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   An interview with DFID head: Marshall Elliott
We are presenting this, the second issue of the ARTF newsletter, at a key juncture in Afghanistan’s development. In January 2010, ARTF donors and the Government of Afghanistan agreed at a meeting on the sidelines of the London Conference on Afghanistan that from now on all allocations from the fund will follow a clear Afghan government strategy, responding to Afghan priorities, and anchored in a reform agenda that delivers improved economic governance, free of corruption. Participants at the meeting recognized that the ARTF, which delivers all its assistance through the Afghan government - with around $2.6 billion estimated for 2010-2013 - represents a vital tool for coordinating aid to Afghanistan.

Readers of our first newsletter welcomed the detailed look at development matters, and in particular the results achieved with ARTF financing. In this issue we examine education, an essential building block for national prosperity, and a sector that has made great progress against great odds, especially in increasing children’s access to schools, particularly benefitting girls. Once again, we capture the voices of local people, this time to show how a horticulture and livestock project has breathed new life into Afghanistan’s languishing orchards and vineyards. It is hoped that projects such as this can enable Afghanistan to regain its preeminence as a global exporter of the finest fruits and nuts. We also highlight how donor funds in the budget are safe from misappropriation, despite the perception of widespread corruption, thanks to the strong fiduciary framework in place under the ARTF. Next, we take a look at how the new approach to recurrent cost support is yielding progress with key reforms. Finally, we hear from one donor agency head who spells out why he strongly believes the fund is crucial to supporting Afghanistan’s national development programs.

We hope you appreciate the issue – let us know if you have suggestions for the next round!

Best regards,
Abdul Raouf Zia
Editor
The Next Generation: Education is Vital for Afghanistan’s Development

A series of education programs is increasing the number of schools and improving the quality of education at all levels.

Thirty years of conflict and political unrest destroyed the Afghan education system. In 2001, after the fall of the Taliban, only 43 percent of the country’s boys and a dismal 3 percent of girls were enrolled in schools. The situation for girls was especially dire: they had been forbidden to attend school or teach during Taliban rule. Moreover, there were only about 21,000 largely under-educated teachers for a school-age population estimated at more than 5 million - or about 240 students for every marginally trained teacher.

With the return home of Afghan families who spent the war years as refugees in neighboring countries, the demand for schools has increased. Many families had received the benefit of education for their children while they were away, and were keen to see them continue to study so that they could improve their economic prospects in life.

In 2001, the international community began taking action. Recognizing that education would play a vital role in the reconstruction and development of Afghanistan, the ARTF, along with other donors, launched a series of education programs to increase the number of schools and improve the quality of education for Afghan students at all levels.

Keeping the country’s fragile and fluid situation in mind, the programs sought to reconstruct the education sector by emphasizing the participation of parents and communities in the schooling of their children, improving the quality of education provided, focusing on the education of girls, and promoting coordination among donors as well as government agencies. Since 2007, the ARTF has also supported the development of higher education in Afghanistan.

School enrollment is now the highest in Afghan history.
Rising Enrollments

The programs have brought new life to general, technical, and vocational education in Afghanistan, particularly benefiting girls.

School enrollment is now the highest in Afghan history. Enrollment in grades 1-12 increased from 3.9 million in 2004 to 6.3 million in 2008. The number of girls enrolled went from 839,000 in 2004 to more than 2.3 million in 2008. Girls now make up a little over one third of all school children. Likewise, the number of boys in school increased from 2.6 million to 4.0 million in this period. Most of this increase has taken place at the primary level, which accounts for the bulk (82 percent) of all children enrolled in Afghan schools. Although the country does not have a population census, it is estimated that present enrollments represent 58 percent of school-age children in Afghanistan. Of the 1,700 schools (many targeting girls) that were planned to be rehabilitated or built across the country, some 1,200 have been completed or are close to completion.

The ARTF-supported Education Quality Improvement Program (EQUIP) is working to upgrade the quality of education by improving teacher training. Over 30,000 of the country’s almost 165,000 teachers have taken a comprehensive training module while national and international NGOs have been contracted to train the remaining numbers. Tahira Tarah, headmistress of the Tajwar Sultana High School in Kabul, says she has seen the difference these efforts have made. “EQUIP has played a key role in improving education quality and standardizing education systems throughout the country. Thanks to the project, our overall school management improved and we witnessed a rise in our school enrollment rates,” Tarah says.
Higher Education

College enrollments, too, have increased. Six of the country’s 22 public universities - Kabul Polytechnic University, Kabul University, and four regional universities at Balkh, Herat, Kandahar, and Nangarhar - received assistance to reopen under the Strengthening Higher Education Program (SHEP). Five of these universities have since established partnerships with universities in the US, Europe, and Asia. College enrollment increased from 8,000 in 2001 to almost 62,000 in 2008; of these, some 13,000 were women. The women now constitute over one-fifth of the total number of college students after a ban on girls’ education was removed in 2001.

