



Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas (P124268)

SOUTH ASIA | Pakistan | Trade & Competitiveness Global Practice |

Recipient Executed Activities | Investment Project Financing | FY 2012 | Seq No: 13 | ARCHIVED on 06-Dec-2017 | ISR29091 |

Implementing Agencies: Government of Pakistan, FATA Secretariat, SMEDA Khyber Pakhtunkhwa, Department of Industries

Key Dates

Key Project Dates

Bank Approval Date:22-Aug-2011

Effectiveness Date:11-Oct-2011

Planned Mid Term Review Date:26-Nov-2013

Actual Mid-Term Review Date:06-Dec-2013

Original Closing Date:30-Jun-2020

Revised Closing Date:30-Jun-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To support the Government of Pakistan in the economic recovery and revitalization of the crisis affected areas of Khyber Pakhtunkhwa (KP) province and Federally Administered Tribal Areas (FATA), by creating sustainable employment opportunities through rehabilitation of Small and Medium Enterprises (SMEs), investment mobilization, and institutional capacity building.

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

Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

To support the Government of Pakistan in creating sustainable employment opportunities, generating private sector investment, and laying the foundations for the future development of selected economic sectors in Khyber Pakhtunkhwa and Federally Administered Tribal Areas.

Components

Name

Component 1: SME Development:(Cost \$25.60 M)

Component 2: Attracting Investment from the Diaspora:(Cost \$0.80 M)

Component 3: Project Management and Capacity Building Support:(Cost \$8.60 M)

Component 4: Supporting the Competitive Sectors:(Cost \$4.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory



Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions

The ERKF project became first effective in October 2011 under the Round I of Multi Donor Trust Fund (MDTF). The original Project was due to close on June 30, 2015, however it has since undergone five extensions of the project closing date. An AF in the amount of US\$19 million became effective in March 2017, introducing a new closing date of June 30, 2020. Since its effectiveness, the project has disbursed US\$2 million in the designated account of Khyber Pakhtunkhwa (KP). Under the Component 1 of the project, 46 matching grants (MGs) for the SMEs in KP province have been approved for an amount of US\$580,000. Of these, 7 MGs for the women owned businesses were also approved. Of the 46 approved MGs, 4 grants have already been disbursed to the SMEs. With the inclusion of a new Component 4 (Supporting the Competitive Sectors), ERKF will be able to direct resources to the economic sectors identified in the respective growth strategies and development plans of KP and FATA, such as tourism (KP) and marble and agribusiness (FATA). Using the project resources, the GoKP was able to undertake tourism promotion and destination management activities, including the establishment support to KP's Tourism Area Integrated Development Unit (TAIDU), procurement of tourist facilities (benches and waste bins, refurbishment of tourist information centers) for three destinations and staffing of TAIDU. The terms of reference for the Tourism Management System are being finalized. These activities will contribute towards the implementation readiness of the pipeline IDA project – Integrated Tourism and Enterprise Development Project for KP. The activities in FATA continue facing implementation delays due to PMU staffing delays.

Risks

Systematic Operations Risk-rating Tool

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

Results

Project Development Objective Indicators



► Number of direct jobs created by the enterprises supported through the Project. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9,000.00	9,000.00	13,500.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

▲ Number of direct jobs created for women through the matching grants. (Number, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	126.00	126.00	315.00

► Percentage of the matching grants beneficiaries operational and productive at the completion of the Project. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	98.00	0.00	75.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

Comments

98% beneficiaries in KP operational when the survey was conducted back in December 2016. The new value will be added here once the survey is repeated at the Mid Term Review (MTR) planned in September 2018. For now, the baseline is zero.

► SME beneficiaries of the MGs, of which at least 5 percent are owned/managed by women entrepreneurs. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,691.00	1,691.00	2,500.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

Comments



The project has initiated approving matching grants under ERKF AF and held the two meetings of Grant Review and Decision Committee (GRDC) in the months of September and October 2017. The GRDC has approved matching grants for 46 enterprises from KP having a value of US\$ 580,000. Of these, 7 grants were approved for WSMEs. The disbursements are yet to be released to these 46 beneficiaries.

► Investment attracted from the Diaspora and private enterprises. (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

Comments

Although the Component 2 which is linked to this indicator will not disburse during the AF, the indicator will still be monitored during the AF.

► Investment facilitation authorities established in FATA and KP. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	11-Oct-2011	30-Nov-2016	31-Oct-2017	30-Jun-2020

► Number of private enterprises using the Tourism Management Systems developed by the project. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

Comments

The activities under the component have just started so the results will be achieved in a few months.



Overall Comments

Intermediate Results Indicators

► Machinery pools/common facility supported by the Project. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	6.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

Comments

The project received 11 applications for Common Facility Centers (CFC) in KP. It is expected that the eligible applicants will receive the grant in next quarter.

► SME Rehabilitation Support provided through the MGs. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,491.00	1,491.00	2,200.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

► SME beneficiaries of the up-gradation MGs. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	200.00	200.00	300.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020



► Number of SMEs/clusters that have used the Business Development Services (BDS). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	800.00	800.00	1,000.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

► SME owners satisfied with the processing of the MGs under the AF. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

Comments

The third-party monitoring agent (TPMA) commenced the activities in September 2017, so this information will be available by April 2018.

