Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 05-Jun-2023 | Report No: PIDA34869

Public Disclosure Authorized

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Afghanistan	P179311	Water Emergency Relief Project	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
SOUTH ASIA	05-Jun-2023	28-Jun-2023	Water
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Aga Khan Foundation-USA, The United Nations Office for Project Services	Aga Khan Foundation, The United Nations Office for Project Services	

Proposed Development Objective(s)

Improve access to safe drinking water and irrigation water services in selected rural areas

Components

Component 1: Provision of emergency water supply in identified rural areas
Component 2: Improved surface water irrigation using solar technologies in selected rural areas
Component 3: Technical training and public awareness campaigns
Component 4: 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

Total Project Cost	100.00
Total Financing	100.00
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing	
Trust Funds	100.00
Afghanistan Reconstruction Trust Fund	100.00

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

1. **In response to the 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 WB's Board of Executive Directors supported Approach Paper 1.0 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 donors1. On March 1, 2022, responding to requests from the international community, the Board approved Approach Paper 2.0 ("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 is Recipient Executed grants, decided by the ARTF and made off budget and outside of the involvement of the Interim Taliban administration (ITA), to United Nations (UN) agencies and international non-governmental organizations (NGOs). Approach 2.0 was designed to respond flexibly, based on experiences of early implementation, and informed by strong coordination among development partners.

2. **Approach 2.0 prioritizes partnerships with other funding sources in support of the Afghan people**, including from multilateral institutions like the Asian Development Bank (ADB), European Union (EU), and Islamic Development Bank (IsDB), and the Special Trust Fund for Afghanistan (STFA) managed by the United Nations Development Programme (UNDP); bilateral partners; and international NGOs.

3. **The Bank and ARTF have taken a programmatic approach of engaging in priority basic services**. To date this includes agriculture, livelihoods, health, education, and NGO capacity building. Entry Criteria for Access (ECA) have been designed for each project to ensure the principles of equitable access for women are maintained in any ARTF-financed activities. Together, these five activities were designed to respond rapidly to the situation in Afghanistan and help reduce the need for future humanitarian assistance. Under Approach 2.0, the Bank is currently preparing additional ARTF-financed projects for safe

water access and to support income-generating activities.

4. **Afghanistan's development gains from the past twenty years are now at high risk, with Afghanistan facing a major economic crisis.** The August 15, 2021, political crisis resulted in the cessation of most international aid and all international security assistance. This has led to major disruption to core services and a massive contraction in aggregate demand. The crisis is having impacts on firms and households. Poverty was already high at 47 percent in 2019-2020. Recent data shows that in 2023, about two-thirds of Afghan households could not afford food and other basic non-food items, forcing many adults to engage in low-productivity activities to generate income. Currently, an estimated 20 million people, 46 percent of the total population are acutely food-insecure, while more than 6 million Afghans are on the brink of starvation. The UN estimates that more than 28 million Afghans require humanitarian assistance. Living conditions during the recent harsh winter months appear to have worsened partly because of significant electricity shortages in cities.

Sectoral and Institutional Context

5. **Water is critical to Afghanistan's economic recovery and is an essential public health service; and the lack of access to safe water impacts disproportionally women and girls.** Water-dependent sectors accounted for at least 27 percent of the country's Gross Domestic Product (GDP) before the crisis, and agriculture remains the primary source of livelihood for 70 percent of the population, impacting women and girls disproportionally. Because women and children are primarily responsible for water collection, the lack of access to water affects them disproportionately. Recent research in Afghanistan suggests poor water conditions are also associated with higher maternal mortality.[1] In addition, women's lower access to information related to hygiene and its mitigating measures and their limited participation in social and economic activities due to socio-cultural barriers make them particularly vulnerable. Afghan women have primary responsibility within households for family and child health and household food production. Unsafe water also disproportionately affects girls' access to education and inadequate WASH in schools is a barrier to girls' attendance.

