

**FIRST MEETING OF THE  
OECD INITIATIVE ON WATER GOVERNANCE**

27-28 March 2013, OECD Headquarters, Paris

**KEY MESSAGES, OUTCOMES AND NEXT STEPS**



The [list of participants](#) and [agenda](#) for the meeting are accessible at [www.oecd.org/gov/water](http://www.oecd.org/gov/water)

This document was prepared by the OECD Secretariat and approved by the Steering Committee of the OECD Initiative on Water Governance

For comments or questions, please contact [Aziza.Akhmouch@oecd.org](mailto:Aziza.Akhmouch@oecd.org) or [Delphine.Clavreul@oecd.org](mailto:Delphine.Clavreul@oecd.org)

## TABLE OF CONTENTS

KEY HIGHLIGHTS AND DECISIONS.....	3
NEXT STEPS .....	5
Opening remarks.....	5
An OECD Water Governance Initiative: Why, to do What and How? .....	6
One Year after Marseille: Where do we stand in achieving water governance targets?.....	7
Tour de table on recent water governance reforms in OECD and non OECD countries.....	12
Group discussion on meeting the water governance challenge in cities and their hinterland.....	15
Tour de table on recent water governance reforms in OECD and non OECD cities .....	16
Group discussion on the strategic orientations of the OECD Water Governance Initiative .....	17
On the road to OECD Principles on Water Governance.....	19
Closing remarks .....	19
Acronyms.....	20

1. The 1<sup>st</sup> meeting of the OECD Initiative on Water Governance was held at OECD Headquarters, Paris on 27-28 March 2013. The event gathered **75 major stakeholders**, from national governments, local/regional/basin authorities, private sector, NGOs, (public and private) service providers, regulators, international organisations, donor agencies, academia, as well as independent experts. In all, **25 countries** were represented, including **spearheads of regional water networks** in Asia, North America, Latin America, Africa and Europe.

2. The meeting had the following objectives:

- ✓ agree on the scope, mandate and activities of the Initiative;
- ✓ take stock of the progress since the 6<sup>th</sup> World Water Forum (Marseille, 2012);
- ✓ share recent water governance reform in OECD and non OECD countries and cities; and
- ✓ discuss strategic and operational organisation of the Network.

## KEY HIGHLIGHTS AND DECISIONS

3. Delegates **WELCOMED** the OECD Initiative on Water Governance as:

- An innovative **multi-stakeholder platform** involving a wide range of institutions, OECD and non OECD countries, public, private and non-for-profit sectors to build alliances and prepare the governance stream of the 7<sup>th</sup> WWF (Korea, 2015);
- A **collective effort** of many founding organisations and partners to develop an ambitious water governance agenda, build bridges across issues, consolidate what already exists and works well, and avoid overlaps and duplications;
- A **concrete outcome** of the OECD commitment at the 6<sup>th</sup> WWF (Marseille, 2012) to bring forward good governance in the water sector and move from solutions to actions;
- A **strategic addition to the OECD body of work and policy tools** to help meet the world water challenges and overcome implementation bottlenecks in a pluri-disciplinary approach

4. Delegates **AGREED** that the OECD Water Governance Initiative will

- Serve as an **International Policy Forum** to cross-fertilize knowledge and experience sharing on water governance gaps, success stories, failures and progress;
- Provide a **permanent consultation mechanism** to raise the profile of governance in the Global Water Agenda and post-2015 development Agenda while conveying key messages and outcomes from the work to be carried out;
- Work as an **advisory body** to help governments take the needed steps for effective water governance reforms through **peer-review** dialogue to show ways forwards;
- Support the implementation of the **6 governance targets** designed for the 6<sup>th</sup> WWF up to the 7<sup>th</sup> WWF through experience sharing, analytical work, case studies and benchmarks;
- Develop **policy tools** to support water governance reform processes such as *toolboxes*, *priority action plans* to identify what fits best for each region/country/city; *indicators* to support evaluation and performance assessment of water governance and facilitate bench-learning; *forward-looking targets* to guide long-term public actions on future water governance challenges;

