

Have Low Irrigation Service Charges Disadvantaged the Poor ?

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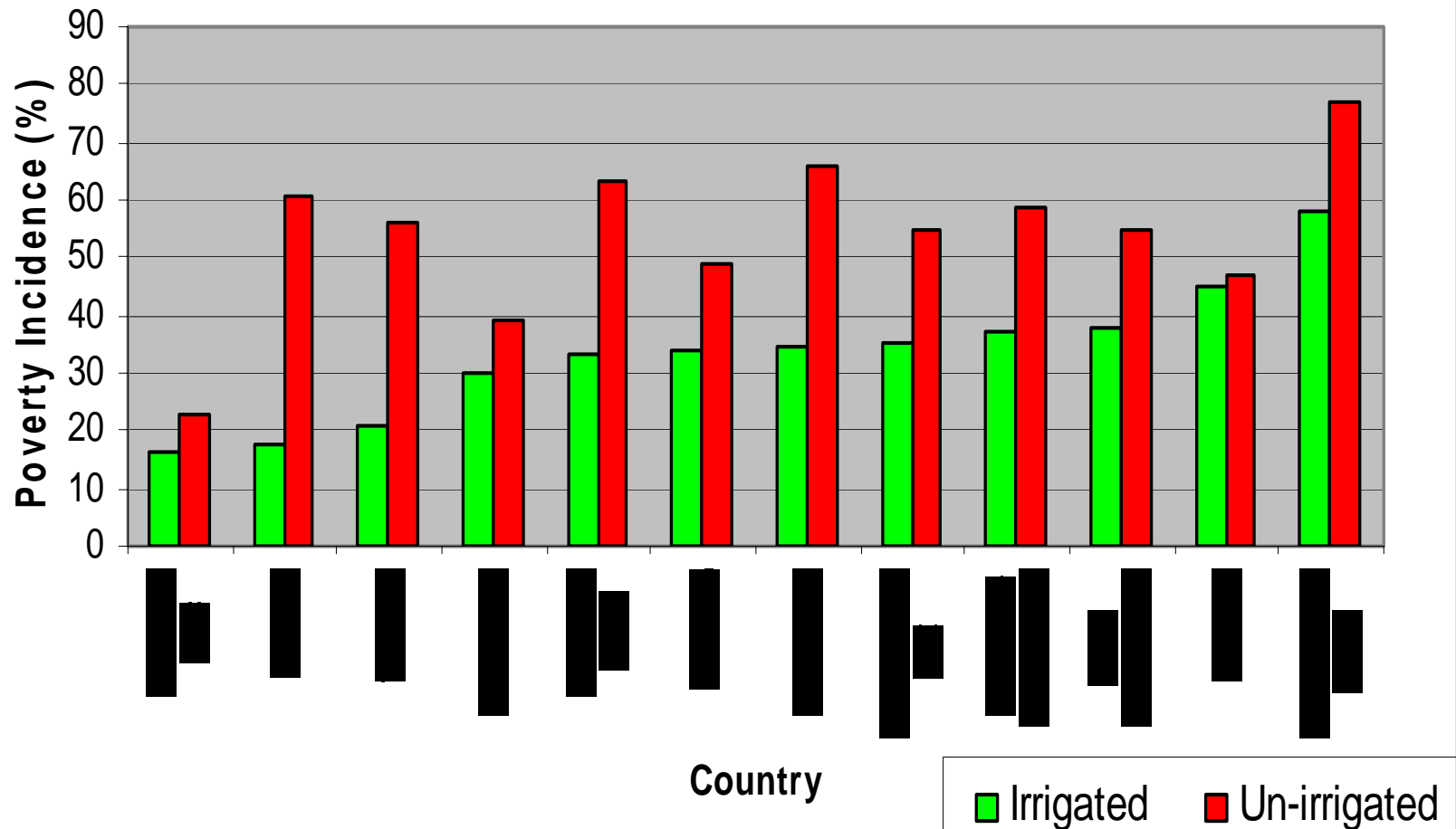
International Water Management Institute (IWMI)

