



Pakistan: Khyber Pakhtunkhwa Water Resources Development Project

Project Name	Khyber Pakhtunkhwa Water Resources Development Project
Project Number	51249-004
Country / Economy	Pakistan
Project Status	Approved
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan 6049-PAK: Khyber Pakhtunkhwa Water Resources Development
	Concessional ordinary capital resources lending US\$ 3.60 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships
Sector / Subsector	Agriculture, natural resources and rural development / Agricultural production - Irrigation - Land-based natural resources management - Water-based natural resources management
Gender Equity and Mainstreaming	
Description	<p>The Government of Pakistan requested PRF from the Asian Development Bank (ADB) to prepare the Khyber Pakhtunkhwa Water Resources Development Project. The project supports the Government of Pakistan's Vision 2025 and ADB's country partnership strategy for Pakistan, 2021-2025, which emphasizes addressing the food security constraints, building climate resilience, and investing in value-chain rural infrastructure developments importantly improving water storage and regulatory capacity, irrigation system upgrades, facilitating institutional transformation and sustainable maintenance and operational management of water resource systems.</p> <p>Outputs and Activities: Output 1: Detailed engineering design, procurement, and safeguards documents prepared: The PRF will support the detail engineering design including technical, economic, financial, environmental, social safeguards, gender, climate change assessment, and beneficiary community participation. Detail design will include the review, validation, or upgrading of preexisting and ongoing studies, as well as additional surveys and studies. Integrated and innovative solutions using digital technologies, modernized irrigation methods, climate-smart agriculture practices, linkage of rural agriculture business with markets and strengthening the role of women will be incorporated in the design. The PRF will deliver projects with high level of procurement and safeguards readiness and will include updating the land acquisition and resettlement planning documents, social impact assessment, environment impact assessment, economic analysis, and gender analysis and a gender action plan.</p> <p>Output 2: Project readiness financing implementation support provided and capacity of executing and implementing agencies improved: The PRF will augment project start-up and early implementation capacity of the executing and implementing agencies particularly in resettlement plan implementation, procurement transactions and strengthening the overall PRF implementation management capacity. The PRF will consult farming communities including women and other stakeholders and prepare agriculture value chain assessment for investment design. Digitization of irrigation and drainage system asset condition, farms level delineation, water resources and demand measurements, and system performance will strengthen capacities to sustainably design the operation and maintenance of the planned investments.</p>
Project Rationale and Linkage to Country/Regional Strategy	<p>The agriculture sector is vital to Pakistan's economic growth, food security, and livelihood for rural population. The sector contributes 19.2 percent to the country's gross domestic product and provides employment to around 38.5 percent of the labour force. Agriculture yield and productivity per unit of water is below global and regional averages. This is because of growing scarcity of reliable, good quality water supply; land degradation, and mismanagement of agricultural production and water resources. Pakistan has limited water resources. Without significant reform and demand management, water demand could increase 50 percent by 2047 to significantly exceed supply. Population and economic growth will be the dominant drivers of demand increase. The largest increases will be for irrigation, while the fastest rates of increase will be for domestic and industrial use. Changes to Pakistan's rainfall and runoff regimes and hence its water resources are highly uncertain. Increase in the incidence of drought conditions is likely. Other studies indicate negative effects on major crops and cereals yields due to climate change. The sector requires holistic and integrated solutions, farm productivity, harvest and post-harvest losses, trade, value chains, small scale processing and farm operations are identified as key priority areas in cluster development-based agriculture transformation plan. Water shortage is identified as serious challenge in many clusters.</p> <p>Khyber Pakhtunkhwa (KP) province is the third largest province of Pakistan has more than 80% population of 35.5 million population living in rural areas. The headcount ratio of multidimensional poverty in KP is 49.2 percent compared to national average of 38.8 percent. This does not include the recently merged area far lowest ratio of 74 percent. Rural poverty is nearly 58%. The agriculture sector provides 33% employment largely to the rural population. The total cultivated area in KP is 1.88 million ha (8.5 percent of the country's total), only half of which is irrigated. KP is dependent heavily on production from other provinces for important food commodities. Finite and scarce provincial water resources require improve management, and promoting agricultural development is essential for the KP's economic and social progress.</p> <p>The PRF is aligned with ADB's Strategy 2030 operational priorities of (i) addressing remaining poverty and reducing inequalities, (ii) accelerating progress in gender equality, (iii) building climate resilience, and (iv) promoting rural development and food security. The PRF is included in ADB's Indicative Country Pipeline and Monitoring Report for Pakistan, 2022-2024. The key strategic sector objectives of the Government of Khyber Pakhtunkhwa's medium-term development framework for 2019-2023 are improved water resource management including improved efficiency of irrigation water usage.</p> <p>The PRF will ensure high-quality design, safeguards, and procurement readiness of the ensuing project. It will facilitate the timely and cost-effective achievement of the project's outcomes. The PRF builds on the updated feasibility study conducted by the transaction technical assistance (TA) consultants. The PRF will prepare detailed engineering design and update social and environmental safeguards documents and other diligence assessments. The PRF will support the capacity development of executing and implementing agencies in start-up activities, early implementation support and additional studies for improving ensuing project design. ADB's value addition will include promoting integrated and holistic irrigated agriculture and water resources management, early-stage upstream stakeholder engagement, scoping, and initial assessments for safeguards and gender due diligence. ADB has approved a supplemental technical assistance resource so that projects are grounded in strategic sector and climate change assessments and reviewed and enhanced by international consultants to integrate best international practices and quality solutions in the project design. This will be achieved through a combination of upstream analytical work, project processing and readiness support, policy advisory and capacity building, and implementation support.</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	
Summary of Environmental and Social Aspects	
Environmental Aspects	
Involuntary Resettlement	
Indigenous Peoples	
Stakeholder Communication, Participation, and Consultation	
During Project Design	
During Project Implementation	
Responsible ADB Officer	
Responsible ADB Department	
Responsible ADB Division	
Executing Agencies	
Timetable	
Concept Clearance	
Fact Finding	
MRM	
Approval	
Last Review Mission	
Last PDS Update	
Responsible ADB Officer	
Responsible ADB Department	
Responsible ADB Division	
Executing Agencies	
Timetable	
Concept Clearance	
Fact Finding	
MRM	
Approval	
Last Review Mission	
Last PDS Update	

Loan 6049-PAK

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	4.60	Cumulative Contract Awards			
ADB	3.60	-	0.00	0.00	%
Counterpart	1.00	Cumulative Disbursements			
Cofinancing	0.00	-	0.00	0.00	%

Project Page	https://www.adb.org/projects/51249-004/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=51249-004
Date Generated	01 December 2022

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