6. **Afghanistan is experiencing a water crisis due to decades of underinvestment in water infrastructure and services and weak sector institutions, calling for the need to engage the private sector across the water-energy-food nexus**. A national drought in June 2021 left 80 percent of the country (mostly rural areas) suffering from severe water scarcity. As of mid-2021, rainfall was 41 percent below the 2012-2019 average.[2] Around 53 percent of the water points went dry, with 35 percent reporting drops in water levels, especially in the arid areas such as Badghis, Ghor, and Faryab provinces.[3] Climate change is making the water situation worse. Afghanistan is ranked 6th in the world as most vulnerable to climate change, and its river basins are among the most vulnerable in Asia, especially the Harirude, Panj-Amu, and Kabul River basins. Projected temperature increases will reduce snow storage, increase

[1] Gon G, Monzon-Llamas L, Benova L, Willey B, Campbell OM (2014). The contribution of unimproved water and toilet facilities to pregnancy-related mortality in Afghanistan: analysis of the Afghan Mortality Survey. Trop Med Int Health, Vol 19(12):1488-99.

[2] National Water Affairs Regulation Authority (NWARA). Hydro-Meteorological Drought Monitoring data. May 2021.

[3] World Vision International, 2021. Drought Rapid Need Assessment for WASH in Ghor, Badghis and Faryab provinces.

evapotranspiration, and shift the temporal distribution of river runoff, putting additional pressure on already strained water resources. Groundwater levels have also progressively dropped across the country. In Kabul, groundwater levels fell from 8 to 45 meters below the surface from 2003-2021. With a very limited per capita storage infrastructure capacity, managing the ever-increasing seasonal and inter-annual rainfall variability and water availability will continue to be a significant challenge for water security and service provision. In this context, beyond leveraging existing functional community-led institutions to restore access to vital drinking water and surface water irrigation services, it is important to help catalyze a market of private energy service companies (PESCs) that can later expand off-grid renewable energy services for productive purposes and income generation in rural areas.

7. **Access to drinking water supply services is inadequate, especially in rural areas.** Water sources are also often available at long distances in rural areas, and supply is typically intermittent, impacting women disproportionally. Only 75 percent of Afghans have access to at least a basic drinking water service – dropping to 66 percent in rural regions. Only 50 percent of Afghans have access to basic sanitation services.[4] Piped water is available for very few: in 2020, the WHO/UNICEF Joint Monitoring Programme estimated the use of piped water supplies among the rural population at just six percent. Even where there is access, the quality of service is poor, especially in rural areas. Reports indicate that 30-40 percent of water points in different parts of the country are dysfunctional for various reasons, such as drying water sources, falling water tables, damage from natural disasters, and poor quality of construction materials and equipment. A recent survey in ten provinces of Afghanistan found that, among households with basic access to water, as many as 77 percent (84.1 percent for rural households) consumed water contaminated with E. coli (HNO, 2017).[5] As per the WHO's surveillance system, between May 1, 2022, and August 27, 2022, there were a total of 141,361 cases (50.3 percent were females) of acute watery diarrhea (AWD) reported across 136 districts in all 34 provinces, with 50 associated deaths.[6] Official reports in Afghanistan indicate that, on average, one in every three schools does not have a facility to access drinking water, and two in every three schools do not have basic sanitation facilities. In addition, three million students/children in Afghanistan had no sanitation service at their school in 2019 (UNICEF, 2020).[7]

8. **Beyond drinking water, irrigated agriculture – the backbone of the rural economy – also suffers from inadequate water supply.** Irrigation covers only about 32 percent of arable land (i.e., 2.5 million ha out of 7.8 million ha), and agricultural water productivity is only US$0.1 per cubic meter, lower than the average in neighboring countries. The irrigation system consists of largely small-scale and community-managed schemes. Its performance depends not only on technology but also on local arrangements, existing social relations, and the local rules and regulations of water service delivery.

9. **Most irrigation systems are in the valley plains and face water supply uncertainties, not only due to seasonal and inter-annual variations in river discharges but also due to constraints in energy supply for pumping.** Only 38 percent of Afghans have access to grid electricity, mostly in urban areas. Grid connectivity for rural areas (where more than 77 percent of the Afghans live) is less than 11 percent. Even for those households with grid access, the supply is sporadic and unreliable due to frequent outages. As a result, most Afghan farmers have not adopted electrical pumping for irrigation.

