



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 28-Nov-2018 | Report No: PIDISDSC25560

**BASIC INFORMATION****A. Basic Project Data**

| | | | |
|--|--|--|--|
| Country Afghanistan | Project ID P168266 | Parent Project ID (if any) | Project Name Payments Automation and Integration of Salaries in Afghanistan (PAISA) (P168266) |
| Region SOUTH ASIA | Estimated Appraisal Date Jan 21, 2019 | Estimated Board Date Mar 29, 2019 | Practice Area (Lead) Finance, Competitiveness and Innovation |
| Financing Instrument Investment Project Financing | Borrower(s) Islamic Republic of Afghanistan | Implementing Agency Ministry of Finance | |

Proposed Development Objective(s)

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

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

| | |
|---------------------------|-------|
| Total Project Cost | 50.00 |
| Total Financing | 50.00 |
| of which IBRD/IDA | 10.00 |
| Financing Gap | 0.00 |

DETAILS**World Bank Group Financing**

| | |
|---|-------|
| International Development Association (IDA) | 10.00 |
| IDA Grant | 10.00 |

Non-World Bank Group Financing

| | |
|-------------|-------|
| Trust Funds | 40.00 |
|-------------|-------|



Afghanistan Reconstruction Trust Fund

40.00

Environmental Assessment Category

C - Not Required

Concept Review Decision

Track II-The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **Substantial improvements in development outcomes have been observed in Afghanistan since 2001, particularly in expanded access to water, sanitation and electricity, and improved outcomes in education and health.** Moreover, following the economic shock of the withdrawal of international troops, the associated decline in aid and deterioration in security, the Afghan economy has regained momentum as reforms have been implemented and confidence restored. However, some gains are now being eroded and risks are arising from the prospects of political instability around the 2018-2019 elections. Business confidence is declining, and economic activity is slowing. Civilian casualties remain at unprecedented levels in 2017 (10,451 killed or wounded) and 2018 (8,050 in the first 9 months). Some areas of the country remain difficult to access because of insecurity.

2. **Real GDP growth, after accelerating to 2.7 percent in 2017 from a low of 1.5 percent in 2015, is projected to moderate to 2.4 percent in 2018 amid growing political and security concern around the upcoming elections.** Growth is expected to accelerate further to 3.7 percent by 2021 assuming smooth political transition after the 2018-19 elections. With the population growing at 2.7 percent, however, projected growth path will not be strong enough to improve incomes and livelihoods for most Afghans. The poverty rate in Afghanistan has increased significantly, from 38 percent in 2011/12 to 55 percent in 2016/17. It is expected to remain high in the medium-term, driven by weak labor demand (despite an increasing labor force) and security-related constraints on service delivery. Living standards are further threatened by the worsening drought conditions and displacement (more than 1.7 million Afghans are internally displaced, and more than 2 million have been returning to Afghanistan – mostly from Pakistan and Iran – since 2015).

3. **Stronger growth is predicated on improvements in security, political stability, steady progress with reform, and sustained aid.** With an extremely narrow private sector base, the economy relies on foreign aid and public expenditure. Business and consumer sentiments appear to be deteriorating, potentially reflecting expectations of political instability and violence associated with upcoming elections, stagnating economic activity and overall security situation. It is vital to focus on private sector led growth and revitalization of the economy to fill the void emerging from declining donor inflows. However, private sector development and diversification are constrained by political instability, weak institutions, inadequate infrastructure, underdeveloped financial sector, widespread corruption, and a difficult business environment. Afghanistan was ranked 167th of 190 countries in the 2019 Doing Business Survey and 177 out of 180 in Transparency International's 2017 Corruption Perception Index¹. Addressing avoidable constraints to private investment, including unnecessary regulatory barriers, increasing access to finance (especially for groups more susceptible to instability,