- Contribute to the design of **OECD Principles on Water Governance** as a collective effort to produce strong evidence-based recommendations for decision-makers at all levels, and engage policymakers, within and outside the water sector, commit to action;
  - Develop a **one-stop-shop** on water governance that could ultimately lead to an Observatory, but using a step by step approach that builds on the OECD *Inventory of water governance tools, platforms and initiatives*, acknowledged as an excellent starting point to be further developed ;
5. Delegates **ADVISED** the steering committee of the OECD Initiative on Water Governance to:
- Invite **out-of-the-water-box players** to join the Network, such as representatives from business community at large (energy, oil construction, agro-industry recreation), media, local officials and parliamentarians, non-water regulators, NGOs, consumer associations, and trade unions;
  - Consider **linkages** with governance-related water topics such as water footprint, water allocation and competing uses, water rights, food security, water pricing and green growth;
  - Use the Initiative as a **gateway** for interacting with other urban sectors, actors and approaches, and lift ambiguities between developed and developing countries to better analyse issues such as unconventional access, the informal sector, trends on population growth, and urban sprawl;
  - Define **thematic clusters** based on identified “governance gaps” to structure the activities in thematic and regional working groups, capitalising on the variety of institutions, expertise and countries represented; a starting point would be the 6<sup>th</sup> WWF targets on stakeholder engagement, performance of water services, river basin governance, water security, integrity and transparency;
  - Consider specific work on ex-ante and ex-post cost-benefit analysis to show the economic and financial **costs of un-optimal governance**, to develop conditionality in support of good governance in the water sector and to optimise inter-institutional relations;
  - Develop an **offensive communication strategy** to share key messages, outcomes and progress of the Initiative with a wider audience, and ensure their conveyance to non OECD countries in different continents;
  - Develop a **methodological and operational framework** to carry out the activities, building on the efforts of all, with clear terms of references and expected results (e.g. terms of references)
6. Delegates **PROPOSED** contributions to the OECD Initiative on Water Governance such as:
- **Sharing data, case studies and methodologies** and connecting with universities and training centres (UNESCO, UN Decade Programme);
  - **Engaging members** to provide case studies when relevant and convey key messages from the Initiative to related networks (INBO);
  - **Mobilising existing networks** to join efforts, raise awareness and engage collective ventures in support of the Initiative’s outcomes (AMCOW, ADB, GWP, WBCSD, UN taskforces);
  - **Leading thematic working groups** on topics as the specifics of *legal systems* in support of water resources governance (AIDA) and more specifically groundwater in co-operation with UNESCO-IHP; *policy coherence* between water and agriculture (e.g. irrigation in arid regions, drainage in humid regions) to cope with scarcity (FAO); and *information and communication technologies* for education and capacity building (UNESCO-IHE);

- **Leading regional working groups** in the *Mediterranean* (GWP-Med and IME), *Africa* (AMCOW, South Africa), *Asia* (ADB, Korea), *Europe* (EUREAU), and the *Americas* (Mexico, AQUASEC);
  - **Feeding the Inventory** of existing water governance tools, platforms and initiatives with latest and up-dated case studies, reports, etc.; (UN WWD Report, EU Water Blueprint, Turin Index, WaterLex Database, etc.);
  - **Organising regional and sub-regional events** to showcase progress in implementing water governance targets and success stories (*e.g.* through ADB Green Cities Programme);
7. Delegates **INVITED** participants to attend important forthcoming events on water governance:
- 5<sup>th</sup> Delft Symposium on Water Sector Capacity Development, “Developing capacity from Rio to reality – Who’s taking the lead?”, 29-31 May 2013, Delft, The Netherlands
  - The Water Integrity Forum, 5-7 June 2013, Delft, The Netherlands;
  - Regulatory Issues in Managing Aquifer Recharge Workshop, 6-7 June 2013, Centre for Comparative Water Policies and Laws, University of South Australia;
  - World General Assembly of INBO, 12-16 August 2013, Fortaleza-Ceara, Brazil;
  - UNESCO Seminar on public-private cooperation to foster water governance, Sept 2013, Paris;
  - Stockholm World Water Week, 1-6 September 2013, Stockholm, Sweden;
  - IWA/ASTEE conference “EFFICIENT 2013” on “Water efficiency in difficult times”, 22-25 October 2013, Paris.

