

 Early Warning System

ADB-48042-001

Panj-Amu River Basin Sector Project



Quick Facts

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|--------------------------------|------------------------------|
| Countries | Afghanistan |
| Financial Institutions | Asian Development Bank (ADB) |
| Status | Proposed |
| Bank Risk Rating | B |
| Sectors | Agriculture and Forestry |
| Investment Type(s) | Grant |
| Investment Amount (USD) | \$ 76.00 million |



Project Description

DESCRIPTION

The project will increase agricultural productivity in the Panj-Amu River Basin through improving access and use of water at farm, scheme and river levels. The project will support the government strategy, which aims to increase per-capita income and reduce poverty among rural and pastoral communities. It will improve cropping intensities, irrigated areas, and crop yields on a command area of 74,500 hectares (ha) and as a result, increase annual farm incomes in the range \$123-615 per household for over 55,000 households, and create approximately 11,000 full-time rural jobs per annum, with an estimated value of \$10.4 million. The project will also improve food security, substitute imports for wheat, and improve self-sufficiency, and increase in exports of high-value products such as fruit and nuts. The project will also create more economic opportunities for agribusiness development, particularly for input suppliers and processors of and market intermediaries for agricultural products.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

Afghanistan is one of the least developed countries in the world. The poverty headcount rate is 39% and the percentage of food insecure population is 33%. Average gross domestic product (GDP) per capita during the 2011-2015 period is \$634, causing Afghanistan to rank 168th out of 183 countries reviewed by the World Bank. Agriculture is Afghanistan's major sources of livelihood, employs 79% of the national work force, and is a significant source of national income. Agriculture contributes significantly to Afghanistan's GDP, although this has been decreasing from 38% in 2002 to 22% in 2014. The country's major staple crop is wheat, representing 60% of Afghan's daily dietary intake. With total production output of 5.37 million tons in 2015, Afghanistan relies heavily on import to meet its population's dietary energy requirements with an import dependency of 16% of total food demand. This level of dependency is growing 11% per annum. Food insecurity is prevalent throughout the country, but most critical in the north where food insecurity index is as high as 73% in the provinces of Badakhshan and Bamyán.

Afghanistan is a dry country with precipitation falling as snow falls in the winter, while crops require water in the summer. Limited access to irrigation water is a key binding constraint to agricultural productivity, besides low quality inputs and traditional agricultural practices. While the vast majority of Afghans depends on agriculture for a living, only 12% (or 64.4 million ha) of the country's terrain is arable. Rain-fed area is currently of 3.7 million ha and irrigated area 3.8 million ha, each representing about 5-6% of total arable land. Of the total irrigated area of 3.8 million ha, it is estimated that around 2.2 million ha are single or double cropped every year, with balance of 1.6 million ha being irrigated if and when water is available, at intervals of 2-6 years.

Sporadic irrigation has been the primary cause for crop yields below the world average, for example average wheat yield of 2.03 tons/ha in 2013 (world average of 3.27 tons/ha) and average rice yield 2.5 tons/ha in 2013 (world average of 4.5 tons/ha). Irrigated yields are observed to be significantly greater than rain-fed yields, for example, the irrigated wheat yield is 2.5 times that of rain-fed. With irrigated areas producing 69% of total wheat outputs, irrigation water is a critical high value factor for yield improvement.

Expansion of new irrigated areas has been examined on a number of projects, but high capital cost outlays make it economically infeasible. Improving access to irrigations water on existing irrigation systems also has number of constraints, including: (i) inequitable distribution of water both at the river level (between schemes) as a result of lack of capacity, tools and resources within the government for river basin management, and at the command area level (within schemes) as a result of lack of formal consultation and distribution mechanisms (user rights) and breakdown of the mirab structure; and (ii) dilapidated and inefficient state of irrigation infrastructure due to inadequate operation and maintenance (O&M);, a lack of capacity to scale up investment due to inadequate water use fee collection and government capacity and resources, and



Investment Description

- Asian Development Bank (ADB)

Grant 0506-AFG: Panj-Amu River Basin Sector Project

Concessional ordinary capital resources / Asian Development Fund US\$ 26.00 million

Grant 0507-AFG: Panj-Amu River Basin Sector Project

European Union US\$ 50.00 million



Contact Information

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>

CONTACTS

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Executing Agencies

Ministry of Finance

Pashtunistan Watt,

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Islamic Republic of Afghanistan



Bank Documents

- [Grant Agreement \(Externally Financed\) for Grant 0507-AFG: Panj-Amu River Basin Sector Project](#) [Original Source]
- [Grant Agreement \(Special Operations\) for Grant 0506-AFG: Panj-Amu River Basin Sector Project](#) [Original Source]
- [Panj-Amu Basin Project: Initial Poverty and Social Analysis](#) [Original Source]
- [Panj-Amu Basin Project: Project Data Sheet \(Dari Translation\)](#) [Original Source]
- [Panj-Amu Basin Project: Project Data Sheet \(Pashto Translation\)](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Environmental Assessment and Review Framework](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Initial Environmental Examination](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Land Acquisition and Resettlement Framework](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Laqi Irrigation Scheme Resettlement Plan](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Procurement Plan](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Project Administration Manual](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Report and Recommendation of the President](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Seyaab Irrigation Scheme Resettlement Plan](#) [Original Source]
- [Panj-Amu River Basin Sector Project: Sharawan-Takhar Irrigation Scheme Resettlement Plan](#) [Original Source]
- [Project Disclosure PDF](#)