Indonesia: Irrigation Sector Project

Project Rationale and Linkage to Country/Regional Strategy

The proposed program will result in increased agricultural productivity through improved management of irrigated agriculture in selected provinces and districts in Indonesia. The program will address the following government priorities: (i) increased rice production to achieve food security; (ii) diversified and higher value cropping to improve rural livelihoods, and (iii) more productive irrigation infrastructure and its sustainable management. The program will deliver an integrated package of infrastructure, institutional reforms, and capacity development to catalyze sector advances. The program builds from the Asian Development Bank (ADB)’s previous Loans 2064/65 INO: The Participatory Irrigation Sector Project (PISP) that closed 31 December 2012.

2. Food security has been a significant government concern starting from the world price shocks of 2008. Presidential Decree 5 (2011) calls for increased surplus rice production of 10 million tons (about 15%) by 2015 to address food security through a policy of rice self-sufficiency. In 2011, Indonesia produced 65 million tons of rice of which, 95% came from irrigated lands. Overall, production has been growing slowly (about 1% annually) over the last ten years mainly from increases in irrigated area and cropping intensity. However, yields have been generally stagnant for the last 20 years, and productivity gains are slowing and inadequate to meet growing demand and government objectives. Deteriorating infrastructure further compromises productivity mainly due to inadequate O&M and its financing. Since 2005, the area of irrigated area with infrastructure in good condition has declined from 78% to less than 50% today. Additional challenges constrain productivity and include: (i) weak and fragmented management among district, provincial and national governments with limited farmer participation; (ii) underdeveloped planning and management capacity; (iii) ineffective agricultural services and commercialization of agriculture; and (iv) weak water management (irrigation uses 80% of developed water supply). The National Development Planning Ministry (BAPPENAS) and Directorate General of Water Resources (DGWR) support (i) increased investment for irrigated agriculture, and (ii) expanding, deepening and institutionalizing reforms initiated under PISP.

3. The program is consistent with (i) strategic priorities for the Midterm Review of Strategy 2020 of the ADB; and (ii) the ADB Interim Country Partnership Strategy (CPS) 2015 for Indonesia. Agriculture and natural resources (including irrigated agriculture) is a CPS sector focus. The program is consistent with the government’s National Medium Term Development Plan 2015 to 2019, which prioritizes development of infrastructure (including irrigation) and food security.

Impact

tbd

Project Outcome

Description of Outcome

tbd

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

tbd

Status of Implementation Progress (Outputs, Activities, and Issues)

tbd

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

Stakeholder consultations have been conducted during project preparation and will continue throughout implementation. Effective measures of stakeholder engagement will be established to ensure ownership of the proposed activities.

During Project Implementation

Farmers will be organized into Water User Associations and will participate in implementation.

Business Opportunities

Consulting Services

The consulting services have been completed.
Responsible ADB Officer: Eric Quincieu
Responsible ADB Department: Southeast Asia Department
Responsible ADB Division: Environment, Natural Resources & Agriculture Division, SERD
Executing Agencies: Directorate General of Water Resources
Jl. Pattimura No.20, Jakarta

Timetable
- Concept Clearance
- Fact Finding
- MRM
- Approval: 12 Sep 2013
- Last Review Mission: -
- Last PDS Update: 30 Sep 2016

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Project Page: https://www.adb.org/projects/43220-012/main
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