[4] Data from the UNICEF/WHO Joint Monitoring Program.
https://washdata.org/data/household#!/table?geo0=country&geo1=AFG
[5] Afghanistan Humanitarian Needs Overview 2021
[6] WHO Afghanistan Infectious Disease Outbreaks Situation Report – Epidemiological week #34
[7] UNICEF and WHO (2020). Progress on drinking water, sanitation, and hygiene in school: special focus on COVID-19. UNICEF.

10. **Afghanistan has made some advances in promoting rural electrification, including through mini-grids, community-level micro hydropower, and solar systems.** The World Bank supported the development of many mini-grids in communities across the country, with a focus on micro-hydro projects (MHPs) - notably under the Citizens' Charter Afghanistan Project (CCAP) and its precursor, the National Solidarity Program (NSP). The country is well endowed with solar resources, with the annual 24-hour global radiation average, based on an estimated 326 days of sunshine, evaluated at about 215 watts per square meter. The NSP included 2,450 solar projects promoting rooftop solar panels and solar water heaters, significantly improving access to electricity in remote villages. Today, seven in ten Afghans rely on off-grid energy sources. Most use electricity for lighting, mobile phone charging, and powering radio or television sets. The penetration of productivity-improving technologies (such as solar-powered irrigation water pumping) is still very low, primarily due to limited affordability, lack of financing, and inadequate awareness about the benefits of irrigation solarization. The current model for electrically powered irrigation uses diesel-fueled pumps owned by a single farmer or community (including farmer associations). Although the demand for solar-powered water pumps is expanding, knowledge and capacities are still limited.

11. **Apart from infrastructure gaps, Afghanistan's water sector institutions remain weak and fragmented.** The revised Water Regulatory Law (2020) and National Water Sector Strategy (2012) sought to create a modern framework for the sector, incorporating principles of integrated water resources management. However, the country has been slow to implement the new framework. Sector institutions have not fully adapted to their intended functions, and the sector structure remains fragmented. While the Supreme Council of Water, Land, and Environment (SCoWLE) served as the governing body focused on water resources management, the planning, regulation, and management of water resources were spread across five ministries, with rural water supply belonging to the ITA Ministry of Rural Rehabilitation and Development (MRRD), and urban water services belonging to the national utility of Urban Water Supply and Sewage (UWASS).

12. **Despite weak water institutions at the central level, traditional, community-led institutions have proven to be robust in rural areas.** Non-governmental, community-based organizations such as Community Development Councils (CDCs) are prominent in Afghanistan's WASH service delivery. CDCs are composed of men and women, democratically elected by their communities. Over 35,000 CDCs have been established in 361 districts in Afghanistan's 34 provinces, providing the largest participatory platform for service delivery in an estimated 90 percent of villages in rural Afghanistan. CDCs have been used as channels for local development interventions in Afghanistan, allowing the World Bank and other donor-supported organizations to directly reach the most vulnerable without interacting with the ITA. CDCs continue to function and have proven effective as an entry point for supporting women and have provided a forum for women to engage in decision-making, receive information, and access services.

13. **For the irrigation sector, *Mirabs* – traditional, community-elected "Water Masters" –and Irrigation Associations (IAs) play a key role in water management among rural communities.** There is a Mirab in every irrigation canal who oversees the allocation of water rights (including irrigation), canal maintenance, and distribution and management of water resources among villagers and landholders according to their traditional water rights (*Haqaaba*). IAs are volunteer associations that also manage the provision of water in an irrigation network. IAs were built on the traditional Mirab system and have been established in some parts of the country to allow farmers' representatives to participate in decision-making processes regarding planning the use of water resources and the operation and maintenance of irrigation networks within the river basins.

14. **The renewable energy sub-sector is a shared responsibility between the ITA Ministry of Rural Rehabilitation and Development (MRRD) and the ITA Ministry of Energy and Water (MEW)**. While the ITA MEW oversees the overall policy and master planning development of the energy sector, the ITA MRRD is responsible for the planning, implementation, and management of all off-grid projects up to 500kW. The national power utility Da Afghanistan Breshna Sherkat (DABS) is also active in the off-grid space, although to a lesser extent, through the operation and maintenance of several mini-grids. In addition, most off-grid applications in rural areas are financed and delivered by the private sector. Currently, the ITA MEW issues licenses for private renewable energy companies. Such operational licenses, issued by the previous administration and still valid under the ITA, permit private companies to construct, install and operate off-grid systems. In line with the current Afghanistan Electricity Law, energy service companies that supply below 100 kW of electricity to rural areas are exempted from generation licenses. However, the "Energy-as-a-Service" (EaaS) business model, which has proved robust in rolling out off-grid solar and other renewable energy (RE) technologies in many countries,[8] has had limited application in Afghanistan, to date.

