

Indonesia

Way Rarem Irrigation Project (I) - (IV)



Main Canal

Outline of Loan Agreement

Loan Amount / Disbursed Amount	22,260 million yen / 20,107 million yen
Loan Agreement	March 1979 - September 1991
Terms & Conditions	Interest rate 2.5% - 3.0% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	September 1984 - October 1997

Project Outline

The project covered the construction of dams and irrigation systems in Lampung Province, Sumatra, targeting increases in the production of food crops, particularly rice, and in improvements in living standards for farmers.

Results and Evaluation

This project (Phases I-III) was planned as a large-scale irrigation project with overall construction spanning a period of roughly 12 years. Construction of the dam and irrigation system (a network of main, secondary, and tertiary canals) was completed between 1983-91, and was followed by work (Phase IV) to rehabilitate and upgrade the facilities, which was completed in 1996.

Construction of irrigation facilities at the tail reaches of the system and development of paddy fields was implemented with the participation of farmers, and by 1997, the 800 hectares of paddy fields in 1984, had been expanded to 20,180 hectares. Rice yields increased steadily (from 3 tons/ha in 1990 to 4.5 tons/ha in 1999), and according to a survey of farmer-beneficiaries, on-farm income had increased 2.1-fold between 1982 and 2000, and savings were up 1.6-fold, thereby contributing to improved standards of living.

On the other hand, cropping areas have dropped below target figures since 1993, and have been insufficiently recovered even after the rehabilitation work carried out in Phase IV. This is considered to be attributable to the complexity of gate operations required for the irrigation system, which means that water is not reaching to some areas.

Technical assistance is currently being provided to the water resources sector as part of Japan's ODA loan-assisted projects, in order to secure the human resources/budget necessary for operation and maintenance, and to address the issue of strengthening the capacity of irrigation associations.