Improving Water Governance: Towards a Community of Leaders
Up to and beyond the 6th World Water Forum, Marseilles 2012

Wednesday 26 October 2011
OECD Headquarters, Paris-France

SUMMARY RECORD

Objectives

(i)   Launch the report "Water Governance in OECD countries : a Multi-level Approach";
(ii)   Present the stage of progress of Good Governance Core Group of the 6th World Water Forum (WWF) coordinated by OECD;
(iii)   Discuss and refine the "key messages" of the Core Group for the 6th WWF;
(iv)   Create and consolidate a community of leaders for and beyond Marseilles 2012, to foster good governance in the water sector up to and beyond Marseilles 2012;

Participants

The meeting gathered around 50 participants from different institutional backgrounds: high level policymakers (e.g. former Environment Minister), delegates from national administrations (e.g. ministries of environment/agriculture/public works etc.), Directors of Environment Agencies (e.g. UK), Municipalities (e.g. Paris), regions (e.g. PACA-France) and their networks (ORU-FOGAR), river basin authorities and their organisations (e.g. Dutch Association of Regional Water Authorities), Federations of public and private operators (e.g. *Aqua Publica Europa*, EUREAU), national water agencies/regulators (e.g. ANA-Brazil, CONAGUA-Mexico), NGOs (e.g. Action against Hunger), public operators (e.g. Aguas de Portugal), Multinationals (e.g. Suez, Veolia), international financial institutions (e.g. EIB), water institutional partners (UNESCO, OIEau, WIN, SIWI, IWA-ASTEE), associations of water resources (APRH-Portugal), academics, think tanks and experts of the water sector;

Countries represented around the table included: Belgium, Brazil, France, Germany, Lebanon, Luxembourg, Mexico, Morocco, the Netherlands, New Zealand, Portugal, Sweden, Zimbabwe and the United Kingdom (England & Wales);

The meeting was jointly chaired by M. Stéphane Simonet, Coordinator of the Thematic Commission of the 6th WWF preparatory Process, and Ms. Aziza Akhmouch, Administrator of the OECD water governance programme and Coordinator of the 6th WWF Core Group on Good

Governance. The audience also included the different coordinators of the governance targets within the core group.

Summary and outcomes of the discussions

Launch of the report "Water Governance in OECD countries: a Multi-level Approach";

Rolf Alter, Director of the OECD Public Governance and Territorial Development Directorate (GOV) introduced the meeting and welcomed participants. OECD has accumulated a lot of evidence on what makes "good" water policy: most countries now have the technology, the know-how and even, in many cases, the financial resources to bring about much better results. But the "water crisis" that the world community faces today is largely a governance crisis that runs deep into the setting of institutions, the relationships across different government actors and their interactions with users, private utilities. OECD previous work on water concluded that the solutions to the water crisis do exist and are often well-known; the real challenge is implementing these solutions, tailoring them to local contexts and bringing together the main actors from different sectors to join forces and share the risks and tasks.

The report **Water Governance in OECD Countries: a Multi-level approach** helps policymakers to diagnose and overcome multi-level governance challenges in the water sector thanks to:

- ✓ An <u>institutional mapping</u> of the allocation of water roles and responsibilities in 17 OECD countries to understand clearly *who* does *what* at national and local level in terms of water policy design, regulation and implementation ;

- ✓ A <u>methodological framework</u> to identify multi-level governance challenges proceeding from the high degree of institutional and territorial fragmentation in the water sector;

- ✓ Examples of <u>good practices</u> for coordinating water policy across ministries and public agencies, between levels of government and across local actors;

- ✓ <u>Preliminary guidelines</u> for effective management of multi-level water governance;

Mario Marcel, Deputy Director, GOV, linked OECD commitment to the World Water Forum preparatory process on good governance with the development strategy of the Organisation, which includes a strong pillar around "effective public governance". In particular, he pointed out the need to be as inclusive as possible in the network of water governance leaders. Good water governance should not be the privilege of developed countries only. Water is also a global issue and a key condition for sustainable development. Therefore non OECD countries also need to be mobilised in this process to make it relevant, comprehensive and credible.

