

# Krueng Aceh Irrigation Project



Headwork Constructed by the Project

## Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥6,333 million / ¥5,805 million
Loan Agreement	December 1990
Terms and Conditions	Interest rate: 2.5%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	December 1997

## Project Profile

The project was to construct irrigation facilities such as headworks and canals in the rice paddy belt of the Aceh River basin adjacent to the city of Banda Aceh, in order to increase rice production and raise the incomes of farmers.

## Results and Evaluation

Since the completion of the project in 1997, rice cultivation intensity in both the rainy and dry seasons has been growing steadily, reaching a total of 145% in 2000, close to the planned figure of 167%. Productivity exceeded the planned 5.0 tons/ha to reach 7.0 tons/ha in the rainy season and 6.0 tons/ha in the dry season. An interview survey of farmers in the beneficiary area (100 households) found that over 80% overall said they were satisfied with the project. Nearly all subjects stated that the project had a beneficial effect on the local economy, in the form of increases in farming income and employment opportunities. Land for the project had been acquired from six out of ten of the interviewees, but the land acquisition did not involve any large-scale relocation of residents and nobody expressed dissatisfaction with the compensation provided.

There appeared to be something of a shortage of water users association to manage the terminal water distribution facilities, but the members maintain the facilities property. The major facilities are under the jurisdiction of the Aceh Irrigation Project Office, but it is unable to maintain them properly due to a budget shortage, and some breakages can be seen. Future measures to rehabilitate facilities, and ensure their subsequent sustainability, are being supported through Special Assistance for Project Sustainability (SAPS).