

**AFGHANISTAN RECONSTRUCTION TRUST FUND (ARTF)  
MANAGEMENT COMMITTEE (MC) MEETING**

**TUESDAY, FEBRUARY 12, 2008 – 8:30 A.M. WASHINGTON D.C. (6:00 P.M. KABUL)**

**DRAFT MINUTES OF MEETING  
MEETING PARTICIPANTS**

**MC MEMBERS**

**ASIAN DEVELOPMENT BANK**

- Mr. Grant Curtis (Kabul)

**UNITED NATIONS DEVELOPMENT  
PROGRAM**

- Ms. Anita Nirody (Kabul)
- **Ms. Akiko Suzaki (New York)**

**UNAMA**

- Mr. Shakti Sinha (Kabul)

**ISLAMIC DEVELOPMENT BANK**

- Mr. Kunrat Wirasub

**MINISTRY OF FINANCE (OBSERVER)**

- H. E. Minister Ahady
- Deputy Minister Shahrani
- Ms. Tia Raappana

**WORLD BANK (MC MEMBERS)**

- Ms. Mariam Sherman (Kabul)

**WORLD BANK**

- Mr. Hugh Riddell (Washington)
- Mr. Paul Sisk (Kabul)

- Mr. Amit Ramchandani (Kabul)
- Ms. Karlene C. Phillips (Washington)
- Mr. Yoichiro Ishihara (Kabul)
- Ms. Scherezad Latif (Kabul)
- Ms. Anna Cestari (Kabul)
- Shekeba Muheb (Kabul)

**1. APPROVAL OF MINUTES**

The MC approved the draft Minutes of the MC meeting of January 22, 2008.

**2. APPROVAL OF ADMINISTRATOR'S REPORT ON FINANCIAL STATUS OF ARTF AS OF JANUARY 21, 2008**

The ARTF coordinator on behalf of the Administrator summarized the information contained in the financial status report as of January 21, 2008. Highlights of the summary included:

- donors have now paid in a total of US\$629 million thus far in SY1386. 44 percent of total pledges with preferences;
- total sources of funds thus far in SY1386 amounted to US\$938 million;
- total disbursements of funds thus far amounted to US\$424 million;
- cash balance at the end of the third quarter stood at US\$513 million of which US\$262 million was unallocated;
- The ARTF coordinator noted that two transfers were pending totaling US\$71 million (for the recently approved Microfinance project and for Kabul/Aybak/Mazar power project) leaving net unallocated cash balance of US\$191 million.

Members of the MC discussed the utilization of the remaining unallocated cash balance of US\$173 million. The ARTF coordinator noted that investment proposals worth an estimated \$136 million would come to the MC for approval before the end of the solar year. In that case the balance that was as yet uncommitted, un-preferenced and for which a proposal was not under preparation was about US\$60 million.

The Deputy Minister of Finance noted that a further proposal for Kabul Urban Reconstruction would also be presented for USD 5.6 million. He also noted that the NRAP proposal would be for USD 35 million and not the USD 25 million noted by the Administrator's report.

The Minister of Finance also noted his concern to the MC that donors should not preference their contributions above the levels outlined in the budget. The MC noted that the issue of preferences would be on the agenda of the upcoming Donor Committee Meeting.

### **3. PROPOSAL FOR ALLOCATION OF US\$ 15 MILLION TO THE EQUIP PROGRAM.**

World Bank Task Team Leader, Ms. Scherezad Latif, briefed the MC members with the progress of the EQUIP project, highlighting in particular schools construction work in 23 provinces, the focus on girls' education, and the provision of teaching materials. She added that the Teachers Training Component was not implementing effectively and had been redesigned based on lessons learned. It will now be implemented using NGOs.

She noted to the MC that this request for US\$15 million was within the government's budgeted amount of US\$27 million for SY1386 that the MC approved in July 10, 2007 and which would be fully disbursed by March 2009.

Questions on EQUIP: how does it align with USAID's teacher education program? Will the project be able to disburse fully as planned? What is the sustainability of the EQUIP funded schools?

The TTL responded to the questions stating that the USAID teacher training project (in 11 provinces) is fully aligned to the IDA funded component (in 23 provinces) and that the same TOR, costs and modality were being used to implement the program. USAID's funding is external while IDA's is through the budget. The TTL also qualified that the project monies would be fully disbursed by end of project and that the EQUIP schools (government schools) would be taken into the recurrent budget and therefore are sustainable.

### **The MC approved Request for allocation of US\$ 15 million to the EQUIP Program.**

### **4. PROPOSAL FOR ALLOCATION OF ADDITIONAL USD 81.5 MILLION TO THE NSP PROGRAM:**

Ms. Anna Cestari briefed the MC members on the progress of NSP covering power, livelihoods and sanitation projects. She added that the high-risk southern provinces are not yet fully covered, but some pilots have started. The total targeted CDCs are 24,000–26,000, out of which they have covered an estimated 23000 to date.

Questions on the NSP proposal: H. E. Minister of Finance asked how many CDCs there were and how many the program would cover. He also raised the issue of preferencing and reiterated his request for an independent evaluation of the impact. Others in the MC raised the question of linkages with the AREDP.

The NSP team replied that the numbers of villages and rural population used for planning of the NSP roll-out are those available from the Government of Afghanistan. However the lack of a comprehensive census, consolidating available information and providing a common basis for NSP planning is a great constraint making the final number of communities a moving target. The definition of NSP community, which includes 25 to 300 families and may be larger than a village as currently identified in the lists available, was also explained to the minister and deputy.

The AREDP is still at the initial preparation phase and its scope and objectives have to be fully defined and agreed upon. The NSP, as a program, however, has been indirectly promoting the growth of local business, especially for civil construction and hydropower, and this offers good basis for any program targeting local and rural enterprises.

**The MC approved Request for allocation of US\$ 81.5 million to the NSP Program.**

## **5. Meeting Schedule**

Changes were made in the proposed schedule. The new meeting dates are as follows:

MC meeting March:	Tuesday, March 18, 2008
MC meeting April:	Tuesday, April 8, 2008
MC meeting May:	Tuesday, May 13, 2008

## **7. ANY OTHER BUSINESS**

### **Next Donors Meeting:**

It was proposed that the next meeting of the Donor Committee will take place on March 19, 2008. At this meeting the draft Evaluation Report of ARTF may be distributed (to the extent it is ready).

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