



## MDTF-Economic Revitalization of KP and FATA (P124268)

SOUTH ASIA | Pakistan | Financial and Private Sector Development Global Practice |  
 Recipient Executed Activities | Emergency Recovery Loan | FY 2011 | Seq No: 7 | ARCHIVED on 16-Mar-2015 | ISR17004 |

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

## Key Dates

## Key Project Dates

Board Approval date:02-Mar-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-2015

Revised Closing Date:30-Jun-2015

## 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?

No

## Components

Name

SME Development:(Cost \$14.00 M)

Attracting Investment from the Diaspora:(Cost \$2.00 M)

Institution Building to Foster Investment and Implement Regulatory Reforms:(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



## Implementation Status and Key Decisions

The project was approved on August 23, 2011, as an emergency response operation, to support the economic recovery of the crisis affected areas of KP and FATA. The project became effective on Oct 11, 2011 and is being funded through the KP/FATA/Balochistan Multi Donor Trust Fund (MDTF).

Component 1 (SME Development) of the project is being implemented by a dedicated Project Unit (PU) at the Small and Medium Enterprise Development Authority (SMEDA) in Peshawar. The implementing entities for Components 2 and 3 are two Project Management Units (PMUs), housed in Peshawar at KP's Department of Industries and FATA Investment Facilitation Authority (FIFA).

As of November 15, 2014, the project had disbursed a total of US\$14.14 million, or 70.7 percent of total project amount of US\$20 million.

Under **Component 1 (SME Development)**, the pace of processing and approving SME matching grants has picked up considerably since the MTR. At the time of the MTR 775 matching grants had been approved. By November 15, 2014, the number of approved matching grants has increased by 67% to a total of 1,253 (worth US\$10.15 million). The beneficiaries include 22 women entrepreneurs (21 in KP and 1 in FATA).

Under **Component 2 (Investment Mobilization) an Investment Road Show (IRS)**, which is an outreach activity for Diaspora is being planned to be held in Dubai during November 2014 and January 2015, respectively. Three IRS and outreach activities have already been held in Karachi and Dubai since the Project effectiveness. The two PMUs are now finalizing the report on Pre-Feasibility of Diaspora Bond. The Diaspora website tool called: 'Reconnect Pakistan' has already been launched.

For **Component 3 (Institutional Capacity Building to Foster Investment and Implement Regulatory Reforms)**, the activities are on-track, as the Project is supporting KP's Board of Investment (BoI), Industries Department of KP, and several diagnostic studies and capacity building activities for FATA PMU. A training program was organized by the FATA PMU on Project Management which was attended by 15 officials.

The FATA Secretariat and FATA PMU invited the Governor, KhyberPakhtunkhwa, to distribute the cheques to SME beneficiaries in Peshawar on 25th June 2014, as an effort to enhance the visibility of the efforts being launched under the ERKF Project.

The KP PMU also held a consultative workshop to discuss the recommendations of the 'Needs Assessment Study' for the KP Department of Industries on September 18 and 19, 2014. The workshop took place in Nathiagali (KP), and was attended by 122 stakeholders including the PMU staff, and officials from the Department of Industries (GoKP) and other relevant GoKP departments.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	--	● High
Macroeconomic	--	--	● High
Sector Strategies and Policies	--	--	● Moderate



Technical Design of Project or Program	--	--	● Low
Institutional Capacity for Implementation and Sustainability	--	--	● Moderate
Fiduciary	--	--	● High
Environment and Social	--	--	● Low
Stakeholders	--	--	● Low
Other	--	--	--
Overall	--	--	● Substantial

## Results

### Project Development Objective Indicators

#### ► Business rehabilitation (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	775.00	1005.00	850.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

#### ► Jobs (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2400.00	3500.00	8000.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

#### Comments

These are the direct jobs created and restored as a result to project assistance provided to 1,005 SMEs across KP and FATA.

#### ► Sustainability: 60% of all assisted SMEs operational and productive at the completion of the project (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	93.00	--	60.00
Date	11-Oct-2011	31-Jan-2014	--	30-Jun-2015



#### Comments

To be measured at the Project Completion for the ICR.

#### ► Investments: US\$ 10m attracted from Diaspora and migrant workers from KP and FATA (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

#### Comments

Owing to security situation, this indicator might be revised or dropped after the next implementation support mission in January 2015.

#### ► Investment Facilitation Authority (IFA), FATA and Investment Facilitation Centre (IFC), KP established and operationalized (%) completed (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

#### Overall Comments

#### Intermediate Results Indicators

#### ► SME Rehabilitation Support provided: 600 matching grants provided to SMEs meeting criteria (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	677.00	908.00	600.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015



► Up-gradation Support: 250 SMEs benefit from the up-gradation grants (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	59.00	92.00	250.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

► Capacity Building & BDS Support: BDS provided to 500 SMEs/clusters (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	314.00	433.00	500.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

Comments

24 training programs organized to train 433 entrepreneurs and students in business development.

