



Sri Lanka: Integrated Water Productivity Improvement Project

Project Name	Integrated Water Productivity Improvement Project
Project Number	52156-001
Country	Sri Lanka
Project Status	Proposed
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan: Integrated Water Productivity Improvement Project Ordinary capital resources US\$ 170.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	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 Equity and Mainstreaming	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	

