



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 09-Jul-2020 | Report No: PIDA29361



BASIC INFORMATION

A. Basic Project Data

Country Afghanistan	Project ID P174119	Project Name COVID-19 Relief Effort for Afghan Communities and Households (REACH)	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 01-Jul-2020	Estimated Board Date 24-Jul-2020	Practice Area (Lead) Social
Financing Instrument Investment Project Financing	Borrower(s) Islamic Republic of Afghanistan	Implementing Agency Ministry of Rural Rehabilitation and Development (MRRD), Independent Directorate of Local Governance (IDLG), Kabul Municipality	

Proposed Development Objective(s)

To provide emergency support to selected households through communities in project areas during the COVID-19 outbreak.

Components

- REACH Rural: Household Support in Rural and Peri-urban Areas
- REACH Urban: Household Support in Provincial Capital Cities
- REACH Kabul: Household Support in Kabul
- Project Management, Communication, and Monitoring

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	300.00
Total Financing	300.00
of which IBRD/IDA	175.00
Financing Gap	0.00



DETAILS

World Bank Group Financing

International Development Association (IDA)	175.00
IDA Grant	175.00

Non-World Bank Group Financing

Trust Funds	125.00
Afghanistan Reconstruction Trust Fund	125.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

A. Country Context

1. **COVID-19 is already imposing a large social and economic burden on Afghanistan.** As of June 30, the Ministry of Public Health (MOPH) reported 31,517 confirmed cases in the country, with cases reported in all 34 provinces. While the number of confirmed cases and deaths is still relatively low compared to nearby countries, actual infection levels are likely much higher given very low levels of testing, limited access to information (including some social stigma associated with the virus), high percentage of poor and vulnerable households who subsist on daily earnings, constrained access to water and sanitation, weaknesses in health systems, and ongoing violent conflict¹. The recent large influx of hundreds of thousands of people crossing back into Afghanistan from Iran has further exacerbated the situation. The virus and related containment measures, including border closures and the recent lockdown of major cities, has led to: (i) massive disruptions to productive economic activity and consumption; (ii) disruptions to imports, including of vital household items, leading to rapid inflation; (iii) reduced exports due to disruptions at border points; (iv) negative impacts on remittances; and (v) increased fiscal pressures, with government revenues expected to decline by at least 30 percent below budgeted levels. Largely due to COVID-19, GDP is expected to contract by at least 5.5 percent in 2020.

2. **Afghanistan faces several additional challenges and uncertainties over 2020.** Despite the recent signing of a peace agreement between the United States and the Taliban, active conflict between Taliban and

¹ Confirmed cases increased by 674 percent in May, while the country's extremely low testing capacity means many more are going untested and undetected. Informal estimates based on random sample testing in key cities (like Kabul and Herat) however suggest a much higher infection rate among the population (closer to 30-50%).



government forces continues, and there is no clear path to sustained and comprehensive peace. Due to ongoing conflict, a significant portion of the national territory, at least 47 of the 401 or so districts nationwide,² is considered “hard to reach” (HTR) for development interventions. Grants equal to around 43 percent of GDP continue to finance more than 75 percent of total public spending, and around half of budget expenditures. Current civilian aid pledges expire in December 2020 and future levels of grant support are not yet known. Grants may decline rapidly over the coming years due to changing donor priorities and some donors dissatisfied with the pace of anti-corruption and governance reform efforts. Political uncertainties were high in the wake of the 2019 Presidential Elections, but a power-sharing settlement between President Ghani and former Chief-Executive Abdullah was finally reached on May 17, 2020. Fears of broader political destabilization have not materialized to date, but risks remain.

3. **Afghanistan’s economy was fragile even before the COVID-19 crisis.** Growth has averaged only around three percent since 2012, due to the combined impacts of declining grants, increasing insecurity, and political instability. The trade deficit remains extremely large, over 30 percent of GDP, financed mostly by grant inflows. While revenues reached a new high of 14.1 percent of GDP in 2019, more than half of budget expenditure is financed by grants. Short-term priorities for sustainable growth include continued implementation of reforms to improve private sector confidence, mobilize investment, and ensure confidence of the international community. Over the medium-term, reforms should focus on attracting additional investment in agriculture and extractives, to deliver increased employment, exports, government revenues, and growth. To ensure that benefits of growth are maximized, and widely shared, continued investment is required in human capital, regional connectivity, expanded infrastructure, and an improved business regulatory environment.

4. **The poverty rate in Afghanistan has increased markedly from 38 percent in 2012 to 55 percent in 2017, when the last household survey was carried out.** The vast majority of the Afghan population was poor and vulnerable before the arrival of the COVID-19 crisis. The official poverty rate of 55 percent understates the extent of poverty and vulnerability as illustrated by the fact that over 90 percent of the population lived on less than US\$ 2 a day before the crisis. Female-headed households (FHHs) and households with no able-bodied male worker are disproportionately represented among the poor and are particularly vulnerable. The population in FHHs experience moderate to severe hunger more than twice as much as those in male-headed households (24.4 and 10.0 percent, respectively) (ALCS, 2016-17). Poverty co-exists with exposure to a large number of shocks, which disproportionately affect the poor. Shocks that are inherent in a conflict affected country (e.g. forced displacement, disrupted access to markets and basic services, price volatility of consumption staples) are added to high prevalence of food insecurity due to the unique geography of Afghanistan (e.g. droughts, floods, avalanches and infestation of agricultural production). Three in four poor households are affected by at least one shock and 80 percent of them cannot recover from their shocks within one year; many of them need to turn to harmful coping strategies such as the sale of productive assets and taking children out of school for income generation. Women and FHHs are less likely to be able to cope with shocks related to increased food prices and income losses (for example, they are less likely to have savings, assets, and job-related social protection and benefits). The widespread poverty also makes the population especially vulnerable to extreme weather events such as droughts and floods. Drought-induced displacement has reached record levels of nearly 300,000

² Note that there is no agreed exact count of the number of districts in the country. The UN Office of Coordination for Humanitarian Assistance (OCHA) normally prepares the HTR district listing used for development and humanitarian work.



individuals. Economic growth over recent years has barely exceeded the rate of population growth (2.7 percent annually). Per capita incomes will decline substantially over the coming years as the economy contracts in 2020, leading to a likely substantial deterioration in living standards. While new data is not available, poverty is expected to have since increased and deepened since 2017 and the COVID-19 crisis will surely have worsened this (see below).

