

## Indonesia

### South Sumatra Swamp Improvement Project



Navigation canal in the Pulau Rimau district

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	5,577 million yen / 4,426 million yen
Loan Agreement	October 1992
Terms & Conditions	Interest rate 2.6%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	November 1999

#### Project Outline

The project aimed to increase agricultural productivity and improve residents' standards of living via the development and improvement of infrastructure, including drainage facilities, water supply, roads, etc. in the swamp reclamation areas of South Sumatra Province.

#### Results and Evaluation

The project covered the construction/improvement of water channels/drainage canals, the construction of dikes, roads, bridges, and landings for boats, and improvements of navigation canal in two project areas (Pulau Rimau, Air Sugihan) in the Musi River delta region of South Sumatra. It further included the establishment of water tanks and aqueducts, targeting water supplies for farmer-beneficiaries (approx. 13,000 households). All work was completed in July 1999. Comparing 1996 (pre-project) and 2000 (post-project), cropping areas for rice, cassava, etc., increased from 7,500 hectares to 15,000 hectares in the Pulau Rimau district, and from 8,900 hectares to 14,300 hectares in Air Sugihan. Unit rice yields for the same period increased from 2.2 tons/ha to 3.2 tons/ha in the Pulau Rimau district, and from 1.6 tons/ha to 2.6 tons/ha in Air Sugihan. According to the interview survey, this has boosted incomes by 15%, on average, and increased savings by 1.6 times their pre-project level, thus the project is inferred to have contributed to improving living standards for farmers.

Notwithstanding, although around 75% of water supply facilities are in good condition, sand sedimentation and salt water damage have hindered the operation of some parts of facilities, thus appropriate repairs and operation/management will need to be instituted in the future.