This action is funded by the European Union

**ANNEX III**

of the Commission Implementing Decision on the financing of the annual action programme in favour of Afghanistan for 2019 part 2

**Action Document for Support to Peace and Shared Prosperity through the Citizens’ Charter Programme**

<table>
<thead>
<tr>
<th><strong>ANNUAL PROGRAMME</strong></th>
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<tr>
<td><strong>This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation and action programme/measure in the sense of Articles 2 and 3 of Regulation N° 236/2014.</strong></td>
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| 1. Title/basic act/CRIS number | Support to Peace and Shared Prosperity through the Citizens’ Charter Programme  
CRIS number: ACA/2019/041-643  
financed under the Development Cooperation Instrument |
|---|---|
| 2. Zone benefiting from the action/location | Afghanistan  
The action shall be carried out nationwide. |
| 3. Programming document | Addendum to the Multiannual Indicative Programme (MIP) between the European Union and Afghanistan for the period 2014-2020 |
| 4. SDGs | 1 - End poverty in all its forms everywhere  
5 - Achieve gender equality and empower all women and girls  
16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels |
| 5. Sector of intervention/thematic area | MIP - Basic Social Services  
DEV. Assistance: YES |
| 6. Amounts concerned | Total estimated cost: EUR 200 000 000  
Total amount of EU budget contribution: EUR 17 000 000.  
The contribution is for an amount of EUR 17 000 000 from the general budget of the European Union for 2019. This action is co-financed in joint co-financing by other contributors to the Afghanistan Reconstruction Trust Fund for an amount of EUR 183 000 000. |
| 7. Aid modality and implementation modality | Project Modality  
Indirect management with the World Bank Group |
| 8 a) DAC code(s) | 16050 Multisector aid for basic social services  
Sub-sector 43040 Rural Development |
**b) Main Delivery Channel**

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<tr>
<td><strong>General policy objective</strong></td>
<td>Not targeted</td>
</tr>
<tr>
<td>Participation development/good governance</td>
<td>☐</td>
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<tr>
<td>Aid to environment</td>
<td>X</td>
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<tr>
<td>Gender equality and Women’s and Girl’s Empowerment</td>
<td>☐</td>
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<tr>
<td>Trade Development</td>
<td>X</td>
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<tr>
<td>Reproductive, Maternal, New born and child health</td>
<td>X</td>
</tr>
<tr>
<td><strong>RIO Convention markers</strong></td>
<td>Not targeted</td>
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<tr>
<td>Biological diversity</td>
<td>X</td>
</tr>
<tr>
<td>Combat desertification</td>
<td>X</td>
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<tr>
<td>Climate change mitigation</td>
<td>X</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>X</td>
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| 10. Global Public Goods and Challenges (GPGC) thematic flagships | N.A. |

**SUMMARY**

Afghanistan is in a fragile phase of its transition process, faced, on the one hand, by a deteriorating security situation, and, on the other hand, by an increased momentum for peace at national and international levels. In line with the expected gradual emergence of pacified pockets of non-violence, the action aims to support the expansion of community-driven development efforts aimed at providing basic services to high risk areas and/or recently pacified areas. This aligns with the EU’s engagement in state and institution building, through the State and Resilience Building Contract for Afghanistan (SRBC), based on the national development policy framework, and represents a continuation of the EU’s longstanding support for basic service provision in Afghanistan through the National Solidarity Programme (NSP) (2003-2015) and its successor, the Citizens’ Charter National Priority Programme (CC NPP) (as of 2016).

Building on its track record of successful basic service delivery, the community-driven scheme under the Citizen's Charter (CC) will be extended to newly pacified districts as they become sufficiently secure, upon their designation as such by the National Security Council (NSC). In this way the scheme will gradually incorporate population groups (including returnees and internally displaced persons (IDPs), including those displaced by conflict) which have not hitherto benefited from the provision of basic services by the government. The CC approach requires adaptations to address the specificities of the newly pacified districts and/or high risk areas and their anticipated intrinsic difficulties relating to destruction and absence of infrastructure, elite capture of power and resources, divisiveness and fragmentation. To this end, complementary measures aimed at rebuilding local solidarity and address the challenges of poverty, exploitation, and grievance will need to be introduced, at the same time as measures to mitigate programme and fiduciary risks.
Consistent with the EU Strategy for Afghanistan of 2017\(^1\) and the mid-term review of the Multi-Annual Indicative Programme (MTR MIP), this action will focus on strengthening the efficiency and legitimacy of the state across all the Afghan territory by supporting basic service delivery, governance at subnational level, inclusive creation of jobs, anti-corruption, and gender equality to recently pacified areas. The CC's extension provides a complementary tool to existing international support mechanisms and strengthens policy dialogue with the Afghan government on mutually agreed objectives in the framework of the peace discussion with a focus on peace dividends for the Afghan population.

1 CONTEXT ANALYSIS

1.1 Context Description

Major security threats continue to pose challenges to lasting socio-economic progress. The foremost constraint facing Afghanistan’s development prospects is the ongoing conflict and its broader implications for the economy and society. Afghanistan is a deeply fragile and conflict-affected country with nearly four decades of protracted conflict having resulted in weakened government institutions and severe social and ethnic cleavages.