After these introductory remarks, M. Stéphane Simonet reminded that effective public governance is crucial for sustainable water management. He commended the OECD report which, per se, is already a contribution to the WWF solutions' platform and a powerful tool to better understand the obstacles to water reforms and the need to think of and design local solutions to overcome implementation bottlenecks.

Benedito Braga, President of the International Committee of the 6th WWF congratulated all the participants for the work carried out in the framework of the preparatory process and thanked OECD for its strong contribution to foster good governance in the water sector.

Several participants then took the floor. A former environment minister pointed out the value added and usefulness of the "OECD Multi-level Governance Gap Framework" as a reading

template to approach governance challenges in the water sector. Some participants to the OECD 2010 Water Governance Survey (Dutch Association of Water Boards, UK Environment Agency) also welcomed OECD contribution to provide guidance to policymakers on how to overcome implementation obstacles in water policy. Representatives from the Mexican National Water Commission (CONAGUA) mentioned the ongoing policy dialogue with OECD to support the implementation of Mexico's 2030 Water Agenda and identify institutional reforms needed to achieve the objectives targeted. Last but not least, it was highlighted that good governance requires a clarity in expected outcomes (which implies forward planning, sufficient and well spent funding and accountability). Institutions are diverse across countries and regardless of the nature of their status, key functions (regulatory, planning, financing...) need to be present within governments. The key question is therefore *how* to build and catalyse enough capacity within governments.

Stage of progress of Good Governance Core Group

As coordinator of the Group, Ms. Aziza Akhmouch provided an overview of the scope, rationale and stage of progress of the good governance core group. Detailed summaries for the overall core group and its 6 targets are available on the 6th WWF website.

Each good governance target is coordinated by a relevant institution with key expertise and knowledge in the field: e.g. OECD/Suez Environment (target 1), ASTEE (target 2), OIEau-INBO (target 3), UNESCO (target 4), WIN-TI (target 5) and SIWI (target 6).

While the policy perspective is crucial, there are significant operational, on-the-ground water management issues that need to be addressed. Building dams, sanitation systems and water treatment plants is not enough…if local actors do not have the capacity to manage such infrastructures properly. Channelling millions of Euros to public authorities is not enough if the latter are not coordinated and organized efficiently. This is why good governance is a condition for successful, efficient and effective water management.

Since early 2011, the Core Group has been working on the development of a pragmatic approach to understand and meet governance challenges in the water sector through three main pillars: i) effective public governance, ii) integrated water resources management, and iii) better integrity and transparency.

So far, the Core Group work mainly focused on the :

- ✓ **Collection of existing tools, practices, evidence** for each target, including key messages from previous World Water Fora;

- ✓ **Creation of a network of stakeholders** for each target to share practices, experimentations, successes and also failures. This community of practitioners and stakeholders interacts mainly by email and specific events are organized on *ad hoc* basis;

- ✓ **Sharing of information with the rest of the world**, through the platform of solutions of the WWF which allows for online interaction and collection of relevant case studies to meet the targets (http://www.solutionsforwater.org/))

A 90-minute roundtable discussion followed, during which participants exchanged views and provided insight to the following questions:

1. Where does the good governance group stand? Where are the gaps? What are the needs?

2. What are the comments on the preliminary key messages of the Core Group on Good Governance? How can they be refined to be straightforward, but also as inclusive and comprehensive as possible?
3. Which additional stakeholders need to be engaged in the preparatory process?
4. How can we go beyond Marseilles to secure the "implementation" of good governance targets? Which roles can the network of water governance leaders play in this regards?