Abdul Karim Wasil Wardak, who heads the English department at Kabul University, explains the changes that have taken place since the university reopened after the fall of the Taliban. “In 2002, when the English faculty of Kabul University resumed functioning, there was practically nothing – one teacher for 350 students – which made it very difficult to deliver lectures. The SHEP program enabled our faculty to develop a fellowship agreement with the University of Kansas. Nine of our 39 teachers have now obtained Masters and PhD degrees. We have also been able to develop a new, standard curriculum and are receiving new and updated chapters and lectures from Kansas University on a regular basis,” says Wardak.

Freshta Yousufi, a recent graduate from the English program at Kabul University, attests to the improvements in the quality of teaching using that ultimate arbiter of a successful teaching program – the ability to secure a job in a difficult marketplace. “If we compare students who graduated from the English program four years ago with those who have graduated recently, the fresh graduates have been able to find jobs easily because their English is very good. This is mainly because our teachers’ capacities have improved,” she says.

Nonetheless, universities still fall short of faculty. Faculty members have increased only by 25 percent, from 2,000 to 2,500, and only 5 percent of them have PhDs and 30 percent have Masters degrees.
Technical and Vocational Training

To equip unemployed Afghan youth, landless farmers, and poor women with the skills needed in the current job market, technical and vocational education and training has been established with support from the Afghanistan Skills Development Project.

In Kabul, a modern vocational institute, the National Institute of Management and Administration (NIMA), has been opened, where almost 1,700 boys and girls study courses in management and administration, information and communications technology, accounting, and finance. Training institutions are being given autonomy to plan their programs and establish partnerships with experienced national and international institutions.

Community Participation

At the school level, communities are now participating actively in the education of their children, and school shuras, or management councils, are functioning in all provinces. Over 9,500 out of 11,000 schools have these shuras. Through the shuras, local communities contribute up to 20 percent in cash or kind towards the rehabilitation or construction of school buildings as well as for accessing books and other learning materials.

Maulvi Rohullah, a member of the school shura (management council) of the Qabil Bai Secondary School in Kabul, says that parents’ involvement in their children’s education has made a difference to the quality of education that the children receive. “School management councils have brought together school authorities with representatives from the local communities as well as students’ parents. They have helped open direct interaction between parents and school teachers. With their oversight, we see an improvement in education quality in the school,” Maulvi says.

Government Reform

Charting the way forward, the government has developed a five-year National Education Strategic Plan as a longer term blueprint for the development of education in the country. It is now encouraging decentralized school management through provinces, districts, and communities. In government ministries, modern information technologies have been introduced for the first time. These include the establishment of distance-learning facilities for enhancing the skills of civil servants.

Challenges Ahead

Despite the successes, however, a number of challenges remain. All education programs could be expanded to increase benefits to the people. At the same time, Afghan national education institutions will need to develop the capacity to manage all facets of education - general, technical and vocational, and higher education - especially as the country transitions from an emergency provision of education to the longer term exercise of nation building. A particular challenge in the southern region of the country is to continue to involve community elders to open more previously closed schools, and engage communities to protect the students, teachers, and schools.
ARTF Support for Education

The ARTF, with the support of the World Bank and partners, is funding several dedicated programs designed to improve the quality of teaching, higher education, and vocational skills among Afghans.

**Education Quality Improvement Program (EQUIP) 2004 - 2012**

**ARTF: $129 million; IDA: $65 million**
The project is working to improve the quality of education by supporting the training of teachers; providing scholarships for women who want to teach at high schools and colleges; providing grants to supply classrooms with books and other materials; and strengthening the capacity of the Ministry of Education to develop education programs based on diversified regional needs, improve data collection, and monitor and evaluate results.

**Afghanistan Skills Development Project (ASDP) 2008 - 2013**

**ARTF: $9 million; IDA: $20 million**
The project aims to increase the number of immediately employable graduates in Afghanistan by supporting the establishment of a high quality technical vocational education and training system that is equitable, market responsive, and cost effective.

