Amendment No. 1 to the Administration Agreement between the European Commission and the International Bank for Reconstruction and Development and the International Development Association regarding the Afghanistan Reconstruction Trust Fund (No. TF050576) (Donor reference no.: ACA/2017/390-115)

1. Reference is made to the Administration Agreement between the European Commission (the “Donor”) and the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank”), (the “Donor”, and together with the Bank, the “Parties” and each a “Party”) regarding the Afghanistan Reconstruction Trust Fund No.TF050576 (the “Trust Fund”) effective as of December 17, 2017 (the “Administration Agreement”).

2. The Parties agree to amend the Administration Agreement as follows:

(b) Annex I (Description of Project and Non-Binding Preferred Operations) shall be deleted and replaced with the Attachment to this amendment.

3. All other terms of the Administration Agreement shall remain the same.

4. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this amendment and act in accordance with these terms and conditions. The Parties are requested to sign and date this amendment, and upon possession by the Bank of this fully signed amendment, this amendment shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: [Signature]
Name: HAMA-ZAHRA JOTOUHI
Title: OPERATIONS MANAGER
Date: December 9, 2019

EUROPEAN COMMISSION

By: [Signature]
Name: Marco Stella
Title: Acting Head of Cooperation
Date:
Afghanistan Reconstruction Trust Fund (No.TF050576)  
Description and Non-Binding Preferred Operations

I. Description

The Contribution shall be used exclusively for the following purposes:

The objective of the Trust Fund is to provide a vehicle for Donors to pool resources and coordinate their support to the programme of the Islamic Republic of Afghanistan for the reconstruction of Afghanistan.

Without prejudice to the provisions of paragraph 7(a) of Annex 2 of this Administration Agreement, the Bank acknowledges the Donor’s expression of preference that:

(a) an amount of € 15,000,000 from the Contribution provided under this Administration Agreement shall be used for the purpose of co-financing the Capacity Building for Results (CBR) Facility Project under the Trust Fund; and

(b) an amount of € 22,750,000 from the Contribution provided under this Administration Agreement shall be used for the purpose of co-financing the Tackling Afghanistan’s Government HRM and Institutional Reform (TAGHIR) Project under the Trust Fund; and

The Bank will use its discretion to ensure that the Contribution supports the said operations under the Trust Fund.

II. Non-Binding Preferred Operations. The Contribution aims to support:

(a) the Capacity Building for Results Facility Project, the objective of which is to assist in improving the capacity and performance of priority line ministries and independent agencies in selected reform areas, and consists of the following parts:

Part 1: Technical Assistance Facility in Support of Civil Service Reform

(i) Provision of technical assistance for: (A) the preparation by selected Entities of Capacity Building for Results Programs (CBRPs); and (B) the implementation of Approved CBRPs by such Entities; with quality assurance of CBRPs at both stages on relevance, results focus, cost-effectiveness, realism, implementation accountability and monitoring.

(ii) Provision of technical assistance to selected Entities to improve their capacity and performance in selected Civil Service reform areas under the Project as determined by the Board of Commissioners.

(iii) Provision of support for institutional reform of selected Entities in accordance with the Operations Manual.

Part 2: Building Human Resources

2.1 Support to IARCSC for Civil Service Reforms

Implementation of the Recipient’s civil service reforms by Independent Administrative Reform and Civil Service Commission (IARCSC), including efforts to: (i) enable the appointment of managerial, professional and common function staff on term contracts for key positions in the Entities; (ii) institutionalize appropriate human resource management and public administration policies and practices, including mainstreaming of gender through support for the Recipient’s gender policy, strengthening of performance evaluation, and
support for a review of civil service regulations, salaries and incentives; (iii) implementation of the pay and grading system; and (iv) support for the Recipient’s sub-national administration reform process.

2.2 Appointment of Managerial, Common Function and Professional Staff

Capacity building through the hiring of local staff on the basis of up to five year term contracts, subject to satisfactory annual performance review, to fill: (i) a limited number of senior and mid-management level professional positions in the case of selected Entities (excluding Ministry of Defense (MOD) and Ministry of Interior (MOI)), as determined by their respective CBRP; (ii) common function positions, in financial management, HR, administration, internal audit and procurement roles in the Entities, and limited to non-uniform civilian personnel only in case of the Recipient’s MOD and MOI; (iii) CBR-readiness (reform readiness) support in the form of technical positions for interested Entities (excluding MOD and MOI); and (iv) the selection and hiring of a professional cadre group once the required framework for the establishment of said group is in place.

2.3 Mid-level Management Development Program

Establishment and operation of a management internship program comprised of training, mentoring and a rotation process across selected Entities, including at the provincial level, *inter alia* through: (i) consulting services for training and advice on development of policies and procedures for said program; and (ii) Scholarships.

2.4 Consulting Services to Assist with Recruitment

Strengthening the capacity of IARCSC to assist and monitor the selected Entities in carrying out their expanded recruitment responsibilities under the Project, all through the hiring of a human resources firm and individual consultants.

2.5 Managerial Staff Contracted under the Management Capacity Program

Salary payments to managerial staff contracted under the Management Capacity Program, whose tenure goes beyond December 31, 2011, such support to be conditional on satisfactory performance by said staff, till the Closing Date of the Project.

Part 3: Project Management, Monitoring and Evaluation

Strengthening the institutional capacity of the Project Implementation Unit for the carrying out the Project.

(b) the Tackling Afghanistan’s Government HRM and Institutional Reforms Project, the objective of which is to strengthen the capacity of selected line ministries and agencies through merit-based recruitment of key positions, improved performance management, and better human resource planning, and consists of the following parts:

Part 1: Human Resource Capacity Injection

Building capacity of selected line ministries and independent agencies to deliver their key policy priorities to support up to one thousand five hundred (1,500) new appointees and/or CBR Appointees whose base salaries are financed by the Recipient in accordance with the Pay and Grade Salary Scale; and whose positions have been: (i) identified in the Strategic Staffing Plans to be developed by the respective Priority LMAs; or (ii) reserved and allocated for Non-Priority LMAs, in accordance with the Operations Manual, to meet emerging government priorities.
Part 2: Personnel and Payroll Management

Supporting development, roll-out, and maintenance of the Human Resource Management Information System (HRMIS), integrated with biometric civil servant enrollment, payroll, Afghanistan Financial Management Information System (AFMIS), and electronic payment systems.

Part 3: Support to Administrative Reforms

Providing (i) technical assistance to Independent Administrative Reform and Civil Service Commission (IARCSC) in implementation of key administrative reforms; and (ii) operational support to IARCSC in carrying out of the Project, including the services of an independent third-party verification agency.