

Irrigation Service Agreements - An Instrument in Modernization of Irrigation Management in Indonesia.

Paul van Hofwegen and Jun Matsumoto



1

World Bank Engagement in Irrigation Management Reform and Modernization in Indonesia

- 70s-90s Rehabilitation and new development
- 1998-2004 Piloting participatory approaches (Java-Loan – WATSAL)
- 2004 Law 7/2004 on Water Resources
- 2004-2016 Institutionalizing and Upscaling Participatory Irrigation Management in Provincial and District Systems (WISMP)
- 2016-2024 Modernization and Urgent Rehabilitation of Irrigation Facilities in National Systems (SIMURP)



2

Many Challenges in a Rapidly Changing Irrigation Management Environment

- Changing agro-socio-economy:
 - Production Systems: Tenure, Labor, Productivity, Competitiveness
 - Consumers: Diversification of diets, Bio-fuels
 - Food systems: Food Security, Quality, Safety
 - Land Tenure
 - Increasing labor cost – reduced labor availability
- Increasing Pressure on Land and Water Resources
 - Urbanization – Infrastructure – competition for land and water
 - Catchment degradation and pollution of land and water
- Climate Change
 - Increased variability and vulnerability
 - Sea-level rise – reduced drainability
 - Land subsidence
- Technology
 - Communication
 - Regulation and control
 - Information – Data Processing
- Politics/Policy choices
 - De(re)centralization
 - Self sufficiency in Rice



3

SIMURP

- Enhancing Quality of Service Delivery**
 - Responsive
 - Efficient
 - Cost Effective
 - Transparent and Accountable
- Modernization, Urgent Rehabilitation Upgrading
- Management Modernization
 - Institutional Strengthening
 - MIS-DSS
- Suite of Management Instruments:
 - Water Accounts
 - Asset Management Plans
 - Needs Based Budgets
 - **Irrigation Service Agreements**



4

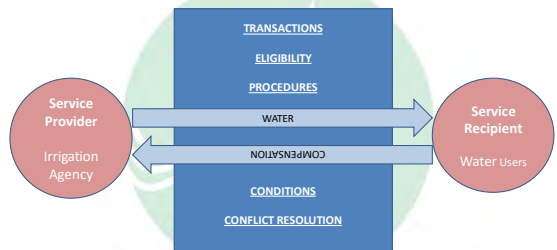
Why a Service Agreement?

- Modern irrigation management means **reliable delivery of irrigation and drainage services** i.e. predictable, responsive, transparent, accountable, cost effective
- ISA establishes **clarity on responsibilities, rights and obligations** of service provider and clients
- Modern irrigation management involves **performance assessment** of irrigation service delivery
- Cost effective Irrigation Services **balance the level of service with the infrastructure and technology, and cost of service provision**
- Definition of service level and accountability mechanism is a result of dialogue between service provider and clients (farmers, WUA, other users...)



5

What is a Service Agreement?



6

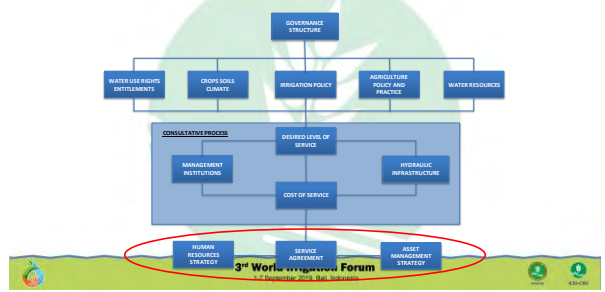
Elements of Service Agreement

- **Parties** to the Agreement (Service Provider and Clients)
- **Eligibility** to Service
- Description of **Service** to be provided
- Rights and Obligations (incl. possible payments/sanctions)
- Description of **Procedures** in Service Provision (Water allocation, distribution, delivery and drainage)
 - Planning, Decision making system and Implementation
 - Procedures Normal situation
 - Exceptional situation (water shortage, droughts, floods, accidents, disaster)
 - Publication and communications of operational plans
- Monitoring and **verification** of Services provided
- Complaint and **conflict resolution** mechanism