¹ Sources: www.doingbusiness.org/rankings and www.transparency.org/cpi



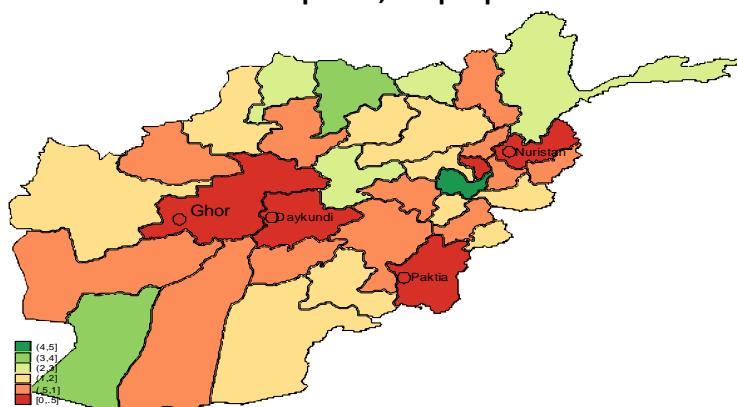
including SMEs, women, microenterprises) and prioritizing the sectors with greatest capacity to support increased growth, job creation, exports, and government revenues would be key to boost economic growth. Public expenditure constitutes 25.6 percent of GDP; however, foreign grants currently finance more than two-thirds of budget expenditure and substantial off-budget security needs. With aid expected to decline from around 46 percent of GDP in 2017 to 20 percent of GDP by 2030, and in the context of a rapidly growing population, new sources of growth, employment, revenues, and exports are desperately needed, as are savings from improved management of public expenditure.

Sectoral and Institutional Context

4. **The financial sector remains underdeveloped, constraining access to finance for the majority of Afghans (especially women) and hindering investment and growth.** Credit to the private sector grew by around 3 percent over 2017, after remaining flat through 2016. Over the first four months of 2018, credit to the private sector declined rapidly before recovering in May, but still remains well below 2014 levels. Weak intermediation reflects under-development of the financial sector, including limited access to financial services for many Afghans, weak financial infrastructure, as well as factors that weaken demand. Financial inclusion remains a significant challenge in Afghanistan. Nine out of ten Afghan adults are financially excluded. Women are disproportionately affected by the lack of access to finance. Men are almost 4 times more likely to have an account at a formal financial institution. Financial inclusion can have a significant impact on the living standards of the poor through several channels including microcredit, micro-insurance and formal and low-cost savings, payments, and remittance arrangements.

5. **Financial inclusion is constrained by the limited intermediation channels.** The number of regulated deposit-taking institutions in Afghanistan is low. According to the most recent IMF’s Financial Access Survey, while there are 15 commercial banks and 5 microfinance institutions in Afghanistan. Bangladesh, for example, has 56 commercial banks, 26 credit unions, almost 700 deposit taking microfinance institutions and 32 other deposit taking institutions. Moreover, most of the bank and MFI branches are concentrated in only few provinces in Afghanistan (Figure 1). In other South Asian, or fragile and conflict affected economies that have relatively low numbers of financial institutions, the number of access points per capita is much larger than those in Afghanistan. For example, in Nepal which has few regulated deposit taking institutions, the number of access points per 100,000 adults is 21.6, while this read 16.7 in Bangladesh compared with 3 in Afghanistan.

Figure 1: Number of Bank and MFI Branches per 10,000 people across Provinces in Afghanistan (2014)



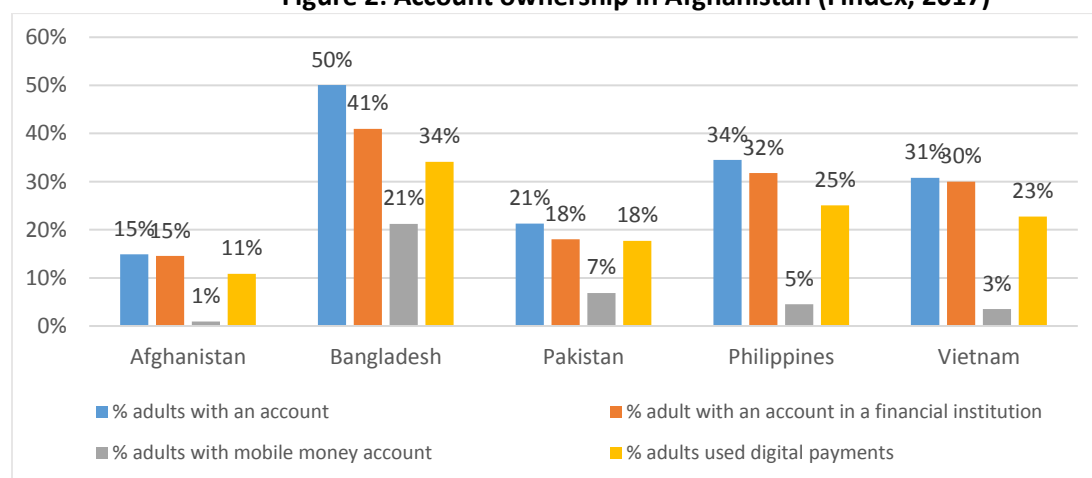
6. **Recourse to technology for the provision of financial services would help overcome one of the main barriers to having an account in Afghanistan.** At least half of the Afghan adults report that they do not have an account citing various reasons amongst which is large distance to the nearest financial institution and fluid security situation. The biggest concern they report is the cost of opening and maintaining an account, followed by the distance to an access point. In this respect,



