



## Afghanistan Technical Assistance Facility (P157035)

SOUTH ASIA | Afghanistan | Governance Global Practice |  
Recipient Executed Activities | Investment Project Financing | FY 2016 | Seq No: 1 | ARCHIVED on 30-Sep-2016 | ISR25177 |

Implementing Agencies: Ministry of Finance

### Key Dates

#### Key Project Dates

Bank Approval Date:28-Jun-2016

Effectiveness Date:18-Jul-2016

Planned Mid Term Review Date:30-Jun-2018

Actual Mid-Term Review Date:--

Original Closing Date:30-Jun-2020

Revised Closing Date:30-Jun-2020

### Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The development objective is to strengthen the fiscal management and the budget planning performance of the Government of Afghanistan.

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

No

### Components

Name

Component 1: Supporting the Continuous Improvement of the Performance of the Macro Fiscal Performance Directorate General:(Cost \$3.90 M)

Component 2: Supporting the Continuous Improvement of the Programs Implementation and Coordination General Directorate:(Cost \$1.10 M)

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Satisfactory
Overall Risk Rating	--	● Substantial

### Implementation Status and Key Decisions



The Afghanistan Technical Assistance Facility (TAF) Project is intended to support reform planning in the Ministry of Finance (MoF) as guided by its Five Year Plan. The project's development objective is to strengthen the fiscal management and the budget planning performance of the Government of Afghanistan. This will be achieved through the procurement of the necessary inputs including (but not limited to) skills required to support strengthened processes and substantive pieces of work as pertains to macro fiscal policy management and budget planning.

The TAF is designed as a flexible facility with built-in capacity to be adaptive and agile. Specific outputs to be supported by TAF will not be identified upfront. These will be exclusively drawn from the MoF Five Year Plan, but will be identified on a periodic basis by the existing Core Group in MoF which acts as a Steering Committee. This arrangement is intended to ensure timeliness of advice, and responsiveness to new or evolving Government priorities. The Directorates of MoF are the primary project beneficiaries, specifically the Macro Fiscal Policy Directorate (MFPD) and Programs Implementation Coordination General Directorate (PICGD). Through informed and evidence-based macro-economic policy-making and budget planning led by these respective Directorates, the Government of Afghanistan at large stands to benefit from improved decision-making. On the one hand, analysis of fiscal sustainability options, both on tax policy and public spending levels, as well as broader macroeconomic and fiscal analysis, help the Government to improve fiscal sustainability in the medium- to long-term. The Government has been tracking the ratio of domestic revenues over recurrent expenditures as an indicator of fiscal sustainability in its simplest form. It is expected that with more comprehensive analytical evidence on fiscal sustainability options, the Government will be able to increase the share of recurrent expenditures that is financed by domestic revenues. On the other hand, putting strategic objectives identified in a National Development Strategy (NDS) into practice requires detailed programming and planning at the sectoral level. Costed sector strategies – planned through PICGD's secretariat role to the Development Councils and National Priority Programs (NPPs) - is one effective tool to help implement sectoral objectives that are set in NDS.

The TAF, funded by the Afghanistan Reconstruction Trust Fund (ARTF) in the amount of US\$5 million, was approved by the ARTF Management Committee (MC) on June 28, 2016. The project's Legal Agreement was signed on July 18, 2016, and the project became effective on the same date. The project is currently in early stages of implementation, with project management and oversight structures and mechanisms, carried out directly by core MoF functions, now fully established. Several high priority procurement packages including to support the High Economic Council (HEC) have been launched while TAF project financing awaits approval of the National Budget by Cabinet, since it would include this project as a stated expenditure. In this regard, MoF is pursuing an ad hoc/exceptional Cabinet approval of project financing to authorize project expenditures by end of September 2016.