15. **The proposed project will therefore leverage the existing functional community-led institutions to restore access to vital drinking water services and surface water irrigation services in selected rural communities most affected by the 2021 drought.** The project will also pilot the private EaaS business model to support improved surface water irrigation services in these areas and help catalyze a market of private energy service companies (PESC) that can later expand off-grid renewable energy services for productive purposes and income generation in rural areas. The project will be financed by an ARTF grant of US$100 million. The Aga Khan Foundation (AKF) and UNOPS will jointly implement the project over a period of two years. The project will be undertaken against the backdrop of an ongoing drought, deep economic and social crisis, and political instability, resulting in daunting food, health, and water challenges for all Afghans, notably the most vulnerable. Water supply and sanitation have profound human development outcomes and should be prioritized to deliver basic services to the Afghan population. In the longer term, restoring and maintaining water supplies and irrigation will also improve agricultural productivity and help build resilience against droughts.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

16. **The Project Development Objective (PDO) is to improve access to safe drinking water and irrigation water services in selected rural areas.** The PDO outcome indicators are:

- People provided with access to safe drinking water services/of which are females (1,226,880 /613,440)
- Water sampled that complies with WHO standards for bacteriological and physical quality (80 Percent)
- Farmers gaining access to irrigation water services /of which are female (to be quantified within

[8] Cleary, K. and Palmer, K. 2019, Energy-as-a-Service: A Business Model for Expanding Deployment of Low-Carbon Technologies, Resources for the Future

45 days upon completion of the inception period)

17. **The project aims to contribute to narrowing the existing gender gaps in the sector and to meaningfully engage women in project implementation.** Women will be associated at all stages: First, as the main beneficiaries of the project. Second, through community based approach to include women during project implementation. Third, special focus on women is laid out in the design of the project (through the ECAs; social safeguards; and on monitoring level). The project will also leverage the private sector by mobilizing the installation of solar pump systems via PESCs, and place special focus on women-owned and women employing PESCs.

18. **Definitions.** Safe drinking water services is defined as drinking water from an improved source within no more than 30 minutes of roundtrip collection time and is free from fecal and priority chemical contamination.

D. Project Description

19. **Component 1: Provision of Emergency Water Supply in Identified Rural Areas (US$52 million).** This component will finance several emergency interventions in the identified rural areas in extreme and severe drought-affected provinces. Through the construction and rehabilitation of small and medium-scale climate-resilient water supply systems, the project will preserve and improve access to basic water services that make households and communities more resilient to drought and other risks. The project operations manual (POM) will detail the selection criteria for target areas. Consistent with the approach taken under CCAP, this component will leverage provincial and district-level risk profile data and maps from the national multi-hazard risk assessments to inform climate-resilience infrastructure identification and designs. In addition to the risk profile, the selection of locations for Component 1 activities will be coordinated geographically with the ongoing Community Resilience Livelihood Project (CRLP) such that the project prioritizes areas where CDCs are active and inclusive and where women's sub-committees are already engaging in community decision-making.

20. **This component will support short- to medium-term interventions for drinking water provision, including:**

- Development/rehabilitation of water systems, including building new wells equipped with solar-powered pumps and handpumps, water tanks or reservoirs, pipes and distribution networks and household connections for the affected rural communities and rehabilitation and replacement of priority small drinking water supply systems, including water wells, pipes, pumps, water tanks/reservoirs, solar and power generators (if any). Water quality survey will be carried out before well drillings in the target area and each newly drilled well will be tested to ensure the quality meeting the applied standards before installing equipment. Through the CDCs, women will be engaged in decision-making regarding community priorities and the placement of new wells.
- Implementation of a public awareness campaign on the importance of good WASH practices with a focus on women and girls, including the provision of chlorine tablets for households, schools, and health facilities.
- Provision of water supply and sanitation services to critical public institutions and places with a special focus on girl's schools, key health facilities, public places such as markets, bus stations and playgrounds. Where piped water supply is not feasible, water will be supplied through tanker trucks.

