

Bila Irrigation Project (I)(II)



Trunk Canal in the Targeted Irrigation Area

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥10,248 million / ¥8,971 million
Loan Agreement	December 1990 and October 1992
Terms and Conditions	Interest rate: 2.5%/2.6%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	December 1997 and November 1998

Project Profile

The project was to construct mainly headworks, dams and trunk canals for Phase I in the rice paddy belt in the Bila River basin in the center of South Sulawesi Province, while for Phase II mainly to construct irrigation facilities such as branch canals, terminal water distribution facilities and trunk and branch drainage canals, in order to enable year-round irrigation, thereby increasing rice production.

Results and Evaluation

The facilities came into service in 1996, but 1997, suffered from an unusually long dry season and the impact of the currency crisis, which prevented growth in the cultivated area. Growth has been steady since then. In 2000 the cultivation rate reached 115% of the planned value in the rainy season and 103% in the dry season. Land productivity at the time of the appraisal was 31,000 tons/ha in the rainy season and 28,000 tons/ha in the dry season. After the completion of the project, productivity approximately doubled, and the annual rice production of the area reached 106,000 tons.

There are no apparent functional problems with the irrigation facilities, but some facilities are currently functioning at a reduced level, mainly due to inadequate operation and maintenance. The status of the facilities need to be investigated closely and appropriate countermeasures taken. Also, the necessary government budget of operation and maintenance should be secured, and the system for water usage charges should be strengthened in order to put the operation and maintenance system on a stronger and more stable basis.