financial technology solutions can play a pivotal role to bridge the inclusion gap and facilitate access to economic opportunities. Moreover, the heightened security risks and frequent attacks on banks’ branches exacerbates costs and challenges of limited channels for payments. In this regard, developing electronic payments – also referred to as digital payments - emerges as an important and pragmatic approach that can provide the necessary scale for nation-wide coverage and expansion of financial services. In 2016, the central bank passed a regulation to regulate money services providers and payment system operators to support electronic payments and digital financial services.

7. **The current level of transaction account ownership and electronic payment usage in Afghanistan is very low compared to countries in South Asia or East Asia** (Figure 2). According to Global Findex 2017, only 15 percent of adults in Afghanistan have a transaction account that allows for payments and store of value. These accounts are by held at financial institutions. Only 0.3% of adults use mobile phones to access their accounts. Account ownership and usage are different – some may own accounts but may not be using them; only 58% of adults with an account made a single withdrawal in the past year. Access remains an important constraint, with 35% of the unbanked reporting too far a distance to financial institutions branches as a reason.

Figure 2: Account ownership in Afghanistan (Findex, 2017)



8. **Large-volume, recurrent payment streams, such as government-to-person payments (G2P) provide ample opportunity to increase account ownership and usage rates.** The Payments Aspects of Financial Inclusion (PAFI) framework developed by the World Bank Group and the Committee for Payments and Market Infrastructures (CPMI) considers G2P payments as a “catalytic pillar” that can promote inclusion by directly providing transaction accounts to unserved and underserved end users. In Afghanistan, these mostly comprise civil service salaries and social safety net benefits. Moreover, person-to-government (P2G) payments can also have a catalytic effect to facilitate transparent and effective revenue collection. This is currently part of the government 3-year reform matrix supported by the Incentive Program Development Policy Grant (IP DPG; P164882).

9. **The current salary payment process in Afghanistan is predominantly based on manual processing.** Based on the attendance sheets, departments prepare the M41 forms (payroll forms), which upon verification are used to complete the M16 forms (payment order). In some cases—mostly pertaining to Kabul-based ministries—the forms would be submitted to the Central Bank to initiate a direct transfer from the government’s payroll account to employees’ accounts with New Kabul Bank. The majority of the government employees, however, receive their salaries in cash through “bonded trustees”: the M41/M16 forms are processed to issue a check, drawn on the government’s account with the Central Bank, to the bonded trustee, who cashes it out and distributes the money out to the eligible civil servants on a prescribed pay



day. The latter model, in addition to incurring significant costs on the government's side, depends to a great extent on the honesty of bonded trustees.

10. **Different approaches to salary digitization have been tested in Afghanistan; more efforts are needed towards a framework that is more comprehensive in nature.** A pilot of salary disbursements to the 4,000 civil servants of the Ministry of Social Affairs, Martyrs and Disabled (MoLSAMD), using mobile money wallets, has been reviewed in detail by the World Bank team². While the pilot was able to achieve some results with respect to reducing the incidence of “ghost workers”, more efforts are needed to overcome scalability challenges and ensure a robust identification, registration and verification of civil servants.

11. **Recently, the World Bank team has been involved in intensive discussions with Government stakeholders and the Research Team (RT) advising the Government on the Mobile Salary Payments (MSP) engagement,** a follow-up to the MoLSAMD pilot. The MSP project comprises (i) registering biometric information of civil servants receiving salary payments; (ii) opening mobile wallets for them; and (iii) paying the salaries into those mobile wallets. Mobile network operators (MNO) are procured to conduct all three activities against a service fee; they are also requested to set up agent networks in the area and secure their liquidity. The Ministry of Education has committed to the payment of salaries of 160,000 employees through mobile. Contracts have already been signed with MNOs to cover 32,000 Ministry of Education payroll staff in the Kandahar, Nangarhar and Parwan provinces, out of which 20,000 are planned to be enrolled by mid-2019. The World Bank team has been consulted on the technical aspects of this initiative, in the context of the overall Mobile Salary Payment led by the government with the support of Mobile Salary Payments Research Team (MSPRT). Aforementioned issues of reliable identification and limited payment channels posed many challenges for rolling out at scale. Close coordination of efforts with MSPRT will inform project design as key lessons are drawn from the pilots.

