



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 08-Jan-2024 | Report No: PIDA37219



BASIC INFORMATION

A. Basic Project Data

Country Afghanistan	Project ID P181622	Project Name Additional Financing for the Afghanistan Community Resilience and Livelihoods Project	Parent Project ID (if any) P178760
Parent Project Name Afghanistan Community Resilience and Livelihoods Project	Region SOUTH ASIA	Estimated Appraisal Date 08-Jan-2024	Estimated Board Date 15-Feb-2024
Practice Area (Lead) Social Sustainability and Inclusion	Financing Instrument Investment Project Financing	Borrower(s) UNOPS	Implementing Agency UNOPS

Proposed Development Objective(s) Parent

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

Components

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

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	150.00
Total Financing	150.00
of which IBRD/IDA	80.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	80.00
IDA Grant	80.00
Non-World Bank Group Financing	
Trust Funds	70.00
Afghanistan Resilience Trust Fund	70.00
Environmental and Social Risk Classification	
Substantial	

Other Decision (as needed)

B. Introduction and Context

Introduction

This Project Paper seeks approval for an Additional Financing (AF) for the Afghanistan Community Resilience and Livelihoods Project (CRLP) in the amount of US\$150 million, divided into two tranches with a first tranche of US\$70 million from the Afghanistan Resilience Trust Fund (ARTF) and a second tranche of US\$80 million from: (a) the International Development Association (IDA), subject to Afghanistan Approach Paper 3.0; or (b) in the absence of IDA at the time of the second tranche, from available ARTF. As was the case prior to 2021, all projects financed by both ARTF and IDA will follow the ARTF approvals process to allocate ARTF and IDA will be approved by the Board of Directors. The CRLP was approved and became effective on April 29, 2022. The Project Development Objective (PDO) is to provide short- term livelihood opportunities and deliver urgent essential services in rural and urban areas. The Project has five components: Component 1: Emergency livelihoods support and services in rural areas; Component 2: Emergency livelihoods support and services in urban areas; Component 3: Social grants for women and the most vulnerable in rural and urban areas; Component 4: Strengthening community institutions for inclusive service delivery, especially for women; and Component 5: Implementation support. The CRLP works in all six regions of the country, 26 of the country’s 34 provinces, 67 rural districts, 6,220 rural communities, and eight major cities. For this AF, CRLP will: scale up geographically in rural and urban areas; offer more livelihood opportunities for women; expand its climate resilience activities; and provide employment and services to Afghan returnees. The AF is processed under Condensed Procedure as per the Bank Procedure on Preparation of Investment Project Funding for Projects in Situations of Urgent Need of Assistance or Capacity Constraints and paragraph 12 of Section III of the Bank Policy on Investment Project Financing.

Country Context

In response to the events of August 15, 2021, in Afghanistan, the World Bank (WB), ARTF donors, the Global Financing Facility for Women, Children and Adolescents (GFF), and international partners have found pragmatic



ways to provide support for essential basic services to the Afghan people. On March 1, 2022, the WB Board approved Approach Paper 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 outcomes. A key element of this support is Recipient-Executed (RE) grants to United Nations (UN) agencies and international non-governmental organizations (INGOs). To ensure the principles of equitable access for women and women's participation in project activities, Entry Criteria for Access (ECA) have been included for each project. The World Bank has led a coordinated aid response, pooling donor resources, and supporting critical service delivery. The nationwide at-scale design allowed projects to respond quickly to crises like the Herat earthquakes and the increased repatriation of Afghan returnees.

The international aid response helped maintain core services for the Afghan people and mitigated the humanitarian crisis but will be difficult to sustain in the context of expected aid declines, restrictive ITA policy positions and a depressed economy. Development gains made over the last two decades are eroding. Employment opportunities and incomes remain inadequate. One in two Afghans is poor and about two-thirds of households cannot afford food and other basic non-food items, forcing many adults to engage in low-productivity activities to generate income. Currently, an estimated 15.3 million people are acutely food-insecure while more than six million Afghans are on the brink of starvation.

Sectoral and Institutional Context

To make ends meet and cope with the economic contraction, Afghan households have mobilized extra labor, mainly among youth and women. Among working-age males, labor force participation increased from 69 percent in April-June 2020 to 86 percent during the same months of 2023, with the increase being particularly strong among young and elderly men. Interestingly, the expansion in economic activity was even more substantial among working-age women, with labor force participation increasing by a factor of three when compared to the corresponding period in 2020. Irrespective of their age, and despite recent Taliban edicts restricting women's movements, a much higher share of women are now engaged in economic activities to support their households and make ends meet. However, the overall increase in labor supply has outpaced demand, doubling unemployment. With close to one in three young males currently unemployed, the challenge is not only economic but could have wider implications for stability and social cohesion in the country.¹