5. **The COVID-19 crisis is significantly exacerbating the already dire socio-economic situation; the poverty rate is expected to spike from 55 percent to at least 61 percent, and potentially to 72 percent forcing an additional 1.9 to 6 million people into poverty practically overnight.**³ The lockdowns attempting to slow down the spread of the virus also bring economic activities to a halt and destroy income from vulnerable employment. On average over half of all household income, and 2/3rd in urban areas, originate from vulnerable employment sources such as work at small businesses, street or market sales, day labor in construction, agriculture and personal services. These sources of labor income are diminished or being eliminated due to COVID-19 related disruptions; this creates an unprecedented co-variate loss of income shock affecting most households. FHHs will be more adversely affected than Male-headed HHs when these jobs are eliminated because FHHs are already quite vulnerable as noted above. Women are less likely to work than men, and when they do, they are more likely to be in vulnerable employment.

6. **The Government recognizes the need for urgent action and has launched several efforts in this regard.** In a Discussion Note titled - *Responding to the Corona Virus: An Invitation for Discussion* – that was presented by President Ghani to the donor community in late April, an eight-point vision of restructuring ongoing programs and launching new strategic priorities was outlined. The Government proposal notes the importance of the State Response to leverage market forces and manage societal expectations to provide support to households facing both structural and situational risks. As part of this approach, it launched a *large-scale bread distribution program* in Kabul and other provincial cities during the Holy Month of Ramadan using its own budgetary resources. This targeted vulnerable households with free daily bread distribution through umbrella contracts with flour distributors. The Government is seeking support across all donors to work on similar response efforts as outlined in its discussion note. An inter-ministerial task force has been set up under the leadership of President Ghani to manage the overall COVID-19 response efforts and liaise with donors.

7. **For the purpose of planning the World Bank’s support to Afghanistan as the Government tackles the unprecedented health and economic crises resulting from COVID-19, the Bank has conceptualized its response in three interlinked but temporally separate phases: Relief⁴, Recovery and Resilience.** The Bank is working closely with development partners involved in the Afghanistan Reconstruction Trust Fund (ARTF) to restructure investments in the current portfolio and adjust the pipeline of new projects to adapt to the crisis. This proposed

³ April 2020. Based on World Bank (2020) Household Welfare Impacts of COVID-19 in Afghanistan: A Microsimulation Approach [presentation]. Contact: Cesar A. Cancho, Poverty and Equity GP (ccancho@worldbank.org).

⁴ While the impact and progress of the COVID-19 virus is uncertain, it is clear that for the period from July to December, severe restrictions on social mobility (including partial and full city, district, or province lockdowns) are likely to unfold. This period is being referenced as the ‘relief’ phase for COVID-19 response as it will require emergency household level support during a time when food security and income shocks will be the strongest.



project is only one piece of the Bank’s efforts to support immediate relief measures for the coming 6 months and to prepare for recovery and resilience.

B. Sectoral and Institutional Context

8. **The country context and unfolding crisis have made food insecurity and hunger critical concerns.** The United Nation’s Food Security and Agriculture Cluster (FSAC) in Afghanistan estimates that 12 million people (32 percent of the population) face acute food insecurity and need urgent action over June-November 2020; around 4 million are in IPC⁵ Phase 4 “Emergency” and 8 million in IPC Phase 3 “Crisis” food insecurity states. The United Nations has included Afghanistan in a list of ten countries at risk of famine in 2020; and World Food Program (WFP) data indicates rapid food price increases occurred in Afghanistan’s main city markets in April 2020. The updated Humanitarian Response Plan (HRP) for Afghanistan has for the first time included a category of emergency “Social Safety Net Population in Need” (SSN PIN) and estimates this to be 35 million people (over 90 percent of the population) ⁶. Analysis reveals that a common strategy in poor Afghan households to cope with negative shocks is to reduce the quantity and quality of food intake, which has several potential long-term impacts, especially for children. There are also increasing signs of economic suffering through loss of jobs, livelihoods, and other income sources.

9. **Afghanistan urgently needs to address the large co-variate loss of income shock the pandemic is causing through a nation-wide emergency effort that can contribute towards establishing a social safety/protection system in the future.** President Ghani’s 8-point COVID-19 response plan clearly recognizes this need and articulates this in the form of a *National Human Security Program*. While in normal settings, this relief could be made in the form of cash for work/labor intensive public works, COVID-19 makes such a strategy infeasible because of the need to maintain social distancing. Likewise, security concerns and the lack of development of digital money markets limit the ability to use cash except in very specific geographic locations⁷. The country does not possess a single national social safety net or comprehensive resilience building platform that could deliver benefits to households. In addition, access to financial services is limited both in terms of account ownership and access points. Fewer than 2 out of 10 Afghan adults own any type of financial or transaction account (banks, microfinance institutions, mobile money providers). Only 11 percent of the population has received or made a digital payment in a year. Therefore, a flexible and pragmatic approach combining in-kind and cash relief is required that leverages existing structures and programs. This multi-pronged approach mirrors what other

⁵ The Integrated Food Security Phase Classification (IPC) is an innovative multi-partner initiative for improving food security and nutrition analysis and decision-making by determining the severity and magnitude of acute and chronic food insecurity. See ipcinfo.org.

