



Economic Revitalization of Khyber Pakhtunkhwa Project (P124268)

SOUTH ASIA | Pakistan | Finance, Competitiveness and Innovation Global Practice |
Recipient Executed Activities | Investment Project Financing | FY 2012 | Seq No: 18 | ARCHIVED on 14-Sep-2020 | ISR42224 |

Implementing Agencies: Government of Pakistan, Small and Medium Enterprise Development Authority (SMEDA), Department of Industries, Commerce and Technical Education

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-2022

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 and developing the selected economic sectors in Khyber Pakhtunkhwa province.

Components Table

Name

Component 1: SME Development:(Cost \$22.60 M)

Component 2: Attracting Investment from the Diaspora:(Cost \$0.80 M)

Component 3: Project Management and Capacity Building Support:(Cost \$9.35 M)

Component 4: Supporting the Competitive Sectors and Pandemic Response:(Cost \$6.25 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Satisfactory
Overall Risk Rating	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Implementation Status and Key Decisions

The Additional Financing (AF) of the Economic Revitalization of Khyber Pakhtunkhwa project (ERKP) became effective in March 2017 for an amount of US\$19 million, with a closing date of June 30, 2020. The total number of SME matching grants beneficiaries of the AF is 856, as of February 2020. More than 12,000 jobs have been created and restored since year 2011 when the original project was launched. The project has



also provided analytical support and technical assistance to province's tourism sector. ERKP 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. Similarly waste management and road/snow clearing machinery and equipment was handed over to Kalam Tehsil Management Authority and Kaghan Development Authority in September 2020. The project closing date has been extended to June 30, 2022.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	□ Substantial	□ Substantial	□ Substantial
Macroeconomic	□ Substantial	□ Moderate	□ Moderate
Sector Strategies and Policies	□ Moderate	□ Moderate	□ Moderate
Technical Design of Project or Program	□ Low	□ Low	□ Low
Institutional Capacity for Implementation and Sustainability	□ Moderate	□ Low	□ Low
Fiduciary	□ Substantial	□ Moderate	□ Moderate
Environment and Social	□ Moderate	□ Moderate	□ Moderate
Stakeholders	□ Moderate	□ Moderate	□ Moderate
Other	□ High	□ Substantial	□ Moderate
Overall	□ Substantial	□ Moderate	□ Moderate

Results

PDO Indicators by Objectives / Outcomes

Number of direct jobs created by the enterprises supported through the project				
▶ Direct jobs restored and created by the enterprises supported through the Project. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10,957.00	12,000.00	13,500.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2022
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.			



□ Direct jobs restored and created for women through the Project (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	196.00	240.00	315.00
▶ 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	28-Aug-2020	30-Jun-2022
▶ 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	2,485.00	2,500.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2022
Comments:	Since March 2017, the project has disbursed 865 new matching grants to the SMEs in KP, of which 88 matching grants are for women owned SMEs.			
▶ Tourist facilities and sites supported through the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	59.00	30.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2022
Comments:	ERKP supported upgradation of 15 rest houses; upgradation of 4 TICs; renovation of 1 youth hostels; and provision of dustbins (10 sites), visitor benches (10 districts), Garbage containers (9 sites), SMD screens (3 sites), portable toilets (3 sites), sight seeing carts (2), and traffic counters (2 sites).			
▶ Investment promotion authorities supported in KP province (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	100.00	5.00	5.00
Date	28-Feb-2020	28-Jun-2019	28-Aug-2020	30-Jun-2022

Overall Comments

The PDO indicators were revised and updated to adjust these for the changes made in the project scope and activities agreed with the clients during the January 2020 Implementation Support Mission (ISM) and during the COVID-19 Pandemic response, through the project restructuring. The revised indicators also factor in the merger of two PMUs into a single PMU and also the merger of the erstwhile FATA with the KP province through a 2018 constitutional amendment.



Intermediate Results Indicators by Components

Component 1: SME Development				
▶ SME Rehabilitation Support provided through the MGs. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,689.00	2,036.00	2,200.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2020
▶ SME beneficiaries of the up-gradation MGs. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	359.00	446.00	450.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2022
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 446 which is reflected in the results framework.			
▶ Machinery pools/common facilities 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	28-Aug-2020	30-Jun-2022
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.			
▶ SME beneficiaries satisfied with the processing of the MGs under the AF of Project. (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	28-Aug-2020	30-Jun-2022
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.			

Component 2: Attracting Investment from the Diaspora				
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► Re-connect Pakistan (web tools for Diaspora) operational (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	15,621.00	19,037.00	10,000.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2016
► Diaspora outreach program implemented through investment mobilization events (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.00	6.00	6.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2022
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.			

Component 3: Project Management and Capacity Building Support				
► Officials of the Government of KP attend training and study tours in technical areas, including (i) trade and commerce, (ii) tourism and destination management and (iii) project management (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	52.00	56.00	70.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2022
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.			

Component 4: Supporting the Competitive Sectors and Pandemic Response				
► Micro-enterprises, workers (including women) and SMEs trained through the Project (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	28-Aug-2020	30-Jun-2022
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.			



