Since April 2002, the World Bank has committed US$456.8 million in grants and an additional US$436.4 million in no-interest loans—known as “credits”—for 19 development and emergency reconstruction projects in Afghanistan. Two projects have so far been completed.

The World Bank also administers six grants, totaling US$1.31 billion from the Afghanistan Reconstruction Trust Fund (ARTF), US$38.04 million from the Japan Social Development Fund (JSDF), and a US$1.5 million grant for training teachers from the World Bank Post Conflict Fund.

The World Bank has provided advice to help the government manage donor funds effectively and in a transparent way. It has advocated building the capacity and the legitimacy of the state, and channeling donor resources through the government so that investments are aligned with national priorities.

Since June 2005, the Government of Afghanistan has started consultations with civil society, the private sector, and international partners to design an Afghanistan National Development Strategy (ANDS). This process will identify areas for action that will have the biggest impact on economic growth and poverty reduction. The effective design and implementation of the ANDS will require improvements in data collection as well. While the government is only in the early stages of developing the Interim ANDS, it has sought to establish a platform for broad consultation now, as the foundation for evolution to the full ANDS by the end of 2006. The government hopes to finalize its I-ANDS by December 2005.

**STATUS OF OPERATIONS**

**Emergency Infrastructure Reconstruction Project (US$33 Million Grant):** It is rehabilitating water supply and sanitation in secondary cities, sanitation in Kabul, and basic electricity for several cities. The project’s urban public works are also generating short-term employment opportunities. Activities include:

**Rehabilitation of Water Supply Systems:** is happening in 11 provincial cities (Kandahar, Qalat, Mazar, Shibergan, Kunduz, Taloqan, Charikar, Mehtarlam, Jalalabad, Ghazni, and Gardez). The project is undertaking rehabilitation and redesign of existing systems, sector development analysis, planning for future operations, and feasibility studies for system expansion. Over
US$6.5 million of goods and equipment have arrived in Kabul and have been shipped to all provincial towns for rehabilitation works. Local contractors are currently installing the materials and expect to finish work by end-2005.

**Solid Waste Management in Kabul:** Between October 2002 and May 2004, over 120,000 cubic meters of solid waste was collected and 46 community organizations were formed to help solve sanitation problems in Kabul. Teams of professional female hygiene and health educators have, in addition to reaching out to over 68,000 students, visited 160,000 households to teach families safe ways to dispose of garbage.

**Labor Intensive Municipal Public Works Program:** Launched in December, 2002 and completed in April 2004, this program implemented over 100 labor-intensive projects for infrastructure improvement and repair in Kabul, Kandahar, Jalalabad, Mazar-e-Sharif, and Herat. The cash-for-work program generated significant temporary employment (supplying the equivalent of work for 43,000 people for an average of 10 days). Achievements include: over 43,000 meters of road graveling and leveling in four cities; cleaning, construction, and excavation of almost 61,000 meters of side ditches in Kabul, Jalalabad, and Kandahar; construction of 74 shallow wells and 17 deep wells in Kabul; the planting of 21,000 saplings in Mazar; and site cleaning of 32,000 square meters in Kandahar.

**Increasing Power Supply:** In January 2003, the 45 mw Northwest Kabul Thermal Power Station was recommissioned, after being inactive for 14 years. This has almost doubled the available power supply in Kabul, particularly critical during the winter months, when demand increases by one-third. USAID is financing the fuel requirements to allow the plant to continue operations. In addition, several diesel generators have been installed in smaller provincial cities throughout the country which had little or no access to electricity, including Faizabad, Baghdis, Bamiyan, Samanghan, and Uruzgan.

**Power Sector Master Plan:** A final master plan to develop Afghanistan’s power sector was submitted in October 2004. It provides the basis for future investments in power generation and transmission up to 2020.

**The Emergency Community Empowerment and Public Works Project (US$42 Million Grant):** supported local income generation and infrastructure rehabilitation through labor intensive public works. It also strengthened governance at the community level through elected Community Development Councils that planned and managed small reconstruction and development projects funded by block grants. The project was completed on December 31, 2004.