**Strengthening Higher Education Program (SHEP) 2005 - 2012**

**ARTF: $5 million; IDA: $40 million**
The program has provided significant funding to higher education to: facilitate partnerships between foreign and Afghan universities; provide grants to Afghan universities to improve curriculum, materials, infrastructure, and teacher training.
Reviving Afghanistan’s Once-Renowned Horticulture and Livestock Farming

Dried fruit and nuts hold great potential for raising farmers’ incomes and can provide one of the few alternatives to growing opium.

For centuries, Afghanistan was known for the quality of its fruit and nuts, which ripen to maturity in the high mountain valleys where the clear sunshine and mountain air infuse the harvest with a unique flavor. In fact, before the decades of conflict destroyed most of the country’s orchards, vineyards, and irrigation systems, a sizeable percentage of the raisins sold on world markets came from Afghanistan.

Even now, the wide variety of fruit and nuts - raisins, walnuts, almonds, pistachios, and pomegranates - holds great potential for raising rural incomes. Fetching high values for low volumes, they bring in substantial returns per hectare and are easier to transport across the rugged mountain passes of this land-locked country, or by air, than most other agricultural produce.

Horticulture can also provide one of the few alternatives to opium production. Though it may not bring in the high returns that come from poppy cultivation – poppy can bring as much as $5,600 per hectare - it is certainly a more viable option than attempting to substitute poppy with wheat, which fetches only around $180 per hectare.

Another traditional activity that has potential in Afghanistan is poultry and livestock rearing. Chickens have always been raised in the backyards of village homes, and pastoral nomads have long trekked up mountain trails herding flocks of fat-tailed sheep and goats.
These not only provide rural families with valuable nutrition and income, but livestock – particularly fattened sheep - also form the bulk of meat supplies to urban centers where populations have grown substantially in recent years, leading to rapidly growing demand for mutton and poultry.

Yet, despite the importance of livestock to Afghan households and the country’s economy, war, drought, and disease have taken their toll, leading to a drastic fall in animal numbers. A quarter century of conflict has disrupted the nomads’ traditional trekking routes, and successive droughts have devastated the high mountain pastures which once occupied almost half the land in the country. Although livestock numbers have begun to recover since 2002, the lack of proper feed remains a challenge, making it difficult for flocks to survive the long, harsh Afghan winters.

**Orchards are being revived and new ones planted**

Given the critical importance of these sectors in Afghanistan, the ARTF is co-financing the World Bank’s $20 million Emergency Horticulture and Livestock Project with additional support of over $30 million. The first stage of this decade-long program focuses on 11 select districts. It is expected to yield a model for the expansion of the program over a larger area in the future.

The project is providing farmers with both technical and financial support to rehabilitate existing orchards and plant new ones. Farmers are being trained to adopt improved horticultural practices and are provided with fruit saplings of good quality and essential equipment (pruning shears, pesticides, protective clothing, etc.) with grants for up to 80 percent of their total cost. Since November 2007, some 36,500 farmers have been trained. Progress should be apparent within 2-3 years for existing orchards and 4-7 years for new ones. Mouji, a housewife, who lives with her disabled husband in Gulqueshtaq village in Samangan province, and bears the brunt of the work both inside and outside her home, speaks of the difference the project has made to her family’s small plot of land. “The project helped us to design a new orchard, provided 60 fruit saplings, showed us how to plant, spray, and prune the young trees, as well as how and when

In the spring and autumn of 2009, new orchards were planted on more than 1,130 hectares of land. This spring, another 1,275 hectares are being brought under cultivation.
to use fertilizer. Now, my sister-in-law wants to set up an orchard too."

Veterinary clinics help reduce livestock mortality

The project is also working to improve animal health services in the rural areas by training veterinarians and providing field clinics with equipment, vaccines, and medicines. Veterinarians from about 120 government veterinary clinics have been trained and their clinics equipped. These clinics will also help to improve animal breeds through artificial insemination.

Improved veterinary services are helping to reduce livestock mortality. Says Ghulam Rabbani, a farmer from Dehmir village of Mir Bacha Kot district in Kabul province who, like most others in rural Afghanistan, depends on a few fruit trees and some livestock for his livelihood, “In the past, when our cow got sick, we had no choice but to slaughter the animal before it became inedible. Now, when I see the first symptoms of sickness in my livestock, I take them to the vet and they get well. Our dairy products will now increase and so will our income.”