Colombo, Sri Lanka

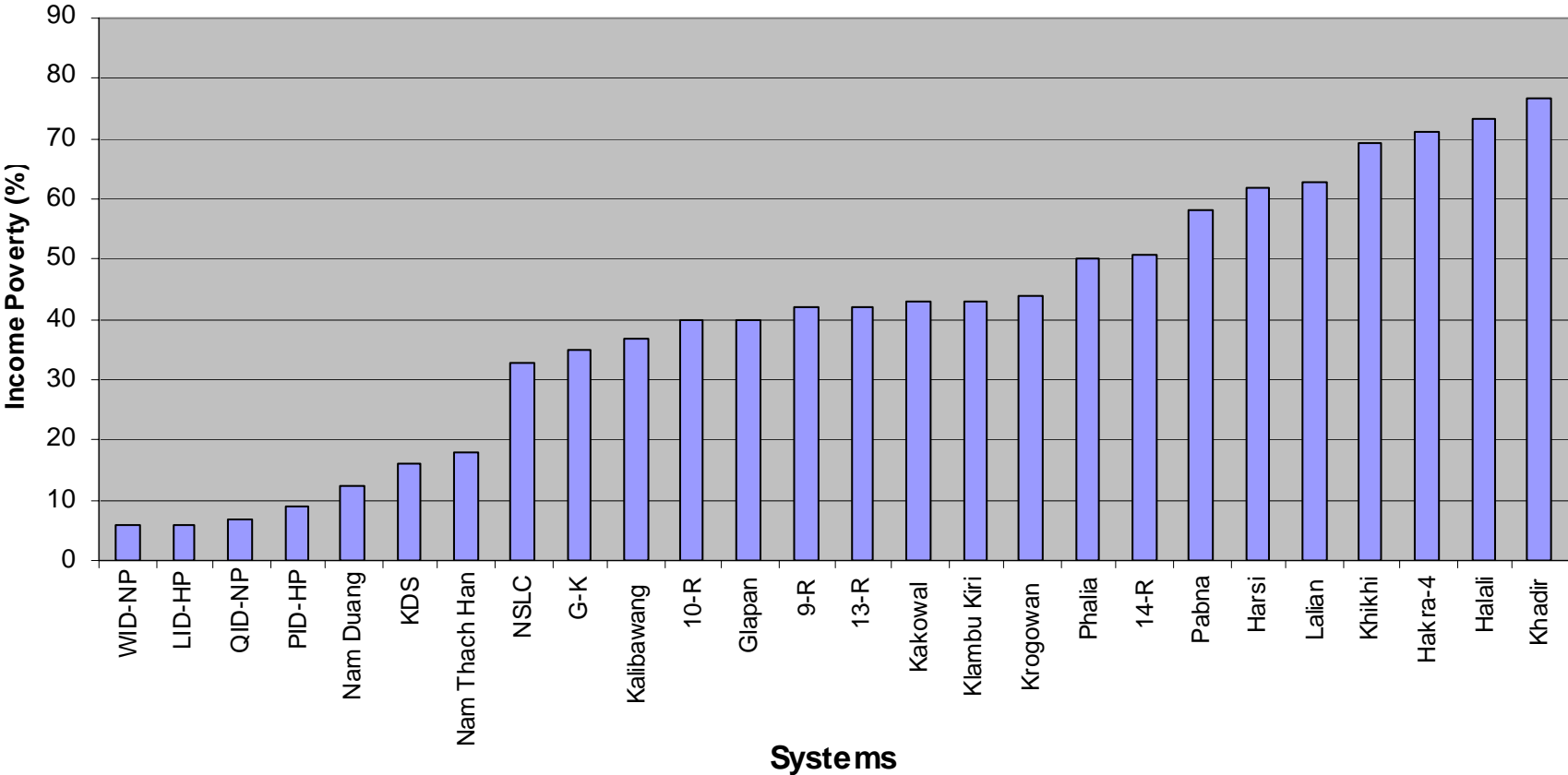
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Access to irrigation water is a significant determinant of poverty alleviation

Poverty Incidence in Irrigated and Un-irrigated Settings



Estimates of Income Poverty across Systems



Anti-poverty impacts of irrigation vary across and within systems and depend on:

- Irrigation infrastructure condition/management
- Water allocation/distribution policies, procedures and practices
- Production technology, cropping patterns, crop diversification;
- Support measures, e.g., input and output marketing, information
- (In) equity in land distribution

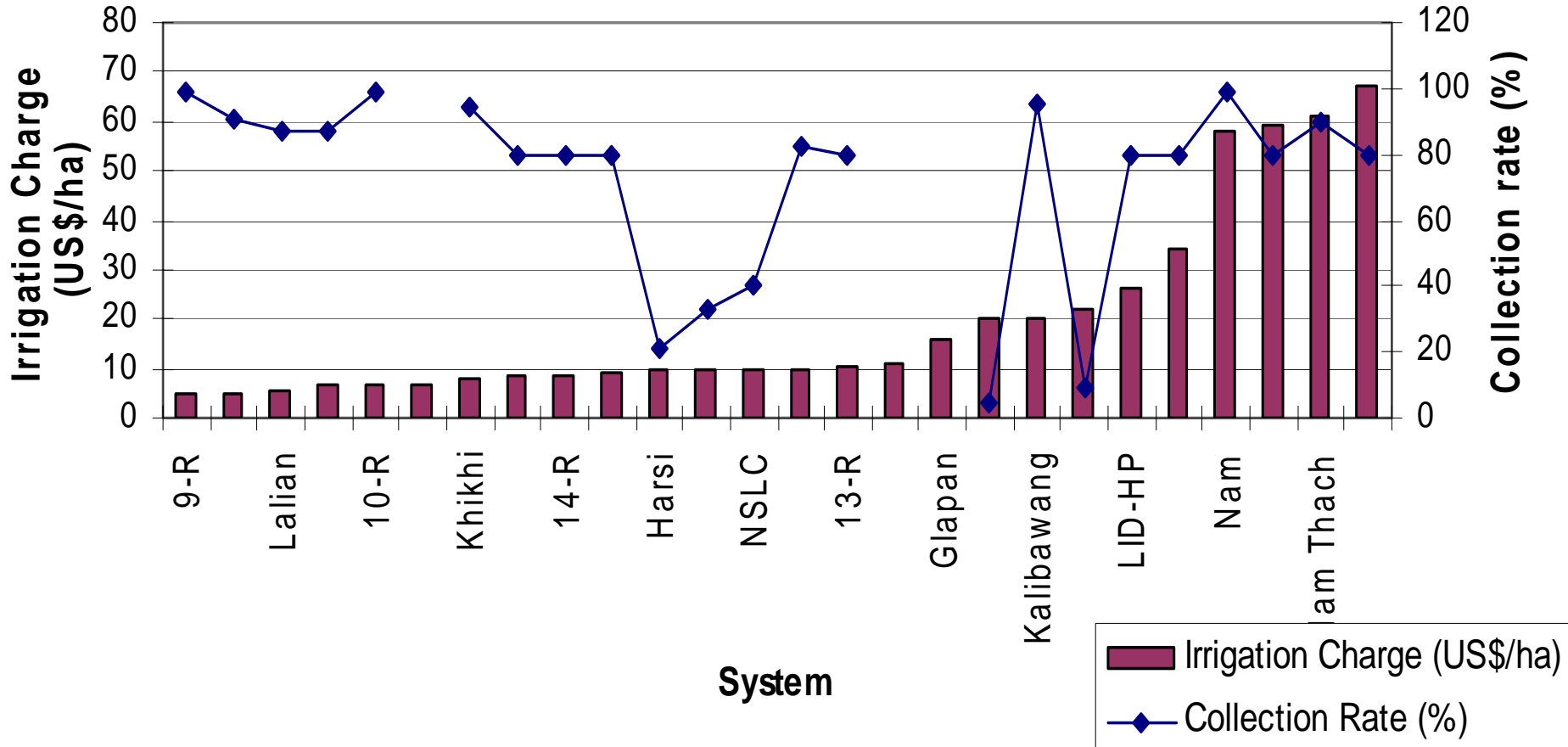
Key Determinants of Irrigation Performance

