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Wasim Bari (wbari@usaid.gov) has approved reporting for FY 2021 Qtr 2 (Jan 1 - March 31, 2021) - FATA Economic Revitalization Program (AID-391-IO-17-00004).



National Webinar

Women Entrepreneurship

Challenges & Solutions
in Khyber Pakhtunkhwa & Merged Areas

Thursday **25th** February, 2021.
12:00 - 2:00 pm



NATIONAL WEBINAR

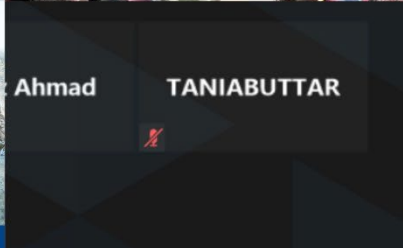
CROSS BORDER TRADE FACILITATION
Challenges, Solutions and Support Required from Govt & Donors

21st January 2021
(Thursday) 11:00 am 01:00 pm

Chief Guest
Abdul Karim Khan
Special Assistant to CM on Industries Khyber Pakhtunkhwa

PANELISTS

- Mr. Hashim Raza, CEO, SWEEDA, Pakistan
- Engr. Manzoor Elahi, Senior Vice President, SDGI, Peshawar
- Mr. Muhammad Zakir, Secretary Management, Customs, Federal Board of Revenue (FBR)
- Mr. Hassan Daud Butt, CEO, SWEEDA
- Mr. Zahid Shah, Vice President
- Closing Remarks by Mr. Amir Goraya**, Assistant Executive Director, Gender & Chief Cross Sectoral and Recovery Unit, UNDP Pakistan



FATA Economic Revitalisation Programme (FERP)
Contract Number: AID-39HQ-17-00004

Quarterly Progress Report January- March 2021

United Nations Development Programme

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List of Acronyms:

AIM	Akhuwat Islamic Microfinance
BMST	Business management skills training
BU	Bahria university
CU	Concepts Unlimited
ECDF	Economic Coordination & Development Forum
FATA	Federally Administered Tribal Areas
FERP	FATA Economic Revitalization Programme
GoP	Government of Pakistan
IM Studies	Institute of Management Studies
IP	Implementing Partner
IRP	Islamic Relief Pakistan
IIUI	International Islamic University Islamabad
KP	Khyber Pakhtunkhwa
LoP	Life of Project
MD	Merged District
MFP	Micro Finance Providers
M&E	Monitoring and Evaluation
NW	North Waziristan
PPP	Public Private Partnership
RFP	Request for Proposal
SMEDA	Small and Medium Enterprise Development Authority
SW	South Waziristan
TiE	The Indus Entrepreneurs
ToR	Terms of Reference
UNDP	United Nations Development Programme
USG assistance	United States Grants assistance

Project Summary Sheet

Title	FATA Economic Revitalisation Programme
Contract No	AID-391-IO-17-00004
Project Award ID	00088875
Project ID:	00107046
Project Donor Name	United States Agency for International Development (USAID)
Implementing Partners	United Nations Development Programme (UNDP)
UNDP Partners	UNDP, Sarhad Rural Support Programme (SRSP), Islamic Relief Pakistan (IRP), Akhuwat Islamic Microfinance (AIM), National Logistic Cell (NLC), The Institute of Management Sciences, The Institute of Management Studies, Small and Medium Enterprise Development Authority (SMEDA), Concepts Unlimited, Bahria University and Islamic International University Consortium, The Indus Entrepreneurs (TiE), iConsult.
Location of Project	Khyber, North Waziristan, and South Waziristan Districts, Khyber Pakhtunkhwa, Pakistan
Project Budget	\$15,000,000
Project Duration	20/09/2017 – 17/09/2021
Reporting Period	01/01/2021 – 31/03/2021
Name and Title of Focal Point	Tanya Rzehak, Programme Manager tanya.rzehak@undp.org

I. Executive Summary:

The FATA Economic Revitalisation Programme (FERP) is contributing to the long-term economic growth of the Merged Districts (MDs) by creating sustainable livelihood opportunities in the area. This report presents the progress achieved in the second quarter of FY 2021 i.e. January to March 2021. During the reporting quarter, the project reached a total of 96 (66 women) beneficiaries. Since its inception, the project has directly benefitted 13,266 (2,966 women) individuals against the target of 15,116. The overall achievement stands at 90% against the life of project target at the time of writing this report.

The security situation in the MDs including the project implementing areas improved considerably, except North Waziristan district which reported incidents of terrorism during the reporting quarter, that have further deteriorated the security situation in the district.

The Government announced the third wave of COVID-19 in Pakistan on February 22nd, 2021 which appears to be more serious than the first waves, as the country's positivity rate has jumped to 10 per cent. UNDP continued to implement the programme, strictly adhering to the safety SOPs. The programme activities were not significantly affected as UNDP is already conducting virtual meetings, training, and mentoring sessions. However, multiple employees of incubation partners were infected by the virus and one of the incubation partners requested for a one-month no cost extension.

The project has successfully closed three outputs by fully achieving their targets. The project achieved its targets under the outputs of immediate temporary employment opportunities (output 1), business opportunities for upscaling existing/new enterprises (output 2), and market-based employment opportunities provided for youth through skills training (output 5) during the FY 2020. Details of the completed outputs were reported in the previous QPRs and APR (October 2019 – September 2020).

Due to the high success rate and increased demand for innovative enterprises among the entrepreneurs of the MDs, the project extended training support to 901 entrepreneurs and grants to 493 enterprises against the initial targets of training 700 entrepreneurs and 350 grants. The project has completed incubation training (output 3) for a total of 901 (329 women) entrepreneurs and provided incubation grants to 406 (134 women) entrepreneurs (82%). During the reporting quarter, UNDP continued virtual training and pitching events and successfully trained 180 (91 women) entrepreneurs and provided incubation grants to 66 (35 women) entrepreneurs. Furthermore, post-incubation coaching sessions were provided to 191 (125 women) graduated trainees. Until now, 574 (256 women) trainees have been provided the mentoring and coaching sessions.

