# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 22-Apr-2022 | Report No: PIDISDSA34134

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## **BASIC INFORMATION**

## A. Basic Project Data

Country Afghanistan	Project ID P178280	Project Name Emergency Food Security Project	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 07-Apr-2022	Estimated Board Date 03-May-2022	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) FAO	Implementing Agency FAO	

Proposed Development Objective(s)

To restore production of food security crops for the targeted smallholder farmers.

# Components

Restoring Agriculture Production Provision of water and resilience services Implementation support

The processing of this project is applying the policy requirements exceptions for situations of urgent need of assistance or capacity constraints that are outlined in OP 10.00, paragraph 12.

Yes

# **PROJECT FINANCING DATA (US\$, Millions)**

#### **SUMMARY**

Total Project Cost	195.00
Total Financing	195.00
of which IBRD/IDA	0.00
Financing Gap	0.00

### **DETAILS**

## **Non-World Bank Group Financing**

Trust Funds	195.00
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Afghanistan Reconstruction Trust Fund

195.00

**Environmental and Social Risk Classification** 

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

#### **B.** Introduction and Context

Country Context

- 1. In response to the crisis in Afghanistan, the World Bank (WB), Afghanistan Reconstruction Trust Fund (ARTF) donors, and international partners have found pragmatic ways to provide support for essential basic services to the Afghan people. On November 30, 2021, the WB's Board of Executive Directors supported Approach 1.0¹ for an immediate Transfer Out of US\$280 million of uncommitted ARTF funds to World Food Programme (WFP) and United Nations Children's Fund (UNICEF) for humanitarian gap financing, following a decision by ARTF donors. On March 1, 2022, responding to requests from the international community, the Board approved Approach 2.0² ("Approach 2.0") which aims to protect the vulnerable, help preserve human capital and key economic and social institutions, reduce the need for future humanitarian assistance, and improve gender equality outcomes. This includes financing, analytical work, and coordination/convening opportunities. A key element of this support will be Recipient Executed grants, to be decided by the ARTF and made off budget and outside of the control of the interim Taliban administration (ITA), to United Nations agencies and potentially international (iNGOs) and national non-governmental organization (NGOs). Approach 2.0 is designed to respond flexibly, based on experiences of early implementation, and informed by strong coordination among the development partners.
- 2. Approach 2.0 prioritizes partnership with other funding sources in support of the Afghan people, including from multilaterals like the Asian Development Bank, European Union, and Islamic Development Bank (IsDB) and the Special Trust Fund for Afghanistan (STFA) managed by the United Nations Development Program; bilateral partners; and international NGOs. The Bank's Afghanistan Futures analytical work is supporting the United Nations Assistance Mission in Afghanistan (UNAMA) and multilateral and bilateral partners in the development of a simple prioritization and reporting framework to support an agile aid architecture that can respond to the magnitude of the crisis in basic services and livelihoods.
- 3. The Bank and ARTF have taken a programmatic approach of engaging in four priority sectors: agriculture, livelihoods, health and education. The support to the agriculture sector responds to the critical food production situation by providing seeds needed for the next planting season and other support to farmers to

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 $<sup>^{\</sup>rm 1}$  Afghanistan Immediate-Term Approach Paper, November 12, 2021, SecM2021-0292.

<sup>&</sup>lt;sup>2</sup> Afghanistan Approach Paper 2.0: Options for World Bank Engagement to Support the Afghan People, February 15, 2022, R2022-0018/IDAR2022-0036.

improve food security. The livelihoods support focuses on cash-for-work to provide short-term opportunities and deliver essential services in rural and urban areas. The support to the health sector focuses on primary health centers (PHCs), as well as secondary care, in rural and urban settings and is targeted to reach the most vulnerable Afghans in the post-August 15 environment. The support for education remains under development with a focus on access to primary and secondary education and on girls and women teachers. Entry Criteria for Access (ECA) are being introduced, including the principles of equitable access for women are maintained. In addition, support is being provided to two cross-cutting engagement areas: the establishment of the Humanitarian Exchange Facility (HEF) and capacity-building support to non-governmental organizations (NGOs). Together, these activities are designed to respond rapidly to the situation in Afghanistan and help reduce the need for future humanitarian assistance.

