

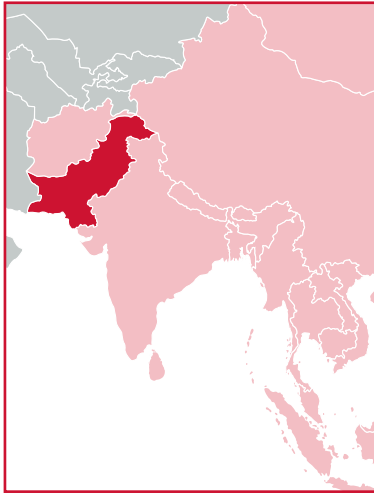


©IFAD/Asad Zaidi

Investing in rural people in **Pakistan**

With a population exceeding 200 million people, Pakistan is the world's sixth most populous country. It is the 26th-largest economy in the world. Agriculture accounts for roughly 25 per cent of GDP. Poverty is predominantly a rural problem, with rural people comprising more than 60 per cent of the population (116 million) and accounting for 80 per cent of the country's poor. Rural farmers face the challenges of small landholdings; poor access to markets; lack of access to credit, inputs and support services; limited off-farm employment opportunities; and policy and institutional constraints.

The country has a high number of young people, with over 55 per cent of the population below the age of 25 and over 35 per cent between 25 and 54 years. Considerable gender disparities exist on account of socio-economic, political and health factors. The adult literacy rate is 56 per cent, but there are huge variations between the urban and the rural population and across regions.



Agriculture
accounts for roughly
25 per cent
of Pakistan's GDP

Large amounts of agricultural production and the continuously increasing population place high demands on Pakistan's water resources. The greater part of the country's water resources – some 90 per cent – is used for agriculture, while the remaining share is split equally between industry and domestic use.

Eradicating rural poverty in Pakistan

The key policy documents that outline the national poverty reduction strategy in Pakistan are the Vision 2025 and the Poverty Reduction Strategy Paper II (PRSP-II). These strategies rely on economic growth, a knowledge economy (with investment in human capital), employment generation, social justice and protection (expansion of social safety nets), and universal access to quality social services as the main instruments for poverty reduction. Furthermore, the importance of the agricultural sector and the rural non-farm sector are underscored in these documents, which recognize the sectors as a source for employment creation.

With the 18th amendment to the Constitution of Pakistan in 2010, decentralized political power and authority have become more established, and provincial governments are now leading the rural poverty reduction agenda, with specific provisions for local conditions. Pakistan's rural development objectives are now linked to strengthening the rural economy, improving the quality of life of rural people and enhancing their living conditions; poverty reduction and poverty graduation are being pursued. Correspondingly, provincial governments are committed to increasing agricultural productivity and food security, augmenting the supply of critical water resources, improving rural infrastructure, and delivering social amenities that meet community needs.

IFAD's strategy in Pakistan

Since IFAD began its operations in Pakistan in 1978, the focus has been on combating rural poverty by promoting integrated participatory rural development. Altogether, IFAD has implemented 27 projects in Pakistan, for a total cost of US\$2.9 billion, benefiting more than 2,800,598 households.

Building on past experience and lessons learned, with the aim of expanding and scaling up successful models, IFAD's country programme in Pakistan is evolving and aligned with the government's development and policy agenda. National and other development resources will be leveraged in pursuit of province-wide and programmatic approaches under a strategy of:

- Transitioning the ultra-poor through proven graduation models centred on women and youth
- Promoting value chain-centred smallholder agriculture development in partnership with the private sector

As a complement to these strategic directions, ongoing and pipeline projects are facilitating and promoting housing security and asset transfers for vulnerable groups, skills development (including vocational training), and enterprise and value chain development; access to financial services and financial inclusion are also being pursued.

The cross-cutting issues of nutrition, gender, youth, and climate change resilience and water resources management are mainstreamed across the entire portfolio through well-defined strategies, interventions and investments.

Ongoing operations

Economic Transformation Initiative – Gilgit-Baltistan

The objective of the initiative is to increase agricultural incomes and employment for at least 100,000 rural households in the Gilgit-Baltistan region, where over 90 per cent of the population is engaged in agriculture.

