



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 29-Aug-2018 | Report No: PIDISDSA24505



BASIC INFORMATION

A. Basic Project Data

Country Afghanistan	Project ID P164443	Project Name Women's Economic Empowerment Rural Development Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 31-Aug-2018	Estimated Board Date 28-Sep-2018	Practice Area (Lead) Agriculture
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Rural Rehabilitation and Development	

Proposed Development Objective(s)

To increase social and economic empowerment of poor rural women in selected communities.

Components

Community Mobilization and Institution Development
 Building Access to Finance and Linkages with Financial Institutions
 Providing Technical Assistance and Improved access to Markets
 Project Management and Knowledge Management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	100.00
Total Financing	100.00
of which IBRD/IDA	25.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	25.00
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IDA Grant	25.00
Non-World Bank Group Financing	
Trust Funds	75.00
Afghanistan Reconstruction Trust Fund	75.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

B. Introduction and Context

Country Context

1. **Despite notable progress in rebuilding the economy, strengthening institutions, and restoring infrastructure and basic services, Afghanistan faces tremendous challenges today.** Afghanistan has relatively successfully managed the immediate challenges resulting from the political transition post-election of 2014. The country has maintained macroeconomic stability and established the conditions for a slow recovery of the economy. Risks to the economy remain significant, however, and withdrawal of international security forces starting 2011, coupled with political uncertainties and declining aid, have resulted in deceleration of economic growth, while fiscal pressures increase as security threats mount. The latest numbers from the Afghanistan Living Conditions Survey (ALCS)¹ released by the Central Statistics Organization (CSO) show that poverty in Afghanistan has increased from 38.3 percent in 2012-13 to 54.5 percent in 2016-17.² With the population continuing to grow more than 3 percent a year, per capita GDP fell during the same period from US\$ 669 to US\$ 551, making it one of the poorest countries in the world. At the same time, private sector growth has fallen 9.4 percent in the period 2003-2012 to only 2.1 percent between 2013 and 2016. Private sector development and diversification is constrained by political instability, weak institutions, inadequate infrastructure, widespread corruption, and a difficult business environment (Afghanistan was ranked 183rd of 190 countries in the 2017 Doing Business Survey and 177 out of 180 in Transparency International’s Corruption Perception Index)³. With a fresh election cycle approaching in 2018-19, it is vital that the Government focuses on private sector led growth and revitalization of the economy to fill up the void emerging from the declining donor inflows over the longer-term.

2. **A particularly concerning challenge is the low level of economic empowerment of Afghan women.** The current level of women’s formal economic contribution to Afghan development is low. While women constitute 47 percent of the estimated 34.65 million population of Afghanistan in 2016⁴ the female labour force participation rate stands at only 26.8 percent (down from 29 percent in 2013-14). Among the working age

¹ Source: ALCS 2016-17; available at https://cso-of-afghanistan.shinyapps.io/ALCS_Dashboard

² This is measured against a national poverty line of 2,064 AFN per person per month – approx. \$1 a day in current exchange rate terms.

³ Sources: www.doingbusiness.org/data and www.transparency.org/cpi

⁴ Statistics in this section are taken from the ALCS 2013-2014, ALCS 2016-17, the World Bank development database; and the WEE-NPP Strategy paper, December 2016.



women, only 29 percent are economically active and most are employed in the agricultural sector (70 percent) while 24 percent are in manufacturing. The share of women in wage employment in non-agricultural sector is only 10 percent. Only 19.9 percent of the female population is literate (versus 49.4 percent for men), although this figure nearly doubles to 38.7 percent if only the female population under 25 is counted, a significant testimony to the advances that have been obtained over the past decade. Women earn significantly less than men. For the same type of job, women earn 30 percent less than men on average.

3. Women in Afghanistan face significant legal, regulatory and cultural challenges that hinder their ability to run businesses and access markets⁵. While the Afghan Constitution clearly states that “the citizens of Afghanistan – whether man or woman – have equal rights and duties before the law”⁶ and while most commercial laws have no explicit gender-legal differentiations, there are implicit cultural barriers and lack of legal incentive mechanisms that reduce the ability of women to participate in the economy successfully. Likewise, there are numerous actual gender-legal differences when it comes to non-commercial laws (like the Marriage Law, Civil Code, Labor Law, etc.). These include differences in the legal age of marriage, mobility of women, ownership of property, and duration and types of work that women can undertake⁷. This lack of legal incentives for women to participate in formal business activities, has translated into very low levels of female entrepreneurship and women-owned businesses, although this number has increased steadily thanks to donor and Government efforts.