- Institutional arrangements
- Implementation effectiveness
- Service delivery
- Incentives, water rights, regulations

and

- Availability of funding
- Spending mechanisms

Irrigation Charge (US\$/ha) and Collection rate in Selected Systems



Low Irrigation Charges Justifications often Offered

- Affordability and willingness to pay;
- Positive externalities of irrigation impacts;
- Political sensitivity;
- Irrigation water viewed as a public good.

How Low Irrigation Charges are Disadvantageous to the Poor

When irrigation charge is low:

- Revenues and funds available are low;
- Maintenance is neglected, infrastructure condition deteriorates, overall availability and access to water is reduced;
- Little or no incentive to deliver high quality services;
- Users paying low charges feel they have little entitlement;
- Accountability linkages.

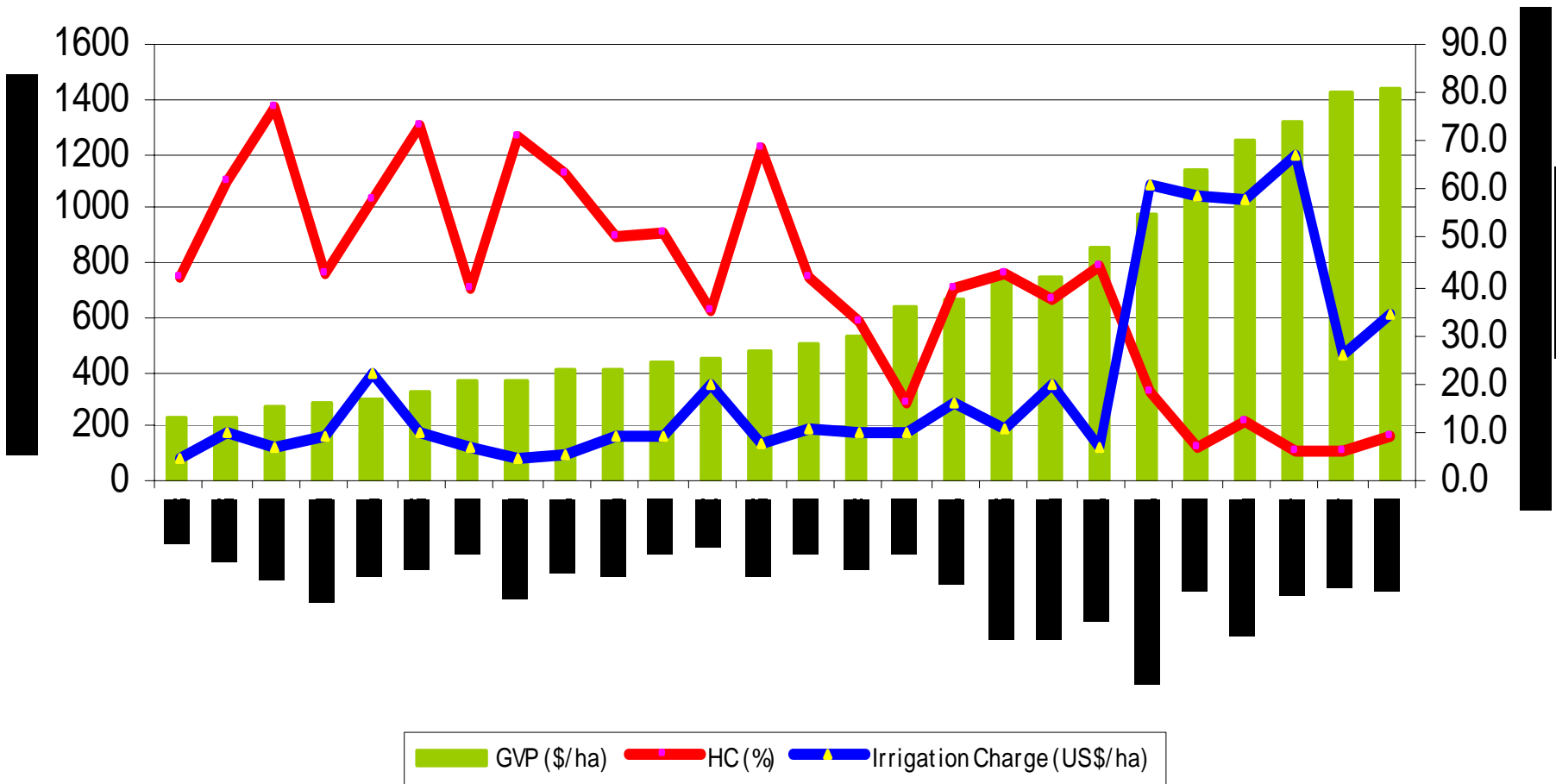
How Low Irrigation Charges are Disadvantageous to the Poor

When irrigation charge is low:

- No incentives for users to use water efficiently;
- Overall availability and access to water is reduced;
- Non-poor, the powerful and those having locational advantage grab more than their due share;
- Applied uniformly to all socio-economic groups worsens income and resource disparity.