At the same time, Afghanistan has made important progress on its way towards becoming a better functioning and more accountable and sustainable state over the past seventeen years. The government, supported by the international community, has introduced important reform measures in the past two years, after the Brussels Conference (BCA) of October 2016. However, as the midpoint of its "transformation decade 2016-2024," approaches, the political, economic and security challenges the country faces remain significant and complex. The presidential/provinces/district elections planned for 2019 bear the risk of increasing political uncertainty. Despite earlier accomplishments, Afghanistan remains one of the least developed countries in the world with high overall poverty and signs of growing inequality as gaps in access to services between the poor and non-poor increase. While the government has been able to increase its revenue collection, endemic corruption remains detrimental to well-functioning institutions, equitable service provision and also to entrepreneurship. With economic growth having fallen from 12% in 2012 to 1.5% in 2014, and now stabilising at 2.7% (2017), Afghanistan remains highly dependent upon foreign aid, which amounted to 13% of GDP in 2018.

The demographic trends make poverty reduction challenging due to high population growth and a youth bulge, with 400,000 entrants into the labour force each year. Increased vulnerability and the disruption of government services have a severe impact on some of the world's lowest human development indicators. In 2016/17 the national poverty stood at 54.5%, with a literacy rate of 34.8% and unemployment at 23.9%. In addition, despite significant advances over the last decade, gender disparity persists in relation to access to basic services such as education (only 19.9% of the female population is literate versus 49.4% for men)\(^2\). The demographic pressures have been and are likely to continue to be exacerbated by significant

\(^1\) Council conclusions on Afghanistan, 13098/17, 16 October 2017
numbers of returnees and IDPs (in 2017, the total number of returnees from Iran and Pakistan as well as IDPs neared two millions). 3

At the same time, high vulnerability to climate change and natural disasters multiplies humanitarian aid needs and puts development gains made so far at risk as evidenced in 2018 by a severe drought.

On the positive side, 2018 marked an increased momentum for peace in Afghanistan at national, regional and international levels. Following the peace agreement concluded with Hizb-I Islami Gulbuddin in September 2016, President Ghani's unprecedented peace offer in February 2018 initiated a strong momentum that was further compounded with a reinforced international commitment during the Tashkent Conference on Afghanistan in March 2018 and the Geneva Ministerial Conference on Afghanistan in November 2018 (GMCA). This momentum was particularly remarkable in view of the massive Afghan support of the historic temporary ceasefire between government forces and the Taliban during the end of Ramadan celebrations in June 2018. Also, despite the Taliban's dismissal of the calls by the president for a second ceasefire during Eid al-Adha in August 2018, and to engage in direct negotiations to end the conflict, there remains a widespread consensus on the need for a peaceful resolution to the conflict in Afghanistan and public manifestations of the desire for peace.

Peace was a very prominent topic at the GMCA. On this occasion the EU’s High Representative Vice-President Federica Mogherini presented a five-point-agenda in support of the peace process, which includes helping the government make the peace process more inclusive; supporting post-conflict reforms, including security sector reforms; providing incentives for the reintegration of ex-combatants; having the EU as a guarantor of a peace deal; and supporting cross-border trade and infrastructure as well as regional connectivity.

The present transition process through the transformative decade and the recent positive momentum for peace encourages efforts such as this action. Furthermore, as a follow-up to GMCA, the international community is preparing a package of socio-economic initiatives for a possible post-conflict arrangement that include community-based development programmes such as this action.

1.2 Policy Framework (Global, EU)

The proposed action is fully aligned with the EU Strategy for Afghanistan and is also an integral element of the revised EU Multiannual Indicative Programme (MIP) for the period 2018–2020 and its three focal sectors: (i) peace, stability and democracy, (ii) sustainable growth and jobs, and (iii) basic social services.

The EU’s policy framework – notably the Agenda for Change4 and the New European Consensus on Development of 20175 - clearly acknowledges the nexus between security and development, and refers to the conflicts as having an enormous cost in terms of human, financial and infrastructure resources. It reaffirms that development cooperation must tackle the root causes of conflict, confirming that there cannot be poverty reduction in fragile and conflict affected states without breaking the cycle of instability and violence.

Specifically the New European Consensus on Development underlines that "in their development assistance, the EU and its Member States will pay particular attention to fragile and conflict-affected states and will support the most vulnerable. By promoting and protecting

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4 COM(2011) 637 final
5 European consensus on development as adopted by the European Council on 18 May 2017

[4]
human rights, democracy, the rule of law and good governance, they will proactively contribute to stability and security as well as resilience. They will integrate conflict sensitivity in all their work, to maximise the positive impact on peace."

As regards the support to women's livelihoods, the New European Consensus on Development and the second Gender Action Plan "Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020" both stipulate a need to encompass gender equality in EU development cooperation in a better way. The EU has at the Brussels Conference made a firm commitment to supporting the improvement of the current situation of women in Afghanistan, which is reflected in the mid-term review (MTR) of the MIP 2014-2020.

1.3 Public Policy Analysis of the partner country

The main framework for policy dialogue between donors and the Afghan government has been established in 2012 as the Tokyo Mutual Accountability Framework (TMAF) and subsequently refreshed in 2015 (Self-Reliance through Mutual Accountability Framework-SMAF 2015/16), 2016 (smart SMAF 2017/18) and 2018 (Geneva Mutual Accountability Framework-GMAF 2019/2020) with a set of 15 time-bound and clearly defined deliverables for government.

The GMCA commended the progress on policy reform development and implementation whilst highlighting the challenges in terms of security, political uncertainty and fiscal sustainability.

