

**Implementation Status & Results**  
**Pakistan**  
**MDTF-Economic Revitalization of KP and FATA (P124268)**

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Operation Name: MDTF-Economic Revitalization of KP and FATA (P124268) Project Stage: Implementation Seq.No: 2 Status: ARCHIVED Archive Date: 08-Jul-2012  
 Country: Pakistan Approval FY: 2011  
 Product Line: Recipient Executed Activities Region: SOUTH ASIA Lending Instrument: Emergency Recovery Loan  
 Implementing Agency(ies): SMEDA Khyber Pakhtunkhwa, FATA Investment Facilitaton Authority, Industries Department

**Key Dates**

Board Approval Date 02-Mar-2011 Original Closing Date 30-Jun-2015 Planned Mid Term Review Date 30-Sep-2013 Last Archived ISR Date 02-Jan-2012  
 Effectiveness Date 11-Oct-2011 Revised Closing Date 30-Jun-2015 Actual Mid Term Review Date

**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?

Yes  No

**Component(s)**

Component Name	Component Cost
SME Development	14.00
Attracting Investment from the Diaspora	2.00
Institution Building to Foster Investment and Implement Regulatory Reforms	4.00

**Overall Ratings**

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

**Implementation Status Overview**

The Project was approved on August 23, 2011 and became effective on Oct 11, 2011.

The three Project Units each in KP, FATA and SMEDA are now fully staffed and those of KP and SMEDA are operating in dedicated office space that were equipped through project resources.

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Since the last implementation support mission, the Designated Account for all three implementing agencies have been opened, and the PMUs have also complied with the disbursement conditions.

The Project Environment and Social Safeguards Management Plan (ESMP) prepared by SMEDA, was approved by the Bank on April 12, 2012 and is being implemented by the Project Unit (PU) of SMEDA. The applications for matching grants are being screened in line with the requirements of the ESMP.

The implementation of the first component of the Project (SME Development) commenced in March 2012. The KP component of the Project was officially launched on May 19, 2012 in Peshawar by the Chief Minister of KP Province. During the ceremony cheques were handed out to 14 beneficiary SMEs most of which hail from the Islampur weavers cluster of Swat district. This area was one of the worst affected during the militancy crises. SMEDA has received 1,365 applications from the entrepreneurs of both KP and FATA out of which 148 have been processed. A total of 65 grants worth PKR 41 million have been disbursed as of June 15, 2012.

The Implementation of the second and third components (namely diaspora mobilization and capacity building) will start in the first quarter of FY 2012-13 with the launch of the pre-feasibility study for a Diaspora Bond, and one investment road show in Karachi. The Project management Unit (PMU) of KP has commenced the preparatory work.

Training sessions for SMEDA Project Unit (PU) and KP, FATA PMU staff have been organized by the Bank and consultants on FM, procurement, environment and social safeguards issues.

The Project has disbursed a total of USD 2.73 million to-date which is 13.65 percent of the total Project amount.

**Locations**

Country	First Administrative Division	Location	Planned	Actual
Pakistan	North-West Frontier Province	Khyber Pakhtunkhwa Province		✓
Pakistan	Federally Administered Tribal Areas	Federally Administered Tribal Areas		✓

**Results**

**Project Development Objective Indicators**

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Business rehabilitation	<input type="checkbox"/>	Number	Value	0.00	65.00	850.00
			Date	11-Oct-2011	15-Jun-2012	30-Jun-2015
			Comments			
Jobs	<input type="checkbox"/>	Number	Value	0.00	0.00	8000.00
			Date	11-Oct-2011	15-Jun-2012	30-Jun-2015
			Comments		Given that the first grants were disbursed starting May 9, it is too early to determine the job creation under these grants	

Sustainability: 60% of all assisted SMEs operational and productive at the completion of the project	<input type="checkbox"/>	Percentage	Value	0.00	0.00	60.00
			Date	11-Oct-2011	15-Jun-2012	30-Jun-2015
			Comments	The baseline is zero. This indicator measures how many SMEs supported by the project, during the life of the project, are operational at the end of the project. Hence it will be measured at the end of the project by a survey.	This indicator is only required at the end of the project. So it will be measured by survey at the end of the project	
Investments: US\$ 10m attracted from Diaspora and migrant workers from KP and FATA	<input type="checkbox"/>	Amount(USD)	Value	0.00	0.00	10.00
			Date	11-Oct-2011	15-Jun-2012	30-Jun-2015
			Comments			