Low Performance = High Poverty

Figure Productivity/ ha, Poverty (%) and Irrigation Charge (US\$/ha)

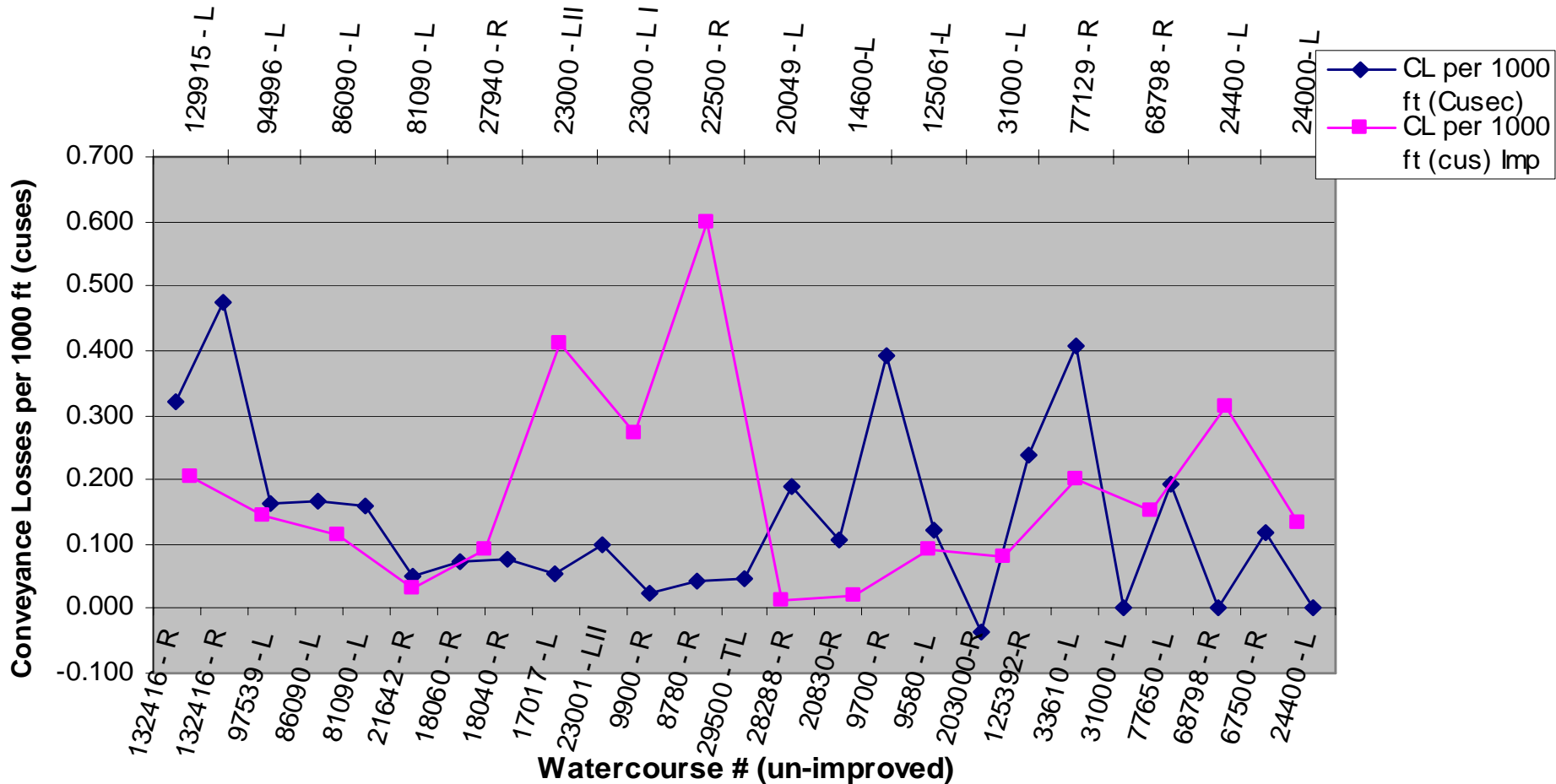


Infrastructure Condition and its Maintenance Matters



Investments in Infrastructure May Be Ineffective

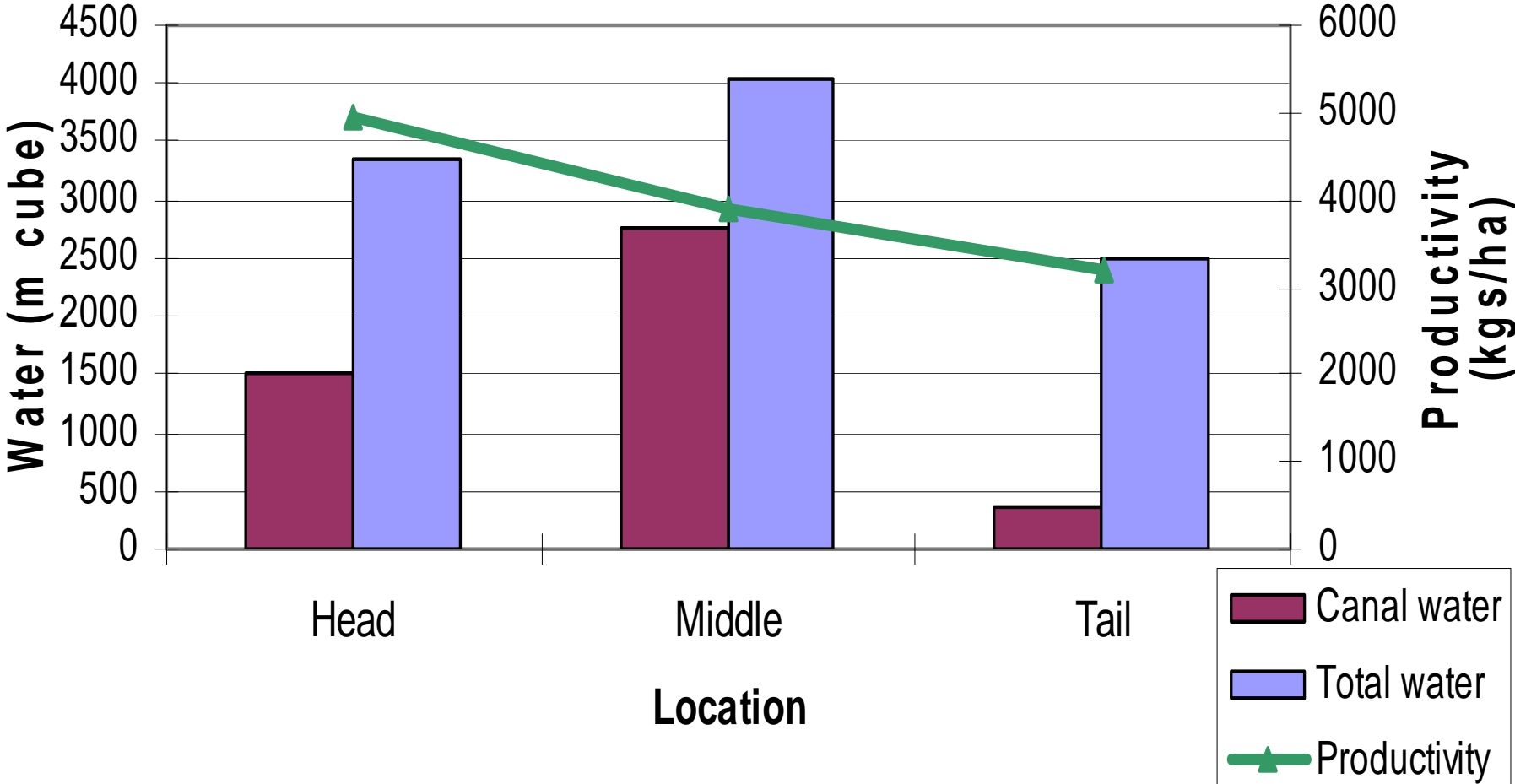
Conveyance losses across improved and un-improved Watercourses
Watercourse # (improved)



