

Minipe and Nagadeepa Irrigation Rehabilitation Project



Paddy Field in Minipe District

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥1,850 million / ¥1,709 million
Loan Agreement	July 1988
Terms and Conditions	Interest rate: 2.7%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	June 1998

Project Profile

The project was to rehabilitate irrigation facilities to prevent leakage from canals and complement policies implemented at the same time by the government, such as the appropriation of upstream and downstream water usage and the diversification of crops. The project aimed to raise agricultural productivity in the Minipe and Nagadeepa areas, stabilize the basis of agricultural production and mitigate disparities in agricultural productivity between the target areas and their surroundings.

Results and Evaluation

Before the implementation of the project, the irrigation facilities in the area were severely dilapidated, and the combination of leakage from the canal and inadequate water management left the paddy fields with inadequate water supplies. The completion of the project increased water volumes delivered to the paddy fields. Agricultural productivity in the target areas was low at the time of the appraisal. Productivity in Nagadeepa was only 80% of the national average and only 60% of that planned for the neighboring Mahaveri area. With the progress of rehabilitation, unit rice production rose to 4.9 tons/ha in Minipe and 4.5 tons/ha in Nagadeepa, substantially exceeding the national average of 3.8 tons/ha, reaching approximately the same level as Mahaveri area.

Rehabilitation of the irrigation facilities such as canal was accompanied by the establishment of farmers organizations, farming skill training activities, water distribution according to agreements between the Department of Irrigation and the farmers, and other measures to build organizations and systems, which were largely successful and are operating appropriately. Nearly all of the facilities have been transferred to the farmers organizations for operation and maintenance, and those organizations are working steadily on operating and maintaining the facilities.