⁶ The HRP notes that inclusion of a figure for people in need (PIN) of a Social Safety Net underlines the reality that humanitarian action is just the first part of a more comprehensive package of urgent measures that is needed from wider development actors to ensure no one is left behind in Afghanistan in 2020 due to the COVID-19 crisis. If these development needs are not met in a timely manner, the group risks slipping into humanitarian need. Anticipatory development funding and action are the key to avoiding suffering and the requirement for more expensive humanitarian assistance.

⁷ As per the 2017 Global Financial Inclusion Index, only 1 percent of the Afghan adult population owns a mobile money account. More generally, financial inclusion levels in Afghanistan are very low, with only 15 percent of the adult population owning a transaction account at any financial institution (banks, microfinance institutions, mobile money providers). This is even lower among low-income households.



countries are doing globally - as of mid-June, 2020, a total of 195 countries/territories have planned, introduced or adapted altogether 1,024 social protection measures in response to COVID-19; 621 of these measures are social assistance interventions including 301 cash transfer initiatives and 116 interventions delivering in-kind benefits.

10. **The country's humanitarian community cannot meet the needs of all people in need of a social safety net.** In the absence of a nation-wide social safety net to help people properly recover from acute needs and repeated shocks, humanitarian agencies (UN and NGOs) provide ongoing emergency support to vulnerable groups to ensure they can lead dignified lives. For example, in the final quarter of 2019, humanitarian agencies were able to reach people with some form of assistance in all but five of the country's 401 districts. While the role of humanitarian agencies in addressing the COVID-19 crisis is crucial, and the Humanitarian Country Team (HCT) is already stepping up its efforts, their mission is more narrowly focused on providing life-saving assistance to those in dire need, rather than providing broad social protection to all those who are temporarily impacted by the current crisis. The Humanitarian Response Plan 2018-21 has been revised in June 2020 with a request for \$1.1 billion to reach 11.1 million people (out of a total 14 million estimated to require humanitarian assistance) who are acutely affected by the Covid-19 pandemic, the ongoing conflict, as well as natural disasters and other sources of vulnerabilities.

11. **Leveraging Afghanistan's longstanding community driven development (CDD) platform is thus critical to manage such a large-scale human security/social protection effort.** Over the last decade, many programs have actively involved local communities in the planning and implementation of development projects through a CDD approach. The furthest reaching and most comprehensive of these programs was the *National Solidarity Program (NSP)* which helped establish *Community Development Councils (CDCs)*. Over a decade and a half, NSP provided the main participatory platform for service delivery in an estimated 90 percent of villages in rural Afghanistan. It was repeatedly called in to be the emergency response mechanism for various shocks (displacement, earthquakes, droughts, etc.) the country faced. Approximately 35,000 CDCs were formed by NSP between 2003-2016 in all rural areas of the 34 provinces. The successor to the NSP, is the Citizens' Charter National Priority Program, with the support of the IDA/ARTF-financed Citizens' Charter Afghanistan Project (CCAP). CCAP is implemented by the Ministry of Rural Rehabilitation and Development (MRRD) in rural areas and by the Independent Directorate of Local Governance (IDLG) in urban areas⁸. The project features several interventions that can be used for COVID-19 responses, most notably the Social Inclusion Grant (SIG)/Grain Banks program that has established almost 10,000 "grain banks"⁹ across the country and became a critical response mechanism during the 2018 drought. These provide food and cash assistance to the most vulnerable households in the community. CCAP also launched a cash for work community asset building program (Maintenance and Construction Cash Grant – MCCG) as part of the emergency response to the 2017 regional displacement crisis.¹⁰ CCAP currently operates only in one third of Afghanistan's 36,000 communities as well as the four major cities of

⁸ CCAP currently operates only in one third of Afghanistan's 36,000 communities as well as the four major cities of Jalalabad, Mazar-i-Sharif, Herat, and Kandahar.

⁹ These grain banks are essentially local reserves used for philanthropic contributions from the community to help the most vulnerable HH in their villages. They aren't 'banks' per se as they only service grants. Also, they often provide more than just grains to needy HH.

¹⁰ MCCG has been in the core of the recent expansion of CCAP services to internally displaced or former refugee Afghan returnee populations through the EZ-KAR project.



Jalalabad, Mazar-i-Sharif, Herat, and Kandahar. CDCs have their own bank accounts, which could be used to deliver cash support to target communities. The proposed operation (REACH) will complement CCAP and provide the same household relief packages in the remaining two thirds of the country except the hard-to-reach districts. Taken together, CCAP and REACH provide the largest and institutionally most capable set-up to provide scaled-up relief to communities and households across the entire country.

C. Proposed Development Objective(s)

PDO Statement:

To provide emergency support to selected households through communities in project areas during the COVID-19 outbreak in Afghanistan.

Key Results

12. The PDO will be measured against three PDO-level indicators, counting the total number of households who are supported by this project. Given the almost universal coverage of households, the gender disaggregation above actually reflects a universal coverage of FHH in the areas covered by the country. Targets for these indicators have been set at 80 percent of total HH estimates in view of the uncertainties of implementation roll-out of the program.