UNDP continued to pursue possible options for the engagement of microfinance providers in North Waziristan and South Waziristan districts. In this regard, consultative meetings were conducted with Akhuwat Islamic Microfinance. Akhuwat has received PKR 1 billion from the provincial government for expansion of services in the MDs. UNDP is discussing with them if there is any support that could be provided by UNDP and the details of possible operational support in the establishment of their offices.

Under increased capacity of the government (output 6), UNDP is developing Private-Private Partnerships with private sector stakeholders to develop long term sustainable partnerships and job placements for youth trained under the project. UNDP shared the list of potential trainees with FF Steels and Alpha Pipes. Both partners have shown commitment to provide apprenticeships to selected youth trained under the project. The project is exploring similar arrangements with other private sector organisations such as Zakori Group and KPZEDMC.

Under the value chain development activity, UNDP's implementing partner International Consulting Associates (I-Consult) received its NOC to conduct field assessment in the MDs and has initiated field work on the development of value chain reports for identified products.

UNDP arranged two webinars in partnership with SMEDA: on Cross Border Trade; and on Women Entrepreneurship. Additionally, UNDP's partner SMEDA also hired a consulting / IT management firm to develop the Business Facilitation Portal in partnership with Sarhad Chamber of Commerce and Industry.

UNDP, in accordance with the ECDF recommendations, is providing lead technical and administrative support to the Planning and Development Department (P&DD) in the development of the Economic Development Plan. In this regard, UNDP held further consultations with stakeholders on the Economic Development Plan under the chair of the Director General Projects/SDU, Planning and Development Directorate, KP Government. The ECDF recommendations were shared with all government departments such as Industries department, KP-TEVTA to consult while developing concept notes recommended by the Government of KP.

II. Background

The FATA Economic Revitalisation Programme was designed considering the complex socio-economic, political and governance context of the Merged Districts of Khyber Pakhtunkhwa (KP). The programme aims to generate sustainable livelihood opportunities for the local population leading to the long-term economic growth of the tribal districts of KP. This programme adopts a three-track approach: (i) livelihood stabilisation by generating immediate short-term employment opportunities, (ii) local economic recovery for medium to long-term employment and (iii) sustainable employment creation and inclusive economic growth. Under this programme communities of the MDs are supported by helping them diversify their livelihoods through business development grants, market-driven skills training, access to micro-finance, innovation fund and developing market linkages.

III. Situation Analysis

During the reporting period, the security situation in the merged districts showed considerable improvement, except North Waziristan district which remained unstable. Despite the presence of security forces in the district, attack on military and other law enforcement agencies continued. The killing of four women workers of an NGO in Ipi village near Mir Ali and kidnapping of government officials in Sehwa Tehsil further deteriorated the security landscape significantly. Subsequently, the NGOs and aid

workers were instructed by the District Administration and military authorities to scale down their operations temporarily.

Military operations against the militant groups in the MDs have considerably weakened the operational capacity of militant organisations. A loss of terrorist training infrastructure, hideouts, safe havens, and the gradual decrease of local support within the Pashtun communities has deprived them from local recruits and sources of terror financing. However, the militant's groups continue to infiltrate and attack targets inside Pakistani territory, as per government information sources.

Nevertheless, the militant groups have changed their tactics and strategies to adjust to the changing environment. Instead of suicide attacks, which used to be the most preferred and effective tactics, the militants are now mainly target killing community elders, government officials, personnel of law enforcement and security agencies, political representatives and members of anti-Taliban tribal militias in the MDs.

US Forces Withdrawal from Afghanistan

US declaration of completing withdrawal from Afghanistan by September 2021 and the forthcoming Istanbul Conference on 24th April 2021, holds the key for the future peace and stability in Afghanistan and by default in the tribal districts of Pakistan. The overriding objective of Istanbul Conference is to jumpstart, accelerate and complement the on-going intra-Afghan negotiations in Doha for the achievement of just and durable political settlement. It is expected that a shared understanding of a future political framework for Afghanistan, and end of violence in Afghanistan will be beneficial for adjacent Pakistani region and wider regional peace and stability.

Border Management

Improved border management along Durand line, is producing the desired results. The physical barrier (fencing), which is in final stages of completion, has greatly strengthened the security parameters in the MDs, restricting the free movement of criminals, terrorists, and insurgents across the border. The situation in North Waziristan District, however, points towards the presence of elements within the district.

Covid-19 Outbreak and Impact on the MDs:

Pakistan's positivity ratio crosses 10%¹ as the third wave of COVID-19 is spreading in the country, despite government restrictions to contain the virus. According to Health Ministry data², most deaths were reported in the north-eastern Punjab and north-western Khyber Pakhtunkhwa provinces. Government and health officials warn that if the ongoing pace of infections continues like this, the situation may get worse as the country's already weak healthcare system is near saturation. In several district hospitals, nearly 90% of ventilators and oxygen beds are already occupied, while some hospitals are turning away new patients as 100% of beds allocated for coronavirus patients are already taken, according to ministry officials.

¹ <https://ncoc.gov.pk/>

² <https://www.aa.com>.

Pakistan is set to receive millions of COVID-19 vaccine doses from various countries in the coming weeks to speed up its slow immunization campaign. So far, out of its population of 210 million, nearly 1.4 million people, including health professionals and people above 60 years old, have been inoculated. The country is currently using China's synopharm and cansino vaccines in government hospitals. Health authorities said that Pakistan will soon locally produce the cansino COVID-19 vaccine with the help of China.

Since merged districts are remote, the recorded impact of health problems from the pandemic are not significant, however, the economic effect on these districts due to loss of jobs, economic slowdown, closure of businesses, loss of livelihood is impacting the area.

IV. Progress Achieved from January to March 2021:

Interventions under different outputs and their implementation mechanisms as per the grant agreement are given below in detail.

