



The Afghanistan Reconstruction Trust Fund

Fact sheet: March 2015

Overview

The Afghanistan Reconstruction Trust Fund (ARTF) was established to respond to the need for a dependable and predictable mechanism to support the Government of Afghanistan's budget. It is administered by the World Bank and supported by 33 donors, including Australia. Through the ARTF, donors provide harmonised funding to the Afghan Government's development and operating budget. It is the primary mechanism through which Australia supports the Afghan Government to achieve its own development goals and transition to self-reliance. In 2014 (Afghan Year 1393), the ARTF's total budget was \$1.08 billion.

Australia's contribution

Australia delivers a significant aid program in Afghanistan, and is committed to contributions to the ARTF. By end 2014-15, Australia will have provided \$370.6 million to the ARTF since its establishment in 2003.

Role of the ARTF in Afghanistan

Since its establishment in 2002, the ARTF has been central to the development effort in Afghanistan. It funds the Afghan Government's national priority projects, including in education, health, agriculture, rural development, infrastructure, and public financial management. ARTF also funds the government's non-security operational costs, including teachers' salaries and training for civil servants.

In addition, the ARTF comprises an Incentive Program, which assesses and rewards Afghanistan's performance against agreed reforms, including revenue mobilisation, budget allocation and transparency, and procurement.

The ARTF is the main mechanism for donors, including Australia, to meet two international commitments to Afghanistan, which are to:

- › channel 50 per cent of assistance on-budget; and
- › align 80 per cent of aid with Afghan Government priorities.



*Photo: Group of students at high school in Herat.
Credit: Graham Couch, World Bank.*

ARTF results¹

The ARTF is a highly effective mechanism in terms of program implementation, policy dialogue and administration. Since 2003, Australia's funding to the ARTF has contributed to:

- › Reaching 8.1 million people through 23 projects in five sectors (agriculture, rural development, human development, infrastructure and governance), 38 per cent of which are female.
- › Providing water and sanitation services to more than 24.6 million people.
- › Providing access to education for 9.2 million people (39 per cent female) and increasing the number of qualified teachers to 190,936 (compared to 27,000 in 2008).
- › Providing 22.2 million people with access to agricultural and/or irrigation services.



Photo: National Solidarity Program in Kunduz Province. Credit: Graham Couch, World Bank.

The ARTF is also important for supporting Afghan Government leadership of service delivery and development in Afghanistan. In 2014:

- › All ARTF financing was on-budget.
- › All ARTF financing was aligned with the Government's National Priority Programs at the strategic and programmatic level, and 95 per cent at the project level.
- › The ARTF Monitoring Agent verified that 100 per cent of ARTF funding used through the recurrent cost window was spent exclusively for authorised purposes.
- › The ARTF's fiduciary framework has contributed to strengthening the government's public finance management systems.

More information

More information regarding the ARTF, including results and project information, can be found at the World Bank's ARTF website: <http://www.artf.af/>. More information on Australia's aid program to Afghanistan can be found at: <http://dfat.gov.au/geo/afghanistan/development-assistance/Pages/development-assistance-in-afghanistan.aspx>

¹ World Bank (2015), *ARTF Results Matrix 2015*.
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