4. Access to finance, particularly for rural women, is especially constrained. Financial inclusion is a core development challenge in Afghanistan – with only 10 percent of the population (and 3.8 percent of women) having accounts in formal financial institutions⁸. Microfinance has been a widely-used strategy in Afghanistan to address barriers to financial inclusion, with the Microfinance Investment Support Facility for Afghanistan (MISFA) serving as an apex institution channeling funding and technical assistance to the whole sector. While the sector has grown and consolidated over the last decade, the total number of clients of micro-finance institutions (MFIs) only stands at 0.22 million, of which only 0.13 million are active borrowers. The outreach of MFIs is limited to 80 districts of 14 provinces, and only 12 percent of their active clients are from rural areas. Naturally, therefore, demand for microfinance services continues to far outstrip supply, especially in rural areas where financial markets have limited presence. The outreach of the banking industry is equally limited in rural areas. Currently, there are 15 licensed banks in Afghanistan including three state owned banks, nine private sector banks, and three foreign banks. The Banking sector has gradually been offering range of financial products and services but their services are mostly limited to urban areas. Most commercial banks have no branches outside Kabul yet, and a few are providing loans to local businesses, much less small rural businesses.

5. There is hence tremendous potential to increase women’s participation in national development. Global evidence increasingly showcases that greater gender equality can enhance productivity, improve development outcomes for the next generation, and make institutions more representative.⁹ Actions to expand women’s economic activity in Afghanistan are constrained by a variety of cultural, institutional, and economic factors. Afghan women suffer discrimination that is multi-faceted, inter-related and self-reinforcing. But the current international perception that Afghan women are blocked from the economy is an unhelpful over-generalization given the variation in cultural practices across the country. Furthermore, as in other parts of the

⁵ Sources: Women, Business, and the Law, 2016 report (Afghanistan chapter), and *Identifying Legal Barriers Hindering Women*

⁶ Afghanistan Constitution 2004.

⁷ The Women, Business, and the Law 2016 Report identified 22 such gender-legal differences.

⁸ Source: Global Findex Data 2014.

⁹ See for instance World Development Report 2012: *Gender Equality and Development*.



world, cultural practices are more dynamic than often realized. As an economy grows and more opportunities arise, cultural beliefs about women's ability to contribute to household income and their participation in economic activities will change. Moreover, addressing gender disparities and empowering women is essential for consolidating peace and security in fragile and conflict-affected societies. The imperative for investing in women's economic empowerment (WEE) in Afghanistan can thus not be over-emphasized.

Sectoral and Institutional Context

6. Recognizing this imperative, the Government of Afghanistan (GoIRA) launched the Women's Economic Empowerment National Priority Program (WEE-NPP) on March 8th, 2017. The WEE-NPP forms the third pillar of the GoIRA's Gender Strategy which is encompassed in the broader Afghanistan National Peace and Development Framework (ANPDF) – the country's five-year development plan. The WEE-NPP aims to build poor women's capacity to strengthen the economy of their households, communities, and the entire nation. It is structured as an umbrella program (rather than a stand-alone project/operation) that would operate through over a dozen line ministries (through ongoing or pipeline projects) and coordinated through a Program Coordination Office (PCO) in the Ministry of Labor, Social Affairs, Martyrs and Disabled (MOLSAMD). The latter would in turn provide start-up technical and financial resources to support women-owned businesses, and development of job skills, and financial literacy. The program would further help create an enabling environment for WEE through policy and planning reforms that will remove legal barriers to women's economic participation; streamline and reduce regulatory barriers to women's involvement in marketing; and improve the quality and use of gender statistics for planning and monitoring women's economic progress.

7. The WEE-NPP builds upon and complements other initiatives of the GoIRA. The WEE-NPP builds on previous government-led initiatives to expand women's economic empowerment, including the gender elements of the Afghanistan Compact, the 2008-18 National Action Plan for the Women of Afghanistan (NAPWA), and the 2008 Afghanistan National Development Strategy (ANDS). The GoIRA has also fully committed to gender equality and has backed this commitment with credible reforms to increasing the role of women in government, providing access to property, and implementing UN Resolution 1325. The WEE-NPP compliments these efforts and links closely to other NPPs – notably the Citizens' Charter National Priority Program (CCNPP), the Agriculture NPP and the Human Development NPP.

