

# PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC65396

<b>Project Name</b>	Citizens Charter Elements (P155497)
<b>Region</b>	SOUTH ASIA
<b>Country</b>	Afghanistan
<b>Sector(s)</b>	Irrigation and drainage (20%), General water, sanitation and flood protection sector (20%), Sub-national government administration ( 20%), General education sector (20%), Health (20%)
<b>Theme(s)</b>	Participation and civic engagement (60%), Rural services and infrastructure (20%), Other public sector governance (20%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P155497
<b>Borrower(s)</b>	MINISTRY OF FINANCE
<b>Implementing Agency</b>	Ministry Of Rural Rehabilitation and Development
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/ Updated</b>	25-May-2016
<b>Date PID Approved/ Disclosed</b>	30-May-2016
<b>Estimated Date of Appraisal Completion</b>	
<b>Estimated Date of Board Approval</b>	15-Sep-2016
<b>Concept Review Decision</b>	Track II - The review did authorize the preparation to continue

## I. Introduction and Context

### Country Context

#### A. Country Context

1. Afghanistan is experiencing a difficult social, economic and political transition despite some significant progress in recent years. From 2003 to 2012, economic growth averaged 9.4 percent annually driven primarily by aid and security spending. This positive economic growth helped raise GDP per capita from \$186 in 2002 to \$688 in 2012. Key human development indicators including school enrollment, life expectancy, and access to water improved markedly. School enrollment increased from one million in 2001 to 9.2 million (including 3.6 million girls) in 2011. In the health sector, primary health care coverage expanded significantly and infant and maternal mortality rates declined considerably. Large infrastructure investments since 2001 have

led to gains in access to water, sanitation, electricity, and road connectivity. Afghanistan's road network has been extensively rehabilitated, with reductions in travel time between major cities. From 2007-08 to 2011-12, the share of population with access to safe drinking water increased from 26.6 to 45.5 percent; and the share of population with access to electricity increased from 41.7 to 69 percent. Progress has also been made on the political front. Afghanistan has held five national elections since 2001, established a more open environment for the media and civil society, and drastically increased women's participation in government, business, and public life.

2. Many of these achievements have been reached through the National Solidarity Program (NSP), which aimed to work more closely with other ministries to deliver services more effectively to citizens. Established in 2003 by the Government of Afghanistan with assistance from the World Bank, the Afghanistan Reconstruction Trust Fund (ARTF), NSP has been a massive effort by the government to reach rural communities across Afghanistan and address their needs using participatory approaches. NSP has funded some 88,000 subprojects to improve access to transport, water supply and sanitation, irrigation, electricity and schools in 35,000 communities in all 34 provinces. Over one-third of CDC members are women.

3. Yet major security threats and resource constraints pose formidable challenges to continuing socio-economic progress. Despite earlier accomplishments, Afghanistan remains one of the least developed countries in the world and nearly four decades of protracted conflict have left weakened government institutions and severe social and ethnic cleavages. Poverty rates stand at 39.1 percent as of 2013-14, with signs of growing inequality. Economic growth fell sharply to 1.5-2 percent in 2014 and 2015 as the country faced intensifying violent conflict, declining external financial aid and private sector investments. Vulnerability to shocks, especially weather-related shocks and natural disasters, is high in Afghanistan, especially among poorer households.

4. Against the backdrop of this mixed record, the recent World Bank Afghanistan Systematic Country Diagnostic highlights three major constraints in the country's efforts to reduce poverty. The first constraint is fragility and conflict which continues to be a critical threat to personal safety, public service delivery, and private investments. The lack of security affects Afghan citizens on a daily basis and makes the government's delivery of services across the country's 34 provinces extremely difficult. The second constraint is the country's demographic trends. Afghanistan faces high population growth and a youth bulge, with 400,000 entrants into the labor force each year. The proportion of the population aged 15 or below is 51.3 percent, making Afghanistan one of the youngest countries in Asia, with extremely high dependency ratios. These demographic pressures are exacerbated by significant numbers of returning internally displaced persons (IDPs) or refugees. The third constraint is declining foreign aid. Afghanistan is highly dependent upon foreign aid which amounted to 45 percent of GDP in 2013. Furthermore, security expenditures are remarkably high (with on budget and off budget security spending about 25 percent of GDP in 2014), thus limiting fiscal space for much needed civilian operating and development spending.