Afghanistan's national policies have been consolidated in 2016 in the Afghanistan National Peace and Development Framework (ANPDF) and underpinned by ten sector-specific National Priority Programmes (NPP)6 with a strong focus on delivering results, driving policies through public finance management and streamlined NPPs. There has been a positive, albeit limited track record in ANPDF and NPPs policy implementation in 2017 and 2018.

Within the ANPDF, the Citizens' Charter National Priority Programme takes a prominent role as the central vehicle for service provision. Building on the successful NSP, as well as further analysis including gender analysis7, this community-based development programme was launched in September 2016 and operationalised through the EU co-financed Citizens’ Charter Afghanistan Project (CCAP) under the Afghanistan Reconstruction Trust Fund (ARTF).

The project's objective is to improve the delivery of core infrastructure and social services (minimum service standards) to all communities in Afghanistan, starting in phase 1 (2016-2020) with an estimated 12,600 rural and urban communities across the 34 provinces, through Community Development Councils (CDCs), entry-points for governance and development at micro level. As of mid-2018, the implementation status is very satisfactory.

Afghanistan continues to make slow but satisfactory progress in the implementation of fundamental values and human rights policies. While the human rights situation remains precarious, especially with regard to women's and children's rights and the situation of human rights defenders and the media, Afghanistan undergoes in January 2019 the third Universal Periodic Review by the Human Rights Council. The human rights situation is actively

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7 WB ARTF gender analysis in line with the WB gender policy (2016-2023) was conducted and has informed the design of the project which ultimately led to a positive gender-tag of the CCAP project. Gender equality results with respect to the project are reported in the project ISR results framework and annual ARTF scorecard.
monitored by the EU through the special Cooperation Agreement on Partnership and Development (CAPD) working group.

In 2018, Afghanistan is still considered one of the worst places to be a woman. The 2017-18 Women, Peace and Security Index puts Afghanistan at rank 152 out of 153 countries. The government seeks to improve the overall situation of women through a combination of gender mainstreaming in flagship policies such as the Citizens' Charter and dedicated measures for economic empowerment (NPP for Women's Economic Empowerment), as well as sustained action to implement the UN resolution 1325 on women, peace and security.

1.4 Stakeholder analysis

The key stakeholders of the action (duty bearers) are the Afghan government, oversight institutions and civil society organisations (representatives of the right holders), which are equally engaged in facilitation and civic monitoring of service provision. On the development partners’ side, the World Bank is the main stakeholder as implementer of the Citizens’ Charter.

The ultimate beneficiary is the Afghan population across all provinces, benefitting from improved service delivery and governance, and particularly the most vulnerable, with specific focus on women, IDPs, returnees/migrants and demobilized insurgents with their families.

The Office of the President and the Ministry of Finance (MoF) play key roles in coordinating development policies such as the Citizen's Charter NPP. The Ministry of Rehabilitation and Rural Development (MRRD) and the Independent Directorate for Local Governance (IDLG) are the implementers of the proposed action with responsibilities for implementation of the rural and urban components and monitoring and reporting respectively. Non-Governmental Organisations are employed by MRRD in the implementation of the project as facilitating partners and to assist the CDCs.

Guaranteeing the minimum service standards will require close cooperation and coordination with the Ministry of Education (MoE), the Ministry of Public Health (MoPH), the Ministry of Agriculture (MAIL), and the Ministry of Labour, and Social Affairs (MoLSA). The NSC and the Ministry of Interior play an important role in declaring areas and communities accessible, as well as for security aspects during implementation.

The EU is closely involved in the implementation of the CCAP project with the World Bank and other experienced ARTF partners, including EU Member States and the United States. The ARTF gender working group regularly discusses the gender approach of the CCAP, its activities and results. Furthermore, as of 2019 CSOs are encouraged on a pilot basis to carry out a social audit of key ARTF programmes such as the CCAP.

1.5 Problem analysis/priority areas for support

To date the costs of the conflict in Afghanistan are enormous, with conflict-related deaths telling only part of the story of the damage inflicted. Civilians are increasingly vulnerable, and recently violence occurs in urban areas targeting public spaces with the number of civilian deaths increasing, while many more civilian deaths result from indirect effects of conflict, such as unmet medical needs, food insecurity, inadequate shelter, or contamination of water. Violent conflict is also forcibly displacing people in record numbers\(^8\).

The costs associated with the economic losses caused by conflict put a severe strain on state capacity and government resources. Climate change, too, presents new challenges, especially to poor and vulnerable communities as the associated risks can combine with and exacerbate risks

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\(^8\) In 2018 249, 233 people have been internally displaced by conflict (OCHA Displacement Tracking System).
of violence through factors such as food insecurity, economic shocks, and migration. Significant demographic shifts create new stresses against the backdrop of slow and uneven economic growth. Due to insecurity, trade growth and foreign direct investment have declined in recent years, adversely affecting economic growth and productivity. All these factors do not directly affect violent conflict, but they certainly put additional stress on systems and people, compromise state legitimacy, and increase the tendency for groups to mobilize for perceived grievances.

Breaking out of Afghanistan’s current economic stagnation and tackling rising unemployment, and poverty will only be possible if there is strong, sustained progress toward durable peace and political stability. Progress on reconciliation presents important opportunities, such as unprecedented access to territory and populations hitherto not accessible for government and development partners; major savings in security costs over the medium-term with positive fiscal implications; and the post-conflict economic boom, including construction and investment driven by the return of Afghan capital and savings, among others.