8. The WEE-NPP is comprised of six pillars. The WEE-NPP encompasses two domains of action. Facilitating activities (the first two pillars) include reforms that improve the regulatory and normative environment for women's economic development, and investment activities (the last four pillars) include projects and programs that provide resources directly to women. In this way, the six WEE-NPP pillars focus on: (i) increasing the availability and analysis of gender statistics; (ii) removing legal and regulatory barriers to participation; (iii) training in literacy, business management, and labor skills; (iv) ensuring inclusive access to finance; (v) improving access to agricultural inputs, extension services, and markets; and, (vi) promoting access to creative economy markets. The activities under each of these pillars will be implemented by different ongoing and pipeline projects under various line ministries.

9. The proposed women's economic empowerment rural development project (WEE-RDP) will directly implement the last four pillars of WEE-NPP, while contributing to the others. It offers a national framework for women's economic empowerment starting at the community level and with an explicit targeting of poor rural women. As acknowledged in the WEE-NPP document, past efforts at women's economic empowerment have often focused on better-off, urban women. WEE-RDP reverses this approach.



10. **The project builds off the lessons from the ongoing Afghanistan Rural Enterprise Development Program (AREDP).** The AREDP was approved by the ARTF Management Committee on April 11, 2010 with the objective of improving employment opportunities and income of rural men and women, and sustainability of targeted local enterprises. The project was successful in integrating the poorest segments of the population and empowering women who were the main direct beneficiary groups of all Project activities. AREDP's operational activities have resulted in the strengthening of about 64,328 community members (56 percent women) including marginalized groups, IDPs and Returnees through a community-driven savings and enterprise model for income and employment generation. More than 5,193 SGs (54 percent women), 1,336 EGs (841 EGs managed by women) and 505 VSLAs were established and supported. Community Saving Groups have saved US\$4.2 million (US\$2.2 million by women), where US\$4 million of loanable savings are in circulation at any given time. Additionally, the program supported 657 SMEs to strengthen backward/forward linkages with the rural economy and utilized them as business service providers for the newly established community enterprises. A recent Bank funded analytical study 'Jobs from Agriculture and Rural Development Operations in Afghanistan' found that the employment effects of AREDP on female beneficiaries were significant. Participation of women in program activities has emerged as one of key strengths of AREDP as over 60% program beneficiaries are women. The impact of the project on the local economy and its catalytic effect on social inclusion facilitate its transition into a programmatic and women-oriented operation under the WEE-NPP.

11. **The project will leverage the social mobilization and outreach of the Citizens' Charter program.** Most successful women's empowerment programs are built on a community platform which also provides access to basic services and enables trust. This is why the WEE-NPP conceived the WEE-RDP to leverage the institutional structure of the Citizens' Charter National Priority Program (CCNPP). The CCNPP emerged from the foundation of the highly successful National Solidarity Program (NSP), which introduced a community-driven development (CDD) approach towards rural infrastructure and service delivery and reached approximately 35,000 communities over the past 14 years. The Citizens' Charter Afghanistan Project (CCAP) which implements the first phase of the CCNPP aims to deliver core infrastructure, emergency support, and social services to participating communities through strengthened Community Development Councils (CDCs). By helping to improve services, especially for the poor and most vulnerable through the CDCs, it also ensures social inclusion. The CCAP was planned to be a major contributor to building strong and accountable institutions especially by strengthening the capacity of CDCs to plan and monitor local service delivery and hold government and service providers accountable. The CCAP can thus provide an umbrella body for women's groups and help women access critical social infrastructure.

C. Proposed Development Objective(s)

12. To increase social and economic empowerment of poor rural women in selected communities.

13. The project defines "social empowerment" as participation in community level women's institutions, with an implicit theory of change that such participation leads to social empowerment. These institutions will be provided seed capital, technical assistance, and in turn be linked to formal financial institutions and markets so as to enable economic empowerment. "Economic empowerment" is defined in this project as having both the resources to advance economically and the power to make and act on economic decisions. Economic empowerment starts with fair and equal access to markets and institutions, but women also need agency and control over resources to ensure they benefit from economic activities. Economic empowerment also



encompasses financial inclusion, which increases women's access to products and services to exercise control over money.

