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Report No: PIDIAF0009



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 06-Mar-2025

**BASIC DATA****A. Product Information****Main: Sindh Flood Emergency Rehabilitation Project (P179981)**

Operation ID P179981	Product/Financing Instrument Investment Project Financing (IPF)
Beneficiary Country/Countries Pakistan	Geographical Identifier Pakistan
Practice Area (Lead)	
Urban, Resilience and Land	
Borrower(s) Islamic Republic of Pakistan	Implementing Agency Province of Sindh, Irrigation Department, Province of Sindh, Planning and Development Department
Additional Financing Request 1	
Estimated Appraisal Date 07-Mar-2025	Estimated Board Date 30-Apr-2025

Development Objective

Original Development Objective (Approved as part of Approval package on 16-Nov-2023)

The project development objectives are to: (a) rehabilitate damaged infrastructure and provide short-term livelihood opportunities in selected areas of Sindh province affected by the 2022 floods; and (b) strengthen the Government of Sindh's capacity to respond to the impacts of climate change and natural hazards.

Components

Infrastructure Rehabilitation
Livelihoods Support
Institutional Strengthening for Resilience and Technical Assistance
Project Management and Operational Costs
Contingent Emergency Response

COSTS & FINANCING (US\$, Millions)

**SUMMARY**

	Last Approved	Proposed	
		Addition	Total
Total Operation Cost	510.00	153.00	663.00
Total Financing	510.00	153.00	663.00
Of which IBRD/IDA	500.00	150.00	650.00

FINANCING DETAILS

World Bank Group Financing	Last Approved	Additional Financing	Total
International Development Association (IDA)	500.00	150.00	650.00
IDA Credit	500.00	150.00	650.00

Non-World Bank Group Financing

Counterpart Funding	10.00	3.00	13.00
Borrower/Recipient	10.00	3.00	13.00

IDA Resources

	Credit	Grant	SML	Guarantee	Total
Pakistan	150.00	0.00	0.00	0.00	150.00
National Performance-Based Allocations (PBA)	150.00	0.00	0.00	0.00	150.00
Total	150.00	0.00	0.00	0.00	150.00

Other Decision (as needed)



B. Introduction and Context

Country Context

- 1. Pakistan's economy has faced periodic episodes of macroeconomic instability and slow growth, driven by deep policy and institutional distortions.** Between 2000 and 2023 it achieved real annual per capita GDP growth of just 2.2 percent—almost half South Asia's average. Periods of unsustainable, consumption-boosted growth have been followed by severe crises. Distortionary tax, investment, and subsidy policies, and a large presence of the state in the economy have led to important resource misallocations and underinvestment in services and infrastructure. Periods of exchange rate overvaluation combined with protectionist trade policies that incentivize firms to primarily sell domestically have undermined exports and integration into global supply chains.
- 2. Poverty has increased slightly amid recent shocks, while an unfinished human capital agenda contributes to economic challenges.** Pakistan achieved significant progress towards reducing poverty between 2001 and 2018 due to remittances and increased off-farm labor opportunities. COVID-19, 2022 floods, and economic volatility have reversed this trend, with an estimated 40.5% (US\$3.65/day 2017 PPP) lower-middle income poverty rate in FY24, and an additional 2.6 million Pakistanis falling below the poverty line. Over one-third of school-age children across Pakistan are out of school; nearly two-thirds of those in school in FY24 were learning deprived; and child stunting remains alarmingly prevalent (40 percent in FY23). The country's Human Capital Index, is 41, meaning that a child born in Pakistan today will be 41 percent as productive when she grows up as she could be if she enjoyed complete education and full health. Evidence suggests that the lack of safely managed water supply, sanitation, and hygiene (WASH) services is partly responsible for this staggering loss of human potential.
- 3. Pakistan's economy has recently emerged from crisis.** The COVID-19 pandemic depleted policy buffers, which were further eroded through 2022 floods, global commodity price shocks, and tightening external financing conditions. Economic mismanagement further weakened macroeconomic fundamentals. Risks have since moderated with improvements in macroeconomic management since FY23, successful completion of a nine-month IMF Stand-By Arrangement, agreement on a new Extended Fund Facility (EFF) program, the rollover of bilateral external debt, and new official inflows. Foreign exchange reserves have recovered, the exchange rate has stabilized, inflation has declined, and bond yields have fallen. With improved macroeconomic policies and favorable weather conditions supporting recovery in the agriculture sector, real GDP grew by 2.4 percent in FY24 after contracting by 0.2 percent in FY23.
- 4. Growth is expected to gradually recover as confidence improves, but sustainable improvements in growth and living standards will require further reforms.** Current gross foreign reserves, at 2.2 months of imports, are adequate to meet short-term external financing needs. Real GDP growth is currently projected to remain below potential and average 3.0 percent over FY25–26, reflecting weak confidence and continued external financing constraints. Gross financing needs will remain sizeable, at around 27.9 percent of GDP over FY25–26 with maturing short-term debt, multilateral and bilateral repayments, and Eurobond maturities. Government has developed ambitious fiscal and structural reform plans which would, if fully implemented, help address persistent fiscal deficits, external imbalances, and resource misallocations within the economy, enabling sustainably higher rates of economic growth. Implementation remains at early stages, however, and the outlook remains highly vulnerable to downside shocks, including natural disasters, global price shocks, and deteriorations in macroeconomic policy.