Stage of progress of the Good Governance Group, identified gaps and needs

Each target has a detailed summary (one page) and action plan available online at http://www.worldwaterforum6.org/en/commissions/thematic/priorities-for-action-and-conditions-for-success/condition-for-success-cs1/

Institutions and additional stakeholders willing to contribute should contact the target solution group coordinators (as detailed below).

Ongoing work consists in uploading as many solutions as possible (i.e. case studies, tools relevant for achieving the target etc.) to the 6th WWF platforms of solutions (http://www.solutionsforwater.org/) All actors are invited to carry out this task online or send their contribution to the coordinators. A **draft synthesis report** including solutions collected will be circulated by end November 2011. Practical modalities for organizing the sessions during the 6th WWF will be discussed at a later stage (conference call to be convened by OECD).

ISSUES	TARGETS AND COORDINATORS
Effective Public Governance (OECD)	**Target 1** : By 20xxx, xx countries will have adopted consultation, participation and co-ordination mechanisms allowing stakeholders at (sub-)basin, local, regional, national and international levels to effectively contribute to decision-making in a coherent, holistic and integrated way; Contact delphine.clavreul@oecd.org , with cc Alexandre.BRAILOWSKY@suez-env.com
	Target 2 : By 20xx, all countries will have strengthened regulatory frameworks and adopted performance indicators (service delivery) to monitor and evaluate water policies; and all countries will have put in place capacity building processes at national and local level to foster good governance in service delivery Contact : paroche@cg92.fr with cc to solene.lefur@astee.org
IWRM (OIEau)	**Target 3** : By 2021, increase by 30% the number of river basin management plans (analysis of initial status and main issues) Contact : inbo@inbo-news.org with cc to d.valensuela@oieau.fr
	Target 4 : By 20xx, increase the number of country with water security diagnoses and governance tools, based on existing (local, national, international) regulatory and legislative frameworks and IWRM mechanisms Contact : a.aureli@unesco.org with cc to jl.martin-bordes@unesco.org and l.minelli@unesco.org
Integrity & Transparency (WIN)	**Target 5:** By 20xx, X countries will have committed to promote integrity in the water sector, diagnose/map existing or potential corruption risks, and ensure that anti-corruption policies are well implemented and effective Contact : amalmqvist@win-s.org and dtoleary@gmail.com with cc to tbastemeijer@win-s.org
	Target 6: By 20xx, have all countries set-up guidelines for a mechanism to provide public information about - Water infrastructure plans and investment projects (financial, technical, social and economic impacts); - Approaches, methods and tools for improving governance of water resources and cost-effective service delivery. Contact : hakan.tropp@siwi.org with cc to lotten.hubendick@siwi.org

Additional needs and remaining "gaps" include the following actions:

- Coordinate governance messages with the other 160 working groups, thematic targets and conditions for success;

- Link with the political process and other relevant stakeholders for the commitments to be made at Marseilles and beyond;

- Engage more stakeholders in the working groups to be more inclusive

- Link with the broad regional process, especially the Americas' forum and the Mediterranean process, which both have included governance targets in their working groups;

Feedback on the targets and preliminary messages prepared by the Core Group

For the framing of good governance "targets":

- Clearly distinguish the water cycles covered by each target (e.g. water resources for target 2-3, water services in targets 1-2 etc.) as they have different impacts on institutional frameworks (regulation, participation of stakeholders etc.). For example, participation of stakeholders in water resources management is pretty much advanced and organized, while it is not totally the case for water services, hence the need to put more emphasis on "services" in target 1;

- Clarify, when needed, the concepts and methodologies to think in terms of functions/tasks;

- Make it clearer that river basin management is the most appropriate territorial scale for integrated water policies, which goes beyond the adoption of river basin plans (the scope of target 3 should be widened);

For the general introductory messages:

- Add a short section with the intrinsic characteristics/specificities of the water sector (as compared to other public services such as electricity/telecommunications) that explain why governance is crucial: e.g. institutional and territorial fragmentation, externalities on other policy areas, local/global issue, human right, property rights etc.;