**Emergency National Solidarity Project (NSP) (US$123 Million IDA Grant, US$72.2 Million ARTF Grant, and US$11 Million JSDF Grant):** This is the Government of Afghanistan’s flagship program to support small-scale reconstruction and development activities identified by local Community Development Councils across the country. The World Bank is the main...
source of financing for the NSP. Other sources include: the Afghanistan Reconstruction Trust Fund (ARTF, US$72.2 million), the Japanese Social Development Fund (US$11 million), and several bilateral contributions. By June 2005, implementation of this program was ongoing in 10,000 villages, of which 9,000 had elected Community Development Councils. In total, 12,000 community project proposals have been submitted for financing. About 80 percent of these community projects is under implementation, with about 10 percent of them successfully completed. The NSP is active in all the country’s 34 provinces. As of today, US$121 million of block grant installments had been disbursed out of US$172 million committed to community projects. The NSP start-up phase (US$22 million) was funded under the Emergency Community Empowerment and Public Works Project in June 2002.

National Emergency Employment Program (NEEP)
There are three ongoing projects under the overall NEEP umbrella administered by the Bank.

National Emergency Employment Program Phase I (NEEP-I): evolved from the IDA Grant-funded Labor Intensive Public Works (LIPW) Roads component of the Emergency Community Empowerment and Public Works Program. As of July 31, 2005, under NEEP-I over 2,500 kms of rural access and 3,100 meters of structures were completed. In addition, 98 natural resource management subprojects, 25 small irrigation subprojects, and four large irrigation subprojects (in the Shamalan area) have been completed. Out of the 410 contracts awarded, 405 are complete while five contracts are in final stages. Overall, 99 percent of the physical works are complete and only final payments remain. Labor days targeted under the project were 4.43 million, while labor days committed stand at 3.99 million out of which 3.7 have already been paid.

National Emergency Employment Program for Rural Access (NEEPRA) (US$39.2 Million IDA Credit/Grant and US$16.6 Million ARTF Grant): NEEPRA is a follow-up project to the IDA-funded Labor Intensive Public Works Program (LIPW) and was initiated in July 2003. As of July 31, 2005, out of 1,350 km roads planned to be rehabilitated, 900 km have been completed. Eighteen bridge projects were planned (totaling 787m), 13 projects are underway, while one project has been completed. Similarly, 4,181m of smaller cross drainage structures out of 11,221m planned have been completed. Out of 16 airport projects planned, 11 are underway, and two have been completed.

The Emergency Public Administration Project (US$45.4 Million Grant): This operation is being implemented through three consecutive projects. It supports Afghanistan’s efforts to establish a transparent, well-functioning public administration by facilitating better use of public resources. Grants are funding consulting firms that are helping government officials carry out procurement, treasury, and internal and external audit functions. In addition, this project is developing public administration capacity, assessing existing systems, and recommending suitable policy reforms. It helps the Independent Administrative Reform and Civil Service Commission develop and oversee the
implementation of a public administration reform program, including merit-based senior civil service appointments and management. Activities include:

**Financial Management Agent:** A computerized check issuance system, coordinated with the Treasury Department in the Ministry of Finance, went on-line in Kabul in October 2002. As a result, real-time reporting is possible for all expenditures processed in Kabul, and weekly reports on budget expenditures are now sent by the Ministry of Finance to the Cabinet. Progress continues on the management of payrolls. More payments are now received on time.

**Procurement Agent:** The procurement agent has facilitated 351 government contracts valued at US$1 billion. Training in procurement rules and procedures has been provided for over 110 ministry staff, with more courses planned. A draft procurement law and related regulations and bidding documents have also been prepared.

**Audit Agent:** The audit agent has assisted the Control and Audit Office with completing the audits of IDA projects, Afghanistan Reconstruction Trust Fund (ARTF) projects and cost expenditures, and the state budget. In addition, over 100 staff have participated in various training courses including computer and language training, technical audit, and modern audit working practices and procedures. A strategic development plan is under preparation along with a review of the legal framework associated with audit activities.