12. **Efficient payment of civil service salaries is a significant challenge for creating good governance in Afghanistan; it is difficult to achieve without employing electronic payments.** Electronic payment processing and delivery not only provides the government with the possibility to audit the payments trail, monitor budget execution and improve expense forecasting, it also strengthens the country's financial institutions, fosters financial inclusion and provides an impulse towards development of cashless payments ecosystems in the retail sector. This has special significance in Afghanistan, where the armed conflict and deteriorated security have rendered dealing with cash insecure and costly. Early phases of the Government's pension reform program (Afghanistan Pension Administration and Safety Net Project with MoLSAMD, P113421) supported the development of an electronic payment of pensioners implemented through MoLSAMD. This project provided additional insights into the potential benefits that could be expected upon setting up a robust digital payments framework.

13. **End-to-end automation, leveraging digital financial services and use of biometrics are the necessary ingredients of a comprehensive approach to streamlining government payments.** This conclusion is based on the active participation of the World Bank in the policy discussions around government payments and financial inclusion. An action plan to develop digital finance in Afghanistan has been jointly prepared by the World Bank and Government, based on the mobile salary payment pilot assessment and in the context of the preparation of the National Financial Inclusion Strategy. The action plan is the culmination of 18 months of high-level policy dialogue on digital payments in Afghanistan and is informing the design of the proposed project. In particular, the proposed operation will address key challenges raised in terms of (i) governance and integrity of government cash payment recipients (ii) promotion of cashless (digital) payments; (iii) scale and delivery network, leveraging the private sector. The team is also engaged in discussions with the MSPRT providing

² An Assessment of the Mobile Salary Payments was undertaken at the request of Afghan authorities. This exercise was under the umbrella of the Afghanistan Financial Sector Development Programmatic Approach ASA (P157095).



technical support to the Government on Mobile Salary Payment (MSP) pilots or roll-outs (earlier, ongoing and planned) to take on lessons learned from those pilots (as discussed in paragraph 11).

14. **The proposed operation requires strong coordination within government and fits within a broader civil service reform agenda.** Proper sequencing between the project and parallel engagements related to civil servants is warranted, in particular, the Tackling Afghanistan's Government HRM and Institutional reforms (TAGHIR, P166978) project that is currently scheduled for World Bank's Board approval in December 2018. This project seeks to establish a national Human Resource Management Information System (HRMIS) which will be essential to achieve full automation of salary and pension payments, and the proposed operation would be developed to ultimately integrate with the HRMIS. The proposed operation would thus support the implementation of a roadmap for the transition to digital government payments, which will consider all parallel efforts, donor and government-led.

Relationship to CPF

15. **Building a credible and transparent infrastructure for national payments is an identified priority of the GoIRA, highlighted in the Afghanistan 2017-21 National Peace and Development Framework which was presented in Brussels conference in 2017.** The Afghanistan Systematic Country Diagnostic (SCD, report No. 103421) states that improving and modernizing of national payment system, and digital finance framework is a priority. The project directly contributes to Pillar 2 of the FY17-20 Country Partnership Framework (CPF, report No. 108727) which aims to support inclusive growth through a more stable and efficient financial system. The CPF also recognizes the assistance World Bank provided to the Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD) to develop targeting and delivery systems for safety net interventions and highlights the pilot undertaken to test the delivery of cash transfers to the poorest families with children in five districts. Evidence from the pilot points to the success of using digital payment methods through mobile network operators and banks as a transparent, safer and more efficient mechanism with immense potential for scalability.

16. **Strengthening the credibility of the government institutions, particularly those managing government payments, remains a key objective of the Country Partnership Framework (CPF).** Credible institutions are seen as key towards government's goals of state building, self-reliance, and building the capacity and accountability of institutions to deliver core services to Afghan people. Given their essential role in managing and processing national payments, the Ministry of Finance (MoF) and Da Afghanistan Bank (Central Bank, DAB) are core Afghan institutions that require continuous support to ensure effective and efficient national payment process, particularly for salaries and social benefits. In addition, MoF has heavily invested in building up a reliable infrastructure to manage the state budget; while DAB has spearheaded efforts to setup an efficient and modern national payment system (Financial Sector Rapid Response "FSRRP", with DAB – P119047). The World Bank Group has been playing a leading role to support the digital payment agenda through lending as well as advisory services and analytical engagements. These include the Incentive Program Development Policy Grant (IP DPG, P164882) that supports many critical reforms related to efficient revenue collection through leveraging the national payments infrastructure. The proposed project will connect and weld the efforts of both institutions to lay the necessary foundations and build key blocks for efficient and transparent process for G2P payments including integrating the Afghanistan Financial Management Information System (AFMIS) at MoF with the national payments infrastructure at DAB. This will contribute to deepening financial inclusion through scaling up demand for digital financial service.