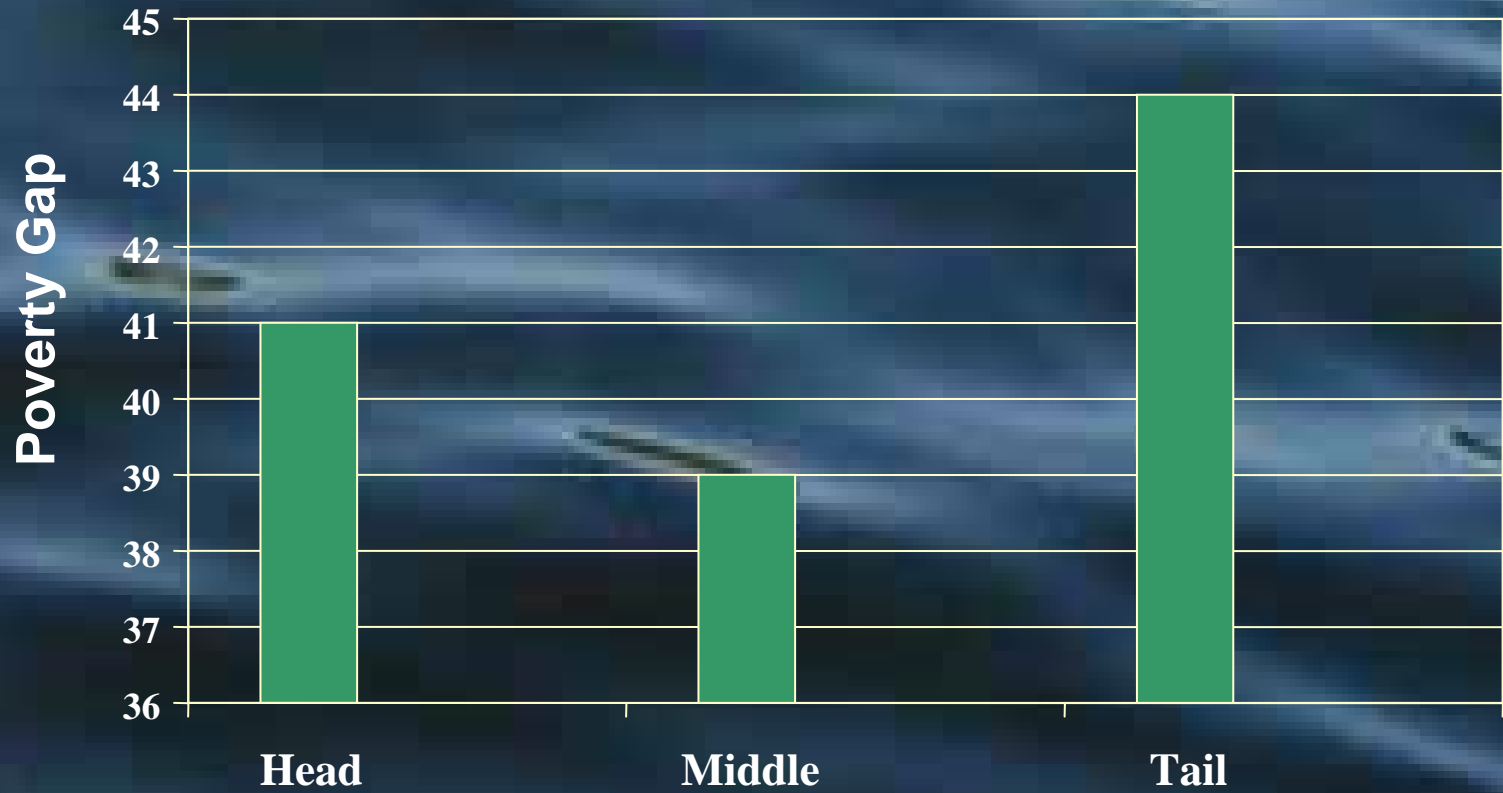
Water Allocation /Distribution and Service Delivery Matters