Output 1: Immediate Temporary Employment Opportunities for most Recent Returnees Created (completed)

The project has successfully achieved its target for this output. The project has rehabilitated 90 economic infrastructure schemes by employing 3,210 individuals in the rehabilitation work that has created 34,787 working days for them by directly benefiting the local economy. The table below shows the results of the schemes:

Indicator	Target	District-wise Achievement (100% completed)			
		NW	SW	Khyber	Total
Number of Economic Infrastructure Schemes completed	90	30	30	30	90
Number of working days created through USG assistance	30,000	11977	9397	13413	34,787
Number of individuals engaged in short term assistance activities	2,572	904	900	1406	3,210

Output 2: Business Opportunities for Upscaling Existing/ New Enterprises Created (completed)

Similarly, the project has achieved its target of Business Management Skills Training (BMST) and business (in-kind) grants for output 2. The project exceeded the target of BMST (4,350) by training 4,381 (1,734 women) beneficiaries and distributed business kits among 3,855 (1,542 women) beneficiaries of BMST. As part of the training process,

post-grant-assistance/coaching was provided to 3,855 beneficiaries (1,542 women). The table below presents the results achieved:

Table 2: Business opportunities for upscaling existing/ new enterprises created

Indicator	LoP Target	District-wise Achievement (100% Completed)								
		NW		SW		Khyber		Total		
		M	F	M	F	M	F	M	F	T
Number of individuals/MSMEs trained on business management skills	4,350	869	578	898	586	880	570	2,647	1,734	4,381
Number of micro, small, and medium enterprises, including farmers, receiving USG assistance	3,855	771	514	771	514	771	514	2,313	1,542	3,855

Trade wise distribution of training and in-kind grants is provided below:

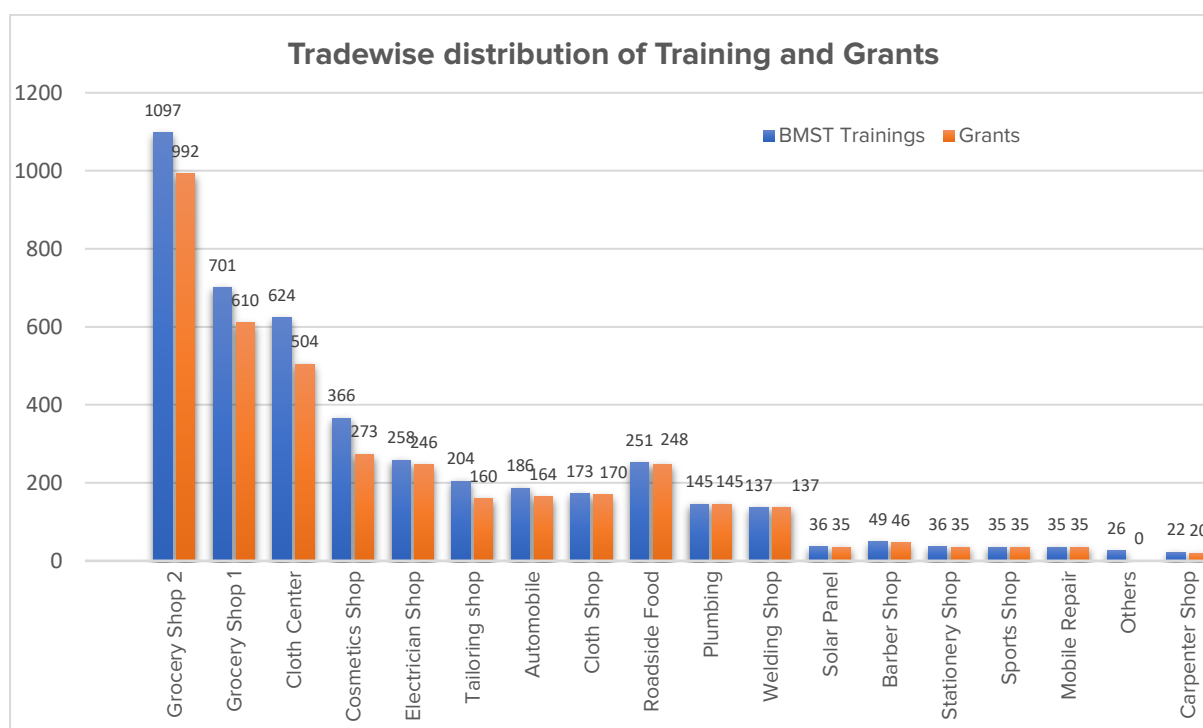


Chart 4: Trade wise distribution of Business Management Skills Training and Grants

Output 3: Innovative Enterprises from FATA Supported to Stay Operational after 6 months of Incubation (in progress)

The project has extended training support to 901 entrepreneurs and grants to 406 enterprises, and thereby exceeding the planned targets of training 700 entrepreneurs and 350 grants (ref: Table 3). The project has increased support under the output 3 due to the high success rate and increased demand for innovative enterprises among the

entrepreneurs of the MDs. During the reporting quarter, resurgence of COVID-19 has affected the programme activities as multiple employees of incubation partners were infected with the virus. Consequently, one of the Incubation partners, The Indus Entrepreneurs (TiE) requested a one-month no-cost extension.

During the reporting period, UNDP trained 180 (91 women) entrepreneurs from the MDs and helped them develop, refine, and present their business ideas/models to panels of independent judges. Online incubation pitching events were held for the trainees where they pitched their innovative ideas to independent evaluation committees, comprising of experienced judges. During this period, 66 (35 women) entrepreneurs were provided business incubation grants. The average grant size per entrepreneur is USD 1,500, depending on the business plan of the entrepreneur.

The following table presents progress achieved under output 3:

Table 3: Innovative enterprises supported to stay operational												
Indicator	LoP Target	District-wise Achievement (Jan-Mar 2021)									Achi eved until Mar 2021	In Pro gress
		NW		SW		Khyber		Total				
		M	F	M	F	M	F	M	F	T		
Number of entrepreneurs/M SMEs trained	700	34	27	23	54	32	10	89	91	180	901 (329 w)	-
Number of entrepreneurs/M SMEs provided support through USG assistance	350	14	8	6	21	11	6	31	35	66	406 (134 w)	52
Percentage of MSMEs operational after 6 months of the assistance ³	50%	-	-	-	-	-	-	-	-	-	52%	

Post incubation coaching is ongoing for the entrepreneurs who received grants to ensure that these businesses can thrive, overcome challenges, and have potential to stay operational after incubation support. Spot check visits to all qualified beneficiaries remain a major challenge. Initially, visits to the proposed businesses were planned by the incubation partners. The plan was later modified as the number of staff affected by Covid-19 increased. Regular guidance was provided to new grantees in case of queries during development stage of their businesses. Remote mentoring and coaching sessions were conducted for 191 trainees (125 women) during the reporting quarter (50

³ a) The project is supporting MSMEs through output 2 and output 3, Thus the progress in the given table is related to output both of these outputs. .

b) Since it is an outcome level indicator, therefore, instead of quarter-bound progress, cumulative progress is presented in the table.

c) formula: %age = MSMEs in district operational after six months / Total MSMEs supported in district until end of reporting quarter x 100

NW, 80 SW, 61 Khyber). Until now, 574 (256 women) individual and group sessions have been provided to the trained beneficiaries. 152 NW, 198 SW, 224 Khyber).