The ongoing initiatives and discussions on peace and reconciliation are serious enough to call for parallel efforts on the development side. Interventions need to be reinforced and tailored to a dynamic, evolving post-conflict context. Reinforcing the strategic linkages between political dynamics, security, and development will be essential, as will ensuring that socio-economic support is provided so that security forces are not the only interface between the state and the population. The focus of the CC NPP on community-based service delivery builds on the proven success of such programmes, although they have not been sufficiently funded in Afghanistan, while the disarmament, demobilisation and reintegration (DDR) programmes attempted since 2001 have failed to deliver. Global and Afghan experience equally confirms that the development approach needs to address the reasons for violent conflict which stem from exclusion, injustice and inequalities across groups in relation to access to political power and governance; land, water, and extractive resources; justice and security; and most importantly, the delivery of basic services.

This action, therefore, focusses on the delivery of basic services to population groups and geographic regions that have not benefited from government service provision, but that will become accessible as the peace agenda progresses and non-conflict zones expand.

2 RISKS AND ASSUMPTIONS

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<th>Risks</th>
<th>Leve 1</th>
<th>Mitigating measures</th>
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<tbody>
<tr>
<td>Political stability</td>
<td></td>
<td>Mitigated through a concerted international political and policy dialogue, as well as support for the elections. EU diplomatic engagement in peace and regional cooperation efforts. EU support to elections and election monitoring.</td>
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| Insecurity | H | Local communities are supported to become arbiters of their own development brokering development space with insurgent groups to allow services to be delivered. At project level, risk levels are mitigated through the selection of districts upon a decision by the NSC and building community capacities to support local level dispute resolution. |
| Migration | M | Implementation of the EU support package for migration. With growing returnee numbers, at project level, additional funding to be secured in order to increase the number of beneficiary communities. |
| Macroeconomic | M | Strengthen policy implementation to maintain macro stability, speed up structural reform, and improve economic governance, including stronger legislative, institutional, and regulatory frameworks, and law enforcement – with the support of EU SRBC, IMF Extended Credit Facility and WB Development Policy Grant. Follow-up on BCA pledges. |
| Corruption, fraud, rent seeking | M | National anti-corruption strategy (2017) and government's strong commitment to combatting corruption. At project level, civil society's oversight, strong M&E systems, transparent project information, and grievance redress mechanisms will be critical. Citizen engagement aspects of service delivery monitoring are built into the project design. |
| Elite capture and social exclusionary practices | M | The project mitigates these risks through greater involvement of ordinary people in CDC sub-committees, improved community socialization and planning processes, training and communication, regular monitoring of social inclusion indicators. |
| Natural disasters and drought | M | Resilient infrastructure design differentiated by the provincial and district-level risk profiles; enhanced training for staff on disaster risk prevention and mitigation. |
Gender equality
In the CCAP extension areas, there is risk of the perpetuation of gender stereotypes and limited opportunities for women to take part and benefit from the CCAP.

The project mitigates the risk through a detailed gender analysis both for the CCAP and the High Risk Area Strategy that specifies detailed actions and activities. Specific monitoring and evaluations are undertaken.

Assumptions
Gradual but steady progress towards a peace settlement with successive non-conflict pockets emerging.
The government remains committed to pursue its ambitious reform agenda by formulating and implementing credible policies (ANPDF, SMAF, NPPs, PFM Reform).
The international community remains engaged in Afghanistan and actively engaged in the reform process.

3 LESSONS LEARNT AND COMPLEMENTARITY

3.1 Lessons learnt
International research indicates that where there is a risk of violent conflict, stronger synergies need to be established between peacebuilding efforts, security provision, and economic and social development, notably service provision, in order to ensure that security and development objectives are compatible.\textsuperscript{11} Conflict prevention involves creating incentives for actors to choose actions that resolve conflict without violence through bottom up multi-sectoral approaches\textsuperscript{12}. Such community driven development (CDD) approaches can increase citizen trust in institutions and contribute to longer-term institution building. Attributes, such as participatory planning and decision-making, cooperation between local authorities and elected community committees, and community control of funds, mean the programmes can signal a change in the attitude of the state to communities, even before physical projects are completed. They can thereby enhance state-society relations, increase citizens’ trust in institutions, and contribute to longer-term institution building.

The CCAP addresses the existing limitations of line agency efforts and NSP and responds to the financial constraints to national development investments. It has consolidated rural and urban community level work under one umbrella, and streamlined the various parallel service delivery mechanisms by different ministries, allowing a focus on the key basic services needed by communities, such as clean drinking water, road access and electricity (minimum service standards). By strengthening citizen engagement and monitoring in the delivery of services such as education and health, CCAP increased oversight by the beneficiaries of equitable service delivery. By transferring responsibilities for local level infrastructure to communities, it has enabled the freeing up technical line agencies capacity for large-scale infrastructure, while creating infrastructure in a more cost-effective manner through the use of local labour. This in turn injects liquidity into the local economy and creates short-term employment in poor rural areas. Community programs have, moreover, had the best track record in Afghanistan for involving women in local decision-making.

\textsuperscript{11} United Nations and World Bank 2018. *Pathways for Peace: Inclusive Approaches to Preventing Violent Conflict*. Washington, DC: World Bank. This report has condensed specific lessons learnt for the four core areas of a) power and governance, b) land and natural resources, c) security and justice, as well as d) service delivery which is the object of the present action document.

