



## Competitive Industries Project for Khyber Pakhtunkhwa (P143661)

SOUTH ASIA | Pakistan | Trade & Competitiveness Global Practice |  
Recipient Executed Activities | Emergency Recovery Loan | FY 2013 | Seq No: 5 | ARCHIVED on 18-Nov-2015 | ISR20124 |

Implementing Agencies: Department of Industries, Commerce and Technical Education, Government of KP

### Key Dates

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Bank Approval Date:28-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:12-Dec-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	● Unsatisfactory	● Unsatisfactory
Overall Implementation Progress (IP)	● Moderately Unsatisfactory	● Moderately Unsatisfactory
Overall Risk Rating	--	● Moderate



## Implementation Status and Key Decisions

The Project became effective on Sep 17, 2013, and is being funded through the KP/FATA/Balochistan MDTF. It is being implemented by the Department of Industries (GoKP) through KP-PMU, in coordination with the DMM, GoKP.

PASDEC is providing technical inputs for the implementation of the marble sector component through PASDEC-Agreement.

The update on the three components of the project as of Jun 30, 2015, follows:

**Component 1 (Increasing Productivity and Employment in the Marble Sector) US\$7.40 million:** This Component entails procurement of machinery for the establishment of a Machinery Pool, and a CFTC at the Marble City Risalpur, along with providing support to the marble sector in market development. The procurement of machinery accelerated after the Mid Term Review in Jan 2015, and the GoKP signed contracts with the suppliers of the equipment and machinery for the facilities at the Marble City. The KP-PMU signed contracts for Lots IV and V of CFTC machinery (ICB-02). Additionally, contracts with the suppliers of three local procurements (NCB 1 and 2) were also signed. The Project was expecting the delivery of the machinery from these suppliers by the end of Sep 2015, however those contracts were suspended on account of last minute observations raised by the Procurement Committee. Hence the procurement for CFCT is incomplete.

On the positive side, the Project is conducting two orientation and training sessions in KP during Nov 2015, by using the Machinery Pool resources. **The DMM is organizing awareness sessions on the policy against the indiscriminate blasting techniques in the marble sector, together with an exhibition of marble products in early Dec 2015.** Similarly, a consultation and awareness session on social and environmental issues pertaining to the marble sector will also be held towards the end of Nov 2015.

**Component 2 (Supporting the Development and Enhancing the Impact of the Food Processing Cluster) US\$1.0 million:** The activities under this Component caught pace after the second extension in the PCD. The KP-PMU has already prepared a comprehensive feasibility study on a 'Dates Processing Facility'. This report presents a strong case for establishing a 'Dates Processing Unit' to harness the dates exporting potential of the four Southern districts of KP. The 'Fruits & Vegetables Dehydration Facility' feasibility study has been completed as well. More activities such as stakeholder consultations are planned for the month of Nov 2015.

**Component 3 (Institutional Capacity Building) US\$0.60 million:** The activities carried out under this Component enhanced the overall capacity of the Industries Department and the KP-PMU, by providing training to 101 staff in environment and social safeguards and fiduciary aspects, including financial management and procurement. Similarly, 7 staff members nominated by the GoKP also represented the provincial government at the International Mines and Minerals Fair in Canada during Mar 2015. This visit was sponsored by CIPK, and provided an opportunity to the GoKP to showcase the marble products of the province to the international buyers.

### Decisions and Agreed Next Steps

The GoKP needs to take the following actions to ensure an orderly closure of the Project by Dec 12, 2015;

1. Appoint a competent Project Director immediately;
2. Complete the orientation and training program for the Machinery Pool, within the Marble City (Risalpur) and in selective districts of KP; and
3. Complete the awareness sessions under Component 2 for the horticulture sector stakeholders.

## 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	--	--	● Substantial
Fiduciary	--	--	● Substantial
Environment and Social	--	--	● Substantial
Stakeholders	--	--	● Moderate
Other	--	--	--
Overall	--	--	● Moderate

## 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-Mar-2015	12-Nov-2015	12-Dec-2015

#### Comments

The Machinery Pool equipment **including the excavators and compressors** only arrived in Sep 2015, and since the facility is functional since Oct 2015, progress on this indicator will be assessed at the Project closing.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	750.00
Date	17-Sep-2013	20-Mar-2015	12-Nov-2015	12-Dec-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	4.00	2.00
Date	17-Sep-2013	20-Mar-2015	12-Nov-2015	12-Dec-2015

#### Comments

The KP-PMU has prepared two feasibility studies on 'Dates Processing Unit', and 'Fruits and Vegetables Hydration Plant'. The study on dates processing highlights the potential of 4 southern districts of KP in dates exports across the country and abroad.

#### Overall Comments

The Project has made progress on only one PDO indicator for the Horticulture Component (2). In addition, it has started training the marble sector workers and entrepreneurs using the Machinery Pool equipment which arrived in Sep 2015.

#### 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-Mar-2015	12-Nov-2015	12-Dec-2015

#### Comments

DMM is organizing awareness sessions on modern blasting techniques for the marble sector, together with an exhibition of marble products in early Dec 2015. Similarly, a consultation and awareness session on social and environmental issues pertaining to the marble sector will also be held towards the end of Nov 2015. Also, the excavators and compressors are now available to the marble sector enterprises since the Machinery Pool is functional as of Oct 31, 2015. This indicator will be measured for the ICR as the results will start coming in within next 3-4 months.