Indicator Name	PBC	Baseline	End Target
Support to Rural and Peri-urban Households			
Households receiving in-kind or cash support in rural or peri-urban areas (Number)		0.00	2,000,000.00
Of which female-headed (Number)		0.00	200,000.00
Support to Urban Households (outside Kabul)			
Households receiving cash or in-kind transfer in urban areas outside Kabul (Number)		0.00	363,000.00
Of which female-headed (Number)		0.00	36,000.00
Support to Households in Kabul			
Number of households receiving cash or in-kind transfer in Kabul (Number)		0.00	500,000.00
Of which female-headed (Number)		0.00	50,000.00

13. The relatively simple PDO indicators reflect the speed with which the project is expected to roll out in the current emergency context. The PDO indicators will be complemented by intermediate-level indicators to



track the speed of delivery, satisfaction of beneficiaries, responsiveness to grievances, and training of project personnel on social distancing protocols to mitigate the risk of contributing to the spread of COVID-19.

D. Project Description

14. **The project has four components based on the geographic coverage of three different implementing agencies already managing relevant projects (i.e., CCAP, EZ-Kar, and KMDP).** This component structure mimics that of CCAP and the EZ-Kar Project and will aid in easy absorption of REACH into existing units within the implementing agencies.

15. **The REACH project targets all households in Afghanistan with incomes of US\$2 per day or lower, twice the national poverty line.** This broad coverage, covering an estimated 90 percent of households in targeted communities (with local flexibility), is required to assist households to withstand the impacts of the temporary disruptions to daily economic lives caused by the COVID-19 crisis and to encourage them to follow the social distancing norms. To efficiently identify and exclude a minimal proportion of wealthy households who do not require support, the project will adopt an approach called “Targeting from the Top”. In this approach, a combination of objective and subjective criteria is identified in advance that can be easily and quickly assessed without any interaction with the household in question. Distribution of relief packages will follow internationally accepted good practice regarding composition of a nutritious food basket (including carbohydrates, protein, and fat) as well as hygiene and social distancing based on the varying contexts in different parts of the country.

Component 1: REACH Rural - Household support in rural and peri-urban areas (\$158 million)

16. **This component will provide relief support to an estimated 2.5 million households in 275 districts, which include the peri-urban areas outside the municipal boundaries of Kabul and 14 provincial capitals.**¹¹ These are districts where CCAP is not currently operating, and where IDLG does not operate as they fall outside of municipal boundaries. The coverage area of this component (as with the rest of the REACH project) includes 47 HTR districts where the Government has limited access due to ongoing security concerns, but which have been included so as to have full national coverage for the combined REACH + CCAP effort. The potential Inter-Afghan Negotiations will potentially pave the way for delivery in these areas. The component will be managed by the MRRD through the existing CCAP project implementation unit (PIU) and with support of NGO facilitating partners (FPs)¹².

17. **The benefit amount will be indexed at AFN 4000 (approx. US\$50 equivalent) per household in one tranche, delivered in-kind through a standard relief package that will include essential food staples and hygiene products.** The package has been selected based on the calculation of 50 percent of monthly food ration of an average Afghan household¹³. The option of a cash transfer was considered, but dropped on account of (a) security concerns with carrying large amounts of physical cash in rural areas; (b) higher fiduciary and corruption risks with cash; and (c) gender and usage considerations - it is highly likely that men will be the ones who decide

¹¹ Note that the other 19 provincial capitals are covered by CCAP.

¹² There are currently 14 FP consortiums comprising both international and national NGOs (e.g. Agha Khan, Oxfam, BRAC, CARE, DACAAR, Swedish Committee for Afghanistan, AfghanAID, etc.) that support the implementation of CCAP. It is expected that a majority of these, as well as other NGOs engaged in cash/food delivery will be contracted as FPs for REACH.

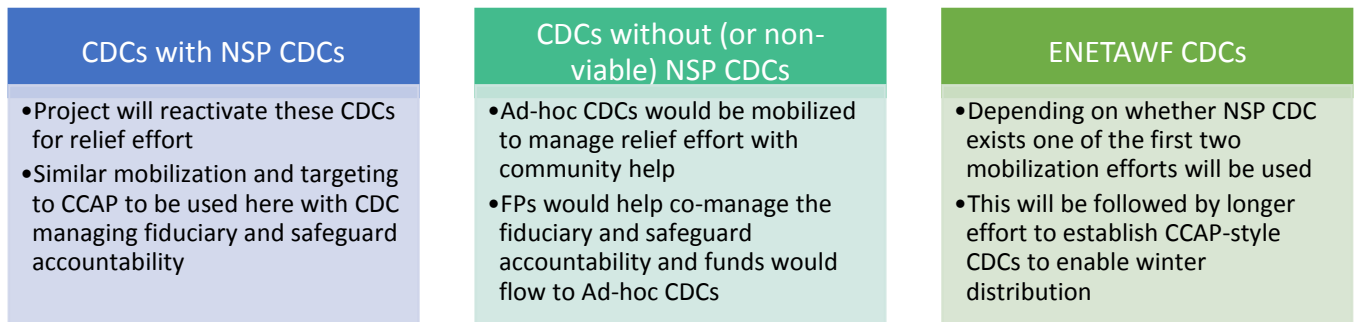
¹³ This is also similar to the base food package used by the Humanitarian Food Security and Agriculture Cluster in Afghanistan to guarantee a 2000 calorie balanced nutritional diet to a family of seven.



how to use the cash in the HH, and women may not benefit. The early experience under CCAP of transferring the social inclusion grants in cash showed that these risks did materialize. Therefore, the rural transfers will be done in a single in-kind tranche,¹⁴ with cash allowed only on an exceptional basis. Also, as female-headed households (FHHs) are more vulnerable to economic shocks, ensuring that all FHHs receive benefits under this project will be prioritized under all three implementation modalities. This will be done by ensuring that at least a quarter of all field staff are female. All mobilization efforts during delivery that involve women will be done through these female staff. Since FHH are all likely to be vulnerable, the universal targeting of the project would ensure that all FHH in the country are covered through the combined REACH+CCAP effort. In districts with high food insecurity, the forthcoming ENETAWF project will provide continuing support during the upcoming lean season and beyond.

