



Report No.: PAD4964

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

FROM THE AFGHANISTAN RECONSTRUCTION TRUST FUND GRANT

IN THE AMOUNT OF US\$195 MILLION

A PROPOSED FIRST TRANCHE IN THE AMOUNT OF US\$150 MILLION

A PROPOSED SUBSEQUENT TRANCHE IN THE AMOUNT OF UP TO US\$45 MILLION

TO THE

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

FOR

THE

AFGHANISTAN EMERGENCY FOOD SECURITY PROJECT

June 2, 2022

Agriculture And Food Global Practice
South Asia Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2022)

Currency Unit = US\$1

AFN 88.55 = US\$1

FISCAL YEAR

December 21 – December 20

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ABBREVIATIONS AND ACRONYMS

AA	Administrative Agreement
AFN	Afghanistan Afghani (Afghanistan currency)
ADB	Asian Development Bank
ACG	Anti-Corruption Guidelines
AAIP	Afghanistan Agricultural Inputs Project
ANSCU	Afghanistan National Seed Companies Union
APA	Alternative Procurement Arrangements
ARTF	Afghanistan Reconstruction Trust Fund
CO ₂ e	Carbon dioxide equivalent
CPF	Country Partnership Framework
CDC	Community Development Council
Covid-19	Corona Virus Disease 2019
E&S	Environmental and social
EATS	Emergency Agriculture and Food Supply Project
ECA	Entry Criteria for Access
ESCP	Environment and Social Commitment Plan
ESF	Environmental and Social Framework
ESMF	Environmental and Social Management Framework
ESS	Environnemental and Social Standards
FAO	Food and Agriculture Organization
FCV	Fragile, Conflict, and Violence
FM	Financial Management
FMFA	Financial Management Framework Agreement
FSP	Financial Service Providers
FY	Fiscal year
GDP	Gross Domestic Product
GRM	Grievance Redress Mechanism
GRMS	Global Resource Management System
ha	Hectare(s)
IE-LFS	Integrated Expenditure and Labor Force Survey
IFR	Interim Financial Reports
IUFR	Interim Unaudited Financial Reports
IPC	Integrated Food Security Phase Classification
IPF	Investment Project Financing
IRR	Internal rate of return
ITA	Interim Taliban Administration
kg	Kilogram(s)
MA	Monitoring Agent
M&E	Monitoring and evaluation
MSP	Money Service Providers
MT	Million ton(s)
NGO	Non-governmental organization
NPV	Net present value
OIG	Office of the Inspector General
PAD	Project Appraisal Document
PIM	Project Implementation Manual
PIU	Project Implementation Unit
SEP	Stakeholder Engagement Plan
SFSA	Seasonal Food Security Assessment

SPC	Shadow price of carbon
UN	United Nations
UNICEF	United Nations Children's Fund
UNSCR	UN Security Council Resolution
WB	World Bank
WFP	World Food Programme



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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name		
Afghanistan	Emergency Food Security Project		
Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P178280	Investment Project Financing	Substantial	Urgent Need or Capacity Constraints (FCC)

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input checked="" type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
06-Jun-2022	28-Jun-2024

Bank/IFC Collaboration

No

Proposed Development Objective(s)

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

Components

Component Name	Cost (US\$, millions)
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Restoring Agriculture Production	106.00
Provision of Water and Resilience Services	62.00
Implementation Support	27.00

Organizations

Borrower:	FAO
Implementing Agency:	FAO

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
Afghanistan Reconstruction Trust Fund	195.00

Expected Disbursements (in US\$, Millions)

WB Fiscal Year	2022	2023	2024
Annual	23.00	122.00	50.00
Cumulative	23.00	145.00	195.00

INSTITUTIONAL DATA

Practice Area (Lead)

Contributing Practice Areas



Agriculture and Food

Climate Change, Environment, Natural Resources & the Blue Economy, Jobs, Macroeconomics, Trade and Investment

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● High
2. Macroeconomic	● High
3. Sector Strategies and Policies	● Substantial
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Substantial
9. Other	● High
10. Overall	● Substantial

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any waivers of Bank policies?

Yes No



Have these been approved by Bank management?

Yes No

Is approval for any policy waiver sought from the Board?

Yes No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Schedule 2, Section I.A.2: The Recipient shall establish, not later than one (1) month after the Effective Date, and thereafter maintain throughout the period of the implementation of the Project, the Project Implementation Unit, with composition, the core team of which will be in place at the time of establishment, mandate, and resources to be agreed with the Bank, which unit shall: (a) include, at all times during Project implementation, experts in



adequate number, each with terms of reference, qualifications, and experience to be agreed with the Bank, allocated to or recruited for the Project as and when their expertise will be needed for the efficient implementation of the Project and the achievement of its development objectives; and (b) be responsible for day-to-day management and implementation of the Project, including technical, fiduciary (financial management and procurement), grievance redress, monitoring and evaluation, health and safety, and social and environmental aspects of the Project, and coordination with other stakeholders, all as set out in detail in the Project Implementation Manual.

Sections and Description

Schedule 2, Section I.A.3: The Recipient shall establish, not later than one (1) month after the Effective Date, and thereafter maintain throughout the period of implementation of the Project, the Coordination Committee, with a mandate, composition, and frequency of meetings to be agreed with the Bank and set out in the Project Implementation Manual, to be responsible for, inter alia, coordinating implementation of Project activities with and among relevant stakeholders, including Community Development Councils.

Sections and Description

Schedule 2, Section I.B.1: The Recipient shall: (a) not later than two months after effective date, prepare and thereafter maintain, throughout the implementation of the Project, a manual for the implementation of the Project, (“Project Implementation Manual”), in form and substance satisfactory to the Bank, containing, inter alia, (i) detailed description of the Project activities and institutional arrangements for their implementation, including allocation of responsibilities; (ii) detailed terms of reference of the Project Coordination Committee and its operational arrangements; (iii) monitoring, evaluation, financial, reporting, internal controls, disbursement (flow of funds), and governance procedures for the Project, including but not limited to procedures, eligibility criteria, targeting systems and requirements, detailed protocols, and distribution as well as verification mechanisms for distribution of production input packages under Part 1.A and 1.B to eligible Vulnerable Farming Households and eligible Vulnerable Households, respectively; (iv) operational procedures and arrangements for monitoring compliance with Entry Criteria for Access; and (v) implementation of environmental and social instruments referred to in the ESCP; and (b) carry out the Project in accordance with the provisions of the Project Implementation Manual.

Sections and Description

Schedule 2, Section I.B.2: monitoring, evaluation, financial and reporting procedures for third-party monitoring of project implementation in the Project Implementation Manual under Section I.B.1 (a) above shall include, among others, detailed terms of reference of the Recipient’s Third-Party Monitoring, which may be carried out in coordination with the monitoring agent of the Bank and sharing of information between the Recipient’s Third-Party Monitoring Agent(s) and the Bank’s monitoring agent.

Sections and Description

Schedule 2, Section I.E.1: The Recipient shall ensure that the Project is implemented in an environmentally and socially responsible manner in accordance with the Recipient’s environmental and social policies and procedures, the relevant commitments in this Agreement, and the Environmental and Social Commitment Plan (ESCP), as mutually agreed between the Recipient and the Bank, and as required by the Environmental and Social Framework of the Bank (which includes the Environmental and Social Standards).



Conditions

Type	Financing source	Description
Disbursement	Trust Funds	<p>Section IV. B. of schedule 2.</p> <p>1. No withdrawal shall be made:</p> <p>(a) for payments made prior to the Signature Date except that withdrawals up to an aggregate amount not to exceed seven hundred thousand United States Dollars (\$700,000) may be made for payment made prior to this date but on or after March 24, 2022 for Eligible Expenditures under Categories (1) and 2;</p> <p>(b) for any payment for Taxes levied by or in the territory of the Member Country; or</p> <p>(c) for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the Bank's knowledge, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations.</p> <p>2. Without prejudice to any other provision of this Agreement, the Recipient further undertakes that no Grant proceeds or resources may be used for law-enforcement, security, military, or paramilitary purposes or for any payments made to any law-enforcement, security, military, or paramilitary forces without the Bank's express approval.</p>



I. STRATEGIC CONTEXT

A. 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 World Bank's Board of Executive Directors supported Approach Paper 1.0¹ for an immediate Transfer Out of \$280 million of uncommitted ARTF funds to the 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 Paper 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 involvement of the Interim Taliban Administration (ITA), to United Nations (UN) agencies and potentially international and national non-governmental organization (INGOs). 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 (ADB), European Union, and Islamic Development Bank (IsDB) and the Special Trust Fund for Afghanistan 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 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 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, 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 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

¹ Afghanistan Immediate-Term Approach Paper, November 12, 2021, SecM2021-0292

² Afghanistan Approach Paper 2.0: Options for World Bank Engagement to Support the Afghan People, February 15, 2022, R2022-0018/IDAR2022-0036



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. More recently, the impacts of the war in Ukraine on Afghanistan's food security and rising fuel prices are compounding the existing crises.

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 deaths, but actual cases and deaths are likely to be far higher given limited testing).³

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 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.⁴ 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 and minimal representation of minority ethnic groups. Security conditions, however, have significantly improved, allowing for humanitarian assistance.

9. **Recent developments by the UN Security Council and the US Office of Foreign Assets Control have clarified the space for financing flows for humanitarian and basic human needs.** United Nations Security Council Resolution (UNSCR) 2615 clarifies that humanitarian assistance and other activities that support basic human needs are permitted under UN

³ WHO Coronavirus Dashboard: Afghanistan (database), World Health Organization, Geneva (accessed 6th March 2022), <https://covid19.who.int/region/emro/country/af>.

⁴ 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).



sanctions against the Taliban. 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.

B. 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.⁵ 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 AFN 279 (less than US\$3) a day and that job availability for those seeking work has sunk to 1.3 days a week on average.