**Intermediate Results Indicators**

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
SME Rehabilitation Support provided: 600 matching grants provided to SMEs meeting criteria	<input type="checkbox"/>	Number	Value	0.00	56.00	600.00
			Date	11-Oct-2011	15-Jun-2012	30-Jun-2015
			Comments			
Up-gradation Support: 250 SMEs benefit from the up-gradation grants	<input type="checkbox"/>	Number	Value	0.00	9.00	250.00
			Date	11-Oct-2011	15-Jun-2012	30-Jun-2015
			Comments			
Capacity Building & BDS Support: BDS provided to 500 SMEs/clusters	<input type="checkbox"/>	Number	Value	0.00	0.00	500.00
			Date	11-Oct-2011	15-Jun-2012	30-Jun-2015
			Comments			
Diaspora Outreach program implemented: At least 7 to 10 outreach activities/events successfully organized	<input type="checkbox"/>	Number	Value	0.00	0.00	8.00
			Date	11-Oct-2011	15-Jun-2012	30-Jun-2015
			Comments			

**Data on Financial Performance (as of 08-May-2012)**

**Financial Agreement(s) Key Dates**

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P124268	TF-99175	Effective	11-Oct-2011	11-Oct-2011	11-Oct-2011	30-Jun-2015	30-Jun-2015

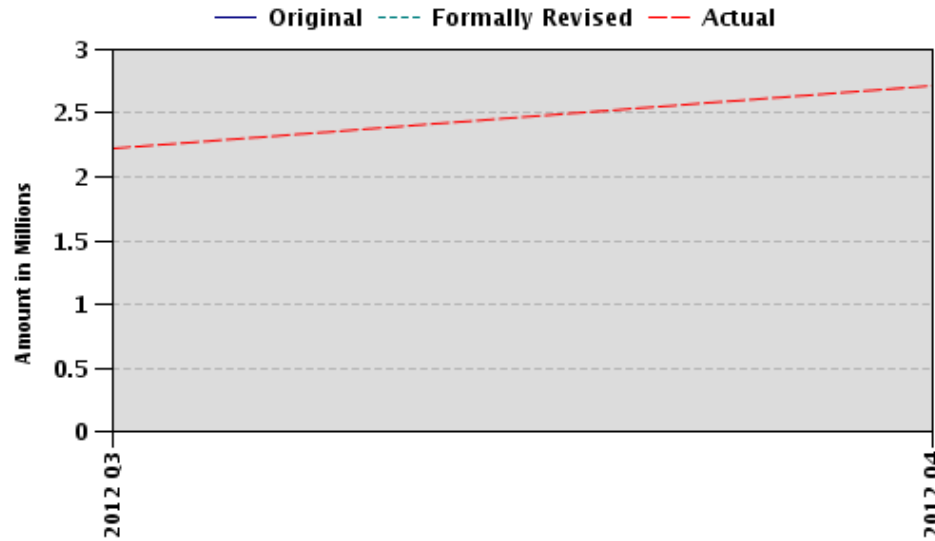
**Disbursements (in Millions)**

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
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P124268	TF-99175	Effective	USD	20.00	20.00	0.00	2.72	17.28	14.00
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**Disbursement Graph**

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**Key Decisions Regarding Implementation**

During the second implementation support mission, an agreement was reached on the following:

1. Implementation of the national FM Information System (FMIS) by KP and FATA PMUs by July 31, 2012
2. Report from SMEDA PU by July 16, 2012 on the implementation of ESMP
3. Disclosure of beneficiary SMEs on the websites of the SMEDA, KP and FATA by July 31, 2012
4. Completion of the Management Information System (MIS) for SMEDA PU and incorporation of Bank suggested modifications by July 31, 2012
5. PU and PMUs to complete the revisions to the Operations Manual and share the draft with the Bank by July 16, 2012
6. Sensitization of the members of Grants Review and Monitoring Committee (GRMC) and Grants Technical Committee (GTC) on the due diligence and quality of decision making as per the guidelines in the Project Operations Manual.

**Restructuring History**

There has been no restructuring to date.

**Related Projects**

There are no related projects.

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