18. **There are three separate implementation modalities that will be adopted, reflecting variations in existing community-level structures that can be used for implementation across the coverage area.** The figure below provides a quick summary of these three implementation modalities that will be used to differentiate the approach used in specific communities under the component. All three modalities will require the support of agencies to serve as FPs, similar to those used by CCAP. The delivery mechanisms will include measures to ensure that women and FHHs are able to access the relief to the same extent as men and MHHs. These measures include, among others, tailored outreach to women to inform them about the program as well as the health risks associated with COVID-19, and the engagement of female delivery staff.

Figure 01: Three implementation modalities for REACH Rural



Component 2: REACH Urban: Household Support in Provincial Capital Cities (\$56 million)

19. **This component will provide relief support to an estimated 453,000 households (approximately 90 percent of total households) in 14 Provincial Capital Cities (PCCs)¹⁵.** This includes approximately 1.45 million returnees based on estimates by the International Organization for Migration (IOM), many living in settlement

¹⁴ The exceptional basis on which cash would be included requires an official request by the CDC and confirmation by the district governor. The criteria for eligibility include (a) geographic situation – e.g. very remote villages; (b) road access situation (e.g. can trucks not reach) and transport costs for food delivery from market; and (c) very specific consumption patterns (e.g. Kuchi communities who may not agree/want the proposed in-kind package). No cash option would be given in insecure districts even if the above criteria applied.

¹⁵ The 14 provincial capitals covered by Component 2 are: Qala-i-Naw (BADGHIS), Mazar-i-Sharif (BALKH), Bamyan (BAMYAN), Chaghcharan (GHOR), Hirat (HIRAT), Kandahar (KANDAHAR), Mahmudi Raqi (KAPISA), Jalalabad (NANGARHAR), Zaranj (NIMROZ), Paroon (NURISTAN), Gardez (PAKTYA), Bazarak (PANJSHER), Chaharikar (PARWAN), Aybak (SAMANGAN). The remaining 19 provincial capital cities, except Kabul, are wholly covered by CCAP.



camp. Based on the underlying principle of near-universal coverage, approximately top 7 percent of affluent households will be excluded from the coverage using pre-determined standard exclusion criteria.

20. **A relief package worth a total of US\$100 will be distributed to each eligible household in two tranches.** The first tranche of AFN 4000 (approx. \$50 equivalent) per household will be transferred to all eligible households through Community Development Councils (CDCs), Gozar Assemblies (GAs),¹⁶ and Ad-hoc COVID-19 CDCs (Ad-hoc CDCs). Each CDC, GA, and Ad-hoc CDC will distribute the relief package to its constituent eligible households either in-kind (based on a standard relief package that will include essential food staples and hygiene products) or in cash, based on the preference of communities and subject to local circumstances based on pre-determined criteria (e.g. . pre-existence of NSP CDC or UN-Habitat GA; security of the area and the trip between the bank and the community does not require travel through insecure areas; ability to distribute cash within the same day of the withdrawal). The second tranche of AFN 4000 (approx. \$50 equivalent) per household will be rolled out later in 2020 (depending on the trajectory of the crisis), which will also be distributed to each household likely fully in cash. Application of the mobile money technology will also be explored for the second tranche to the largest extent possible (subject to feasibility).

21. **This component builds on the community-driven implementation modality of CCAP and will also directly engage local small and medium enterprises (SMEs) for in-kind distribution where selected.** The implementation of this component will be coordinated by the IDLG's combined CCAP/EZ-Kar PIU at the national level. In places where CDCs established by NSP or UN-Habitat exist, those CDCs will be mobilized. Where CDCs do not exist but GAs established by UN-Habitat exist, those GAs will be mobilized with the support of FPs. Where neither CDCs nor GAs exist, temporary CDCs/GAs (Ad-hoc CDCs) will be established for REACH. CDCs and GAs already include women representatives, and even in these temporary Ad-hoc CDCs, women's participation will be considered. These CDCs, GAs, and Ad-hoc CDCs will be supported by FPs for the identification of households, community procurement, financial management, and monitoring. The CDCs/GAs/Ad-hoc CDCs will first prepare an "Emergency Relief Household List" at the community level. Municipalities will review, clear, and aggregate these lists. Each CDC/GA/Ad-hoc CDC will open a bank account to receive the Emergency Relief Grants from the Project. The Project will then disburse the Emergency Relief Grants to these bank accounts, based on the information provided in the "Emergency Relief Household List". Using the grant money, each CDC/GA/Ad-hoc CDC will, based on their choice and the application of eligibility criteria, either distribute cash to each of the households on the list or purchase a standard package of food/sanitation commodities worth US\$50 per household for the aggregate number of target households for the first tranche using standardized framework contracts. These contracts will use pre-defined prices for commodities to ensure uniformity and to guard against price rises.¹⁷ Where possible, the transport and delivery of the packages to the households would be included in the contracts (on top of the US\$50 packages) with the suppliers (who can subcontract delivery service providers); where not, CDCs/GAs/Ad-hoc CDCs can contract the delivery service providers separately. While door-to-door

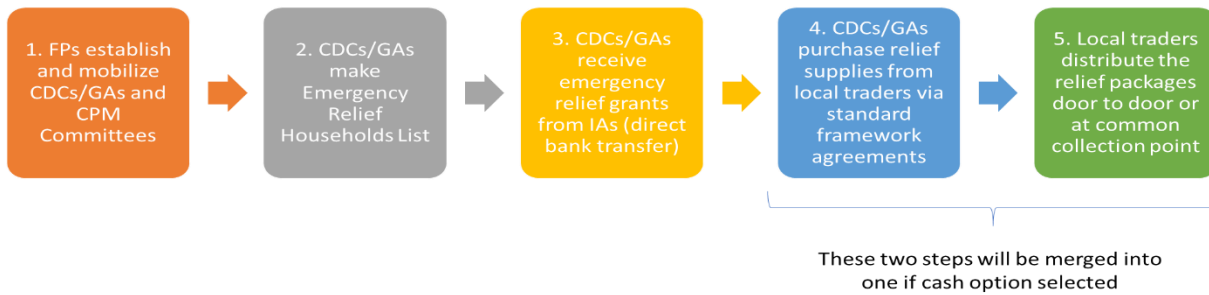
¹⁶ Gozars are sub-district level administrative units. GAs are elected bodies at Gozar level usually constituted through CDC representatives.