Access to Water, and Crop productivity (kgs/ha)



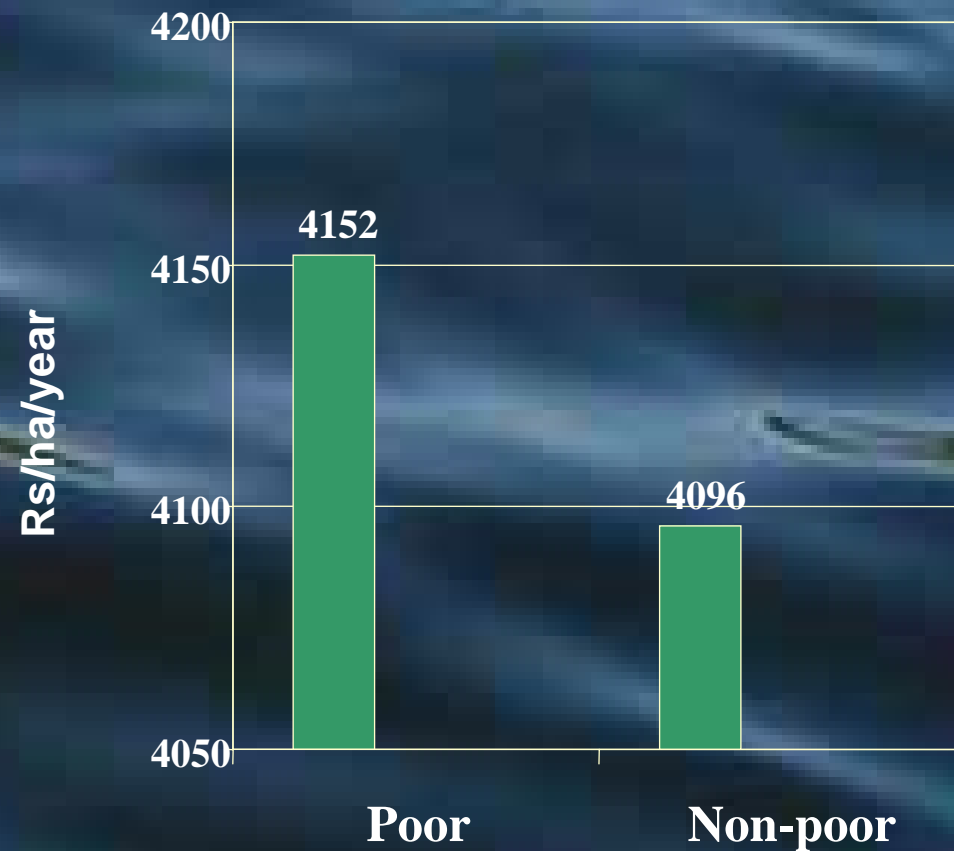
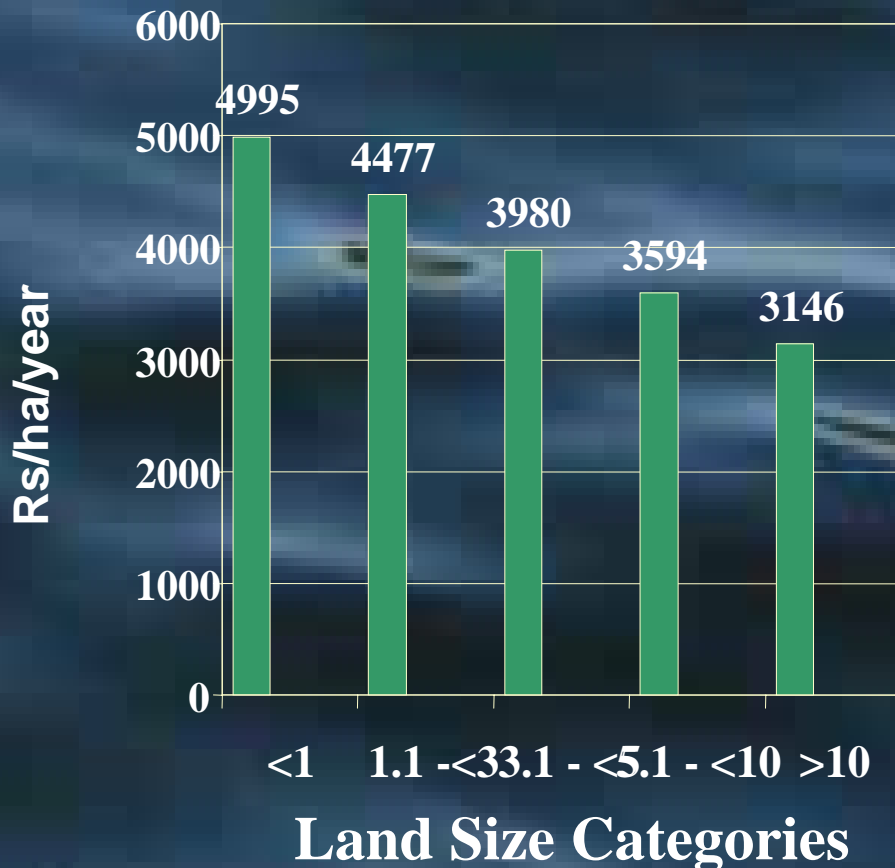
Poverty Impacts of Irrigation in Punjab, Pakistan



