

# Progress Achieved through the Afghanistan Reconstruction Trust Fund

Germany is one of the principal donors to the Afghanistan Reconstruction Trust Fund which is managed by the World Bank. The German contribution to the programme amounts to EUR 65 million in 2018 and is currently funding a wide range of development measures. Financial processing is carried out via the state budget and should help the Afghan Government to transparently manage budgetary funding, generate its own revenue and implement budget funding with the greatest possible development focus and in line with national priorities.



## Situation

More than 30 years of armed conflict and ethnic tensions have left large parts of Afghanistan's infrastructure destroyed. Efforts to expand electricity and water supplies, schools and hospitals have only extended to certain areas of the country, and these services do not meet the needs of the population. A great deal of construction work has been carried out in recent years. Numerous investment programmes are yet to be implemented as the Afghan state is still unable to fund them independently from its own budget.

## AT A GLANCE



Activities in all provinces.

**Programme:** Afghanistan Reconstruction Trust Fund (ARTF)

**Commissioned by:** German Federal Ministry for Economic Cooperation and Development (BMZ)

**Partner:** Afghan Government, World Bank (fund administrator)

**Implementing organisations:** KfW

**Provinces:** Nationwide

**Programme objective:** Strengthen the capacities of the Afghan state to fund development activities itself, and finance civil costs currently being incurred.

**Overall term:** Since 2002

## READ MORE

- Fact sheet: Progress Achieved through the Afghanistan Reconstruction Trust Fund ([http://ez-afghanistan.de/sites/default/files/2017-ARTF-EN\\_0.pdf](http://ez-afghanistan.de/sites/default/files/2017-ARTF-EN_0.pdf))

In 2017, Afghanistan generated EUR 2 billion in revenue. Despite the increase in state revenue, some 70% of the budget is still funded from external sources. A key instrument in this regard is the *Afghanistan Reconstruction Trust Fund* (ARTF), which is funded by over 30 donor countries.

## Objective

The programme seeks to assist with stabilising the Afghan state and thereby contribute to reducing poverty. By providing financial support, it intends to help ensure the proper functioning of the civil service and thereby guarantee basic social services and support the implementation of the Afghan Government's development priorities. The intention is to enable the country to generate greater revenues by improving general economic conditions and the tax system and implementing a transparent system of governance under the rule of law. The long-term goal is for Afghanistan to finance its own budget independently of external subsidies and deploy budgetary funding efficiently and with a focus on development. Additionally, the ARTF offers a platform for political dialogue between the international community and the Afghan Government.

## Measures & Results

Since 2002, the German Government has contributed to the ARTF, having provided EUR 663 million to date (not counting the pending EUR 65 million for 2018). This makes it one of the principal donors to the fund, which is managed by the World Bank. Working through the ARTF, the international donor community is supporting the Afghan Government to enable it to carry out its tasks and implement the national development strategy. Well over 20 active projects are currently being financed from the fund in a number of areas, including rural development, agriculture, infrastructure, good governance and human development. The *National Solidarity Programme* assisted Community Development Councils (CDCs) throughout the country to implement government and socio-economic development processes in rural regions. The *System Enhancement for Health Action in Transition* (SEHAT) project works in 22 provinces to support the construction, renovation and fitting out of health facilities and the training of health care specialists, thereby helping to raise health care standards in the affected areas of the country. An overview of all ARTF-funded programmes is available here: <http://www.artf.af/>

Launched in 2016, the *Citizens' Charter Afghanistan Project* seeks to reduce poverty and boost citizens' confidence in the Afghan Government by improving public services for all Afghans. In this way, it hopes to curb fragility and violence in the country. For example, it aims to ensure access to clean drinking water for 3.4 million people by 2020.

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More than 9.3 million individuals so far benefitted from the measures financed by the fund. Thanks to the funding initiatives, many Afghans are able to access electricity and water supplies, attend an educational institution and take advantage of job creation measures.