¹⁷ The project will track food prices through provincial offices as well as data from the ongoing food market monitoring (JMMI) by humanitarian partners. At national level, the Government intends to enter into a MOU with major food price suppliers to ensure continuity of food supply.



distribution will be the default modality for both cash and in-kind for the first tranche so as to avoid large crowds and maintain social distancing norms, households in select neighborhoods may receive the in-kind packages at designated collection points while observing social distancing. CDC/GA/Ad-hoc CDC members, local mosque representatives, Community Participatory Monitoring (CPM) committee members, and FPs will accompany the delivery service providers to verify every delivery. Wakil Gozars, Nahia, and Municipality staff will also monitor the delivery on an extensive-sample basis. The ARTF’s Third Party Monitoring Agent (TPMA) will also monitor/verify delivery on a sample basis.

Figure 02: Step-by-Step Delivery Process for in-kind delivery in PCCs



22. **For the second tranche, digital cash transfers will be considered in select urban areas, only where feasible.** While mobile money is desirable based on other countries’ experience¹⁸, the prerequisites are not yet in place in Afghanistan for mobile money to become the main delivery modality at the scale of REACH. First, mobile money is not well-established in the country. As per the 2017 Global Financial Inclusion Index, only 1 percent of the Afghan adult population owns a mobile money account. Mobile money accounts would need to be opened for a large number of beneficiaries to receive their cash benefits, provided that they are able to present the necessary beneficiary identification document. During the first tranche, the component’s implementing arrangements will therefore, seek to lay the ground for digital payments under the second tranche, through robust beneficiary identification and data collection (including mobile number and national ID ownership, with attention to women). Second, the network of agents and retail merchants that accept mobile money is currently very limited. Based on available information on agent network distribution in all 14 PCCs, the beneficiaries-to-agent ratio currently ranges from 450:1 to 2700:1, which is very high compared to cities where the existing digital payment infrastructure was successfully leveraged to deliver social benefits during the COVID-19 crisis. Through close coordination with the Payments Automation and Integration of Salaries in Afghanistan (PAISA) project,¹⁹ the ability to deploy mobile money for the second tranche will depend on (i) the number of

¹⁸ Experience from other countries and a few small-scale pilots in Afghanistan indicate that potential benefits of direct mobile-based cash transfer include reduction of program delivery costs; minimization of fraud and leakage risks; financial inclusion for the most vulnerable who would otherwise not have access to the formal financial services; and, from a welfare perspective, improved flexibility and choice for HH to use relief for their most pressing needs. In terms of viability, small-scale efforts by humanitarian agencies to transfer cash to their beneficiaries using mobile money in Afghanistan have proven generally reliable, targeted, secure, and cost-effective.

¹⁹ Payments Automation and Integration of Salaries in Afghanistan (PAISA) project supports the development of the digital payment ecosystem including through unique identification of government payment beneficiaries and scaling-up of mobile money agent network.



households that own an acceptable ID for receiving mobile money transfers in select PCCs; and (ii) mobile money operators (MMO)'s capacity to expand the network of cash-out points in these PCCs, while maintaining cost-efficiency and program delivery standards. In cases where mobile cash transfers are not feasible for beneficiary households in the second tranche, alternative modalities for the delivery of in-kind or physical cash relief to households will be implemented along the lines of what was done in the first tranche.

Component 3: REACH Kabul: Household Support in Kabul City (\$78.5 million)

23. **This component will provide relief support to approximately 629,000 households (approximately 80% percent of total households) in Kabul Municipality (KM).** Following the same modality and exclusion criteria as Component 2, it is expected that nearly 20 percent of affluent households will be excluded from the coverage, as Kabul has higher proportion of better-off households. A relief package worth a total of AFN 8000 will be distributed to each eligible household in two tranches. Each tranche will be AFN 4000 (approximately US\$50 equivalent) per household. The contents of relief packages and tranche distribution timings will be the same as Component 2.

24. **This component will be implemented by KM through a community-driven implementation modality.** KM has experience working with various community groups. Recently, KM worked with vulnerable groups, Masjed Shuras, Wakil Gozars, women groups/representatives and others, to deliver the Government's bread distribution program. Building on this, KM will mobilize ad-hoc COVID-19 Gozar Councils (GCs) to identify eligible households and distribute the relief packages with support of KMDP PIU, Facilitating Partners (FPs), local Masjed Shuras and communities. FPs will provide additional support for identification of households, community procurement, financial management, and monitoring. The GCs will first prepare an "Emergency Relief Household List (List)" at the Gozar level. KM will review, clear, and aggregate these lists. Each GC will open a bank account to receive the Emergency Relief Grants from the Project. Using the grant money, each GC will contract local suppliers (and local delivery service providers if needed) and distribute relief packages to eligible households. While door-to-door distribution will be the default modality, households in selected neighborhoods may receive the packages at designated collection points while observing social distancing. GC Representatives, FPs, local Masjed Shuras and other community representatives will accompany the local suppliers (or local delivery service providers) to verify every delivery while maintaining social distancing. KM District Offices and KMDP PIU will also monitor the delivery on an extensive-sample basis, along with the Third-Party Monitoring (TPM) agents.