11. **The international community is providing humanitarian assistance, with an emphasis on emergency food distribution, food production, and the creation of cash-for-work schemes to address 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 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 the 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 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 two million additional people may not receive humanitarian assistance, without interventions.

12. **The agriculture sector is essential to the humanitarian-development nexus in Afghanistan, providing not only food security 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 one 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

⁵ 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.



consumption of wheat in Afghanistan is estimated between 6-7 million tonnes (MT). Because of production inefficiencies, low yields, and the recurrent drought cycles, the five-year average annual production is 4.5 MT, leaving a deficit of about 2.0 MT per annum. 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 throughout 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 a 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 farmers faced crop production difficulties because of plant disease, low-quality seeds, and limited irrigation water; and 76 percent of crop producers had planted less than normal. 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 the agriculture inputs required to kick-start an increase in agriculture 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, have supported an increase 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, 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 wheat seed production that almost met the country's total requirements.** 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, P174348), the 100 plus private seed companies produced over 20,000 MT of seeds 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 the potential 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 has led to maintenance being neglected and 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-financed Irrigation Restoration and Development Project (P122235), which closed in December 2020, 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 for a “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, and 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 16.5 percent, the majority of whom are unpaid.** Eighty percent of female rural workers are unpaid family members 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. Due to 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 requires additional operating cost, including the 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 and delivered by women in women’s own fields/compounds).

18. **The 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. Supporting the sector’s recovery also provides opportunities to “build back better” and create conditions for a resilient and inclusive sector 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 Project are the following:

- a. Provide immediate access to agriculture inputs and inclusive services, to enable farmers to recommence cultivation;
- b. Support increased productivity and diversification into higher value and more nutritious crops, including vegetables and legumes to be produced predominantly by women in backyard gardens;
- c. Increase access to irrigation water for smallholder farmers to increase resilience and productivity; and,
- d. Restore the soil and water resources to support sustained agriculture growth.

C. Relevance to Higher-Level Objectives

19. **The Project is consistent with the WB Group’s Afghanistan Approach Papers presented to the Board of Executive Directors on November 30, 2021, and March 1, 2022, to provide immediate and short-term support to the people of Afghanistan through UN agencies and international organizations using ARTF resources.** The Project aims to improve household food security and nutrition by increasing the availability of and access to food, and to increase the resilience of Afghan households to food security crises.

20. **The Project is also fully consistent with the priorities and approach established in the WB Group’s Country Partnership Framework (CPF) FY17–FY20 (108728-AF), discussed at the Board of Executive Directors on October 27, 2016, and extended until FY22 by the corresponding Performance Learning Review.** The CPF has three pillars: (1) Building strong and accountable institutions; (2) Supporting inclusive growth; and (3) Social inclusion and a cross-cutting theme that seeks to improve climate resilient landscapes and infrastructure. Pillar 2 supports recovery of agricultural productivity, and Pillar 3 supports rural livelihoods’ recovery and building back better to make agriculture more resilient to climate change and drought.



21. **The Project is aligned with key strategies addressing fragility and its relationship to poverty and growth.** The Project is aligned with two of the four WB Group's strategy for Fragility, Conflict and Violence (FCV) pillars (Pillars 2 and 4). Pillar 2 recommends remaining engaged during conflict and crisis situations to preserve hard-won development gains, protect essential institutions, build resilience, and be ready for recovery. Pillar 4 recommends mitigating the spillovers of FCV to support countries and the most vulnerable and marginalized communities that are affected by cross-border crisis, such as forced displacement or shocks resulting from famines, pandemics, and climate and environmental challenges. The Project's focus on ensuring food and nutrition security, restoring agricultural production, and building the resilience of households and of the country to food security crises is consistent with WB Group's high-priority issues in FCV settings related to building community resilience and preparedness as well as investing in human capital. The implementation approach of working through UN partners is consistent with the FCV operational framework with respect to partnerships with humanitarian, development, peacebuilding, security, and private sector actors to maximize impact on the ground.

22. **The Project is also aligned with the WB's Gender Strategy (2016–23).** It contributes to key objectives of the strategy, including improving human endowments, voice, and agency by providing extension services and agriculture inputs to targeted female beneficiaries and ensuring that their needs are addressed under the infrastructure rehabilitation work of the Project.

II. PROJECT DESCRIPTION

23. **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 as referred to in Approach 2.0: 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 95 percent of disbursement within 18 months.

24. **The Project is being processed under Condensed Procedures as per WB Procedure on Preparation of Investment Project Financing (IPF) for Projects in Situations of Urgent Need of Assistance or Capacity Constraints.** Paragraph 12 of Section III of the Bank Policy on IPF is applied to respond to a situation of urgent need of assistance and extreme capacity constraints due to conflict, fragility and external shocks.

25. **The Project establishes two ECAs to ensure that the context on the ground remains aligned with the principles of women's and beneficiary participation in the Project-supported activities.** The ECAs are not monitoring the performance of the implementing agency (FAO); rather they provide a means for ARTF donors, FAO, and the WB to assess whether the situation on the ground continues to provide the required conditions under which activities can be implemented. 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 opportunities; and (ii) there is no restriction on distribution of cultivation packages to beneficiaries according to the targeting criteria (geographic and IPC). Funds will not be released for backyard vegetable cultivation packages or for participating in short term employment opportunities and for distribution of cultivation packages to beneficiaries where these two criteria are not met. Additionally, to retain flexibility, within 10 months of effectiveness, a review together with ARTF partners will be held to assess progress and whether the ECAs continue to be in place and the performance targets have been met. Should the situation on the ground continue to be enabling, and subject to the availability of funding, a second tranche may be released from ARTF. The WB and FAO have agreed on criteria for the release of the second tranche. Table 1 details ECAs and the criteria for the release of the second tranche.

Table 1: Entry Criteria for Access

	ECA 1: Female beneficiaries' access	ECA 2: Criteria based equitable access
Definition	Female beneficiaries are not restricted from obtaining the backyard vegetable cultivation packages or from participating in short term employment opportunities	There is no restriction on distribution of cultivation packages to beneficiaries according to the targeting criteria (geographic and IPC). At entry, this is measured by the IPC report for January to June
Application	Components 1 and 2. Both FAO and ARTF-supported Monitoring Agents (MAs) will provide quarterly reports of the ECA compliance and FAO/WB will report it to the Food Security Agriculture Cluster	Components 1 and 2. Both FAO and ARTF-supported MAs will provide quarterly report of the ECA compliance and FAO/WB report it at the Food Security Agriculture Cluster
Verification	FAO team, FAO MA complemented by ARTF MA	FAO team, FAO MA complemented by ARTF MA
Noncompliance	Where ECA conditions are not met, financing will focus on other target communities	Where ECA conditions are not met, financing will focus on other target communities
Second-tranche release criteria (after 10 months)	The tranche release criteria are: <ul style="list-style-type: none"> • Fulfillment of 2 ECA conditions • 3 Project performance targets: <ul style="list-style-type: none"> ○ Key PIU staff and NGO/Facilitating Partners contracts in place; ○ Workplan and quarterly reports submission; and, ○ Not less than 90 percent of civil contracts are awarded by FAO to local contractors for civil works 	

26. **The ECA will be closely monitored by FAO, the WB, independent monitoring agents (MAs) and partners at different stages of engagement:** (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 FAO; and (iii) before the second tranche decision will be made.

A. Project Development Objective

PDO Statement

27. **The Project Development Objective is to restore production of food security crops for the targeted smallholder farmers.**⁶

28. The objective will be achieved through (i) immediate interventions that provide access to a full package of agricultural inputs and services to restore production, and (ii) rehabilitation of irrigation schemes and watersheds, to restore productive capacity and generate short-term employment opportunities.

29. PDO Level Indicators

- a. Wheat crop production increase (by target households) in project intervention areas (percentage)
- b. Farmers reached with agricultural assets or services (disaggregated by gender) (number)
- c. Area provided with new/improved irrigation or drainage services (hectares)

B. Project Components

30. **Component 1: Restoring Agriculture Production (US\$106 million).** The objective of this component is to restore and enhance the production of wheat and high nutrition food crops, including vegetables and legumes. Seed production managed by private enterprises will be supported by creating effective demand and providing technical assistance.

⁶ Food security crops include wheat and nutritionally dense vegetables and legumes



31. **Sub-component 1.1: Emergency Wheat Production Support.** Supporting provision of input packages for wheat production covering the November 2022, March 2023, and November 2023 planting seasons in 20 provinces. The production packages will include 50 kilograms (kg) of locally produced certified seed of improved and adapted wheat varieties, 50 kg of urea, and 50 kg of diammonium phosphate (DAP), sufficient for planting one acre of land. The provision of input packages will be complemented with extension services provided by FAO. Wheat seed will be purchased from private seed companies operating under the ANSCU, which represents over 100 private domestic seed companies. Fertilizers will either be procured from local importers or imported from neighboring countries.
32. **Sub-component 1.2: Agriculture Diversification for Nutrition.** Supporting women headed households and people with disabilities or chronic illness (“vulnerable households”) in meeting their nutrition needs by providing: (i) input packages of seeds and, basic tools for backyard kitchen gardening to grow crops with higher nutritional value, including vegetables and legumes; and (ii) technical training on improved and climate smart production practices as well as basic nutrition and food hygiene. The activities will be implemented across the rural areas of all 34 provinces.
33. **Sub-component 1.3: Enhanced Seed Production.** Enhancing production of certified wheat seeds by provision of technical assistance to private seed enterprises for planning, on-site support for multiplication, marketing, and certifications of seeds.
34. **Component 2: Provision of Water and Resilience Services (US\$62 million).** Supporting rehabilitation and improvement of selected irrigation schemes and watershed areas across 5 river basins in 36 sub-basins through: (i) restoring damaged on-farm and off-farm irrigation systems; (ii) cleaning drainage canal systems; (iii) carrying out riverbank protection works to protect canals and adjacent areas from flood damage; (iv) implementing soil and water conservation measures, including development of small rainwater harvesting structures; (v) improving watershed management and carrying out minor repairs to upper catchment of *Karezes*; and (vi) building the capacity of key stakeholders. These activities will increase access to irrigation water, improve soil and water conservation, and build climate resilience. They will also generate short term jobs for unskilled workers, 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 IRDP and the EATS Projects. 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 longlist of potential sub-projects is already in place and the screening process can move ahead rapidly.
35. **Component 3: Implementation Support (US\$27 million).** Supporting - (i) indirect costs; (ii) direct project monitoring and supervision costs required to support implementation of the Project; (iii) project monitoring, evaluation, and coordination at the national and regional levels; (iv) mobilization of farmers’ associations, *mirabs*⁷, and Community Development Councils (CDCs) to facilitate consultation and community sensitization; and (iv) establishment and maintenance of a grievance redress mechanism.