► Scalable projects and activities identified in the competitive sectors of KP (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	7.00	6.00
Date	11-Oct-2011	28-Jun-2019	28-Aug-2020	30-Jun-2022
Comments:	The projects identified by the ERKP that were also presented in the investment roadshows have been completed or implementation. These projects include: Malam Jabba chairlifts, Malam Jabba Tourist resort, Balakot Hydropower, Kalam Hydropower, Boonizait Hydropower, GharitSwirlasht Hydropower, and Jamshail Mori Lasht Hydropower.			
► Medical equipment and supplies for COVID-19 pandemic response provided to Health Department of KP (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	150.00	--	1,530.00	200.00
Date	02-Mar-2020	--	28-Aug-2020	30-Jun-2022
Comments:	KP has 150 ventilators in its public health facilities. The project procured (55) ventilators, (1,150,000) surgical masks, (25,000) examination gloves, (19,000) N-95 masks, (10,000) face shields, (1,475) containers for hand sanitizers and (5) automated RNA extraction machines on emergency basis. So the target has been overachieved. Only the quantities of ventilators and containers (1,530) is mentioned for 'actual' value of the target.			

Overall Comments

The intermediate indicators are being readjusted to include the support which AF is providing to the tourism sector and also to health sector of the province in response to the COVID-19 pandemic. This includes project's collaboration with the Department of Health (GoKP) for providing specialized medical equipment, supplies and personal protection equipment (PPE) for the public sector health facilities across the provinces.

Performance-Based Conditions

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	Effective	USD	19.00	19.00	0.00	15.64	3.36	82%

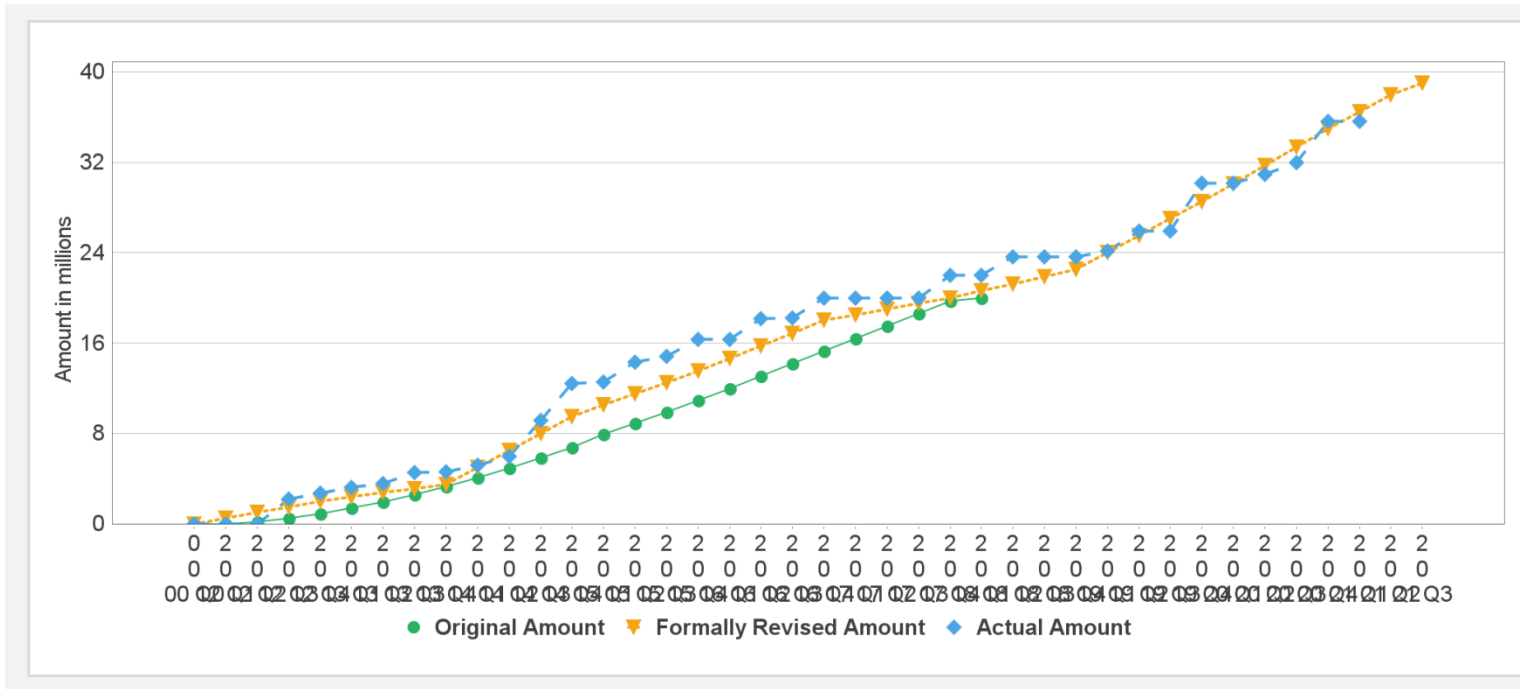
Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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P124268	TF-99175	Effective	11-Oct-2011	11-Oct-2011	11-Oct-2011	30-Jun-2015	30-Jun-2022
P124268	TF-A4251	Effective	30-Mar-2017	30-Mar-2017	30-Mar-2017	30-Jun-2020	30-Jun-2022

Cumulative Disbursements



PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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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 ,Level Approved on 10-Jun-2020 ,Level 2 Approved on 26-Jun-2020

Related Project(s)

P160445-Economic Revitalization of Khyber Pakhtunkhwa and Federally Administered Tribal Areas