## NEXT STEPS

8. The Secretariat will prepare **terms of references** (mandate, mission, and deliverables) for the Chair, working groups, and the Steering committee, as well as a draft **calendar of activities** (2013-2015) by June 2013;
9. An official **call for contributions** will be extended to the members of the OECD Initiative on Water Governance by June 2013 to participate in and/or lead (thematic and regional) working groups. In September 2013, an informal gathering will be organised during the *Stockholm World Water Week* with delegates attending the event to follow-up and bridge remaining gaps.
10. A **Chair** will be elected by the Steering Committee by September 2013. S/he will be responsible for liaising with key stakeholders from the water community as well as relevant OECD bodies and committees. An official call for application will be extended to OECD countries represented in the Initiative, and co-chairs could be elected from non-OECD countries to ensure a regional balance.
11. The **next meeting** of the Initiative will be held on **5-6 November 2013** at OECD Headquarters, Paris. An official invitation will be extended to all members in July 2013 and a draft agenda will be circulated before the summer break.

## Opening remarks

12. Angel Gurría, Secretary-General, OECD Secretariat, opened the event with a video message (accessible at [www.oecd.org/gov/water](http://www.oecd.org/gov/water)). He welcomed the launch of the innovative multi-stakeholder

platform to address water governance challenges and contribute to the global water agenda. He pointed out that at a time of financial and economic crises, it is critical to engage stakeholders across all levels of governance; implement well-designed frameworks; strengthen capacity-building and foster integrity; and transparency in order to “do better with less”. The OECD Initiative on Water Governance is a concrete outcome of the OECD commitment made at the 6<sup>th</sup> World Water Forum (WWF) to bring forward good governance and move from solutions to actions.

13. Rolf Alter, Director of the OECD Public Governance and Territorial Development Directorate, welcomed the presence of delegates from a wide range of institutions, countries and background. He emphasized the crucial role of cooperation across OECD member and non-member countries, the private sector, international organisations and non-for-profit actors to build alliances and prepare for the 2015 World Water Forum in Korea.

14. Dogan Altinbilek, Vice-President of the World Water Council congratulated the OECD for setting up an Initiative that fills in a glaring gap in the global water community while convening decision-makers at all levels to address governance issues. He put forward that to improve water governance, actions should be catalysed around 3 major issues: i) recognition and implementation of the right to water and sanitation; ii) harmonisation of governance between sectors and at all levels; and iii) public participation as a key to social cohesion. He invited delegates of the OECD Initiative on Water Governance to build together a new water governance paradigm.

15. Anthony Cox, Coordinator of the OECD Horizontal Water Programme, welcomed the OECD Initiative on Water Governance as a strategic addition to the OECD body of work on water. He reported that the OECD Horizontal Water Programme had grown significantly over the past 7 years with activities across 5 directorates on topics ranging from economics of water security to water and climate change adaptation, and water policies for future cities. He welcomed the Initiative as a new addition to the OECD armoury of policy tools and multi-disciplinary approaches to help meet the world water challenges.

### **An OECD Water Governance Initiative: Why, to do What and How?**

16. Aziza Akhmouch, OECD Secretariat, gave an overview of the preparatory process that led to the launch of the OECD Initiative on Water Governance. She underscored the key role of the co-founding institutions in triggering and organising this platform: Suez Environnement, ASTEE, International Network of Basin Organisations, Office International de l’Eau, UNESCO, Water Integrity Network, Stockholm International Water Institute and Transparency International. She explained the three-tier structure of the Initiative: the *Steering Committee* gathering coordinators of thematic and regional working groups, representatives of the 7<sup>th</sup> WWF and the WWC, and ad hoc sponsors and contributors; the *core group* gathering 90 delegates from 25 countries and spearheads of water governance in the different regions (MENA, Americas, Africa, Asia, Europe); and the *larger community* (OECD and partners’ respective networks), to be informed about the outcomes of the Initiative). It was noted that a Chair shall be appointed by the 2<sup>nd</sup> Meeting of the Initiative on 5-6 November 2013 in Paris.