\textsuperscript{12} World Development Report, 2011
As the lessons learnt from the NSP have shaped the design of the CCAP, including with respect to gender, early findings from the implementation of the High Risk Areas Implementation Strategy (HRAIS)\(^1\) will shape the ultimate design of the Citizens' Charter extension approach. Given the volatile environment, the response that is applicable in 2019 might not be applicable throughout the entire duration of the action. Project scope and relevance will remain the same but the response, sequencing, geographical focus and timeline may require adjustment based on the operating environment. This is based on lessons learned to-date and the operating environment encountered in Afghanistan.

### 3.2 Complementarity, synergy and donor coordination

The EU participates in the 5+3 donor group (EU, Germany, Japan, United Kingdom, United States plus Australia, Canada and the Nordics+), which steers the high level policy dialogue with the government and technical level coordination (inter-ministerial Development Councils and Executive Committees such as the Poverty Council specifically responsible for the Citizens' Charter NPP). At sector level, the EU is an active development partner in its MIP-MTR focal sectors of (i) Peace, Stability and Democracy, (ii) Sustainable Growth and Jobs and (iii) Basic Social Services. On the basis of the EU Strategy 2017, EU activities are closely coordinated with EU Member State interventions.

The main vehicles for policy dialogue between donors and the Afghan Government are the established mechanisms, which are however complemented by the EU – Government Steering Group established in the framework of the EU State and Resilience Building Contract 2018-2021 to monitor the finalisation and implementation of the national development policy framework (including of the CC NPP).

The international community is enticing its strategic policy dialogue and mobilising political leverage to support the government in implementing the reform agenda and deliverables agreed, in particular with the leverage generated from the EU’s budget support operations. Regular meetings are held by the World Bank ARTF in regard to the CCAP. Development partners are aiming at collaborating in the policy fora to monitor the implementation of policy commitments such as the stock-taking exercises at the Joint Coordination and Monitoring Board, the Senior Officials Meeting and the ministerial meetings.

### 4 DESCRIPTION OF THE ACTION

#### 4.1 Overall objective, specific objective(s), expected outputs and indicative activities

The **overall objective** is to promote sustainable livelihoods and inclusive growth in Afghanistan for women, men, youth, marginalised groups and other people in vulnerable situations.

The **specific objectives** are (1) improved confidence of the population in the performance of government, in particular as regards good governance and anti-corruption, and service provision; (2) increased use of services, goods and infrastructure equitably provided by the public sector across the national territory to people living in vulnerable situations including in high risk areas and/or recently pacified areas; (3) an increased embracing of a culture of peace.

The expected **outputs** are:

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\(^1\)HRAIS was jointly prepared by Government and WB, and is currently being finalised for approval by the High Council on poverty. It sets out the implementation approach for the CC project in high risk areas and elaborates on the modification to the CCAP implementation manual. It also includes an assessment of the challenges with respect to women participation and inclusion, as well as an evaluation of mitigation measures and specific actions.
1. Strengthened PFM and procurement systems (focusing on transparency, fiscal discipline, oversight, allocative and operational efficiency).

1.2. Improved public policy formulation and execution (ANPDF and NPPs, especially Citizens' Charter, Human Capital, and Good Governance).

1.3. Enhanced opportunities for the participation of citizens, particularly women and marginalized groups, in the development of community development plans and monitoring of public service delivery.

2.1. Increased quantity and quality of goods and services provided by the public sector at sub-national government level and in areas hitherto not served;

2.2. Communities in rural and urban areas receiving the CC minimum service standards.

3.1. CDCs/clusters/gozars capacities to plan, implement, monitor and coordinate development activities, as well as to resolve problems and grievances, are strengthened.

**Main activities**

The indicative activities may include:

*With respect to outputs 1.1-1.3 and 3.1 (here above):*

- **Institution building**

  This component supports capacity building and technical assistance from national to local levels, as well as community facilitation services.

- **Monitoring and knowledge learning**

  This component supports learning activities from village to national levels, exchange visits across communities, especially for women, and support for thematic studies and evaluations. It also includes monitoring by citizens through the use of scorecards, and the real-time problem reporting.

- **Project implementation and management**

  This component supports the management and oversight at the national, provincial and district levels in rural areas and the municipal management units in the cities.

  Due to the uncertainty and volatility of the situation in targeted high risk and/or recently pacified areas, it is important to maintain flexibility in the implementation of activities with the help of facilitating partners as well as continuous experimentation with alternative forms of implementation. At the same time, measures to mitigate fiduciary risk are reinforced and adapted to operations in a volatile insecure environment as well as specific safety measures for implementation, oversight staff and local gatherings of communities.

  Consistent with the Citizens’ Charter policy commitment to ensure gender equality in community development planning, election, implementing and monitoring processes, alternative and appropriate mechanisms are applied in high risk and/or recently pacified areas to encourage women's participation, in consultation with women and community leaders.

*With respect to outputs 2.1 and 2.2 (here above):*

14 Gozar is an urban neighbourhood area-based organization structure at the sub-district level. For the CCAP, five urban CDCs are joint into a gozar assembly representative of 1,000 to 1,250 households.

15 A detailed description of activities shall be added as an Annex to the Administration Agreement with WB.
• Provision of Service Standards Grants to rural and urban communities to meet the service standards for communities.