C. Project Beneficiaries

36. **The primary beneficiaries of the Project are households and smallholder farmers most affected by drought and food insecurity,** including the most vulnerable, such as female farmers, female-headed households, households with

⁷ The *Mirab* is a local person selected and paid by the community to manage the canal system including managing water distribution among the water users along the irrigation canal

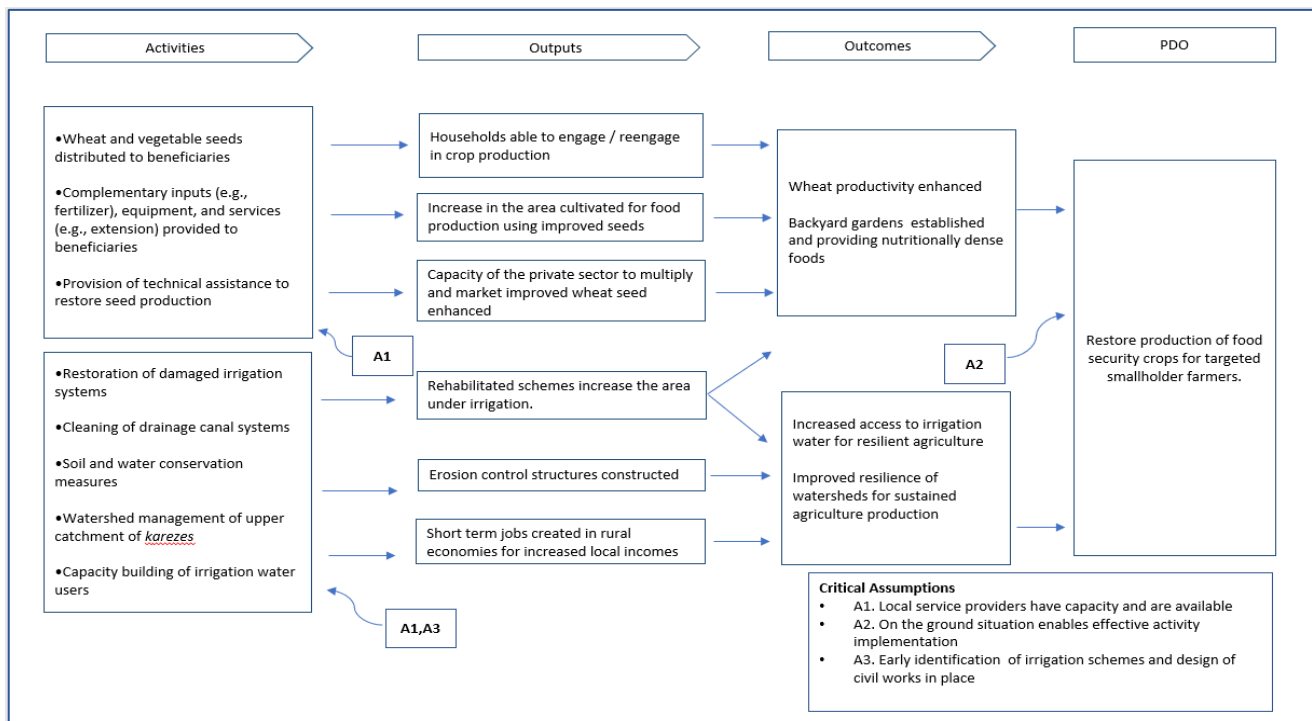


pregnant mothers and children under two, internally displaced persons, and people with disabilities. The wheat cultivation and kitchen gardening packages in Component 1 will benefit about 750,000 smallholder farmers. The rehabilitation of small irrigation schemes and micro watersheds in Component 2 will create 6.25 million person-days of work for unskilled labor and about 280,000 households will benefit from irrigation scheme and watershed rehabilitation activities. The beneficiary targeting approach and implementation schedule will be adjusted if the districts within the priority provinces become inaccessible or security constraints make activities infeasible. The district selection may be revised with an appropriate justification or if a district no longer meets the criteria, with the WB and FAO’s prior approval. The detailed criteria for selecting geographic areas and beneficiaries will be provided in the Project Implementation Manual (PIM)..

D. Results Chain

37. **The theory of change of the Project flows directly from the objective of improving production of key food crops that will contribute to critical aspects of food security over the long term.** They include: (i) support to domestic food production; (ii) access to income-generation opportunities/labor days; (iii) increase food use and consumption by ensuring availability and access to nutritious food; and (iv) stability of the food supply through irrigation and watershed activities for more resilient production and better water management against shocks.

Figure 1. Theory of Change



E. Rationale for Bank Involvement and Role of Partners

38. **The WB Group has significant experience investing in the agriculture sector, including in Afghanistan and global knowledge of food security in and beyond crises.** By building on its water management, agricultural support, and private sector seed development work with partners in Afghanistan, the Bank is well-placed to support a sustained response to



the food crisis that has placed the country under famine watch. The WB will leverage its deep partnership with FAO in Afghanistan and other FCV situations to advance the global food security agenda. The partnership with FAO will allow the WB to provide agriculture production restoration support in the short and medium term. The WB has a wealth of experience and a track record in rapidly deploying financial and technical support to address urgent food security and livelihood recovery needs in similar crisis situations. This, combined with FAO's operational and technical capabilities on the ground, will facilitate Project implementation.

39. The WB Group's FCV strategy recognizes the critical role of partnerships in operationalizing support in FCV settings. Guided by the strategy, the WB will step up its partnerships based on complementarities and comparative advantages. Success in FCV settings depends on an effective presence on the ground, a clear understanding of partners' respective roles and responsibilities, the skillful navigation of organizational differences, and open communication. In this Project, the WB will mobilize financing, and FAO and qualified international and local NGOs, local private service providers, and contractors will implement activities on the ground.

F. Lessons Learned and Reflected in the Project Design

40. Importance of early engagement. Engaging early in complex crises by providing emergency recovery support is critical for effective recovery in the short term and enables resilience building in the long term. Such engagement will benefit the most vulnerable people by providing immediate support to meet emergency needs and transition to recovery.

41. Direct engagement with partners. In an emergency, engaging directly with partners on the ground (outside of government systems in some cases) and instituting direct third-party implementation arrangements is needed, especially where the environment requires the ability to quickly react to changes in the political and security situation. The WB has increased its ability to work directly, quickly, and effectively through external partners in responding at scale to acute and complex emergencies in FCV countries while complying with WB policies and procedures. Therefore, the implementation modality of the Project will be to partner with FAO, leveraging the experience and comparative advantage of this UN agency.

42. In an FCV environment, strong oversight and independent Monitoring and Evaluation (M&E) are key for success. Strong oversight and independent M&E mechanisms need to be put in place to ensure that funds are used as intended and reach the target beneficiaries. In the past, WB has experience in using independent monitoring agency in Afghanistan including for agriculture and food security operations, which was crucial to address operational challenges and bottlenecks in real time. Such arrangements provide independent assurance mechanism by generating reliable evidence on how Projects resources are utilized for intended purposes based on required Project implementation approach.

43. Other lessons derive from the WB's experience in agricultural projects and in Afghanistan more widely, such as:

- **Support for resilience and productivity is critical for food security improvement.** A detailed analysis of the climate change impacts on agriculture in the Khulm and Balkhab watersheds shows that proper water management can mitigate short-term impacts on irrigated agriculture, but that rain-fed agriculture will be more vulnerable, with the potential for a 30–40 percent reduction of wheat production without mitigation measures.⁸ Such impacts would significantly increase food insecurity and famine, as rain-fed wheat represents 70 percent of the country's wheat production. These findings underscore the importance of investing in both irrigation and

⁸As a result of global warming, the irrigated multiple cropping potential is expected to increase in all regions, especially in the northeastern, northwestern, central, and eastern regions.



resilience through watershed management and climate-smart agricultural techniques.

- **Irrigation and watershed management activities can create short-term job opportunities.** Many countries have used labor-intensive irrigation and drainage schemes and watershed construction to generate millions of labor days. Spatially dispersed public works in rural areas that meet technical specifications for infrastructure are an effective vehicle for creating employment opportunities.
- **Improved access to water, seed, and fertilizer can maximize the benefits to farmers by increasing their productivity.** A key principle of the Project's design is the integration of water and agriculture. Farmers will be incentivized to manage water more effectively and to maintain irrigation systems when they receive the higher returns obtained from shifting to higher-productivity wheat and more diversified production systems, including backyard vegetable production.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

44. **FAO was selected as the implementing partner for this Project because of its unique technical expertise and global experience in implementing emergency agriculture and food security response operations, especially in FCV environments.** FAO is the 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.⁹ Through these experiences, FAO has demonstrated strong capacity to implement and partner with the WB-financed projects supporting similar activities as this Project. Importantly, in the absence of a credible public seed system, FAO can fill this gap to address the emergency food production needs. In the current country context circumstances, FAO has a well-demonstrated operational capacity to deliver time-critical development actions across all 34 provinces of Afghanistan. Lastly, FAO is well positioned to properly coordinate with and complement other existing initiatives by other UN partners.

