



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

SOUTH ASIA | Pakistan | Trade & Competitiveness Global Practice |  
 Recipient Executed Activities | Emergency Recovery Loan | FY 2012 | Seq No: 12 | ARCHIVED on 22-May-2017 | ISR26673 |

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

## Key Dates

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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)	● Highly Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

## Implementation Status and Key Decisions

The ERKF project became effective in October 2011 under the Round I of Multi Donor Trust Fund (MDTF). As of November 30, 2016, the original grant had overachieved most of its project development objective (PDO) indicators, disbursed US\$20 million (100%) and created 8,834 direct jobs (including 126 direct jobs for women) in the KP-FATA region. The Project was due to close on June 30, 2015, however it has undergone five no-cost extensions of the project closing date. In response to a request of the Economic Affairs Division (EAD), submitted through a letter dated October 3, 2016, World Bank management approved ERKF's AF in the amount of US\$19 million to further support the ERKF. The AF entails a scale up of Component 1 (SME Development) activities to provide matching grants with a focus on areas where the temporarily displaced persons (TDPs) are returning such as Barra, South Waziristan, North Waziristan and Upper Orakzai in FATA.

The AF became effective on March 30, 2017 and includes the changes to the project scope as requested by the client. For example, with the inclusion of 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). The PDO has been revised accordingly. The restructuring also entails the reallocation of savings of US\$1.5 million from Component 2 (Institution Building to Foster Investment and Implement Regulatory Reforms) to Component 3 (Project Management Support), since KP did not organize the initially planned road show in the United Kingdom.

Using the savings, the KP-PMU has already implemented activities to support KP's Technical and Vocational Training Authority (KP-TEVTA), Industries Department of KP and the Department of Tourism. Specifically, this included procurement of latest furnishings and equipment for the TIC at two locations (Abbottabad and Dunga-Gali), training centers of TEVTA for women and the line divisions of the Industries Department.

The revised closing date of the project is June 30, 2020.

## 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	8,843.00	9,000.00	13,500.00
Date	11-Oct-2011	30-Nov-2016	28-Apr-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	93.00	98.00	75.00
Date	11-Oct-2011	11-Oct-2011	28-Apr-2017	30-Jun-2020

#### Comments

98 percent of beneficiary SMEs were operational at the time of the project Mid Term Review (MTR) carried out in January 2014. Another independent analysis of the ERKF beneficiaries was done in December 2016 to determine the sustainability. A sample of 500 beneficiaries was selected. Of these, a physical verification of 250 beneficiaries was done in KP province and the remaining 250 enterprises were contacted over phone. The results show that 98 percent of the enterprises are operational and productive. The verification for the enterprises in FATA is ongoing.

#### ▶ 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	1,601.00	1,691.00	2,500.00



Date	11-Oct-2011	30-Nov-2016	28-Apr-2017	30-Jun-2020
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## Comments

The project has approved matching grants for 1,701 enterprises across KP and FATA and has disbursed US\$13.8 million to 1,691 enterprises (KP: 1,283; FATA:408).

► 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	30-Nov-2016	28-Apr-2017	30-Jun-2020

## Comments

To be calculated during the implementation of the AF activities.

► 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	30-Nov-2016	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	30-Nov-2016	28-Apr-2017	30-Jun-2020

## Comments

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




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## 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	30-Nov-2016	28-Apr-2017	30-Jun-2020

## Comments

**No progress on this yet. The applications from two more clusters were received by the project. These will be processed once the Grant Review and Decision Committee (GRDC) is notified for KP.**

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,447.00	1,491.00	2,200.00
Date	11-Oct-2011	30-Nov-2016	28-Apr-2017	30-Jun-2020



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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	194.00	200.00	300.00
Date	11-Oct-2011	30-Nov-2016	28-Apr-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	30-Nov-2016	28-Apr-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	30-Nov-2016	28-Apr-2017	30-Jun-2020

Comments

The third party monitoring agent (TPMA) will start the activities commencing July 2017 following which this information will be gathered.

► 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	25.00	100.00
Date	31-Oct-2011	30-Nov-2016	28-Apr-2017	30-Jun-2020



► 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	30-Nov-2016	28-Apr-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	30-Nov-2016	28-Apr-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	30-Mar-2017	28-Apr-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	6,200.00	10,000.00
Date	11-Oct-2011	30-Nov-2016	30-Nov-2016	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	30-Nov-2016	31-Mar-2017

## Overall Comments

## Data on Financial Performance

## Disbursements (by loan)

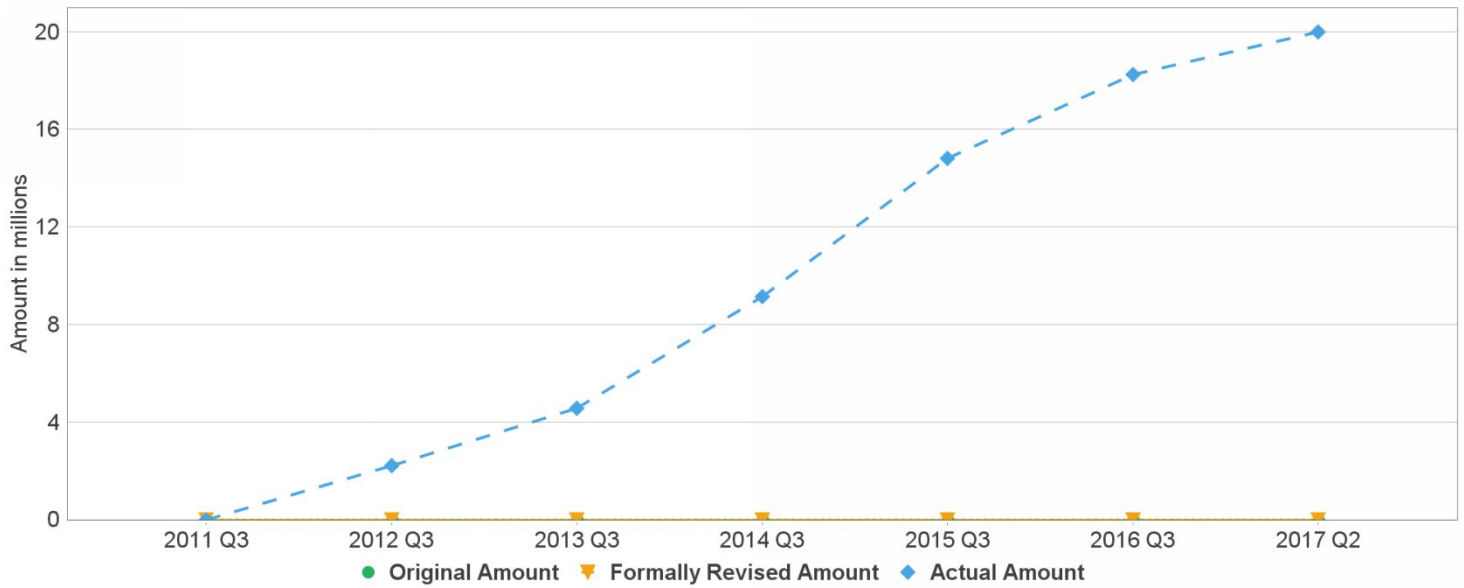
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P124268	TF-99175	Effective	USD	20.00	20.00	0.00	20.00	0.00	100%
P124268	TF-A4251	Not Effective	USD	19.00	19.00	0.00	0.00	19.00	0%

## 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	Not Effective	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