



## 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: 19 | ARCHIVED on 22-Mar-2021 | ISR45868 |

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"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> 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 1094, as of March 2021. More than 13,000 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 to the GDA, Kalam Tehsil and Kaghan Development Authority earlier this year. The project has disbursed fully and its closing date is 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	Moderate	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	12,000.00	13,017.00	13,500.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	30-Jun-2022
Comments:	4,228 direct jobs have been created in the 1,094 enterprises that received matching grants under the AF of ERKP. Of these, 865 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	240.00	865.00	315.00
<b>► Matching grants beneficiaries operational and productive at the completion of the Project. (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	75.00	75.00	75.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	30-Jun-2022
<b>► SME beneficiaries of the MGs, of which at least 5 percent are owned/managed by women entrepreneurs. (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2,485.00	2,723.00	2,500.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	30-Jun-2022
Comments:	In AF, the project has disbursed 1,097 new matching grants to the SMEs in KP, of which 172 matching grants are for women owned SMEs that is 16.5%. The target is already overachieved.			
<b>► Tourist facilities and sites supported through the project (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	59.00	59.00	30.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	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). Target is overachieved.			
<b>► Investment promotion authorities supported in KP province (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	5.00	5.00	5.00
Date	28-Feb-2020	28-Aug-2020	26-Feb-2021	30-Jun-2022

### 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	2,036.00	2,216.00	2,200.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	30-Jun-2020
<b>► SME beneficiaries of the up-gradation MGs. (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	446.00	507.00	450.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	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.			
<b>► Machinery pools/common facilities supported by the Project. (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	6.00	6.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	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. A case for upgrading health facilities has also been approved where three private sector hospitals of District Swabi have partnered to establish an advanced diagnostic center that would provide services of advanced CT Scan, COVID Testing, Medical Diagnostic Testing and Hormone Analysis testing under one roof. This will be the first of its kind advanced diagnostic testing and CT scan facility in the private sector at Swabi.			
<b>► SME beneficiaries satisfied with the processing of the MGs under the AF of Project. (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	80.00	80.00	80.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	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

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	0.00	19,037.00	29,363.00	10,000.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	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	10.00	6.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	30-Jun-2022
Comments:	<p>The investment mobilization events held by the Project are listed below:</p> <ol style="list-style-type: none"> <li>1. Investment Road Show Karachi September 2013</li> <li>2. Cross Road Show Islamabad, June 2014</li> <li>3. Pre-visit Investment Road show Dubai, 2015</li> <li>4. Investment Road show Dubai February 2015</li> <li>5. Consultative Workshop on Tourism Sector Analysis January 2018</li> <li>6. Launching ceremony Tourism Sector analysis, November 2018.</li> <li>7. International Conference on technology, tourism and travel, April 2019.</li> <li>8. Launching of Tourism Management information system, July 2019.</li> <li>9. Economic Development, and tourism promotion of Chitral Division August 2018.</li> <li>10. Economic Development, and tourism promotion of Hazara Division October 2019</li> </ol>			

#### 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	56.00	104.00	70.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	30-Jun-2022
Comments:	<p>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. A total of 104 officials of the Government of KP has been trained in the following areas:</p> <ul style="list-style-type: none"> <li>· PPP = 05</li> <li>· Capacity building of IC&amp;TE = 29</li> <li>· SEZA Awareness = 05</li> <li>· BLS/First aid training = 44</li> <li>· PD Academies = 05</li> <li>· Communication strategies = 02</li> <li>· Procurement and financial management = 02</li> <li>· Foreign exposure = 12</li> </ul>			

#### 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
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Value	0.00	985.00	2,935.00	1,000.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	30-Jun-2022
Comments:	<p>Training were provided to a total 125 SMEs and the details follow:</p> <ol style="list-style-type: none"> <li>1. Marble Mosaic training to 80 females in two batches</li> <li>2. Exposure and study visit of 15 Marble sector entrepreneurs to Lahore, Islamabad and Karachi</li> <li>3. Training on Gang saw operations and maintenance to 30 SMEs in two batches.</li> </ol> <p>Training were provided to an additional 1,950 individuals:</p> <ol style="list-style-type: none"> <li>1. Training on Pine Nuts value chain to 1,600 individuals including women</li> <li>2. Tourism sector training to 350 individuals (50 tour guides and 300 through Tech Valley conference)</li> </ol>			
<b>► Scalable projects and activities identified in the competitive sectors of KP (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7.00	7.00	6.00
Date	11-Oct-2011	28-Aug-2020	26-Feb-2021	30-Jun-2022
Comments:	<p>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.</p>			
<b>► Medical equipment and supplies for COVID-19 pandemic response provided to Health Department of KP (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	150.00	1,530.00	1,530.00	200.00
Date	02-Mar-2020	28-Aug-2020	26-Feb-2021	30-Jun-2022
Comments:	<p>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, (60,000) Automated RNA kits 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.</p>			