### **Sectoral and Institutional Context**

5. In December 2014, the new Government declared its commitment to address Afghanistan's development challenges through its paper "Realizing Self Reliance: Commitments to Reforms and Renewed Partnership". That paper, presented at the London Conference, outlined a reform agenda aimed at helping the country move towards peace, recovery, and growth. Given declining aid resources and the need to streamline parallel service delivery mechanisms, the paper furthermore emphasizes the importance of programmatic approaches,

understood as long-term strategic arrangements consisting of interlinked projects with a common larger-scale objective. The Government prioritized seven programmatic areas of critical importance for reform: (i) improving security and political stability; (ii) tackling the underlying drivers of corruption; (iii) building better governance; (iv) restoring fiscal sustainability; (v) reforming development planning and management; (vi) bolstering private sector confidence and creating jobs; and (vii) ensuring citizens' development and securing human rights. As part of the last pillar on citizens' development rights and in an effort to improve accountability to citizens, the Government promised to develop a Citizen's Charter that will set a threshold of core services to be provided to all communities and help make Community Development Councils inclusive and representative bodies. In September 2015, the Government announced its intention to launch the Citizen's Charter as one of twelve National Priority Programs.

### **Relationship to CAS**

6. The approach guiding the World Bank's Interim Strategy Note (ISN) for the 2012-2016 period is to support the Government of Afghanistan in implementing key elements of the most important National Priority Programs (NPPs). The Citizen's Charter subsumes two of the three ISN themes, namely building capacity and state legitimacy, as well as equitable service delivery. Furthermore, The Afghanistan Country Partnership Framework (CPF) is currently being prepared and is expected to be completed by the end of CY 2016. It covers the four year period from FY2017 to FY2020. One key pillar of the CPF will be building strong and accountable institutions. The Citizen's Charter will be a major contributor to delivering that strategy at the sub-national level by strengthening Community Development Councils to take on more active roles in their own community development planning and implementation, across all sectors. By helping to improve services, it will also contribute to the third CPF pillar of Building Resilience and Reducing Vulnerability.

## **II. Proposed Development Objective(s)**

### **Proposed Development Objective(s) (From PCN)**

7. The proposed Project Development Objective is to improve service delivery through strengthened Community Development Councils and Clusters. This objective will contribute to the Government's long-term goals of reducing poverty, breaking the cycle of fragility and violence, and deepening the legitimacy of the state. The Citizen's Charter project builds on the NSP and will work through CDCs to promote inclusive development and ensure the rights of vulnerable persons such as women and the poor.

### **Key Results (From PCN)**

8. The key results of this program are expected to be:

➤ Improved service delivery in key sectors in rural and urban areas. These sectors include: access to clean water, rural roads, irrigation, small-scale energy sources, education and health

➤ Strengthened CDCs/clusters recognized by their own communities as representative bodies and able to plan, implement, monitor and coordinate development activities.

➤ Improved coordination and responsiveness amongst various line ministries and the subnational governance structure in support of community development needs.

### III. Preliminary Description

#### Concept Description

9. The Citizen➤( s Charter National Priority Program (CCNPP) is a compact between the population and the government. CCNPP will set a threshold of core infrastructure and services that the government will provide to all communities over the next ten years. Some of the critical services include: basic education and health services; safe drinking water; access to roads, irrigation, and energy/electricity. It builds upon the community platform already developed with CDCs throughout the country to improve service delivery and monitoring. The Charter is not only about the delivery of services but the standards of service delivery citizens can expect. Over time, as capacity develops, other services such as disaster relief, refugee integration and local-level dispute resolution can be brought into the Citizen➤( s Charter umbrella. Furthermore, the CCNPP will coordinate closely with the government➤( s National Priority program for Economic Empowerment of Women to ensure that assistance is coordinated and reaching poor women. The exact service standards will be finalized during pre-appraisal with an eye towards budget realism, implementation feasibility, and clarity in communicating standards to citizens.

10. The CNNPP is an evolution of the NSP. Given decreasing financial resources and the need to gain efficiencies in service delivery across the government, NSP needs to evolve to allow CDCs to have a broader mandate and be responsible for whole-of-government development and governance in their communities. This transition means that CDCs will focus much more in the future on monitoring and leveraging services from the various line ministry programs and other national priority programs. In the past under NSP, there has been some incremental progress in using CDCs to coordinate service delivery across various sectors, especially given the difficulties of line ministries➤( reach down to communities. Past studies highlight the advantages of working through CDCs for geographical and social outreach (to remote and insecure areas as well as to the most vulnerable groups). However those efforts have been ad hoc and non-systematic. Thus, the Citizen➤( s Charter builds upon the community platform created through NSP over the past 13 years, and strengthens the partnership between government and communities. CDCs/Councils will be the means by which citizens can demand services, hold line agencies accountable, and ensure that the poorest and most vulnerable can access services.

