



# FROM RECOVERY TO SUSTAINABLE DEVELOPMENT

**ANNUAL REPORT**  
July 2017 - June 2018



Khyber Pakhtunkhwa  
Federally Administered Tribal Areas  
and Balochistan  
Multi-Donor Trust Fund



Multi-Donor Trust Fund for KP, FATA and Balochistan  
World Bank  
20 A, Shahrah-e-Jamhuriat G-5/1  
Islamabad, Pakistan

## ACKNOWLEDGMENTS

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# ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
BPO	Business Process Outsourcing
BRA	Balochistan Revenue Authority
CBO	Community-Based Organization
CPEC	China-Pakistan Economic Corridor
CPI	Community Physical Infrastructure
CRF	Consolidated Results Framework
DLI	Disbursement-Linked Indicator
DYS	Digital Youth Summit
EIG	Economic Interest Group
ERKF	Economic Revitalization of KP and FATA
FATA	Federally Administered Tribal Areas
FD	FATA Finance Department
FY	Fiscal Year
GoB	Government of Balochistan
GoKP	Government of Khyber Pakhtunkhwa
GPP	Governance and policy project
ITES	Information Technology enabled Services
KP	Khyber Pakhtunkhwa
KPITB	Khyber Pakhtunkhwa Information Technology Board
KP SADP	KP Southern Area Development Project
MDTF	Multi-Donor Trust Fund
MIS	Management Information System
OBT	Office Bearer's Training
P&DD	Planning and Development Department
PAC	Public Accounts Committee
PDWP	Provincial Development Working Party
PFM	Public Financial Management
PIM	Public Investment Management
PMU	Project Management Unit
PSDP	Public Sector Development Programme
SME	Small or Medium Enterprise
SMEDA	Small and Medium Enterprise Development Authority
STS	Sales Tax on Service
TPMA	Third Party Monitoring Agent
UNDP	United Nations Development Programme
WSSP	Water and Sanitation Services Peshawar
YIP	Youth Internship Program



## 1. MDTF in Action: Overview of Achievements

For most of the projects under Round II of the Multi-Donor Trust Fund (MDTF), this reporting period (July 2017–June 2018) was the first year of implementation. There are currently seven projects operational (out of eight planned) under the three program pillars – Policy Reform and Governance, Growth and Job Creation, and Service Delivery. The projects have progressed at different paces. The Governance and Policy Project and Economic Revitalization in Khyber Pakhtunkhwa (KP) have progressed well, successfully delivering key activities and demonstrating good outcomes. The Southern

Area Development Project in KP and Governance and Policy Project in Balochistan have made limited, although steady progress, while the projects in FATA (Governance and Policy Project, Rural Livelihood and Community Infrastructure Project, and Economic Revitalization in FATA) have stalled since inception due to significant delays in setting up project management units. The Digital Jobs in KP was recently approved and began its support to create a digital job ecosystem targeting youth and women. The progress of each project is summarized below.

# Policy Reform and Governance

## GOVERNANCE AND POLICY PROJECT (GPP) FOR KHYBER PAKHTUNKHWA

Grant Amount	US\$ 10 million
Project Duration	23 May 2017- 30 June 2020
Development Objective	To strengthen capacity for Sales Tax on Services (STS) collection, and improve public investment management and accountability of public service delivery in the water sector in KP.
Beneficiaries	Government of Khyber Pakhtunkhwa (GoKP) Planning and Development Department (P&DD) Finance Department Right to Information Commission Chief Minister Complaint Cell Peshawar High Court Public Health, Local Government, and Energy and Power Departments KP Revenue Authority Right to Public Services Commission Water and Sanitation Services Comp., Peshawar and Mardan districts
Implementing Agency	P&DD GoKP
Progress towards Development Objective	Satisfactory ●
Overall Implementation Progress	Satisfactory ●
Disbursement	US\$ 3.44 million

### ACHIEVEMENTS AS OF JUNE 2018:

- ▶ STS collection increased from PKR 7.3 billion (FY16) to PKR 10.3 billion (FY17), with a 41% increase in collection and a 62% increase in the number of tax filers. The latter is a Disbursement-Linked Indicator (DLI) and significantly exceeded the year 1 target.
- ▶ Public financial management (PFM) and procurement training activities for government officials have been initiated.
- ▶ Macro-fiscal management units have been established in the Finance Department.
- ▶ The necessary equipment for the KP Revenue Authority has been provided and revenue potential surveys for STS completed in Peshawar and Abbottabad.
- ▶ A public investment management (PIM) assessment with a proposed action plan has been developed. The PIM Committee (set up by P&DD) organized a capacity-building workshop and prioritized the action plan for implementation toward strengthening the Annual Development Plan process and overall PIM framework in the province.
- ▶ The P&DD mapped and published online 322 public sector projects in Peshawar and 323 drinking water assets in the districts of Peshawar, Mansehra and Mardan.
- ▶ Citizen feedback surveys on drinking water and sanitation were undertaken in the districts of Mansehra and Mardan, with a total of 692 respondents (134 women). The project is working with Water and Sanitation Services Peshawar (WSSP) to replicate their grievance redressal/public complaints system in other companies/districts, starting with Mardan and Kohat.
- ▶ Support was given to the Peshawar High Court to establish the Secretariat of the District Judiciary. Inaugurated by the Chief Justice in January 2018, this unit aims to improve the performance of the lower courts with regard to accountability, financial management, human resource management, and monitoring and evaluation.