C. Proposed Development Objective(s)



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

Key Results (From PCN)

17. PAISA is expected to contribute to:

- i. Biometric registration of civil servants and pensioners for payment purposes
- ii. Increased efficiency in government payments, as measured by
 - o Number of line ministries and government agencies that are able to process payments electronically
 - o Percentage of civil servants who are paid electronically (of which female)
- iii. Increased capacity for digital payments, as measured by
 - o Integration with the relevant Management Information systems for G2P (HRMIS, AFMIS)
 - o % population with digital money accounts (of which female)
 - o Number of mobile money agents (of which female)
 - o Number of certified merchant agents³

D. Concept Description

18. **The PAISA project attempts to introduce a government-wide comprehensive framework for digital payment of salaries.** This proposed approach consists of three components: (1) creating a biometric identification system for civil servants and pensioners, which could be extended to other recipients of government transfers such as Martyrs and Disabled; (2) integrating the identification system with the verification and payment systems –AFMIS and HRMIS – to achieve straight-through processing of salary payment instructions; and (3) providing support and incentives for the expansion of financial access points (cash-out and payment locations). Technical assistance will be provided to relevant stakeholders in each of the thematic components, in addition to communications, outreach and financial education related to project activities (biometric identification, digital payments, agent network, etc.). The project builds upon the long-standing support of the World Bank that has been extended to GoIRA and DAB in the areas of payment systems and public financial management. The PAISA project will only concern salary payments for civil servants, and exclude the military or police, however, the team will coordinate with CSTC-A (Combined Security Transition Command – Afghanistan) –which is managing the military payroll process - during project preparation and implementation.

19. **Implementation of the PAISA project will be sequenced and geographically phased.** The proposed sequencing is driven by the complex security environment of Afghanistan and takes into account the varying capacity of stakeholders involved in the implementation and uneven development and reliability of infrastructure across the country.

- i. Within PAISA, component 1 and 3 will be initiated first, given that the HRMIS is still under development. Integration of HRMIS (as part of component 2) with the biometric identification system (supported under component 1) cannot start until the national HRMIS is fully developed by Independent Administrative Reform and Civil Service Commission (with support of the TAGHIR project). In effect, PAISA and TAGHIR projects will run in parallel but will be fully coordinated, both in terms of implementation progress and systems (and technology) to ensure that integration is possible once both systems are operational.

³ Certified merchant agents will be a new category of payments agents that will be licensed by the central bank (DAB). These are mainly existing and future retail businesses.



- ii. Implementation of component 1 will also be phased to account for the operational readiness across provinces and districts, as well as that of government entities.
- iii. While Afghanistan has witnessed substantial development in mobile telephony coverage, with over 90% of the population being covered by GSM base station (according to the Ministry of Communications and Information Technology data), some gaps remain. Consequently, the proposed project envisions different types of access points that can be used by recipients of civil service salaries to access their accounts, from bank branches and ATMs in urban areas to microfinance institutions and mobile money agents in more remote communities. Depending on the type of connectivity available, the latter will be relying either on smartphone apps communicating through the means of 3G/4G mobile connection, or on text message/USSD communication through 2/2.5G networks. Backup procedures, such as offline payment processing, will be considered to preserve the access to transaction account in the event of connectivity outage.

20. **The sequencing is based on the assumption that the HRMIS system, responsible for payroll management and allowing the elimination of duplicate and “ghost” workers, will not be initially available.** As such, the implementation of PAISA will comprise two broad phases: first, as an interim solution, the biometric database (PAISA.ID) will be connected directly to the legacy systems operated by individual ministries. Once HRMIS is operational, it will act as the central hub connecting individual ministries with the biometric database. The interim and the final architecture are presented in Figure 3 and Figure 4.