11. The core features of the Citizen➤( s Charter Program include:

➤(ç The Citizen➤( s Charter will provide a framework for local service delivery, using a programmatic, multi-sectoral approach. This will be the first inter-ministerial National Priority program, where Ministries will collaborate on a single program. The Citizen➤( s Charter Working Group is chaired by the Ministry of Finance (MoF) and includes members from MRRD, Independent Directorate of Local Governance (IDLG), Ministry of Agriculture, Irrigation and Livestock (MAIL), Ministry of Education (MoEd), and Ministry of Public Health (MoPH).

➤(ç The CCNPP will strengthen CDCs to represent the community and ensure service delivery and inclusive development at the community level.

➤(ç CDCs/Clusters will become the central body for community development overseeing sectoral shuras as subcommittees; and,

➤(ç CDCs will monitor and report upon service delivery at the community level from

government and NGOs (e.g. monitoring teacher attendance, textbook delivery, health clinic hours, provision of water points, etc). Citizens will monitor and report upon services that communities should be receiving under existing programs.

12. The Citizen Charter Elements Program (CCEP) is one slice of the larger national priority program, CCNPP, to be supported through the Afghanistan Reconstruction Trust Fund (ARTF) and the World Bank. Under its first four-year phase, the CCEP aims to cover all provinces and one-third of districts in each province, albeit coverage will be highly dependent upon security considerations. Criteria for district selection will include security accessibility considerations, poverty and service delivery indicators, commitment of provincial and district governors, and presence of other development programs. CCEP will have the following program components:

Component One: Block Grants. CDCs/Clusters are the linchpin of the Citizen Charter strategy. This component will support two types of block grants to CDCs:

(i) Rural Areas Service Delivery Grants - Funds are set aside for MRRD to provide water supply, and a choice of basic road access, basic electricity (only in areas that cannot be reached by the grid) and small-scale irrigation. In addition, this window will include service delivery grants which will be transferred from line ministries for CDCs to implement community-level or cluster-level infrastructure projects, as agreed upon through MOUs. For example, should the Ministries of Education or Health wish to provide funds to CDCs to build schools or clinics, they will transfer funds to these accounts.

(ii) Urban Areas Service Delivery Grants - Through NSP and other programs, approximately 1,800 peri-urban and urban CDCs have been formed. To be phased in over time, this sub-component supports grants to several urban CDCs in a select number of major cities (Kabul, Herat, Mazar, Jalalabad) to fund small infrastructure works in urban settings. These include: green space parks, street lighting, water and sanitation; and waste management. This urban sub-component, to be implemented through the Independent Directorate of Local Governance (IDLG) will support service delivery linkages between the CDC, Cluster/Gozar, urban district and municipal levels. Rural-urban linkages for local economic development will also be explored.

Component 2: Institution Building - This component will support capacity building and facilitation of CDCs & CCDCs; the out-sourcing of private sector/ facilitating partner contracts; and support to the local government structure in rural and urban areas to monitor and support CDCs.

Component 3: Monitoring and Knowledge Learning - This component includes learning activities from village to national levels and will support thematic studies and evaluations. For example, the program will work on the basis of continuous learning and fund learning pilots, gender analyses, community report cards for service delivery, studies on social inclusion and social accountability, and technical quality audits. The Project will also explore the possibility of an evaluation to examine the nexus between quality of service delivery and social cohesion, an under-researched area in the global conflict literature. Lastly, this component will support ways to strengthen a coordinated approach across line ministries - monitoring and evaluation mechanisms including at the community level, within government and with third party monitors.

Component 4: Project Implementation and Management. This component will support the

management and oversight structure of CCEP at the central, provincial and district levels. The management structure will carry out the following functions: policy and operational planning; operations manual development; capacity building; management information and reporting systems; grievance redress mechanisms, human resource management; communications; donor and field coordination, quality assurance on financial management; procurement and safeguards; as well as engineering support.

Should the Government raise additional funds for the CCNPP, those funds can be used to expand the program geographically, provide recurrent and maintenance grants to sustain CDCs in other parts of the country, and/or deepen the core service delivery package. During the first phase however, the emphasis will be upon optimizing existing funding and coordinating with other national priority programs.

#### IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04			x
Forests OP/BP 4.36			x
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11			x
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

#### V. Financing (in USD Million)

Total Project Cost:	490.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
Afghanistan Reconstruction Trust Fund			490.00
Total			490.00

#### VI. Contact point

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