

**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: 4	Status: ARCHIVED	Archive Date: 08-Jun-2013
Country: Pakistan	Approval FY: 2011			
Product Line: Recipient Executed Activities	Region: SOUTH ASIA	Lending Instrument: Emergency Recovery Loan		
Implementing Agency(ies): Department of Industries, FATA Secretariat, SMEDA Khyber Pakhtunkhwa				

**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	20-Nov-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	Substantial	Substantial

**Implementation Status Overview**

The Project was approved under OP/BP 8.0 on August 23, 2011 as an emergency response to support the economic recovery of the crisis affected areas of KP and FATA. The project became effective on Oct 11, 2011. Three implementation support (IS) missions were conducted in January, June and October 2012. Brief meetings were conducted in April 2012 to discuss interim results and issues affecting project implementation progress. This report pertains to the technical mission conducted in January 2013 and subsequent interaction with the implementing entities.

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The Project has disbursed a total of USD4.56 million to date, which is 22.80 percent of the total Project amount of USD20.0 million. There is no disbursement lag.

Since the April 2012 commencement of implementation of the first project component (SME Development), the Project has approved 262 matching grants for the SMEs in KP and FATA. Of these approved grants disbursements have been made to 181 beneficiary SMEs. This disbursal rate represents 22% of a total end of project target of 850 matching grants. This relatively good performance is due to SMEDA's Project Unit (PU) having implemented an effective communications campaign in collaboration with the PMUs. Notably, the PMU of KP advertised the grievance redressal mechanism for the Project in local newspapers during November 2012 and this advertisement was followed by an increased influx of applications for the matching grants. By January 31, 2013 a total of 2867 applications had been received – including 7 applications by women entrepreneurs in KP which are now at various stages of processing. Disbursements have been made to 3 of these women entrepreneurs.

Under components 2 (Investment Mobilization – USD2.0 million) and component 3 (Institutional Capacity Building - USD4.0 million), significant progress has been made on several activities including: hiring consulting firms to implement the Reconnect Pakistan (Webtool for the Diaspora), Investment Road Show in Karachi, and pre-feasibility for a Diaspora Bond. In addition, KP PMU completed the evaluation of Eols for a 'Needs Assessment of the Department of Industries', while FATA PMU completed the Census of Manufacturing Industries (CMI). This is the first/baseline CMI for FATA, which collects data on all industrial units in FATA related to nature of industry, number of employees, production/income data, etc.

**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	181.00	850.00
			Date	11-Oct-2011	31-Jan-2013	30-Jun-2015
			Comments		262 grants were approved and 181 beneficiaries have received the grants across KP and FATA. Out of these 3 beneficiaries are women entrepreneurs	
Jobs	<input type="checkbox"/>	Number	Value	0.00	550.00	8000.00
			Date	11-Oct-2011	31-Jan-2013	30-Jun-2015
			Comments		These are direct jobs created through the matching grants disbursed to 181 SMEs	

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	31-Jan-2013	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 will be measured at the MTR and for the ICR	
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	31-Jan-2013	30-Jun-2015
			Comments		To be measured for the ICR	
Investment Facilitation Authority (IFA), FATA and Investment Facilitation Centre (IFC), KP established and operationalized (%) completed	<input type="checkbox"/>	Percentage	Value	0.00	100.00	100.00
			Date	11-Oct-2011	31-Jan-2013	30-Jun-2015
			Comments		In addition to FATA Investment Facilitation Authority (FIFA) that was established in year 2011, KP's Board of Investment has been notified by the GoKP which will apply for TA under the component 3 of the ERKF	

**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	158.00	600.00
			Date	11-Oct-2011	31-Jan-2013	30-Jun-2015
			Comments		158 Rehabilitation grants disbursed across KP and FATA	
Up-gradation Support: 250 SMEs benefit from the up-gradation grants	<input type="checkbox"/>	Number	Value	0.00	23.00	250.00
			Date	11-Oct-2011	31-Jan-2013	30-Jun-2015
			Comments		Upgradation grants disbursed to 23 beneficiary SMEs across KP and FATA	
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	31-Jan-2013	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	31-Jan-2013	30-Jun-2015
			Comments		Eols were received for 2 activities; (i) Investment Road Show in Karachi; and (ii) Investment Road Show in Dubai) and Lols have been issued. The local activity will be conducted in Aug-Sep 2013	
Re-connect Pakistan (web tools for Diaspora) operational	<input type="checkbox"/>	Text	Value	Such website for KP and FATA doesn't exist	0	10000 hits on the site
			Date	11-Oct-2011	31-Jan-2013	30-Jun-2015
			Comments		Lol for the activity launched by KP PMU in consultation with FATA PMU. Contract to be signed in April 2013	

**Data on Financial Performance (as of 07-Jan-2013)**

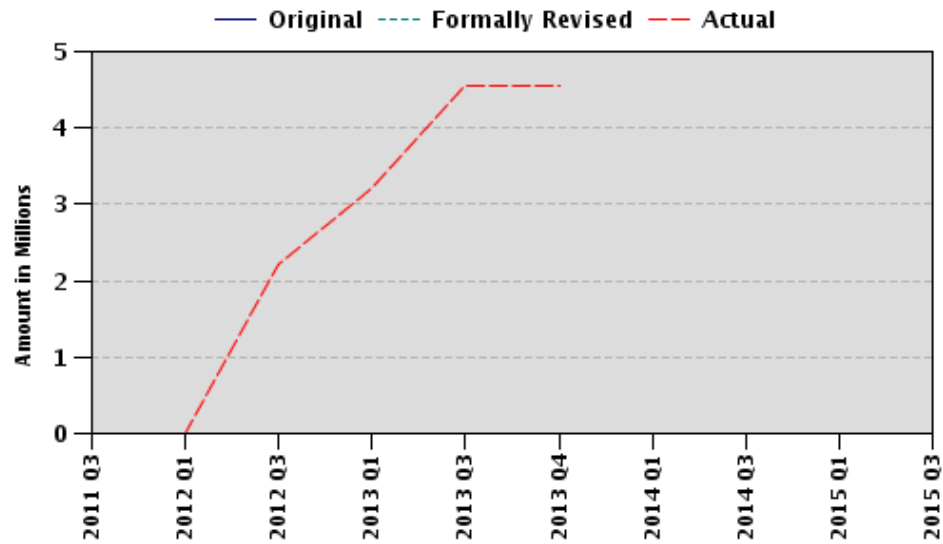
**Financial Agreement(s) Key Dates**

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
P124268	TF-99175	Effective	USD	20.00	20.00	0.00	4.56	15.44	23.00

**Disbursement Graph**



**Key Decisions Regarding Implementation**

The Bank has not received the audited financial statements of FATA PMU for the financial year 2011-12 that were due on Dec 31, 2012. The PMU needs to expedite the process of audit and submission of audited financial statements to the Bank.

**Restructuring History**

There has been no restructuring to date.

**Related Projects**

There are no related projects.