PDO Level Indicators

14. Following the focus of the project on social, financial, and economic inclusion and empowerment, the proposed PDO level indicators are as follows:

- (a) Number of direct beneficiaries (of which female)
- (b) % of women self-help group (SHG) members from poor or vulnerable households
- (c) Number of beneficiaries reached with financial services (Corporate Results Indicator)
- (d) % of women EGs/PAs showing increase in volume of sales

D. Project Description

15. Based on the rural goals outlined in the WEE-NPP, the WEE-RDP has three core intervention tracks – one around social mobilization to develop community institutions and federating them to higher levels; the second dedicated to providing inclusive access to finance, and the third focusing more on enterprise development and value chain/market linkages. These would be supplemented with program support that would also link back to both the WEE-NPP and the CCNPP. This 'institutional approach' to empowerment of women has proven very successful in rural livelihoods projects in other South Asian countries, notably in India, since it harnesses the social capital of poor women and uses this to develop both financial and economic capital. The overall approach and functions are similar to what existed under the AREDP, but the fundamental shifts would be (i) specific design features to promote participation of poor women; (ii) a more prominent role of social mobilization (with a goal of 'saturating' as many women into savings/self-help groups as possible, of which a subset would receive enterprise support); and (iii) a much stronger focus on building sustainable community institutions for women's agency and empowerment. Keeping this core design model in mind, each of the project components is described below.

COMPONENT-1: Community Mobilization and Institution Development (est. US\$ 30 million)

16. **Overall focus:** The first component of the WEE-RDP aims to build sustainable community institutions through social and economic mobilization of rural women. This is perhaps the most critical component of the project, since it lays the institutional foundation on top of which the rest of the activities will depend. The formation of sustainable institutions would build the social capital of women in the rural areas and serve as the first stage of their economic empowerment. The core community institutional framework envisaged under the project are women's savings groups (WSG or simply SGs) which would be federated into VLSAs. From these would emerge community level enterprise groups (EG) which in turn would be aggregated to producer associations (PAs). The project will heavily draw on the mobilization efforts undertaken by CCAP and leverage the network of CCAP facilitating partners (FPs) working with the program.

Component 2: Building Access to Finance and Linkages with Financial Institutions (est. US\$ 38 million):

17. **Overall approach:** The second component will facilitate empowering of both community institutions i.e. SGs/VSLAs and its members to develop as sustainable financial institutions at the community level and eventually establish direct linkages with financial service providers including MFIs and commercial banks. Evidence from past experiences in Afghanistan as well as other countries demonstrates that this is a long-term process that has to be approached in phases. The key focus of WEE-RDP would be to strengthen the 'demand side' by creating an ecosystem of women savings groups that are built on mutual trust and respect to support their livelihoods and



federate to VSLAs for sustainability. This would prepare the women groups to link with MFIs and make them bankable. In this way, there would be three stages in the access to finance:

- (a) the first stage is to develop an own savings culture through SHGs and federate them into VLSAs.
- (b) In the second stage, the project will inject seed capital, which will support transforming VSLAs to the next level in terms of scale as well as operational and financial sustainability.
- (c) Finally, the third stage would be to link the VSLAs to MFIs and Banks.

18. The component will have a strong focus on ensuring the financial and operational sustainability of VSLAs and will work with MFIs and commercial banks to create an enabling environment for investment in the livelihoods of rural women by increasing their access to sustainable financial services.

19. **Financial Intermediation.** Given the above, the project complies in general terms with OP 10.00 para 15 on financial intermediation. However, there is a significant reason for concern about how loan contracts can be enforced, and how VSLAs will be sustainable when relying on ad hoc profit sharing arrangements (under Islamic finance) instead of predictable interest rates. There are also major security concerns in rural areas that could make the financial intermediation activities difficult to implement on the ground. An additional concern is how risks will be covered, including force majeure risk and credit risk (on loans to SHGs by VSLAs, and on loans from microfinance institutions and commercial banks to VSLAs in the future). Given that VSLAs are supervised by the Ministry of Rural Rehabilitation and Development, a new arrangement for supervision will be necessary as they take on a financial intermediation role. Mature VSLAs managing grants and a growing loan portfolio may be supervised by the Central Bank, while others will require technical assistance and supervision from another agency. It would also be critical to have a certification process to insure basic practices and systems are in place before seed capital is provided. For VSLAs that initially meet requirements and later do not, there needs to be a decertification or strengthening process in place – and this would have ripple effects for groups who have provided their savings. As for the eventual participation of MFIs, there is no law in place yet, which might limit their role. However, efforts are underway to pass a law to provide clear legal status and supervision arrangements.

20. **Component 3: Providing Technical Assistance and Improved access to Markets (est. US\$ 18 million):** This component aims to finance common assets of public goods nature based on business needs and assessment of market failures using the 'maximizing finance for development' (MFD) cascade principle (see figure 6 below) in order to provide catalytic support for the growth of viable economic activities and leveraging more private sector investments. These investments are expected to be catalytic, helping individual level investments reach economies of scale through increased coordination. This will be supplemented with technical assistance, business development support, as well as market exposure and linkages.

21. **Approach:** Groups of women with homogeneous economic activities under the project will be enabled and incentivized to come up with business ideas that will provide the rationale for partnership and formation of Enterprise Groups (EGs) and Producers Associations (PAs).¹⁰ Any support under this component will be against

¹⁰ Enterprise/Producers Groups (EGs or PGs) are primary economic interest groups consisting of members from same village working on common enterprise/production systems. This could be in the areas of farm; non-farm or off farm activities. Members of an EG normally ranges from 8-20 depending upon nature of economic activities. Producer's Association (PAs) would be a higher order, secondary organization i.e. Federations of EGs/PAs. EGs/PGs from multiple villages engaged in common economic or income generating activities could be federated at a cluster level i.e. 10 to 20 villages. While, EG and PG would be an informal



robust Business Plan with a ceiling of \$ 2000 per EG, which may also be aggregated for the larger assets /infrastructure at the PA level depending upon specific business case and project requirements. The committee reviewing the business plan would have members of commercial banks/MFIs and representatives from industries and private sector, who could also choose to co-finance the proposal. The project is also considering contracting an independent third party to verify and validate the Business plan in terms of feasibility, fiduciary process and inclusion. It is expected that this build-up process will help women to increase their productivity, competitiveness, which would in turn improve the job opportunities for women and contribute to their economic empowerment. The component builds on the existing successful framework of AREDP on enterprise development which has proven effective in developing women enterprises and supporting them on capacity building, business skills and linkage to markets. EGs will be encouraged among all SHG members engaged in common economic activities. Thus, the component would help both individual and collective women enterprises to participate in organized and competitive supply chains, which would be identified through provincial situational analysis and other related studies. The focus will be on pro-poor, high value commodities such as vegetables, horticulture, milk, poultry, sheep; fish; goat; carpet; honey, handicrafts etc. where women participation tend to be higher. Overall, only a sub-set of total households and geography having growth potential and are part of either economic clusters or value chains would be specifically supported under this component. This component will also facilitate EGs access to credit from VSLAs to support building of a healthy portfolio for the VSLAs and hence contributing to their sustainability. This component will also seek to draw partnerships and synergy with other ARTF, bilateral donor funded, and NGO run programs and projects that work on similar themes¹¹. Investments made under this component would be largely/mostly of public in nature.

22. COMPONENT 4: Project Management and Knowledge Management (est. US\$14 million): Under this Component, the project will finance salaries of project staff, consultancies, training programs, office equipment, and incremental operational costs of set up under MRRD and provincial units. The component will also support project coordination, implementation, monitoring and evaluation (M&E) at the national and provincial levels, Management Information System (MIS), financial management (FM), procurement, human resource management, knowledge management and communication systems as well as environmental and social safeguards management, and running of the grievance redress mechanism. The project will leverage the existing institutional infrastructure available in the CCAP program at the MRRD level for various project management activities including procurement, FM and communications. A detailed M&E plan will be prepared to align project activities and tasks with the key results and the related PDO level results indicators and the intermediate level indicators at the component level. There will be systematic internal monitoring of activities and results that will be fed into the preparation of Implementation Status report and Annual Progress reports. An M&E/ MIS system will be established to collect and process appropriate information that will enable determination of the progress towards the achievement of the project development objective, tracking of progress at each phase of the results chain, and if required, adjustments will continuously be made and at Mid-Term. Baseline information will also be collected as part of the project preparation activities.

23. Other areas of support under the component include the following:

- (a) Technical assistance to inform implementation and policy development, and capacity building of some of the MRRD directorate/cell/units to mainstream and ensure long term adequate staffing

organization, efforts would be made to convert PAs as formal community based organization registered as co-operatives or companies. Membership of PAs could range from 50 to 500 depending on the value chain.

¹¹ In this respect, the project is exploring a formal partnership with the "Women in Economy" program run by USAID.



- as part of exit strategy;
- (b) Partnership arrangements with some of the projects in India/Pakistan e.g. JEEViKA, Bihar in India or PPAF, Pakistan for overall technical assistance and implementation guidance;
 - (c) Overall training and capacity building of staff/community professionals; identification, development and deployment of CRPs; organizing study tours and field learning trips; exchange of knowledge etc. could be also supported as part of this component.

E. Implementation

Institutional and Implementation Arrangements

24. **The WEE-RDP will be implemented by the Ministry of Rural Rehabilitation and Development (MRRD) under the overall framework of WEE-NPP.** Although, MRRD is going through an structural changes, which will evolve during the course of 2019, as per the latest thinking, it is proposed to restructure the Ministry into three operational general directorates, each covering the main functional pillars of MRRD's operations. These are – (a) *Community Development* (covering the Citizen's Charter Afghanistan Project (CCAP) as well as supporting public goods/infrastructure projects such as the Afghanistan Rural Access Project (ARAP)); (b) *Sustainable Economic Growth* (covering the livelihoods/private goods related operations such as AREDP); and (c) *Balanced Growth and Border Areas* (covering specialized cross-border programs targeting these geographies as well as specific populations). Common functions (such as HR, procurement, finance, etc.) would be centralized at the Ministry level. The WEE-RDP, given its livelihoods and private sector goods focus, would be situated under the second pillar (Sustainable Economic Growth). However, WEE-RDP would work closely with CC General Directorate as well as balanced growth pillars at both the national and sub-national levels and would leverage existing implementation architecture set up under different programs, particularly CCAP.

25. **The existing WEE-NPP Steering Committee will provide overall strategic guidance and oversight.** The High-Level Steering Committee established under the WEE-NPP will be used for the overall co-ordination, guidance, setting up direction for program implementation and to enable leveraging of resources and drive synergies among various related programs of these Ministries for the overall socio-economic empowerment of women in Afghanistan. The steering committee will also be an avenue to move forward with any policy reforms and legal provisions that may be needed to facilitate the program (e.g. registration of VSLAs, or easing the process of issuing national IDs to women, etc.). The WEE-RDP directorate at the national level will coordinate its activities with the other programs being implemented under the aegis of the WEE-NPP through other related Ministries, such as the Ministry of Agriculture, Irrigation and Livestock (MAIL); Ministry of Commerce and Industries (MoCI); MoLSAMD; and Ministry of Women Affairs (MoWA) so as to ensure synergy and coordination.

26. **At the national level, the existing AREDP PIU, will be re-modelled for WEE-RDP and positioned within the new Sustainable Economic Growth Directorate.** The Directorate/PIU will be fully staffed with technically competent multi-disciplinary team of senior professionals, consultants and sector specialists to implement & manage the enterprise development, access to finance, access to market and economic empowerment elements of the program. WEE-RDP will utilize MRRDs common resources/systems for program support services related to HR; Finance Management, Procurement, and other technical units like communication; gender; Grievance redressal; Governance and Accountability etc. as part of the proposed Ministry restructuring. Only a lean team of complementary skills set with WEE-RDP will be maintained at the WEE-RDP directorate level for overall co-ordination; policy/guidelines formulation; and for building partnerships with various public & private development organizations/institutions.



27. **At the sub-national level, the WEE-RDP structure will be merged with the existing institutional arrangements for the CCAP to avoid duplication.** The WEE-RDP would therefore piggy back on the provincial management units (PMUs) and District Offices that have been set up under CCAP. The latter would be supplemented with one District Coordinator (DC) for each of the 76 districts under WEE-RDP coverage and the program would also establish seven regional offices for coordination across the provinces under them. Additionally, a team of 3 SOs (two female and one male) would be hired for every 30 CDCs covered for the first two years, which would then be reduced to 3 SOs per district in the remaining three years of implementation once the speed and scale of the program had increased sufficiently and most of the VSLAs were formed. Likewise, a team of 3 VFs (again two female and one male) would be deployed for every 10 CDCs for 2 years and subsequently for every 20 CDCs in Years 3-5. This same implementation model would be proposed for the FPs (who would be asked to on board VFs as well) so that at exit there is a common implementation architecture for the program. Selection of the sub-national positions will be done through a competitive process managed by MRRD at the provincial level.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Based on the AREDP experiences and lessons learnt, the proposed project, WEE-RDP is designed to be a more women centric program that is in better alignment with the WEE-NPP objectives. It will cover a total of 76 districts across all 34 provinces in the country with an average of 2 districts covered per province. More than two thirds of these districts overlap with the ongoing CCAP and therefore the WEE-RDP will benefit from the community mobilization and capacity building (including a range of participatory analysis and tools) that have been done as part of the former. At this stage it is envisaged that, the environmental and social adverse impacts will be insignificant, minor and reversible in nature. The environmental impacts may include issues with health, safety and labor hygiene as well as concerns on handling and disposal of agro-based wastes. However, given the scope and scale of planned businesses, the impact are minor and easily manageable. The environmental and social safeguards issues will be managed through a framework approach, and if required the framework will include necessary provisions to spell out with additional safeguards tools and plans which will be used throughout the project life.

