



Competitive Industries Project for Khyber Pakhtunkhwa (P143661)

SOUTH ASIA | Pakistan | Competitive Industries Practice Global Practice |
Recipient Executed Activities | Emergency Recovery Loan | FY 2013 | Seq No: 4 | ARCHIVED on 28-Apr-2015 | ISR17568 |

Implementing Agencies: Department of Industries

Key Dates

Key Project Dates

Board Approval date:06-Jun-2013

Effectiveness Date:17-Sep-2013

Planned Mid Term Review Date:21-Jan-2015

Actual Mid-Term Review Date:23-Jan-2015

Original Closing Date:30-Jun-2015

Revised Closing Date:30-Jun-2015

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed development objective of this project is to improve the competitiveness of the marble and food processing sectors in KP by providing shared infrastructure and relevant skills along the marble sector value chain and by addressing knowledge and coordination gaps along the food processing sector value chain.

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

No

Components

Name

Increasing Productivity and Employment in the Marble Sector:(Cost \$7.40 M)

Supporting the Development and Enhancing the Impact of Food Processing Cluster:(Cost \$1.00 M)

Institutional Capacity Building:(Cost \$0.60 M)

Overall Ratings

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



Implementation Status and Key Decisions

The Project became effective on September 17, 2013, and is being funded through the KP/FATA/Balochistan Multi Donor Trust Fund (MDTF). It is being implemented by the Department of Industries of KP through a Project Management Unit (KP-PMU), in coordination with the Directorate of Mines and Minerals (DGMM) of KP. The Pakistan Stone Development Company (PASDEC) is providing technical inputs for the implementation of the marble sector component.

CIPK's disbursement remained at US\$0.5 million, between March 2014 and February 2015. With the initiation of the process for the procurement of machinery, the disbursement rate was expected to pick up in Q2 of FY15, however that could not be achieved due to delays in the contract signing for the ICB01, and then further delays in the opening of the first Letter of Credit in favour of the contractor. This contract is for the procurement of excavators for the Marble City Risalpur. The Bank received the withdrawal application for US\$0.3 million on March 19, 2015, for the direct payment of the 10% advance to the supplier of excavators. This payment was made immediately thus increasing the Project disbursements to US\$0.80 million, however the KP-PMU still needs to take the following actions to expedite the implementation and disbursements;

1. Implement the recommendations of the MTR mission, to ensure completion of the procurement milestones. The MTR mission agreed with the P&D (GoKP), that the case for Project extension will only be initiated, if all the contracts for the Component 1 procurements have been signed during April, 2015;
2. Initiate the implementation of Subcomponent 1.3 (Providing Access to Markets); and
3. KP-PMU and PASDEC are to conclude the discussions on the possibility of locating the machinery pool and CFTC on the same site, instead of the initially agreed plan of developing two different sites. It is important to reach a closure on this matter, so that PASDEC can accordingly continue developing the land to ensure that it is ready by the time the procured machinery is dispatched.

The MTR mission also conveyed to the counterparts that effective March 15, 2015, the Bank task team would be led by Ms Kiran Afzal (Private Sector Development Specialist). Mr Gabi Afram (Program Leader, Private Sector Development) will continue providing technical support to the task team.

During the March 2015 mission, the GoKP has requested for a one year no-cost extension of CIPK to complete the procurements and fully disburse the Project funds. The task team is recommending the same to the management.



Risks

Systematic Operations Risk-rating Tool

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

Results

Project Development Objective Indicators

► Number of mines that enhance production by 40 percent through use of new technologies supported by the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	25.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015

► Direct and indirect jobs created for relevant skills developed by the project for the marble sector in KP (Number, Custom)



Value	0.00	0.00	0.00	750.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015

► Improved sector knowledge through identification of priority public sector shared infrastructure interventions for KP's food processing sector (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	2.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015

Overall Comments

As of March 20, 2015, the Project had not achieved any of its PDO indicators. It was envisaged at the Project negotiations, that most PDO indicators would be attained after the machinery and equipment for the marble sector was procured and installed at the Project site (Marble City, Risalpur), and the feasibility reports on the food processing sector were completed. At the MTR, the procurements were still ongoing, and hence there was no progress on the indicators

Intermediate Results Indicators

► Number of marble mines that will reduce waste from 85% to 65% by adopting better mining technology provided by infrastructure established by project (no.) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	39.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015

► Number of workers trained by the CFTC over the life of the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015



► Processing facilities in KP that make use of the CFTC for the improved processing of marble blocks (cutting, polishing, sorting andgrading, netting and filling, and quality packing) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	40.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015

► Firms (SMEs) participating in awareness campaigns and public-private dialogue (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015

► Feasibility studies completed and disseminated (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015

► Cluster Action Plan agreed upon by all stakeholders (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015



► Staff trained; disaggregated by institution, level of administration, and gender. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	68.00	10.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015

► Increase in institutional effectiveness through strengthened capacity (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	19.00	20.00
Date	17-Sep-2013	20-Aug-2014	20-Mar-2015	30-Jun-2015


Overall Comments

The Progress was achieved on only two intermediate indicators for Component 3 of the Project.

