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Water Pricing and Decentralised Irrigation Management in Andhra Pradesh — Schism Between Objectives and Realities

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Abstract

Installation of decentralised management institutions and collection of near economic value of water are considered important for efficient water management especially in irrigation sector in developing countries. The rationale and objectives of such initiatives are improved revenue collections, minimised wastage of water, enhanced operation and maintenance, efficient and equitable service delivery, and environmental improvements.

An innovative experiment for decentralised irrigation management was initiated in Andhra Pradesh (AP), India, under Participatory Irrigation Management programme. As part of this initiative, policy, institutional and fiscal reforms were carried out for achieving the set objectives. AP Farmers' Management of Irrigation Systems Act was passed in 1997 with objectives of ensuring equitable and reliable water supplies, bridging the gap between irrigation potential created and utilised, entrusting operation and maintenance of systems to elected Water User Associations (WUAs) and efficiency in water usage and tax collection.

Greater responsibility was accorded to elected representatives of water users through forming of nearly 10,000 WUAs with the responsibilities of irrigation management. Similarly, under fiscal reform, water charges were enhanced by three times as a step towards realisation of economic value of water.

In this study the authors intend to evaluate and assess the extent to which the above objectives have been achieved. Further, it will examine the systemic and policy limitations, if any that inhibit realisation of the objectives. The focus of the study will be on the water pricing aspects of the reforms in irrigation management. Primary evidences suggest that there is no synchronisation between the revenue collection and the amount of water released due to lack of coordination between the concerned departments such as revenue and irrigation departments. This lack of functional integration is one of the major limitations in the water revenue collection and management. Because of electoral compulsions the commitment of the state to implement the intended change process is slow which in turn puts limitation on the management process. There is only additionality to management structure and limited coordination between power and function resulting in notional managerial autonomy.

Keywords: Decentralisation, equity, water institutions, water pricing, water user associations