## GOVERNANCE AND POLICY PROJECT (GPP) FOR BALOCHISTAN

Grant Amount	US\$ 16 million
Project Duration	18 January 2017–30 June 2020
Development Objective	To strengthen capacity for STS collection and improve accountability in public financial management and public service delivery in the education and irrigation sectors in Balochistan
Beneficiaries	Government of Balochistan (GoB) Planning and Development Department (P&DD) Finance Department Education Department Irrigation Department Balochistan Revenue Authority (BRA) Grievance redressal institutions (Office of the Balochistan Ombudsman, Anti-Corruption Department) Public Accounts Committee, Provincial Assembly
Implementing Agency	P&DD GoB
Progress towards Development Objective	Moderately satisfactory ●
Overall Implementation Progress	Moderately satisfactory ●
Disbursement	US\$ 3 million

### ACHIEVEMENTS AS OF JUNE 2018:

- ▶ STS collection increased by 115% (by March 2018 from the FY15/16 baseline), exceeding the target for FY17/18 of a 15% increase in collection. The BRA has relied on the IT platform provided by Pakistan Revenue Automation Limited (PRAL) to manage STS, which has been fully funded in succession by the now closed Governance Support Project and GPP.
- ▶ Support has been provided to the Public Accounts Committee (PAC), including in hiring auditors who have examined 437 projects from past Public Sector Development Programs (PSDPs 2008–17), given the backlog. These projects were randomly selected from different sectors at the PAC chairperson's direction, with priority given to the construction of roads and buildings.
- ▶ Procurement is underway to develop an ICT monitoring system for the PSDP that would allow, among other things, the PSDP process to be automated, projects to be geo-tagged and public fixed assets mapped for optimized use and maintenance.
- ▶ The project is helping to establish a China-Pakistan Economic Corridor (CPEC) Center to help manage these investments, with staff hired to operationalize the center.
- ▶ On strengthening accountability institutions, especially in the education and irrigation sectors, support has been provided to the Ombudsman's office, notably to hold open courts in three districts. This has expedited the processing of grievances, especially related to education. Such open courts are to be expanded to other districts.
- ▶ Pre-budget consultative workshops were conducted in various districts of Balochistan, bringing together government officers, civil society, academia, the public and the media. The aim of the workshops was to obtain these actors' views and suggestions on setting the priorities of the province for the 2018/19 budget

## GOVERNANCE AND POLICY PROJECT (GPP) FOR FATA

Grant Amount	US\$ 14 million
Project Duration	23 May 2017–30 June 2020
Development Objective	To increase transparency and effectiveness in public resource management and strengthen accountability of public service delivery in the agriculture sector in FATA.
Beneficiaries	Planning and Development Department (P&DD) FATA Finance Department (FD) FATA Tribunal Departments of Agriculture, Livestock and Irrigation
Implementing Agency	P&DD FD FATA Secretariat
Progress towards Development Objective	Moderately unsatisfactory ●
Overall Implementation Progress	Moderately unsatisfactory ●
Disbursement	US\$ 0.73

### ACHIEVEMENTS AS OF JUNE 2018:

- ▶ After some initial progress in setting up the project's operational apparatus and launching PIM and resource management activities through capacity-building workshops for government officials from the participating institutions, activities have stalled. This has been driven by the high turnover of officials at the FATA Secretariat and key project staff.
- ▶ The Bank task team fielded multiple missions, which have registered some progress. However, this has not been sufficient to put the project back on track. Only three of the actions agreed during the previous mission have been completed: (i) the revised combined GPP work plan for a three-year implementation period was approved by the Steering Committee, (ii) the procurement of an internal audit firm for the project was completed, and (iii) the project's grievance redressal committee was notified.

## Growth Creation

### ECONOMIC REVITALIZATION OF KP AND FATA PROJECT, ADDITIONAL FINANCING (AF)

Grant Amount	US\$ 39 million (of which US\$19 million is AF)
Project Duration	30 March 2017–30 June 2020
Development Objective	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 KP and FATA.
Beneficiaries	Small and medium enterprises (SMEs) Tourism and agribusiness sectors
Implementing Agency	Department of Industries, KP Directorate of Projects, FATA Secretariat Small and Medium Enterprises Development Authority (SMEDA), Peshawar office
Progress towards Development Objective	Satisfactory ●
Overall Implementation Progress	Moderately satisfactory ●
Disbursement	US\$ 23.63 million (of which US\$3.63 million is AF)

## ACHIEVEMENTS AS OF JUNE 2018:

- ▶ The project management units (PMUs) of KP and SMEDA are fully operational, although the FATA authorities have yet to re-establish a PMU.
- ▶ An upgraded management information system (MIS) for the matching grants component is fully functional.
- ▶ 3,800 applications for matching grants have been collected from SMEs in KP since the effectiveness of the AF. So far, matching grants worth about US\$ 1 million have been disbursed to 93 SMEs across KP, six of which are owned by women entrepreneurs. This has resulted in the direct creation of 160 jobs.
- ▶ According to the May 2018 report of the third-party monitoring agent (TPMA), 90% of the AF grant beneficiaries used the grant for its intended purpose and 78% of SME owners reported that the application process for the matching grants was 'fairly easy'.

## DIGITAL JOBS IN KP

Grant Amount	US\$ 2 million
Project Duration	Through 30 June 2020
Development Objective	To promote the inclusion of women and youth in KP's digital economy through investments to expand access to underserved areas, promote digital markets and investment opportunities, and to build the skills base.
Beneficiaries	Unemployed and underemployed youth (18–30 years) in KP with limited to no previous exposure to digital work. Activities will be targeted to promote the inclusion of women and the bottom 40% (by income) of the population, with a view to expanding digital jobs to these groups. Targeted geographical locations include semi-urban areas in the districts of Bannu, Swat and Mardan as well as the urban poor in Peshawar.
Implementing Agency	KP Information Technology Board (KPITB)
Progress towards Development Objective	Moderately satisfactory ●
Overall Implementation Progress	Moderately satisfactory ●
Disbursement	N/A (see the last point below)

## ACHIEVEMENTS AS OF JUNE 2018:

- ▶ The grant agreement has not yet been signed, pending PDWP endorsement by GoKP.
- ▶ Procurement documents are under preparation for all positions and firm contracts to expedite recruitment.
- ▶ The KPITB has already identified its first business process outsourcing (BPO)-ready space and is using its own funds to establish this, which sets a precedent for the approach and modality of the operation.

## KP SOUTHERN AREA DEVELOPMENT PROJECT

Grant Amount	US\$ 22 million (of which US\$ 4 million is AF)
Project Duration	24 March 2017–31 December 2018
Development Objective	To strengthen the capacity of the poor to improve their livelihood options through access to social and productive infrastructure using participatory approaches in selected districts of southern KP (Dera Ismail Khan, Lakki Marwat and Tank).
Beneficiaries	The people of selected districts in KP, through improved access to livelihood opportunities and social capital. The project focuses on the rehabilitation of communities that hosted temporarily displaced persons.
Implementing Agency	Local Government Elections and Rural Development Department
Progress towards Development Objective	Moderately satisfactory ●
Overall Implementation Progress	Moderately satisfactory ●
Disbursement	US\$ 16.13 million

### ACHIEVEMENTS AS OF JUNE 2018:

- ▶ 860 community-based organizations (CBOs) formed, including 551 male-headed and 309 female-headed organizations; 853 community action plans developed.
- ▶ 27,332 CBO members (17,937 male and 9,395 female).
- ▶ 388 economic interest groups (EIGs) formed (216 male and 172 female).
- ▶ 3,993 EIG members (2,410 male and 1,583 female).
- ▶ 40 batches of office-bearers training (OBT) created (27 male and 13 female).
- ▶ 1,020 OBT members (748 male and 272 female).
- ▶ 16 peace fair melas/sports galas (15 male and 1 female).
- ▶ 92 interns inducted under Youth Internship Program (64 male and 28 female). Currently, the program's third batch has 28 interns (17 male and 11 female).
- ▶ 367 community physical infrastructure (CPI) schemes initiated: 317 completed and 49 in progress (one water scheme was dropped due to water quality issue in Lakki Marwat).

## FATA RURAL LIVELIHOOD AND COMMUNITY INFRASTRUCTURE PROJECT

Grant Amount	US\$ 20.1 million (of which US\$ 8.1 million is for AF)
Project Duration	28 March 2017–31 December 2018
Development Objective	To improve livelihoods and access to basic service infrastructure in FATA
Beneficiaries	Rural communities in FATA
Implementing Agency	FATA Secretariat
Progress towards Development Objective	Unsatisfactory ●
Overall Implementation Progress	Unsatisfactory ●
Disbursement	US\$ 12.3 million (of which US\$ 0.3 million is for AF)

### ACHIEVEMENTS AS OF JUNE 2018:

- ▶ No major activity has been delivered under MDTF II. Pending the recruitment of project staff, field-level implementation is on hold.

### BOX 1. DIGITAL YOUTH SUMMIT 2018 ADVANCES PAKISTAN'S TECH REVOLUTION



Since 2014, the Digital Youth Summit (DYS) has emerged as Pakistan's premier technology conference and is now one of KP's most anticipated youth gatherings. The MDTF has sponsored this event over the last couple of years. The DYS 2018 gathered passionate 'techies' and entrepreneurs from Pakistan and abroad in Peshawar to share knowledge, build skills and accelerate the growth of KP's emerging technology industry.

Over two days, the DYS supported more than 5,000 young attendees, giving them access to industry experts who shared their experiences and conducted hands-on training. This is part of an ambitious drive to create digital jobs – underpinned by Pakistan's first provincial digital strategy – through a series of programs and investments. Unveiled last year, the strategy maps out and provides resources to improve access, training and implementation of digital technology, with the goal of building skills and creating 75,000 digital jobs in KP. The MDTF provides a US\$ 2 million pilot fund to support the implementation of the strategy, focusing on increasing digital jobs for women.

Young people in KP have seized this opportunity: 14-year-old Hafsa Khan, for instance, received training in computer programming through the KPITB's early-age programming scheme for seventh to ninth-grade students. She presented her application – designed to help her younger brother understand human physiology – with confidence to an audience of over 1,000 people.

Panel discussions explored topics such as what investors look for, what needs to be done to promote

universal Internet access and whether Pakistan would ever witness the emergence of a tech unicorn. As before, there were many complementary sessions and workshops in areas such as Android development, blockchain, e-commerce, artificial intelligence, and machine learning. Local youth also showcased their talents through a 'battle of the bands and makerspace' at the DYS expo hall.

The World Bank and MDTF have provided technical and financial assistance to the KPITB since 2013, helping develop a digital strategy for KP and mobilizing resources to help implement projects with the KPITB. These include the Youth Employment Program (which will train over 40,000 graduates) and the Durshal co-working and incubation spaces as well as the development of outsourcing as a driver of job growth. Several burgeoning local firms have now become successful job-creating ventures, with clients across Pakistan. Their ability to create and promote high-quality content helped propel the DYS toward becoming the most talked-about topic on social media in Pakistan over the two days of the conference.

The DYS also hosted a session with the outsourcing industry to showcase new initiatives being planned in KP – notably the BPO-ready spaces in Peshawar and Pakistan Digital City, an outsourcing facility planned in Haripur that will accommodate around 5,000 outsourcing jobs. The session was coordinated with the Pakistan Software Houses Association for IT and ITES (P@SHA), to ensure that the initiatives were aligned with industry needs. Both the BPO-ready spaces and Pakistan Digital City are being supported by MDTF funding and technical assistance.



## 2. Operational Effectiveness and Implementation Challenges

### Progress on Gender Mainstreaming Activities

To accelerate development in KP, FATA and Balochistan, where women are traditionally marginalized from critical economic and social decisions, it is important to design and implement projects taking into consideration the aim of narrowing the gender gap. Last year, a rapid gender assessment of

the entire MDTF portfolio was conducted by the World Bank's gender team, which identified constraints, gaps and missed opportunities. Based on these findings, a Gender Action Plan was developed for each project. Some projects have already demonstrated good progress and results.

### **GOVERNANCE AND POLICY PROJECT FOR KHYBER PAKHTUNKHWA (GPP KP)**

- ▶ The project has expanded its engagement of women in feedback provision for service delivery, with the proportion of female feedback providers rising to 19.4% (or 134 women) from 8% between August 2017 and February 2018.
- ▶ In districts Mansehra and Mardan, 33% of the citizens engaged to undertake third-party monitoring (i.e., geo-tagging and collection of beneficiary feedback) of water supply schemes were women (five women in total).
- ▶ A prominent women's rights activist from KP, Rukhshanda Naz (Executive Director, Legal Aid and Awareness Services) has been included in the project steering committee.

## GOVERNANCE AND POLICY PROJECT FOR BALOCHISTAN (GPP BALOCHISTAN)

- ▶ A learning strategy for training government officials in financial management, internal audits, procurement, project management, and monitoring and evaluation has been developed and is pending finalization by the relevant authorities. The strategy also has provision for ensuring the participation of women officials, including the allocation of quotas.
- ▶ A citizen feedback module is being developed for the PSDP ICT monitoring system, which will incorporate the engagement of women in feedback provision in education and irrigation services.

## ECONOMIC REVITALIZATION OF KHYBER PAKHTUNKHWA AND FEDERALLY ADMINISTERED TRIBAL AREAS (EKRF)

- ▶ The implementing agency (SMEDA) is processing applications received from women-owned SMEs on a priority basis. As of 31 March 2018, all 207 applications from women-owned SMEs have been assigned to field coordinators and are under process.
- ▶ Of the 63 matching grants that were approved and disbursed between October 2017 and May 2018, 28 were approved for women-owned SMEs in KP, while disbursements of \$95,000 were made to seven such enterprises.
- ▶ During the TPMA monitoring conducted in March 2018, three out of six grant recipients were assessed to verify the stock/equipment purchased. Of these, only one SME is working in a traditional women-led sector (beauty and self-care), while the other two female grant recipients are managing businesses in non-traditional sectors (construction and mobile repair, respectively).

### BOX 2: KHAN BEAUTY PARLOR



The proprietor of Khan Beauty Parlor, Samia Khan from Haripur, used her grant of PKR 1,866,000 to purchase new equipment and expand her business, both in terms of size and the range of services offered. The grant helped her increase her monthly revenues by 50% and employ four additional female employees,

to whom she provides free transport and medical allowance. Ms Khan's business now comprises three branches. She aims to further diversify the salon's services by introducing laser and skin treatment services in the future.

## KHYBER PAKHTUNKHWA SOUTHERN AREA DEVELOPMENT PROJECT (KP SADP)

- ▶ Between January and March 2018, the project successfully engaged women through 1,078 CBOs formed under the project, of which 32% are female-led groups. Female community members were engaged in identification and decision-making for community infrastructure by both male and female-led CBOs.
- ▶ 70% of the members of women-led CBOs have received office bearer training.
- ▶ Since September 2017, 16,555 female members of EIGs have benefitted from livelihood support.
- ▶ 1,589 female CBO members have benefitted from improved social and productive infrastructure since September 2017.
- ▶ Since September 2017, 122 female community members have received training under the project.
- ▶ During the TPMA monitoring, focus groups discussions conducted with women-led CBOs and female community members indicated that project activities had improved community-level awareness of the importance of girls' education as well as women's access to water, clean roads and better health and hygiene.

### BOX 3: GHAZALI PUBLIC SCHOOL



The women-led CBO Al-Haleem established Ghazali Public School in its village to provide free education to children from disadvantaged families,

including girls. The CBO was successful in mobilizing resources to set up the school, including a building that was donated to the CBO by a villager.

## Strategic Communications

Since its inception, the MDTF has continued to support the aim of building a stronger state-citizen relationship and trust. While each MDTF project has developed its own approach to contributing to this larger goal, it is important for the government to reach out to citizens to clearly and strategically communicate the plans, objectives and results of each project activity, and to engage with people, taking into account their feedback to improve service delivery and being held accountable for its own performance.

Based on the MDTF's communications strategy developed last year, strategic communications action plans were developed and targeted activities have been delivered to strengthen the two-way communication mechanism in all projects.

For example, to form a two-way communications mechanism, all the official social media accounts of the government departments of KP are linked to the KP Information Department's website. Needs assessments for the capacity building of the Information Department of Balochistan are underway. Training sessions for journalists on advanced reporting and the use of digital communication tools were delivered in July 2018 in collaboration with the Center for Excellence in Journalism at the Institute of Business Administration in Karachi. Twenty journalists, including seven women, participated in these sessions, which were well received. Training sessions for government officials from KP and Balochistan are planned for September 2018.

### BOX 4: ENGAGING CITIZENS THROUGH SOCIAL MEDIA, RADIO AND STREET THEATER



For speedy and accessible grievance redressal, open courts through Facebook live were conducted by the deputy commissioners of Abbottabad and Swat. An open court was organized for the provincial Ombudsman of Balochistan in Naseerabad to address public complaints. Other districts in KP and all districts of Balochistan plan to follow this practice.

To promote the available grievance redressal mechanism (GRM) for state-citizen trust building, 12 30-minute radio programs were broadcast in local languages from Radio Pakistan in Dera Ismail Khan. About 22,000 SMS text messages on the use of GRM were sent to CBO and EIG members, using an integrated voice recording system.

25 street theater performances are planned in Dera Ismail Khan, covering each union council, with the aim of engaging the community to promote the role of women in decision making at the local level and GRM level. Separate performances are planned for women through the CBOs and EIGs; the distribution of hygiene kits among women will ensure increased participation. To build awareness and the effective use of grievance redressal systems under the KP government, five citizen integration forums are being established in Mardan, Buner, Lakki Marwat, Peshawar and Mansehra.

## Fragility: TPMA and the Use of Technology

In delivering projects in fragile areas of Pakistan, the MDTF will continue to work with TPMA, Associates in Development, to closely monitor activities on the ground and gather data and information to ensure that all activities are progressing as planned and with the intended purpose. Since October 2017, the TPMA has provided valuable reports on progress, challenges and lessons from the field.

In addition, MDTF projects have increasingly applied the available technologies to monitor projects where supervision is limited for security reasons. The

KP Southern Area Development Project (SADP) received the World Bank's South Asia Procurement Innovations Award 2017 in recognition of its having piloted a pointer and interactive voice response system to monitor implementation by checking assets and facilities developed by the project and gathering citizens' feedback.

## Advisory Committee and Steering Committee Meetings

Two advisory committee meetings were convened during this reporting period to update donors and partners on the progress and challenges of project implementation. Key principles and approaches to strengthening development outcomes – especially through an increased focus on gender, fragility and strategic communications – were also discussed. An informal meeting with funding donors was held to discuss challenges and solutions to delivering planned

activities, especially for projects in FATA, and to brainstorm on new opportunities for the MDTF to provide coordinated support to FATA's merger with KP.

One steering committee meeting was held in November 2017, where the MDTF II consolidated results framework was endorsed and a digital project in KP was approved as an addition to the initial set of MDTF Round II projects.



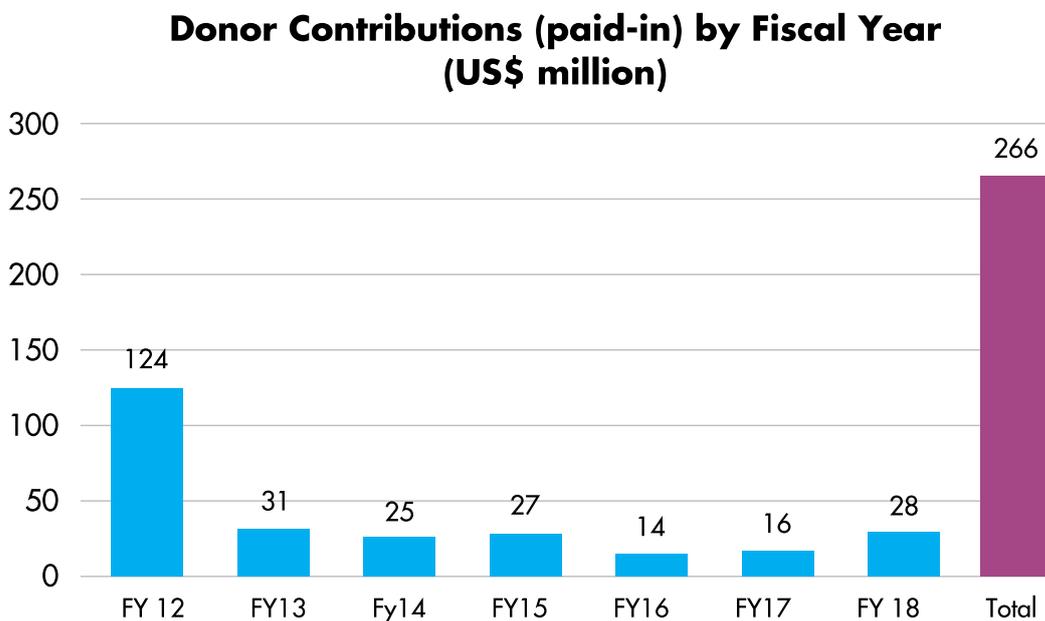
### 3. MDTF Financial Status

#### MDTF Financing

During FY18, a total of US\$ 28.0 million was paid in by Germany (US\$ 18.4 million), the EU (US\$ 7.2 million) and Australia (US\$ 2.4 million), which raises the total contributions amount to US\$ 266

million (since inception). Figure 1 presents the yearly total contributions and Table 1 presents the detailed contributions status by donor for Rounds 1 and 2.