Entrepreneurs invested the grants in different businesses/enterprises.

Output 4: Existing and New Entrepreneurs Have Increased Access to Micro-Finance (in progress)

The project has completed its target of disbursing loans to 2509 beneficiaries (141 women) in Khyber district via two branches of UNDP partner Akhuwat Islamic Microfinance Institution (AIM). However, the progress is slightly behind the target due to difficulties in the identification of qualified microfinance providers willing to expand their services to North Waziristan and South Waziristan districts.

The following table presents the progress achieved:

Indicator	LoP Target	District-wise Achievement (50% completed)								
		NW		SW		Khyber		Total		
		M	F	M	F	M	F	M	F	T
Number of MSMEs who received loan from microfinance institutions, as a result of USG assistance (MSF-1.3.1c)	5,000	-	-	-	-	2368	141	2368	141	2509
Number of MFI staff trained to better facilitate the borrowers	45	-	-	-	-	12	-	12	-	12
Outreach sessions	76	-	-	-	-	4	2	4	2	6

UNDP conducted consultative meetings with relevant stakeholders including Government of KP and potential microfinance institutions. During the reporting quarter, UNDP further discussed possible avenues for collaboration and cooperation with AIM. The Government of Pakistan has provided PKR 1 billion to AIM for expansion of micro finance in the MDs. UNDP is looking into the possibility of a partnership with them within the scope of FERP project timelines.

Output 5: Market-based Employment Opportunities Provided for Youth through Skills Training (completed)

The project has achieved its target by completing the provision of skills development training and tool kits distribution. The project has trained 2,356 (801 women) beneficiaries and disbursed start-up tool kits among 1,820 (801 women) successful graduates. Following the completion of training, 602 (212 women) post-training mentoring sessions were provided to 2,602 (1,068 women) trainees to further support them in their businesses and enable them to overcome the challenges they are facing in employing their learned skills. Moreover, 1522 youth have employed their skills and the start-up toolkits to create earning opportunities for themselves.

The project has formed 30 business associations constituted from the market committees formed under output 1. These business associations have been trained in advanced management skills and create linkages with large business concerns out of the districts to enhance the scope of business activities and to ensure economic development in the local markets.

The following table presents the results achieved:

Indicator	LoP Target	District-wise Achievement (100% Completed)								
		NW		SW		Khyber		Total		
		M	F	M	F	M	F	M	F	T
No. of people receiving skills training and livelihood support based on analysis of market needs	2,494	492	267	517	267	546	267	1,555	801	2,356
Number of business associations formed	30	10	-	10	-	10	-	30	-	30
Number of tool kits/equipment provided	1,750	338	267	303	267	378	267	1,019	801	1,820

138 youth dropped out of training for pursuing further education or started employment in security agencies (army or navy).*

Trade wise distribution of training and tool kits distributed is provided below:

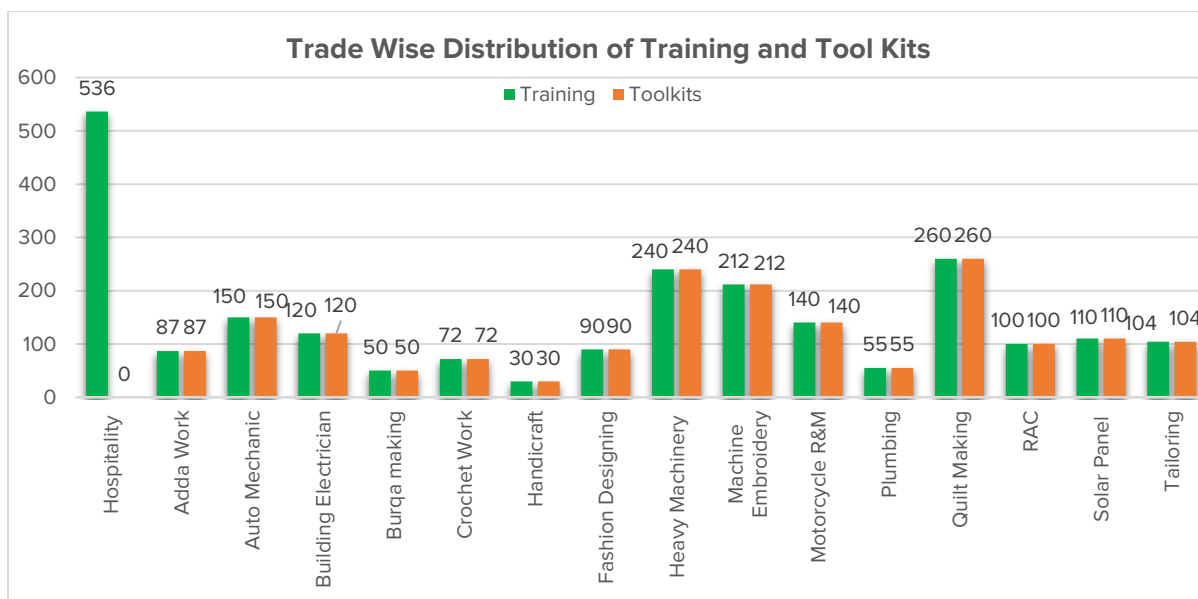


Chart 6: Trade wise distribution of skills development training and tool kits

Output 6: Increased Capacity of the Government to Monitor Economic Development in FATA and Undertake Market Assessments (in progress)

Activity 6.1: Market assessments Studies Conducted

UNDP has conducted three assessment studies. These studies serve as a guiding document for designing area-specific and sustainable, livelihoods, economic growth, and business development interventions not only for FERP but also for other projects to be designed in the future. The reports have already been shared with provincial and district governments, industries department, private sector, and UNDP partners.