- 4. Afghanistan achieved important development gains between 2001 and 2021, driven by the reestablishment of a basic functioning state and a huge influx of international grant support. The economy expanded rapidly, driving a 75 percent increase in average real per capita incomes. Afghanistan experienced rapid improvements in literacy, life expectancy, infant mortality, and access to basic infrastructure and services. These gains were achieved with the support of the international community, with grants equal to around 45 percent of gross domestic product (GDP) financing around half of the government budget and 75 percent of total public expenditure. The WB provided critical support to core state functions, including administering national programs for primary health, basic education, and community development.
- 5. Development gains are now at high risk, with Afghanistan facing a major economic crisis. The August 15, 2021 political crisis has resulted in an abrupt cessation of most international aid and all international security assistance. This has led to major disruption to core government services and a massive contraction in aggregate demand. Reductions to grant inflows have left Afghanistan without a source of hard currency to finance critical imports (grants previously financed a trade deficit of around 35 percent of GDP, with aid inflows providing hard currency to pay for critical imports including electricity, food, fuel, and medical supplies). The exchange rate has depreciated by 15 percent against the US dollar since August. As a result of international sanctions, Afghanistan has lost access to international reserves while linkages to the international financial system have been disrupted, driving the financial sector into crisis. Unless mitigating measures are taken, fiscal contraction and disruptions to private sector activity are expected to lead to a 30 percent reduction in economic output over the year from August 15, 2021.
- 6. The crisis is having extreme impacts on firms and households. Two-thirds of businesses have experienced a decline in consumer demand while firms report having laid off more than half of their employees on average. One in four businesses has closed operations. Reduced availability of household products is driving increasing prices with annual inflation for a package of basic household goods reaching around 40 percent. More than two-thirds of households are unable to cover basic food and non-food needs, with around one-third of households unable to cover even food needs. Extreme poverty had led to the widespread adoption of harmful coping mechanisms such as borrowing at high interest rates, consumption, or sale of assets, and reducing investment in human capital. This will have long-term consequences, creating a cycle of poverty. Disruption to health services has further undermined Afghanistan's capacity to manage the ongoing COVID-19 crisis (Afghanistan has recorded a total of around 174,000 cases and 7,619 deaths³, but actual cases and deaths are likely to be far higher given limited testing).

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<sup>&</sup>lt;sup>3</sup> WHO Coronavirus Dashboard: Afghanistan (database), World Health Organization, Geneva (accessed 6th March 2022), <a href="https://covid19.who.int/region/emro/country/af">https://covid19.who.int/region/emro/country/af</a>.

- 7. Major international efforts are underway to address immediate humanitarian needs and to provide support for essential basic services. While almost all development assistance has paused, humanitarian actors remain active on the ground. UN agencies as well as NGOs are active in addressing food security and supporting the continued provision of education and other vital services. The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA) assessed calendar year 2022 humanitarian financing needs at US\$4.4 billion, with 24.4 million Afghans in need of assistance.
- **8.** The ITA is facing major challenges to effective governance. It is also facing major fiscal constraints, with many government workers remaining unpaid.<sup>4</sup> Priorities remain unclear to the international community, with policy decisions often appearing subject to substantial regional variation (including policies regarding girls' access to education). Repeated commitments to the establishment of an inclusive government are yet to be borne out, with women entirely excluded from leadership positions, limited presence in the public life and in government institutions. Security conditions, however, have significantly improved, allowing for humanitarian assistance.
- 9. Recent developments by the United Nations Security Council (UNSC) and the US Office of Foreign Assets Control (OFAC) have clarified the space for financing flows for humanitarian and basic human needs. UNSC Resolution (UNSCR) 2615 clarifies that humanitarian assistance and other activities that support basic human needs are permitted under UN sanctions against the ITA. Coinciding with and following adoption of UNSCR 2615, the US Treasury Department announced several new General Licenses for Afghanistan. These licenses provide additional support for humanitarian assistance and extend the scope of permissible activities.