**The Emergency Education Rehabilitation and Development Project (US$15 Million Grant):** has assisted the rehabilitation of universities and community schools. It has supported development of a medium-term policy framework, an EMIS system, and has helped establish a government intranet and a global distance learning center. Special emphasis has been placed on increasing access to educational opportunities for girls. Activities include:

**Assistance to Higher Education:** A grant has been provided to the Kabul Polytechnic University, the University of Education, and five faculties and dormitories of Kabul University to improve student facilities and raise the quality of education. A committee consisting of the faculty, administrative staff, and students determined priority activities at each location. A similar grant program that focused on increasing female enrollment rates was implemented in higher education institutions outside Kabul.

Female students assisted by the grant established an internet café at Kabul University in April 2005. It can accommodate up to 25 people at a time and has been financially self sufficient.

**Rehabilitating Primary Schools with Community Participation:** Grants have been provided for the rehabilitation of approximately 100 primary schools in Bamyan, Logar, Parwan, Kapisa, and Badakhshan provinces. Nearly 700 schools in these provinces have established School Management Committees, which allow communities oversight of their children’s education. The
communities cover 25 percent of the cost of school rehabilitation and construction while the Ministry of Education covers the remainder with the grant funds. The physical rehabilitation of schools is also combined with teacher training and other educational inputs.

A comprehensive school survey was begun in May 2004 and has been completed recently with support from the World Bank. The results of this survey will assist the government in assessing the education needs of the country. The website of the Ministry of Education (www.moe.gov.af) has also been developed under the project.

**Support for the Ministry of Education at the Provincial Level:**
High frequency radio communication equipment has been provided to each of Afghanistan’s 32 provincial education offices to improve school monitoring activities and communications with the Ministry of Education based in Kabul.

**Support for Policy Development:** Technical Assistance has been provided to the Ministry of Education and Ministry of Higher Education to develop a medium-term policy framework and to conduct a study on private sector involvement.

**Kabul Distance Learning Center:** A was established in Kabul in November 2002. It is now used to facilitate the sharing of development knowledge between people in Afghanistan and their counterparts around the world through new information and communications technologies. The center is part of the World Bank’s Global Development Learning Network.

**Government Internet Connectivity Project:** Government agencies have been connected to the internet, have access to e-mail for the first time, and are also connected to the Kabul Distance Learning Center. These agencies include: the Ministries of Finance, Rural Reconstruction and Development, Foreign Affairs, and Communication; the President’s Office; the AACA; and the Central Bank.

**The Education Quality Improvement Program (US$35 million Grant):** provides grants for the rehabilitation of school buildings and is funding a national Teacher Education Program which aims to develop national teaching standards, a unitary teacher education curriculum, a national in-service training system that provides continuous training and support for all teachers, and a comprehensive national pre-service training system. The program also aims to set up a system of training and certification of school principals and educational administrators at the district, provincial, and central levels. The grant is also helping to develop capacity at the Ministry of Education for policy formulation, monitoring, and evaluation.

**The Strengthening Higher Education Program (US$40 million Grant):** aims to progressively restore basic operational performance at core universities in Afghanistan and to provide an
institutional base for the development of an agenda focusing on tertiary education development, capacity building, and reform. The program is envisaged as the first-phase of a long-term higher education development program in Afghanistan, acting as a catalyst to attract various resources to the Afghan tertiary education sector. The program also facilitates and finances partnership program agreements for Kabul Polytechnic University, Kabul University, and four regional universities (Balkh, Herat, Kandahar, and Nangarhar) with established foreign universities.

The Emergency Transport Rehabilitation Project (US$108 Million Credit and US$45 Million Grant): is helping to remove key transport bottlenecks on an emergency basis and also supports the government’s efforts to rehabilitate both highway and civil aviation programs. The work will improve physical access to goods, markets, and administrative and social services, all critical to Afghanistan’s economic and social recovery. In May 2005, a supplemental grant of US$45 million was approved to increase the project budget for Kunduz–Taloqan–Kishem road rehabilitation and other components for the satisfactory completion of the project.

