Sessions 2 and 3 Rapporteur's Report

Sustainable Water Management for Food Security:

An international policy dialogue on progressing water policy reform in agriculture, with focus on Indonesia

Challenges

- Broad consensus on challenges:
  - Economic growth, population growth, changing food demand, competition for water and land, degrading resource base (watersheds, supply, quality), increased climate variability, floods and droughts, a future of high food prices
  - Java and the other islands: high productivity but threatened vs low productivity and problematic
  - Greying of farming, small farms, labor
  - Dynamic agricultural sector has responded by and larger but concern over long-term future and present trends

- Broad consensus that pace of change is accelerating, that business as usual is not an option, that change is needed now, that improving productivity

Policy issues

- Higher level policies dominate or constrain agricultural water management policies;
  - National food security strategy and rice production plans
  - Consumers vs producers
  - Water resources management setup (and its dysfunctions)
  - Decentralization
  - Many efforts went into a major legal and reform agenda
- Irrigation needs to respond to changes in the environment and changes from below (no longer the driver or the boss):
  - But investment and management strategies still classical
  - Focus on problems from the past: degradation of infrastructure
  - Erosion of capacity
- Dissonance between national goals and;
  - local goals
  - farmers have few incentives to invest in higher productivity and tighten water management, for rice
- Difficult to understand what action contributes what result to what outcome

  (output-oriented planning)

Shift in strategies

- From adrenaline shots and crash programs and focus on past problems ….

  … to longer-range strategies with step-wise approaches to address current problems and facilitate transitions: remain compatible with a range of future policy options: no evolutionary dead-ends

- Diversify evolution scenarios, investments and institutional options based on good typology and understanding of local dynamics (environment, farming systems, demography, etc.)

- How to unleash investment from farmers and farmer organizations and local governments

- More coherent sectoral approaches

Some key points

- Don't necessarily expect water policy to solve all problems including variability: production risks, storage, markets, ASEAN and regional approaches
- Towards clear water allocation and a system of rights or licenses (as opposed to allocation by planning and projects)
- Water quality: farm-level, system-level, basin-level
- Resource degradation: beyond reforestation: address real sources of sediment, be careful of impact on basin yields
- A clear agenda over complex concepts
- The role of MoA becomes more decisive at lower levels of institutions and shaping new customer base to set irrigation service objectives

Some key points

- Land conversion:
  - Regulation or Piggy-back or Strategic pullback
  - Tenure and property rights
  - Seize opportunities:
    - Supply water to high price high value customers
    - Provide ecosystem services and other public goods
    - Provide services to dynamic peri-urban agriculture
    - Multiple use systems and multi-functionality
- Sustainable financing of service
  - Charging for service assumes improving service, control and measurement
  - Asset management
  - Realistic assumptions on who will pay in the short-medium term
  - Continue exploring investment mobilization

Some key points

- Irrigation modernization:
  - Service orientation: all users
  - Clear management levels and transaction interfaces
  - Allows experimenting with new types of operators
  - Allow freer evolutions at lower level
  - Stepwise approach
  - Asset management
  - Basin targets, service targets
  - Design
  - Be compatible with and anticipate future options including water pricing: e.g. no proportional flow division
- Institutions;
  - Where present models are relevant, strengthen
  - Where they become less relevant, experiment
- New irrigation
  - Focus on improving productivity and environmental impact of existing
  - Wait for government regulations on sustainable management of swamps
  - If go ahead, consider commercial plantations
- Water conservation:
  - Revision of handbook based on water balances

Way forward

- Continue a structured policy dialogue facilitated by visioning exercizes:
  - Long-term water security and
  - Long-term food security
- Supported by forward-looking piloting in representative areas:
  - Emergence of new farming models
  - Water productivity
  - Irrigation modernization
  - Institutions and operators
  - Productivity and sustainability of swamp systems
  - Policy experiments
- Feeding into the preparation of the next 5-year plan (2015-2019?) based on more coherent policies

Way forward

- Some supporting (critical) priorities:
  - Water accounting
  - Monitoring of investments and results based on M&E and benchmarking
  - Assessments and scenarios
  - Irrigation investment frameworks
- Keep on the good work
- Participation and dialogue
- Needs strong leadership