Sectoral and Institutional Context

10. Afghanistan is facing an acute food security emergency that affects more than half of the population. Economic collapse, job loss, political instability and insecurity, and severe impacts of chronic vulnerability to climatic hazards, especially major droughts, are fueling a food crisis in Afghanistan. Since August 2021, the availability, access, and stability of the food supply have become critically compromised. Since November 2021, an estimated 55 percent of the population (some 22.8 million people) have been facing a major food security crisis, classified as Integrated Food Security Phase Classification (IPC) Phase 3 (IPC3) or higher. Some 8.7 million people across 22 of Afghanistan's 34 provinces face a food emergency (IPC4 conditions). About 3.9 million people are estimated to have required malnutrition treatment services in 2021, including 1 million children under five with severe acute malnutrition, 2.2 million children under five with moderate acute malnutrition, and 700,000 pregnant and lactating women with acute malnutrition. Income opportunities are limited. Monitoring by WFP since the end of December 2021 reveals that the average unskilled daily labor rate was just AFN 279 (less than US\$3) a day and that labor availability for those seeking work has sunk to just 1.3 days a week on average. Interventions are required across the country and across all those IPC categories facing a major food security crisis.

11. The international community is providing humanitarian assistance, with an emphasis on emergency

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<sup>&</sup>lt;sup>4</sup> The ITA is estimated to be raising revenues of around US\$1.5 billion per year (relative to total public spending of around US\$11 billion in 2020).

<sup>&</sup>lt;sup>5</sup> The IPC is a five-level scale describing the severity of food emergencies (IPC1: minimal; IPC2: stressed; IPC3: crisis; IPC4: emergency; IPC5: famine/catastrophe). It is intended to help governments and other humanitarian actors quickly identify a crisis (or potential crisis) and take action.

food distribution, food production and the creation of cash-for-work schemes to address near-term urgent priorities. Food security and agriculture partners have prioritized immediate food assistance to 7.3 million food insecure people, including people in areas affected by the drought from September to December 2021. WFP provided food assistance to 5 million people in November 2021 and is seeking to provide food and nutrition support to more than 23 million people in 2022. ARTF donors have transferred out US\$180 million to WFP and US\$100 million to UNICEF to fill the humanitarian response gap. Other humanitarian agencies are also responding to the food security crises. Support from the Food and Agriculture Organization (FAO) of the United Nations includes distribution of input packages for wheat production and a cash-for-work program targeting the land poor and food insecure to provide a short-term boost to income through labor-intensive works such as the rehabilitation of local irrigation and soil-water conservation structures, livestock watering points, flood protection walls, and *karezes* (underground canal systems). FAO's program has scaled up to US\$300 million, from just US\$80 million in 2021, and further expansion of financing is expected in 2023. Despite the response, the food security emergency intensified in 2022 and more than additional two million people will not receive humanitarian assistance, without further humanitarian and development interventions, in particular in the agricultural sector with a focus on domestic food production.

- The agriculture sector is essential to the humanitarian-development nexus in Afghanistan, providing 12. not only ongoing food security and nutrition but also a key livelihood source for rural communities. Agriculture has traditionally dominated Afghanistan's economy, contributing significantly to its growth. Before the current political crisis, the sector (not including agriculture processing) accounted for about a quarter of Afghanistan's GDP and employed more than 40 percent of the population. It also provided most of the jobs in manufacturing. Agriculture products constituted about 48 percent of export earnings. The contribution of agriculture to the economy is likely to increase as other sectors shrink due to the current economic and political instability. Most of the people who fled from conflict areas or lost jobs in urban areas are also moving back to rural areas, increasing dependency on the sector for livelihood security. Wheat, rice, barley, and maize are the main cereal crops grown. Wheat accounts for 80 percent of total cereal production (using three-quarters of the irrigated land), making it the most important crop for the food security of the country. It is the major staple crop for over 70 percent of the population and accounts for 60 percent of the national caloric intake. According to FAO, annual consumption of wheat in Afghanistan is estimated between 6-7 million tonnes (MT). Because of production inefficiencies, low yields, and the recurrent drought cycles, five-year average annual production is 4.5 million MT, leaving a deficit of about 2.0 million MT. This gap increased by 20 percent in 2021, mainly because of the severe drought. It is filled by importing wheat and wheat flour from neighboring countries, including Kazakhstan, Uzbekistan, and Pakistan.
- 13. The economic situation and years of drought have left the agriculture sector in crisis, with drought conditions expected to continue through 2022. The Seasonal Food Security Assessment (SFSA) completed by the Food Security and Agriculture Cluster in September 2021 found severe stress on agriculture livelihoods and apparent stress on rural markets from the reduced and/or disrupted flow of agriculture produce and significant increase in the prices of inputs (seeds, fertilizers, feed). According to the SFSA, 76 percent of smallholders lacked access to agriculture inputs; 78 percent of crop producers faced difficulties in crop production because of plant disease, low-quality seeds, and limited irrigation water; and 76 percent of crop producers had planted less than they normally did. These stresses from the economic crisis are compounding ongoing challenges related to drought. Twenty-five of 34 provinces were affected by water stress related to drought in 2021. Low rainfall and drought-like conditions are already being predicted for 2022, with the forecast of another La Niña event in back-to-back years. The collapse in the sector has led to high levels of indebtedness by rural households, further limiting access to food and to access to the agriculture inputs required to kick-start an increase in agriculture