**FIGURE 1: PAID IN CONTRIBUTIONS**



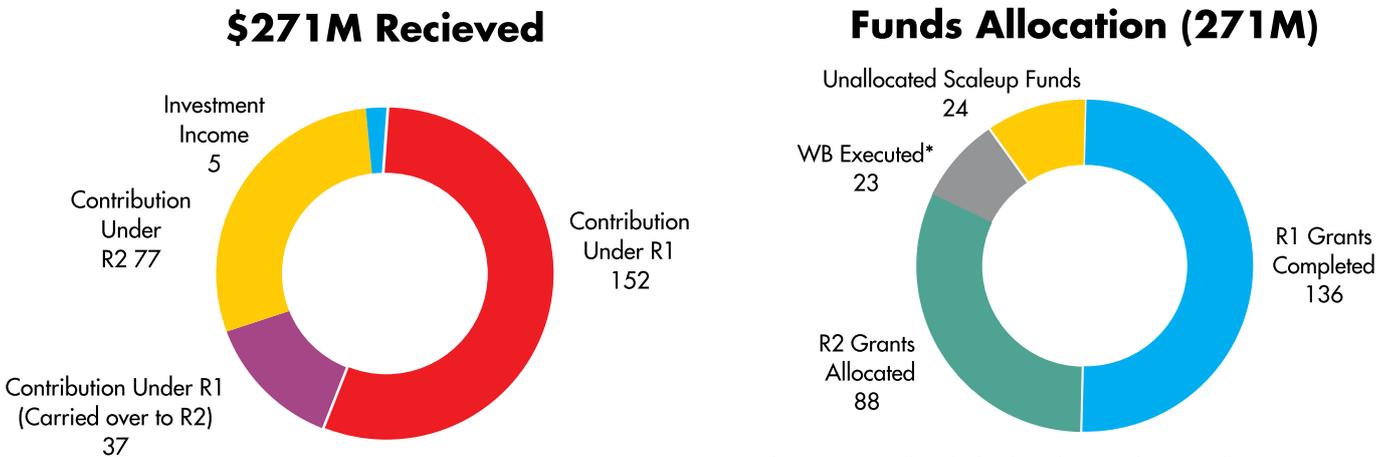
**TABLE 1: DETAILED CONTRIBUTIONS STATUS BY DONORS (INCEPTION TO JUNE 2018)**

Donor	Currency	Amount Pledged* (Original Currency)	Amount Pledged* (approx. in USD)	Paid-In for R1 (USD)	Paid-In for R2 (USD)	Total Paid In (in USD)	Future Transfer (approx. in USD)
UK	GBP	41.0	61.9	61.9	0	61.9	
Australia	AUD	56.3	48.9	29.9	14.6	44.5	4.4
Germany	EUR	35.0	44.5	11.2	33.3	44.5	
European Union	EUR	24.8	31.4	19.2	7.1	27.0	4.4
USA	USD	25.0	25.0	25.0	0.0	25.0	
Denmark	DKK	112.0	18.9	13.4	5.5	18.9	
Finland	EUR	7.7	10.0	7.6	2.4	10.0	
Switzerland	CHF	9.0	9.2	0.0	9.2	9.2	
Italy	EUR	4.0	5.4	5.4	0.0	5.4	
Turkey	USD	5.0	5.0	5.0	0.0	5.0	
Sweden	USD	5.0	5.0	5.0	0.0	5.0	
Netherlands	USD	5.0	5.0	5.0	0.0	5.0	
Norway	NOK	35.0	4.4	0.0	4.4	4.4	
<b>Total</b>			<b>274.6</b>	<b>189.3</b>	<b>76.5</b>	<b>265.8</b>	<b>8.8</b>

Since inception, US\$ 275 million has been pledged by 13 donors in total, of which US\$ 266 million has been received and US\$ 5 million earned as investment income. US\$ 136 million in grants was given to projects under Round 1 and US\$ 88 million has been allocated to projects under Round 2. World Bank-executed activities received \$23 million allocation to finance baseline studies, analytics (e.g.,

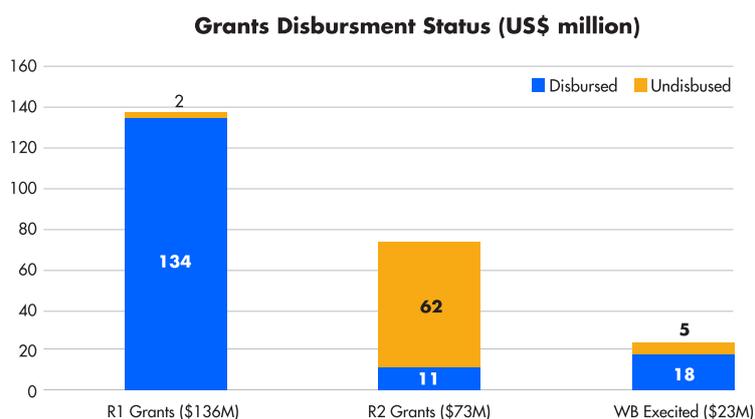
PEFA, Female Labor Force Participation), TPMA, communications, projects supported by Bank staff, the MDTF Secretariat, and administration fees for administering the Trust funds. As of today, US\$ 24 million has been set aside to support scaled-up projects that will have shown significant impact or emerging opportunities.

**FIGURE 2: AVAILABLE RESOURCES AND FUNDS ALLOCATION STATUS**



\*WB Executed includes baseline studies, analytics, TPMA, Communications, Project Supervision, MDTF Secretariat etc.

