



Pakistan Financial Inclusion and Infrastructure Project (P159428)

SOUTH ASIA | Pakistan | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 10 | ARCHIVED on 27-Jul-2022 | ISR52359 |

Implementing Agencies: Central Directorate of National Savings (CDNS)- Ministry of Finance, Development Finance Group, State Bank of Pakistan, Islamic Republic of Pakistan, Ministry of Finance

Key Dates

Key Project Dates

Bank Approval Date: 15-Jun-2017

Effectiveness Date: 28-Mar-2018

Planned Mid Term Review Date: 30-Jun-2020

Actual Mid-Term Review Date: 05-Jun-2020

Original Closing Date: 31-Dec-2022

Revised Closing Date: 31-Dec-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed development objective is to contribute to increasing access and usage of digital payments and other financial services for households and businesses in Pakistan.

This will be done by: (a) improving market infrastructure and institutional capacity, (b) supporting the uptake and usage of Digital Payments and Financial Services and by (c) improving access to financial services for micro, small and medium enterprises (MSMEs).The project will seek to substantially increase access and usage of financial services by women and support women-owned MSMEs.

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

No

Components Table

Name

Direct Support to the NFIS Implementation:(Cost \$17.50 M)

Supporting Expansion of Access Points for Financial Services:(Cost \$9.40 M)

Improving Access to Microfinance and to Financial Services for Micro, Small, and Medium Enterprises:(Cost \$110.10 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Low	<input type="checkbox"/> Low

Implementation Status and Key Decisions

The project was approved by the World Bank Board on 15 June 2017 and became effective on 28 March 2018. The project development objective is to contribute to increasing access and usage of digital payments and other financial services for households and businesses in Pakistan. This will be done by: (a) improving market infrastructure and institutional capacity, (b) supporting the uptake and usage of Digital Payments and Financial



Services and by (c) improving access to financial services for micro, small and medium enterprises (MSMEs). The project will seek to substantially increase access and usage of financial services by women and support women-owned MSMEs.

Progress towards achievement of project development objective has been strong. The three project development objective level indicators related to number of digital transaction accounts, electronic payments per capita and number of unique beneficiaries (borrowers) have all substantially exceeded the project targets. In addition, 3 out of 6 intermediate level indicators (number of digital transaction accounts – female, number of unique female beneficiaries, and number of loans disbursed) have also exceeded the project plans.

Despite achievement of key results framework indicators, the project has also experienced delays with implementation of planned payment system upgrades and operationalization of the risk sharing facility in support of bank lending to small and medium enterprises (SME) which offer opportunities for additional project impact. Unfortunately, no tangible progress was recorded with planned modernization of CDNS.

With the project currently closing in December 2022, the key focus area going forward is to continue making progress on project activities and undertake needed discussions and next steps to maximize results in line with the project’s development objective.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Macroeconomic	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Sector Strategies and Policies	<input type="checkbox"/> Low	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Technical Design of Project or Program	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Fiduciary	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Environment and Social	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Stakeholders	<input type="checkbox"/> Low	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Other	--	--	--
Overall	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low	<input type="checkbox"/> Low

Results

PDO Indicators by Objectives / Outcomes

Improving market infrastructure and institutional capacity

► Electronic payments per capita (Number, Custom)

Baseline

Actual (Previous)

Actual (Current)

End Target



Value	0.40	4.46	5.03	2.00
Date	30-Dec-2016	30-Jun-2021	31-Dec-2021	31-Dec-2022
Comments:	Electronic Payment per capita measures the growth of electronic payments and transactions per capita. The number of electronic payments will be divided according to the total population to receive a per capita measurement			

Supporting the uptake and usage of Digital Payments and Financial Services				
▶ Number of digital transaction accounts (in millions) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.00	120.58	128.54	60.00
Date	30-Dec-2016	30-Jun-2021	31-Dec-2021	31-Dec-2022
Comments:	According to SBP, digital transaction accounts (DTA) are defined as "Transactional accounts which store value of money that can be accessed through digital touch points/ access points for accessing financial services".			

Improving access to financial services for MSMEs				
▶ Number of unique beneficiaries (borrowers) reached* (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	325,661.00	387,414.00	123,900.00
Date	30-Dec-2016	30-Sep-2021	31-Dec-2021	31-Dec-2022

Intermediate Results Indicators by Components

Direct Support to the NFIS Implementation				
▶ New/Upgraded SBP-Operated Payment system and National Payments Gateway installed and operational (Yes/No) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	30-Dec-2016	07-Dec-2021	01-Jun-2022	31-Dec-2022
▶ DTA Scheme designed and operational (Yes / No) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	No	No	No	Yes
Date	30-Dec-2016	07-Dec-2021	01-Jun-2022	31-Dec-2022
Comments:	While activities to this end are under way, they are not funded under FIIP Project.			
► Number of digital transaction accounts (female) in millions (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	7.00	18.85	20.45	10.50
Date	30-Dec-2016	30-Jun-2021	31-Dec-2021	31-Dec-2022