Salang Tunnel Rehabilitation: In July 2004, the Salang tunnel work was completed, opening the 2.7 km tunnel for two-way traffic for the first time since 1997. Work included reconstructing collapsed snow galleries, ventilation shafts, and buildings and installation of ventilation equipment, tunnel lighting, and electric power generators. The tunnel is believed to have one of the highest altitudes (3,400m) in the world and covers a critical section of the highway that connects the city of Kabul to eight provinces and Afghanistan to both Uzbekistan and Tajikistan.

Emergency Road Repairs: The Bank is also financing the upgrading of the road from Kabul to Kunduz and onwards to the Tajikistan border at Sher Khan Bandar, Kunduz–Taloqan as well as a 68 km section of the Taloqan–Kishem road. All sections of road pavements have also been restored, and overall road components from Kabul to Doshi are now complete. The remaining section to Sher Khan Bandar is expected to be complete by the end of 2005.

Civil Aviation: The Bank is also financing some emergency needs in the civil aviation sector, including runway rehabilitation, emergency de-mining, and fencing of the Kabul International Airport. In addition, funds will provide navigation and communication equipment for Kabul and other provincial airports. The Kabul Airport runway was formally inaugurated on August 9, 2005.

The Health Sector Emergency Reconstruction and Development Project (US$59.6 Million Grant): is helping to expand delivery of high-impact basic health services and ensure equitable access, particularly for women and children in underserved rural areas. It will help increase the Ministry of Public Health’s stewardship over the sector through a greater role in healthcare financing, the coordination of partners, and oversight of nongovernmental organizations (NGOs). Activities include:
Three Afghan and four international NGOs have begun work in eight provinces: Helmand, Farah, Badghis, Sari-Pul, Balkh, Samangan, Wardak, and Nimroze. More than 77 new health facilities have been established in the last year and hundreds of community health workers have been trained. Since September 2004, the Ministry of Public Health has been responsible for delivering services in the three additional provinces of Parwan, Kapisa, and Panjshir.

The project is also financing two research projects on a Safe Water System and Health Care Financing. The Safe Water System is being carried out in Wardak province and will be completed by the end of next year. The Health Care Financing project is being conducted in the above-mentioned 11 provinces. Findings will guide policy formulation on safe water systems and revenue generation for the health sector in the future.

The Emergency Communications Project (US$22 Million Credit): is helping the government expand its communications network through policy advice, capacity building at the Ministry of Communications, and improvement of postal services. Activities include:

A US$14 million Government Communications Network has been launched and will build and operate a telephone and internet system for ministries and other key government organizations in Kabul, every provincial capital, and other sites in the provinces. Seven satellite dishes (VSATs) are already in place and provide connectivity to six provinces outside of Kabul.

The Emergency Customs Modernization and Trade Facilitation Project (US$31 Million Credit): is supporting Afghanistan’s efforts to increase revenue from trade, reduce transport-related trade costs, stimulate trade, reduce corruption, and streamline border procedures. The project focuses on the development of physical infrastructure at border crossing stations; inland clearance depots, including the Kabul Inland Customs Depot; transit checkpoints; and the customs facilities at Kabul airport. It will also support policy changes; strengthen the government’s administration of the customs and transit systems, including communications and the introduction of computerization; provide technical advice on trade and transit agreements; and assist in the establishment of a National Standards Commission.

By July 31, 2005, substantial progress has been achieved in both physical infrastructure and technical assistance. A new Custom’s Law is in place. A Customs Reform Unit (CURE) has been established to coordinate donor assistance and the work of implementing agencies. Performance measurements at Kabul Inland Clearance Depot (ICD) and Airport were completed in June 2004, while a survey at Torkham and Herataan was completed in August 2005. Designs for new customs headquarters are expected to be finalized by October 2005. An Afghan Standards Quality Metrology and Testing Authority has been established, and a draft law on standards is being finalized. A training program for ASYCUDA has been established and a transit module is scheduled to be implemented in September 2005.
The Emergency Irrigation Rehabilitation Project (US$40 Million IDA Credit and US$35 Million ARTF Grant): is helping to provide water to farms through the rehabilitation of the national irrigation system in all five river basins of Afghanistan. To date, six regional offices in Kabul, Jalalabad, Kandahar, Balkh, Kunduz, and Heart have been established to develop institutional capacity at the local level. The process of hiring consultants for monitoring and evaluation and the Feasibility Study of the Lower Kokcha Irrigation and Hydropower Multipurpose Project on the Kokcha River in the Amu River Basin is currently under way.