Activity 6.2: Setting up Public-Private Partnerships (PPPs) and Private-Private Partnerships as a result of program assistance

UNDP partnered with Alpha Pipes and Frontier Foundry Pvt. Ltd (FF Steels) to provide employment opportunities to up to 30 youth trained by the project. During the reporting quarter, a list of trainees was shared with FF Steels and Alpha Pipes for consideration and provision of apprenticeships and possible job opportunities. A meeting was also held with them to discuss the payment and registration procedures. Both partners ensured to provide opportunities to the trainees as and when vacancies are announced by the company. Furthermore, UNDP held meetings with KPEZDMC and Zakori Group for developing partnerships.

UNDP's partner, International Consulting Associates for "Develop Value Chain Strategies and Execute Implementation Plan for the Development of Value Chains in the Newly Merged Districts" deemed it necessary to specify the sectors within the value chains, which were derived through a selection criterion. The sectors in a particular value chain are selected and prioritized based on growth potential, competitiveness, impact, and contribution to the development objectives. The criteria were finalized using secondary and primary data sources, which included stakeholder inputs (expert opinion, entrepreneurs operating in a particular value chain, sector specific public

sector organisation etc.). As a result of the selection criteria, a total of five products /subsectors were identified across the three districts in three value chains.

- In Khyber district marble was selected under mines and minerals value chain and silk manufacturing” was selected under light engineering and manufacturing. However, none of the sectors/ products in respect of agribusiness fulfilled criteria of selection of products.
- In North Waziristan windows and doors manufacturing” was selected under light engineering and manufacturing and apricots were selected under agribusiness value chain (initially, apple was selected, but after secondary data review, it was changed to apricot).
- Similarly, in South Waziristan windows and doors manufacturing was selected under light engineering and manufacturing and apples were selected under agribusiness value chain.
- Initially, chromite was selected under mines and minerals in North Waziristan and South Waziristan. But after thorough research and consultations with industry experts, this sector was withdrawn because all mines and mineral businesses are currently managed and operated by Frontier Works Organisation (FWO) and no private enterprises are currently involved in this line of business in the respective area.

Value Chain	District wise Selection of Sectors		
	Khyber	NW	SW
Minerals	Marble	-	-
Light Engineering and Manufacturing	Silk Manufacturing	Windows & Doors Manufacturing	Windows & Doors Manufacturing
Agribusiness	-	Apricot	Apple

I-Consult initiated the field activities after receiving the NOC on 23rd March 2021. During the reporting period, I-Consult developed and approved primary data collection tools for the selected value chains and mobilized the field teams for the validation and collection of primary data. The IP conducted the focus group discussions (FGD) and key informant interviews (KIIs) with the relevant stakeholders.

Field visits to marble and silk manufacturing units in Khyber districts were conducted where observations regarding mining, processing, and finishing of marble products and silk manufacturing were made. The observations along with primary data were collected from a number of value chain actors and relevant stakeholders via questionnaires, FGD and KIIs. A plan regarding field visit to North Waziristan and South Waziristan was shared with military and district administration to visit apple, apricot, windows, and door making units. The stakeholder engagement exercise will be conducted in the next quarter where the data of the value chains will be validated.

Furthermore, the enterprise selection criteria were developed and approved to select the enterprises for capacity building interventions. In this regard, an application form for enterprise selection was developed and approved after consultation with the chamber, business community and other relevant stakeholders. The application form for marble and silk manufacturing was also distributed among beneficiaries. To make the enterprise selection process transparent, IP is establishing a selection committee. The committee will comprise seven representatives from different organizations including Chamber of Commerce, District Administration, SMEDA, UNDP and business community. Once all the details of beneficiaries are collected, collected data will be

presented to panel for selection of beneficiaries to ensure transparency in selection. Based on recommendations, forty enterprises will be selected with the aim to support their business development through different interventions as per the scope of the programme. After selection of the enterprises, the next step will be to implement the proposed interventions in accordance with the contract with the selected beneficiaries. During the reporting quarter, UNDP's partner has already identified vendors that will assist in the implementation of organisation development initiatives. Appropriate monitoring and evaluation measures shall be taken for effective progress during implementation phase.

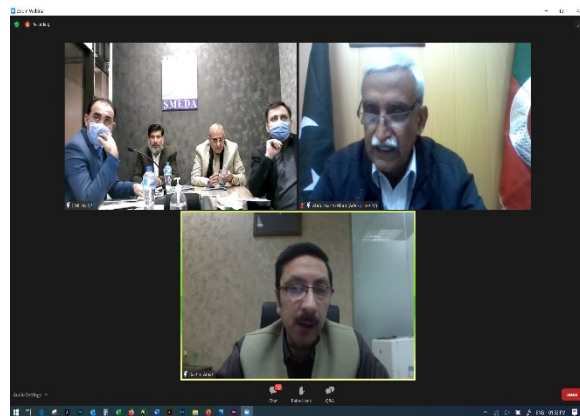
Activity 6.3: Institutional capacity building of the government to better measure economic indicators in the merged districts.

UNDP in partnership with SMEDA is developing a KP Investment Facilitation Portal (KP-IFP). As part of the IFP, Sarhad Chamber of Commerce and Industry has notified a special committee named Special Committee for Business Facilitation Centre. The special committee will oversee and facilitate the overall process of designing, developing and management of the IFP.

During the reporting period, tendering/procurement process for IT consulting firm has been completed and IT firm M/s C-Digital JV with Next Generation Solutions (Pvt.) Ltd has been engaged for the development of the IFP. The consultant firm has initiated work on system specification report and development of the prototype. Initial consultative meeting has been conducted with Special Committee of the Sarhad Chamber of Commerce. Initial design, layout, contents, System Requirement Specification (SRS) have been discussed in detail with the consulting firm.

UNDP arranged two webinars in partnership with SMEDA during the reporting period.

