

 Early Warning System

ADB-51249-004

Khyber Pakhtunkhwa Water Resources Development Project



Quick Facts

Countries	Pakistan
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2022-11-28
Sectors	Agriculture and Forestry, Climate and Environment, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	\$ 3.60 million



Project Description

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.

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.

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.

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY

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.

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



Investment Description

- Asian Development Bank (ADB)



Contact Information

ADB Project Officer

Zafar, Asad A.

Central and West Asia Department

Project contacts not available at the time of disclosure.

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ACCOUNTABILITY MECHANISM OF ADB

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Bank Documents

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