45. **FAO will be responsible for overall coordination, procurement arrangements, engagement with communities, fiduciary, environmental and social risk management, quality assurance, monitoring and reporting, and managing technical assistance activities.** To do this, 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. FAO will work with private seed producers and contract farmers who will multiply and produce foundation and certified seeds at scale for distribution to smallholders via farmers associations and irrigation associations. Further details of the implementation arrangements will be provided in the PIM covering all project intervention areas. The PIM will be prepared by two months after the Project's effectiveness.

46. **FAO will house the Project Implementation Unit (PIU).** The PIU will be responsible for day-to-day management and implementation of the Project, including technical, fiduciary (financial management and procurement), grievance redress, monitoring and evaluation, health and safety compliance, social and environmental aspects, and coordination

⁹ Recent examples where FAO has worked with the WB on emergency agriculture and food security programs including the Afghanistan Emergency Agriculture and Food Supply Project (174348), Yemen Food Security Response and Resilience Project (P176129), Central African Republic (P149512), Zimbabwe Idai Recovery Project (P171114), and Emergency Locust Response Program (P173702).



with other stakeholders. The PIU will include staff supporting these key functions.

47. **Coordination.** FAO will set up a formal Project Coordination Committee to increase efficiency, efficacy and maximize synergy with other development partners on relevant activities. It will coordinate activities with and among implementing partners and activities financed by the ADB, UNDP's Area-Based Approach for Development Emergency Initiatives and other initiatives by donors. Furthermore, 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 coordination, results, and implementation progress.

48. **FAO will prepare annual budgeted work plans and a detailed procurement plan.** 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. This will allow the WB to monitor activities of each component, evaluate progress, and discuss corrective actions or needed changes. The first work plan will be prepared within one month of project effectiveness. Subsequent plans will be submitted by March 31 of each year.

49. **Financial management (FM), flow of funds, and procurement arrangements.** The Project's FM arrangements will be governed by the Financial Management Framework Agreement (FMFA) between the WB and UN agencies, which provides for the use of the UN's financial regulations. FAO shall make available to the WB the audited annual financial statements of FAO with the related report of the external auditor appointed by FAO for each year of the Project implementation period, not later than September 30 of the following year. Funds will flow through nongovernment entities and channels; there will be no flow of funds through ITA. For procurement, FAO will follow its own procurement procedures as Alternative Procurement Arrangements (APA), as provided under the WB Procurement Framework Policy Section III.F. FAO's procurement procedures were assessed and found acceptable to the WB under agreements with UN agencies.

B. Results Monitoring and Evaluation Arrangements

WB Supervision Requirements under ARTF-financed Recipient-executed Projects

50. **WB Financing of UN Agencies as Direct Grant Recipient – Operations Policy Flexibilities and Requirements.** The FMFA is relied upon as the authorizing framework under which the WB recognizes the UN single audit principle. It allows for WB audit requirements to be met through the normal audit function of UN Agencies' own external auditors, without requirement for submission of separate audited financial statements. The FMFA further allows for reliance on UN Agencies' own FM, internal controls and oversights when implementing WB financing, based on the application of alternate assurance and reporting arrangements, including implementation support activities of mutually agreed frequency and scope, expanded content and periodicity of Interim Financial Reports (IFRs), submission of certified annual financial statements, and independent verification and/or third-party monitoring.

51. The WB retains the right to exercise oversight, the elements of which are laid out in the Implementation Support Plan. As part of its supervision of ARTF-financed Projects, the Bank will use a MA.

52. **ARTF Administrative Agreement (AA) and Approach 2.0 Monitoring Requirements.** The ARTF AA requires the WB to engage a MA(s) to support its oversight of ARTF-financed projects. The ARTF AA Annex on *Standard Terms and Conditions Governing Contributions to the ARTF* specifies that monitoring provisions include coverage of both physical performance verification and financial and fiduciary checks of eligibility of expenditures. The ARTF strategy endorsed in June 2021, and Approach Paper 2.0, emphasize the continued use of the ARTF monitoring arrangement.



53. **Implementation Support Arrangements for projects financed under Approach 2.0.** To ensure continuity of oversight of ARTF-financed activities, the ongoing use of the existing ARTF-financed monitoring arrangement will be maintained. As part of its implementation support for all projects financed under Approach 2.0, the WB will rely on the use of the ARTF Monitoring Agent (MA). The scope and frequency of the implementation support to be undertaken by the ARTF MA will be agreed upon by the WB and FAO in Terms of Reference (TOR), which will be annexed to the PIM.

54. **FAO Supervision and Monitoring.** In accordance with the alternate assurance and reporting arrangements enshrined in the FMFA, FAO will be responsible for the supervision and monitoring of direct implementation activities and will engage a project dedicated Third Party Monitoring Agent (TPMA) to verify activities undertaken by FAO's implementing partners, as per its own policies and procedures. The TOR of the FAO engaged TPMA, which will also cover project activities implemented by FAO's implementing partners contracted through the Letter of Agreement template annexed to the PIM, will reflect coordination with the ARTF Monitoring Arrangements for the purposes of reporting to ARTF donors.

C. Sustainability

55. **The Project will build sustainability by focusing on actions for immediate crisis support, medium-term recovery and long-term resilience.** It will provide investments needed in the short term to help ensure immediate access to food and supplementary income to sustain livelihood, while rebuilding productive capacity to ensure long term recovery. Activities related to building capacity of seed production will maintain a key segment of the Afghanistan's agri-food system to remain functional. The complementary technical assistance will ensure rebuilding climate resilient productive assets and production practices that are critical to long term sustainability in the face of a changing climate and other shocks. The Project is supporting community level institutions and systems that will ensure sustainability of the project objectives and outcomes. 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.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic, and Financial Analysis

Technical appraisal

56. The activities proposed under the Project are feasible and appropriate to address the food security needs of Afghanistan during the current crisis. The technical design of the food production restoration and rehabilitation irrigation schemes and watershed building will support all four critical aspects of food security, namely food availability, access, consumption, and stability of food supply. It will build upon the experiences of EATS Project by expanding that project's geographical coverage and beneficiaries. The targeting criteria which consider the severity of food emergencies and vulnerability are consistent with the context and objective of the Project. The timing and duration of the Project activities are adequate and relevant in the context of the urgent need to improve access to food and restore food production capacity in line with agriculture season. The implementation arrangements consider the highly volatile operational context in Afghanistan, the constrained institutional capacity for delivery as well as challenges to vulnerable groups (especially women) and are reflected in the design of the implementation modalities as well as M&E arrangements.



Economic and Financial Analysis

57. An Economic and Financial Analysis of the Project was conducted to assess the viability of project activities from the perspective of beneficiaries (financial analysis) and society (economic analysis). To quantify the benefits, the WB prepared activity models that compare the benefits with and without the Project.

58. Component 1 is expected to increase (i) wheat productivity and production and (ii) vegetable production from backyard gardening during about four months per year. In Component 2, the main expected benefits are (i) higher yields and higher levels of production because of the rehabilitation of irrigation canals, (ii) reduction of damage and losses from floods as a result of the repair of canal flood banks, and (iii) additional production of grass on rangeland as a result of improved watershed management. The Project will also yield other benefits, which are not modelled, including improved food and nutrition security and the creation of 6.25 million person-days work for unskilled labor.

59. The financial analysis shows that the Project activities yield net benefits, and the economic analysis shows that the Project is viable. The economic analysis showed (i) a net present value (NPV) of US\$105 million and an internal rate of return (IRR) of 27 percent if greenhouse gas emissions are not taken into consideration, (ii) a NPV of US\$64 million and an IRR of 20 percent if greenhouse gas emissions are taken into consideration and a lower shadow price of carbon (SPC), and (iii) a NPV of US\$24 million and an IRR of 13 percent if greenhouse gas emissions are taken into consideration and a higher SPC is used. A sensitivity analysis shows that the Project remains viable if benefits decrease by 20 percent or costs increase by 20 percent.

60. In line with the WB's corporate guidelines, an analysis was conducted using the Ex-Ante Carbon-balance Tool, developed, and updated by FAO to assess the Project's net carbon balance. It shows that the Project results in positive net greenhouse gas emissions, with a balance of 1.5 MT of Carbon dioxide (CO₂) equivalent emitted over the Project's lifespan (80,337 tons of CO₂e a year). The net emissions stem from the fertilizer used from the wheat input packages, which result in a net balance of 2.6 MT of (CO₂e) over the Project lifespan. Fifty-nine percent of benefits excluding greenhouse gas emission results come from the wheat input packages, the largest component of the Project, which is expected to reach 600,000 beneficiaries. The improved grassland watershed management partially offsets these emissions, by sequestering 1.3 MT of CO₂e over the Project lifespan. The Project reduces emissions per kilo of wheat slightly, from 0.00042 to 0.00041 tons of CO₂e.

B. Fiduciary

(i) Financial Management

61. **The overall residual FM risk is assessed as Substantial.** The key risks include: (i) inclusion of and distribution of benefits to ineligible beneficiaries; (ii) exclusion of eligible beneficiaries; (iii) supply chain and inventory management issues; (iv) selection of implementing partners that do not meet project criteria, including fiduciary requirements; (v) weaknesses in the management of sub-projects; and (vi) the selection of Financial Service Providers (FSPs) and Money Service Providers (MSPs) that are on the UN sanctions list. The mitigation measures will be covered in the PIM including use of the KoBo¹⁰ toolbox for beneficiary registrations and records management, development and implementation of inventory management plan, selection criteria of sub-projects, implementation of Global Resource Management System (GRMS) to track the implementation of sub-projects and conducting extensive due diligence in selecting financial service providers and MSPs for cash payments.