Poor women benefit from poultry rearing

To boost rural incomes and improve local nutrition, the project is assisting some 18,000 poor women to establish semi-intensive poultry farms. Around 7,000 women have already received three months of training in poultry rearing and the marketing of eggs. All of these women received 15 pullets and 25 kg of feed and equipment in the first round. The first batch of pullets has started laying eggs: by December 2009, over 4.5 million eggs had been produced.

Khaleda, a mother of seven, from Choghai village in Samangan province, who has raised backyard poultry for years, is among those who have received the training. “We have now learnt a better way of raising poultry,” she says. “My hens have just started to lay eggs which I use to feed my children. As the number of eggs increases, we will trade some for feed and sell some to buy medicines and vaccines for the hens. And so, our business will grow.”

Cashmere fiber holds potential

To further develop animal-based industry in Afghanistan, a comprehensive study on the development of cashmere fiber has been prepared and its implementation farmed out to other agencies. Similarly, a comprehensive study on dairy products has been carried out for the future development of the industry. This includes the improvement of cattle feed, the establishment of extension services, and the marketing of milk and other dairy products. To maximize the impact on the ground, the project is being coordinated with ongoing efforts to improve irrigation, build roads, and provide microcredit in the rural areas.
Dried fruit and nuts fetch high values for low volumes and are easier to transport across rugged mountain passes than most other agricultural produce.
Afghan Voices

People in the rural areas speak about the difference the Emergency Horticulture and Livestock Project has made to their lives.

“"The war destroyed most of our orchards; my grape vines shrank, and pests and disease made our harvests very poor. But, the project specialists have helped us to establish a new trellising system and plant new vines, taught us how to prune and apply pesticides and fertilizers, and market our fresh grapes and raisins. Our harvests have doubled and tripled. Now we can even continue on our own.""

Haji Shirin Agha, veteran grape farmer, Mir Bacha Kot District, Kabul Province

“I used to keep a few hens in the traditional way. Sometime they laid eggs and sometimes they didn’t. I joined the project and learned about proper feed for the chickens and about their diseases. I was given pullets, chicken feed, a feeder, drinker, and wire mesh for the coop. Now I distribute feed to 70 other women and help identify their chickens’ sicknesses. My hens now lay eight eggs a day. Some I feed to my children and the rest I sell to buy pencils and notebooks for their schooling. I've even been able to buy a new outfit for my daughter.”

Ms Atefa, village group leader, poultry project, Guzar village, Mir Bacha Kot District, Kabul Province

“"Last year there were no quality drugs and vaccines, not enough fodder, and no good advice so we had to sell some of our livestock. But, since the veterinary clinic became active things are improving and we are seeing signs of prosperity and positive change in our livelihoods.""

Fazl-e-Ahmad, Khulm District, Balkh Province
Corruption remains a major concern for the people of Afghanistan and for international donors. Indeed, the World Bank’s own diagnostics recognize that graft and bribery are widespread, even pervasive, in Afghanistan. Yet despite the growing threat of corruption, the Afghan government has improved its accountability measures for public finances, and the essentials of a public financial management system are now in place. In fact, Afghanistan’s Public Financial Management (PFM) performance compares favorably with other post-conflict countries. An assessment by the World Bank and DFID in June 2008 (the Public Expenditure and Financial Accountability (PEFA) assessment) rated Afghanistan better than the average of a sample of other low-income countries. Interestingly, on some criteria, Afghanistan’s ratings were even better than the average of a sample of middle-income countries.

What explains this seeming contradiction?

How is it that corruption is a major issue in Afghanistan but donor funds for operations under the national budget are safe and used appropriately? One needs to remember that corruption comes in different forms. The kind of corruption that Afghan citizens encounter most in their daily lives is ‘petty corruption’, which does not necessarily involve the misuse of public funds. It usually takes the form of bribery and extortion, which involves paying persons or entities for benefits or favors received - either
to not apply the rules in a particular case or to do what was supposed to be done in the first place, such as when a person pays a bribe to access utilities and social services to which he is entitled anyway. While this form of corruption does adversely affect the process of development, it does not directly threaten donor funds for the national budget, since private citizens or firms pay the bribes from their own funds.

What about funds that are on budget?