► Officials of the IEs and relevant departments of KP and FATA receive training in technical areas, including (i) trade and commerce, (ii) tourism, and (iii) PPPs. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	25.00	45.00	100.00
Date	31-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

Comments

20 officials of the local development authorities received training on the 'role of local government in destination management' from WB's Senior Tourism Specialist in Abbottabad during August 2017.



► Number of scalable investment projects and activities identified in the competitive sectors of KP and FATA. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	6.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

► Number of individuals (including women) that received training in the tourism sector. (Number (Thousand), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	200.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

► Number of individuals (including women) in FATA that received training in the pine nut value chains. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	11-Oct-2011	28-Apr-2017	31-Oct-2017	30-Jun-2020

► Re-connect Pakistan (web tools for Diaspora) operational (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6,200.00	7,100.00	10,000.00
Date	11-Oct-2011	30-Nov-2016	31-Oct-2017	30-Jun-2016



► Diaspora Outreach program implemented: At least 7 to 10 outreach activities/events successfully organized (Number, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5.00	5.00	7.00
Date	11-Oct-2011	30-Nov-2016	31-Oct-2017	31-Mar-2017

Overall Comments

These activities were carried out under the Component 2 of the original project. However, this component will not disburse under the AF and as such the activities will not be monitored.

Data on Financial Performance

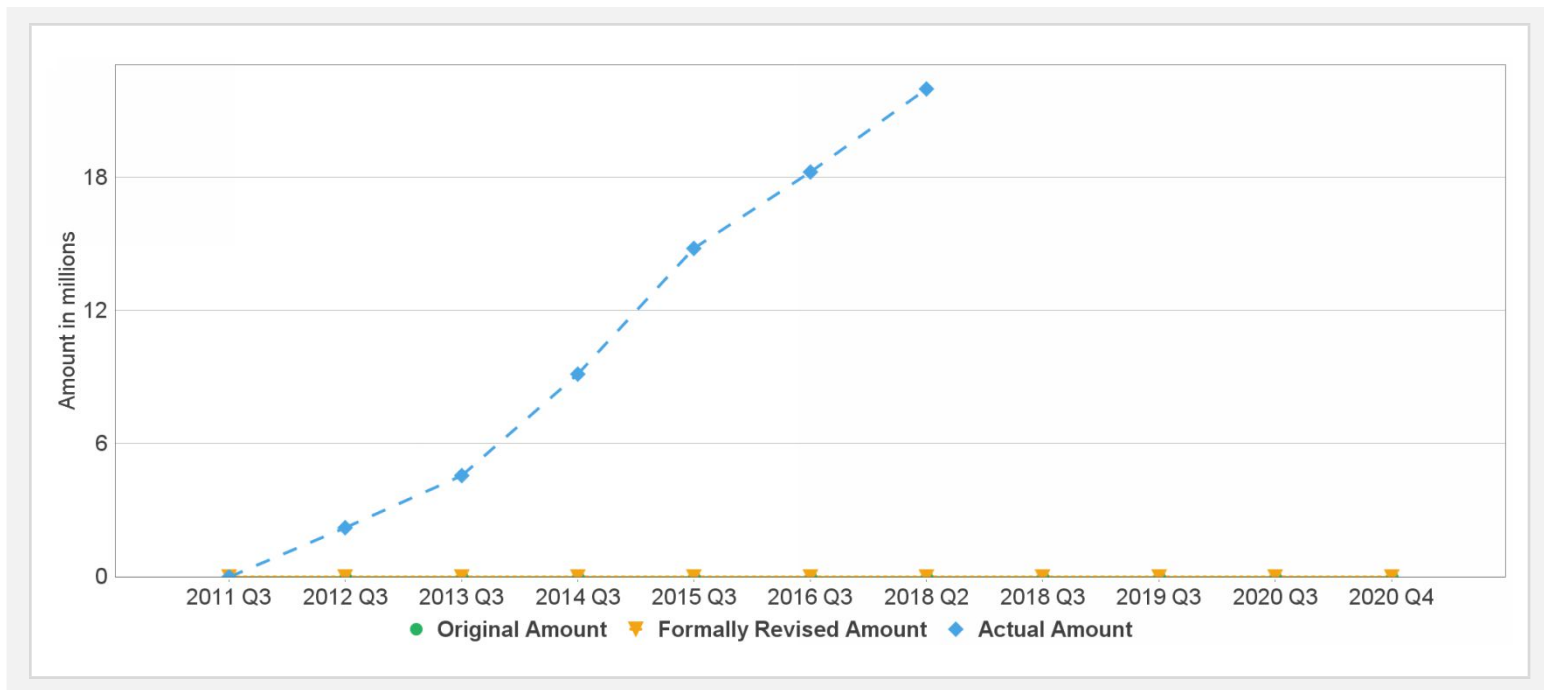
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P124268	TF-99175	Effective	USD	20.00	20.00	0.00	20.00	0.00	 100%
P124268	TF-A4251	Effective	USD	19.00	19.00	0.00	2.00	17.00	 11%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P124268	TF-99175	Effective	11-Oct-2011	11-Oct-2011	11-Oct-2011	30-Jun-2015	30-Jun-2020
P124268	TF-A4251	Effective	30-Mar-2017	30-Mar-2017	30-Mar-2017	30-Jun-2020	30-Jun-2020

Cumulative Disbursements



Restructuring History

Level 2 Approved on 29-Jun-2015 ,Level 2 Approved on 09-Dec-2015 ,Level 2 Approved on 23-Jun-2016 ,Level 2 Approved on 20-Dec-2016

Related Project(s)

P160445-Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas