



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

SOUTH ASIA | Pakistan | Finance, Competitiveness and Innovation Global Practice |  
 Recipient Executed Activities | Investment Project Financing | FY 2012 | Seq No: 17 | ARCHIVED on 09-Mar-2020 | ISR40494 |

Implementing Agencies: Government of Pakistan, FATA/Merged Area 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 Table**

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	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

**Implementation Status and Key Decisions**

The Additional Financing (AF) of the ERKF project became effective in March 2017 for an amount of US\$19 million, with a closing date of June 30, 2020. Since its effectiveness, the project has disbursed US\$10.2 million. The total number of SME matching grants beneficiaries of the AF is 600, as of February 2020. More than 11,600 jobs have been created and restored. The project has also provided analytical support and technical



assistance to province's tourism sector. The project is actively supporting the tourism sector of the province and has already procured road clearing and waste management equipment for the Galliyat Development Authority (GDA). The excavator, garbage compactors, trash cans and tourist carts were handed over the GDA during the Galliyat Snow Festival in January 2020.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Macroeconomic	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Sector Strategies and Policies	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Technical Design of Project or Program	--	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Institutional Capacity for Implementation and Sustainability	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Fiduciary	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Environment and Social	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Stakeholders	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Other	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Overall	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

## Results

### PDO Indicators by Objectives / Outcomes

Number of direct jobs created by the enterprises supported through the project				
IN00801853				
▶ Number of direct jobs created by the enterprises supported through the Project. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10,957.00	11,600.00	13,500.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	2,114 direct jobs have been created in the 422 enterprises that received matching grants under the AF of ERKF. Of these, 196 jobs were created for women.			
□ Number of direct jobs created for women through the matching grants. (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	196.00	200.00	315.00
IN00801855				
► 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	0.00	75.00	75.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
IN00801856				
► 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	2,048.00	2,298.00	2,500.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	Since March 2017, the project has disbursed 600 new matching grants to the SMEs in KP, of which 88 matching grants are for women owned SMEs.			
IN00801857				
► 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-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	The progress on this will be requested from the project			
IN00801858				
► 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-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	The Tourism MIS was launched on July 3, 2019. KP-PMU is following up with DoT to initiate the process for achieving this indicator.			
IN00801859				
► 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	28-Jun-2019	25-Feb-2020	30-Jun-2020

## Intermediate Results Indicators by Components



Component 1: SME Development				
IN00801860				
▶ SME Rehabilitation Support provided through the MGs. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,689.00	1,873.00	2,200.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	The numbers mentioned against these indicators are cumulative and represent the results achieved by the project both under the original ERKF project and its Additional Financing (AF). The number of new rehabilitation matching grants disbursed under the AF is 382.			
IN00801863				
▶ SME owners satisfied with the processing of the MGs under the AF. (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	97.00	80.00	80.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	According to TPMA report covering the last quarter Oct-Dec 2019, 80 percent SME owners rated the ERKF program as excellent or good, with respect to content, administration, support system, processing, etc.			
IN00801866				
▶ SME beneficiaries of the up-gradation MGs. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	359.00	425.00	300.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	The number of new up-gradation matching grants disbursed under the AF is 216 and this target now stands over-achieved. The total upgradation grants under the project since 2011 are 425 which is reflected in the results framework.			

Component 3: Project Management and Capacity Building Support				
IN00801862				
▶ 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	52.00	56.00	100.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	2 officials from KP (Tourism Department and GDA) visited South Korea to attend a training on Solid Waste Management techniques in December 2019. 2 more delegates went to Spain to attend the tourism festival over there.			



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Component 4: Supporting the Competitive Sectors				
IN00801865				
▶ Number of SMEs/clusters that have used the Business Development Services (BDS). (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	860.00	985.00	1,000.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	Training were provided to a total 125 SMEs and the details follow: 1. Marble Mosaic training to 80 females in two batches 2. Exposure and study visit of 15 Marble sector entrepreneurs to Lahore, Islamabad and Karachi 3. Training on Gang saw operations and maintenance to 30 SMEs in two batches.			
IN00801867				
▶ 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-Jun-2019	25-Feb-2020	30-Jun-2020
IN00801868				
▶ Machinery pools/common facility supported by the Project. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	4.00	6.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	The project has shown progress on this indicator by approving and disbursing 2 CFC grants in June 2019 making the total such grants approved to 4. These include a CFC for construction sector cluster, which will be supported in purchase of heavy machinery not readily available in KP province.			
IN00801869				
▶ 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	50.00	200.00	200.00
Date	11-Oct-2011	15-Jul-2019	25-Feb-2020	30-Jun-2020
Comments:	Training was provided to 150 entrepreneurs and fresh graduates of universities during the Tech Valley Conference held in April 2019. The conference was sponsored through the ERKF project.			
IN00801870				
▶ 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-Jun-2019	25-Feb-2020	30-Jun-2020
Comments:	Firm has been selected to deliver this training during Jun 2020.			

## Component 2: Attracting Investment from the Diaspora

IN00801861

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	15,621.00	15,621.00	10,000.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	30-Jun-2016

IN00801864

## ► 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	6.00	6.00	7.00
Date	11-Oct-2011	28-Jun-2019	25-Feb-2020	31-Mar-2017

Comments:

An international conference on technology, tourism and travel was sponsored by the ERKF AF in April 2019 in Nathiagali (Galiyat). It was organized by the project in collaboration with the Galiyat Development Authority of KP. Provincial and Federal ministers and 'Special Advisor to the Prime Minister of Pakistan on Overseas Pakistanis' (Mr. Zulfi Bukhari) were the key note speakers. There was participation from potential investors, mobile service providers, start ups and travel bloggers from abroad and across Pakistan. Its press release is attached with the ISR.

## Data on Financial Performance

## Disbursements (by loan)

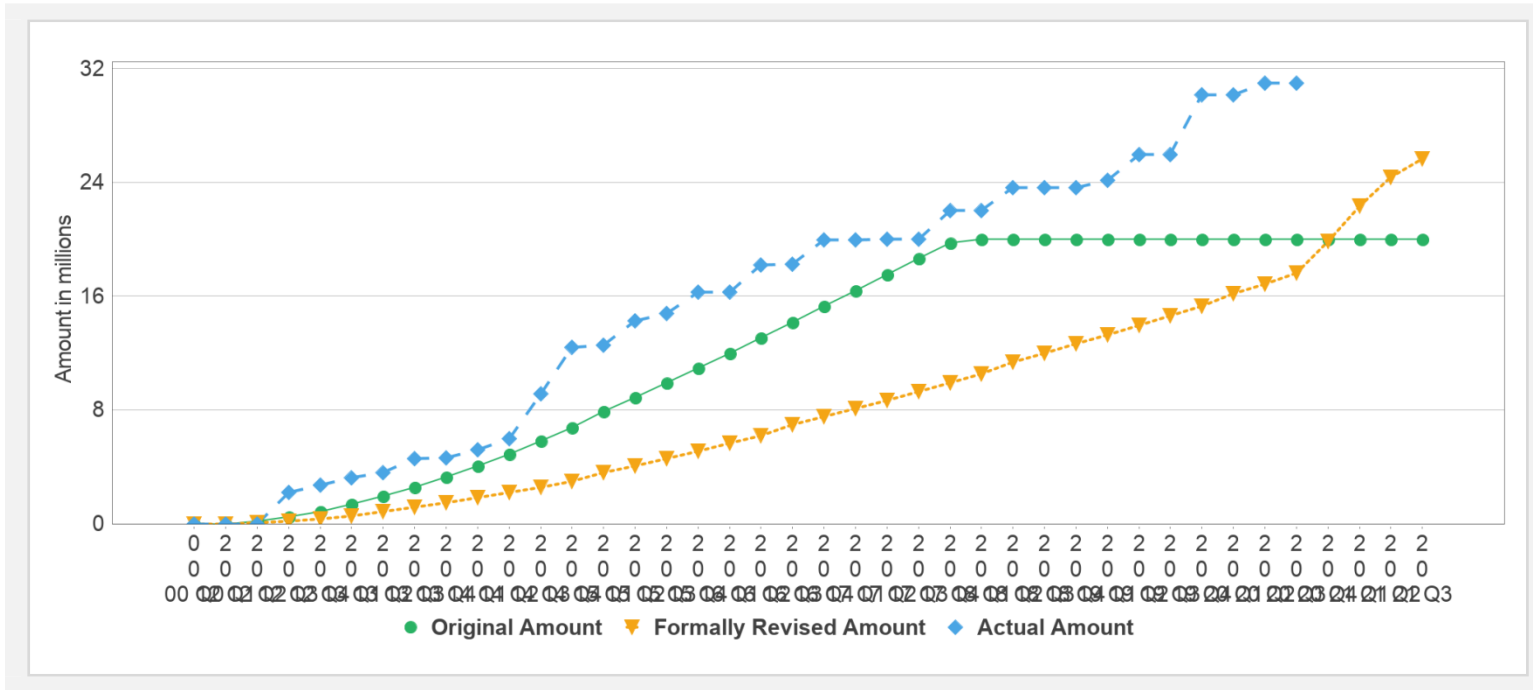
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P124268	TF-99175	Effective	USD	20.00	20.00	0.00	19.99	0.01	100%
P124268	TF-A4251	Effective	USD	19.00	19.00	0.00	10.97	8.03	58%

## 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