**FIGURE 3: GRANTS DISBURSEMENT STATUS**



\*SADP is still spending remaining R1 allocation. Balochistan Livelihood is in pipeline and not included in G2 Grants disbursement

**TABLE 2: ROUND 2 DISBURSEMENT AGAINST THE ALLOCATION**

Donor	R2 Allocation (US\$ Million)	Disbursement (US\$ Million)	% Disbursed
[AF] RLCIP	\$8.1	\$0.3	4%
[AF] ERKF	\$19.0	\$3.7	19%
[AF] SADP	\$4.0	-	0%
GPP KP	\$10.0	\$3.4	34%
GPP Balochistan	\$16.0	\$3.0	19%
GPP FATA	\$14.0	\$0.7	5%
KP Digital Job	\$2.0	-	0%
[PIPELINE] Balochistan Livelihood	\$15.0	-	0%
<b>Total</b>	<b>\$88.1</b>	<b>\$11.1</b>	<b>13%</b>

**TABLE 3: DETAILED GRANT ALLOCATION FOR PROJECTS BY PROVINCE AND AREA  
(INCEPTION TO JUNE 2018)**

Grant Name	Rd.	Total Grant	KP	FATA	Balochistan
Gov. Support Project for KP/FATA/Balochistan	R1	\$12,524,383	\$5,224,383	\$5,300,000	\$2,000,000
Revitalizing Health Services in KP	R1	\$5,710,955	\$5,710,955		
Promoting Girls Education in Balochistan	R1	\$9,192,395			\$9,192,395
FATA Urban Centers	R1	\$6,786,511		\$6,786,511	
Competitive Industries Project for KP	R1	\$4,930,226	\$4,930,226		
KP Emergency Roads Recovery Project (ERRP)	R1	\$8,000,000	\$8,000,000		
[AF] KP Emergency Roads Recovery Project	R1	\$9,100,000	\$9,100,000		
[AF2] KP Emergency Roads Recovery Project	R1	\$9,000,000	\$9,000,000		
FATA Emergency Rural Roads Project (FATA ERRP)	R1	\$15,981,472		\$15,981,472	
Balochistan Disaster Management Project (BDMP)	R1	\$4,767,293			\$4,767,293
FATA Rural Livelihoods and Community Infrastructure Project (RLCIP)	R1	\$12,000,000		\$12,000,000	
Economic Revitalization of KP and FATA Project (ERKF)	R1	\$20,000,000	\$13,000,000	\$7,000,000	
KP Southern Area Development Project (SADP)	R1	\$18,000,000	\$18,000,000		
<b>Round 1 Total</b>		<b>\$135,993,235</b>	<b>\$72,965,565</b>	<b>\$47,067,983</b>	<b>\$15,959,688</b>
[AF] FATA Rural Livelihoods and Community Infrastructure Project (RLCIP)	R2	\$8,100,000		\$8,100,000	
[AF] KP Southern Area Development Project (SADP)	R2	\$4,000,000	\$4,000,000		
[AF] Economic Revitalization of KP and FATA Project (ERKF)	R2	\$19,000,000	\$12,000,000	\$7,000,000	
Gov & Policy Project (GPP) for FATA	R2	\$14,000,000		\$14,000,000	
Gov & Policy Project (GPP) for Balochistan	R2	\$16,000,000			\$16,000,000
Gov & Policy Project (GPP) for KP	R2	\$10,000,000	\$10,000,000		
KP Digital Program	R2	\$2,000,000	\$2,000,000		
[Pipeline] Balochistan Livelihood	R2	\$15,000,000			\$15,000,000
<b>Round 2 Total</b>		<b>\$88,100,000</b>	<b>\$28,000,000</b>	<b>\$29,100,000</b>	<b>\$31,000,000</b>
<b>MDTF Grand Total</b>		<b>\$224,093,235</b>	<b>\$100,965,565</b>	<b>\$76,167,983</b>	<b>\$46,959,688</b>



## 4. The Way Forward

While some projects have achieved significant results, others require substantial catch-up to pick up the pace of implementation, recover from initial delays, and adjust closing dates, results targets and potentially the delivery model as necessary. The MDTF task teams, in close coordination with the TPMA, are ready to provide the required support to put these projects back on a trajectory of delivering results. A midterm review

of MDTF Round 2, scheduled in the coming year, will also help identify critical pain points that need to be addressed to achieve results.

As before, three key principles of implementation – (i) gender mainstreaming, (ii) a fragility-sensitive approach and (iii) strategic communications – will be applied across the MDTF program to enhance development outcomes and improve citizen-state

### **1. Mainstreaming Gender:**

Projects will continue to take a gender-responsive and sensitive approach, as outlined in their respective Gender Action Plan, and the progress against this plan will be closely monitored.

### **2. Sensitivity to Fragility:**

The Bank's fragility, conflict and violence experts will continue to provide timely advice. A risk and resilience assessment of KP (including former FATA) and Balochistan will be delivered in January 2019 to make project implementation more effective.

Given FATA's merger with KP, the MDTF will provide resources and technical assistance to give maximum support to FATA's transition in the initial critical two years by realigning projects as needed and, in the spirit of adaptive and flexible programming,

### **3. Strategic Communications:**

The MDTF Communications Strategy developed during this reporting period will be implemented in the coming year. Key deliverables include strengthening strategic communications skills for government officials and journalists, helping provinces develop their communications strategies, and support in establishing an information cell in Balochistan's Department of Information, modeled on that of KP.

swiftly adjusting to evolving challenges and new opportunities. The MDTF Secretariat will continue to play an important role in maintaining coordination among donors to provide effective development support to governments of KP and Balochistan.