The increase in economic activity among women is related to the expansion of home production, particularly small-scale and home-based manufacturing activities. Not surprisingly, given the slack in labor demand and the additional constraints on women's economic activity imposed by the Taliban administration, the increase in female economic activity has mostly taken place within home boundaries. The sectoral composition of female employment has substantially changed compared to the period prior to the Taliban takeover, with an increasing number of women employed in the manufacturing sector, particularly in garment and food processing activities. The change is especially noticeable in rural areas, where the share of women employed in manufacturing (this includes home-based production) increased from 15 percent in the April to June period of 2020, to 39 percent in the corresponding months of 2023, at the expense of a decline in the share of employment in agriculture.² Among women working in manufacturing, virtually all work out of their own house (home-based work represents 96 percent of total employment in manufacturing).

¹ See the World Bank's October 2023 Afghanistan Welfare Monitoring Survey.

² Ibid



Afghanistan, as one of the most vulnerable countries globally, faces exacerbated challenges due to climate change. Afghanistan ranks fourth on the list of countries most at risk of a crisis (INFORM Risk Index 2023), and eighth on the list of countries most vulnerable and least prepared to adapt to climate change (Notre Dame Global Adaptation Index). Between 2000 and 2023, the country has encountered 126 climate-related disasters (droughts, floods, landslides, heat and cold waves, and storms), amounting to over 32 million people affected, a total of 6,789 deaths, and over US\$227 million economic damages. In addition, the country suffers from geophysical hazards. Earthquakes in 2022-2023 in Kunar, Paktika, Badakhshan and Herat provinces have killed thousands of people especially in remote, rural areas of the country. The climate change impacts, while significant already, are projected to worsen and set back socio-economic development, affecting food and water security, health and well-being, and peace-building efforts.³ Afghanistan faces major challenges in its water and agriculture sectors due to climate change, notably with issues like water scarcity and drought, leading to reduced agriculture productivity, land degradation, and worsen water and food insecurity in both rural and urban areas.⁴ Extreme weather and climate events, such as floods and rainfall induced landslides, pose threats to sustainability of already scarce rural and urban infrastructures (e.g., roads, streets, education and health facilities, irrigation channels, community drainages), serving as lifeline for people's livelihoods. It has been observed that climate change adversely impacted Afghani's livelihood opportunities and causing internal displacement and conflict due to shortage of natural resources. Furthermore, Afghanistan is confronted with challenges associated with inadequate capacities on disaster monitoring and early warning as well as a shock-responsive safety net that are essential for disaster risk management. The adverse impacts of climate change and geophysical hazards are harsher on vulnerable population, including women, children, elderly, displaced people, and people with disabilities.

Adding to the multiple crises that Afghanistan is currently facing is the recent inflow of Afghan returnees from Pakistan. This latest crisis is likely to exacerbate the already precarious economic situation in the country by absorbing the ITA's internal budget resources and stretching donor funds. In October 2023, the Government of Pakistan announced its decree "Illegal Foreigners' Repatriation Plan" starting the deportation of undocumented Afghans in Pakistan to their country of origin. It is estimated that between 1.1 and 1.3 million undocumented Afghans presently residing in Pakistan are targeted. Reports estimate that approximately 770,000 Afghans are expected to return to Afghanistan through July 2024, with initial indications that they intend to return to their homes of origin. Between 15 September 2023 and 2 December 2023, the International Organization of Migration (IOM), United Nations High Commissioner for Refugees (UNHCR) and other development partners report that 438,200 individuals have already returned. Almost 90 percent plan to resettle to their provinces of origin. The top five intended destinations for 80 percent of the returnees as of early November 2023 were: Nangahar (27 percent of returnees), Kandahar (22 percent), Kabul (20 percent), Kunduz (6 percent), and Kunar (5 percent) provinces.⁵ These are all CRLP areas currently or proposed under this AF. According to UN surveys, the returnees' first need is job placement and employment.⁶ Eighty-two percent of the returnees self-identify as unskilled laborers and an additional 3.6 percent as skilled laborers, thus making CRLP a highly suitable and relevant platform to address the returnee issue. As of 30 November 2023, CRLP has assisted over 2,600 Afghan

³ World Bank (2021). South Asia Climate Roadmap – Afghanistan Chapter.

<https://openknowledge.worldbank.org/entities/publication/1218d6c3-663d-5881-a8fe-b79c4284653d>

⁴ World Bank (2021). Climate Change Knowledge Portal: Climate Risk Profile for Afghanistan:

https://climateknowledgeportal.worldbank.org/sites/default/files/2021-05/15396A-WB_Afghanistan%20Country%20Profile-WEB.pdf

⁵ UNHCR, IOM Flash Update No. 4 (November 8, 2023)

⁶ IOM's Pakistani Border Operations Update (November 14, 2023)



returnees with jobs and social grants in Nangahar, Kandahar, Kabul and other project areas.