### Performance-Based Conditions

### Data on Financial Performance

#### Disbursements (by loan)

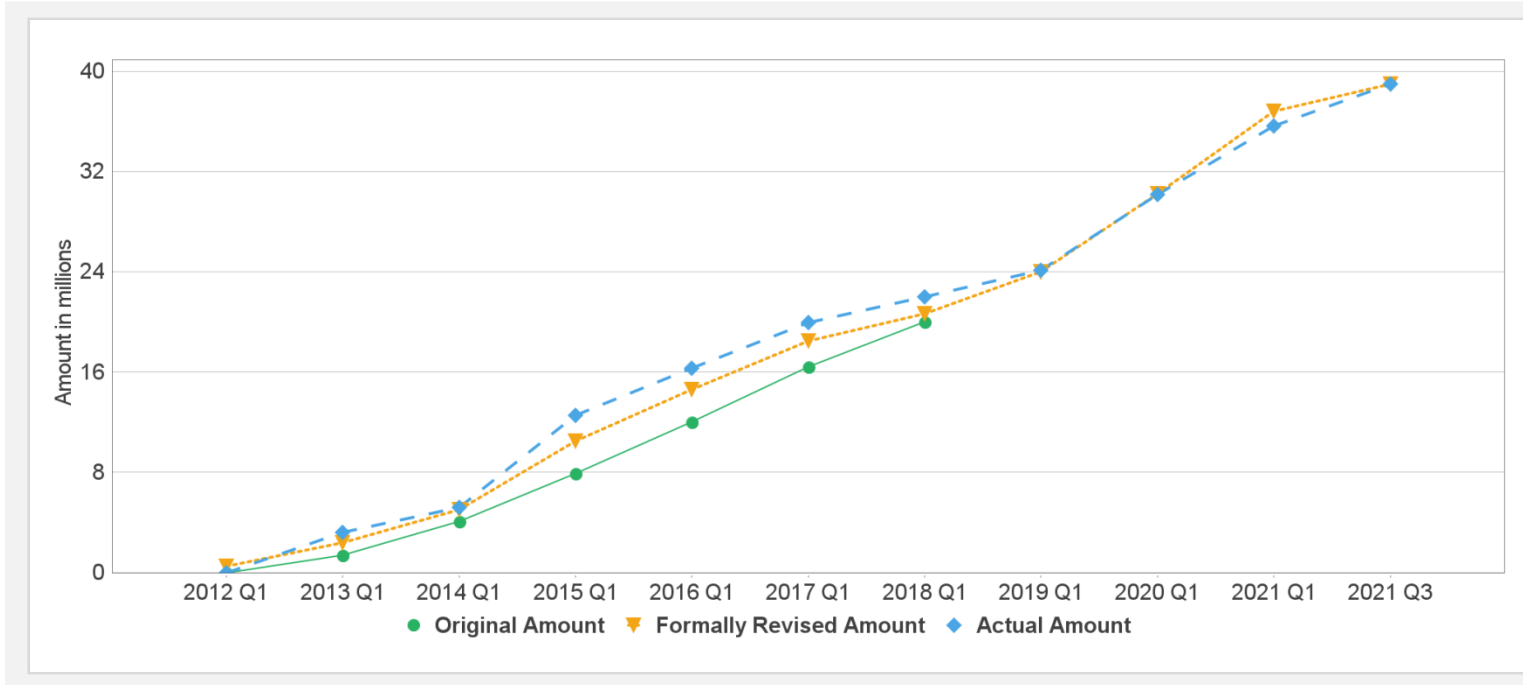
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P124268	TF-99175	Effective	USD	20.00	20.00	0.00	20.00	0.00	100%
P124268	TF-A4251	Effective	USD	19.00	19.00	0.00	19.00	0.00	100%



**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-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 2 Approved on 26-Jun-2020

**Related Project(s)**

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