Component 4: Project management, communications and monitoring (\$7.5 million)

25. **This component will support the three implementing agencies with: (i) Project management and Institutional Support; (ii) Dedicated Strategic Communication; (iii) Grievance Management and (iii) Project monitoring support, including safeguards compliance monitoring.** The three agencies will work together to ensure that communications, grievance management and monitoring are closely coordinated to report jointly on a single Results Framework and to ensure that public communications are aligned.

26. **The REACH project will not establish dedicated Project Implementation Units (PIU) in any of the three implementing agencies (IAs).** In order to forgo this time-consuming activity and to hasten the roll-out of this emergency relief effort, the project will leverage the existing capacity of existing PIUs from other Bank projects



in the three implementing agencies. Both the MRRD and IDLG have dedicated PIUs for CCAP and the KM has a dedicated PIU for the Kabul Municipality Development Project (KMDP). Overall coordination across these three IAs will be done by the President led inter-ministerial COVID-19 Response Task Force. The REACH project will supplement these existing PIUs and the CCAP regional offices with additional human and financial resources to allow them to undertake the additional responsibilities of the REACH project. The component will also finance essential goods for efficient and safe benefit delivery, such as smartphones and personal protective equipment for staff of the implementing agencies.

27. The project will finance the development and implementation of a robust communications strategy and full-scale awareness-raising campaign supported by a working group comprised of MRRD, IDLG, and KM communication staff. Transparency and accountability will be at the center of the communication approach and link back with grievance channels. The objective is to ensure that every Afghan citizen, and especially women, are aware of the COVID-19 socio-economic relief effort (which comprises efforts by REACH, CCAP, and humanitarian agencies). In particular, the awareness campaign will ensure that the population is aware of their entitlements and responsibilities under the COVID-19 relief campaign, covering the following: (i) Eligibility for COVID-19 relief package (who will receive a transfer and who will not); (ii) Timeline of COVID-19 relief effort (when to expect a transfer); (iii) The amount, form, and contents of the relief transfer (what will be offered); and (iv) How to get more information or lodge a grievance. The relief effort will be clearly branded as a GoIRA initiative, with implementation responsibility for MRRD, IDLG, and KM in their designated geographies. The communications have also been coordinated with the humanitarian community so that there is no confusion or misunderstanding associated with the roll out of REACH alongside humanitarian programs.

28. The Government will monitor the project at the provincial, municipal and national levels. At the provincial and municipal levels, the internal monitoring teams of MRRD, IDLG, and KM will observe the distribution of assistance on a sample basis. At the national level, call centers will be established by IDLG, KM, and MRRD to conduct phone surveys of beneficiaries of REACH and community participatory monitoring members, contacting approximately 1600 HHs/respondents per day. Each IA will also conduct its own physical monitoring. Results of the monitoring will be posted regularly on Government websites. Facilitating partners engaged under any of the components will also conduct routine monitoring and spot-checks to ensure adherence to the protocols in the Operations Manual.

29. The data collected during the distribution of relief packages, as well as community-level information such as the type and quantity of food items distributed and the receipts of purchase, will be uploaded into a Management information System (MIS). Rather than develop a new MIS from scratch, the REACH project will rely on a module to be added to the existing CCAP MIS and KMDP MIS. Data collected on paper will be transported to the nearest CCAP regional office for entry by existing trained MIS officers. Data collected on smartphones will be uploaded nightly to cloud-based servers. Data from all three IAs will undergo quality control checks by the CCAP MIS team in Kabul. The REACH project will finance supplemental MIS personnel to allow the CCAP MIS team to efficiently process the large volume of additional data generated by the REACH relief effort.

30. The Component would have three sub-components (one for each IA). These will cover project management, communications and monitoring for MRRD (Sub-Component 4A), IDLG (Sub-Component 4B) and KM (Sub-Component 4C). The subcomponent activities will maximize alignment of the communications and



monitoring under REACH with those under CCAP and KMDP that already exist. Additional project personnel for the existing CCAP PIU within MRRD/IDLG will include M&E and MIS staff at national and municipal levels that may be required to absorb the additional responsibilities and data processing for REACH. The sub-component will also finance each IA’s activities to support the communications campaign and any costs associated with expansion and improvement of the existing CCAP MIS to document and monitoring the REACH project (including the alignment of the KMDP MIS with that of CCAP).

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

A. Institutional and Implementation Arrangements

31. **The overall coordination for COVID-19 response efforts is led by an inter-ministerial task force led by the First Vice President.** The task force includes several key line ministries, including the Ministry of Finance, Ministry of Commerce and Industry, IDLG, MRRD, NSIA, the Ministry of Public Health, Kabul Municipality, etc. This task force also coordinates on a regular basis with the network of Provincial Governors and Municipal Mayors on overall COVID-19 response efforts and obtains situational information across the country. As the REACH project will be anchored within the overall Government relief and response efforts (including the bread distribution program), it will be overseen through this high-level strategic coordination body.