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production and stimulate economic recovery.

- **14.** Restoring the agricultural production base requires access to wheat seed and seed for higher nutritional value backyard crops, including vegetables and legumes. Over the last two decades, the WB and FAO, along with other stakeholders, increased Afghanistan's seed production capacity. The Afghanistan Agricultural Inputs Project (AAIP, P120397), financed by the WB, which closed in June 2019, provided infrastructure development support and technical assistance to key stakeholders in the seed supply chain. It provided funding to (i) the Agricultural Research Institute of Afghanistan (ARIA) to produce breeder seeds; (ii) the State-Owned Seed Corporation (SOSC), which is responsible for producing foundation seed; and (iii) private seed enterprises producing certified seeds, which are organized under the Afghanistan National Seed Companies Union (ANSCU) and responsible to produce certified seed.
- 15. The AAIP support contributed to an increase in the production of wheat seed that almost satisfied the country's total requirements for certified wheat seed. With a replacement ratio of 10 percent a year, the total annual certified wheat seed need is about 30,000 MT. With the assistance provided by the WB financed Emergency Agriculture and Food Supply Project (EATS), the 100 plus private seed companies produced over 20,000 MT seed in 2021; with further technical assistance, the private sector could produce a similar amount in 2022. In the absence of access to certified seed, smallholders largely use seed saved from previous years, for which the quality is not ensured; they may plant varieties that are susceptible to pests and diseases. During the recent political crises, FAO continued to support the seed system, procuring a large quantity of certified seed of improved wheat varieties (about 10,000 MT) from the seed companies during the 2021 planting season and another 5,600 MT for the spring 2022 planting season. Such interventions are vital to keep the system running until both the public and private sector seed systems are able to recover financially and operationally. This support will prevent further deterioration of production capacity and mitigate loss of developmental gains achieved over the last decades.
- 16. Access to water through rehabilitation and improvement of irrigation schemes and watershed areas is critical for agriculture production. Only 12 percent of the land in Afghanistan is arable, and the climate is arid. Irrigation is therefore essential for reliable agricultural production in most parts of the country. Insecurity—which has led to maintenance being neglected—has left the irrigation systems in a state of disrepair, with most of the 35,000 traditional irrigation schemes throughout the country damaged. Flooding in recent years has also damaged irrigation infrastructure. The WB Irrigation Restoration and Development (P122235) financed project, the Implementation Completion and Results Report for which was completed in January 2022, was successful in improving access to irrigation in targeted areas, strengthening capacity for water resources management, and increasing agricultural productivity. One of the key lessons from that project was the need to for "water in agriculture" approach, under which investments in restoration of irrigation systems are complemented by support for agriculture production, such as inputs, improved varieties, improved technologies, climate smart agricultural technologies and practices.
- 17. The female labor force participation rate in rural areas, including in agriculture, continues to be low at just 29 percent, the majority of which are unpaid. Eighty percent of female rural workers are unpaid family workers (compared with only one of every five male workers). More than half of women in the labor force are concentrated in agriculture (predominantly in the livestock sector). Because of social-cultural and mobility restrictions, they lack access to extension services. Most extension workers are men, who are not permitted to interact with female farmers. The number of female extension workers is limited and deploying them to the field

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requires additional operating cost (provision of proper transportation and an allowance for *Mahram* [a male family member accompanying them]). To enhance female farmers' skills and increase yields, it is important to provide extension services that are accessible by women (tailored for illiteracy, delivered by women in women's own fields/compounds, and so forth). Restrictions on mobility have less effect on women within their rural communities than restrictions on long-distance travel or travel within urban areas.