## Risks

### Systematic Operations Risk-rating Tool

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

## Results

### Project Development Objective Indicators



► Development and implementation of medium term fiscal framework (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	D	D	B
Date	01-Jul-2016	--	14-Sep-2016	30-Jun-2020

► Development and implementation of forward estimates framework (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	D	D	B
Date	01-Jul-2016	--	14-Sep-2016	30-Jun-2020

► National budget allocation determined by National Development Strategy (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	D	D	C+
Date	01-Jul-2016	--	14-Sep-2016	30-Jun-2020

Overall Comments

**Intermediate Results Indicators**

► Calculate estimates of annual medium term resource envelopes and fiscal space including for discretionary and non-discretionary budgets (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	D	D	B
Date	01-Jul-2016	--	14-Sep-2016	30-Jun-2020



► Estimates of costs of existing policy in forward years (forward estimates) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	D	D	B
Date	01-Jul-2016	--	14-Sep-2016	30-Jun-2020

► Coordination among government and international stakeholders for effective aid delivery to achieve the goals of National Development Strategy (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	D	D	C
Date	01-Jul-2016	--	14-Sep-2016	30-Jun-2020

Overall Comments

## Data on Financial Performance

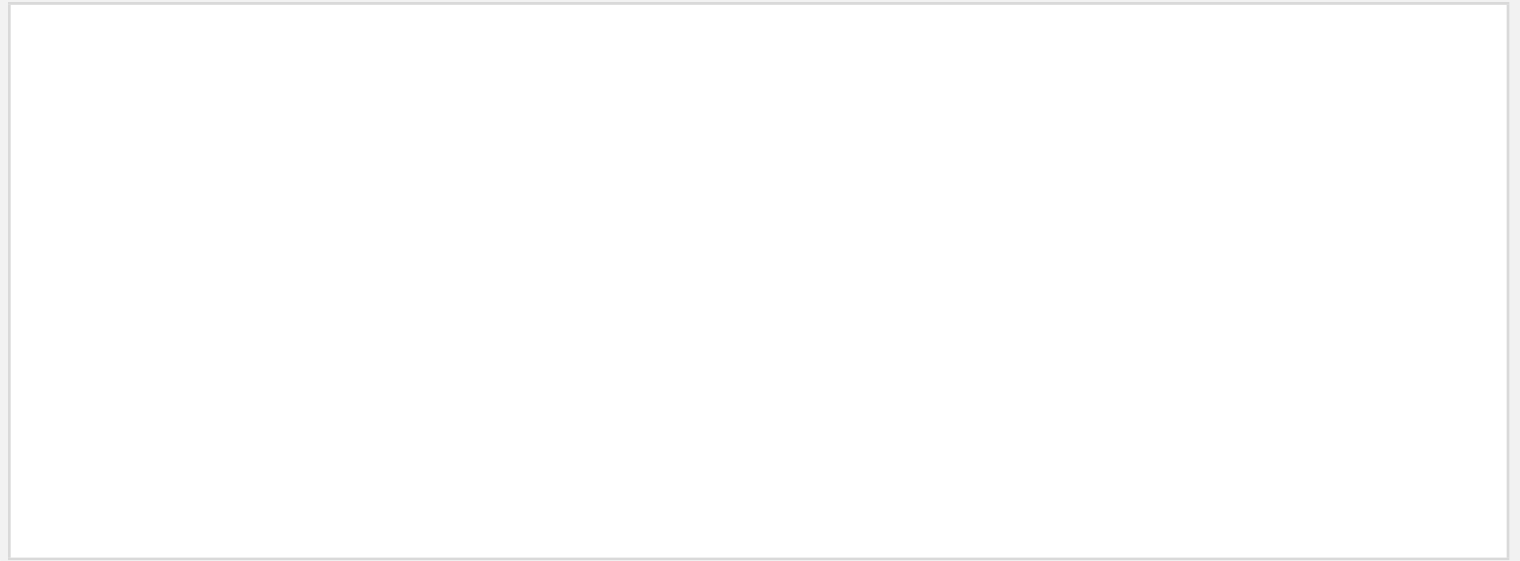
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P157035	TF-A2839	Effective	USD	5.00	5.00	0.00	0.00	5.00	0%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P157035	TF-A2839	Effective	28-Jun-2016	18-Jul-2016	18-Jul-2016	30-Jun-2020	30-Jun-2020

### Cumulative Disbursements



### **Restructuring History**

There has been no restructuring to date.

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### **Related Project(s)**

There are no related projects.

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