Public Disclosure Authorized

Pakistan Financial Inclusion and Infrastructure Project (P159428)

SOUTH ASIA | Pakistan | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 5 | ARCHIVED on 07-Jan-2020 | ISR40119 |

Implementing Agencies: Islamic Republic of Pakistan, Development Finance Group, State Bank of Pakistan, Central Directorate of National Savings (CDNS)- Ministry of Finance, Ministry of Finance

Key Dates

Key Project Dates

Bank Approval Date: 15-Jun-2017
Effectiveness Date: 28-Mar-2018
Planned Mid Term Review Date: 30-Jun-2020
Actual Mid-Term Review Date:
Original Closing Date: 31-Dec-2022
Revised Closing Date: 31-Dec-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed development objective is to contribute to increasing access and usage of digital payments and other financial services for households and businesses in Pakistan. This will be done by: (a) improving market infrastructure and institutional capacity, (b) supporting the uptake and usage of Digital Payments and Financial Services and by (c) improving access to financial services for micro, small and medium enterprises (MSMEs).The project will seek to substantially increase access and usage of financial services by women and support women-owned MSMEs.

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

No

Components

Name
Direct Support to the NFIS Implementation:(Cost $17.50 M)
Supporting Expansion of Access Points for Financial Services:(Cost $9.40 M)
Improving Access to Microfinance and to Financial Services for Micro, Small, and Medium Enterprises:(Cost $110.10 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Satisfactory
Overall Risk Rating	Moderate	Moderate

Implementation Status and Key Decisions

The project was approved by the World Bank Board on 15 June 2017 and became effective on 28 March 2018. The project development objective is to contribute to increasing access and usage of digital payments and other financial services for households and businesses in Pakistan. This will be done by: (a) improving market infrastructure and institutional capacity, (b) supporting the uptake and usage of Digital Payments and Financial Services and by (c) improving access to financial services for micro, small and medium enterprises (MSMEs). The project will seek to substantially increase access and usage of financial services by women and support women-owned MSMEs. Delays in project implementation led to limited

progress towards achieving development objective in FY19. During FY20, there have been improvements in project implementation particularly related to the PIU's efficacy and implementation progress at SBP, however, there continue to be delays in decision making at CDNS. Project's ratings have been maintained as Moderately Satisfactory.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Improving market infrastructure and institutional capacity

▸Electronic payments per capita (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.40	2.58	2.69	2.00
Date	30-Dec-2016	31-Dec-2018	30-Jun-2019	31-Dec-2022
Comments:	Electronic Payment per capita measures the growth of electronic payments and transactions per capita. The number of electronic payments will be divided according to the total population to receive a per capita measurement			

Supporting the uptake and usage of Digital Payments and Financial Services

▸Number of digital transaction accounts (in millions) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.00	77.70	69.30	60.00
Date	30-Dec-2016	31-Dec-2018	30-Jun-2019	31-Dec-2022
Comments:	According to SBP, digital transaction accounts (DTA) are defined as “Transactional accounts which store value of money that can be accessed through digital touch points/ access points for accessing financial services”.			

Improving access to financial services for MSMEs

▸Number of unique beneficiaries (borrowers) reached* (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3,914.00	13,325.00	123,900.00
Date	30-Dec-2016	31-Mar-2019	30-Jun-2019	31-Dec-2022

Intermediate Results Indicators by Components

Direct Support to the NFIS Implementation

▸New/Upgraded SBP-Operated Payment system and National Payments Gateway installed and operational (Yes/No) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	30-Dec-2016	31-Mar-2019	30-Jun-2019	31-Dec-2022

▸DTA Scheme designed and operational (Yes / No) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	30-Dec-2016	31-Dec-2018	30-Jun-2019	31-Dec-2022

▸Number of digital transaction accounts (female) in millions (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	7.00	9.63	7.87	10.50
Date	30-Dec-2016	31-Dec-2018	30-Jun-2019	31-Dec-2022

Supporting Expansion of Access Points for Financial Services

►End-to-end automation and modernization of the NSS implemented and operational (Yes/No) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	30-Dec-2016	31-Dec-2018	30-Jun-2019	31-Dec-2022

Improving Access to Microfinance and to Financial Services for Micro, Small, and Medium Enterprises

