



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: 21 | ARCHIVED on 23-Dec-2021 | ISR49455 |

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

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 1,415, as of November 2021. Close to 15,000 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 key economic sectors and recently contributed towards the Digital Youth Summit of Khyber Pakhtunkhwa province in November 2021. 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), Kaghan Development Authority (KDA) and Kalam Tehsil Management Authority. The excavator, garbage compactors, trash cans and tourist carts were handed over to the GDA, Kalam Tehsil and KDA during May 2021. The project's closing date is June 30, 2022.

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	<input type="checkbox"/> Substantial
Macroeconomic	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Sector Strategies and Policies	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Technical Design of Project or Program	<input type="checkbox"/> Low	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Fiduciary	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low
Environment and Social	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Stakeholders	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Other	<input type="checkbox"/> High	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Overall	<input type="checkbox"/> Substantial	<input type="checkbox"/> Moderate	<input type="checkbox"/> 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	14,941.00	14,941.00	13,500.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
□ Direct jobs restored and created for women through the Project (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	865.00	865.00	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	75.00	75.00	75.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	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	2,947.00	3,042.00	2,500.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	In AF, the project has disbursed 1415 new matching grants to the SMEs in KP, of which 196 matching grants are for women owned SMEs. The target is already overachieved.			
► Tourist facilities and sites supported through the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	59.00	59.00	30.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-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. Additional waste management equipment is being procured with an expected delivery date of February 2022.			
► Investment promotion authorities supported in KP province (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	5.00	5.00	5.00
Date	28-Feb-2020	30-Sep-2021	30-Nov-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	2,386.00	2,386.00	2,200.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2020
► SME beneficiaries of the up-gradation MGs. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	561.00	561.00	450.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	The number of new up-gradation matching grants disbursed under the AF is 378.			
► Machinery pools/common facilities supported by the Project. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	6.00	6.00	6.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	The project has approved 6 CFC grants and has achieved the target. These include a CFC for construction sector cluster, which will be supported through the procurement of heavy machinery which is otherwise not readily available in the 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. Other CFCs are for marble processing sector and CNG kits manufacturing.			
► 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	80.00	80.00	80.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	According to the Third Party Monitoring Agent (TPMA) report covering the 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. This update on this will be carried out by an independent firm during April 222. This firm is being hired by the PMU-ERKP.			

Component 2: Attracting Investment from the Diaspora

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

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	42,683.00	42,683.00	10,000.00



Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2016
Comments:	Target overachieved,			
▶ Diaspora outreach program implemented through investment mobilization events (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	9.00	9.00	6.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	<p>The investment mobilization events held by the project are listed below:</p> <ol style="list-style-type: none"> 1. Investment Road Show Karachi September 2013 2. Cross Road Show Islamabad, June 2014 3. Pre-visit Investment Road show Dubai, 2015 4. Investment Road show Dubai, February 2015 5. Consultative Workshop on Tourism Sector Analysis, Peshawar, January 2018 6. Launching ceremony Tourism Sector analysis, Islamabad, November 2018. 7. International Conference on technology, tourism and travel, Galiyat, April 2019. 8. Economic Development, and tourism promotion of Chitral Division August 2018. 9. Economic Development, and tourism promotion of Hazara Division October 2019 10. Digital Youth Summit, November 2021 			

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	104.00	104.00	70.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	<p>A total of 104 officials of the Government of KP has been trained in the following areas:</p> <ul style="list-style-type: none"> • PPP = 05 • Capacity building of IC&TE = 29 • SEZA Awareness = 05 • BLS/First aid training = 44 • PD Academies = 05 • Communication strategies = 02 • Procurement and financial management = 02 • International study visits = 12 			