17. Delegates then shared their views on the **critical governance gaps** hindering national reform processes in their respective countries. In Sweden, information on **water footprint** in productive sectors can help guide public policy and the ministry of Environment, in collaboration with SIWI, developed guidelines for sustainable water use in production and manufacturing of textile and leather to help reduce the use of chemicals and benefit from investing in innovative water use practices throughout the production chain. UK Environment Agency noted the importance of persuasion to convince governments of the crucial role of good water governance and trigger **leadership** toward reform processes. The Netherlands stressed that the **sense of urgency**, especially in a flood-prone country, should also foster policy discussions to make reform happen. Major gaps in Australia include institutional **fragmentation**, lack of

policy **implementation**, sub-national **rivalries** and **competition** for water allocation. It was highlighted that the OECD Initiative on Water Governance could play a critical role in providing advice to overcome issues of **weak regulatory and legal frameworks**, difficult implementation of policies at sub-national levels, and the lack of technical and managerial **capacities of local authorities**. Note that suggestions were made to consolidate the water governance gaps identified into **thematic clusters** to better capitalise on various expertise of the Initiative.

18. Several institutions pointed out an **information gap** on relevant case studies, good practices and expertise that often hinders decision makers in the water sector and prevents the effective implementation of water policies. UN Decade Programme reminded the importance of linking governance with institutional and legal development (*e.g.* on water rights and water allocation), existing expertise on economic instruments, and strategic financial planning. Delegates highlighted the **need for synergies** across the Initiative’s delegates to **share knowledge**, encourage **peer-learning** and allow for **benchmarking**. They also noted the relevance of linking the Initiative to their respective **networks** of partners and members such as INBO, AMCOW, ADB, GWP, WBCSD, and UN taskforces. As water is a cross-cutting issue, the importance of **involving “out of the water box” actors** was recalled. The Initiative has to reach out to a wider audience of representatives from the energy sector, parliamentarians and elected officials, media, consumer associations, trade unions, and private sector (food companies, recreational businesses) and civil society at large.

### One Year after Marseille: Where do we stand in achieving water governance targets?

19. Aziza Akhmouch, OECD Secretariat, presented the six governance targets formulated as part of the OECD-led Governance Core Group up to the 6<sup>th</sup> WWF, clustered around i) effective public governance; ii) integrated water resources management; and iii) integrity and transparency. She invited the targets’ coordinators to share what has been achieved since Marseille, echoing recent on-going work, as well as **drivers and bottlenecks** in the implementation of the target action plans.

### OECD-Led Core Group on Good Governance (6<sup>th</sup> WWF, 2012)

#### Target 1

By 2015, 50% of countries will have adopted consultation, participation and co-ordination mechanism allowing stakeholders at local, regional, national and international levels to effectively contribute to decision-making in a coherent, holistic and integrated way. By 2021, 100% will have done so.

[Click to download the Target 1 Synthesis Report](#)



#### Target 2

By 2015, 50% 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. By 2018, all countries will have done so.

[Click to download the Target 2 Synthesis Report](#)



### Target 3

By 2021, increase by 30% the number of river basin management plans (analysis of initial status and main issues).

[Click to download the Target 3 Synthesis Report](#)



### Target 4

By 2015, increase the number of countries with water security diagnoses and governance tools, based on existing (local, national, international) regulatory and legislative frameworks and IWRM mechanisms.

[Click to download the Target 4 Synthesis Report](#)



### Target 5

By 2018, 30 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.

[Click to download the Target 5 Synthesis Report](#)



### Target 6

By 2018, 30 countries will be implementing: transparent water budget processes, including information about water infrastructure investment planning and implementation (financial, technical, and socioeconomic impacts); and methods and tools for improving transparency and accountability within the water sector.

[Click to download the Target 6 Synthesis Report](#)



20. Alexandre Brailowsky from Suez Environnement and coordinator of Target 1 noted that progress has been slow since Marseille on the topic of **stakeholder engagement**. The commitment made at the 6<sup>th</sup> WWF with the International Water Association (IWA) to create a taskforce on the topic is pending. Marseille allowed raising awareness and starting the work, and the OECD Initiative can provide a platform to assess the impact of “professionalised” participatory mechanisms on the quality and effectiveness of reforms as well as the success of their implementation.

