Sri Lanka: Integrated Water Productivity Improvement Project

Project Name
Integrated Water Productivity Improvement Project

Project Number
52156-001

Country / Economy
- Sri Lanka

Project Status
Proposed

Project Type / Modality of Assistance
- Loan

Source of Funding / Amount

<table>
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<tr>
<th>Source</th>
<th>Amount</th>
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<td>Ordinary capital resources</td>
<td>US$ 170.00 million</td>
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Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change
- Gender Equity and Mainstreaming
- Governance and capacity development
- Knowledge solutions

Sector / Subsector

- **Agriculture, natural resources and rural development** / Agricultural production - Irrigation - Rural water policy, institutional and capacity development - Water-based natural resources management

Gender
Effective gender mainstreaming

Description
The project will focus on river basins that are mostly located within two provinces: North Western Province and Uva Province. These river basins straddle the dry and intermediate climatic zones and have large numbers of smallholder farmers cultivating under village irrigation systems and rainfed conditions. They are identified as areas (i) vulnerable to climate change; (ii) requiring interventions in irrigation and water resources management to develop resilience to climate change; and (iii) not currently covered by ongoing or planned interventions.
Project Rationale and Linkage to Country/Regional Strategy

Sri Lanka has a highly favorable environment for agriculture, with fertile soils and abundant water resources. The land area is 6.56 million hectares (ha), of which 28.2% (1.85 million ha) is under agriculture. Rainfall annually provides almost 13 billion cubic meters of runoff, of which the annual withdrawal is estimated at 8.7 billion cubic meters, indicating no overall water shortage. Water plays a critical role in agricultural production; more than 85% of withdrawals are used for agriculture and about 37% of agricultural land is irrigated. However, pronounced temporal and spatial aspects of water scarcity occur, largely owing to the bimodal pattern of rainfall.

Although agriculture's contribution to the country's total GDP has declined considerably as other sectors have expanded, the role of the agriculture sector remains important to poverty reduction. The direct contribution to GDP from agriculture, forestry and fisheries was 6.9% in 2017, but about 80% of the population resides in rural areas, of which 70% still depend directly or indirectly on agriculture for their livelihoods.

Impact

   Food security and water use efficiency enhanced recognizing the impact of climate change

Outcome

   Water productivity in irrigated lands of selected river basins increased

Outputs

   Resource management systems improved
   Irrigation infrastructure modernized
   Modern crop production and marketing promoted

Geographical Location
   North Western Province, Province of Uva

Safeguard Categories

Environment
   B
Involuntary Resettlement
   B
Indigenous Peoples
   C

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

**Stakeholder Communication, Participation, and Consultation**

During Project Design
During Project Implementation

**Business Opportunities**

Consulting Services
   - The executing agency to administer consulting activities.
Procurement
   - The executing agency to administer procurement activities.

**Contact**

Responsible ADB Officer
   Ranawana, Sanath
Responsible ADB Department
   South Asia Department
Responsible ADB Division
   Environment, Natural Resources & Agriculture Division, SARD
Executing Agencies
   *Ministry of Irrigation and Water Resources Management*

**Timetable**

Concept Clearance
   09 Nov 2018
Fact Finding
   25 Oct 2022 to 16 Nov 2022
MRM
   22 Mar 2023
Approval
   -
Last Review Mission
   -
Last PDS Update
   19 Dec 2022

**Funding**

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