¹⁰ KoBo toolbox is a platform for field data collection in challenging environments.



62. The FM arrangements are in line with the FMFA. The FAO will have overall responsibility for the Project’s FM and the FAO Kabul office together with FAO Head Quarters in Rome will maintain separate ledgers on a modified accrual basis to record project-related receipts and payments. Disbursement will be report based with quarterly submission of Interim Unaudited Financial Reports (IUFs) within 45 days from the end of each calendar quarter to document expenditure and release further advances. FAO will use financial services providers and MSPs where the funds transfer through banking channels is not feasible. As per FMFA, the WB recognizes the UN single audit principle and FAO will submit the audit report to the WB each year of the project implementation period, not later than September 30 of the following year. If FAO’s Office of Inspector General agrees to conduct a project specific audit, the costs related to the audit will be borne out of the project funds. The Project will allow a retroactive financing up to US\$700,000 for payments made for eligible expenditures prior to the signing of the Grant Agreement, but on or after March 24, 2022. This arrangement will accelerate readiness of sub-project proposals and quick start of the implementation. Details of the FM arrangements will be covered in the PIM.

(ii) Procurement

63. **Alternative Procurement Arrangements (APA).** FAO will follow its own procurement procedures as envisaged by the WB’s Procurement Framework Policy Section III.F.

64. **The overall residual procurement risk is rated as Moderate.** due to the potential risk of delay in implementation because of the Covid-19 situation, the composition of the marketplace (limited competition and availability of service delivery), and the nature of project activities (which are not complex but might be impacted by the situation on the ground in post-conflict areas). The Project includes risk mitigation measures such as frequent reporting, supplemented by regular direct contact between the WB and FAO to review the status of activities. Aside from more frequent and detailed reporting, combined with closer supervision by the WB, the WB will: (i) review and approve the procurement plan and its respective updates, and (ii) work closely with FAO on the technical review of the TORs. FAO will provide quarterly reports on progress with implementation of the procurement plan. Any procurement activity under the Project that is not part of the agreed procurement plan will be considered as ineligible.

65. **Procurement oversight and monitoring arrangement.** FAO will be responsible for: (i) implementing the procurement plan as agreed with the WB; (ii) preparing quarterly reports on the progress of procurement and distribution; and (iii) ensuring pre-screening of companies/individuals prior to award any contract financed by the Project against the WB’s lists of sanctioned or temporarily suspended companies; this includes ensuring that all Implementing Partners have procedures in place for such screening. There will be frequent reporting, supplemented by regular direct contact between the WB and FAO to review the status of activities.

C. Legal Operational Policies

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

66. **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.

67. **Riparian Notification Requirement: Projects on International Waterways (OP 7.50).** On March 15, 2022, the WB Regional Vice President, South Asia Region, granted an approval of an exception for application of the WB's Projects on International Waterways requirement (OP 7.50).

68. **Waiver of application of the Anti-Corruption Guidelines (ACGs).** A waiver of the application of the WB's ACGs to FAO was approved by the WB on March 14, 2022, for the proposed Project pursuant to Bank policy and procedures for Operational Policy Waivers. To ensure adherence to the principles of the ACGs—including in terms of due diligence and the monitoring of fraud and corruption—FAO will use its own procedures, based on a special purpose procedure under alternative arrangements modeled on the integrity provisions of the WB–UN Fiduciary Principles Accord (FPA), to which FAO is party.

D. Environmental and Social

69. **The approach to E&S risks builds on the EATS Project.** Given the FCV context in which the Project will be implemented, potential adverse E&S impacts, and the capacity of FAO and implementing NGOs/contractors, the E&S risks of the Project have been rated **Substantial**. The relevant Environmental and Social Standards (ESS) are ESS1, ESS2, ESS3, ESS4, ESS6, and ESS10. Potential environmental risks include (i) impacts on riverbeds and flood plains associated with the extraction of sand, gravel, and stone used for rehabilitation activities; (ii) generation of waste and open pits as a result of improper management of materials used for rehabilitation activities; (iii) noise and dust generated by the rehabilitation of irrigation schemes; (iv) improper storage, use, and disposal of chemicals and empty containers; and (v) soil and groundwater contamination from leaching from the excessive application of fertilizers. Potential social risks include (i) elite capture and the inequitable distribution of benefits to targeted beneficiaries; (ii) social inequalities, exclusion, and discrimination against certain categories of people, such as vulnerable and marginalized groups; (iii) forced and child labor; (iv) health and safety concerns, including the risk of Covid-19 transmission; and (v) sexual exploitation, abuse, and harassment risks associated with the influx of labor. The possibility of terrorist attacks on project workers is an important contextual risk.

70. **FAO has prepared an ESCP and updated the Stakeholder Engagement Plan (SEP) prepared for the EATS project.** The ESCP includes a grievance redress mechanism (GRM) and a communication strategy that has been cleared by the WB and disclosed on¹¹ the external websites of FAO and the WB. FAO will update and disclose the Environmental and Social Management Framework (ESMF) prepared under the EATS Project post project approval but before FAO enters into agreement with implementing NGOs and contractors. It will include an E&S screening checklist/template; an exclusion list; a generic Environmental and Social Management Plan; a simplified Labor Management Procedure; and measures related to occupational health and safety, community health and safety, and solid and hazardous waste management. FAO's Environmental and Social Management Guidelines on Pest and Pesticides Management will be followed, as they have been found consistent with the WB's requirements (ESS3 and Environmental, Health and Safety Guidelines on Annual Crop Production and Perennial Crop Production). Any additional measures necessary to ensure full compliance between FAO Guidelines and ESS3 requirements will be covered in the ESMF. The risk of sexual exploitation, abuse, and harassment is Moderate for this Project. FAO will prepare an action plan for mitigating this risk with specific and timebound actions. To manage the contextual security risks to communities and project actors, FAO will implement and require relevant contractors and implementing NGOs to adhere to the UN security protocols and any measures necessary to ensure consistency between the protocol and the WB's ESF requirements and FAO's Environment and Social Management

¹¹ Disclosed on April 1, 2022



Guidelines. The ESMF will include a brief description of the protocol and any such measures. FAO will be responsible for E&S screening and ensuring that E&S risk mitigation measures are included in bidding documents and specific contractual clauses in contracts with implementing partners/contractors. FAO will train employees of implementing NGOs and contractors on implementation of E&S instruments and the preparation of reports. It will regulatory monitor and report on implementation of E&S measures. The MA will report quarterly to the WB on E&S due diligence processes followed by FAO and implementing NGOs/contractors.

Gender

71. **The Project contributes to closing identified gender gaps.** The Project addresses three types of gaps: (i) vulnerability of households, particularly female-headed households, and households without an able-bodied man, to income shocks and food insecurity caused by disease outbreaks and disasters; (ii) participation in social and economic activities; and (iii) access to information. Integrated Expenditure and Labor Force Survey (IE-LFS 19-20) data show that 10.6 percent of Afghanistan’s population lives in a household headed by a woman.¹² These households are more likely to be food poor—defined as unable to afford sufficient calories—than households headed by men (53.9 percent versus 51.1 percent). Crises like Covid-19 or any other economic and political crisis will exacerbate their conditions. Overall, only 16.5 percent of women compared with 68.4 percent of men participate in the labor force according to IE-LFS 19-20. More than half of women in the labor force work in agriculture, where they lack access to extension services. Women’s lower access to information and their limited participation in social and economic activities because of socio-cultural and political barriers make them particularly vulnerable to shocks and impact their access to services.

72. **The Project will facilitate women’s access to agricultural inputs, services for food production, and the social and economic activities supported by the Project.** The targeting approach will include female farmers, female-headed households, households with pregnant women, mothers and children under two, and households with similar levels of vulnerability. Building on the success of women’s participation under the On-Farm Water Management Project (P120398) and the National Horticulture and Livestock Productivity Project (P143841), this Project will leverage existing female community development council members, female extension workers, and village women organizers to engage women in various activities. The Project will involve community development councils, apply participatory approaches, and use vulnerability-based criteria for selecting beneficiaries. To help ensure that activities benefit them socially and economically, women will be consulted. Under Component 1, kitchen gardening packages (including inputs and technical assistance) will be customized for female beneficiaries. Through this activity, women, whose mobility and access to services are extremely limited, will receive services in their own compounds. In addition to building their skills, it will improve nutrition and generate some income. Under Component 2, the Project will facilitate consultation with female community members on their needs for social infrastructure (access points to water, culverts, wash places) along the irrigation canals close to the structures under rehabilitation. This component will contribute to their mobility, encourage their participation in community development planning, and facilitate their participation in short-term employment (taking part in work that can be done indoors, such as making gabions, or in safe spaces with full segregation, as tested under similar Projects). The Project will also contribute to female employment by engaging female contracted staff as gender specialists, extension workers, and village women organizers.

Citizen Engagement

73. **Citizen engagement is an integral part of project implementation.** The Project will finance measures to strengthen social accountability and citizen engagement. They will include consultations, a GRM, and substantive

¹² For cultural reasons, 99 percent of households interviewed designated a man as the household head, even where the man was a younger brother or son. Households with an adult widow were headed by a woman.



interaction between beneficiaries and the implementing agency on issues of sub-Project design. Two performance indicators— “beneficiaries satisfied with support provided by the Project” and “public grievances received and resolved within the prescribed timeline”—have been incorporated into the Project’s Results Framework. FAO will use phone surveys, workshops, and community score cards to assess beneficiary satisfaction.