MRRD has the overall responsibility for the implementation of these service standard grants in rural areas. This subcomponent supports minimum service standards related to rural infrastructure with allocations to communities. Communities undertake an initial gap and needs assessment (taking into account the specific needs and interests of women and vulnerable people), through an inclusive and participatory consultation process, to determine the current status of the minimum service standards in each community/cluster. Investments follow a needs-based approach rather than a uniform block grant allocation.

IDLG has the overall responsibility for the implementation of the urban areas block grants. It supports grants to urban CDCs and gozars in cities to fund small infrastructure works in urban settings. It also supports service delivery linkages between the CDC/cluster/gozar, urban district and municipal levels.

The service standards of the Citizens’ Charter for stabilization in rural areas include:

a) Universal access to clean drinking water: one water point per 25 households, providing 25 litres of water per person per day.

b) Rural infrastructure: communities have at least one of the following services (depending on gap analysis, community prioritization and accessibility): basic electricity, basic road access, small-scale irrigation infrastructure.

c) Quality education in government schools as part of the MoE existing education standards. Citizens monitor teachers’ education level and number of weekly education provided to students.

d) Delivery of basic package of health services (including sexual and reproductive health services) as part of the MoPH existing health package monitored by citizens with respect to health facilities/health posts/health sub-centres/basic health centres/comprehensive health centres’ opening hours/staffing/provision of mandated services.

The service standards of the Citizens’ Charter for stabilization in urban areas include:

a) Secondary street upgrading and drainage;

b) Provision of potable water;

c) Park/recreation area/playground for children and women;

d) Solid waste management;

e) Household numbering;

f) Lighting/electricity;

g) Livelihood projects for women.

Besides, at the gozar level, community monitoring of quality education in government schools; delivery of basic package of public and private health services; pharmacies’ registration and respect of requirements.

4.2 Intervention Logic

This action proposes the expansion to high risk and/or recently pacified areas of the successful community-driven development efforts through the Citizens’ Charter for Afghanistan Project. The extension of basic services by the government to areas hitherto not served and excluded
populations contributes to strengthening the legitimacy of the state across the Afghan territory in the eyes of the Afghan population. At the same time, this action contributes to preventing the re-emergence of violent conflict at the local level, and helps build the conditions for sustained peace through the reduction of poverty and the provision of alternative livelihood models.

The CC approach will be adapted to address the specificities of the newly pacified districts and their intrinsic difficulties relating to destruction and sheer absence of infrastructure, power and elite capture, divisiveness and fragmentation, through complementary measures aimed at rebuilding local solidarity and resolve problems of poverty, exploitation, and grievance. Furthermore, a complementary dimension is included for quick-impact job creation through locally-sourced labour-intensive infrastructure construction as a means of addressing poverty and providing for alternative livelihood for returnees and demobilized insurgents, complemented in the medium-term by the development of agriculture local value chains in line with the Agri-Business Charter. This coherent package of measures aims at creating inclusive sustainable pathways to non-conflict situations and ultimately peace through the reduction of poverty and the establishment of the relationship between citizens and the state. At the same time, project and fiduciary risks are addressed through reinforced control mechanisms.

The project addresses sustainability on three fronts, notably institutional, financial and technical, by building institutional capacity at the national, provincial, district, and community levels. Service delivery is streamlined to reduce duplication and inefficiencies by addressing disaster resilience at design stage and ensuring operation and maintenance of infrastructure at local level, thus alleviating fiscal constraints.

4.3 Mainstreaming

EU interventions in all development sectors in Afghanistan, and in particular this action, take into account the specific context of vulnerability in the country, marked by potential shocks and crises, reinforcing the humanitarian-development nexus and contributing to improved resilience of the Afghan population, in particular the most vulnerable sectors.

Gender equality is a key priority of the EU and the wider international community in their policy dialogue and engagement with the Afghan Government. It is prominently included in the Self-Reliance through Mutual Accountability Framework (SMAF), where the government’s development strategy (ANPDF and NPPs) will be assessed to a large degree based on how it mainstreamed gender in government activities such as the implementation of the Citizens’ Charter NPP as well as dedicated strategies such as the National Women Economic Empowerment Programme. The SRBC and the EU – Afghanistan Human Rights Dialogue within the Cooperation Agreement on Partnership and Development (CAPD) provide further opportunities for policy dialogue on the progress in implementing the United Nations Security Council Resolution 1325 on women, peace and security, and towards the elimination of violence against women.

Furthermore, Afghanistan will be supported through this specific action in meeting its migration/returnees/displacement challenges by approaching migration and mobility in their humanitarian as much as their development aspects, addressing root causes and leading to long-term sustainable reintegration of returnees in communities.

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16 Agri-business Charter for Afghanistan 2018. MAIL. The agri-business charter is a government framework to coordinate and improve the quality and effectiveness of public and private investment in agribusiness. It consists of 4 main components: i) Enabling policies and regulations; ii) Agri-industrial development; iii) Facilitating access to finance; and iv) Institutional Strengthening.
4.4 Contribution to SDGs

This intervention is relevant for the 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of Sustainable Development Goals (SDG) # 1 (ending poverty in all its forms everywhere); # 5 (achieving gender equality and empowering all women and girls); and # 16 (promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels).

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4 will be carried out and the corresponding contracts and agreements implemented, is 85 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission’s responsible authorising officer by amending this Decision and the relevant contracts and agreements.