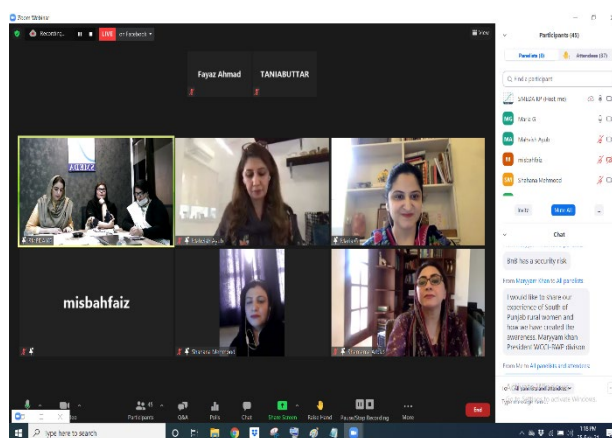
1. The national webinar on **“Facilitation of Cross Border Trade with Afghanistan and Central Asia”** was arranged on January 21st, 2021. This webinar focused on providing all relevant stakeholders with viable information about projects/investment opportunities and policy level reforms for increasing cross border trade between Pakistan, Afghanistan and Central Asian Republics. A total of 57 participants including key government officials, donors, international investors, officials of the State Bank of Pakistan, officials of commercial banks, representatives from chambers of commerce, trade associations and SMEs involved in cross border trade attended the webinar. List of participants is attached as Annex I.



Webinar on “Facilitation of Cross Border Trade with Afghanistan and Central Asia”

Panelists and speakers provided their recommendations. Mr. Abdul Karim Khan, Special Assistant to Chief Minister Khyber Pakhtunkhwa on Industries (Chief Guest), stated that Government of Khyber Pakhtunkhwa will consider the recommendations of the panelists and will provide support towards improvement and expansion of regional trade with Afghanistan and Central Asia.

2. The webinar on **Women Entrepreneurship – Challenges and Solutions** was held on February 25th, 2021. This webinar aimed to identify key challenges faced by existing and potential women entrepreneurs, chalk out viable solutions for economic empowerment of women in the region and recommend a way forward for rapid promotion and development of women entrepreneurship in Khyber Pakhtunkhwa including the Merged



Webinar on Women Entrepreneurship – Challenges & Solutions

Districts. A total of 49 participants including key government officials, donors, officials of the State Bank of Pakistan, officials of commercial banks, representatives from chambers of commerce, academia, trade associations and women SMEs attended the webinar. List of participants is attached as Annex II.

The panelists, guest speakers and participants proposed initiatives and interventions for women entrepreneurship development in the region. The most significant and prioritized interventions recommended during the webinar will be shared with the Government of Khyber Pakhtunkhwa and other concerned forums for implementation.

Economic Cooperation and Development Forum (ECDF):

The Economic Development plan and some of the prioritized interventions have been reviewed by the Additional Chief Secretary and different government departments in a session held in March 2021. The ACS has requested for another session with private sector to review the plan again.

The Action Plan for the MDs for TEVTA has been discussed with the officials of TEVTA. They agreed on the plan and suggested to keep it at the department level. The concept note will be developed soon through the support of UNDP.

The concept notes for Industries department; (a) Commercially viable products from Marble Slurry and (b) Up-gradation of MSMEs and Cottage Industry are currently with the department for review. The concept notes will be presented to ACS after reviewing and will be converted into PC1s after clearance.

Based on ECDF recommendations, Chief Minister of Khyber Pakhtunkhwa has announced a task force which consists of 16 provincial department headed by P&DD facilitated by SMEDA.

Based on ECDF recommendations and subsequent development of Economic Development Action Plan, the Government of KP has announced to earmark PKR 68.0 billion package for the MDs.

The following table presents the progress achieved under output 6:

Indicator	LoP Target	Jan - March 2021	Achieved until Dec 2020
No. of assessments/ studies conducted.	3	-	3
Number of public-private/private-private partnerships formed as a result of program assistance	5	-	2
No. of workshops held under the Economic Cooperation and Development Forum	4	-	4

V. Monitoring and Evaluation

During the quarter under review, the M&E unit continued providing support to the programme team by constantly monitoring the external factors that could hinder implementation of the project. The FERP M&E unit conducted Data Quality Assessment (DQA) of incubation training partners. Similarly, external third-party monitoring firm was commissioned to conduct independent monitoring of activities. Online monitoring of pitching sessions was also conducted. A detailed description of all these activities is given below.

Contextual Monitoring

In January and February 2021 a major decline in COVID-19 positivity rate was observed and the government decided to relax most of the restrictions on commercial activities, schools, offices, and other workplaces, allowing them to function at full strength. However, in subsequent weeks a surge in COVID-19 cases was recorded and the government officially declared the onset of third COVID-19 wave in Pakistan on February 22nd 2021. Micro lockdowns were imposed at COVID-19 hotspots in urban centres. This development did not impact the ongoing incubation training as they are being conducted online. The IPs were, however, advised to exercise caution as the third wave is more dangerous.

Performance Monitoring

During the reporting period, the M&E and Programme team conducted virtual monitoring of three pitching sessions, one for women and two for men entrepreneurs completing one-month incubation training. Despite being online, the sessions went

smoothly. Trained beneficiaries showed confidence and proposed innovative business ideas. Acting upon our advice, the IPs constituted a gender balanced panel of judges. Following recommendations were forwarded to the relevant implementing partner for improving programme quality:

- Bahria University and Islamic International University consortium were advised to provide the judges of pitching sessions a brief overview of economic conditions and cultural background of the MDs. This would help them better evaluate the proposed business ideas.
- Bahria University and Islamic International University consortium was guided to ensure all relevant requirements are met before grants are allotted to trainees who propose setting up of medical services including pharmacies and maternity clinics.

