



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
WOMEN'S ECONOMIC EMPOWERMENT NATIONAL PRIORITY PROGRAM
APPROVED ON AUGUST 22, 2017
TO
MINISTRY OF FINANCE

SOCIAL

SOUTH ASIA

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ABBREVIATIONS AND ACRONYMS

ANPDF	Afghanistan National Peace and Development Framework
ARTF	Afghanistan Reconstruction Trust Fund
CPPR	Country Portfolio Performance Review
CPF	Country Partnership Framework
FM	Financial Management
FPIP	Fiscal Performance Improvement Program
FSP	Fiscal Performance Improvement Program Support Project
FSS	Financial Self-Sufficiency
FY	Fiscal Year
GoIRA	Government of Islamic Republic of Afghanistan
ISM	Implementation Support Mission
LM	Line Ministry
MOF	Ministry of Finance
MOLSA	Ministry of Labor and Social Affairs
MOU	Memorandum of Understanding
MOWA	Ministry of Women's Affairs
MTR	Mid-Term Review
NPP	National Priority Program
PCO	Program Coordination Office
PDO	Project Development Objective
PPG	Project Preparation Grant
USD	United States Dollar
WB	World Bank
WEE	Women's Economic Empowerment
WEE-NPP	Women's Economic Empowerment National Priority Program



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

BASIC DATA

Product Information

Project ID P163267	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 22-Aug-2017	Current Closing Date

Organizations

Borrower Ministry of Finance	Responsible Agency Ministry of Finance
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Financing (in USD Million)

SUMMARY

Total Project Cost	0
Total Financing	0
Financing Gap	0

DETAILS

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Project Development Objective (PDO)

Original PDO

The Objective of the PPG to support the GoIRA to establish a National Priority Program on Women’s Economic Empowerment (WEE-NPP) that advances women's access to economic assets and opportunities.

Summary Status of Financing

TF	Approval	Signing	Effectiveness	Closing	Net	
					Commitment	Disbursed

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Background:

1. The Women’s Economic Empowerment National Priority Program (WEE-NPP) was officially launched by the Government of the Islamic Republic of Afghanistan (GoIRA) on March 8, 2017. The WEE-NPP forms the third pillar of the GoIRA’s Gender Strategy which is encompassed in the broader Afghanistan National Peace and Development Framework (ANPDF) – the country’s five-year development plan for 2017-2021. The WEE-NPP aims to build poor women’s capacity to strengthen the economy of their households, communities, and the entire nation. WEE-NPP is a whole-of-government commitment that aims to improve the economic operating environment for poor women in Afghanistan. Specifically, the six WEE-NPP pillars focus on: (i) increasing the availability and analysis of gender statistics; (ii) removing legal and regulatory barriers to participation; (iii) training in literacy, business management, and labor skills; (iv) ensuring sustainable and inclusive access to finance; (v) improving access to agricultural inputs, extension services, and markets; and, (vi) promoting access to creative economy markets.
2. WEE-NPP is structured as an umbrella program (rather than a stand-alone project) that operates through over a dozen line ministries (LMs) through on-going or pipeline projects. It is coordinated through a Program Coordination Office (PCO) which was originally established in the Ministry of Labor and Social Affairs (MOLSA). The latter would in turn provide start-up technical and financial resources to support women-owned businesses, and development of job skills, and financial literacy. The program would further help create an enabling environment for WEE through policy and planning reforms that will remove legal barriers to women’s economic participation; streamline and reduce regulatory barriers to women’s involvement in marketing; and improve the quality and use of gender statistics for planning and monitoring women's economic progress.



3. At the request of the GoIRA, a 5 million-dollar project preparation grant (PPG) facility was approved from the Afghanistan Reconstruction Trust Fund (ARTF) in July 2016 for a duration of 3 years with a closing date of July 31, 2020 to support the preparation of the WEE-NPP and subsequently coordinate its initial implementation. Specifically, it aimed to mobilize a core coordination team and establish an umbrella program that finances technical assistance, capacity building and analytical work in MoLSA and the key LMs and institutions that fall under the WEE-NPP. It also aimed to and has since established an inter-ministerial Steering Committee for providing oversight and strategic guidance to the program.
4. The three components of the PPG are: (i) WEE-NPP Coordination and Program Management (USD1 million); (ii) Technical Assistance, Analytic Work and Capacity Building (USD3 million); (iii) Innovation fund (USD1 million).

B. Project Status:

5. Despite a slow start, implementation progress of the WEE-NPP Coordination Support PPG has improved considerably in the past year. The WEE-NPP Secretariat is established and is functional. Action plans and targets for the WEE-NPP that have been agreed upon by a majority of the implementing line ministries (LMs) supporting the program. Several of the internal tasks under the PCO, such as updating the Program Implementation Manual (PIM) and developing a Monitoring and Results Framework for the program have been completed. Approval of the Results Framework will be sought from the WEE-NPP Steering Committee so that it can be used for monitoring progress on the NPP by the end of 2019, as per the Geneva Mutual Accountability Framework (GMAF) indicator. Despite this progress, PPG budget utilization remains low due to delays in some of the key procurements, and overall strategic leadership and coordination of the program needs improvement.
6. In view above, the May 2019 implementation support mission (ISM) upgraded the implementation progress rating to Moderately Satisfactory (MS). The rating for the development objective was sustained at MS as there is still confidence that the WEE-NPP goals can be met with reinforced leadership and commitment.
7. In terms of disbursement, given the slow start of program activities and the fact that the Innovation Fund Component has not yet started, the total expenses since effectiveness of the grant is USD 0.61 million.

