing their access to livelihoods and services hindered due to social and mobility restrictions. Working with CDCs, including its CDC female members and its youth, health and education sub-committees, will help safeguard some of the critical gains made over the past 18 years in improving women's participation, livelihoods, and gaining access to basic services such as clean water, health and education. CDCs and their subcommittees for health and education provide a safe space for women to meet, which is especially important given increased mobility constraints. This component will support these forums to help women and vulnerable groups engage, receive information, and have access to services including in health, nutrition, education and livelihoods assistance. For example, for health, this Project will work closely with the WB-supported Health Emergency Response Project (P178775) to build the capacity of CDCs and women's groups on: (i) maternal and child nutrition; (ii) COVID-19 prevention, (iii) availability/access to health and nutrition services; and (iv) water, sanitation, and hygiene. CDC women's groups will help community health workers and nutrition counselors to identify households with pregnant and lactating mothers and children under two and mobilize them to access health and nutrition services. For education, the Project will stress the importance of girls' education.

**34. Component 5: Implementation Support (US\$14 million):** This component will support the costs of the UN implementing partner, UNOPS, to manage and oversee the program, including technical support, training, monitoring and reporting upon results. This component will finance: (i) general management support and indirect costs and fees for the implementing partner; (ii) direct project management and supervision costs required to support the implementation of the project; (iii) project monitoring, evaluation and coordination at the national and regional levels; (iv) project tailored Management Information System (MIS) and Geospatial Information System (GIS) to promote transparency and accountability; and (vi) the establishment of a Grievance Redress Mechanism (GRM).

**Geographic Information System (GIS) Implementation (\$4 million)** is being implemented through the contract with the implementing partner to support the project's monitoring and reporting activities.

<sup>24</sup> The COVID response in 2020-2021 through CDCs showed the effectiveness of the community identification of most vulnerable households. See MA. *COVID-19 Response: CCAP/REACH Monitoring, Q3 2021 Final Project Report*. February 2022.



Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

E. Implementation

Institutional and Implementation Arrangements

35. **This program will be implemented completely through non-government actors.** As a UN agency partner, UNOPS will receive grant financing from the Bank. UNOPS will then finance the contracted NGOs in rural areas and local contractors in urban areas to deliver assistance to communities. Building on longstanding community development and urban operations in Afghanistan, the network of international and local NGOs as well as urban contractors that have prior Bank experience and recognized capacities on the ground (notably in community organization, planning and implementation of activities) is well known. This network of NGOs and contractors have built trust with community elders and local communities over decades and will be essential to delivering services quickly during this emergency.

36. **UNOPS will be responsible for overall coordination, procurement arrangements with local organizations and contractors, engagement with communities, fiduciary, environmental and social risk management, quality assurance, monitoring and reporting, and managing technical assistance activities.** Under the rural component, UNOPS will implement through the network of NGOs and build on lessons learned over the longstanding engagement in Afghanistan. Under the urban component, UNOPS will contract with private contractors engaged as per UNOPS rules and regulations. Experience in CIP and EZ-Kar showed good contractor capacity at the local level to implement such projects.

37. **UNOPS will house the Project Implementation Unit (PIU).** The PIU will include staff supporting several key functions: program and contract management, financial management, procurement and supply chain, social mobilization and training, engineering, reporting, monitoring and evaluation, regional coordination, gender, grievance redress, security risk management and environmental and social risk management.

38. **Fiduciary Arrangements.** The institutional level Financial Management Framework Agreement (FMFA) and WB-UN Fiduciary Principles Accord (FPA) provide the authorizing frameworks for UN engagements. The frameworks allow for reliance on the various UN financial management systems. The WB’s fiduciary team has undertaken an assessment of the agency’s fiduciary system during the preparation phase to design the fiduciary arrangement for the proposed operation. The WB will also consider lessons learned from the previous community development operations and will incorporate mitigation measures in the design of the proposed operation.



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