## An Alternative Institutional Design for Efficient Management of Nepalese Irrigation Systems

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**Abstract :** Institutional design is important if water resources are to be managed efficiently. In Nepal, the supply of water in both farmer- and agency-managed irrigation systems is inefficient because of the weak institutional frameworks. This type of inefficiency is linked with collective problems such as non-excludability of irrigation water, inadequate recognition of property rights and externalities. Irrigation scheme surveys from Nepal as well as existing literature revealed that the Nepalese irrigation sector is facing many issues such as low cost recovery, inadequate maintenance of the schemes and inefficient allocation and utilization of irrigation water. The institutional practices currently in place also fail to create/force any incentives for farmers to use water efficiently and to pay for its use. This, thus, compels the need of refined institutional framework that can address the collective problems and improve irrigation efficiency.

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Keywords : agency-managed, cost recovery, farmer-managed, institutional design

Conference Title : ICSWRM 2017 : International Conference on Sustainable Water Resources Management

Conference Location : Melbourne, Australia

Conference Dates : February 02-03, 2017