► 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	2.00	3.00	10.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

Comments

2 outreach activities conducted by GoKP and GoFATA in Dubai, and one joint IRS conducted in Karachi.

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	0.00	3112.00	--
Date	11-Oct-2011	15-Apr-2014	24-Nov-2014	30-Jun-2015



## Comments

So far 3112 hits on the website: [www.reconnectpakistan.com](http://www.reconnectpakistan.com)

► PPD mechanism established in KP/FATA; defining economic growth and employment generation policy reforms; proposals for implementation submitted (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	6.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

► 11 machinery pools/ common facility centers operational (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	11.00
Date	11-Oct-2011	15-Apr-2014	14-Nov-2014	30-Jun-2015

► Recommended regulatory/institutional reforms introduced/notified by Industries Department for private sector development in KP (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	11-Oct-2011	01-Jan-2014	14-Nov-2014	30-Jun-2015

## Overall Comments

## Data on Financial Performance



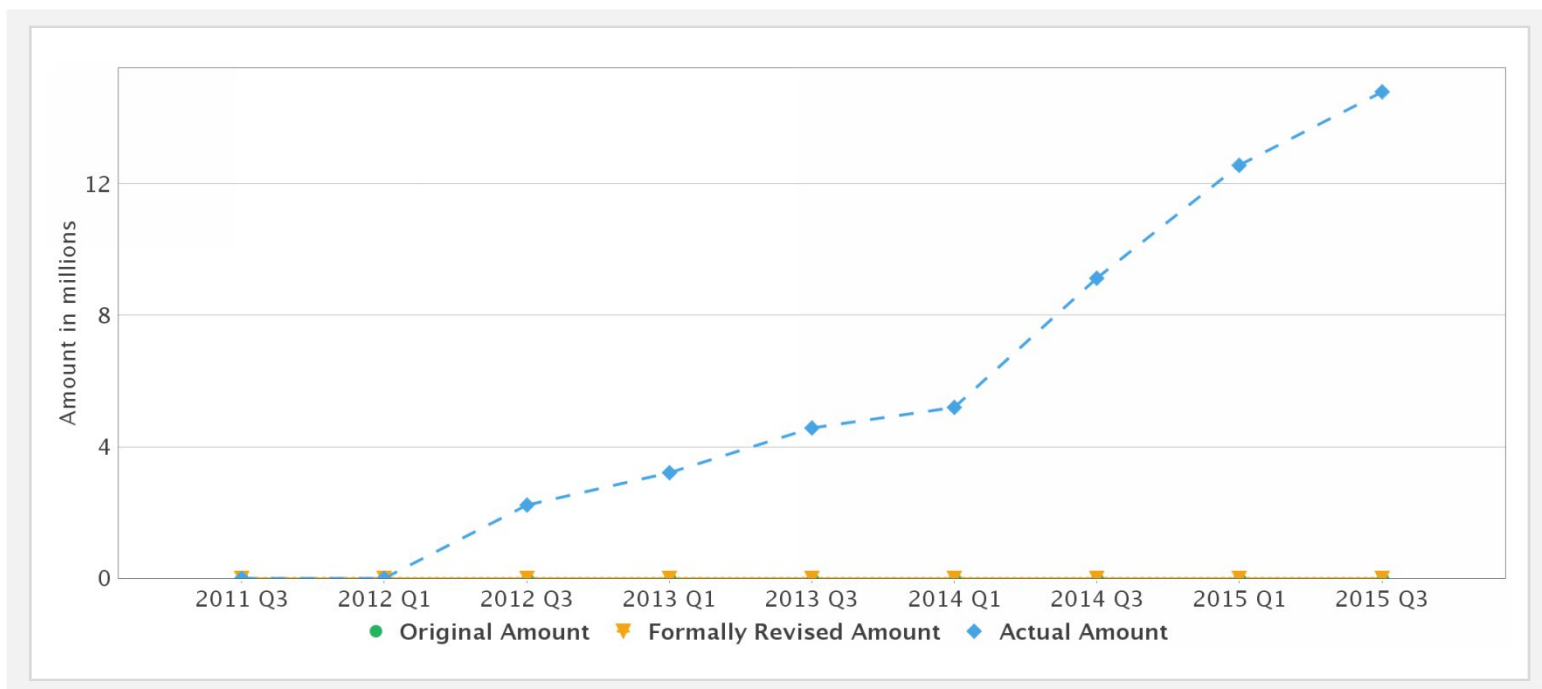
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P124268	TF-99175	Effective	USD	20.00	20.00	0.00	14.80	5.20	74%

**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-2015

**Cumulative Disbursements**



**Restructuring History**

There has been no restructuring to date.

**Related Project(s)**

There are no related projects.