- 18. The proposed Afghanistan Emergency Food Security Project aims to assist in addressing the worsening emergency in agriculture production, without which the prospects for sustained improvement in food security for the population, including women, are bleak. Preventing further decline and restoring the agriculture production base has the potential to help increase food security in both the short and medium term, aligning with the WB humanitarian-development nexus. Supporting the sector's recovery also provides opportunities to "build back better" and create conditions for a resilient and inclusive sector that to deliver sustained growth, jobs, livelihood security and contribute to wider economic growth while providing a source for safe and nutritious food. This support is required by female beneficiaries, as well as across all geographical regions and all those IPC categories facing a major food security crisis. The immediate priorities for the recovery of the sector to be supported by the proposed Afghanistan Emergency Food Security Project are the following:
  - a. Provide immediate access to agriculture inputs and inclusive services, to enable farmers to recommence cultivation.
  - Support increased productivity and diversification into higher value and more nutritious crops, including vegetables and legumes to be produced by predominantly female population in backyard gardens.
  - c. Increase access to irrigation water for smallholder farmers to increase resilience; and
  - d. Restore the soil and water resources to support sustained agriculture growth.
- 19. The project establishes two Entry Criteria for Access (ECA) to ensure that the context on the ground remains aligned with the principles of women's and beneficiary participation (Table 1). The two ECAs are as follows: (i) female beneficiaries are not restricted from obtaining the backyard vegetable cultivation packages or from participating in short term employment; and (ii) there is no restriction on distribution of cultivation packages to beneficiaries according to the targeting criteria (geographic and IPC). The ECA will be closely monitored (i) at entry before approving and signing the first tranche grant agreement; (ii) during implementation of the first tranche grant agreement before additional withdrawals are made by the UN agency; and (iii) before the second tranche grant agreement decision will be made.

#### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

- 20. The project development objective is to restore production of food security crops<sup>6</sup> for targeted smallholder farmers.
- 21. The project will be financed by an ARTF grant of US\$195 million using an IPF instrument. It will be implemented over 24 months by FAO. The grant will be released in two tranches: a first tranche of US\$150 million in 2022 and a second tranche of US\$45 million in 2023, subject to ARTF approval. The development objective and results are designed to be achieved within 24 months of implementation with an objective to reach

<sup>6</sup> Food security crops include wheat and nutritionally dense vegetables and legumes

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95 percent of disbursement in 18 months. FAO will develop a comprehensive detailed implementation plan by effectiveness to guide implementation of project activities within 24 months.

Key Results

- (a) Farmers reached with agricultural assets or services (number)
- (b) Increase in wheat crop production by target households in project intervention areas (percentage)<sup>7</sup>
- (c) Area provided with new or improved irrigation or drainage services (hectares).

### **D. Project Description**

- **22.** The project includes three components—restoring agriculture production, improving water and resilient services, and providing implementation support—and various sub-components.
- 23. Component 1: Restoring Agriculture Production (US\$110 million). The objective of this component is to restore and enhance the production of wheat and critical food high nutritional crops to avert further reduced production and prevent adverse impacts, including elevated food prices, diminished nutrition outcomes, and further deterioration of food insecurity. The focus of the support will be wheat production and "backyard" cultivation, including the production of selected crops with higher nutritional value, including vegetables and legumes. Seed production managed by private enterprises will be supported by creating effective demand and providing technical assistance. The project will enhance linkages with local markets to improve commercialization of marketable surplus of wheat, vegetables and legumes for farmers and women. The following activities will be financed under this component.
- Component 2: Provision of Water and Resilience Services (US\$72 million). Component 2 will support the rehabilitation and improvement of irrigation schemes and watershed areas by (i) restoring damaged irrigation systems on and off farms, (ii) cleaning drainage canal systems, (iii) repairing riverbank works to protect canals and adjacent areas from flood damage, (iv) implementing soil and water conservation measures and small rainwater harvesting structures, (v) improving watershed management and making minor repairs to upper catchment karezes, and (vi) building the capacity of stakeholders. These activities will increase access to irrigation water, improve soil and water conservation, and build climate resilience. They will also generate 6.25 million person-days for unskilled labor, including opportunities dedicated for female unskilled laborers, in activities such as gabion weaving. To expedite implementation, the project will use standard designs and manuals for all works, including the standards for irrigation schemes developed under the Irrigation Restoration and Development Project (P122235) and the Emergency Agriculture and Food Supply Project (P174348). The focus will be on critical rehabilitation activities that have low technical requirements and use local materials (such as canal clearing and the building of stone-filled gabions), to ensure rapid implementation. FAO regional offices will handle screening and design, using existing staff. A long list of potential sub-projects is already in place; the process for screening them can move ahead rapidly. FAO plans to have all works contracts awarded or ready to award six months following approval of the project.