Figure 3: Architecture for civil service salary payments in Afghanistan before the implementation of the HRMIS project

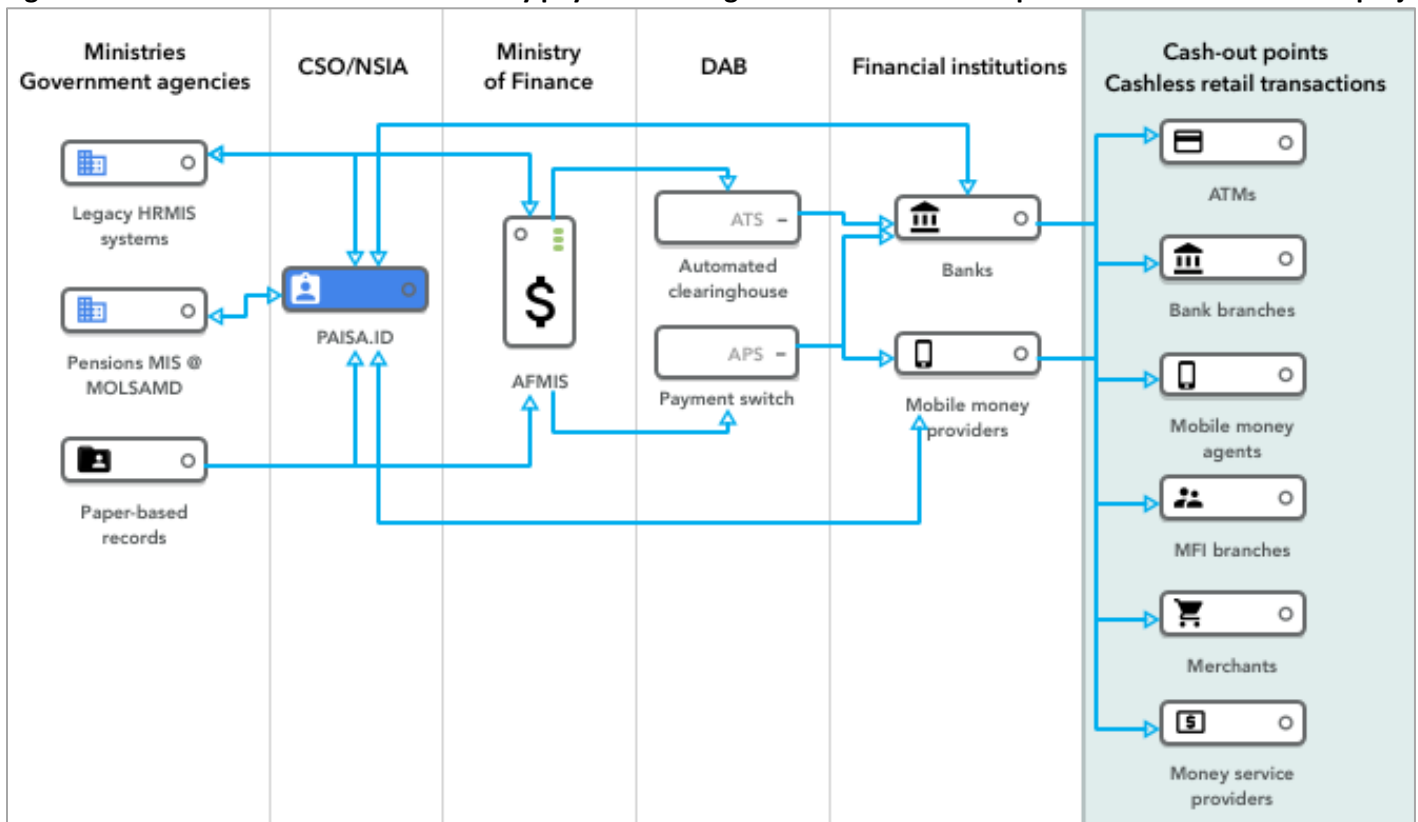
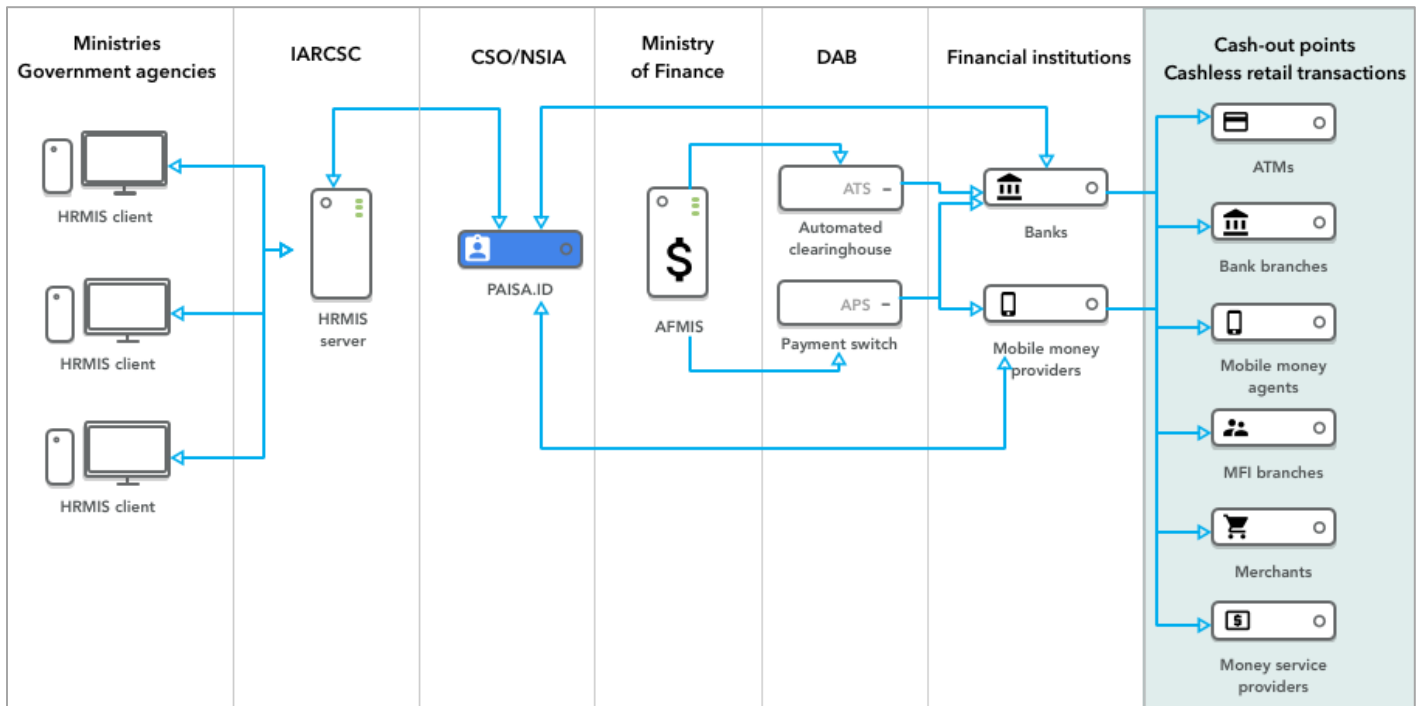