The Afghanistan Investment Guarantee Facility (US$5 Million Credit): has been established to provide potential investors with up to US$60 million of insurance against political risks. It seeks to encourage investment in areas such as manufacturing, agribusiness, banking, and smaller-scale infrastructure projects. Foreign investment will stimulate the local economy, increase employment, create tax revenues, and assist in the transfer of modern technologies and business practices to Afghanistan. The World Bank Group’s Multilateral Investment Guarantee Agency (MIGA) is administering the facility and, along with the International Development Association and the Asian Development Bank, has provided the initial capital for the Facility.

The Afghan Investment Guarantee Facility (AIGF) is now open for business and working closely with the Afghan Investment Support Agency (AISA), which is the “one-stop-shop” for investors in Afghanistan. Currently AIGF provides coverage against the risk of transfer restriction, expropriation, breach of contract, and war and civil disturbance. Investors may choose all or any combination of these risks. The duration of the AIGF coverage is up to seven years.

The Kabul Urban Reconstruction Project (US$25 million Grant): is supporting reconstruction and rehabilitation in 45 of Kabul’s most vulnerable neighborhoods where the majority of the urban poor live in informal settlements, often in bombed-out ruins. The objective is to assist approximately 250,000 residents in gaining access to basic services such as water, sanitation, and solid waste management, and in obtaining secure land tenure. It will help to mend the urban fabric of this important city that is struggling to accommodate thousands of returnees. Building capacity in both the Ministry of Urban Development and Housing and Kabul Municipality are critical components of the project.

The Emergency Power Rehabilitation Project (US$105 Million IDA Credit and US$20 Million ARTF Grant): involves the rehabilitation and expansion of distribution networks in Kabul. This IDA-financed component will consist of a contract to rehabilitate and extend the sub-transmission networks in Kabul. Inadequate service wires, which have been erected haphazardly and without metering, will be replaced with appropriately sized conductors for approximately 200,000 consumers.

The Naghlu hydro power station has a total capacity of 100MW, and is the largest single plant in Afghanistan. Due to deterioration, non-availability of spare parts, and lack of servicing, the plant may stop production at any time. This component aims at refurbishing the mechanical and electromechanical equipment (turbine, generator), the hydro-mechanical equipment (valves), and the control, regulation, and protection equipment.

The power generated at Naghlu is conveyed to Kabul through a double circuit 110kV transmission line. This component supports a contract to restring these lines and replace or repair several damaged towers.

The commercialization of DABM-Kabul will assist DABM (Power Utility in Afghanistan) to improve its performance so the distribution company will be able to operate on a commercial basis. The main outputs under this activity include the establishment of a customer database, a computerized financial management and accounting system, the identification of assets and liabilities, creation of financial statements, improved billing and collection, and the selection and training of staff.

Programmatic Support for Institutional Building (US$80 Million Credit): is the first of a series of operations aimed at supporting the implementation of the government’s medium-term development strategy. It will strengthen reforms currently underway, particularly in the areas of public administration and fiscal management. It will also support improvements in the administrative capacity of ministries and subnational governments, develop revenue policy and administration, and enhance civil service effectiveness.

Japan Social Development Fund (JSDF)
US$38.04 Million Grant to support innovative post-conflict projects  These include:
National Emergency Employment Program for Demobilization, Disarmament and Reintegration, and Rural Livelihood Support (NEEP DDR/RLS) (US$19.6 Million Grant): The Grant was provided to the ongoing NEEP to support its efforts to create employment opportunities for ex-combatants in order to facilitate their reintegration into society and contribute to the government’s alternate livelihood program in opium poppy producing areas. The JSDF grant will focus on helping former combatants reintegrate into society as a component of the broader Afghanistan New Beginnings Program (a Japanese-funded government initiative). To date, more than 1,200 ex-combatants have been trained or are undergoing training (both classroom and work-based). In addition, out of 450 km of roads planned to be constructed/rehabilitated under the project, designs of 235 km of roads in different regions have been completed, and the bidding process for contracting services is underway.