Sectoral and Institutional Context

- 5. Sindh was disproportionately affected by the 2022 floods. The province is estimated to have received rainfall in excess of six times of its average monthly total.** According to the National Disaster Management Authority (NDMA), 799



of the 1,739 nationwide casualties were in Sindh, including 338 children, with 8,422 people injured. Almost 1.9 million houses in Sindh were damaged or destroyed, nearly 83 percent of the nationwide total.¹ Additionally, more than 4.4 million acres of agricultural land was damaged, and 0.8 million livestock perished.² Vast areas in Sindh witnessed prolonged inundation lasting several weeks and stagnant water gave rise to skin, gastric, and mosquito-borne diseases.

6. Irrigated agriculture—the backbone of Sindh's rural economy—was severely impacted by the floods, either through damage to irrigation canal networks or to flood control infrastructure that protected irrigated farmlands. Irrigation is critical to the agricultural sector, as 77 percent of the net area sown is irrigated. During the 2022 floods, the flood protection and irrigation systems incurred massive damage caused by heavy rains, standing water, and flash flows. More than 538 irrigation and 234 drainage systems representing an estimated total of 7,300 kilometers were destroyed. Approximately 90 flood protection structures including bunds and weirs washed away, exposing agricultural land and millions of households to the next rainy season.

7. Transport infrastructure was also severely affected during the 2022 floods, with almost 8,000 kilometers of the road network either adversely impacted or completely washed away. In addition, the North–South Rail Link (Main Line-1), which serves almost 80 percent of the country's total rail traffic, remained disrupted for several days. In cities like Karachi, urban mobility was severely limited due to flooding of streets and lack of public transport. This significantly impacted connectivity and accessibility to services within the affected areas. Temporary arrangements were made by respective agencies to support logistics for relief efforts.

C. Proposed Development Objective(s)

Original Development Objective

The project development objectives are to: (a) rehabilitate damaged infrastructure and provide short-term livelihood opportunities in selected areas of Sindh province affected by the 2022 floods; and (b) strengthen the Government of Sindh's capacity to respond to the impacts of climate change and natural hazards.

Current Development Objective

The project development objectives are to: (a) rehabilitate damaged infrastructure and provide short-term livelihood opportunities in selected areas of Sindh province affected by the 2022 floods; and (b) strengthen the Government of Sindh's capacity to respond to the impacts of climate change and natural hazards.

Proposed New Development Objective

Not applicable.

D. Project Description and Implementation Status

8. The parent project aims to: (a) rehabilitate damaged infrastructure and provide short-term livelihood opportunities in selected areas of Sindh province affected by the 2022 floods; and (b) strengthen the Government of Sindh's capacity to respond to the impacts of climate change and natural hazards. SFERP has five components: (i) Component 1 –

¹ NDMA. 2022. "NDMA Floods (2022) SITREP – 2022 (Daily SITREP No 143 Dated 3rd November, 2022)."

² Government of Pakistan. 2022. "Pakistan Floods 2022: Post-Disaster Needs Assessment. Main Report." Ministry of Planning Development & Special Initiatives.