C. Rationale for Amendment:

8. A Country Portfolio Performance Review (CPPR) for Afghanistan was held in February 2019. The CPPR aimed to re-evaluate investments and re-prioritize based on the delivery capacity and performance of line ministries, as well as the level of impact, value for money and economic return of projects. One key recommendation of the CPPR was to transition the WEE-NPP PCO from MOLSA to the Ministry of Finance (MOF) and eventually close the PPG so that WEENPP could be absorbed into the Fiscal Performance Improvement Support Project (FSP).
9. The rationale for the transition was three-fold: (1) The GoIRA, the World Bank and other development partners seek to ensure that the WEE-NPP remains a core part of the country's development agenda and therefore it needs to be integrated into MOF's core budget system; (2) WEE-NPP stands to achieve greater operational impacts under MOF where there is an institutional mandate to coordinate outcome-oriented planning across LMs with budgeting processes; (3) An NPP Coordination Directorate has been established within MOF (financed through FSP), thus creating a clear institutional home for the PCO that did not exist at the time of inception of the WEE-NPP.
10. The May 2019 implementation support mission (ISM) for WEENPP agreed upon a two-staged process to manage this transition. The first stage would involve moving the PCO to MOF under its Policy and Planning Department's NPP



Coordination Unit while keeping the PPG open. The second stage would then involve developing a plan for grant closure and integration within the FSP, which is providing MOF support to finance its NPP coordination functions. It has since been agreed that the PPG closure and integration will be done as part of the FSP mid-term review (MTR) scheduled in summer of 2020.¹ Until then MOF will manage both the PPG and FSP programs.

11. In addition to the change of the implementing entity and as noted previously, in further discussions with the Government on the transition, MOF has also requested to reallocate the budget of the PPG between disbursement categories by increasing the funding for the component on an innovation fund from USD1 million to USD2 million.² The rationale for this is to have a greater impact and coverage through the fund, while also taking into account the low disbursement rate of the PPG thus far which justifies the reallocation of budget away from other components (e.g. project management).

II. DESCRIPTION OF PROPOSED CHANGES

12. The proposed changes in this restructuring are:

- (i) Implementing agency will be changed from MOLSA to MOF for the reasons mentioned in section I. Procurement under the project will thereafter be conducted by the procurement directorate of MOF.
- (ii) Considering the availability of the fund and low disbursement in other components, the innovation fund will be increased from USD1million to USD2million.
- (iii) Change in the Disbursement description so as to now include formal disbursement estimates and adjust these based on the current expenditures in the project.

13. All remaining grant activities and descriptions will remain the same. The implementation of the actual WEENPP program activities will continue to be undertaken through the LMs as before, but the overall coordination of the program would now be done via MOF.

14. In the coming weeks, MOF and PCO will be developing a transition plan to manage the transfer, which is expected to be completed by October 31st, 2019 following the amendment in the PPG Grant Agreement. The transition plan will include details on transfer of existing procurement contracts from MOLSA to MOF by amending the contracts to change the name of the client and the client coordinators in the contracts. It will also include a list of all fixed assets and staff that will be transferred across the two ministries.

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¹ This would mean that the PPG would close as originally planned in end-July 2020.

² The procurement process for hiring a firm to initiate and manage the innovation fund is in its final stages and is expected to be awarded by end September.

**III. SUMMARY OF CHANGES**

	Changed	Not Changed
Implementing Agency	✓	
Components and Cost	✓	
Reallocation between Disbursement Categories	✓	
Disbursement Estimates	✓	
Institutional Arrangements	✓	
Project's Development Objectives		✓
Results Framework		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Disbursements Arrangements		✓
Change in Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓

IV. DETAILED CHANGE(S)**IMPLEMENTING AGENCY**

Implementing Agency Name	Type	Action
Minister of Labor, Social Affairs, Martyrs and Disabled	Implementing Agency	Marked for Deletion
Ministry of Finance	Implementing Agency	New



COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
WEE-NPP Coordination and Program Management	1.00	No Change	WEE-NPP Coordination and Program Management	1.00
Technical Assistance, Analytic Work and Capacity Building	3.00	Revised	Technical Assistance, Analytic Work and Capacity Building	2.00
Innovation fund	1.00	Revised	Innovation fund	2.00
TOTAL	5.00			5.00

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
TF-A5400-001 Currency: USD				
iLap Category Sequence No: 1	Current Expenditure Category: GDS,CS,NCS,TRG,WKSHP,IOC			
4,000,000.00	308,560.30	3,000,000.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: INNOVATION FUND GRANTS			
1,000,000.00	0.00	2,000,000.00	100.00	100.00
Total	5,000,000.00	308,560.30	5,000,000.00	

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2018	0.00	0.50
2019	0.00	1.00



The World Bank

Women's Economic Empowerment National Priority Program (P163267)

2020	0.00	3.00
2021	0.00	0.50
2022	0.00	0.00

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