Figure 4: Architecture for civil service salary payments in Afghanistan after the implementation of the HRMIS project



Component 1: Biometric identification system (\$15-18M)

21. The component will take on the development and roll-out of a biometric identification system for recipients of salaries and government transfers, hosted by the National Statistics and Information Agency as per Government mandate. The database will cover all government employees (Afghan nationals, expatriates) and pensioners. PAISA’s use of international standards of biometric data collection and storage will facilitate the rollout of E-Tazkera, once the issues surrounding its implementation are resolved⁴. This component will support:

- preparatory studies, capacity building, system procurement, customization and deployment of a biometric-enabled database of civil servants, pensioners and other individuals receiving government-to-person (G2P) payments, as well as the purchase of relevant biometric-enabled devices. The project would support the issuance of Civil Servants ID and Pensioners ID. These are purely for government payment purposes and not to be used for any national identification purpose. The project would however ensure system and technology compatibility with other biometric identification systems, including e-Tazkera.
- preparatory activities for the extension of digital payments to Martyrs and Disabled, and other social transfer recipients.
- communications and outreach activities.

⁴ The use of international standards of biometric data collection and storage aims to ensure that biometric data collected for PAISA’s purpose is compatible with other systems, is reliable and is of standard quality. This ultimately will help avoid duplications of biometric data collection efforts.



Component 2: Straight-through processing of salary payment instructions (\$15m)

22. The second component will focus on the integration of various systems playing different roles in the salary payments process to achieve full-fledged straight-through processing (STP).⁵ The work under this component will also aim to ensure that government departments responsible for the preparation and processing the payroll data are fully ready to embrace the newly automated processes. The project will support:

- enhancements of AFMIS and other financial management systems to integrate with the core payment systems of the country, as well as integrating the newly-created biometric ID database with systems supporting customer onboarding and payment processing. Integration with the national HRMIS will be undertaken once it is developed and rolled-out.
- migration from the current semi-manual salary approval and payment processes to a fully automated process subject to the satisfactory integration between the Automated Transfer System/ Afghanistan Payment Systems, and core banking systems of commercial banks and other financial institutions (completed in the course of the FSRR Project), as well as between AFMIS and the APS.
- technical assistance to the government stakeholders (DAB, MoF, MoI, MoT, MOLSAMD) to increase their capacity and facilitate legal and regulatory reforms.
- in-depth diagnostics to the current state of the Pensions and Martyrs and Disabled (M&D) Management Information System and developing a roadmap for integrating it with the national payments infrastructure.