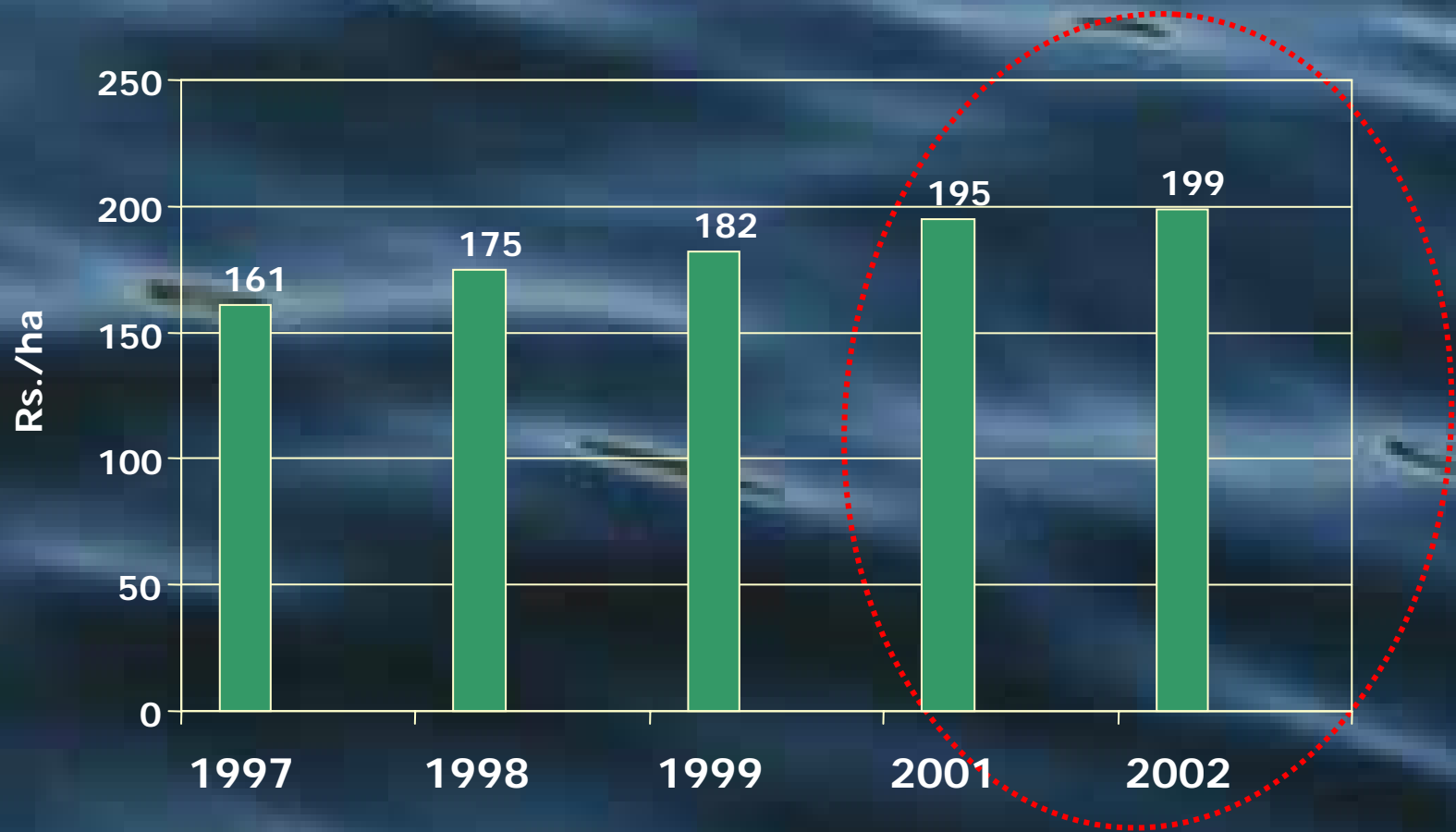
Irrigation Charge for Various Land Sizes and for Poor and Non-Poor Farmers, Punjab, Pakistan

Annual irrigation cost for various land size categories

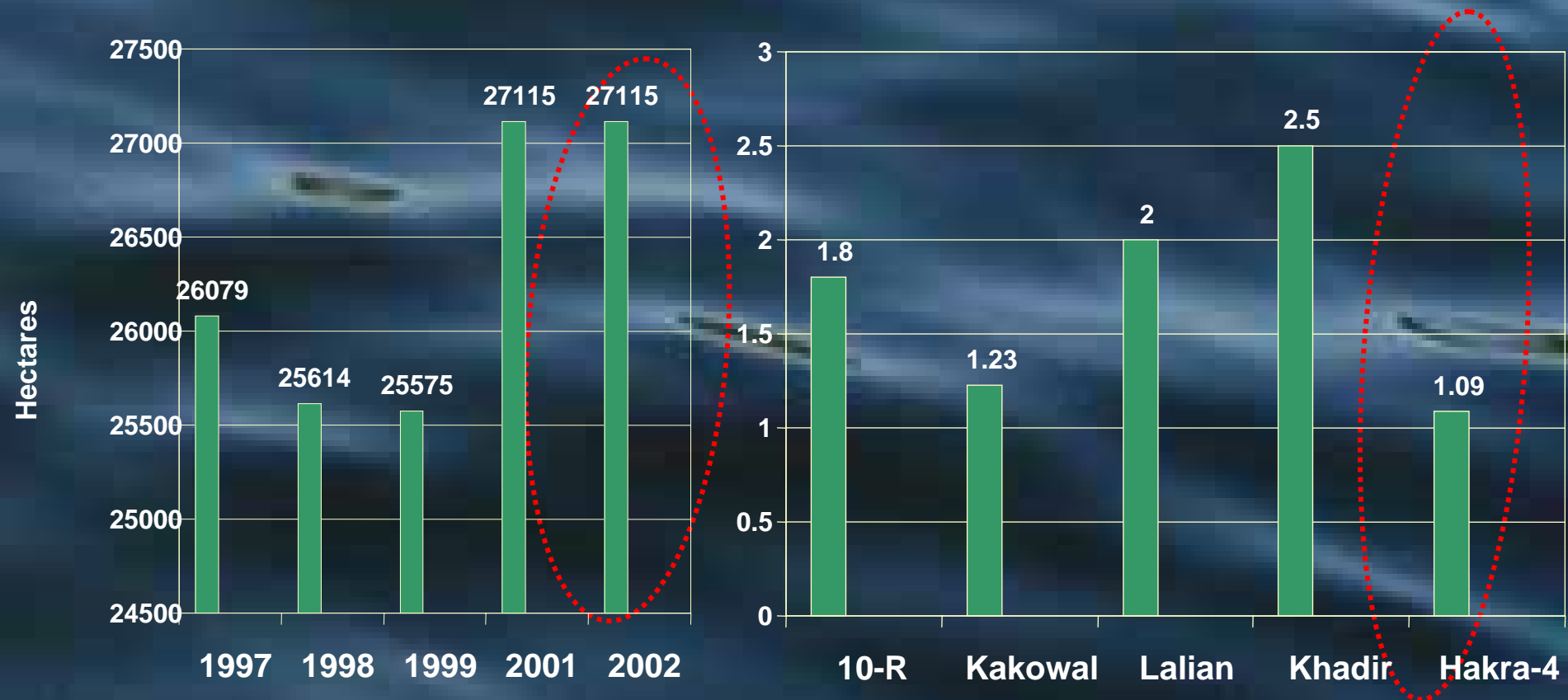
Annual irrigation cost to the poor and the non-poor