5.3 Implementation modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.\(^\text{17}\)

5.3.1 Indirect management with an international organisation

This action may be implemented in indirect management with the World Bank Afghanistan Reconstruction Trust Fund (ARTF). This implementation entails the following activities: 1) provision of Service Standards Grants to rural and urban communities to meet the service standards for communities; 2) institution building; 3) monitor and knowledge learning; and 4) project implementation and management. These activities will contribute to achieving the three Specific Objectives of the action, namely: 1) improved confidence of the population in the performance of government, in particular as regards good governance and anti-corruption, and service provision; (2) increased use of services, goods and infrastructure equitably provided by the public sector across the national territory to people living in vulnerable situations including in high risk areas and/or recently pacified areas; and (3) an increased embracing of a culture of peace.

The envisaged entity has been selected using the following criteria: mechanism for channelling on-budget support for government programmes (ARTF); pre-existing role in the development and implementation of the CCAP; experience in the sector in Afghanistan. As the ARTF Administrator, the World Bank has long-standing experience in delivering aid to Afghanistan, and in particular over 10 years of experience with community-based development programmes in the country (NSP and CCAP). In addition, the ARTF institutional framework, by bringing

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\(^{17}\) www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.
together government and donors, provides the ideal coordination platform for the action ensuring oversight and therefore transparency and accountability.

The entrusted entity would carry out the following budget implementation tasks: launch calls for tenders and for proposals; define eligibility, selection and award criteria; evaluate tenders and proposals; award grants, contracts and financial instruments; act as contracting authority concluding and managing contracts, carrying out payments.

In case the envisaged entity would need to be replaced, the Commission’s services may select a replacement entity using the same criteria.

### 5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

### 5.5 Indicative budget

<table>
<thead>
<tr>
<th>EU contribution (amount in EUR)</th>
<th>Indicative third party contribution (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indirect management with World Bank (cf. section 5.3.1)</td>
<td>17 000 000</td>
</tr>
<tr>
<td>Evaluation (cf. section 5.9), 5.10 – Audit (cf. section 5.10)/Expenditure verification</td>
<td>will be covered by another decision</td>
</tr>
<tr>
<td>Communication and visibility (cf. section 5.11)</td>
<td>N.A.</td>
</tr>
<tr>
<td>Contingencies</td>
<td>N.A.</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>17 000 000</strong></td>
</tr>
</tbody>
</table>

### 5.6 Organisational set-up and responsibilities

The ARTF was originally conceived in 2002 as a multi-donor trust fund to support immediate stabilisation and reconstruction needs in Afghanistan through a coordinated financing mechanism. It has since then evolved to become the main vehicle for multi-donor, on-budget support for the government’s national programmes reform agenda, fiscal sustainability and the prioritisation and delivery of the national development strategy. The ARTF is supported by 34 donors (of which 18 are currently active) and administered by the World Bank. Its three-tier governance framework is composed of a Steering Committee, a Management Committee and the World Bank as an Administrator.
The Steering Committee, co-chaired by the Ministry of Finance and the World Bank, consists of all ARTF donors and sets the ARTF strategy. Steering Committee decisions are made on a consensus basis and are informed by ARTF working groups. The Steering Committee meets once every quarter in Kabul. The Management Committee is responsible for implementing ARTF’s financing strategy, endorsed by ARTF Steering Committee. In practice, the Management Committee reviews and approves requests for financing based on their technical quality and alignment with the financing strategy. The Management Committee consists of the Ministry of Finance, the Asian Development Bank, the United Nations Development Programme, the Islamic Development Bank and is chaired by the World Bank. The United Nations Assistance Mission in Afghanistan acts as an observer.

The CCAP is implemented through country systems (existing government corporate support areas) and without a designated project implementation unit. The governance of the program is firmly anchored in the leadership structure of the MRRD as well as the IDLG. The responsibility for the management and oversight of the program lies with the policy leadership team of the MoF.

5.7 Performance and Results monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the Logframe matrix (for project modality) or the partner’s strategy (Citizens’ Charter), policy or reform action plan list (for budget support).

SDGs indicators and, if applicable, any jointly agreed indicators as for instance per Joint Programming document should be taken into account.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.8 Evaluation

Having regard to the nature of the action, a final evaluation(s) will be carried out for this action or its components via independent consultants contracted by the Commission.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission may, during implementation, decide to undertake a mid-term evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The Commission shall inform the implementing partner at least 2 months in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.
The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Evaluation services may be contracted under a framework contract.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

It is foreseen that audit services may be contracted under a framework contract.

The financing of the audit shall be covered by another measure constituting a financing decision.