A training was conducted by the project's Safeguards Expert on Environmental and Social Management Plan (ESMP) and Health and Safety Management Plan (HSMP) for the PMU staff and contractor's staff in November 2014. 15 staff members (including a woman) were trained on ESMP and 53 persons (including 13 women) were trained on HSMP during these programs. In addition, 7 persons participated at the 32nd International Fair on 'Marble Technologies Design' held in Carrara (Italy) from May 21 – 24, 2014, and 12 officials from GoKP participated at the Stone Fair Asia 2014, held in Karachi

Data on Financial Performance

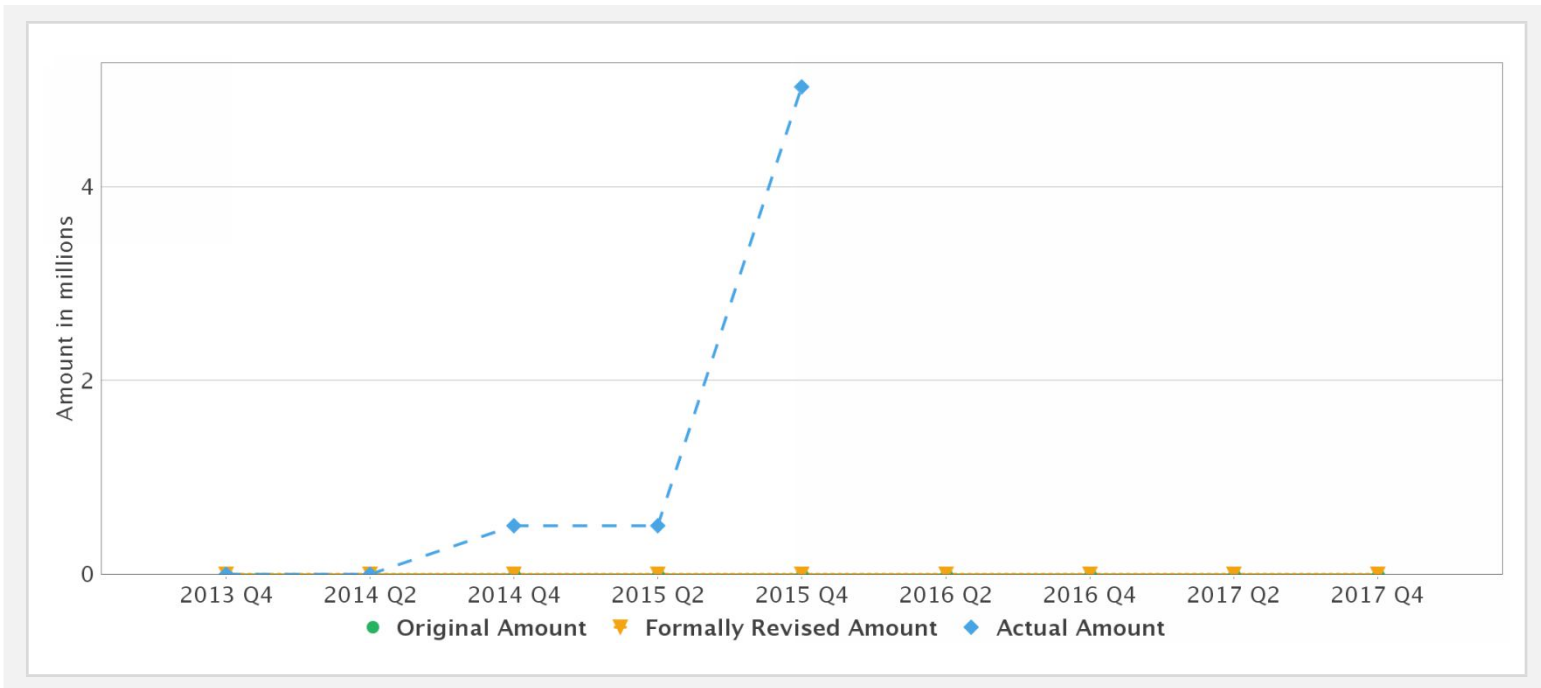
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P143661	TF-14957	Effective	USD	9.00	9.00	0.00	5.03	3.97	 56%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P143661	TF-14957	Effective	17-Sep-2013	17-Sep-2013	17-Sep-2013	30-Jun-2015	30-Jun-2015

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.