The initiative focuses on:

- Increasing agricultural production, introducing high-value cash crops and linking farmers to local markets
- Developing and improving infrastructure, including irrigation schemes and rural roads
- Organizing smallholder farmers into producers' groups and formulating value chain development.

In Pakistan, poverty in remote rural areas is largely due to the smallness of individual landholdings (0.6-0.8 acres); poor access to markets; lack of access to credit, inputs and support services; limited off-farm employment opportunities; and policy and institutional constraints.

The total cost of the project is US\$120.15 million, of which IFAD is providing a US\$67 million loan.

Gwadar-Lasbela Livelihoods Support Project

The Gwadar-Lasbela Livelihoods Support Project covers the two coastal districts of Gwadar and Lasbela in the province of Balochistan, where over 60 per cent of the population lives in poverty.

The project primarily targets poor rural households in 382 villages in Gwadar and Lasbela, including small-scale landowners or landless tenants, small-scale fishers and women. The project is expected to benefit about 20,000 rural households (116,000 people).

The project aims to increase the incomes and enhance the livelihoods of poor rural and fisher households in the project area. In particular, it will support:

- Community development
- Fisheries development
- Rural infrastructure

The total cost of the project is US\$35.27 million, of which IFAD is providing a US\$30 million loan.

Southern Punjab Poverty Alleviation Project

The Southern Punjab Poverty Alleviation Project is implemented in the districts of Bahawalnagar, Bahawalpur, Muzafargarh and Rajanpur, where the total rural population is estimated to be 8.6 million, or just over 1.2 million households.

The project objective is to increase the incomes of the target population by enhancing their employment potential and boosting agricultural productivity and production. The project assists the government of Punjab in achieving its economic growth and poverty reduction objectives.

The project benefits landless casual labourers, smallholder farmers and woman-headed households. It is expected that about 131,000 poor rural households from four districts will benefit directly from the project; an innovation of the project is the use of the National Poverty Score Card as an effective targeting instrument.

Since 1978 IFAD has **financed projects** in Pakistan worth a total of **US\$2.9 billion**

Among the root causes of poverty in the region are the skewed distribution of land, exploitative farming arrangements and the lack of own housing for landless daily wage earners, which compromises their economic choices and freedom of action. The project is designed with these challenges in mind, providing a low-cost housing scheme and a range of income-generating opportunities for the poorest and most vulnerable members of the rural communities in the target area.

The total cost of the project is US\$84.12 million, of which IFAD is providing a US\$65.2 million loan.

National Poverty Graduation Programme

The project works to improve to improve livelihoods, living conditions and income-generating capacity for 320,000 poor rural households in Pakistan.

The new programme, covering 17 districts, will focus on the “ultra-poor” segment of the population living in rural areas. It will provide a combination of safety nets and sustainable livelihood opportunities. Participants will receive support through skills development, business literacy training and access to credit.

It brings irrigation and other technologies to the area to improve agricultural yields and animal health. It also provides access to credit, a safe drinking water supply and basic infrastructure such as rural roads. It introduces income-generating activities to improve poor people’s living conditions, especially those of women.

Community-based organizations are being set up through the existing structure of extended rural households. The project also promotes the creation of women’s groups to involve women in decision-making and in determining priorities regarding their needs within the community.

The total cost of the programme is US\$149.8 million, of which IFAD is providing a US\$82.6 million loan. The project will be implemented nationwide.



©IFAD/Asad Zaidi

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided US\$21.5 billion in grants and low-interest loans to projects that have reached about 491 million people. IFAD is an international financial institution and a United Nations specialized agency based in Rome – the United Nations’ food and agriculture hub.

Contact:

Hubert Boirard
Country Director IFAD
Rm 6-1-101 Tayuan DRC
No.1, Xindong Road
Beijing, China 100600
Tel: +86 10 8532 8977
Email: h.boirard@ifad.org



Investing in rural people

International Fund for Agricultural Development
Via Paolo di Dono, 44 - 00142 Rome, Italy
Tel: +39 06 54591 - Fax: +39 06 5043463
Email: ifad@ifad.org
www.ifad.org

- facebook.com/ifad
- instagram.com/ifadnews
- linkedin.com/company/ifad
- twitter.com/ifad
- youtube.com/user/ifadTV

December 2019