Climate and Disaster Risks

74. **Climate impacts—which will adversely affect food and water security, health and well-being, and peace-building efforts—are projected to worsen.** Afghanistan ranked 176th among 181 countries in the 2020 ND-GAIN Index, implying high vulnerability to climate change and low readiness to improve resilience. The 2021 Global Climate Index ranks Afghanistan sixth for climate impact and vulnerability, assessed for 2019, up from 24th the previous year. Climate change is expected to affect the variability of temperature and precipitation (rainfall and snowfall) patterns, resulting in generally drier conditions, heightened risks of flash floods and droughts, and a rise in extreme weather events such as heat and cold waves. These changes are also expected to have substantial and cascading impacts on the water, agriculture, health, and human development sectors, in interaction with other underlying risk factors in the country.

75. **Climate change directly affects food and nutrition security, undermining efforts to reduce undernutrition.** It hits the poorest, especially women and children, hardest. Because of climate change, the temperature in project locations is projected to increase by 2050, potentially affecting agricultural productivity. The food crisis that is affecting an estimated 55 percent of the population will further undermine people’s resilience to climatic shocks and their ability to adapt. The Project will address the risks to food security exacerbated by climate change through the distribution of (i) input packages, consisting of seeds, basic tools for backyard kitchen gardening; (ii) technical training on improved and climate-smart production practices and basic nutrition and food hygiene; and (iii) support to climate adaptation activities that will increase access to irrigation water and improve soil and water conservation.

V. GRIEVANCE REDRESS SERVICES

76. **Communities and individuals that believe they have been adversely affected by a WB-supported Project may submit complaints to existing Project-level GRMs or the WB’s Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address Project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WB’s attention, and Bank Management has been given an opportunity to respond.¹³

77. The Project will use existing FAO mechanisms and a Project specific GRM to enable a broad range of stakeholders to channel concerns, questions, and complaints to implementation agencies. GRM mechanisms will be equipped to handle cases of sexual exploitation, abuse, and harassment, using a survivor-centered approach. Technical assistance will be provided to develop triage, management, channeling, and response to complaints.

¹³ For information on how to submit complaints to the World Bank’s GRS, visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, visit www.inspectionpanel.org.



VI. KEY RISKS

78. **The overall risk rating of the Project is Substantial driven by the following considerations:**

79. **Political and governance risks are High.** They include the risk of political interference in project activities and the control of geographical areas by different political or armed factions, which could lead to interference and inadequate targeting of vulnerable people. Key mitigation measures include working with politically neutral implementing partners and using remote supervision arrangements (Figure 2). To mitigate interference by the ITA, FAO will be the main implementing partner, and it will use remote supervision arrangements.

Figure 2. Possible touch points with the ITA and measures to mitigate them

Possible touch point and risk	→	Mitigation measure
Permission to operate in the country and access Project areas	→	The UN and NGOs are negotiating access to areas. Community development councils have traditionally played a role in negotiating access.
Allowing women to work and accessing women in communities	→	The UN, NGOs, and community development councils are negotiating conditions under which women can participate in the Project. Financing of the Project will stop if women are not allowed to work or participate, as outlined in the PIM.
Recruitment of Project staff	→	The UN and NGOs manage staff recruitment.
Diversion of funds or “tax” requests	→	The UN and NGOs will manage funds outside of the involvement of the ITA. Financing of the Project will stop if the ITA asks for payments. The FAO TPMA will verify as per the terms of reference.
Contract management/procurement	→	The UN and NGOs will manage procurement. The FAO TPMA will verify as per the terms of reference.
Selection of Project activities	→	Farmers associations and community development councils will help identify, manage, and monitor Project activities, facilitated by NGOs, the UN, and urban contractors. The FAO TPMA will verify as per the terms of reference.
Selection of beneficiaries	→	Farmers associations and community development councils will help identify the most vulnerable for assistance. The UN will provide oversight. The FAO TPMA will verify as per the terms of reference.
Monitoring of activities	→	The FAO TPMA is responsible for monitoring, in collaboration with the WB.

80. **Macroeconomic risk is High.** The economic impact of the conflict has been devastating for Afghanistan, which suffered from weak economic performance before the conflict. Although the risks associated with macroeconomic challenges cannot be mitigated, the Project will support interventions that would minimize its impact on food security, particularly among the most vulnerable.



81. **Sector strategies and policies risks are Substantial.** The overall sector priorities have shifted because of the conflict; they may be revised again depending on the situation in the country, which adds to sectoral volatility. These risks will be mitigated through stronger coordination across interventions and partners to strengthen household resilience to food insecurity.

82. **Institutional capacity for implementation and sustainability risks are Substantial.** They relate to implementation, data collection, and M&E. To mitigate these risks, FAO will leverage existing institutional arrangements with partners to facilitate implementation. Works on the rehabilitation of irrigation and watershed lands will be carried out by external contractors hired and supervised by FAO. They will be planned and executed in close coordination with farmers' associations and *mirabs*. FAO will work through the private sector to procure seed, helping ensure the continued operation of the private seed system in Afghanistan, which will be needed for a sustained food security response and growth beyond crisis.

83. **Environmental and social (E&S) risks are Substantial.** As detailed in section D of this document, the main risks relate to potential adverse E&S impacts due to the nature of project activities and given the FCV context of the operating environment and capacity of FAO and implementing partners to manage such risks. Mitigation measures are detailed in the ESCP, SEP and will be covered in the ESMF.

84. **Stakeholder risks are Substantial.** The main risks are associated with the varied level of access to information among the population to ensure their engagement in project activities. The Project will include extensive communication and awareness campaigns to the population to mitigate this risk.

85. **Fiduciary risks are Substantial.** While the residual procurement risk is Moderate, the FM risk is Substantial resulting from: (i) exclusion and/or ineligibility of beneficiaries; (ii) supply chain and inventory management issues; (iii) implementing partners not meeting project criteria; (iv) weak management of sub-projects; and (v) selection of FSPs and MSP that are on the UN sanctions list. As detailed in section B, these risks will be mitigated by which include, use of beneficiary registrations and records management, development and implementation of inventory management plan, selection criteria of sub-projects, implementation of GRMS to track the implementation of sub-projects and extensive due diligence in the management of cash payments.

86. **Other risks are High.** They include risks related to the lack of an official counterpart, overall security situation, potential impact of the war on Ukraine on seed procurement, and data quality challenges and integrity. If the conflict escalates and UN offices in Afghanistan are forced to close, local implementing partners will follow the business continuity plan for Project implementation as much as feasible. The security situation in Afghanistan may also affect the assets procured under the Project. A key mitigation measure includes establishing clear mechanisms to identify security threats to the Project and to communicate changes in threat levels to the parties involved in project implementation. The impact of the war in Ukraine poses a potentially high risk to fertilizer supply chains, which could affect the Project's ability to import inputs on time. The Project will formulate a procurement strategy to import fertilizer from companies outside the Ukraine geopolitical zone. With respect to data quality and integrity, the Project necessitates FAO, where appropriate, to collect and process some personal data, personally identifiable information and sensitive data in connection with Components 1 and 2. FAO's data protection framework aligns with international best practices with regards to data protection, including, inter alia, (i) collecting only data that is necessary for the purpose; (ii) correcting or erasing data that are not necessary or are inaccurate; (iii) data use limitations to those required; (iv) only retaining data as long as necessary; and (v) informing data subjects of use and processing of data, and allowing data subjects the opportunity to access and correct information about themselves, and delete or object to the processing of their personal data. In order to safeguard this data, FAO and its partners will: (i) apply its data protection framework, consisting of its rules, regulations, policies and procedures on personal data protection, as may be amended or updated from time to



time; (ii) require any of its representatives, agents, sub-contractors, partners or any other entities who request access to process personal data to apply their own data protection rules and policies, which shall be comparable with FAO's data protection framework; and (iii) conclude appropriate arrangements with any such representatives, agents, sub-contractors, partner or other entities governing the transfer and processing of personal data.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: Afghanistan
Emergency Food Security Project

Project Development Objectives(s)

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

Project Development Objective Indicators

Indicator Name	PBC	Baseline	End Target
Increase production of critical food crops			
Wheat crop production increase (by target households) in project intervention areas (Percentage)		0.00	15.00
Area provided with new/improved irrigation or drainage services (CRI, Hectare(Ha))		0.00	137,000.00
Area provided with improved irrigation or drainage services (CRI, Hectare(Ha))		0.00	137,000.00
Farmers reached with agricultural assets or services (Number)		0.00	750,000.00
Farmers reached with agricultural assets or services - Female (Number)		0.00	150,000.00



Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Restoring Agriculture Production			
Certified wheat and vegetable seeds produced and distributed to farmers (Metric ton)		0.00	32,000.00
Households using emergency packages of certified seeds provided by the project (Number)		0.00	600,000.00
Of which female (Percentage)		0.00	20.00
Area cultivated for food production with the distributed seeds by the beneficiaries (Hectare(Ha))		0.00	240,000.00
Female headed-households benefiting from support for production of higher nutrition value vegetables and legumes (Number)		0.00	150,000.00
Increase yield of wheat by beneficiary farmers (Percentage)		0.00	15.00
Provision of water and resilience services			
Rehabilitated Irrigation canals (Kilometers)		0.00	713.00
Households benefiting from improved irrigation or watershed management (Number)		0.00	280,000.00
Of which female (Percentage)		0.00	20.00
Erosion control structures constructed (Number)		0.00	80.00
Karezes restored/repared through upper catchment management (Number)		0.00	110.00
Days of short-term jobs created by project (Number)		0.00	6,250,000.00
Days of short-term jobs worked by female beneficiaries (Number)		0.00	300,000.00
Citizen Engagement Indicators			
Beneficiaries satisfied with support provided by the project		0.00	80.00



Indicator Name	PBC	Baseline	End Target
(Percentage)			
Of which female (Percentage)		0.00	80.00
Public grievances received and resolved within the prescribed timeline (Percentage)		0.00	80.00