Component 3: Development of financial services and access points (\$15m)

23. Digital payment of salaries will not succeed unless it is ensured that the recipients have convenient, easy and safe access to the funds stored on their bank account and mobile wallets. This include the possibility of cashing out a part or the entirety of their salary, as well as the opportunity to make use of their account balance to pay bills, remit money or purchase goods and services using cashless payment methods. It should be anticipated that, at first, nearly all civil servants will opt to cash out their salary immediately after it is paid out to their account, and thus it will be critical to ensure that a network of access points (branches, agents, ATMs) maintains sufficient geographical coverage and liquidity. Recourse to biometric identification at cash-out points could be considered.

24. A preliminary assessment of institutions that could facilitate deployment of financial access networks has been conducted. In addition to existing mobile money service providers (agents of mobile network operators), other institutions could form the backbone of the cash-out and electronic payment service network, such as banks, microfinance institutions, licensed money services providers⁶ and certified merchants. This component will support:

- the expansion of the existing network, including through designing incentives for agents of licensed financial service providers operating in geographical areas where it would not be economically viable to maintain permanent presence for financial institutions.
- technical assistance in support of regulatory reforms for certified merchants and agent banking

⁵ STP is defined by the Committee on Payments and Market Infrastructures as “automated end-to-end processing of payment transfers, including the automated completion of confirmation, matching, generation, clearing and settlement of instructions, without the need for re-keying or reformatting data”. Thanks to that, the government will be ready to process salary payments end-to-end, without any needs for manual interventions beyond legally-prescribed verification processes.

⁶ These are money transfer agents who are registered and licensed by DAB.



- technical assistance provided to financial institutions with respect to the design of appropriate digital financial products and services for civil servants and other recipients of government transfers. Within its scope, particular importance will be attached to addressing particular needs of female clients.
- Communications, outreach and financial capability activities.

Component 4: Project management (\$2-5m)

25. This component of the project will provide support for the monitoring and coordination of Project activities undertaken by beneficiary institutions (including project steering committee). In addition to overall project management, this component would support communications, outreach and financial education related to project activities (biometric identification, digital payments, agent network, etc.). A strong monitoring and evaluation system will also be supported under the component: it would be used by the project implementation team and other stakeholders to assess implementation progress.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Most of the project activities will be implemented in the country capital Kabul and could also be extended to some provincial branches. However, the activities themselves will not have any direct environmental impacts and thus there is no need to trigger any safeguard policies. Since the project does not directly affect the population and focuses on the digitization of civil servants salary payments, possible grievances would likely be limited to civil servants who are adversely affected by the project. The project team will ensure the development of an effective GRM system to respond to any grievances.

B. Borrower’s Institutional Capacity for Safeguard Policies

The Borrower's Institutional Capacity for Safeguards Policies is limited as these organizations, e.g., MoF and DAB have not implemented WB funded projects requiring Environmental Assessment and Management. While safeguard capacity is limited, this should not be a cause for concern since the project has no Environmental and Social impact and risk that would require the Borrower to have safeguard staffing and capacity.

C. Environmental and Social Safeguards Specialists on the Team

Mohammad Arif Rasuli, Environmental Specialist
Qais Agah, Social Specialist

D. Policies that might apply

| Safeguard Policies | Triggered? | Explanation (Optional) |
|-------------------------------------|------------|---|
| Environmental Assessment OP/BP 4.01 | No | The project will not involve any works or technical assistance that would have downstream Environment and Social impacts and risks. |



| | |
|--|----|
| Performance Standards for Private Sector Activities OP/BP 4.03 | No |
| Natural Habitats OP/BP 4.04 | No |
| Forests OP/BP 4.36 | No |
| Pest Management OP 4.09 | No |
| Physical Cultural Resources OP/BP 4.11 | No |
| Indigenous Peoples OP/BP 4.10 | No |
| Involuntary Resettlement OP/BP 4.12 | No |
| Safety of Dams OP/BP 4.37 | No |
| Projects on International Waterways OP/BP 7.50 | No |
| Projects in Disputed Areas OP/BP 7.60 | No |

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jan 21, 2019

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

N/A

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APPROVAL

| | |
|----------------------|--|
| Task Team Leader(s): | Ahmed Mohamed Tawfick Rostom, Aminata Ndiaye, Endashaw Tadesse Gossa |
|----------------------|--|

Approved By

| | | |
|---------------------------|----------------------|-------------|
| Practice Manager/Manager: | Nabila Assaf | 02-Dec-2018 |
| Country Director: | Wezi Marianne Msisha | 10-Dec-2018 |