

Peer Review Training on Benchmarking National Water Sector Apex Bodies

The Role of Apex Bodies in Improving Irrigation Services

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Good afternoon, ladies and gentlemen.

I am Plamen Bozakov, working mainly in Central Asia Region.

My role is to provide a brief overview on the role of national water sector apex bodies in Improving Irrigation Services.

Before I go to that, it might be useful for me to quickly refer to the provisions of ADB's water policy with respect to irrigation service delivery

What Does the ADB Water Policy Promote?

Decentralization

Delegation of responsibility for delivery of irrigation services to accountable and autonomous service providers

Participation

Participatory management and turn over of responsibility to users



Decentralization. Experience has shown that irrigation services, just like water supply, are most efficient when delegated to autonomous and accountable service providers. ADB supports this view. But ADB also recognizes that most of our developing member countries require a phased program to increase the autonomy and accountability of service providers, either as new enterprises or by reorganizing existing agencies. The form and structure vary from country to country. It may be in the form of community participation through users' association. Some may be in the form of corporatization. Some, commercialization.

Participation. The participation of users in irrigation and drainage system operation and maintenance at the local level has increased significantly in recent years. Participatory management and turn over of responsibilities to users has started in many small and medium-scale irrigation schemes. Participation is the cornerstone of ADB's country water sector strategies. ADB supports the strengthening of institutional arrangements for participation.

What Does the ADB Water Policy Promote?

Cost Recovery

Consumers to meet full operating and maintenance costs subject to subsidy consideration

Phased elimination of direct subsidies to the poor as affordability increases



Cost recovery. Evidence from scores of water projects shows that the poor are increasingly willing to pay for water services that are predictable and effective. We are mistaken when we assert that charging farmers for irrigation services is not possible because of their inability to pay. Several irrigation regimes in the region, including those in Indonesia, Pakistan, Thailand, and Viet Nam, show that farmers, including poor farmers, are willing to pay for irrigation services that are efficient and reliable.

ADB consistently advises governments of the need to adopt cost recovery principles in their water policies and strategies. The expansion of access to water services require that capital costs be funded mainly from within the sector by accessing debt market and developing appropriate tariff structure. Consumers are expected to meet, at least, the full operating and maintenance costs. ADB supports policies that provide for explicit participation of the poor but simultaneously, we promote the phased elimination of subsidies to the poor as their affordability levels increase.

What Does the ADB Water Policy Promote?

Regulation

Need for a system of pricing, incentives and penalties

Equitable and consistent application of laws, standards, and rules

Regulation for conservation of water resources



Regulation. ADB promotes the establishment of regulatory systems through its policy dialogues with its developing member countries.

Systems of pricing, incentives and penalties need to be regulated to serve the best interests of both consumers and service providers.

Regulatory systems need to be established to ensure that laws, standards, rules and regulations are equitably and consistently applied.

In most DMCs, such systems are absent and the government is left to play the role of both provider and regulator at the same time.

Regulatory frameworks for the maintenance and enhancement of water quality as well as the conservation of water resources should receive particular attention.

Let me now share with you two examples of irrigation projects supported by ADB that best illustrate how the provisions of our water policy have been adopted.

ADB's Irrigation Projects

Indonesia Farmer-Managed Irrigation System Project (completed)

- Direct involvement of local governments and beneficiary farmers in decision making process
- Farmer contribution toward O&M and rehabilitation and upgrading costs.
- Local governments responsible for planning, development and management of irrigation facilities
- Transfer of irrigation management to Water Users Associations

"Resulted in adoption of law promoting irrigation management reform program"



My first examples is a completed irrigation project in Indonesia, the Farmer-Managed Irrigation System Project.

This project exemplifies cost recovery, participation and autonomy in service delivery based on the project features you see on the screen.

It should be noted that this project has contributed to the adoption of a law that supports irrigation management reform.

Now, let me focus on the role of national water sector apex bodies in ensuring improved irrigation services.

ADB's Irrigation Projects

Viet Nam Central Region Water Resources Project (for approval)

- Establish cost-efficient, effective, accountable and autonomous water service providers working in partnership with client water users to manage irrigation schemes
- Irrigation infrastructure to incorporate measures to reduce vulnerability to natural disasters
- Project to help prepare guidelines to standardize future business plans and operations of irrigation management company/enterprises as autonomous entities
- Project to help establish and/or strengthen water user groups
- Project to promote participatory process from design to implementation



My second example is a project proposed for Viet Nam which is currently at the approval stage.

Similar to the Indonesia project, this project also incorporates the provisions of ADB's water policy that support autonomy and accountability of irrigation service provision and users participation.

Note the incorporation of measures to reduce vulnerability to natural disasters in the design of irrigation infrastructures.

In Viet Nam, the Government fully supports the concept of irrigation management transfer.

My next few slides will focus on the role of apex bodies in seeing to it that irrigation services are continually improved and delivered efficiently.

The Role of Apex Bodies in Improving Irrigation Services

Prioritization of irrigation investments and projects

- **does the apex body have a policy or guidelines for programming irrigation projects?**
- **are they involved in decision-making for large irrigation projects that may cover issues on water allocation among competing uses?**



First, the apex bodies are expected to formulate policies on prioritization of investments and programs, including that for irrigation.

Such policy should provide guidance to oversight agencies involved in investment programming on the investment requirements and priorities of the water sector in general and for each sub-sector, such as irrigation, in particular.

It is also envisaged that apex bodies be involved in making decisions on large irrigation projects where issues on allocation of water among competing uses may arise.

Next slide please.

The Role of Apex Bodies in Improving Irrigation Services

Recovery-based tariff structure and rationale subsidies

- Is there a policy in place to support cost recovery and subsidies for irrigation services?
- What is the apex bodies' involvement in formulation and oversight of enforcement?



I have already talked about cost-recovery in my previous slides but let me just briefly emphasize that apex bodies do have a role in putting in place a policy to support recovery-based tariff and rationale subsidies if sustainability in water service delivery and water resources management is to be achieved.

And beyond policy formulation, they should also have an oversight function to monitor how such policy is being enforced.

I could imagine that this may be an area where much is left to be desired but if governance of water is to be improved, this is certainly an area that needs urgent attention at the highest level such as the apex bodies.

The Role of Apex Bodies in Improving Irrigation Services

O&M responsibilities and performance targets

- **Is there a policy on ensuring accountability of irrigation service providers?**
- **Are apex bodies involved in the formulation of policies to regulate performance of irrigation service providers?**



The responsibility for operation and maintenance of irrigation facilities is just as important in ensuring sustainable irrigation service delivery.

Making sure that irrigation service providers are accountable and autonomous requires policy support from the apex bodies and that the apex bodies should also have the responsibility to check how performance of service providers is being regulated.

Conclusion

- 70% of water requirements is used for irrigation, therefore there is a need to:

- Ensure efficiency in water use
- Rationalize allocation of water
- Ensure production efficiency

... Clearly, the apex bodies play a critical role in improving irrigation services



Finally, with 70% of water requirements being used for irrigation, the role of apex bodies in improving irrigation services is so critical if water use and production are to be made efficient and water allocation rationalized.

What a challenging task indeed.

That ends my presentation.

I would like to congratulate you all for taking this step of benchmarking your respective organization's performance against the performance indicators that we have discussed.

Thank you all and I wish you a productive training.

THANK YOU!