►Number of loans disbursed*** (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3,914.00	13,325.00	150,000.00
Date	30-Dec-2016	31-Mar-2019	30-Jun-2019	31-Dec-2022

►Number of unique female beneficiaries reached (rounded to nearest 50)** (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3,900.00	13,250.00	74,340.00
Date	30-Dec-2016	31-Mar-2019	30-Jun-2019	31-Dec-2022

Data on Financial Performance

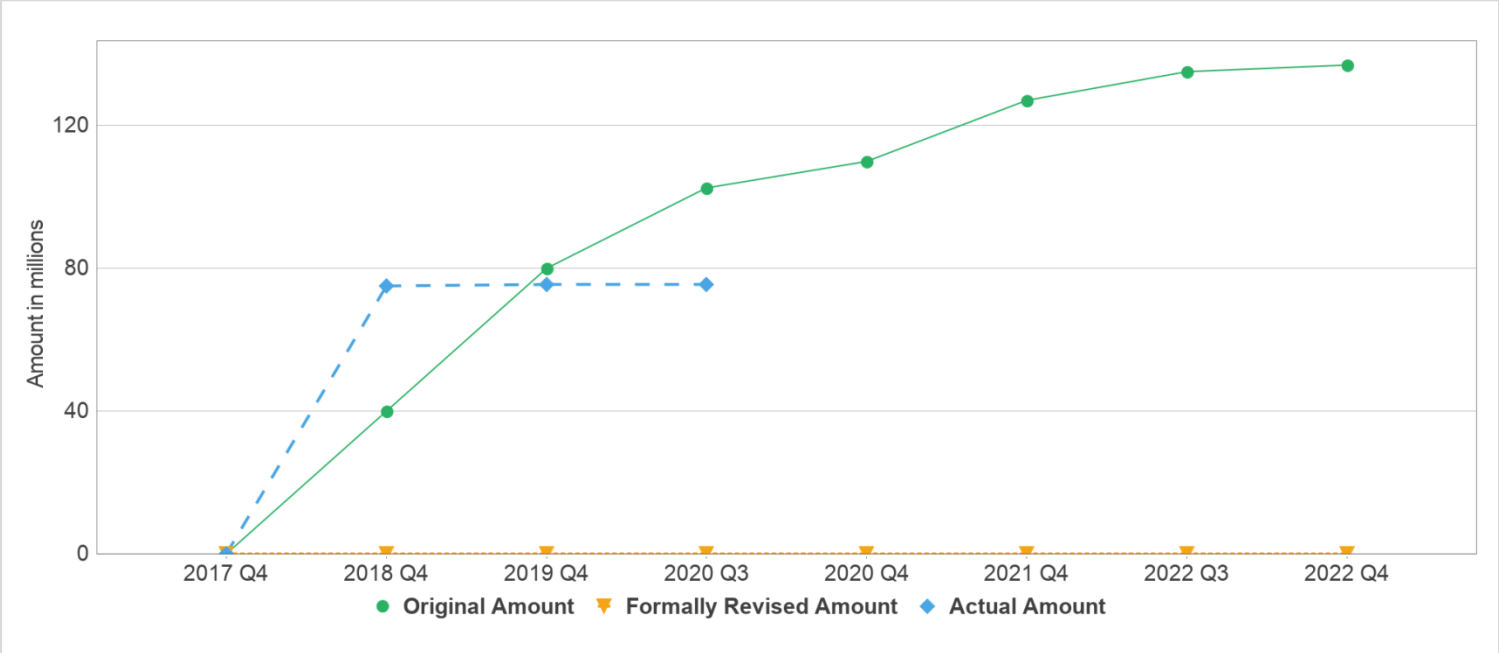
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P159428	IDA-59890	Effective	USD	37.30	37.30	0.00	0.41	37.54	1.1%
P159428	IDA-61010	Effective	USD	99.70	99.70	0.00	75.26	27.48	73%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P159428	IDA-59890	Effective	15-Jun-2017	05-Jan-2018	28-Mar-2018	31-Dec-2022	31-Dec-2022
P159428	IDA-61010	Effective	15-Jun-2017	05-Jan-2018	28-Mar-2018	31-Dec-2022	31-Dec-2022

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.