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<sup>&</sup>lt;sup>7</sup> The increase in crop production will be measured only on wheat, because wheat is the major staple crop for over 70 percent of the Afghan population and accounts for 60 percent of national caloric intake, with own consumption an important part of food security. Focusing on wheat will simplify data collection on the ground and monitoring of activities.

- **25.** About 280,000 households that use irrigations schemes and watershed will benefit from the assets provided under this component, and 275,000 households will benefit from a short-term cash income boost through employment on labor-intensive works under the component.
- **26. Component 3: Implementation Support (US\$13 million).** Component 3 supports (i) indirect and direct costs; (ii) project monitoring, evaluation, and coordination at the national and regional levels; (iii) mobilization of farmers' associations, *mirabs*, and community development councils to facilitate consultation and community sensitization; and (iv) establishment and maintenance of a grievance redress mechanism. This component will also finance the cost (US\$218,160) of unarmed national security guards employed by FAO to provide security to their offices.

Legal Operational Policies		
	Triggered?	
Projects on International Waterways OP 7.50	Yes	
Projects in Disputed Areas OP 7.60	No	
Summary of Assessment of Environmental and Social Risks and Impacts		

- 27. Some of the canal rehabilitation will take place in international river basins, which cover most of the country. The interventions will not involve additional water abstraction but will ensure proper transmission and distribution by rehabilitating and improving the existing irrigation schemes. Given the nature of works envisaged, the project will not adversely affect the quality or quantity of water flows to other riparians or be adversely affected by other riparians' water use.
- **28.** Riparian Notification Requirement: Projects on International Waterways (OP 7.50). On March 15, 2022, the WB Vice President, South Asia Region Vice Presidency, granted FAO an approval of an exception for application of the WB's Projects on International Waterways requirement (OP 7.50).

#### E. Implementation

Institutional and Implementation Arrangements

29. FAO was selected as the United Nations Implementing Partner for this project because of its unique technical expertise and global experience working with the WB to implement emergencies in agriculture and food security response operations, especially in FCV environments. FAO is the only UN agency that has the mandate, technical expertise and networks on agriculture production, especially, on seed production and distribution as well as on irrigation and water resource management. FAO has an existing framework agreement and extensive global experience working with the WB as an implementing partner. Recent examples where FAO has worked with the WB on emergency agriculture and food security programs including in Afghanistan for Emergency Agriculture and Food Supply Project (174348), the Yemen Food Security Response and Resilience Project (P176129); in the Central African Republic (P149512); in Zimbabwe for the IDAI Recovery Project

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(P171114) and the Emergency Locust Response Program (P173702).