G. Environmental and Social Safeguards Specialists on the Team

Obaidullah Hidayat, Environmental Safeguards Specialist
Qais Agah, Social Safeguards Specialist



SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>Environmental Assessment OP/BP 4.01 is triggered. The access to finance under component-2 and the provision of seed capital (revolving fund) for VSLAs under subcomponent 3 and may cause some adverse environmental and social impacts including occupational health and safety issues. The environmental and health and safety concerns may arise from different enterprises including agro-businesses, food processing machinery, chicken farms, carpets weaving and other handcraft industries etc.</p> <p>Similarly, the project has also triggered Pest Management OP/BP 4.09 to ensure address safe utilization of pesticide and other associated risks related to agri-business. A ToR for Pest Management Plan (PMP) has been prepared by the client . The project has adopted a framework approach, as the specific locations and details of activities will only be determined by the borrower during project implementation. The Environmental and Social Management Framework (ESMF) prescribes directions and procedures that would avoid, mitigate, or minimize adverse environmental and social impacts and it will also spell out the policies, guidelines and procedures including mitigation plans to minimize and mitigate the likelihood of envisaged negative impacts. The ToR for preparation of the PMP is annexed in the project ESMF.</p> <p>The ESMF was prepared, consulted, cleared and disclosed before project appraisal and the required mitigation plans for sub-project and businesses activities under WEERDP will be identified during implementation.</p>



Performance Standards for Private Sector Activities OP/BP 4.03	No	The project is owned, designed and will be implemented and supervised by the MRRD, which is a Government Agency and therefore the OP/BP 4.03 is not triggered.
Natural Habitats OP/BP 4.04	No	OP/BP 4.04 is not triggered since; the scope of the project will not pose any risk to the natural habitats.
Forests OP/BP 4.36	No	OP/BP 4.36 is not triggered since; the scope of the project will not pose any risk on Forest.
Pest Management OP 4.09	Yes	<p>OP 4.09 (Pest Management) is triggered, since under component-3 the project operations will lead the EGs (Enterprise Groups) to use pesticides for Agricultural related works and agri-business related activities.</p> <p>The Client will prepare an Pest Management Plan (PMP) during project implementation stage. The PMP will be subject to review by the Bank, consulted and disclosed.</p>
Physical Cultural Resources OP/BP 4.11	No	OP/BP 4.11 is not triggered because there are no activities that will impact the quality of physical cultural resources as defined under the policy. However, the ESMF will also comprise guidelines for Chance Find Procedures according to national laws.
Indigenous Peoples OP/BP 4.10	No	This policy is not triggered as there are no Indigenous Peoples that meet the criteria of OP/BP 4.10 in the country that could potentially benefit or be adversely affected by the Project's activities.
Involuntary Resettlement OP/BP 4.12	No	<p>The World Bank's operational policy on Involuntary Resettlement (OP 4.12) is not triggered, since the project will not have land acquisition and resettlement, in case of land requirement, the ESMF will provide guidelines and provisions on land acquisition through willing buyer-willing seller approach, or the Government provides government land to the community for sub-project implementation, requiring no resettlement and/or compensation for losses, and the land should be free of squatters and any dispute.</p> <p>The RSA concurs on the proposal not to trigger OP 4.12 given that there is no physical footprint; land acquisition or subsequent impacts of physical or economic resettlement or loss of access to resources are not anticipated. The ESMF includes a section on land acquisition through willing buyer-willing seller</p>



method, if that should occur during project implementation.

Safety of Dams OP/BP 4.37	No	The Project does not have any activity involving dams.
Projects on International Waterways OP/BP 7.50	No	The Project does not involve any activity that will affect international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The Project does not involve any activity in any know disputed area.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

OP/BP 4.01 is triggered for the project hence the project is an Environmental Safeguards Category-B. The project under component 2 and 3 is intended to develop WSGs/VSLAs/EGs and PAs who would be provided with access to funds by multiple agencies. The funding would lead to village/community level businesses in various selected provinces. Although, the scope and nature of these businesses are not known at appraisal stage, however it is predicted that such businesses may have minor health and safety issues. The environmental and social safeguards risk rating for WEE-RDP is thus Moderate: due to insignificant negative impact on health, safety and environmental aspect from the project related operations.