Funds that are on budget are subject to the government-wide PFM controls - the first layer of controls - which were assessed under the 2008 PEFA study. All public funds in the central government sector are controlled through a single budget which is prepared in a transparent manner and approved by the Afghan Parliament. The Treasury Department of the Ministry of Finance is responsible for all payments under the budget, and expenditures are permitted only with due approval. Financial reporting is subject to oversight by the Parliament and an external auditor.

How are systemic weaknesses handled?

Areas of weakness include the capacity of the internal and external audit functions. Also, due to breakdowns in security across much of the country, oversight bodies are often unable to reach provincial and district operations for in situ inspections. It is therefore necessary for ARTF funds – both recurrent cost and investment expenditures which are a subset of the on-budget funds – to be subjected to additional fiduciary oversight by the World Bank and its agents. In particular, the Bank hires a dedicated firm to monitor expenditures reimbursed under the recurrent cost window to ensure compliance with the government’s laws and regulations. This monitoring agent bolsters the currently weak internal audit function. Similarly, an international auditing firm carries out audits, under supervision of the state’s Control and Audit Office, of all ARTF-funded operations in the budget system. Similar measures could be applied to the entire budget.

What further measures are being taken?

The ARTF administrator is developing a new technical assistance operation with the Ministry of Finance that extends the current support, with a special focus on provinces. Provincial offices of the Treasury department - mustofiat - are responsible for the payment and accounting of all budget operations in the provinces. Strengthening mustofiat will further improve the transparency and integrity of budget expenditures.
Why Governance Matters to Development

ARTF donors have an important stake in a transparent and effective public sector. A first-of-its-kind initiative for governance reforms has impact.

Since early 2009, the ARTF has backed a program of key public sector governance reforms through a scheme known as the Incentive Program (IP). As a tightly-coordinated multi-donor policy initiative, the scheme is a first-of-its-kind in trust fund settings. While many of the reforms are gradual by nature, and will require concerted government leadership over the long-run, important progress has already been made in the first two cycles. We pick out some of the program’s key highlights:

Improved revenues

Fiscal sustainability is a national priority. In essence, it puts the state and its services on a sustainable footing and reduces the reliance on outside support. Under the ARTF scheme, the Ministry of Finance has introduced a Business Receipt Tax (BRT) on imports, and put in place a more transparent protocol for fuel imports. The ministry has also increased transparency and compliance in the collection of tax and non-tax revenue, including a new Memorandum of Understanding on revenue collection between the ministries of Finance and of Transport and Civil Aviation. These reforms, among others, showed impressive results – with revenue some 60 percent higher in the first half of 2009 (SY1388) compared to the same period in 2008 (SY1387).

Cabinet members declare assets

The IP program is also providing incentives for public sector reform. ARTF donors have an important stake in a transparent and effective public sector: our recurrent cost support accounts for one half of the cost of running state services in Afghanistan. The IP program’s first cycle supported the introduction of a teachers’ competency testing framework, representing a fundamental shift in focus from simple education delivery to one increasingly focused on educational quality. A second area of reform under this theme relates to Government’s anti-corruption efforts. The High Office of Oversight and Anti-Corruption (HOO) is implementing an asset declaration program, and the IP set benchmarks in both its cycles to encourage this. As a result, 72 percent of the cabinet declared their assets, setting an important precedent for other senior officials.

A sound basis for mining investments

The private sector has a critical role in driving
economic reforms and broadening the tax base in Afghanistan. Under the theme of private sector development, the Central Business Registry offices were rolled out provincially. Key mining laws were passed providing a sound basis for attracting investment to the mining sector, and the government considerably accelerated its candidacy for the Extractive Industry Transparency Initiative. Finally, the former state-owned power utility achieved key milestones for its process of corporatization, including the preparation of adequate financial statements as well as board approval of a plan to establish commercial activities and better customer service.

Security spending may delay fiscal sustainability

The Ministry of Finance’s achievements in meeting the ARTF’s IP benchmarks reflect a real commitment to leading a robust economic governance reform agenda across government. Despite the improved revenue performance over the last year and tightly managed non-security expenditures, the anticipated increase in security spending will complicate, and likely delay, efforts to achieve fiscal sustainability in the medium term. Future IP rounds, including the one negotiated in June 2010, will need to focus on following up these reform measures and ensure their implementation.
Concerted Action Key to Afghan Progress

A development agency in Afghanistan explains...

Marshall Elliott, head of the Department for International Development (DFID), the UK’s development agency in Afghanistan, explains why his organization has thrown its weight behind the ARTF.

