

**PROJECT INFORMATION DOCUMENT (PID)  
ADDITIONAL FINANCING**

Report No.: PIDA34335

<b>Project Name</b>	AF Additional Financing for Afghanistan On Farm Water Management Proj (P152870)
<b>Parent Project Name</b>	AF On-Farm Water Management (OFWM) (P120398)
<b>Region</b>	SOUTH ASIA
<b>Country</b>	Afghanistan
<b>Sector(s)</b>	Irrigation and drainage (82%), General agriculture, fishing and forestry sector (18%)
<b>Theme(s)</b>	Rural services and infrastructure (85%), Rural policies and institutions (8%), Water resource management (7%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P152870
<b>Parent Project ID</b>	P120398
<b>Borrower(s)</b>	MAIL
<b>Implementing Agency</b>	MAIL
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	01-Oct-2015
<b>Date PID Approved/Disclosed</b>	04-Oct-2015
<b>Estimated Date of Appraisal Completion</b>	16-Oct-2015
<b>Estimated Date of First Grant Approval</b>	30-Oct-2015
<b>Appraisal Review Decision (from Decision Note)</b>	

## **I. Project Context**

### **Country Context**

Between 2003 and 2012, Afghanistan's economic growth has experienced 9.4 percent per annum increasing the GDP per capita from USD 168 to 668. While the country should be commended for this exceptional achievement, the situation is fragile and Afghanistan is still facing with difficulties to achieve sustainable development, including: (a) donor-commitments driven economy, (b) persistent unemployment particularly in the rural area and widening the urban-rural income disparity, and (c) increasing fiscal gaps. It is a big challenge for Afghanistan to sustain the growth for the next 10 years when the donor's commitment will gradually decline, while the Afghanistan Government has to increase fiscal responsibilities for various aspects such as social services and security.

Agriculture is one of the most important sectors in the country's economy; currently, it accounts for

about one fourth of the GNP, and contributed more than half of the 8.3 per cent growth in GDP in 2012. While other sectors such as mining and services are emerging, at least for the medium term, the agriculture sector will remain the key sector for employment and poverty alleviation. More than 80 per cent of the population and 90 per cent of the poor are engaged in agriculture for livelihoods. Nearly one third of the households earn main income from the agriculture. Estimated 2.5 to 2.7 million people are engaged in agriculture production on full time basis.

### **Sectoral and institutional Context**

Irrigation is essential in Afghanistan to offset the difference in timing between supply of water (mainly snow melt) and demand (crop production). An estimated 80 per cent of the agriculture production comes from irrigated agriculture. Afghanistan has 4.4 million hectares of potentially irrigable land, of which 3.8 million are equipped for irrigation, and 2.6 million are intensively irrigated, the rest grow one crop every 2-3 years. Afghanistan's irrigation schemes can be categorized as follows: (a) traditional (informal) systems mostly less than 1,000 hectares (typically around 500 hectares) managed by the traditional arrangement called mirab, some of which uses ground water, called karez, and (b) formal systems typically more than 5,000 hectares constructed by the Government in 1970s.

Deferred maintenance and resulting deteriorated infrastructure during the last three decades of conflict is the major problem in the sector. Each year, inadequate irrigation water supply resulting from system deterioration causes about 600,000 hectares out of the existing 2.6 million intensively irrigated schemes to be taken out of production. To maximize the productive capacity of Afghanistan's irrigation system, and thus its agriculture sector, priority investments and reforms are needed for the existing infrastructure, irrigation management, and water smart agriculture.

## **II. Proposed Development Objectives**

### **A. Current Project Development Objectives – Parent**

The PDO of the project is to improve agricultural productivity in project areas by enhancing the efficiency of water used.

## **III. Project Description**

### **Component Name**

Irrigation Rehabilitation and Management in the Five Regions

### **Comments (optional)**

This component will support the continued physical rehabilitation and the associated institutional support to strengthen and establish IAs under the following two subcomponents: Subcomponent 1. A. Establishing and Strengthening of IAs. This subcomponent will be implemented by the IA team established within the PMU, and Sub-component 1.B. Improvement of Physical Irrigation Infrastructure. This component will support the continued rehabilitation works for the existing irrigation schemes covering 50,000 ha in total at the average price of about US\$600 per ha.

### **Component Name**

Support for Productivity Enhancement

### **Comments (optional)**

The main objective of this component is to enhance agriculture and water productivity in the areas supported by Component 1 through demonstration activities and technical assistance. The demonstration activities includes laser land leveling, advanced irrigation technologies, and advanced agronomic techniques.

**Component Name**

Institutional Strengthening and Capacity Building of the MAIL

**Comments (optional)**

This component will support the strengthening of the ID. The organizational structure and the staffing plan is being finalized under the JICA-financed CDISP and this component will help the ID strengthen its technical and administrative capacity, develop a legal framework for the irrigation and drainage subsector, and develop the National Irrigation Development Plan.

**Component Name**

Project Management, Coordination, and Monitoring and Evaluation

**Comments (optional)**

This component will continue supporting the incremental operating cost, project staff cost, logistics (vehicles), and critical office equipment pertaining to project implementation so as to ensure sound management of the project.

**IV. Financing (in USD Million)**

Total Project Cost:	47.40	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
Borrower			2.40
Afghanistan Reconstruction Trust Fund			45.00
Total			47.40

**V. Implementation**

The current PMU established within the Irrigation Directorate (ID) established at the Ministry of Agriculture, Irrigation and Livestock (MAIL), responsible for implementing the original project, will remain responsible for implementing the proposed AF project. However, implementation of Component 2 will be entrusted to the Directorate General of Agriculture Extension and Development (DGAED) of the MAIL. The DGAED has designated a team of technical experts with the full-time manager of the component assigned by the DGAED, while the safeguards and fiduciary aspects of the Component will remain under the responsibility of the PMU. The technical capacity of the team has been considered to be adequate and this arrangement has been considered to be effective.

The key accomplishments of the original OFWMP are summarized as follows:

- (a) Physical rehabilitation works completed under OFWMP exceeded their targets well ahead of their schedules - 100 irrigation schemes were rehabilitated fulfilling the target covering approximately 19,000 ha of land with satisfactory quality of rehabilitation works within the originally estimated budget (US\$600/hectare).
- (b) A total of 175 Irrigation Associations (IAs) have been established based on the traditional

mirab system, which have taken up O&M responsibilities of irrigation schemes; and  
(c) Average water productivity in the demonstration area has increased by approximately 15 percent (preliminary assessment).

**VI. Safeguard Policies (including public consultation)**

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

**Comments (optional)**

**VII. Contact point**

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