Infrastructure Rehabilitation (US\$350 million), to enhance physical resilience through the restoration, rehabilitation, and improvement of critical irrigation and flood protection infrastructure, water supply schemes, roads, and allied infrastructure in flood-affected areas; (ii) Component 2 – Livelihoods Support (US\$75 million), to support livelihoods by carrying out a ‘cash for work’ program for communities across affected villages with the assistance of a Social Mobilization Partner; (iii) Component 3 – Institutional Strengthening for Resilience and Technical Assistance (US\$65 million), which includes expansion of the Sindh Emergency Rescue Service, enhancing preparedness capacity for disasters, and strategic studies for integrated irrigation, drainage and flood protection; (iv) Component 4 – Project Management and Operational Costs (US\$10 million), to provide support for the Project Implementing Units (PIUs) and the operations of the Sindh Irrigation Department (SID) and Planning and Development Department (P&DD); and (v) Component 5 – Contingent Emergency Response (US\$0 million) to provide immediate response to an Eligible Crisis or Emergency, as needed.

9. The PDO and Implementation Progress ratings are Satisfactory. The parent project has fully disbursed within two years of project life with most activities either completed or in advance stages of implementation. Key subcomponents of the proposed AF, including the rehabilitation of flood protection infrastructure, restoration of roads, and expansion of emergency rescue services, are fully committed under the parent project. To date, over 3.6 million people in Sindh have benefitted from rehabilitated infrastructure, 47 percent of whom are women.

E. Description of Additional Financing

10. The proposed AF of US\$150 million will support the GoS’s efforts to rehabilitate critical infrastructure damaged during the 2022 floods and enhance capacity to respond to disasters. It covers activities under Components 1, 3, 4 and 5 of the parent project. By scaling-up key activities, addressing financing gaps, and supporting institutional strengthening, the AF aims to increase project impact and improve its overall development effectiveness. The project directly supports Country Partnership Framework Outcome 3.2—“Increased Resilience to Floods and Other Climate Disasters”—by enhancing flood resilience through integrated risk management and strengthening disaster preparedness. It contributes to this objective by rehabilitating critical irrigation and flood protection infrastructure, as well as restoring flood-damaged roads to resilient standards, ensuring improved connectivity and disaster resilience.

Component 1 – Infrastructure Rehabilitation (US\$134 million)

11. Subcomponent 1.1 – Rehabilitation of Irrigation and Flood Control Infrastructure (US\$104 million): This subcomponent will prioritize the restoration of critical irrigation and flood protection infrastructure damaged during the 2022 floods but deferred under the parent project due to financial constraints. Activities include strengthening and remodeling of embankments, irrigation schemes, flood protection structures, and drainage networks, as well as the construction of flood detention dams. Climate resilience will be emphasized through improved engineering designs and integration of nature-based solutions, where possible.

12. Subcomponent 1.2 – Restoration of Roads and Allied Infrastructure (US\$30 million): This subcomponent will support the rehabilitation and reconstruction of damaged road networks in the flood-affected regions of Sindh which were deferred under the parent project due to financial constraints. The target road networks, as identified by the Works & Services Department (W&SD), will be rehabilitated to improved climate resilience and road safety standards.

Component 3 – Institutional Strengthening for Resilience and Technical Assistance (US\$11.5 million)

13. Subcomponent 3.1 – Expansion of Sindh Emergency Rescue Service (US\$8.5 million): The subcomponent will build upon and consolidate the investments made under the parent project, particularly by enhancing the operational readiness of district headquarters for Rescue 1122. The activities focus on operationalizing and equipping key facilities, including the



provision of rescue vehicles including fire tenders, as well as establishment of control rooms to improve service delivery. Additionally, the AF will support IT infrastructure, power backups, and essential rescue equipment for newly established districts. To ensure the sustainability and functionality of these emergency response services, the AF will also develop parking yards for Rescue 1122 vehicles and machinery, facilitating proper maintenance and deployment readiness. Furthermore, the AF will support hiring of a consultancy firm for gender-based violence (GBV) prevention, providing advisory support and training to Rescue 1122 staff on case handling, response protocols, and survivor support mechanisms, to strengthen the service's capacity to respond effectively to GBV cases.

14. Subcomponent 3.3 – Strategic Studies for Integrated Irrigation, Drainage, and Flood Protection Systems (US\$3 million): This subcomponent will support long-term flood resilience of Sindh by advancing technical studies and capacity development. Under the AF, select flood mitigation options identified through an ongoing strategic study will be progressed to the feasibility stage, contributing to the development of a long-term flood resilience investment program for the Government of Sindh (GoS). To enhance data-driven decision-making, the subcomponent will support the establishment of a remote sensing and GIS laboratory within the Decision Support System (DSS) developed under the Sindh Resilience Project. Additionally, the project will invest in capacity development, including specialized trainings and graduate research programs for Sindh Irrigation Department officers, equipping them with the technical expertise to effectively utilize the analytical tools and contribute to Sindh's long-term flood resilience efforts.