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Wheat crop production increase (by target households) in project intervention areas	This indicator captures the increased productivity per unit of land (by the target households) allowed by the project through improving access to irrigation water and improved input packages. Target value takes cognizance of measurement after one year of infrastructure while the impact of the improved packages will be realized in the harvest time of the same planning season.	Annually.	Remote sensing and targeted field measurements of yields/ household survey using Kobo Toolbox for ground truthing. Images from hydrologically comparable year will be used for	Estimation of NDVI using FAO methodology for data treatment and ground truthing using field data entered in Kobo Toolbox.	FAO



			the baseline.		
Area provided with new/improved irrigation or drainage services	This indicator measures the total area of land provided with irrigation and drainage services under the project, including in (i) the area provided with new irrigation and drainage services, and (ii) the area provided with improved irrigation and drainage services, expressed in hectare (ha).	Semi-annually.	Satellite image for cultivated area, Design study for command area.	FAO CollectEarth tool for statistical analysis of cultivated area.	FAO
Area provided with improved irrigation or drainage services	Measures in hectares the total area of land provided with new or improved irrigation or drainage services in operations supported by the World Bank.	Semi-annually.	Satellite image for cultivated area, Design study for command area.	FAO CollectEarth tool for statistical analysis of cultivated area.	FAO
Farmers reached with agricultural assets or services	This indicator measures the number of farmers who were provided with agricultural assets and services as a result of World Bank project support. Assets or services include (i) input packages for wheat production, vegetables and	Annually	Remote sensing and targeted field measurements of yields/ household survey using Kobo Toolbox for	Estimation of NDVI using FAO methodology for data treatment and ground truthing using field data entered in Kobo Toolbox.	FAO



	<p>legumes, and(ii) basic tools for backyard kitchen gardening; (iii) extension, training, education (iv) irrigation and drainage. Farmers are people engaged in agricultural activities or members of an agriculture-related business (disaggregated by men and women) targeted by the project.</p>		<p>ground truthing. Images from hydrologically comparable year will be used for the baseline.</p>		
<p>Farmers reached with agricultural assets or services - Female</p>		<p>Semi-annually</p>	<p>Records of seed distribution and Phone survey of sample of recipients using the same approach of the ETAS project.</p>	<p>1) Records of seeds distribution using KoBo ToolBox will provide the total number of seed recipients (records will include the phone number and a picture of Tazkira) (2) A phone survey of a sample of recipients will provide an estimate of the percentage of recipients who have used the seed. The phone survey can be done using IVR (like VIAMO). (3) The final value is [total number of</p>	<p>FAO</p>



				recipients] x [the percentage who have used the seed].	
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Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Certified wheat and vegetable seeds produced and distributed to farmers	This indicator captures the quantity of certified seeds produced and distributed to the Districts, which is an intermediate step before final distribution to the farmers. The final distribution is captured under PDO1, with the addition of percentage usage.	Semi-annually	Records of seed distribution.	Records of seeds distribution using KoBo ToolBox will provide the total number of seed bags distributed.	ISE and ANSCU with assistance from FAO supporting foundation seed production.
Households using emergency packages of certified seeds provided by the project	This indicator captures the number of farmers, including women farmers, benefiting from seed packages and using the seeds. Improved seeds refer to wheat seeds that have been certified.	Semi-annually.	Records of seed distribution and Phone survey of sample of recipients using the same approach of	(1) Records of seeds distribution using KoBo ToolBox will provide the total number of seed recipients (records will include the phone number and a picture of Tazkira) (2) A phone survey of a sample of recipients	FAO



			the ETAS project.	will provide an estimate of the percentage of recipients who have used the seed. The phone survey can be done using IVR (like VIAMO). (3) The final value is [total number of recipients] x [the percentage who have used the seed].	
Of which female	This indicator captures the share of female farmers, benefiting from seed packages and using the seeds. Improved seeds refer to wheat seeds that have been certified.	Semi-annually.	Records of seed distribution and Phone survey of sample of recipients using the same approach of the EATS project.	(1) Records of seeds distribution using KoBo ToolBox will provide the total number of seed recipients (records will include the phone number and a picture of Tazkira) (2) A phone survey of a sample of recipients will provide an estimate of the percentage of recipients who have used the seed. The phone survey can be done using IVR (like VIAMO). (3) The final value is	FAO



				[total number of recipients] x [the percentage who have used the seed].	
Area cultivated for food production with the distributed seeds by the beneficiaries	This indicator captures the amount of cultivated area with the distributed seeds by the beneficiaries in hectares.	Semi-annually.	Satellite image for cultivated area, Design study for command area.	FAO CollectEarth tool for statistical analysis of cultivated area.	FAO
Female headed-households benefiting from support for production of higher nutrition value vegetables and legumes	This indicator measures the number of female headed-households benefiting input packages seeds, basic tools and technical training on improved and climate smart production practices for backyard vegetable and legume cultivation.	Semi-annually.	Data collected using Kobo Toolbox.	Kobo Toolbox and Progress Report.	FAO
Increase yield of wheat by beneficiary farmers	This indicator captures increased yields on the rehabilitated irrigated and rainfed lands. Target value takes cognizance of measurement after one year of infrastructure.	Semi-annually.	Remote sensing and targeted field measurements of yields/household survey using Kobo Toolbox for	Field data entered in Kobo Toolbox.	FAO



			ground truthing.		
Rehabilitated Irrigation canals	This indicator measures the length of irrigation canals that are rehabilitated with the project support.	Semi-annually.	Work progress reports.	Survey by works supervisor. Fill monthly progress questionnaire in KoBo Toolbox.	FAO
Households benefiting from improved irrigation or watershed management	This indicator captures the number of farm households, including women farmers, benefiting from improved/rehabilitated irrigation canals and watersheds.	Semi-annually.	List of registered canal users. List of landowners or land users in improved watershed areas.	Land ownership survey at design stage.	FAO
Of which female	Female refers to female households members of Irrigation Associations (for irrigation schemes) benefitting from improved/rehabilitated irrigation canals and watersheds.	Semi-annually.	List of registered canal users. List of landowners or land users in improved watershed areas.	Land ownership survey at design stage.	Contracted NGOs, FAO, Third-Party Monitoring Agent.
Erosion control structures constructed	This indicator captures the number of watersheds that will be	Semi-annually.	Works Completion Reports.	Survey by works supervisor. Fill completion	FAO



	constructed/rehabilitated through the project.			questionnaire in KoBo Toolbox.	
Karezes restored/repared through upper catchment management	This indicator captures the number of Karezes restored through the upper catchment management to increase the discharge, and/or repaired, and/or improved through the construction of regulating ponds.	Semi-annually.	Works Completion Reports.	Survey by works supervisor. Fill completion questionnaire in KoBo Toolbox.	FAO
Days of short-term jobs created by project	This indicator measures the number of days worked by unskilled workers men and women on irrigation/watershed activities.	Semi-annually.	Records of daily labor employed on activities funded by the project (including geo-localized picture of daily register of employment.	Data collected using Kobo Toolbox, Indicator value provided by Kobo Toolbox report.	FAO
Days of short-term jobs worked by female beneficiaries	This indicator measures the number of days worked by unskilled women on irrigation/watershed activities.	Semi-annually.	Records of daily labor employed on activities funded by the project	Data collected using Kobo Toolbox, Indicator value provided by Kobo Toolbox report.	FAO



			(including geo-localized picture of daily register of employment.		
Beneficiaries satisfied with support provided by the project	Measure the proportion of beneficiaries (from all types of activities) that are moderately to highly satisfied with project support. It would be needed to conduct a survey of beneficiaries. A beneficiary will be considered satisfied, when 80 percent of his/her answers are excellent or good (there will be a scale with questions from very bad to excellent; The satisfaction of beneficiaries will be assessed for example on the following topics: satisfaction with seeds (timeliness, quality, advice), kitchen gardens (volume of seeds, timeliness, quality of seeds, etc.), irrigation infrastructures (timeliness, quality, participation of	Annually and end project.	Survey of a sample of beneficiaries (paying particular attention to include women).	Phone survey using phone numbers recorded in KoBo Toolbox. It will also be an opportunity to conduct a qualitative assessment of some activities to draw lessons from implementation.	FAO



	community, etc.), etc.				
Of which female	Measure the proportion of beneficiaries female (from all types of activities) that are moderately to highly satisfied with project support.	Annually and end project.	Survey of a sample of beneficiaries.	Questionnaire applied to a sample of beneficiaries.	Contracted NGOs, FAO, Third-Party Monitoring Agent.
Public grievances received and resolved within the prescribed timeline	The grievances will be accounted for and tracked it will include the person raising the complaint (if possible), the type of complaint, the date of reception by the project, and the entity responsible for solving the issue. The grievances will cover all aspects of project implementation and the GRMs will be available to direct and indirect project beneficiaries.	Quarterly.	Grievances records.	All grievances will be recorded in GRM.	FAO