NGO Support Program (US$2 Million Grant): (A procurer of the National Solidarity Program) is enabling the Government of Afghanistan to grant funds to NGOs to help communities rebuild. Achievements to date include:

Forty-four NGOs have been contracted to work with communities to support subprojects in irrigation, drinking water supply, road repair, school rehabilitation, and income-generation and literacy programs for women. A total of 35 subprojects have been completed.

The NGO support program was the first to provide a framework where the Government of Afghanistan and local NGOs could work together and has provided lessons on both how such a collaboration should be organized and the kind of constraints that need to be overcome for this collaboration to be replicated on a larger scale to the Ministry of Rural Rehabilitation and Development (MRRD).

Creating Future Potential Entrepreneurs: Targeting Youth (US$2.98 Million Grant): This grant is improving the economic and social status of youth by preparing them for careers and assisting them with developing a means to generate income on a sustained basis. The program will work with boys and girls ages 12 to 28. The construction work for three youth centers is underway in Mazar-e-Sharif, Kandahar, and Faryab with an average of 70 percent completion rate. In Kabul the bidding process for a youth center has been in its final stages. Over 300 young boys and girls are being trained in vocational skills by the Ministry of Social and Labor Affairs (MOLSA) and contracted NGOs (ASCHIANA, ADA, HAW).

NGO Health Sector Emergency Rehabilitation (US$500,000 Grant): The project is helping the Ministry of Health work systematically with NGOs to ensure the delivery of basic health services such as immunization, maternal care, and family planning in underserved rural areas. The project is developing the capacity of the Ministry of Health to coordinate the activities of the many NGOs and has resulted in the expansion of health services.
The ARTF is designed to strengthen ownership and leadership of the government, which is essential for reconstruction assistance to be effective. The fund supports the government's program of activities as prioritized in its national budget.

The Fund is designed to:
- Promote transparency and accountability of reconstruction assistance
- Help reinforce the national budget as the vehicle to align the reconstruction program with national objectives
- Reduce the burden on limited government capacity while promoting capacity-building over time
- Help fund the recurrent budgetary expenditures required for the government to function effectively

Channeling support through the ARTF has helped the government to avoid addressing the distinct funding specifications of 22 different donors, allowing the assistance to be used more efficiently and effectively without the risk of duplication of work.

Afghanistan. Following are investment projects with grants allocated from the ARTF.

The ARTF Microfinance Support for Poverty Reduction Project (US$ 41.4 Million): aims to assist the government in developing a sustainable microfinance sector that will provide flexible, convenient, and affordable financial services to poor people. The goal is to build an integrated financial sector and remove the barriers that separate the microfinance community from the broader financial system. In just two years of operations, the project has provided more than US$20 million in funds and is now working with 12 partners (Microfinance institutions or MFIs). The sector has a network of 128 branches, with more than a 100,000 clients in 16 provinces and 120 districts. Eighty-five percent of the clients are women and the repayment rate is approximately 99 percent. The sector now employs over 1,300 Afghans (two-thirds of whom are women) and has trained 358 Afghans, including 25 managers in microfinance. The project anticipates that it will support 20 or more MFIs in the coming two to three years, reaching at least 600,000 poor households in most provinces. Efforts are being undertaken towards sustainability of the sector and anticipation that most of the microfinance institutions will follow good microfinance practices and will achieve operational sustainability by 2007.