► 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-Mar-2015	12-Nov-2015	12-Dec-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-Mar-2015	12-Nov-2015	12-Dec-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-Mar-2015	12-Nov-2015	12-Dec-2015

Comments

The KP-PMU will be conducting two awareness sessions in Nov 2015, and hence this indicator will be fully achieved by Dec 2015.

► Feasibility studies completed and disseminated (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	2.00	5.00
Date	17-Sep-2013	20-Mar-2015	12-Nov-2015	12-Dec-2015

Comments

The first feasibility study on dates processing unit in KP has been completed. The KP-PMU has shared it internally within the Department of Industries. The other feasibility on Fruits and Vegetables Dehydration Plant also completed. The two feasibilities will be uploaded on the websites of the GoKP and KP's Board of Investment.

► 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-Mar-2015	12-Nov-2015	12-Dec-2015



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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	68.00	101.00	10.00
Date	17-Sep-2013	20-Mar-2015	12-Nov-2015	12-Dec-2015

Comments

The latest training workshop on Health and Safety Management Plan (HSMP) for Contractor Staff was held on May 15, 2015 in Peshawar. It trained 33 participants. Hence altogether 101 individuals have been provided training in environment and social safeguards. Another training is planned for Nov 2015 on social safeguards.


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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	19.00	19.00	20.00
Date	17-Sep-2013	20-Mar-2015	12-Nov-2015	12-Dec-2015

Overall Comments

## Data on Financial Performance

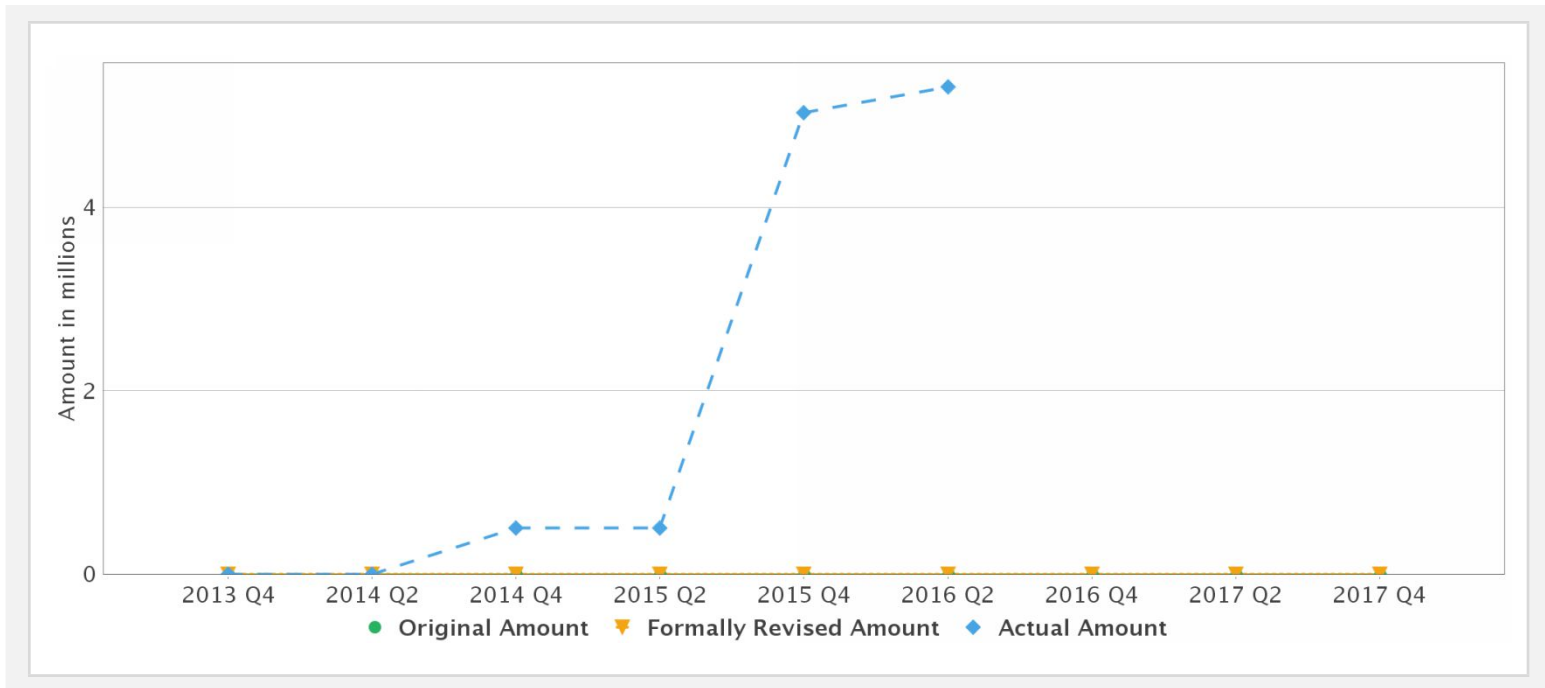
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P143661	TF-14957	Effective	USD	9.00	9.00	0.00	5.32	3.68	 59%

### 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	12-Dec-2015

### Cumulative Disbursements



## Restructuring History

Level 2 Approved on 29-Jun-2015

## Related Project(s)

There are no related projects.