C. Proposed Development Objective(s)

Original PDO

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

Current PDO

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

Key Results

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

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

D. Project Description

This Additional Financing (AF) for the Afghanistan Community Resilience and Livelihoods Project will continue to provide short-term livelihood opportunities and deliver urgent essential services in rural and urban areas. Four main design changes are proposed in the AF based upon the experience of the past 18 months with the parent project: (i) geographical scale-up in rural and urban areas;(ii) increased livelihood opportunities for Afghan women through a new Women’s Economic Activities sub-component; (iii) heightened focus on climate resilience activities by increasing community awareness of climate risk mitigation and adaptation, and incentivizing the climate resilience-focused subprojects; and (iv) support for the recent influx of returnees from Pakistan so that they may participate in project activities and receive necessary assistance in terms of job opportunities and services in their areas of return.

The AF will extend the closing date until June 2025, and CRLP will continue to be implemented through United Nations Office for Project Services (UNOPS), Facilitating Partner Non-Governmental Organizations (NGOs) and private sector urban contractors.

The aforementioned design changes are integrated into the existing project components as follows:

Component 1: Emergency Livelihoods Support and Services in Rural Areas. This component will continue to provide livelihoods support and services through rural cash-for-work activities. CRLP currently covers six regions, 26 provinces, 67 districts and 6,220 communities in rural areas, which total only 18 percent of the rural districts in the country. The AF will expand the rural coverage and add three new underserved provinces (Kunduz,



Zabul, and Farah). Under the AF, a total of six regions, 19 provinces, 27 districts with 2,600 communities will receive assistance. It is estimated that an additional 372,000 HHs will receive jobs by creating over 13 million labor days, and 3.2 million people in these areas will receive services such as the rehabilitation of small-scale community assets (e.g., improved roads, protection walls, community drainage and water canals, agroforestry, and climate resilient infrastructure).

Component 2: Emergency Livelihoods Support and Services in Urban Areas. This component will continue to provide livelihood opportunities for unskilled and semi-skilled labor and respond to urgent service delivery needs in urban areas through small-scale labor-intensive works (LIWs). A total of seven cities will be targeted through the AF. CRLP will continue to operate in Kabul, Kandahar, Herat, Jalalabad and Mazar-e-sharif by expanding to neighborhoods in these cities that have not been previously covered under CRLP. In addition, two new provincial capital cities will be included: Gardiz in Paktia province and Ghazni in Ghazni province. The AF will directly benefit approximately 62,000 HHs by creating 2.8 million labor days. Approximately 1.9 million urban residents will benefit from improved services under LIW.

Component 3: Social Grants for Women and the Most Vulnerable in Rural and Urban Areas. This component will continue to provide communities with cash transfers and in-kind grants to assist the most vulnerable groups and households who are not able to participate in physical works (Components 1 and 2). Over 63,000 vulnerable households are estimated to receive benefits under this component. Beneficiaries would include female heads-of-households and persons with disabilities. An additional sub-component will be included to pilot vocational training and livelihood activities for female heads-of-households.

For both rural and urban areas, a “whole of community” approach will be taken to assist host communities as well as recent returnees from Pakistan.

Component 4: Strengthening community institutions for inclusive service delivery especially for women. This component builds the capacity of Community Development Councils and local communities for long-term sustainability and social resilience. It will continue to support Facilitating Partners’ costs for activities related to community planning, implementation, monitoring and training on a variety of topics such as community mobilization, development planning, women’s well-being, grain banks, and health awareness (through the WB/ARTF-supported health project). Importantly, communities will continue to be trained on disaster risk management and climate adaptation.

Component 5: Implementation Support. This component will continue to support the costs of the UN implementing partner, UNOPS, to manage and oversee the program including technical support, training, financial management, procurement, environment and social monitoring, and reporting results.

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

The AF project interventions may have potential environmental and social risks and impacts such as generation of wastes including construction, low to medium levels of noise and dust pollution, possible child labor, forced labor, occupational and community health and safety, low capacity of contractors and SPs to manage E&S risks and possible risks of excluding poor and vulnerable groups such as poor women, and individuals displaced by the ongoing conflict and security situation in the country.

E. Implementation

Institutional and Implementation Arrangements

In general, the implementation arrangements as set out in the parent project are the same. The implementing agency is UNOPS, which then subcontracts to FPs on the rural side and private contractors on the urban side. CDCs are the key coordinating community body at the local level for consultations, organizing local level meetings, prioritizing the selection of subprojects, and wealth-ranking of beneficiaries to determine eligibility for project assistance, following the principles of participation as reflected in the ECA. In urban areas that do not have CDCs, mosque committees are used as consultation platforms.

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APPROVAL

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