- Stress the concept of building "resilient institutions" or enhance "governance resilience" to face climate change, poverty alleviation and other global challenges in the water sector; Better governance for sustainable development should be a clearer message of the core group;

- Soften the water scarcity focus and reformulate the introduction to include broader issues of risk management (floods and situations of "too much water" can also entail governance challenges e.g. coastal areas/Deltas in the Netherlands); This would allow to make the distinction between good governance for "normal situations" and good governance for "crisis situations", including floods and natural disasters;

- State that good governance can only be achieved through collective and <u>collaborative management</u>;

- Better reflect <u>wastewater</u> treatment and investments;

- Better reflect <u>groundwater management</u> and related governance institutions and challenges;

- State clearly the <u>governance-financing nexus</u>: financial flows are the muscle of any governance system and should be approached in a wider way than through corruption/integrity issues; this implies in the water sector and the need for improved collaboration for performance indicators; it also requires a direct link to the discussions on <u>sustainable cost recovery</u> and their governance considerations; The cost of projects can clearly increase because of "poor governance" and purely infrastructure-based engineering views (supply, demand, quality, quantity etc.) tend to overlook institutional considerations;

- The need to include <u>vulnerable populations</u> and <u>indigenous people</u> should also be specified;

- Include (e.g. in a bullet n°6) the role of <u>global leaders and institutions</u> as strong vehicles to foster good governance, beyond actors at national level;

For the recommendations to local and national political leaders:

- State that there is first a need to <u>diagnose the governance gaps</u> in a country before adopting a new model where needed;

- <u>Promote e-government</u> as an interesting contribution to information, consultation and public participation mechanisms;

Additional stakeholders to engage in the preparatory process on good governance

- Civil society should also include non advocacy groups;

- Donors and international financial institutions should be mobilized;

- In addition to Brazil, other BRIICS representatives should be approached and included (South Africa, India, Indonesia and China);

- Concrete initiatives are being undertaken to make the good governance preparatory process more inclusive :

    - A workshop on water governance will be jointly organised by OECD-IMTA (Mexico) in February 2011 to engage the Americas' stakeholders in the WWF core group on good governance and the network of water governance leaders ;

    - ORU-FOGAR (network of regions) will organise a specific session during the 6th WWF on *sub-national governance in water conflicts* to share the practical experience of states and regions with examples from Brazil, Senegal, Middle-East;

– A workshop on "*Building trusted relations with customers and other stakeholders*" will be held on 23 November, Kuala Lumpur at the Urban Water Solution Congress. This will consolidate the taskforce around target 1;

Going beyond Marseilles to secure the "implementation" of good governance targets

Many institutions and delegates sent strong signals about their willingness to go further and beyond Marseilles to foster good water governance.

A strong network of governance leaders will be crucial to make sure that this solution-oriented forum is followed by concrete steps. While stimulating fruitful and insightful debates, the network will allow moving from discussion to action, creating a constant dialogue to share practices and learn from successes as well as from failures. It will be instrumental in designing the roadmap towards Marseilles and will continue to be critical afterwards.

This community of actors with a leading role to improve water management relies not only on "thinkers" but also on "do-ers" to support, for example, the implementation of governance targets agreed upon.

Important considerations were pointed out to strengthen the sustainability of the network of water governance leaders and make it relevant and useful to decision makers:

- Each target solution group has to agree on the type of commitment that can be taken for and beyond Marseilles and the possibility for each institution to endorse them and support the implementation of targets afterwards;

- Priorities may be established across governance targets as well as sequencing of actions/geographical areas/stakeholders to engage in the implementation process;

- The network will be structured and maintained, under OECD leadership, with regular events, meetings, discussions (online and in live), including the involvement of other possible target solution groups or core groups related to governance;

- Similar networks may also be relevant for other priorities of action in the thematic, regional, political and local commissions, so as to use all the expertise available;

- The network should include representatives from different geographical areas, especially those missing from Asia, Americas and African countries.