5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the action, to be elaborated at the start of implementation and supported by the EU's horizontal communication contract.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and contribution agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the action and the appropriate contractual obligations.
### APPENDIX - INDICATIVE LOGFRAME MATRIX FOR PROJECT MODALITY

<table>
<thead>
<tr>
<th>Impact (Overall Objective)</th>
<th>Results chain: Main expected results</th>
<th>Indicators (at least one indicator per expected result)</th>
<th>Sources of data</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
|                            | **The overall objective** is to promote sustainable livelihoods and inclusive growth in Afghanistan for women, men, youth, marginalised groups and other people in vulnerable situations.**  
*As per section 4 of the Action Document* | 1.1 GDP inclusive economic growth and GDP per capita **L1(3);**  
1.2. Poverty Headcount ratio **L1(1);**  
Key SDG-related development outcome indicators:  
1.3 Health (percentage births attended by skilled health personnel), **L2 (18);**  
1.4 Education (youth literacy percentage/sex disaggregated) **L1 (15);**  
1.5 Electricity (percentage of the population with access) **L1(11);**  
1.6 Water (percentage of the population using safely-managed drinking water) **L1 (22);**  
1.7 Sanitation (percentage of the population using safely-managed sanitation services) **L1 (25) (sex-disaggregated);** | 1.1 MoF/IMF/WB;  
1.2 – 1.7 National household survey. | **Not applicable** |
| Outcome(s) (Specific Objective(s)) | **The specific objectives** are  
(1) Improved confidence of the population in the performance of government, in particular as regards good governance and anti-corruption, and service provision;  
(2) Increased use of services, goods and infrastructure by vulnerable populations equitably provided by the public sector across the national territory including in high risk areas and/or recently pacified areas;  
(3) An increased embracing of a culture of peace.  
*As per section 4 of the Action Document* | 1.1 Corruption perception index;  
1.2 Public perception of the national government, ratio;  
1.3 Governance indicator, scores **L1(5);**  
1.4 Public perception/satisfaction of quality of services provided at subnational and local level, ratios;  
2.1 Net school attendance primary education, secondary education, tertiary education (sex-disaggregated), percentages;  
2.2 Health – ante-natal care coverage (sex-disaggregated) 1 visit, 4 visits, percentages; electricity; access to drinking water; roads, | 1.1: TI Corruption Perception Index;  
1.2: Survey of the Afghan People;  
1.3: WB Governance Effectiveness indicator;  
1.4: Survey of the Afghan People; CCAP scorecards;  
2.1-2.3: National household survey;  
3.1-3.2: Survey of the Afghan People;  
3.3: UNAMA election | Improved stability and effectiveness of government.  
Reduced internal division/external challenges and swift formation of a new government.  
Reduced insecurity in parts of the country resulting in changes to the way development, and in particular the proposed intervention, is delivered. |
### Outputs

| 1.1 Strengthened PFM and procurement systems (transparency, fiscal discipline, oversight, allocative and operational efficiency); | 1.1.1 Achievement of PFM performance targets for MoF, line ministries and provincial Mustofiats |
| 1.2 Improved public policy formulation and execution (ANPDF and NPPs, especially CC, Human Capital, Good Governance); | 1.1.2 Improvement of relevant PEFA scores (pillar II, VI, VII) |
| 1.3 Enhanced opportunities for the participation of citizens, particularly women and marginalized groups, in the development of community development plans and monitoring public service delivery; | 1.2.1 Status of CC NPP policy implementation; |
| 2.1 Increased quantity and quality of goods and services provided by the public sector at sub-national government and in areas hitherto not served. | 1.2.2 Progress in the implementation of the government anti-corruption strategy and line-ministries implementation plans; |
| 2.2 Communities in rural and urban areas receiving the stated minimum service standards. | 1.2.3 Progress in the formulation of the subnational governance policy and progress towards its implementation; |
| 3.1 CDCs/clusters/gozars capacities' to plan, implement, monitor and coordinate percentages; | 1.3 Number of direct and indirect beneficiaries of the CC, disaggregated by sex and displacement status; |
| 2.3 Citizens’ access to and use of public services, percentages; | 2.1 Level of implementation of CC – number of service standard grants / number of urban block grants awarded to communities/CDCs |
| 3.1 Perception of the security situation, percentages; | 2.2 Number of communities in rural and urban areas receiving the stated minimum service |
| 3.2 Confidence in the reconciliation effort, percentages; | |
| 3.3 Peaceful participation in democratic elections, percentages; | |
| 3.4 Integration of IDP and returnees into local communities, percentages. (all sex-disaggregated) | |
| statistics for provincial and district council elections (voter turn-out, security incidents); | 1.1.1: FPIP annual performance reports; |
| 3.4: IDP and returnee status reports (IOM, UNHCR). | 1.1.2: PEFA; |
| 1.2.1: Government NPP status reports (bi-annual)/government policy progress report (bi-annual) / GMAF progress report; | 1.2.2: Government status reports / UNAMA annual anti-corruption report/ SIGAR audit of the anti-corruption strategy; |
| 1.2.3: Government status reports / UNDP LOGO reports / National budget; | 1.2.3: Government status reports / UNAMA annual anti-corruption report/ SIGAR audit of the anti-corruption strategy; |
| 1.3: CC real time implementation database / 3rd party monitoring report of the CC; | |
development activities, as well as resolve problems and grievances are strengthened.

*As per section 4 of the Action Document*

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<td></td>
<td>standards through the activities of this project; 3.1.1 Number of CC beneficiaries reached with the support of this action (disaggregated by sex and displacement status); 3.1.2 Institutional maturity index score for CDCs/clusters/gozars related to planning, implementation, monitoring and coordination of development activities.</td>
<td></td>
</tr>
<tr>
<td>2.1 -2.2: CC real time implementation database / 3rd party monitoring report of the CC; 3.1.1-3.1.2: CC real time implementation database / 3rd party monitoring report of the CC.</td>
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<tr>
<td>powerbrokers</td>
<td>No elite capture of CDCs and CDC Clusters CDC decisions benefit the poor and vulnerable Reduction of natural disaster risk and climate change effects</td>
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