



Pakistan: Preparing Kurram Tangi Integrated Water Resources Development Project

Project Name	Preparing Kurram Tangi Integrated Water Resources Development Project		
Project Number	52051-003		
Country	Pakistan		
Project Status	Approved		
Project Type / Modality of Assistance	Loan		
Source of Funding / Amount	Loan 6041-PAK: Preparing Kurram Tangi Integrated Water Resources Development Project		
	Ordinary capital resources		US\$ 5.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth		
Drivers of Change	Governance and capacity development		
Sector / Subsector	Agriculture, natural resources and rural development - Agricultural production - Irrigation - Land-based natural resources management Energy - Large hydropower generation		
Gender Equity and Mainstreaming	No gender elements		
Description	<p>The PRF will conduct all due diligence, including safeguard assessments, and prepare due diligence and safeguard documents that the government and ADB need to approve for the project. This will include update of land acquisition and resettlement plan, environment impact assessment, financial and economic analysis, and gender action plan.</p> <p>The PRF will also help prepare procurement documents and implement procurement activities. This will include support to the executing and implementing agencies in carrying out (i) bidding process, specifically advance procurement actions before ADB Board approval of the ensuing project; and (ii) start-up activities such as the recruitment of project implementation support consultants and/or staff.</p>		
Project Rationale and Linkage to Country/Regional Strategy	<p>Pakistan is not a water secure country. It is close to the water scarcity threshold of 1,000 cubic meters per person per year. The country's water security is undermined by poor water resources management, weak water services delivery, including irrigation and drainage services, poor water data and analysis, weak planning and allocation, pollution, and low water productivity.</p> <p>The agriculture sector in Pakistan contributes 18.5% to the country's gross domestic product (GDP) and provides employment for approximately 38.5% of the labor force. Agriculture remains the main source of livelihood for the majority of Pakistan's rural population. Over the last decade, the performance of the sector has remained subdued due in part to inadequate water availability. The agriculture sector uses 90.0% of the available water. The irrigated agriculture produces 80.0% of the total food requirements and contributes to around \$22 billion to annual GDP. Khyber Pakhtunkhwa province, where the project is located, has 17% of the country's population and contributes up to 10.5% to the country's GDP. About 22.0% of Khyber Pakhtunkhwa province's GDP is from the agriculture sector, which also provides jobs to about 37.0% of the labor force in the province. Nearly 80.0% of the province's population lives in rural and peri-urban areas, where about 85.0% directly or indirectly earn their livelihood from agriculture.</p> <p>The country's energy sector is a constraint to economic growth. Currently, around 60 million people have no access to energy. Hydropower only accounts for 27% of the total energy produced in the country. In addition to potential water scarcity and the energy crisis, climate change is posing various challenges to Pakistan's water and energy sectors. It is expected that in the near future, Pakistan's hydrological cycle will be impacted due to global warming, which will alter the timing and intensity of extreme events (flood, droughts, heatwaves, high winds, and cyclones etc.). Use of diesel pumps for groundwater extraction and energy production using oil produce greenhouse gases into atmosphere and will intensify warming. There is a need to produce more green energy to cater for the current and future energy needs. The Government of Pakistan has requested project readiness financing (PRF) from the Asian Development Bank (ADB) to prepare the ensuing Kurram Tangi Integrated Water Resources Development Project. The ensuing project is a priority for the government and is aligned with ADB's Strategy 2030, addressing poverty and inequality, climate change and disaster risk management, rural development and food security, and strengthening governance and institutional capacity. The government's Vision 2025, and ADB's Country Partnership Strategy (2020-2025), all emphasize the need for water, energy and food security, reducing rural poverty and enhancing rural livelihoods, and reducing regional growth disparities.</p> <p>The PRF will ensure high project readiness of the ensuing project, thereby facilitating the timely and cost-effective achievement of the project outcomes. The PRF and the ensuing project are listed in the country operations business plan (COBP), 2021-2023 for Pakistan. The government approved the Planning Commission Proforma-II for the proposed PRF in June 2021. ADB's value addition will include (i) capacity development for improved water resources management; (ii) updating environmental impact assessment, land acquisition and resettlement plan, gender action plans with a special focus on gender equality in line with detailed design; (iii) ensuring climate-resilient designs; (iv) integration of command area development with the key water storage and irrigation infrastructure; and (v) demonstration of digital technologies, modernized irrigation, and climate smart agriculture practices.</p>		
Impact			
Project Outcome			
Description of Outcome			
Progress Toward Outcome			
Implementation Progress			
Description of Project Outputs			
Status of Implementation Progress (Outputs, Activities, and Issues)			
Geographical Location	North Waziristan		

Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Business Opportunities	
Consulting Services	WAPDA will recruit all consultants following the ADB Procurement Policy (2017, as amended from time to time), Procurement Regulations for ADB Borrowers (2017, as amended from time to time. Value for money shall be achieved by making use of advance contracting and open competitive bidding procedures for consultant recruitment.
Procurement	No procurement of civil works
Responsible ADB Officer	Zhou, Yaozhou
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Environment, Natural Resources & Agriculture Division, CWRD
Executing Agencies	Water and Power Development Authority 701 WAPDA House Lahore, Pakistan
Timetable	
Concept Clearance	19 Nov 2018
Fact Finding	24 Jun 2021 to 05 Jul 2021
MRM	21 Sep 2021
Approval	15 Nov 2021
Last Review Mission	-
Last PDS Update	15 Nov 2021

Loan 6041-PAK

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	7.70	Cumulative Contract Awards			
ADB	5.00	-	0.00	0.00	%
Counterpart	2.70	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/52051-003/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52051-003
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