

## Signing of Japanese ODA Loan Agreement with India

Extending the Rengali irrigation canal to mitigate the dependence on rain for cultivation, facilitating an increase in agriculture production and farmer incomes

On March 30 2015, the Japan International Cooperation Agency (JICA) signed an ODA loan agreement with the Government of India to provide up to 33,959 million yen for the Rengali Irrigation Project (Phase 2).

Agriculture in India has undergone massive transformation since the Green Revolution, which resulted in grain sufficiency in the 1970s. However, increasing agricultural production is still one of the pressing challenges facing India, which needs to feed its population, expected to become the largest in the world by 2025. Agriculture is still the main income source of about half of the workers in India, and plays a pivotal role in combating poverty by providing employment and ensuring food and nutrition security for a very large proportion of the country's population. In India, rain-fed areas are characterized by delayed, deficient or erratic rainfall, so rain-dependent cultivation can support only one crop a year. Hence, developing an irrigation system is essential to improving the uncertainty and productivity of agriculture.

This project is part of the multipurpose Rengali project in Odisha State, where a dam and reservoir were built in 1985 to provide hydropower generation, irrigation and flood control in the deltaic region of the Brahmani river. A barrage (diversion dam) has been built on the Brahmani river at Samal, located 35 kilometers downstream of the Rengali dam, to provide water for industrial consumption and irrigation in districts of the state along the river.

JICA has provided ODA loans for the Rengali Irrigation Project since 1997 for the development of an irrigation system that includes the main canal from the Samal Barrage between the 29th and 71st kilometers on the left bank. The previous Phase 1 project, funded by three ODA loans, has so far enabled 27,200 hectares to be irrigated, benefitting over 37,000 farmer households with increased agricultural production in the area.

This Phase 2 project includes extension of the canal from the Samal Barrage between the current 71 kilometer mark and the 123.5-kilometer mark on the left bank, and development of an associated distribution system and incidental facilities, as well as consulting services related for procurement support, construction management, agriculture extension, and formulation of Water Users Associations in which farmers participate in irrigation system development and in subsequent operation and maintenance.

It is expected that this project will enable cultivation of crops such as paddy rice, pulses, groundnuts, potatoes and vegetables during the dry season by irrigating about 39,000 hectares along the canal, benefitting over more than 40,000 farmer households comprising over 200,000 people who have been dependent on unreliable rain-fed agriculture.

### Reference

#### 1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Rengali Irrigation Project (Phase 2)	33,959	0.70	0.01	15	5	General untied

#### 2. Executing Agency

Department of Water Resources, Government of Odisha  
Address: Unit- V, Rajiv Bhawan, Bhubaneswar, Odisha- 751001, India  
Phone: +91-674-2536764/2392630, fax: +91-674-2392446/2391731

#### 3. Planned Implementation Schedule

- (1) Completion of project: March 2023 – when the facilities are put into service
  - (2) Issuing of letters of invitation for consulting services (including construction supervision): April 2015
  - (3) Tender announcement of initial procurement package for international competitive bidding on project construction:  
Construction of main canal (including tunnel)
- Release date: March 2016



Signing ceremony