The United Kingdom’s Department for International Development (DFID) has supported the ARTF since its inception in 2002. DFID has contributed over $840 million to the fund, or one quarter of its total receipts to date. The head of DFID Afghanistan, Marshall Elliott, says the ARTF is one of the most successful programs in Afghanistan. “We’ve supported the mechanism right from the start, following the overthrow of the Taliban, because the fund provided essential support to the Afghan government which had no money of its own to pay for its costs,” Elliott says.

The ARTF has adapted well to the changing situation in the country, he says. “Now, as the government collects more revenue from businesses in Afghanistan, it is able to pay for many of these costs itself. We’re now seeing the ARTF adapting to new investment programs, from health and education to infrastructure, which is one of the great things about the ARTF.”

Close Partnership

Key to the ARTF’s value is its close partnership with the Afghan government. The government sets out its priorities in the national budget and the ARTF supports those priorities. It does so through various programs in the fund’s investment window – such as the National Solidarity Program, National Rural Access Program, Microfinance, Education Quality Improvement Program and improving power supply. All of these programs are owned and controlled by the Afghans themselves; they design those programs, in consultation with ARTF donors, and agree on how much money should go to each program each year. Global experience has shown that un-earmarked support behind a government strategy is the best way to promote local ownership of the development effort, says Elliott. “Our partnership is unique and we value it very much.”

Strong Financial Management

The ARTF can achieve its goals because it has strong financial management – an invaluable asset in a country plagued by perceptions of widespread corruption and mismanagement. “We have systems to track each element of the support we provide to the government,” says Elliott. He cites as an example the National Solidarity Program, the biggest program under the ARTF, which provides support to more than 22,000 villagers. “The villages hold the money in their own bank accounts and we’re able to track precisely how each of those villages is using and accounting for that money. We are also able
to ensure that key workers, such as teachers, are doing their job and actually being paid the money we provide. And what we’re seeing is that communities feel every bit as strongly as we do that the money is used well and properly."

The small loan program of the ARTF has been particularly successful, with more than 1.4 million borrowers, mostly women. “It’s been very gratifying to actually see how women in rural areas have used this money to start their own small businesses,” Elliott says.

Perceptions of Corruption

Nevertheless, the persistent perception of widespread corruption and inefficiency in Afghanistan makes it difficult for supporters of the ARTF to press their case for continued funding from donors, even within DFID itself. “It’s hard to justify giving ‘blank cheques’ to the Afghan Government, particularly in the face of political setbacks,” says Elliott. More money for government also means less for civil society and independent bilateral programming, and hence fewer opportunities to showcase UK-funded projects. “We are, however, able to overcome much of the resistance by pointing to the role of the Monitoring Agent and the World Bank’s excellent work on demonstrating the results of our collective contributions.”

Adapting to Change

Will the ARTF be changing the way it does business in Afghanistan? Elliott points out that the fund is constantly innovating to keep pace with changes on the ground, first with an incentive scheme and more recently with a financing strategy. “The incentive program is a means to encourage the government to make progress towards greater fiscal sustainability,” he says. “The expansion of the investment window to cover a greater number of national priority programs is an important development, both in terms of the services it delivers to ordinary Afghans and the capacity it builds in government to design and manage programs. I am keen to see that this window increasingly responds to government priorities rather than donor-driven allocations. The financing strategy will be critical to this.”

In spite of these gains, however, weak donor coordination in important areas continues to hamper the delivery of effective assistance. In the face of this, DFID maintains constant dialogue with the Government, the United Nations Assistance Mission for Afghanistan, and other donors in order to help coordinate priorities and develop new programs. “Our long-standing support for the ARTF and commitment to channel at least 50 percent of our resources through government systems sends an important signal to other donors that closer alignment with national priorities is both possible and desirable,” Elliott says.

Building Afghan Capacity

Development funding aside, he maintains that the Afghan government’s main challenge is to persuade its people that it is capable, accountable, and responsive to their needs. “An inclusive political settlement backed up by improved service delivery and firm action against corruption will be necessary to convince ordinary people that the government is on their side. For its part, the international community needs to send a clear signal that it will stay the course and help deliver improved security, finance for the development effort, and political support for stronger Afghan leadership. The ARTF has a role in delivering funding according to Afghan priorities and in a way that builds Afghan capacity. It is an important mechanism for what is essentially a political dialogue: setting expectations about the pace and direction of reform and holding government and donors to account for their commitments. Thus, there can be no question about giving blank cheques: our continued contributions depend on continued progress.”
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