## ANNEX: CONSOLIDATED RESULTS FRAMEWORK (CRF)

MDTF II - Consolidated Results Framework																		
Results Area	Indicators	MDTF II Project(s)	Base-line Value	Frequency of Data Collection	Source(s) of data	Year 1			Year 2			Year 3			Year 4/EOP			
						Targets	Achievements	% Achieved	Targets	Achievements - 12 month update	% Achieved	Targets	Achievements	% Achieved	Targets	Achievements	% Achieved	
<b>IMPACT</b>																		
Impact 1: Trust between government and citizens (Citizen-State-Trust - CST) is enhanced in MDTF areas (positive assessment in percentage)		Cross-project	33 %	Twice during lifetime of MDTF Round II (baseline and endline)	Surveys													7% over baseline
Impact 2: Percentage of beneficiary households who reflect satisfaction with MDTF activities (including improved access to social infrastructure and enhanced income)		Cross-project	64 %	Twice during lifetime of MDTF Round II (baseline and endline)	Surveys													20% over baseline
<b>OUTCOMES</b>																		
Results Area 1: Enhanced productivity and job creation (through entrepreneurship and skilled labor)	I.1: Number of jobs created by the MDTF-supported enterprises and entrepreneurs	ERKF & KPDP	8,843 M: 8,717 F: 126	Semi-annual	WB Supervision and project monitoring	9,600 M: 9,379 F: 221	9,000 M: 8,874 F: 126	94 % M: 95 % F: 57 %	13,010 M: 12,248 F: 762	9,111 M: 8,973 F: 138	70% 73% 18%	15,755 M: 14,467 F: 1,288					18,500 M: 16,685 F: 1,815	
	I.2: Number of SME beneficiaries of the matching grants	ERKF	1,601 M: 1,569 F: 32	Semi-annual	WB Supervision and project monitoring	1,750 M: 1,663 F: 87	1,691 M: 1,659 F: 32	96 % M: 99 % F: 37 %	2,100 M: 1,995 F: 105	1,688 M: 1,649 F: 39	80% 83% 37%	2,450 M: 2,328 F: 122					2,500 M: 2,375 F: 125	
	I.3: Percentage of matching grants beneficiaries operational at the project completion	ERKF	0	Once at EOP	WB Supervision and project monitoring													75
	I.4: Number of enterprises using the Tourism Management System developed by the project	ERKF	0	Semi-annual	WB Supervision and project monitoring					15	0	-	30					50

MDTF II - Consolidated Results Framework																			
Results Area	Indicators	MDTF II Project(s)	Base-line Value	Frequency of Data Collection	Source(s) of data	Year 1			Year 2			Year 3			Year 4/EOP				
						Targets	Achievements	% Achieved	Targets	Achievements - 12 month update	% Achieved	Targets	Achievements	% Achieved	Targets	Achievements	% Achieved		
<b>OUTCOMES</b>																			
Results Area 2: Improved livelihoods and access to basic services	2.1: Number of community/farmer groups (CBOs/EIGs) established or revitalized	SADP & RLCIP	1,033 M: 796 F: 237	Semi-annual	WB Supervision and project monitoring	1,567 M: 1,207 F: 360	1,033 M: 796 F: 237	66% M: 66% F: 66%	1,751 M: 1,361 F: 390	1530 M: 1,049 F: 481	87% 77% 123%	1,751 M: 1,361 F: 390	1,751 M: 1,361 F: 390	87% 77% 123%					
	2.2: Number of infrastructure schemes completed and O&M transferred to local communities	SADP & RLCIP	475	Semi-annual	WB Supervision and project monitoring	600	475	79%	685	576	84%	685	685	84%					
	2.3: Number of households benefiting from livelihood interventions	SADP & RLCIP	8,888 M: 6,055 F: 2,833	Semi-annual	WB Supervision and project monitoring	9,331 M: 6,314 F: 3,017	8,888 M: 6,055 F: 2,833	95% M: 96% F: 94%	11,116 M: 7,596 F: 3,520	13,387 M: 8,354 F: 5,033	120% 110% 143%	12,900 M: 8,877 F: 4,023	12,900 M: 8,877 F: 4,023	120% 110% 143%					
	2.4: Number of individuals benefiting from rural development interventions	SADP & RLCIP	227,760 M: 160,403 F: 67,357	Once at EOP	WB Supervision and project monitoring														
	3.1: Number of agencies and FRs where citizens are involved in monitoring service delivery (agricultural sector)	GPP FATA	1	Annual	Survey data, M&E Directorate, P&DD					2	1	50%	2	6	50%			10	
Results Area 3: Enhanced transparency and accountability in public service delivery, and effective resource management	3.2: Number of districts where schools and irrigation facilities are monitored with regular beneficiary feedback	GPP Balochistan	5	Annual	Survey data, M&E Directorate, P&DD	8	8	100%	15	8	53%	15	20	53%			25		
	3.3 Number of districts where citizens' feedback on WSS services is collected and disseminated	GPP KP	0	Annual	RTPS Commission, M&E Directorate	2	2	100%	5	2	40%	5	15	40%			25		
	3.4: Number of officials certified in public resource management skills	GPP KP, FATA & Balochistan	0	Annual	WB Supervision and project monitoring	50 M: 45 F: 5	0	0%	180 M: 161 F: 19	0	-	400 M: 355 F: 45	400 M: 355 F: 45	-			650 M: 575 F: 75		
	3.5: Increased % of sales tax on services (STS) collection	GPP Balochistan	PKR 2.2 billion	Annual	BRA reports	5% (PKR 2.3bn)	2.2 bn	0%	15% (PKR 2.5bn)	115%	760%	15% (PKR 2.5bn)	15% (PKR 2.5bn)	760%			40% (PKR 3.1bn)		
		GPP KP	PKR 7.3 billion	Annual	FD, KPRA Budget reports/ financial statements	5% (PKR 7.7bn)	40% (PKR 10.2bn)	132%	15% (PKR 8.4bn)	40% (PKR 10.2bn)	260%	15% (PKR 8.4bn)	15% (PKR 8.4bn)	260%			35% (PKR 9.9bn)		



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