- **30.** FAO will leverage existing institutional arrangements with partners, including international and local NGOs, local private service providers, and contractors, to support implementation and mobilization of beneficiaries. FAO will informally mobilize farmers associations, *mirabs*, and community development councils to facilitate consultation and community sensitization on the project. Annex 1 presents details on project implementation arrangements.
- **31.** FAO will work with private seed actors and contract farmers who will multiply and produce foundation and certified seeds at scale for distribution to smallholders via farmers associations and irrigation associations. Working through the private sector to procure seed ensures the continued operation of the private seed system in Afghanistan, which will be needed for a sustained food security response and growth beyond the crisis.
- **32. Financial management, flow of funds, and procurement arrangements.** The project's financial management arrangements will be governed by the Financial Management Framework Agreement (FMFA) between the WB and UN agencies, which provides for the use of the UNs' financial regulations. Funds will flow through nongovernment entities and channels; there will be no flow of funds through ITA (see Annex 1). A MA will provide oversight on financial management and progress of procurement implementation. For procurement, FAO will follow its own procurement procedures as Alternative Procurement Arrangements envisaged by the World Bank's Procurement Framework Policy Section III.F. FAO's procurement procedures were assessed and found acceptable to the WB under agreements with UN agencies.
- **33.** Environmental and social instruments. The FAO Country Representative in Kabul will be responsible for implementing the environmental and social (E&S) instruments of the project. The FAO Project Implementation Unit (PIU) will include environmental and social staff to supervise implementation of E&S instruments by implementing partner organizations (such as international and local NGOs, local private service providers, and contractors) in compliance with the substantive requirements of the WB's Environmental and Social Framework (ESF) and FAO's Environmental and Social Management Guidelines. FAO will ensure cascading responsibility on substantive E&S requirements, reflected in the Environment and Social Commitment Plan (ESCP) and Environmental and Social Management Framework (ESMF), through relevant contractual provisions with contractors and other implementing partners. It will conduct training and capacity building for the staff of implementing partner organizations, as specified in the ESCP and the ESMF. FAO and its implementing partners will work closely with local communities, which will contribute to the project's implementation through the facilitation role played by community development councils.
- **34. Coordination.** FAO will set up a formal project coordination committee to increase efficiency and efficacy. It will coordinate activities with and among implementing partners and activities financed by the Asian Development Bank (ADB) and other donors. It will coordinate with community development councils at the field level, through consultations, as well as with other relevant local entities. A mechanism will be established to regularly brief ARTF donors on project results and implementation progress. To inform programming efforts and promote complementarities, WB teams are working closely with UNDP's Area-Based Approach for Development Emergency Initiatives (ABADEI), which identifies investments in basic services, livelihoods, and community resilience that complement humanitarian efforts. The ABADEI aims to promote more effective responses by strengthening collaboration and the complementarity of interventions with the Humanitarian Action Plan.
- 35. FAO will prepare annual budgeted work plans and a detailed procurement plan (in agreement with the

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WB). The first work plan will be prepared by the time of project approval. Subsequent plants will be submitted by March 31 of every year. Each plan will identify the activities to be implemented over the subsequent 12 months by component and sub-component, with intended results, timeline, budgets, and planned procurement activities. It will also identify issues, implementation bottlenecks, and remedial actions and outline responsibilities. Given the travel restrictions imposed by COVID-19 and the need for virtual missions (video/audio), the budgeted annual work plan will be the main interface connecting implementing partners and the WB. It will allow the WB to monitor activities of each component, evaluate progress, and discuss corrective actions or needed changes.

36. Project Implementation Manual (PIM) and other relevant documents. A detailed PIM will be prepared by the time of project approval. It will cover all aspects of project intervention areas. The E&S instruments prepared for the Emergency Agriculture and Food Supply Project (EATS, P174348)<sup>8</sup> will be updated for this project. E&S documents that will be updated include the ESCP, the Stakeholder Engagement Plan (SEP), the ESMF, which will include an E&S screening template, a generic Environment and Social Management Plan (ESMP) to manage impacts of minor rehabilitation works, a simplified LMP, and measures to manage Occupational Health and Safety (OHS) and CHS risks. The ESMF will have an exclusion list for project activities that will not be supported by the project funds. It will also include a brief description of the UN Security Protocol and any measures necessary to ensure consistency between the Protocol and the ESF requirements and the Pest Management Plan (PMP). The ESMF and other E&S management documents should be prepared disclosed prior to signing of contract between FAO and implementing NGOs/contractors and implemented throughout project implementation period.

#### **CONTACT POINT**

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#### **Borrower/Client/Recipient**

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Deputy Representative/Country Director

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<sup>&</sup>lt;sup>8</sup> This project was approved in August 2020. It was implemented as a COVID-19 response support for agriculture in Afghanistan. The project was suspended after the World Bank cancelled its portfolio in Afghanistan following the Taliban takeover in August 2021.

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# **Implementing Agencies**

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## **APPROVAL**

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rask realificeauer(s).	Francois Onimus

# **Approved By**

Practice Manager/Manager:		
Country Director:	Melinda Good	22-Apr-2022

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