Data Quality Assessment

The M&E unit conducted data quality assessment of all three incubation training partners, Concepts Unlimited, The Indus Entrepreneurs, and Bahria University and Islamic International University consortium. During the assessment, one-on-one and group meetings were conducted with the critical staff who were responsible for the data management. Personal files of the randomly selected graduated and the graduating beneficiaries were checked, and data recording and storage mechanisms were reviewed on the parameters of correctness, safety and security and authenticity. Below are the findings of the assessment:

- The programme data was found to be safe, secure, and correctly entered. All the training partners have properly maintained personal files of the beneficiaries, which contain all the relevant documents such as duly signed security clearances/character certificates acquired from district-level authorities, domiciles, copies of computerized national identity cards (CNIC), health certificates, consent forms, biodata forms, baseline Information, Attendance Sheets, and Tranche Acknowledgment Forms. These hard files were cross checked with excel-databases and the information was found to be correctly entered. Only limited and critical staff has access to the personal files and the soft files, with former stored under lock and key and later are password protected.
- Sometimes the training partners are under the impression that hiring of local staff will allow them to access graduated beneficiaries living in the MDs without acquiring No Objection Certificate (NOC). IPs were reminded that no project activity can be carried out without NOC. All training partners were advised to consult with SDP's civil-military liaison officer to seek guidance on applying for NOC when required.
- Some beneficiaries who do not qualify for the grant support may be dissatisfied. In order to prevent any miscommunication due to lack of sufficient information, the IPs are continuously advised to inform all beneficiaries regularly about the grant selection process and eligibility. Similarly, beneficiaries should be

informed about the weak areas in their business proposals due to which they did not qualify for the grant support. Similarly, mechanism should be established to link such beneficiaries with other business funding sources such as Kamyab Jawan programme of the government.

External Third-Party Monitoring

FERP commissioned the Institute of Management Studies (IM Studies), the University of Peshawar, as third-party for monitoring the support to the small and medium entrepreneurs (SMEs) through incubation training and grant assistance. The IM Studies was tasked to conduct the Data Quality Assessment and spot check the entrepreneurs who have established businesses outside the NMDs as NOC would not be required to access such entrepreneurs. The third-party monitoring mission was delayed due to incidences of COVID-19 among staff of most of the training partners. The FERP is expecting the mission report in next reporting quarter. Findings of the report will be used for course correction and planning for next phase.

VI. Communication

During the reporting period, UNDP carried out various outreach and communications activities to ensure project visibility and to highlight the generous support of the American people through USAID.

The UNDP's implementing partners and counterparts consistently referred to USAID in their official and public meetings, events and during the project activities, so that the stakeholders, communities, Government authorities, and beneficiaries are well aware and acknowledge the support provided by the USAID. During the reporting period, major activities under the communication section included:

USAID branding and marking:

To raise awareness about the project, the team developed and distributed project brief, which provided a snapshot of the project structure, duration, key objectives, and targets. It was shared with partners and other relevant stakeholders at various forums and events.

Implementing partners ensured USAID branding on all IEC material including training manuals, forms, banners, flyers, backdrops, standees, certificates, and attendance sheets, etc.

Press coverage (Electronic, online and print):

During the reporting period, the project also generated press coverage and several news articles were published in prominent national English and Urdu dailies. Link to articles are mentioned below:



ECDF forms proposals for economic growth of merged districts

ISLAMABAD: The Economic Cooperation and Development Forum (ECDF) has identified crucial measures and interventions required for economic growth of the merged tribal districts.

The ECDF was formed under the FATA Economic Revitalization Programme (FERP) conceived by the United Nations Development Programme (UNDP) and funded by USAID.

The project is being implemented by Small and Medium Enterprises Development Authority (SMEDA) in collaboration with UNDP, Federal and provincial departments.

Provincial Chief Secretary Rashid Aman said in an interview that recommendations for economic development of merged tribal districts have been prepared after a series of marathon consultations of different thematic groups that were constituted under ECDF. He identified short, medium and long term measures and then has proposed required steps to generate economic activities in the merged districts.

ECDF identifies crucial steps for economic growth of tribal dists

ISLAMABAD: The Economic Cooperation and Development Forum (ECDF) has identified crucial measures and interventions required for economic growth of the newly merged districts (NMDs) of erstwhile Federally Administered Tribal Area (FATA).

The ECDF was formed under the FATA Economic Revitalization Programme (FERP) conceived by United Nations Development Programme (UNDP) and funded by USAID.

The project is being implemented by Small and Medium Enterprises Development Authority (SMEDA) in collaboration with UNDP, Federal and provincial departments.

The Provincial Chief of SMEDA Rashid Aman said in an interview that recommendations for economic development of NMDs had been prepared after a series of marathon consultations of different thematic groups that were constituted under ECDF. He identified short, medium and long term measures and then has proposed required steps to generate economic activities in the merged districts.

ECDF Identifies Crucial Steps For Economic Growth Of Tribal Districts

ISLAMABAD: The Economic Cooperation and Development Forum (ECDF) has identified crucial measures and interventions required for economic growth of the newly merged districts (NMDs) of erstwhile Federally Administered Tribal Area (FATA).

The ECDF was formed under the FATA Economic Revitalization Programme (FERP) conceived by United Nations Development Programme (UNDP) and funded by USAID.

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- <https://nation.com.pk/26-Mar-2021/ecdf-identifies-crucial-steps-for-economic-growth-of-tribal-dists>
- <https://www.tnn.com.pk/ecdf-forms-proposals-for-economic-growth-of-merged-districts/>
- <https://nation.com.pk/E-Paper/islamabad/2021-03-26/page-4>
- <https://dailytimes.com.pk/738778/ecdf-identifies-crucial-steps-for-economic-growth-of-tribal-districts/>

VII. Major Challenges

The project faced the following challenges to date:

1. Wracked by a third wave of coronavirus infections, Pakistan continues to tighten social distancing and movement restrictions, implementing a new ban on all gatherings in areas with a high number of cases affecting the programme activities. Khyber-Pakhtunkhwa province has also seen a spike in cases, with the test-positive rate. UNDP and implementing partners staff members have also been affected by COVID-19 during the reporting period. One of the incubation partners has requested for one-month extension in the program.
2. Limited private sector presence in the region is another challenge. To overcome this challenge, UNDP is establishing strategic partnerships with key Government and private partners. UNDP is designing an investment facilitation portal for facilitating private sector investment in KP which will directly contribute towards ease of doing business.
3. Currently, the banking services are limited in certain areas of the MDs, North Waziristan, and South Waziristan in particular. For inclusive economic growth, a viable banking network must be operational in the region. Islamic banking products, branchless banking/kiosk and mobile banking should also be introduced in parallel to the regular bank system.