Component 4 – Project Management (US\$4.5 million)

15. **This component will support operationalization of the SID and P&DD PIUs**, including procurement, contract management, financial management, compliance with environmental and social (E&S) standards, public outreach and dissemination, M&E activities, and GRM. It will also finance equipment such as vehicles, information and communication equipment (including laptops and printers), office furniture and materials, renting of premises, and upgradation/refurbishment works.

Component 5 – Contingent Emergency Finance (US\$0 million)

16. **This component will provide immediate response to an Eligible Crisis or Emergency, as needed.** Following an adverse natural event that causes a major disaster or emergency, the government may request the Bank to re-allocate project funds to support response and reconstruction, which will be done as needed during implementation. A Contingent Emergency Response Component (CERC) Operations Manual was prepared by the government under the parent project, which will be utilized for the AF as well.

17. **Some changes have been made in the indicators and targets of the Results Framework in line with the scope of AF and alignment with WBG Corporate Scorecard.** The table below provides a summary of these changes:

Indicator	Previous Target	Revised Target	Rationale
PDO level Indicator			
Infrastructure Rehabilitation			
People benefitting from rehabilitated infrastructure (Number of People)	2,000,000	5,300,000	Target has been revised to reflect the over achievement under parent project and enhanced scope under the AF.
<i>Of which are women (Number of People)</i>	1,000,000	2,650,000	
<i>Of which are youth (Number of People)</i>	New sub-indicator	530,000	The indicator has also been tagged with WBG corporate



			scorecard indicator on People with enhanced resilience to climate risks.		
Households protected through rehabilitated infrastructure (Number)	200,000	1,000,000	Target has been revised to reflect the over achievement under parent project and enhanced scope under the AF.		
People benefitting from improved access to sustainable transport infrastructure and services (Number)	New indicator	1,500,000	WBG corporate scorecard indicator retrofitted to the project.		
<i>Of which youth (Number)</i>		150,000			
<i>Of which women (Number)</i>		750,000			
Intermediate Indicators					
Infrastructure Rehabilitation					
Length of embankments rehabilitated or reconstructed as per improved design (Kilometers)	100	250	Target has been revised to reflect the over achievement under parent project and enhanced scope under the AF.		
Length of roads rehabilitated or reconstructed (Kilometers)	150	950	Target has been revised to reflect the over achievement under parent project and enhanced scope under the AF.		
Land area benefitting from restored irrigation systems (Hectare (Ha))	150,000	180,000	Target has been revised to reflect the enhanced scope under the AF.		
Households benefitting from restored water supply facilities (Number)	10,000	Marked for deletion	This indicator was redundant after addition of the WBG corporate scorecard indicator on People provided with water, sanitation, and hygiene.		
People provided with water, sanitation, and hygiene (Number)	New indicator	50,000	WBG corporate scorecard indicator retrofitted to the project.		
<i>Of which are youth (Number)</i>		10,000			
<i>Of which are women (Number)</i>		25,000			
Institutional Strengthening for Resilience and Technical Assistance					
Rescue 1122 staff with the knowledge to provide quality case management services to GBV survivors (Percentage)	New Indicator	100	New gender tagged indicator to reflect AF activity.		
Vulnerable groups in target areas who report using psycho-social support services (Percentage)	50	Marked for deletion	Indicator redundant as psycho-social support services are covered under the new indicator on quality case management services to GBV survivors.		



Legal Operational Policies

Policies	Triggered?
	Current
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

The project environment and social risk rating is maintained as Substantial. The environmental risks are mainly related to civil works involved in multi sector infrastructure investments, including pollution (dust, noise), solid waste management and wastewater, community health and safety and occupational health and safety, risks. Social risks mainly include exclusion of potential beneficiaries due to elite capture, potential land, land use, and livelihood impacts given that specific information on exact locations and scale of project investments are not known at this stage, labor and labor related occupational health and safety risks, community health and safety risks, and stakeholder engagement and availability of an effective GRM. E&S instruments for the parent project remain relevant and will be implemented for the AF. Borrower has the required institutional arrangements in place for E&S implementation. Borrower has to date implemented E&S requirements in a satisfactory manner and there are no outstanding E&S actions.

E. Implementation

Institutional and Implementation Arrangements

18. There are no modifications to the institutional arrangements. Components 1.1, 3.3 will remain with the SID PIU whereas Components 1.2, and 3.1 will continue to be implemented by the P&DD PIU. Component 4 will remain jointly mapped to both PIUs.

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