

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GOVERNMENT OF INDIA AND WORLD BANK SIGN \$60 MILLION FOR
KARNATAKA WATERSHED DEVELOPMENT PROJECT II – PROJECT TO
IMPROVE GOVERNMENT WATERSHED OPERATIONS IN 930 MICRO-
WATERSHEDS COVERING 465,000 HA ACROSS 7 DISTRICTS OF KARNATAKA;
160,000 FARMER HOUSEHOLDS TO BENEFIT**

**New Delhi: Magha 22, 1934
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The Government of India and the World Bank today signed a \$60 million credit agreement for the Karnataka Watershed Development Project II (KWDP II) to further improve watershed planning and management in project areas. The Project will improve government watershed operations in 930 micro-watersheds covering 465,000 ha across 7 districts of Karnataka.

This project builds on the successful experience of earlier Bank-supported Karnataka Watershed Development Project I, also known as Sujala, which helped improve the lives of 230,000 farmers by increasing crop yields by about 25 percent, and raising household incomes of small and marginal farmers by 40 percent

The agreement for the Karnataka Watershed Development Project II (KWDP II) Project was signed by Shri Nilaya Mitash, Joint Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India; Shri M. K. Shankaralingegowda, Department of Agriculture, Government of Karnataka; and Mr. Onno Ruhl, Country Director, World Bank (India) on behalf of World Bank.

Even today Karnataka's dry regions are among the states' poorest, have low agricultural productivity, and are susceptible to drought and deepening environmental stress and degradation. The project area has 39,400 landless families. Annual normal rainfall varies from 600 to 800 mm with 43 rainy days in a year. Rain fed agriculture in 278,000 ha of project area, experiences at least two water deficit years in a five year cycle due to prolonged dry spells during crop season and/or delayed onset of monsoon rains.

Speaking on the occasion, Shri Nilaya Mitash, Joint Secretary in the Department of Economic Affairs, Ministry of Finance, Government of India said that the World Bank assisted Karnataka Watershed Project was very successful and also contributed to development of the watershed program at the National level. He further said that this follow on project, we hope, will further innovate, and also establish better convergence between Watershed Management programme and the Mahatma Gandhi National Rural Employment Guarantee Act scheme (NREGS) programs. Wherever possible, rural electricity supply improvement programme of the State Government should also be converged for assured micro-irrigation in the project area.

KWDP II signed today will focus on improving the performance and results of IWMP by introducing new tools and approaches for integrated watershed planning, incorporating more information about water resources into the planning process, facilitating better convergence of IWMP with other government programs such as NREGS, and helping farmers increase agricultural productivity. The project will cover about 465,000 ha and 160,000 farmer households in 7 districts.

Speaking on the occasion, Mr Onno Ruhl, World Bank Country Director for India said that this project will build on the earlier Bank-supported Karnataka Watershed Development Project I (KWDP I) and initiate innovative pilots which will help increase agricultural production in rain fed areas, lead to better use of scarce water resources and raise household incomes of farmers.

Consequently, a primary focus of the project is on supporting the implementation of IWMP in the 7-selected districts of Karnataka through better planning, capacity building, monitoring and evaluation, and post-harvest value addition. Focus will also be on understanding local needs, like location-specific soil-crop-water interactions; expanding the scope of rainwater harvesting and groundwater recharge, by partly converging the NREGS with the IWMP; and developing agro-climatic zone specific technology to enable rural communities to better adapt to the effects of climate change.

Mr Grant Milne, Senior Natural Resources Management Specialist, World Bank and the project's Task Team Leader said through this project we hope to strengthen the bottom-up engagement of small farmers and increase their opportunities for adapting to new technologies. The project will also strengthen the financial and technical convergence between IWMP and NREGS through more integrated watershed planning and monitoring, and developing innovative tools and processes in sub and micro-watersheds. He further said that better program convergence is expected to result in more science-based watershed management and higher quality of soil and water conservation interventions.

Among the other components of the project, horticulture is expected to play a major role in raising income of farmers even in dry tracks. The Project will support activities for promoting dry land production for annual and perennial crops; crop diversification; help farmers in carrying out soil, water and leaf analysis to identify nutrient deficiencies; create facilities for testing, training and demonstrations; facilitate farmers in availing quality seed and planting material; and support farmers to improve post-harvest handling and marketing of the produce among others.

The project will be financed by a credit from the International Development Association (IDA) – the World Bank's concessionary lending arm – which provides interest-free loans with 25 years to maturity and a grace period of five years.

The Closing Date of the Project is December 31, 2018.
