

**INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE**

Report No.: AC5610

Date ISDS Prepared/Updated: 11/25/2010

I. BASIC INFORMATION

A. Basic Project Data

Country: Afghanistan	Project ID: P120427
Project Name: Public Financial Management Reform II	
Task Team Leader: Paul Edwin Sisk	
Estimated Appraisal Date: December 9, 2010	Estimated Board Date: March 22, 2011
Managing Unit: SARFM	Lending Instrument: Technical Assistance Loan
Sector: Public administration- Finance (100%)	
Theme: Public expenditure, financial management and procurement (95%); Other public sector governance (5%)	
SPF Amount (US\$m.):	0.00
GEF Amount (US\$m.):	0.00
PCF Amount (US\$m.):	0.00
Other financing amounts by source:	
Borrower	0.00
<u>Afghanistan Reconstruction Trust Fund</u>	<u>70.00</u>
	70.00

B. Project Objectives [from section 2 of PCN]

- (i) develop an efficient and effective public financial management system; and
- (ii) develop the capacity of human resources performing PFM functions throughout government and of the CAO to ensure more sustainable public financial management.

C. Project Description [from section 3 of PCN]

The project would finance consultants, training and equipment to assist with policy formulation, systems development, operations support and human capacity development for public procurement, budgeting, treasury and audit functions across government. Particular emphasis is placed on these functions in line ministries.

1. Budget Reform Builds on reforms and development attained by the Budget Department over the reconstruction, with the support provided by the Making Budgets Work and Strengthening Afghanistan's Budget projects funded by DFID. Would support improved planning in the line ministries but also improved the policy content of the budget and multi-year fiscal planning.

2. Procurement Reform Services of a Procurement Facilitation Consultant would be financed to work under the ARDS but with greater deployment of staff to the line ministries. Under the Procurement Policy Unit in MoF advisors would complete the development and implementation of a procurement management system and continue to roll-out training in procurement, both centrally and in provinces for all line ministries.

3. Financial Management Reform Operations and policy assistance in Treasury through contractors to assure high quality performance will be financed but the focus will be to mainstream these functions in the civil service staff. The consolidation of the roll-out of AFMIS to the provinces will be financed as well as support for the development of administrative systems for the service delivery units and capacity development in the financial management functions throughout the public sector. Additionally, a government led effort on education and training in accounting and auditing and the creation and operation of a National Steering Committee for the establishment of an accounting profession in Afghanistan will be financed.

4. Audit Reform and Performance Internal Audit - The services of a firm to lead key internal audits and provide on-the-job training will be financed as well as basic training to all internal audit staff. More advanced training will be provided to all staff who have completed the basic training. External Audit - Assistance will be provided to the CAO to develop its knowledge, expertise and practices in using the services and results of other auditors and experts in line with International Auditing Standards in particular for project audits. Separately, support will continue to strengthen the CAO through staff training set out in the CAO Learning, Training and Development Strategy.

5. Reform Management. The RMU will monitor technical assistance in the MOF and report on benchmarks to the Roadmap to stakeholders within the MOF, cabinet, legislature and civil society on the reforms. Support will also be provided for a remuneration scheme for civil servants in specific posts under strict qualification criteria so as to retain individuals with skills and certification.

D. Project location (if known)

Kabul

E. Borrower’s Institutional Capacity for Safeguard Policies [from PCN]

Capacity has not been assessed by the project team.

F. Environmental and Social Safeguards Specialists

Mr Mohammad Arif Rasuli (SASDI)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD
Environmental Assessment (OP/BP 4.01)		X	
Operation is so TA to MOF and Auditor General no materials or works involved.			

Safeguard Policies Triggered	Yes	No	TBD
Natural Habitats (OP/BP 4.04)		X	
Project spending entirely in Kabul in Government offices.			
Forests (OP/BP 4.36)		X	
No operations in or involving forests or countryside.			
Pest Management (OP 4.09)		X	
No pest control or eradication involved.			
Physical Cultural Resources (OP/BP 4.11)		X	
Indigenous Peoples (OP/BP 4.10)		X	
Involuntary Resettlement (OP/BP 4.12)		X	
Safety of Dams (OP/BP 4.37)		X	
Projects on International Waterways (OP/BP 7.50)		X	
Projects in Disputed Areas (OP/BP 7.60)		X	

Environmental Category: C - Not Required

III. SAFEGUARD PREPARATION PLAN

- A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: N/A
- B. For simple projects that will not require a QER, the target date for preparing the PAD-stage ISDS: 10/31/2010
- C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS.
Not required

IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Mr Paul Edwin Sisk	07/26/2010
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr Sanjay Srivastava	07/26/2010
Comments: cleared on understanding that there will be no civil works under the project.		
Sector Manager:	Ms Jennifer K. Thomson	07/26/2010
Comments:		

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

