



Payments Automation and Integration of Salaries in Afghanistan (PAISA) (P168266)

SOUTH ASIA | Afghanistan | IBRD/IDA | Investment Project Financing (IPF) | FY 2019 | Seq No: 9 | Archived on 08-May-2024 | ISR00434

Implementing Agencies: Da Afghanistan Bank, Ministry of Finance

1. OBJECTIVE**1.1 Development Objective**

Original Development Objective (Approved as part of Approval package on 25-Apr-2019)

The PDO is to support the development of digital government-to-person payments in Afghanistan.

Has the Development Objective been changed since Board Approval of the Project Objective?

Yes

Current Development Objective (Approved as part of Restructuring package Seq. 1 on 12-Jan-2021)

The PDO is to support the development of digital government-to-person payments in Afghanistan.

2. COMPONENTS

Name

Component 1: Biometric identification system for civil servants and pensioners:(Cost 5,000,000.00)

Component 2: Integration of the Identification, Verification and Payment Systems:(Cost 9,600,000.00)

Component 3: Expansion of financial services and access points:(Cost 8,400,000.00)

Component 4: Project management:(Cost 2,000,000.00)

3. OVERALL RATINGS

Name	Previous	Current
Progress towards achievement of PDO	● Moderately Unsatisfactory	● Moderately Unsatisfactory
Overall Implementation Progress (IP)	● Moderately Unsatisfactory	● Moderately Unsatisfactory
Overall Risk Rating	● High	● High



4. KEY ISSUES & STATUS

4.1 Implementation Status and Key Decisions

The Afghanistan Resilience Trust Fund (ARTF) in the project was canceled based on the consideration that the project cannot be effectively implemented under the current extraordinary situation in Afghanistan. Undisbursed IDA grants under this project will remain suspended until a decision is made by the World Bank.

5. SYSTEMATIC OPERATIONS RISK-RATING TOOL

Risk Category	Rating at Approval Approval Package - 25 Apr 2019	Last Approved Rating ISR Seq. 08 - 31 Oct 2023	Proposed Rating
Political and Governance	● High	● High	● High
Macroeconomic	● High	● High	● High
Sector Strategies and Policies	● High	● High	● High
Technical Design of Project or Program	● High	● High	● High
Institutional Capacity for Implementation and Sustainability	● High	● High	● High
Fiduciary	● Substantial	● Substantial	● Substantial
Environment and Social	● Low	● Low	● Low
Stakeholders	● High	● Substantial	● Substantial
Overall	● High	● High	● High



6. RESULTS

6.1 PDO Indicators by PDO Outcomes

Unique identification of civil servants and pensioners for G2P payment purpose								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Percentage of civil servants and pensioners biometrically-registered and issued a unique identifier for payment purposes (Percentage)	0.00	Dec/2018	0.00	12-Aug-2021	0.00	12-Aug-2021	70.00	Oct/2024
	Comments on achieving targets		This is the percentage of civil servants and pensioners who are biometrically-registered and received a unique identification number issued through NSIA and to be used for payment purposes. No change in value - relevant activities have not started.					
Percentage of female civil servants and pensioners biometrically registered (Percentage)	0.00	Dec/2018	0.00	12-Aug-2021			70.00	Oct/2024
	Comments on achieving targets		This indicator tracks progress for women only.					
Increased efficiency in government payments								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Percentage of civil servants and pensioners who received government payments through electronic channels (Percentage)	60.00	Dec/2018	60.00	12-Aug-2021			80.00	Oct/2024
	Comments on achieving targets		This is indicator will calculate the percentage of civil servants and pensioners receiving payments through electronic means including banks accounts as well as mobile wallets. This indicator will be disaggregated by gender.					



			No change in value - relevant activities have not started,					
Percentage of female civil servants and pensioners who receive government payments through electronic channels (Percentage)	60.00	Dec/2018	0.00	12-Aug-2021			80.00	Oct/2024
	Comments on achieving targets		<p>The current system makes it very difficult for MoF to get this disaggregated data. Baseline cannot thus be established. Nevertheless the end-project objective is to ensure that female civil servants and pensioners are not left behind when it comes to transition to electronic payments. 80 percent of women are expected to be paid through electronic channels by end-project (same distribution as overall beneficiaries).</p> <p>With systems upgrade and payment reforms, this indicator -tracking for omen only - will be updated during project implementation, at least annually.</p>					
Increased capacity for digital payments								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Number of financial access points (Number)	2,890.00	Sep/2018	2,890.00	12-Aug-2021			3,250.00	Oct/2024
	Comments on achieving targets		<p>The term " financial access points" is meant as the sum of: (1) the number of branches of commercial banks and licensed Electronic Money Institutions; (2) the number of active agents of licensed financial institutions; (3) the number of in-service ATMs of commercial banks; and (4) the number of POS terminals accepting electronic payments. Once MFIs connect to APS, their branches will be included.</p> <p>No change in value - Updated data on active number of agents not available with DAB. Related project activities have also not started.</p>					



Percentage of financial institutions connected to the APS (Percentage)	14.00	Dec/2018	68.00	12-Aug-2021	68.00	12-Aug-2021	100.00	Oct/2024
	Comments on achieving targets		No change in value: the onboarding of additional financial institutions is ongoing. Certificates of completion are pending for 4 financial institutions.					