32. **In terms of specific implementation architecture, the project will leverage existing national and sub-national implementation capacities to ensure a rapid rollout.** The project’s component structure has been purposely set up to align with implementation responsibilities as follows:

- (a) In *rural areas*, the MRRD will be the lead implementing agency, with the CCAP project implementation unit (PIU) in charge of overall project management functions (e.g. procurement, financial management, M&E, safeguards, etc.). They will work through a network of civil society facilitating partners (FPs) who will be selected based on their presence/ongoing work in different provinces as well as relevant experience in similar relief work.
- (b) In *urban areas outside Kabul*, the IDLG will lead implementation through the joint CCAP-EZ Kar PIU situated there. They will collaborate closely with the Municipalities/Mayors’ offices in all the non-capital cities covered as well as community level institutions (like CDCs and Gozar Assemblies) as well as religious and civil society representatives (e.g. Mullahs, youth and women representatives) for mobilization, household identification, and monitoring purposes. Actual supply of relief packages and distribution will be done through local associations of wholesale and retail businesses as part of the Government’s effort to ensure that the relief efforts in cities support the private sector as well.



- (c) Finally, in *Kabul*, KM will lead implementation with support of the PIU for the Kabul Municipal Development Project (KMDP). The roll-out in Kabul will be similar to other urban areas but rely on the implementation architecture of ad-hoc Gozar councils established under the Government's Ramadan bread distribution program.

33. **The project will also work in close coordination with the Afghanistan Humanitarian Country Team (HCT).** The HCT has issued a 2020 mid-year update (in June 2020) to the Humanitarian Response Plan (HRP) 2018-2021 to incorporate the COVID-19 response. This will largely be financed through direct bilateral financing and the Afghanistan Humanitarian Fund (AHF). The project will therefore work closely with the HCT partners (including UN Agencies) to coordinate roll-out of relief packages, to avoid duplication of effort or confusion among beneficiaries.

B. Results Monitoring and Evaluation Arrangements

34. **The Results Framework for the project is presented in Section VII of the PAD.** In line with the streamlined project design and need for efficiency, the Results Framework has only three PDO indicators all focused on the number of households reached with an emergency relief package either in-kind or in cash, with gender disaggregation of household headship. The straightforward PDO indicators belie the scale and complexity involved in providing emergency relief to approximately 90 percent of the country. Because the project has budgeted for additional households as a precaution due to uncertainty around population numbers, the PDO targets are set to 80 percent of the household targets stated in Section II (Project Description). To complement these ambitious targets, the Results Framework includes intermediate-level indicators to track for example the number of communities reached within 6 months, percent of grievances resolved, and beneficiary satisfaction. The responsibility for tracking and reporting on all results lies with the three implementation agencies.

35. **Strong monitoring mechanisms will be put in place to assess project performance as well as social impacts.** At the community level, community participatory monitoring (CPM) committees will be formed or re-activated in previous NSP locations. In addition, to increase transparency and oversight, local trusted leaders such as *mullahs* and village elders as well as women and youth will monitor the preparation process and distribution of assistance and report if there are vulnerable or female-headed households being excluded. Grievance redress mechanisms (GRMs) are also being strengthened to respond to inquiries and complaints.

36. **The Government will monitor the project at the provincial, municipal and national levels.** At the provincial and municipal levels, the internal monitoring teams of MRRD, IDLG, and KM will observe the distribution of assistance on a sample basis. At the national level, call centers established by the KM, MRRD and IDLG monitoring teams will conduct phone surveys of beneficiaries and community participatory monitoring members, contacting approximately 1600 HHS/respondents per day both during and after the distribution. Results of the monitoring will be posted regularly on Government websites, and any identified issues will be followed up by project management. Facilitating partners engaged under any of the components will also conduct routine monitoring and spot-checks to ensure adherence to the protocols in the Operations Manual. The data collected during the distribution of relief packages, as well as community-level information such as the type and quantity of food items distributed and the receipts of purchase, will be uploaded into a Management Information System (MIS) and audited.



37. **The Bank will also engage in monitoring to supplement the efforts of the Government.** The Bank has an existing contract with a Third-Party Monitoring Agency (TPMA) for all projects financed by ARTF and IDA in Afghanistan. The TPMA will engage in independent monitoring of the REACH project, both in-person to observe the distribution and by phone. Furthermore, as part of a global effort across CDD programs to conduct rapid social impact monitoring related to COVID-19, the Bank will contract a firm to conduct periodic phone surveys of male and female CCAP CDC members (who are spread throughout all provinces) to assess knowledge, attitude and behaviors and assistance to vulnerable groups as well as social unrest related to the pandemic.

C. Sustainability

38. **Sustainability of benefits: While REACH is designed as a rapid emergency response operation REACH, to the extent the relief allows the households to avoid negative coping methods such as indebtedness, unwanted sale of assets, or severe malnutrition due to the crisis, the beneficial impact of the relief will be sustained.** The aim is not to address chronic poverty but temporary loss of income and livelihoods. The intervention itself is not expected to be continued beyond the delivery of the benefits during short duration (one or two tranches), unless the severity and duration of the COVID-19 crisis lasts much longer than expected and cannot be addressed through ongoing longer-term projects. For those in dire economic situations, including those with crisis or emergency-level food insecurity, would require continued humanitarian assistance in addition to the relief package delivered through this project.

39. **Sustainability of institutions:** The intervention is not creating or relying on delivery mechanisms that need to be sustained over time because the urgency of the response requires mobilization of one-off arrangements that are quicker to set up and operate but may be less efficient and/or reliable for regular social protection delivery. That being said, by working through existing implementation structures and by investing in reviving or establishing the community institutional structures in areas that would be covered by the ENETAWF project, the project is contributing towards the longer-term goal of developing of a sustainable system for social protection benefit delivery in Afghanistan. This effort would expand the overall catchment of the Citizens' Charter program beyond what is currently in CCAP. Likewise, the potential mobile cash delivery mechanism will create an institutional platform for public-private partnership in the future. And finally, the humanitarian-development cooperation that REACH is establishing in the roll-out of this unprecedented national relief effort creates a precedent for much better coordination of emergency response for Afghanistan in the future, thus operationalizing the humanitarian-development nexus in a very direct way.

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