Irrigation Charge in Hakra - 4- R, Punjab



Improvements on crop areas and equity in water distribution - (Hakra- 4R)



Conclusions

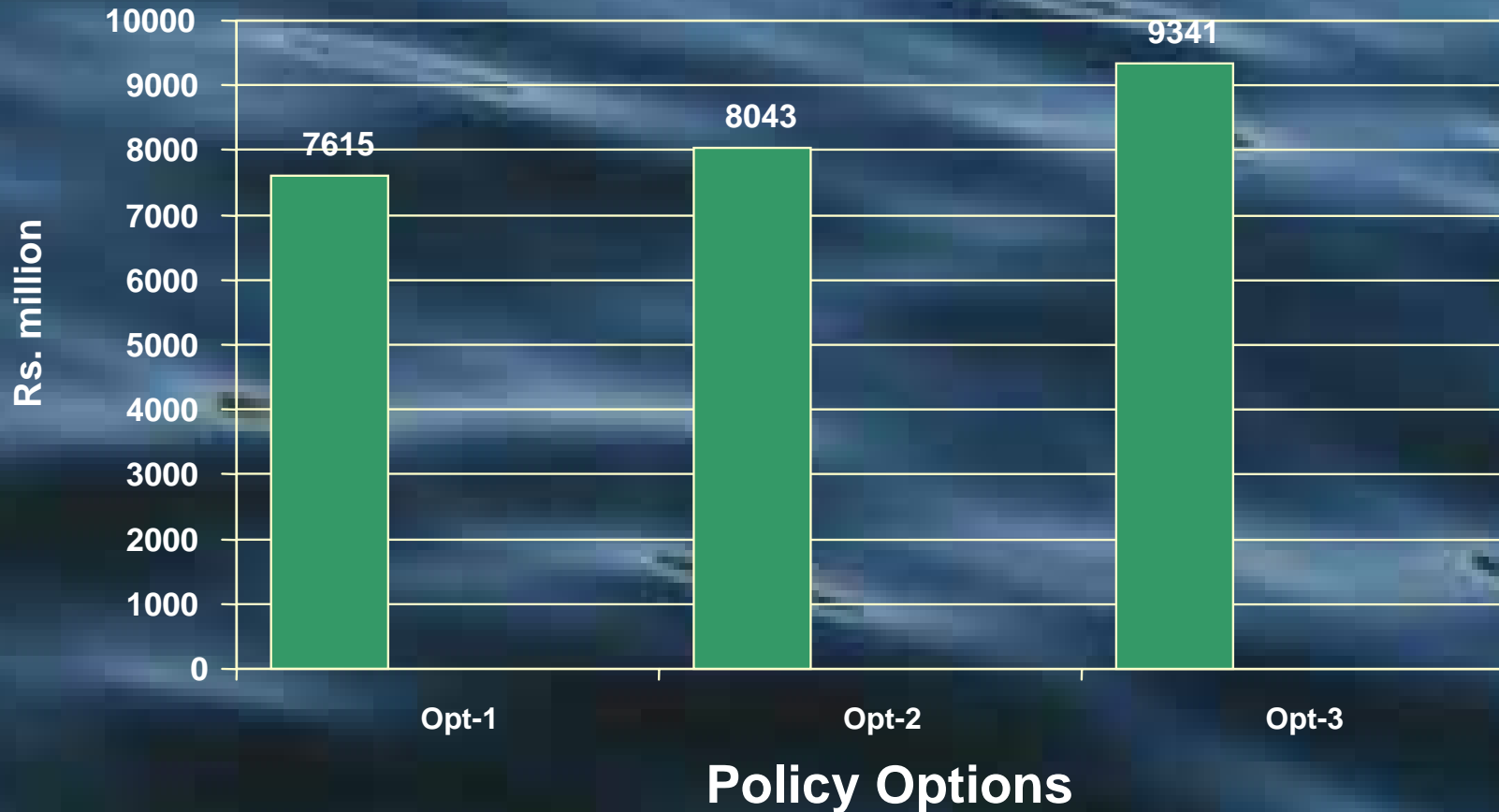
- Low irrigation charges and inefficient collection lead to poor performance;
- Need to base irrigation service charge on commercial principles,
- Need for institutional arrangements for irrigation management to be made more:
 - decentralized, participatory, and financially autonomous;
 - incentive oriented for efficient collection and spending of revenues
- Service providers to meet certain standards.

Key Messages

“Irrigation water is a divide between poverty and prosperity”

Where water is cheap, production is low and the poor are rarely reached.

Alternate Policy Options



Option -2 would result in annual redistribution of Rs 736 million

Option - 3 would result in annual redistribution of Rs 1362 million

Thank you

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