6.2 Intermediate Results Indicators by Components

Component 1: Biometric identification system for civil servants and pensioners								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Unified biometric identification system for civil servants and pensioners is implemented (Text)	No	Dec/2018	No	12-Aug-2021			Yes	Oct/2024
	Comments on achieving targets		This indicator is meant to follow up on the progress towards setting up a national unified platform for biometric identification. No change in value - relevant activities have not started.					
Legal and regulatory framework established, including for data protection (Text)	Inadequate	Mar/2019	Inadequate	12-Aug-2021	Inadequate	12-Aug-2021	A comprehensive legal framework has been enacted	Oct/2021
	Comments on achieving targets		A comprehensive legal framework - that sets out the purposes of the ID system, defines the role, duties, governance and independence of the NSIA, sets out the scope of personal data to be collected, establishes appropriate data protection and privacy rights (assuming no general data protection and privacy framework is enacted), creates a mandate for technology and vendor neutrality, and is harmonized with existing legal instruments will be developed.					



		No change in value - the procurement for the related consultancy assignment to develop a comprehensive legal and regulatory framework has not yet stated (Terms of reference have been finalized)
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Component 2: Integration of the Identification, Verification and Payment Systems

Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Number of government systems integrated with AFMIS (Number)	0.00	Dec/2018	2.00	12-Aug-2021	2.00	12-Aug-2021	1.00	Oct/2024
	Comments on achieving targets		Integration between AFMIS - APS and ATS completed					
Number of digital transactions facilitated through APS for the year (Number)	37,811.00	Dec/2018	239,601.00	15-Dec-2020	239,601.00	15-Dec-2020	419,063.00	Oct/2024
	Comments on achieving targets		As more financial institutions are connected , the volume of digital transactions routed through APS increases.					

Component 3: Expansion of financial services and access points

Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Percentage of civil servants that are active users of digital payments (Percentage)	0.00	Dec/2018	0.00	12-Aug-2021			5.00	Oct/2024
	Comments on achieving targets		No change in value - relevant activities have not started This indicator measures the percentage of civil servants that have used digital payments at least once over a 12-month period. Digital payments will include but not be limited to: transactions via card, mobile and other digital platforms. Through a series of surveys, this indicator will monitor usage of digital payments. This indicator tracks the adoption of digital payments, and monitors digital transactions.					



Percentage of female civil servants that use digital payments (Percentage)	0.00	Dec/2018	0.00	12-Aug-2021	0.00	12-Aug-2021	5.00	Oct/2024
	Comments on achieving targets		This sub-indicator tracks outcome for women only.					
Number of agents of licensed financial institutions (Number)	1,879.00	Sep/2018	1,879.00	09-May-2021			2,250.00	Oct/2024
	Comments on achieving targets		The number of active agents of licensed financial institutions offering, at the minimum, cash-in and cash-out services No change in value - updated data not yet available ; and relevant activities have not started					
Number of female agents (Number)	180.00	Sep/2018	180.00	09-May-2021	180.00	09-May-2021	225.00	Oct/2024
	Comments on achieving targets		Of which, owned or operated by women. 10 percent target of the total number of agents					
Component 4: Project management								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Value	Month/Year	Value	Date	Value	Date	Value	Month/Year
Percentage of civil servants and beneficiaries that are satisfied with the level of service (Percentage)	0.00	Dec/2018	0.00	12-Aug-2021	0.00	12-Aug-2021	75.00	Oct/2024
	Comments on achieving targets		No change in value - the GRM is not yet in place. Progress is behind schedule, partly due to COVID-19 and uncertainty over project activities. Establishment of GRM is pending recruitment of a safeguard specialist .					
Women only - Satisfaction with level	0.00	Dec/2018	0.00	12-Aug-2021	0.00	12-Aug-2021	75.00	Oct/2024

