

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: 96821

Project Name	Indus Eco region Community Livelihood Project (IECLP)
Region	SOUTH ASIA
Country	Pakistan
Sector	Rural Development & Livelihoods
Project ID	P146252
Borrower(s)	Economic Affairs Division Ministry of Finance, Revenue, Economic Affairs, Statistics and Privatization, Islamabad. Pakistan
Implementing Agency	WORLD WIDE FUND FOR NATURE – PAKISTAN
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	May 20, 2015
Date of Appraisal Authorization	March 23, 2015
Date of TF Approval	

I. Country and Sector Background

Country Context

1. Pakistan is the world's sixth most populous country with an estimated 177 million people and two-thirds of the population and 75% of Pakistan's poor live in rural areas. According to the latest Millennium Development Goals (MDGs) Report 2010, Pakistan substantially lags behind in its pursuit of most of its targets for the year 2015, and while the government displays commitment towards the achievement of the MDGs, the frequent recent natural disasters (floods in 2010 and 2011), law and order predicament and faltering economy renders inclusive growth extremely challenging. The economic situation, which deteriorated sharply in 2008, remains weak and open to external shocks, adversely impacting achievement of targets for poverty alleviation. This is especially the case in rural areas where the high ratio of rural population and weak development perpetuates a variety of socio-economic problems, such as poverty, limited income earning opportunities, income disparity, lack of basic facilities, and dependence on agriculture, fishing and living natural resource based income sources with poor management and development practices. As far as gender equality and women empowerment under MDG 3 is concerned, despite a slight increase in women's share in wage slow progress makes it unlikely for the 14% target to be met by 2015.
2. Sindh Province¹, which is one of five provinces in Pakistan, has a hot arid to semi-arid climate, with agricultural activity concentrated around the Indus river and its extensive canal network, industrial and commercial service activity centered in Karachi, the provincial capital. It also has freshwater fisheries potential since it has over 65% of the freshwater resources of Pakistan. Overall, Sindh has the second highest income, per-capita among the provinces. With a relatively high population growth rate of 2.8%, Sindh's population is expected to more than double by

¹The province has five administrative tiers: province, regions (5), districts (23), talukas (122), and union councils (1,030). (Information provided by the Sindh government on February 13, 2013. Counts may change.)

2025 to 64.2 million (Draft Sindh Vision 2030²). However, over 50% of this population is rural and has been disproportionately affected by natural disasters that have devastated the rural economy, whereas the urban economy bears the brunt of the worst electrical power crisis in the country's history.

3. The Indus Eco region³ in Sindh Province (previously known as the Indus Delta Eco region) is the most prioritized of the 5 Eco regions within Pakistan, and is one of the 40 most biologically significant Eco regions in the world. Based on the most recent data, despite its living natural resource potential, the number of people living below the poverty line in this region has almost doubled. This increase in poverty, coupled with a rapid rise in population and over 8 years of severe drought has created enormous stress on the declining living natural resources.

Sectoral and Institutional Context

4. Seventy percent of the 1.6 billion people in the South Asia region live in rural areas, and most rely considerably on agriculture and renewable natural resources for their livelihoods⁴. The Rural and Agriculture sector in Pakistan faces several significant constraints such as the: (i) widespread use of inadequate traditional management practices and low agricultural (crops, fishing, livestock, forestry) yields; (ii) inadequate extension and public services support to farmer and fishing communities in order to expose them to better management practices; (iii) poor value addition and weak infrastructure that limits commercial and export potential; (vi) poorly developed market linkages and bargaining power; and (vii) poorly organized small farmer and fisher households, which lack alternative means of income generation, working in an environment rife with market distortions and weak infrastructure.

II. Objectives

III. The Project Development Objective (PDO) is to pilot alternative livelihood opportunities and improve capacity of households of fisher communities in four priority sites of the Indus Eco region namely – Keenjhar Lake; Manchar Lake; Chotiari; and Nara Canal.

IV. This will be accomplished by: (a) organizing targeted freshwater fisher folk into fisher groups; (b) introduction of better and sustainable fishing practices; (c) enhancing alternative income generation opportunities, for youth, women, and disadvantaged groups, through establishing community based cottage industries; and (d) developing effective and sustainable linkages to markets and local Government.

Rationale for Bank Involvement

5. Fishery plays an important role in the national economy and provides employment to about 300,000 fishermen directly. According to the Economic Survey of Pakistan in 2012, total production of fish from inland and marine waters in Sindh is approximately 450,000 tons of

²The Government of Sindh has developed the Sindh Vision 2030, a long-term development framework that aims to capture the aspirations of the citizens of Sindh and identify avenues for sustained sectoral growth.

