



2021 Afghanistan Incentive Program Development Policy Grant (P176137)

SOUTH ASIA | Afghanistan | Macroeconomics, Trade and Investment Global Practice |
IBRD/IDA | Development Policy Lending | FY 2021 | Seq No: 1 | ARCHIVED on 20-Jan-2022 | ISR50038 |

Implementing Agencies: ISLAMIC REPUBLIC OF AFGHANISTAN, Ministry of Finance

Key Dates**Key Project Dates**

Bank Approval Date: 24-Jun-2021

Effectiveness Date: 30-Jun-2021

Original Closing Date: 30-Jun-2022

Revised Closing Date: 30-Jun-2022

Project Development Objectives

Program Development Objective (from Program Document)

Program Development Objectives are: i) supporting sustainability, inclusivity, and transparency in public finances and the civil service; and ii) strengthening the institutional and regulatory framework to support recovery from COVID-19 through management of risks and improved governance.

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

No

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	<input type="checkbox"/> Unsatisfactory
Overall Implementation Progress (IP)	--	<input type="checkbox"/> Unsatisfactory
Overall Risk Rating	--	<input type="checkbox"/> High

Implementation Status and Key Decisions

With the collapse of the de facto government on August 15, 2021, the Bank paused all disbursements in the its Afghanistan portfolio, drawing from principles and procedures in OP/BP 7.30. Recognizing that the current situation makes it improbable that projects can be effectively implemented, the Bank suspended disbursements in whole under the 2021 Incentive Program Development Policy Grant (2021 IP-DPG) Operation based on inadequate progress against policy actions supported under the program, and the absence of an adequate macroeconomic policy framework. The General Conditions (for IDA grants) and the Standard Conditions (for trust fund grants), which are incorporated by reference in the Legal Agreements of the 2021 IP-DPG, provide that the Bank may, by notice to the Recipient, suspend, in whole or in part, the right of the Recipient to make withdrawals from a Grant Account if an extraordinary situation has arisen which makes it improbable that the Projects can be carried out or that Afghanistan will be able to perform its obligations under the respective Legal Agreements. This ISR documents the decision to cancel the project based on the grounds explained above.

Risks**Systematic Operations Risk-rating Tool**



Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	High	--	High
Macroeconomic	High	--	High
Sector Strategies and Policies	Substantial	--	High
Technical Design of Project or Program	Substantial	--	Substantial
Institutional Capacity for Implementation and Sustainability	High	--	High
Fiduciary	Substantial	--	Substantial
Environment and Social	Substantial	--	Substantial
Stakeholders	Substantial	--	High
Other	High	--	High
Overall	High	--	High

Results

Results Indicators

Supporting sustainability, transparency, and inclusivity in the civil service and public finances				
IN01094673				
► Proportion of new tashkeel positions (disaggregated by gender) approved through a unified, transparent process (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	90.00
Date	31-Dec-2020	--	17-Jan-2022	31-Dec-2021
IN01094674				
► Allowances as a share of wage bill expenditures (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	--	25.00	22.00
Date	31-Dec-2020	--	17-Jan-2022	31-Dec-2022
IN01094766				
► Percent of new entrants to the public service (civil service and armed forces, but excluding NTAs) over the previous year enrolled in a defined contribution pension program (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	90.00
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
IN01094767				



► Number of Ministries/Agencies provided with training on the revised Code of Conduct and on procedure for handling complaints. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	10.00
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
IN01094768				
► Number of registered VAT taxpayers (gender disaggregated for individuals and entrepreneurs) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	700.00
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
□ Number of registered female VAT taxpayers (individuals and entrepreneurs) (Number, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	10.00
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
IN01094771				
► The time required to prepare, file, and pay value added or sales tax, profit tax and labor taxes and contributions (Days, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	270.00	--	270.00	230.00
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
IN01094772				
► TCCs with digital signatures as a proportion of total TCCs issued (gender disaggregated for individuals and entrepreneurs) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	0.00
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
□ Digital examination reports as a proportion of goods declarations selected for examination (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	50.00
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
IN01094774				
► Proportion of government payments processed electronically (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	75.00



Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
IN01094775				
▶ Audited financial data on COVID-19 expenditures is publicly available (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021

Strengthening the institutional and regulatory framework to support recovery from COVID-19				
IN01094675				
▶ Commercial losses as a percentage of supply (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.60	--	16.60	15.00
Date	31-Dec-2020	--	17-Jan-2022	31-Dec-2022
IN01094781				
▶ Number of regulations and contract templates for the natural gas value chain developed by AOGRA and approved by the appropriate legal authority (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	3.00
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
IN01094782				
▶ SOB corporate governance requirements specified in the State-Owned Banks Ownership Policy are met (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	No	Yes
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021
IN01094783				
▶ Afghanistan score against PEFA indicator PI-10.3 on fiscal risk reporting (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	--	D	C
Date	31-Dec-2020	--	17-Jan-2021	31-Dec-2021

Data on Financial Performance

Disbursements (by loan)



Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P176137	IDA-D8510	Effective	USD	132.00	132.00	0.00	131.07	0.00	100%
P176137	TF-B5789	Effective	USD	300.00	300.00	0.00	0.00	300.00	0%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P176137	IDA-D8510	Effective	24-Jun-2021	29-Jun-2021	30-Jun-2021	30-Jun-2022	30-Jun-2022
P176137	TF-B5789	Effective	24-Jun-2021	29-Jun-2021	30-Jun-2021	30-Jun-2022	30-Jun-2022

Tranches**Restructuring History**

There has been no restructuring to date.

Related Project(s)

There are no related projects.