Supporting Expansion of Access Points for Financial Services				
► End-to-end automation and modernization of the NSS implemented and operational (Yes/No) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	30-Dec-2016	07-Dec-2021	01-Jun-2022	31-Dec-2022

Improving Access to Microfinance and to Financial Services for Micro, Small, and Medium Enterprises				
► Number of loans disbursed*** (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	365,150.00	441,259.00	150,000.00
Date	30-Dec-2016	30-Sep-2021	31-Dec-2021	31-Dec-2022
► Number of unique female beneficiaries reached (rounded to nearest 50)** (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	227,730.00	275,194.00	74,340.00
Date	30-Dec-2016	30-Sep-2021	31-Dec-2021	31-Dec-2022

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

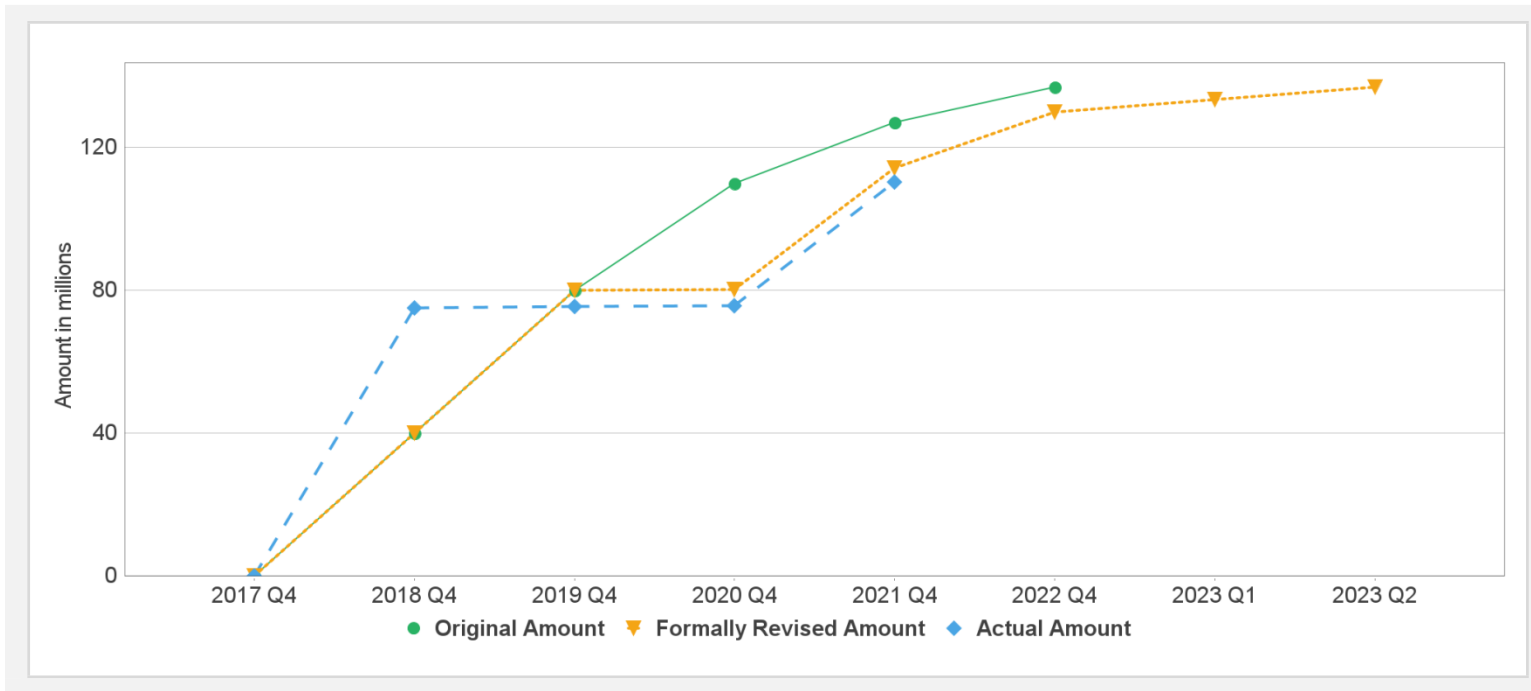


Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P159428	IDA-59890	Effective	USD	37.30	37.30	0.00	7.45	31.82	19%
P159428	IDA-61010	Effective	USD	99.70	99.70	0.00	103.09	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P159428	IDA-59890	Effective	15-Jun-2017	05-Jan-2018	28-Mar-2018	31-Dec-2022	31-Dec-2022
P159428	IDA-61010	Effective	15-Jun-2017	05-Jan-2018	28-Mar-2018	31-Dec-2022	31-Dec-2022

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.