³Ecoregion refers to a large unit of land or water containing a geographically distinct assemblage of species, natural communities, and environmental conditions. The boundaries of an ecoregion encompass an area within which important ecological and evolutionary processes most strongly interact (Source WWF)

⁴World Bank (2011) World Development Indicators, Washington, DC.

which marine fish constitute 75% while freshwater fisheries constitute 25%. The sustainability of the sector and the growth potential is being affected by the over exploitation of resources and high poverty levels among fisherfolk communities who are living a life of bondage to middlemen and contractors as they have very little access to improved practices, finance or assets of their own.

6. The underlying development hypothesis for this project is therefore that many fishing communities in the Indus Ecoregion are living below the poverty line and are typically the first to experience the consequences of natural disasters and weak natural resource management, as they are not equipped for adapting or switching to improved fishing practices or alternate livelihoods.
7. The proposed project will focus on the freshwater fisheries sector in these targeted districts, which has hitherto been overlooked by most government departments and sectors, due to limited resources, despite its potential for generating considerable economic returns for rural communities and possibly the relevant government sector. Issues like weak infrastructure, inadequate investment, and weak management on the fisheries sector will be addressed through establishing fisher sustainability schools and fisher groups; provision of chilling and packaging units; provision of assets for alternate livelihoods; and capacity building trainings which would improve the sector's sustainability and productive potential.
8. Unfortunately improving the poor infrastructure in the project areas is not in the scope of this pilot project - however this project will try to handle the issue of landing sites and road access in two ways – 1) working with the government to improve landing sites and infrastructure through lobbying effort and, awareness; 2) the organization of fishermen into groups will increase their opportunity to gain a stronger voice, generate economies of scale that will increase their access to markets, reduce post-harvest losses and gain better prices and 3) Improving the conditions at local (wet) markets to improve the quality of the fish for consumer and reducing losses for local sellers
9. Regarding the effects of climate change - the pilot project will help fishermen to adapt to the changing climate and introduce alternative livelihood opportunities that are climate resilient. For instance using different practices to influence spawning periods, enhance fish growth, reduce post-harvest losses and the Better management practices (BMP) are all aimed at improving climate resilience.

Description

10. The freshwater fisheries dependent people is comprised of some of the poorest communities in the region, only a few of which are covered by any type of government programs for alleviation of poverty or improving livelihoods.

Component 1: Improvement in fishing practices and establishment of fisher groups (US\$ 1.54)

11. The objective of this component is to improve the capacity of fisher communities to better manage their fish resources using appropriate management practices. Fishing is one of the main sources of livelihoods in the Indus Eco region, which, despite having significant commercial

potential, has not been addressed by the public sector and lacks the necessary infrastructure and support for fisher communities.

Component 2: Promotion of alternative livelihood for women and youth (US\$0.99)

12. This component focuses on facilitating and building capacities for development of alternative sources of income to address issues related to high dependence on fishing for livelihoods. The objective of this component is to support women, youth and disadvantaged community members in particular at the project sites to establish sustainable community based livelihood initiatives and to strengthen their business operations through the provision of assets, technical assistance and sub-grants for indigo production. While this component will target mainly women and youth and the previous one will target fisher-folks, both components will contribute to living natural resource management, community organization for livelihoods, and skills development. Mechanisms to identify and support innovative approaches to help the rural poor organize themselves around livelihood based businesses will also be supported in this component, and there will be community contributions in-kind and in cash that will leverage on the projects investments.

Component 3: Monitoring and Evaluation and Knowledge Dissemination (US\$0.313)

13. As a pilot project, this component will finance a number of learning activities that will allow for up-scaling of successful approaches as well as facilitate governance, project management, implementation, conducting a baseline survey, reporting and coordination efforts.

Financing

Source:	(\$m.)
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	0.00
JSDF Trust Fund	2.85
Total	2.85

Implementation

14. Funds will be provided directly to the WWF Pakistan, which will provide all fiduciary oversight for the funds.
15. Project implementation will be assisted by the Area Coordination Committees (ACCs) that have been established and are being supported by WWF-Pakistan. This “assistance” will primarily be in the form of representing the communities as needed for any linkages/dialogue with the government. The ACCs are unique bodies that represent a network of community based organizations, along with their associated communities and villages, and public sector agencies across the project sites, which have been set up under WWF’s Indus for All Programme (IFAP) to ensure ownership of project interventions by the communities, sustainability and continuous post project monitoring. WWF will be the implementing agency for the project, with the CBOs and ACCs comprising the local institutional structures to work with on the ground.

16. Safeguard Policies

Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

17. Contact point

Contact: Naila Ahmed.
Rural Development Specialist, GSURR
Email: nahmed@worldbank.org
Phone: 971-4-818-1518

18. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Email: pic@worldbank.org
Web: <http://www.worldbank.org/infoshop>