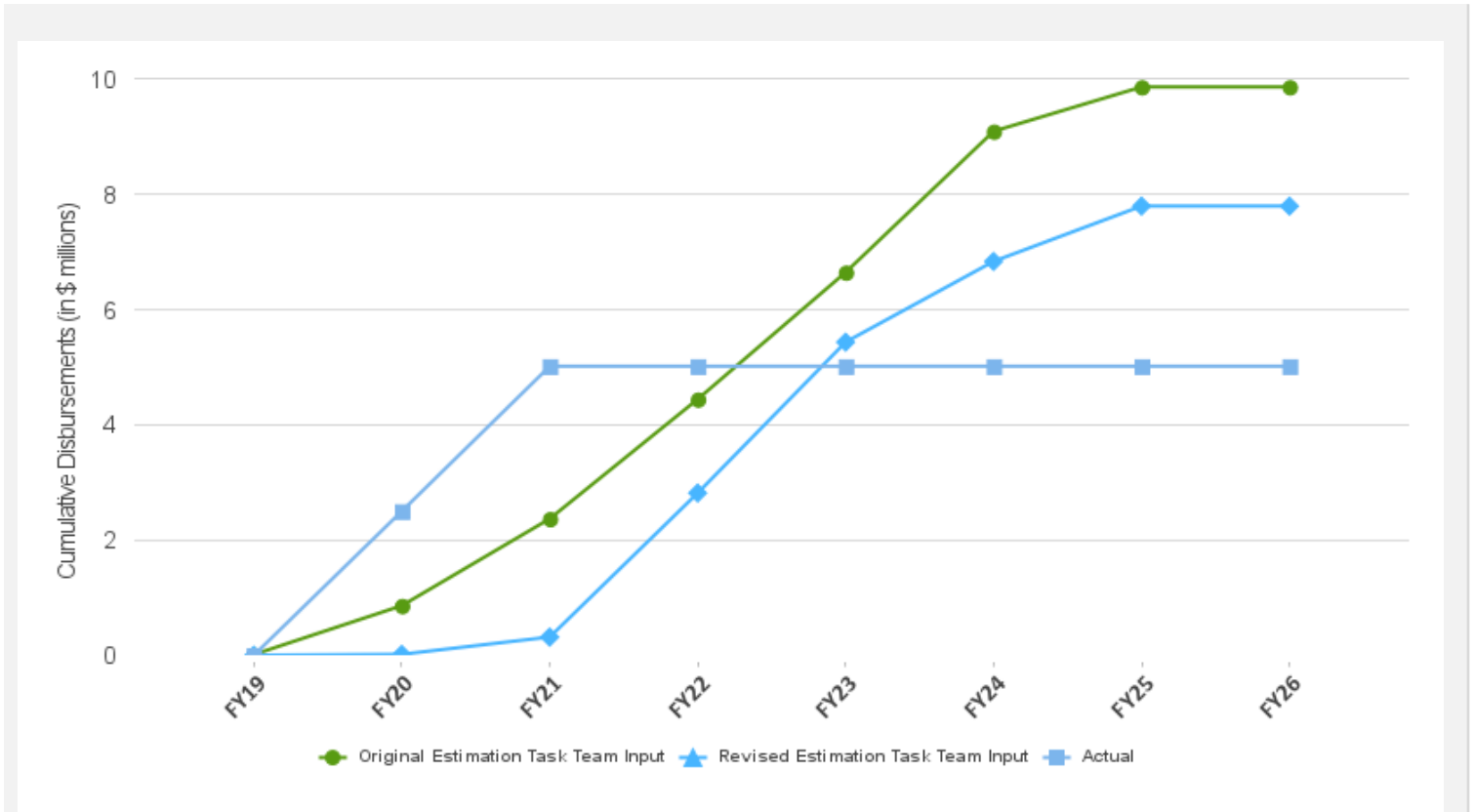


of service (Percentage)								
Grievances addressed within stipulated time (Percentage)	0.00	Dec/2018	0.00	12-Aug-2021			80.00	Oct/2024
	Comments on achieving targets		<p>This indicator measures effectiveness of citizen feedback mechanisms established under the Project. It measures the percentage of cases (including complaints and inquiries) that are addressed as per the standards agreed upon in the GRM procedures.</p> <p>No change in value - the GRM is not yet in place. Progress is behind schedule, partly due to COVID-19 and uncertainty over project activities. Establishment of GRM is pending recruitment of a safeguard specialist .</p>					
Women only - Grievances addressed within stipulated time (Percentage)	0.00	Dec/2018	0.00	12-Aug-2021			80.00	Oct/2024
	Comments on achieving targets		<p>This indicator measures effectiveness of citizen feedback mechanisms established under the Project. It measures the percentage of cases (including complaints and inquiries) that are addressed as per the standards agreed upon in the GRM procedures.</p>					



7. DATA ON FINANCIAL PERFORMANCE

7.1 Cumulative Disbursements



7.2 Disbursements (by loan)

Loan/Credit/TF	Status	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
IDA-D4530	Effective	10.00	6.81	3.19	1.10	4.49	16.16%
TF-B0027	Effective	35.00	4.38	30.62	3.91	0.47	89.27%

7.3 Key Dates (by loan)

Loan/Credit/TF	Status	Approval	Signing	Effectiveness	Orig. Closing	Rev. Closing
IDA-D4530	Effective	25-Apr-2019	01-Jul-2019	25-Sep-2019	31-Oct-2024	31-Oct-2024



TF-B0027 Effective 25-Apr-2019 01-Jul-2019 25-Sep-2019 31-Oct-2024 31-Oct-2024

8. KEY DATES

Key Events	Planned	Actual
Approval	25-Apr-2019	25-Apr-2019
Effectiveness	25-Jul-2019	25-Sep-2019
Mid-Term Review No. 01	01-Jun-2024	
Operation Closing/Cancellation	31-Oct-2024	

9. RESTRUCTURING HISTORY

Restructuring Level 2 Approved on 23-Dec-2020

10. ASSOCIATED OPERATION(S)

There are no associated operations