ANNEX 1: Implementation Arrangements and Support Plan

Project Institutional and Implementation Arrangement

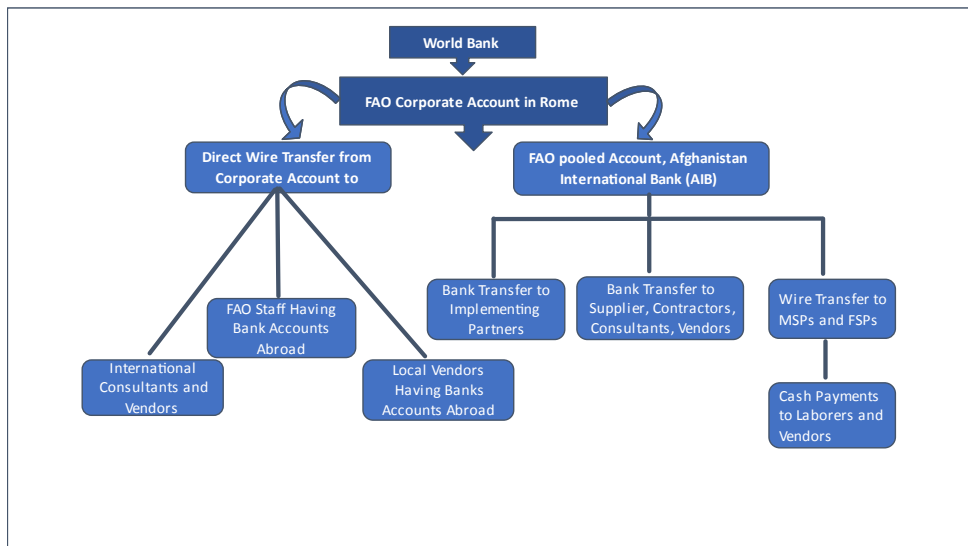
- 1. FAO will lead project implementation.** FAO will be responsible for (i) overall coordination; (ii) fiduciary arrangements; (iii) engagement with communities; (iv) safeguards management; (v) quality assurance; (vi) monitoring and reporting; and (vii) management of technical assistance activities. FAO will establish a PIU to coordinate implementation. The PIU will include staff supporting several key functions: project management and coordination, FM, procurement, community mobilization and training, engineering, reporting, M&E, field coordination, gender, grievance redress, and E&S risk management. The PIU will be established within one month of effectiveness.
- 2. FAO will engage NGOs and private sector companies as implementing partners to deliver project activities to targeted communities.** Selected implementing partners will have responsibilities that include but are not limited to: (i) identification and mobilization of target beneficiaries; (ii) delivery of production inputs and advisory/training support; (iii) irrigation and watershed restoration and rehabilitation works, and (iv) coordinate cash payments.
- 3. FAO will be responsible for monitoring the activities implemented by the implementation partners and reporting on their progress.** It will ensure that the implementation partners are properly trained on implementation arrangements, project design and approach, as well as work closely with CDCs and targeted communities. The PIM will elaborate in detail the operating principles and procedures.

Financial Management and Disbursement

- 4. FAO will have overall responsibility for the Project's FM.** The Emergency Resilience Unit (ERU) of FAO Afghanistan based in Kabul will manage the day-to-day implementation of the Project while the FAO Afghanistan Country Office along with related Division (CSFE) of FAO in HQ will be responsible for the FM. FAO will maintain Project accounting and reporting in accordance with UN financial regulations and Financial Management Framework Agreement (FMFA). FAO will use an Oracle-based Enterprise Resource Planning (ERP) system, also referred as Global Resource Management System (GRMS) to record and process transactions. FAO will also use the Field Program Management Information System (FPMIS) for budget management and results-based budgeting and reporting. FAO's Finance Division will maintain separate ledgers on a modified accrual basis to record Project-related receipts and payments. FAO will be responsible for preparing and submitting quarterly IFRs to the WB within 45 days of the close of each quarter. Per FPA, FAO will submit the grant's annual financial statement of account within three months of the close of its financial year.
- 5. Disbursement from WB to FAO will be based on quarterly IUFs, which will be submitted to the WB within 45 days of the close of each financial quarter.** The WB will transfer an initial advance to the FAO corporate bank account based on the expenditure forecast approved by the WB covering at least six months. Subsequent advances and expenditure documentation will be done through quarterly IUFs. ARTF funds will be released in two tranches. The initial tranche of US\$150 million will be available for disbursement upon Project approval. However, the actual advance will be based on FAO's expenditure forecast approved by the WB covering at least six months. The second tranche of US\$45 million will be subject to fund availability, implementation progress, and the fulfillment of the tranche release conditions. The conditions are: (i) key staff in Project Implementation Unit and NGO/Facilitating Partner contracts are in place; (ii) workplan and quarterly reports submission on time; and (iii) 90 percent of civil works contracts awarded. All payments will be made using wire transfers to the bank accounts abroad or within Afghanistan. However, where bank transfers to beneficiaries and small local vendors are not feasible, FAO will use the services of



MSPs and FSPs for payments. Both the FSPs and MSPs will be selected based on pre-defined criteria in terms of liquidity and coverage, and no advance payment will be made. FSPs and MSPs will distribute cash to the laborers and local vendors as per the agreed Standard Operating Procedures between the FAO, FSPs, MSPs, and implementing partners. The MSPs will only act based on payment instruction provided by FAO Afghanistan. Dedicated internal segregation of duties and payment instructions have been developed, including the documentation needed throughout the process. This includes invoices, original receipts, written instructions signed by two FAO officials, among others. The summary of the fund flow is summarized in the diagram below. As per FMFA, the WB recognizes the UN single audit principle. FAO shall make available to the WB the audited annual financial statements of FAO with the related report of the external auditor appointed by FAO for each year of the project implementation period, not later than September 30 of the following year. The FAO's Office of the Inspector General (OIG) may conduct an internal audit of the Project in accordance with its risk-based work planning methodology. Under the provisions of the OIG Charter, the WB may request to obtain a copy of the final audit report. The WB may also request a specific internal audit of the Project, which OIG will consider for its merits for inclusion as a new engagement in its approved biennial work plan.



Procurement

6. **FAO will have overall procurement responsibility under the Project** and follow its own procurement procedures. FAO will leverage existing institutional arrangements with partners such as international and local NGOs, local private service providers, and contractors to help implementation. FAO will also informally mobilize Farmers' Associations (FAs) and CDCs.

7. **Planned project procurement and approaches.** FAO will follow its own Procurement Procedure and the procurement will be conducted by the PIU. For procurement under the Project FAO, in addition to considering its registered firms, will advertise to give the opportunity to all other potential firms that exist in the market.

8. **Procurement under component 1 &2.** Under component 1, FAO will procure certified wheat and vegetable seeds, fertilizer, equipment, and services. Under Component 2 FAO will work on the rehabilitation of irrigation and watershed lands and the work will be carried out by external contractors hired and supervised by FAO. FAO will procure/supply: (i) 30,000 MT certified Wheat Seeds: (ii) 60,000 MT Fertilizer: (iii) backyard vegetable seeds: (iv) 140,000 kits for vegetable cultivation/gardening basic equipment; (v) information technology and survey equipment; (vi) restoration of 209 critical irrigation and drainage systems, and river bank infrastructure/schemes; (vii) Financial



Service Providers for cash distribution; and (vii) firms and individual consultants to provide monitoring services (TPMA). FAO will use national and international procurement markets. To expedite procurement processes, FAO will use its current Long – Term Agreements (LTAs).

9. **Systematic Tracking of Exchanges in Procurement (STEP), Procurement Plan (PP), and Project Procurement Strategy for Development (PPSD).** The use of STEP is not recommended under this Project due to the unique nature of project arrangements. In addition, there will be no contract subject to prior review and FAO has its own tracking systems and would generate procurement progress reports as required. FAO has prepared an initial draft procurement plan and submitted to the WB on February 22, 2022. The procurement plan for the first 12 months was finalized before negotiations. Given that the Project is an emergency operation, the PPSD will be deferred to the implementation phase. Its procurement arrangements provide reasonable assurance that the ARTF will be used for the intended purposes.

10. **FAO has a main office in Kabul and five regional offices.** FAO has international and national procurement staff at its offices in Afghanistan and will be supported, as required, by staff from their offices in Bangkok and Rome. Country-office staff will handle local procurement and logistics; regional and headquarters staff will handle international activities. FAO will allocate dedicated procurement staff for the Project, including one international procurement expert and at least two national procurement specialists to conduct day-to-day procurement functions. The risk of delay due to internal FAO approval would be mitigated by advance planning and delegation of authority at the appropriate levels as well as commitment by FAO to comply with the agreed procurement plans, particularly the timelines.

Environmental and social instruments

11. The FAO office in Kabul will be responsible for implementing the E&S instruments of the Project. The PIU will comprise experts in adequate number, each with terms of reference, qualifications, and experience to be agreed with the WB and will include E&S staff to supervise implementation of corresponding instruments by implementing partner organizations (such as international and local NGOs, local private service providers, and contractors). The Project will be implemented in accordance with the FAO's environmental and social policies and procedures, the relevant commitments in the Grant Agreement, and the ESCP (which includes the ESSs), in a manner acceptable to the WB. FAO will ensure cascading responsibility on the substantive E&S requirements, as reflected in the ESCP and 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 CDCs.

Strategy and Approach for Implementation Support

12. **The Project is an emergency operation processed under Section III Paragraph 12, Projects in Situations of Urgent Need of Assistance or Capacity Constraints of the WB Policy: Investment Project Financing.** It uses a UN agency (FAO) as a Project Implementation Partner (PIP). The Project will be subject to WB fiduciary policies and procedures; WB safeguard policies and procedures will fully apply, as well as and FAO's Environmental and Social Management Guidelines.

13. **An intensive implementation support regime is proposed.** Frequent virtual technical implementation follow-up engagements will be conducted covering the main project intervention areas. Use of APA means that the WB will not be involved in procurement. However, compliance with E&S safeguards will require intensive WB support.



14. The WB will closely monitor project risks. Its team will conduct routine risk reviews through virtual implementation support missions conducted jointly by the WB and FAO to identify and agree on mitigation measures to be taken.

Implementation Support Plan and Resource Requirements

15. **FAO will field a strong multidisciplinary team to carry out implementation across the two intervention areas.** The FAO Afghanistan country office will establish a PIU adequately staffed.

WB Implementation Support Functions

16. **The WB will conduct quarterly virtual implementation support missions** to (i) review implementation progress and achievement of Project Development Objectives and intermediate indicators; (ii) provide support for implementation issues that arise; (iii) provide technical support related to project implementation and achievement of results; and (iv) discuss relevant risks and mitigation measures. In addition, its team will conduct bi-weekly progress monitoring meetings and quarterly missions to assess progress and address implementation bottlenecks.