7

Context Service Agreement Development Process



8

ISA Development Process

1. Define and Agree on Nature of Service
2. Identify Stakeholders, Service Providers and Beneficiaries of Services
3. Formulate and Agree on service linkages and interfaces
4. Verification institutional and legal framework, and infrastructure.
5. Establish platform for dialogue SA formulation
6. Prepare Service Delivery Scenarios: Service levels, procedures, cost
7. Prepare Accountability Mechanism (AM) Scenarios
8. Prepare draft Service Agreement
9. Prepare possible legal, institutional and physical modifications
10. Decision on ISA and AM



9

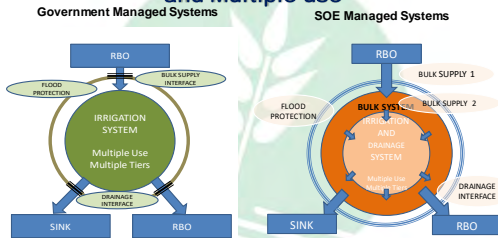
ISA Development Issues

- What are the services? I-D-FC-Multiple-use: multiple agreements?
- Who is the service provider in a delegated-multi-tier management system?
- Who is the service recipient – WUA/WUAF – Village – Individual farmers?
- What are the service linkages and where are the service interfaces?
- How to ensure adequate funding in a delegated system?
- How to ensure adequate monitoring and reporting on service delivery and budget spending?
- How to ensure adequate investments in human resources and management facilities of actual operator?



10

Nature of Services to be Delivered: Multi-Tier and Multiple use



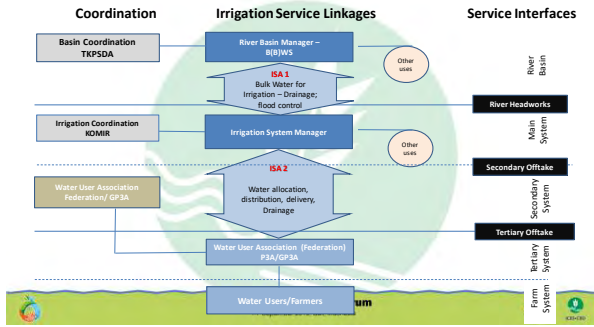
11

Who is the service provider?

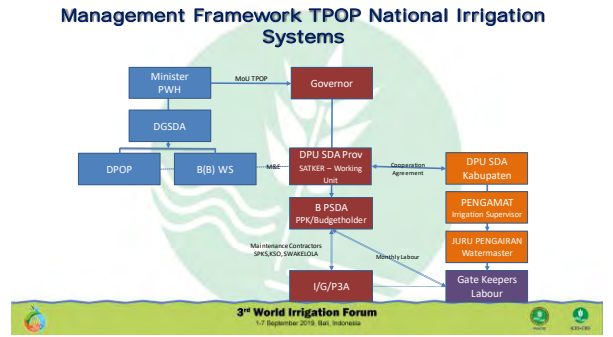
- National Systems: > 3000 ha, cross provincial boundary, national interest;
- Central Funding for TPOP - O&M needs based - (Asset Management Plan – Performance Index);
- Management Responsibility of National RBO (BBWS) – **But No Capacity**;
- Day to day management delegated to **Province/District** (TPOP) irrigation service or to **SOE** (PJT2 Jatiluhur).
- Who signs SA ? BBWS, Province or District?



12



13



14

Conclusion

- Many issues related to the implementation of TP-OP that need to be resolved to create a sustainable irrigation service delivery practice.
- Combining financial, institutional and physical interventions help to enhance service delivery.
- Irrigation Service Agreements and better financial arrangements between the various tiers of management are essential for a synchronized effort to modernize participatory irrigation management, irrigation infrastructure.
- SIMURP intends to work on all these aspects in the selected national irrigation systems.



15