

## 13 Indonesia

### Project Type Sector Loan for Water Resources Development



Sangiran Dam irrigation area developed by this project

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	11,797 million yen / 9,934 million yen
Loan Agreement	December 1996
Terms & Conditions	Interest rate 2.7% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	December 2000

#### Project Outline

By conducting water resources development in regional areas, agricultural productivity and farmers' living standards were improved, water shortages were resolved through small-scale water resources development, and damage was reduced from flooding.

#### Results and Evaluation

Through this project, (1) Irrigation Facilities Restoration/Completion Program, (2) Pond Construction/Restoration Program, (3) Flood Control Program and (4) Village Irrigation Restoration Program were implemented. Due to each program, the total irrigation area was enlarged to 377,550ha. Moreover, due to the Pond Construction / Restoration Program, over 200,000 households were able to receive water supplies, and due to the Flood Control Program, flood damage was reduced in 25,230ha. As the main purpose of this project is the support of restoration and completion of existing projects, it is difficult to assess the impact of this project, but according to a survey of beneficiaries, impacts such as improvement in living standards and securing of employment opportunities, were reported.

In Indonesia, due to decentralization, the authority and responsibility for the operation and maintenance of irrigation facilities and river facilities were transferred from central government to local governments, and the management of terminal facilities has been transferred to farmers' organizations. Presently, the transfer is at the halfway stage, and even in terms of this project, the establishment of operation and maintenance systems is a priority issue.