The Rehabilitation of Telecommunications Systems Project (US$6 Million): aims to establish international connectivity between Afghanistan and other countries, particularly neighboring countries. The project consists of three components: rehabilitation of the satellite earth station in Kabul, expansion and improvement of transmission links, and the billing and collection system.
The Repair of Major Kabul City Roads and Water Drainage Systems Project (US$3 Million): was completed by June 30, 2005. Its objective was to improve the transport services on important roads within Kabul city through the rehabilitation of high priority road sections, as well as the repair of drainage systems along these roads. This project was the continuation of a German-funded project, through Kreditanstalt für Wiederaufbau (KfW), in Kabul City. Under this project, road repair works consisted of 30 percent of potholes repair and 70 percent of overlay. A total of 47,300 man-days of labor have been created by road component. In addition, a total 3,660m of new drainage ditches have been constructed, and 4,850m have been reconstructed along the roads. A total of 9,540 man-days of labor were created by the drainage repair component.

The ARTF-financed Urban Water Supply and Sanitation Project (UWSS): provides US$41 million to support the government’s short-term UWSS Program and has five components: Kabul water supply, Kabul sanitation, provincial towns water supply and sanitation (WSS), engineering support and technical assistance, financial support to the Central Authority for Water Supply and Sewerage (CAWSS) operations. The first tranche of US$20 million became effective in February 2005. Implementation progress on the various components includes the preparation for detailed designs/bidding documents and conducting hydro geological surveys for the Kabul water supply and provincial WSS investments. The Kabul water and provincial towns WSS components are based upon feasibility studies that have been completed for Kabul (financed by KfW) and 11 provincial capitals currently served by CAWSS. In addition to these components, the ARTF has financed feasibility studies for cities not yet served by CAWSS, including Maimana, SariPul, Pul-E-Khomri, Faizabad, Aybak, Zaranj, Bazarak (Panjshir), Mahmud-E-Raqi (Kapisa), Bamyan, Maydan Shar (Wardak), and Pul-E-Alam (Logar). The Kabul sanitation component is based on the strategic sanitation plan and associated Master Plan covering solid waste, on-site sanitation, sewerage, and stormwater drainage. The contract for consultancy services to support the design and implementation of Kabul sanitation component is expected to commence by the end of September 2005. A stakeholder workshop was held on September 1, 2005, to discuss the Ministry’s urban water supply and sanitation program, including the sector policy, the sector institutional development plan, and ongoing and future donor support.

The Improvement of Power Supply to Kabul Project (US$7.4 Million): is working to improve the availability and reliability of power supply in Kabul by supplementing and extending activities financed under Afghan-German Financial Cooperation. It has the following three components: partial rehabilitation of Mahipar Hydropower Station, rehabilitation of 110 kV transmission lines, and supply and installation of street lighting in Kabul. The street lighting component will contribute to improved security in Kabul, while the rehabilitation project of the Mahipar Hydropower Station will finance the supply of tools, spare parts, consumables, and the project’s supervision.

The Strengthening the Financial Management Capacity of Government Project (US$5 Million): will improve the financial management capacity of selected line ministries through participation of advisors to the chief financial officers. This will result in increased donor confidence in Afghanistan’s financial management capabilities.

The Afghan Expatriates Project (US$5 Million): will increase the contribution of professional Afghans living abroad in the reconstruction of Afghanistan by enhancing public sector policy and institutional capacity. This component also aims to close the skills gap in information technology, engineering, and teaching with well-trained overseas Afghans, by providing local Afghans with opportunities for on-the-job training to enhance their technical skills. Since September 2004, over 50 Afghan expatriates have been placed in government ministries and agencies.

The Lateral Entry Program (US$3 Million): The pilot phase of this project aims to place 100 lateral entrants from NGOs and international organizations in middle- and senior-level line positions in government ministries and agencies for a period of up to two years to assist with the reform and restructuring process and to build institutional capacity. If successful, the pilot phase will be expanded to recruit a further 1,400 lateral entrants.

Technical Assistance and Feasibility Studies (US$14 Million): This project provides technical assistance to line ministries to make programs and projects suitable for funding by key development partners or private sources. Specialists have been recruited to help guide the preparation and supervision of reconstruction and development activities and to design and supervise feasibility studies. In addition, the project funds feasibility studies by qualified firms to prepare larger investment projects.