IX. Indicator Tracking Sheet

Indicator	LoP Target	FY 20-21 Target	FY 20-21 Actual	Q1 (Oct-Dec 20) Target	Q1 Achieved	Q2 (Jan-Mar 21) Target	Q2 Achieved	Q3 (Apr-Jun 21) Target	Q3 Achieved	Q4 (Jul-Sep 21) Target	Q4 Achieved
Outcome 1.1: Percent of individuals with new employment following participation in USG-assisted workforce development programs (MSF: PPR EG.6-12)	40%	-	-	-	-						
Outcome 1.2: Percentage of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment) (MSF: PPR GNDR-2)	30%	12%	30%	12%	30%	12%	69%				
Intermediate Outcome 1.1: Percentage of beneficiaries satisfied with the provision of short-term assistance	70%	-	-	-	-						
Intermediate Outcome 1.2: Number of individuals with improved skills upon completion of USG-assisted workforce development programs (MSF: 1.3.1b)	2,494	-	-	-	-	-		-		-	
Intermediate Outcome 2.1: Number of households/families benefiting directly from USG assistance	15,116	2,155	313	540	217	540	96	540		535	
Intermediate Outcome 2.2: Number of individuals with new employment following completion of USG-assisted workforce development programs (MSF: 1.3b)	990 ⁴	-	-	-	-						
Intermediate Outcome 2.3: Number of full-time equivalent jobs created as a result of USG assistance (MSF: 1.3c)	115	-	-	-	-						
Intermediate Outcome 3.1: Number of Institutions assisted to form joint collaborations for economic growth	4	-	-	-	-						
Output 1.1: Number of working days created through USG assistance	30,000	-	-	-	-						
Output 1.2: Number of individuals engaged in short term assistance activities	2,572	-	-	-	-						

⁴ During DQA mission (dated 4th Nov. 2020), it was agreed between the USAID and the UNDP that IO 2.2 target to be reduced from 3,000 to 990 individuals. This decision is taken after developing common understanding regarding “workforce development programme”.

Indicator	LoP Target	FY 20-21 Target	FY 20-21 Actual	Q1 (Oct-Dec 20) Target	Q1 Achieved	Q2 (Jan-Mar 21) Target	Q2 Achieved	Q3 (Apr-Jun 21) Target	Q3 Achieved	Q4 (Jul-Sep 21) Target	Q4 Achieved
Output 2.1: Number of individuals/MSMEs trained on business management skills	4,350	-	-	-	-						
Output 2.2: Number of micro, small, and medium enterprises (MSMEs), including farmers, receiving USG assistance	3,855	-	-	-	-	-		-		-	
Output 3.1: Number of entrepreneurs / MSMEs trained	700		313		217		180			-	
Output 3.2: Number of entrepreneurs / MSMEs provided support through USG assistance	350	10	229	10	163		66			-	
Output 3.3: Percentage of MSM enterprises operational	50%	-	52%	-	52% ⁵						
Output 4.1: Number of MSMEs who received loan from microfinance institutions, as a result of USG assistance	5,000	2,491	-	623	-	623	-	623	-	622	-
Output 4.2: Number of MFI staff trained to better facilitate the borrowers	45	33		9	-	8		8		8	
Output 5.1: Number of people receiving skills training and livelihood support based on analysis of market needs	2,494	-		-	-	-		-		-	
Output 5.2: Number of business associations formed	30	-		-	-	-		-		-	
Output 5.3: Number of toolkits/equipment provided	1,750	-		-	-	-		-		-	
Output 6.1: No. of assessments/ studies conducted	3	-		-	-	-		-		-	
Output 6.2: Number of private-private partnerships formed as a result of program assistance	5	5	2	2	2	2	-	1	-	-	
Output 6.3: No. of workshops held under the Economic Cooperation and Development Forum	5	1	1	-	-	-		-		-	

⁵ This percentage is based on the analysis of two FERP indicators (2.2 and 3.2). Both of these indicators speak about provision of USG assistance for SMEs establishment.

ANNEX-I

The following distinguished guest speakers and panellists participated in the Webinar on Cross Border Trade Facilitation with Afghanistan & Central Asia

1. Mr. Abdul Karim Khan Tordher, Special Assistant to Chief Minister Khyber Pakhtunkhwa on Industries **(Chief Guest)**.
2. Mr. Hassan Daud Butt, Chief Executive Officer (CEO) Khyber Pakhtunkhwa Board of Investment & Trade (BOIT) **(Panelist)**.
3. Mr. Zakir Muhammad, Additional Collector, Customs Department Khyber Pakhtunkhwa **(Panelist)**.
4. Engr. Manzoor Elahi, Senior Vice President Sarhad Chamber of Commerce and Industry (SCCI), Peshawar **(Panelist)**.
5. Mr. Zahid Shah, Vice President Federation of Pakistan Chamber of Commerce and Industry (FPCCI), KP Zone **(Panelist)**.
6. Ms. Maria Umar, Chief Executive Officer (CEO), Women Digital League **(Guest Speaker)**
7. Mr. Amir Goraya, Assistant Resident Representative, UNDP (Closing remarks)

ANNEX II:

The following distinguished guest speakers and panellists participated in the Webinar on Women Entrepreneurship – Challenges & Solutions

1. Ms. Shamama Arbab (Chairperson BoD, PASDEC)
2. Ms. Sharf Khattak (Regional Head KP First Women Bank)
3. Ms. Shahana Mehmood (CEO, Astognah Creators)
4. Ms. Mahvish Ayub (M&E Expert, NIC Peshawar)
5. Ms. Maria Umar, CEO Women Digital League
6. Ms. Rabail Riaz, President Women Chamber of Commerce, Peshawar
7. Mr. Fayyaz Ahmed, MD, Zarkon Handicrafts
8. Ms. Misbah Faiz, CEO, Khawateen Rozgar Services
9. Ms. Aqeela Sumbul, President Women Chamber of Commerce, Mardan
10. Mr. Amir Goraya, Assistant Resident Representative, UNDP (Closing remarks)