OP/BP 4.09 on Pest Management is also triggered as agricultural activities supported under Component 3 could lead Enterprise Groups (EGs) and Producer Associations (PAs) to use pesticides for agriculture related works and agribusiness related activities. The client will prepare an Pest Management Plan (PMP) during implementation to mitigate the risks from this. The PMP will be subject to review by the Bank, consulted, and disclosed during implementation.

Likewise, activities under the project are not expected to have major adverse social impacts. Systematic involvement of the local community throughout the planning and implementation of sub-projects will underpin the identification of potential negative social impacts and corresponding mitigation measures to be included in the ESMPs. Given the economic activities under the EGs and PAs, there is a potential risk of child labor. The project will therefore update and refine the 'child labor' strategy that had been used under AREDP. Training on labor safety will also be part of the training modules for EGs/PAs. Similarly, as global evidence shows, there can potentially be an enhanced risk of gender based violence (GBV) when working on women's economic empowerment. Although, there hasn't been any evidence of increased GBV under AREDP as a result of engaging male community members, especially village elders and Mullah's, this could be a potential risk to beneficiaries given that the focus now is only on women. To mitigate this risk, the project as part of its mobilization activities will discuss the importance women economic empowerment from Islamic point of view (the fact that women are given Mahr is to ensure their access to finance and making them empower financially) as well as highlight the good practices in Islam (wife of prophet being a merchant). Furthermore as part of capacity building and training activities under each component, the project will train women on soft skills including their wellbeing and how to manage/resolve conflict within family and community. The VSLA and SHGs will



also serve as a safe-space to discuss/tackle potential GBV issues.

As the project is owned, designed, implemented, and supervised by the MRRD (a Government Ministry), the OP/BP 4.03 on Performance Standards for Private Sector Activities does not apply.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
The project is not expected to have any harmful indirect or long-term impacts due to anticipated future activities in the project area.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
Not applicable.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

To manage the environmental and social safeguards (ESS) issues during the project implementation stage, the client has adopted a framework approach and prepared an environmental and social management framework (ESMF), which is consulted with stakeholders. Clearance has been obtained from the WB and disclosed officially. The ESMF has necessary provisions to prepare required safeguards mitigation measures including an Environmental and Social Management Plan (ESMP) and checklist to affectively address risk related issues during project implementation. Based on the experience of similar projects, notably AREDP that was managed by the same Ministry and team, most of the communities in the selected villages have no capacity/awareness to tackle risks associated with the day to day businesses under planned SGs/VSLAs. However, MRRD as an implementing agency has years of experience with similar projects and is therefore expected to provide the required technical assistance and capacity building to ensure that the provisions in EMSF are implemented. The project will hire an ESS focal officer at HQ level, as well as appoint safeguards focal points at each provincial level, the terms of references (TOR) for whom will need to be approved by the Bank before recruitment. The ESMF will guide the preparation of any Social Impact Assessments (SIA) and ESMPs, if required. The ESMF has been translated and disclosed in-country at Ministry's Website and the World Bank's external website on August 25, 2018. The ESMF contains the terms of reference for the proposed pest management plan. The PMP will be prepared and disclosed during project implementation.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders are the communities and rural women who will be the beneficiaries of the project. The project will undertake a range of training and capacity building efforts with the target groups under each of the Components of the project. This will include awareness raising with regards to the ESS provisions in the ESMF. The project will also leverage similar efforts and capacity building done for CDCs through the Citizens Charter Afghanistan Project (CCAP). The ESMF has been translated and disclosed in-country at Ministry's Website and the World Bank's external website on August 25, 2018.



B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
21-Jun-2018	24-Aug-2018	

"In country" Disclosure

Afghanistan
25-Aug-2018

Comments

Pest Management Plan

Was the document disclosed prior to appraisal?	Date of receipt by the Bank	Date of submission for disclosure
No		

"In country" Disclosure

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

The ESMF has been translated and disclosed in-country at Ministry's Website and the World Bank's external website on August 25, 2018. The Client will prepare an Pest Management Plan (PMP) during project implementation stage. The PMP will be subject to review by the Bank, consulted and disclosed.

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
No



OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?

NA

Is a separate PMP required?

Yes

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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