



German Cooperation with Afghanistan

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Germany Investing AFN 6.4 Billion for Afghanistan

Kabul, 23rd November 2017 – Today, the Afghan government and the German KfW Development Bank signed a financial agreement: Germany provides AFN 6.44 billion funds to the Afghan state. The budget will be allocated to the Afghanistan Reconstruction Trust Fund (ARTF), administered by the World Bank. Since the fund's creation in 2002, Germany has contributed almost AFN 47 billion. Germany is one of the biggest donors to the ARTF.

The Head of the German Cooperation at the German Embassy in Kabul, Mr Uwe Gehlen stated: "Helping the Afghan people to overcome poverty and to strengthen their self-reliance is of genuine interest to German Cooperation. We are looking forward to a continuous collaboration with the ARTF to achieve these goals." The Afghan Minister of Finance, Mr Eklil Hakimi, added: "The government of Afghanistan appreciates Germany's support in assisting Afghanistan on its path to building a stable democracy. By contributing to the Afghanistan Reconstruction Trust Fund - ARTF, these agreements help the government of Afghanistan to move towards efficiency and self-sustainability."

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 thus guarantee basic social services and support the implementation of the Afghan Government's development priorities. The intention is to enable the country to generate higher 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 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.

The Afghan government will use the budget for developing and implementing projects in the areas of good governance, agriculture, rural development, infrastructure, as well as human and social development. In 2016 alone, 9.3 million Afghans benefited from such projects.

AFN 3.22 billion is set aside for the Citizens' Charter Afghanistan Project that aims to reduce poverty and boost citizens' confidence in the Afghan Government by improving public services for all Afghans. Community Development Councils are the linchpin of the CCAP. 8.5 million Afghans shall benefit from the programme's first phase. It also includes a component that focuses on refugees and internally displaced Afghans as well as the communities that receive and host them. An additional 1.5 million Afghans will benefit from this module.

On behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), the KfW manages the German contribution to the Afghanistan Reconstruction Trust Fund (ARTF). The fund is administered by the World Bank and seeks to stabilise Afghanistan. The ARTF funds a wide range of development activities, carried out via the state budget and thus helps the Afghan government to implement development policies transparently, to fight poverty, to enable greater revenues and to improve economic and social conditions. Since 2002, more than 30 donor countries paid more than EUR 8.4 billion into the fund. Germany alone has contributed more than EUR 663 million.