

New World Bank Project to Support Climate Resilient Agriculture for 125,000 Smallholder Farmers in Odisha, India

The World Bank Board of Executive Directors approved a USD 165 million project to support smallholder farmers, strengthen the resilience of their production systems as well as diversify and improve the marketing of their produce, for increased income. The Odisha Integrated Irrigation Project for Climate Resilient Agriculture will be implemented in rural areas vulnerable to droughts and largely dependent on rainfed agriculture. It will benefit about 125,000 smallholder farmer households from 15 districts of Odisha managing 128,000 ha of agricultural land. The project will strengthen the resilience of smallholder farmers against adverse climate by improving access to resilient seed varieties and production technologies, diversifying towards more climate-resilient crops, and improving access to better water management and irrigation services.

In recent years, climate variability has seriously affected agriculture in Odisha, where farming is largely dominated by farmers with landholdings of less than two hectares. More and more agricultural areas are coming under the ambit of extreme weather events. Since 2009, the frequency of droughts in the state has increased from 1 in 5 years to 1 in 2 years. About 70% of total cultivated area is prone to droughts compared to 40% in the 1970s. In fact, since 2013, floods are now devastating areas beyond the traditional flood zone. Drier areas are projected to become drier, while wetter areas will become wetter. Agriculture is also a major source of Greenhouse Gas (GHG) emissions in Odisha, responsible for about 25% of the GHG emissions in the state.

The project will support the rehabilitation of 532 water tanks - expected to irrigate 91,435 ha; promote productivity improvements at the farm level; support farmers to reduce the current emphasis on food grains (especially paddy and wheat) and increase the share of high-value and more nutritious products like fruits and vegetables; and provide marketing support to farmers who are able to generate a marketable surplus. The project will also support aquaculture in rehabilitated tanks, help farmers access affordable and quality fingerlings, and disseminate improved aquaculture practices and postharvest management. The USD 165 million loan from the International Bank for Reconstruction and Development (IBRD), has a 6-year grace period, and a maturity of 24 years.

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