

Indonesia

Agricultural Development Project



A cashew nut farmer

Outline of Loan Agreement

Loan Amount / Disbursed Amount	6,718 million yen / 6,397 million yen
Loan Agreement	November 1993
Terms & Conditions	Interest rate 2.6%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	December 1999

Project Outline

A program covering small-scale irrigation development (SSID), farm land and farm road infrastructure, support for estate crop development, and fish landing development, was implemented with the aim of providing comprehensive support to agricultural development in Indonesia.

Results and Evaluation

The project was implemented between 1994-96. SSID sub-projects were executed at 55 sites in Central Sulawesi with an irrigation area of approx. 18,000 hectares. Land development was conducted at 51 sites in 9 provinces with an area of approx. 12,000 hectares, and 941km of farm roads were constructed in 6 provinces. Group Processing Units (GPU) for rubber/coconuts, etc., were established at 1,204 locations in 10 provinces, and estate crop development costs for farm equipment/fertilizer, etc., were supported at 30 locations in 14 provinces. Fish landing facilities were provided at 3 locations in eastern Indonesia. The direct beneficiaries of these projects were small-scale/subsistence farmers and fishermen, which were variously effective in increasing their respective incomes and so forth.

In implementing poverty reduction projects such as this, which comprise numerous components covering a diversity of needs across a wide area, efforts should be made to formulate plans that reflect actual conditions in individual regions, the respective roles of central and regional governments, farmer's associations, and related stakeholders should be clarified, and efforts made to achieve mutual understanding, and the establishment of monitoring systems is also deemed a necessity.