Afghanistan Access to Finance (P128048)

Key Dates

**Key Project Dates**

- Bank Approval Date: 26-Nov-2013
- Effectiveness Date: 17-Apr-2014
- Planned Mid Term Review Date: 01-Dec-2016
- Actual Mid-Term Review Date: 15-Nov-2016
- Original Closing Date: 31-Dec-2018
- Revised Closing Date: 31-Dec-2018

Project Development Objectives

**Project Development Objective (from Project Appraisal Document)**

The proposed Project Development Objective is to build institutional capacity to improve access to credit of micro, small and medium enterprises.

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

No

Components

- Improving access to financial services for micro and small enterprises: (Cost $32.00 M)
- Improving access to financial services for small and medium enterprises: (Cost $18.00 M)

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>• Moderately Satisfactory</td>
<td>• Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>• Satisfactory</td>
<td>• Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>• High</td>
<td>• High</td>
</tr>
</tbody>
</table>

Implementation Status and Key Decisions

The Access to Finance project has picked up momentum during the past 12 months, with the disbursement rate surging from 14 to 40 percent. Since...
the last ISR, the following two developments are notable:

- Four (4) Targeting the Ultra-Poor programs have been completed in July 2017 in Takhar, Mazar, Kunar and Laghman, with 5,000 beneficiaries. End-project assessments highlight that 85 percent of these households have “graduated” out of poverty, as they meet the graduation criteria of having stabilized and diversified income. In addition, the program has promoted linkages with MFIs and savings groups, as well as markets for their products.
- After major delays, the implementation of Component 2 started effectively in June 2017. A total of 74 guarantees have been issued by ACGF, for a cumulative guaranteed amount of USD4.8 million. The team is working with ACGF to refine its reporting format to better capture the project’s impact. The team was just authorized with project restructuring, following a request from MoF to extend the project closing date. In line with the project Mid-term review, a project restructuring is proposed to be undertaken to achieve the following:
  1. Extension of the project closing date from December 31, 2018 to December 21, 2020;
  2. Reallocation of project funds both between and within component with the objective of (a) scaling-up the Targeting the Ultra Poor Program in at least two new provinces with special attention to provinces that are hosting internally displaced people and returnees, and (b) initiate important activities that will strengthen the microfinance sector and support the development of digital financial services for increased financial inclusion in Afghanistan; and
  3. Revision of the project’s development objective, and results framework to better reflect the revised project’s activities and their impact.

### Risks

**Systematic Operations Risk-rating Tool**

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>--</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>--</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>--</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

### Results

**Project Development Objective Indicators**

<table>
<thead>
<tr>
<th>Outstanding Microfinance Loan Portfolio (Amount(USD), Custom)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
</tr>
<tr>
<td>Value</td>
</tr>
<tr>
<td>Date</td>
</tr>
<tr>
<td>--------------</td>
</tr>
</tbody>
</table>

### Percentage of project-supported institutions that are reporting on this indicator (Percentage, Custom Supplement)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

### Outstanding SME Loan Portfolio (Amount(USD), Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19,300,000.00</td>
<td>19,811,000.00</td>
<td>22,157,367.00</td>
<td>53,000,000.00</td>
</tr>
</tbody>
</table>

### Graduation rate of TUP beneficiaries (graduation criteria: stabilized and diversified income) (Percentage, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>
### Baseline Values

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>85.00</td>
<td>50.00</td>
</tr>
<tr>
<td>Date</td>
<td>30-Apr-2013</td>
<td>31-Oct-2016</td>
<td>31-Aug-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

### Intermediate Results Indicators

#### Volume of Bank Support: Institutional Development - Microfinance (Amount(USD), Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>592,230.00</td>
<td>1,545,770.00</td>
<td>10,000,000.00</td>
</tr>
<tr>
<td>Date</td>
<td>30-Jun-2013</td>
<td>31-Mar-2017</td>
<td>31-Aug-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

#### No of active loan accounts -Microfinance (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>77,800.00</td>
<td>126,908.00</td>
<td>129,886.00</td>
<td>105,000.00</td>
</tr>
<tr>
<td>Date</td>
<td>30-Apr-2013</td>
<td>31-Mar-2017</td>
<td>31-Aug-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

#### Percentage of project-supported institutions that are reporting on this indicator (Percentage, Custom Supplement)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>
### % active loans to women - Microfinance (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>22.80</td>
<td>31.00</td>
<td>31.70</td>
<td>28.00</td>
</tr>
<tr>
<td>Date</td>
<td>30-Apr-2013</td>
<td>31-Mar-2017</td>
<td>31-Aug-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

### Percentage of project-supported institutions that are reporting on this indicator (Percentage, Custom Supplement)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

### No of active loan accounts - SME (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>709.00</td>
<td>420.00</td>
<td>429.00</td>
<td>1,584.00</td>
</tr>
<tr>
<td>Date</td>
<td>28-Feb-2013</td>
<td>11-Jan-2017</td>
<td>29-Sep-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

### Percentage of project-supported institutions that are reporting on this indicator (Percentage, Custom Supplement)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>
### Portfolio at Risk - Microfinance (Percentage, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.44</td>
<td>2.20</td>
<td>2.20</td>
</tr>
<tr>
<td>Date</td>
<td>30-Apr-2013</td>
<td>31-Mar-2017</td>
<td>31-Mar-2017</td>
</tr>
</tbody>
</table>

### Percentage of project-supported institutions that are reporting on this indicator (Percentage, Custom Supplement)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

### Direct project beneficiaries (Number, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>35,000.00</td>
<td>52,500.00</td>
</tr>
<tr>
<td>Date</td>
<td>30-Jun-2013</td>
<td>31-Mar-2017</td>
<td>31-Aug-2017</td>
</tr>
</tbody>
</table>

### Female beneficiaries (Percentage, Custom Supplement)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>75.00</td>
<td>79.00</td>
</tr>
</tbody>
</table>
### Portfolio at Risk - SME (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio at Risk</td>
<td>1.41</td>
<td>4.00</td>
<td>3.65</td>
<td>3.50</td>
</tr>
<tr>
<td>Value</td>
<td>31-Dec-2012</td>
<td>11-Jan-2017</td>
<td>29-Sep-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

### Percentage of project-supported institutions that are reporting on this indicator (Percentage, Custom Supplement)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

### Number of PFI's working with the Afghanistan Credit Guarantee Facility (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>3.00</td>
<td>2.00</td>
<td>2.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2012</td>
<td>11-Jan-2017</td>
<td>29-Sep-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

### Pay Out Rate of the Afghanistan Credit Guarantee Facility (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.10</td>
<td>4.10</td>
<td>4.10</td>
<td>3.50</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2012</td>
<td>11-Jan-2017</td>
<td>11-Jan-2017</td>
<td>31-Dec-2018</td>
</tr>
</tbody>
</table>

**Overall Comments**
Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P128048</td>
<td>IDA-H8940</td>
<td>Effective</td>
<td>USD</td>
<td>50.00</td>
<td>50.00</td>
<td>0.00</td>
<td>18.50</td>
<td>27.43</td>
<td>37%</td>
</tr>
</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements

Restructuring History

There has been no restructuring to date.

Related Project(s)
There are no related projects.