Early Warning System

WB-P512394

Afghanistan Private Sector Resilience Project

Quick Facts

Countries	Afghanistan
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2026-11-04
Borrower	Afghan Credit Guarantee Foundation; United Nations Office for Project Services (UNOPS)
Sectors	Finance, Industry and Trade
Investment Type(s)	Grant
Investment Amount (USD)	$ 45.00 million
Project Cost (USD)	$ 110.00 million

Project Description

According to the Bank’s website, the objective of this project is to support access to finance and capabilities of MSMEs in selected value chains.

The Private Sector Resilience Program (PSRP) comprises a Series of Projects (SOP) to support the resilience of MSMEs. PSRP complements the World Bank program in Afghanistan by engaging the private sector as a partner to support economic resilience and long-term sustainability. PSRP will combine vertical and horizontal interventions to support high-potential, labor-intensive value chains critical to women's employment, livelihoods, and food security.

The first project in the SOP (SOP1) has a total budget of USD 45 million (USD 30 million from ARTF and USD 15 million from IDA) and is planned for three years. The project operates through four components:
- Component 1 expands access to finance by providing credit guarantees and technical assistance to financial service providers to de-risk MSME lending;
- Component 2 supports value chain resilience through matching grants, business development services, and an investment co-financing facility targeting agribusiness (e.g., grapes, apples, pomegranates) and light manufacturing (e.g., carpets), as well as start-ups and innovative MSMEs;
- Component 3 advances a knowledge agenda through feasibility studies, trade and finance analytics, and risk assessments to build the evidence base for private sector development in Afghanistan; and
- Component 4 is a Contingent Emergency Response Component.

The project is implemented by ACGF (Component 1) and UNOPS (Components 2, 3, and 4).

Early Warning System Project Analysis

The environmental risk classification for PSRP is **Substantial**. This reflects the project's nationwide scope and diverse activities, including value chain development in agribusiness, light manufacturing, healthcare, and infrastructure investments (cold storage, processing centers, digital service hubs). While the program promotes sustainable practices and investments in cleaner technologies, potential risks include land use changes, increased resource extraction, pollution from industrial and healthcare operations, waste generation (packaging, agricultural by-products, medical waste), and adverse effects on soil, water, air quality, and biodiversity—especially in rural or sensitive areas. Cumulative impacts may be amplified by dispersed interventions and limited local capacity for monitoring and management.

Social risk is also rated as **Substantial**. This rating is primarily due to the FCV context, which is characterized by threats to human security and limited capacity among entities to manage social risks and impacts. Additional factors contributing to this rating include concerns about community health and safety (such as risks of child labor), issues of exclusion and discrimination, inadequate grievance mechanisms that may lead to social conflict, and persistent gender barriers. The risk of Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) is rated high due to limited state protection, restrictions on women's participation, and weak oversight. Barriers such as inaccessible reporting channels and lack of survivor-centered services increase vulnerability, especially for women involved in economic activities.

Investment Description

- World Bank (WB)

Total Project Cost: US$ 110.00 million
The first project in the SOP (SOP1) has a total budget of USD 45 million (USD 30 million from Afghanistan Resilience Trust Fund and USD 15 million from IDA) and is planned for three years.

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Afghan Credit Guarantee Foundation (ACGF) (Financial Intermediary)

Private Actors Description

Afghan Credit Guarantee Foundation (ACGF Foundation) is a charitable foundation based in Cologne, Germany. ACGF's mission is to improve access to finance for Micro, Small and Medium Enterprises (MSMEs) in Afghanistan by providing credit guarantees and technical assistance to Partner Financial Institutions (PFIs) – banks, micro-finance and micro-deposit institutions.

Contact Information

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ACCESS TO INFORMATION

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Bank Documents

- Appraisal Environmental and Social Review Summary (ESRS) - Afghanistan Private Sector Resilience Pro
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- Appraisal Project Information Document (PID)
- Concept Environmental and Social Review Summary (ESRS) - Afghanistan Private Sector Resilience Progr
- Concept Project Information Document (PID)
- Environmental and Social Commitment Plan (ESCP) - Afghanistan Private Sector Resilience Project - P5
- Environmental and Social Commitment Plan (ESCP) - Afghanistan Private Sector Resilience Project - P5
- Environmental and Social Commitment Plan (ESCP) - Afghanistan Private Sector Resilience Project - P5
- Stakeholder Engagement Plan (SEP) - Afghanistan Private Sector Resilience Project - P512394
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