21. **At the completion of Component 1, ownership of the installed assets provided as part of the project, including wells, pipes, pumps, tanks (etc.), will be transferred to the CDCs, acting on behalf of the communities.** The CDCs will be responsible for future operation and maintenance of the water supply assets in accordance with local conventions. In terms of schools, health facilities and public markets, the health and education sectors and CDCs will receive ownership and maintenance responsibility of the assets. Evidence from the NSP, the CCAP and UNICEF operations suggests that the operation and maintenance (O&M) in rural community water supply systems mainly relies on (i) tariffs and contributions from users; and (ii) technical personnel arrangement (mechanics) for taking care of the daily O&M, fee collection and dispute resolutions. Mechanics are employed by communities and paid in cash or in kind with the tariffs and users' contributions. According to UNICEF,9 collection of tariffs and contributions is efficient to cover O&M costs as well as some community savings for business development, mechanics working on daily O&M get paid on time with bonus in some cases, based on

performance, and most of the repair parts are readily available in local markets. The reason for such a mechanism functioning is largely owning to the traditional strong community ownership in rural Afghanistan which has remained strong.

22. **Finally, it is to be noted that solar pumped water supply systems have developed exponentially in Afghanistan since 2015, for several reasons.** First, these systems are more reliable and cost-effective in O&M; they are also endorsed by communities, thereby gradually replacing traditional hand-pumped or diesel generator pumped systems. The project will apply this O&M arrangement through the CDC mechanism, with special focus on women sub-committees. In addition, the project will provide training of mechanics and other related personnel through Implementation Partners (IPs), and a tool kit will be provided at the end of the training for daily O&M purposes.

23. **Component 2: Improved Surface Water Irrigation Using Solar Technologies in Selected Rural Areas (US$35 million).** This component will finance the provision of off-grid solar systems and, where applicable energy efficient equipment, to support installation and improved efficiency of surface water irrigation in the selected areas. This will include small civil works related to installation of off-grid photovoltaic (PV) solar panels and associated equipment to energize irrigation pumps and provide connections to existing irrigation canals. These solar powered water pumping systems will be installed to supply surface water for irrigation to meet the needs of farmers in identified rural areas. The size of solar pumping systems will be selected after analyzing the relevant parameters such as irrigation surface, solar irradiation water demand, water source, design flow rate, storage, and location.

24. **This component will pilot the EaaS model by contracting Private Energy Service Companies (PESCs) to carry out the provision of services including the construction, installation, operations and maintenance of solar powered irrigation pumps and associated equipment and services.** Selected companies will be vetted through a process engineered by the Implementing Entity, based on a set of pre-section criteria. The contracting of PESCs will be based on a cost-sharing basis with the project providing 80 percent of capital costs and the PESCs providing the remaining 20 percent (in kind). The Project Implementing Entity will define geographical priority areas, with special attention placed on drought affected districts with available surface water bodies. The Project will pay for O&M costs during the first six months of service. After this period, the project will facilitate the PESC and beneficiary farmer community to reach an agreement on the incremental tariff for O&M. The tariff will gradually increase until reaching the full cost recovery level by the end of year two of the Project. **At the completion of Component 2, the ownership of all assets provided as part of the Project including solar generating equipment will be retained by the PESCs, subject to the satisfactory performance.**

25. **The project, through its Component 2, aims at supporting the establishment and strengthening of a private renewable energy market in Afghanistan.** By contracting and engaging with PESCs, the renewable energy market will grow and consolidate. This piloting process will inform the potential future expansion of support for off-grid renewable power for the provision of safe drinking water, surface water irrigation, cold storage equipment and service for agricultural, medical, and other uses, electricity access, and electricity supply to small and medium business. PESCs are not required to have any substantial and direct engagement with the ITA for implementation of this project. Their only potential engagement would be registration/renewal of their licenses with the ITA Ministry of Commerce and Industry. Similarly, given the market for the services of PESCs is nascent, no intervention is anticipated from the energy sector regulator in the ITA MEW. The proposed inception phase will review in detail the

[9] According to survey conducted in 16 villages and three provinces (UNICEF; 2020).

marketing situation, feasible locations, water availability/sources, social considerations including preserving water rights and appropriate service provision, and socio-environmental impacts.