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	2,935.00	2,935.00	1,000.00



Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	Training were provided to a total of 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. 4. Training on Pine Nuts value chain to 1,600 individuals including women 5. Tourism sector training to 350 individuals (50 tour guides and 300 entrepreneurs/SME employees through Tech Valley conference)			
► Scalable projects and activities identified in the competitive sectors of KP (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7.00	7.00	6.00
Date	11-Oct-2011	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	The projects identified by the ERKP have been completed or in different stage of implementation. These projects include: <ol style="list-style-type: none"> 1. Kalam Kumrat Cable Car, 2. Three Destination Investment and Management Plans (DIMPs) for Tourist Sites (for Thandiani, Naran and project), 3. Solid Waste Management Initiative (Sanitary Landfill Sites), 4. Responsible Tourism Initiative (TREK), 5. Road Clearing Equipment, 6. Rasha Kai Special Economic Zone (SEZ), 7. Pre-Fab Tourist Toilets 8. Roads Rehabilitation between Kalam-Kumrat 			
► 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	1,530.00	200.00
Date	02-Mar-2020	30-Sep-2021	30-Nov-2021	30-Jun-2022
Comments:	KP has 150 ventilators in its public health facilities. The project procured (55) additional 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.			

Performance-Based Conditions



Data on Financial Performance

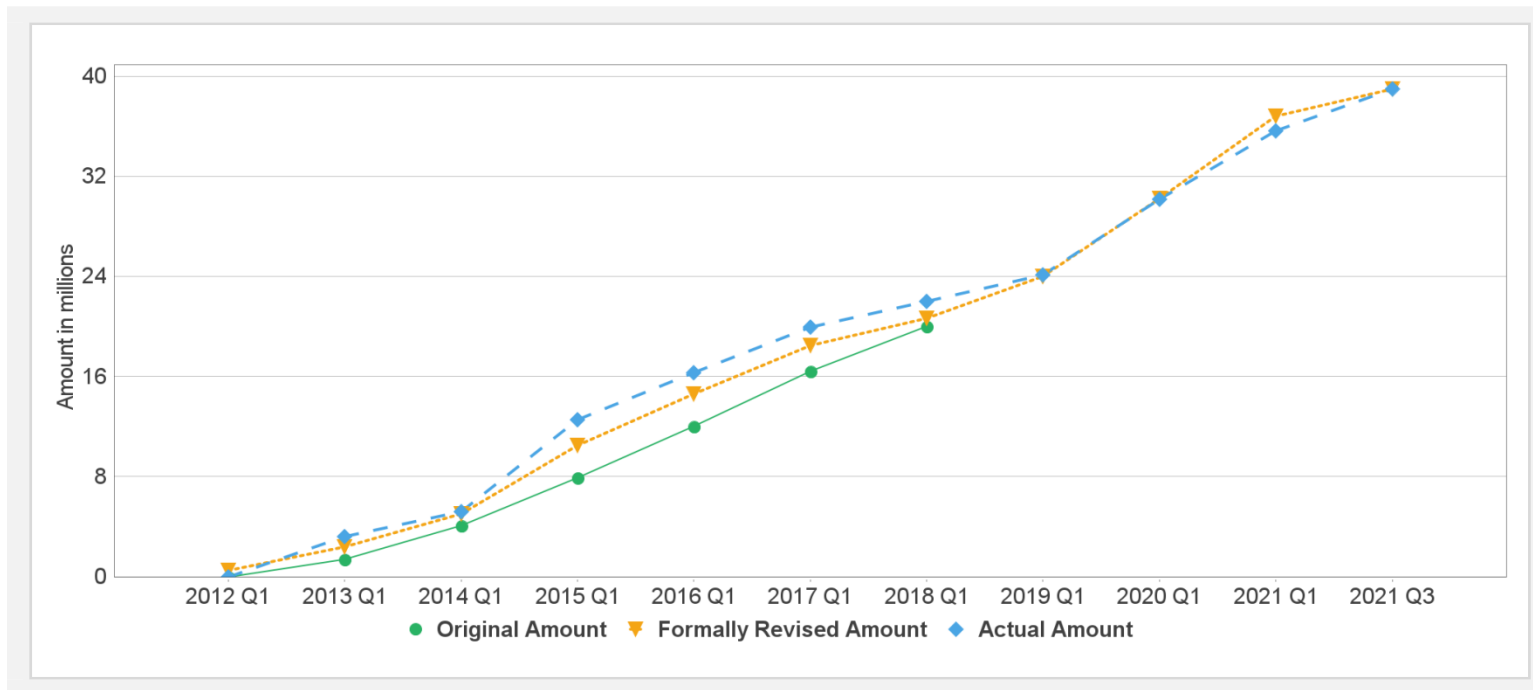
Disbursements (by loan)

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