26. **Specifically, planning, geographical selection and community engagement will be undertaken by the Implementing Entity, in parallel with the screening and selection of PESCs which will provide services and lead on sub-project implementation.** All procurement undertaken as part of the Project will be done centrally by the Implementing Entity. The International Finance Corporation (IFC) will collaborate with the Implementing Entity to assess the possibility to employ the IFC Advisory Services to support the implementation of Component 2.

27. **Component 3: Technical Training and Public Awareness Campaigns (US$3 million).** This component will finance consultancy services to develop and deliver technical training modules for water-related entities with a focus on entities where women participation is still allowed, such as private sector employment and community-level platforms (e.g., women's sub-committees of the CDCs). This Component will aim to build the capacities of technical experts (both male and female) working in water resource planning and delivery. The training will target different levels of management, technical, and other related personnel. Awareness campaigns on both efficient water use and sanitation and benefits of using RE for irrigation will also be carried out. Considering the recent discriminatory policies of the ITA towards women, the project will ensure that training is accessible to female recipients. The project will coordinate with the CRLP and with the Health Emergency Response (HER) Project to deliver trainings to the women's sub-committees of the CDCs, and to ensure that HER female community health workers (nutrition counsellors, community nurses and midwives) are knowledgeable and equipped to educate women and girls on WASH.

28. **Component 4: Implementation Support (US$10 million).** This component will support the costs of the two Implementing Entities (AKF and UNOPS), to manage and oversee the program, including technical support, training, monitoring, and reporting. This component will finance: (i) direct project management and supervision costs required to support project implementation; (ii) general management support and indirect costs and fees for the implementing partners; (iii) project monitoring, evaluation, and coordination at the national and regional levels; (iv) the establishment of a Grievance Redress Mechanism (GRM); and (v) the operation and maintenance of the assets for the duration of the project.

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

29. **Environmental and social (E&S) risks are Substantial.** The main risks relate to potential adverse E&S impacts due to the nature of project activities and given the FCV context of the operating environment and the capacity of AKF and implementing partners to manage such risks. Mitigation measures are detailed in the ESCP, SEP and will be covered in the ESMF. Stakeholder risks are Substantial. The main risks are associated with the varied levels of access to information among the population to ensure their engagement in project activities. The Project will include extensive communication and awareness campaigns to the population to mitigate this risk.

Institutional and Implementation Arrangement

E. Implementation

30. **WERP will be implemented by Aga Khan Foundation (AKF) for component 1 and 3 and UNOPS for component 2, in a coordinated manner. AKF will have its AKF-USA to be the Grant Recipient who will sign the Grant Agreement with the Bank for implementing project components 1 and 3.** To ensure quality implementation and timely response to the project needs, AKF-USA will establish a Project Implementation Unit (PIU) in the country (Afghanistan) with PIU staff positions and qualification satisfactory to the Bank. AKF-USA can mobilize the PIU staff through AKF's global network including those from the regions close by. This PIU is responsible for (i) overall project coordination with UNOSP and other development partners and related parties; and (ii) project implementation including procurement, FM, E&S safeguards, monitoring, evaluation and other project management aspects. AKF-USA will engage AKF Afghanistan (AKF-A) and three other international/local NGOs as implementation partners through the signing of Subsidiary Agreements. These four implementation partners will be responsible for delivering all the Component 1 works and Component 3 WASH Hygiene Kits and public awareness campaigns on the ground. AKF-USA's PIU is responsible for managing the four implementation partners to ensure the Project works and activities be carried out in a timely and quality manner, in compliance with Bank's rules and policies.

31. **UNOPS will be the Grant Recipient to Implement Project Component 2, responsible for overall coordination, screening, selection and contracting of private energy service companies (PESCs), engagement with communities, fiduciary, environmental and social risk management, quality assurance, monitoring and reporting under this component.** A PIU will be established including 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. PESCs are companies already active in the area of renewable energy with experience in implementation of solar projects including supply, installation and operation of solar powered systems. PESCs will be selected by the implementing entity (UNOSP) through a prequalification process to ensure companies with adequate technical, operational and financial capacity are selected.

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