21. Pierre-Alain Roche, President of ASTEE, recalled the publication of the report “*Improving performance of water and sanitation public services*” (click [here](#) to access it<sup>1</sup>), as part of the 6<sup>th</sup> WWF preparatory process for target 2 on **water and sanitation service performance**. Discussions at the WWF focused on strengthening capacities of local authorities, especially in a context of contracts with service providers, whether private or public, and on the design of indicators for monitoring and benchmarking of service performance. Since Marseille, progress has been focused on working with all actors to recognise the need for standardised and well-documented performance indicators in support of better transparency. In September 2012, in Busan, Korea, a workshop was organised as part of an IWA congress to discuss key messages from Target 2 and exchange with regulators on the role of sound regulation for service performance. On 22-25 October 2013, in Paris, France, an IWA/ASTEE conference “EFFICIENT 2013” on “Water efficiency in difficult times” will offer an opportunity to take stock of the progress achieved and lay down the groundwork in views of the Korea WWF.

<sup>1</sup> [http://www.astee.org/publications/bibliographie/collection/fichiers/Ouvrage\\_Performance\\_UK\\_LD.pdf](http://www.astee.org/publications/bibliographie/collection/fichiers/Ouvrage_Performance_UK_LD.pdf)

22. Daniel Valensuela, Deputy Manager of the International Office for Water, presented the 3 types of actions undertaken since the 6<sup>th</sup> WWF regarding Target 3 on **river basin governance**. First, a manual on IWRM in transboundary river basins (click [here](#) to access it<sup>2</sup>) was launched in Marseille in partnership with GWP, UNECE, UNESCO and the French Development Agency (AFD), to complement the first manual on IWRM in river basins published for the 2009 Istanbul WWF (click [here](#) to access it<sup>3</sup>). These manuals have been translated in 6 languages and proved useful tools to develop capacities in river basin organisations and to design and implement river basin management plans. Second, a “*World Pact for better basin management*” (click [here](#) to access it<sup>4</sup>) was signed by 128 institutions (whether ministries, local authorities and river basin organisations) in Marseille and has helped raise political awareness on the role of river basin management to improve water governance. Third, a collaborative project with UNECE was launched to develop an international network of pilot river basin organisations dedicated to climate change adaptation at river basin scale. 20 river basin organisations have committed so far and the project will result in the publication of a new manual for the 2015 WWF. Key messages from Target 3 were further discussed in two recent events : the 10<sup>th</sup> International Conference for the Implementation of the European Water Framework Directive on 17-19 October 2012, Istanbul – Turkey (click [here](#) to access it<sup>5</sup>); and the 1<sup>st</sup> meeting of global network of transboundary basins working on climate change adaptation, held in Geneva-Switzerland, on 20-21 February (click [here](#) to access it<sup>6</sup>). Note that the World General Assembly of the International Network of Basin Organizations (INBO) will take place on 12-16 August 2013, in Fortaleza-Ceara, Brazil.

23. Alice Aureli, Chief of UNESCO Groundwater Resources and Aquifer Systems Section, gave an overview of the progress on Target 4 on governance tools for **water security**. Discussion at the 6<sup>th</sup> WWF recognised the gap of enforcement and implementation of IWRM because of the lack of institutional focus and governance within the hydrological cycle on **groundwater**. As a follow-up of the work undertaken in Marseille, UNESCO launched a groundwater governance project, in partnership with FAO, the World Bank, OECD and GEF, and has carried out 5 regional consultations between April 2012 and March 2013. A framework of Action will be prepared and discussed during future meetings of the OECD Initiative on Water Governance. Final conclusions will be presented at the 7<sup>th</sup> WWF. A new programme of work was for UNESCO-IHP, focusing on water security with a governance response to local, regional and global challenges. It emphasises UNESCO commitment to further progress Target 4, and the high political pledge from the UN Council to support water security. Note that the first full-fledged UN definition of water security was adopted by the UN Council as “*the capacity of a population to safeguard access to adequate quantities, acceptable quality for sustaining human and ecosystem health on watershed basis and to ensure efficient protection of life and property against water-related hazards*”. UNESCO’s current and up-coming activities related to Target 4 include a joint project with GWP on the harmonisation of legal frameworks for water resources and coastal aquifers in 12 MENA countries as a contribution to the Barcelona Convention, and the development of an Inventory of groundwater aquifers with 500 thus far. Up to the next WWF, UNESCO will launch a transboundary water assessment programme with 3 case studies in South America, Southern Africa and Central Asia to apply good governance criteria, in partnership with UNDP and GWP. UNESCO will lead, with UNECE, two UN programmes on water and will report the progress to

---

<sup>2</sup> <http://www.inbo-news.org/IMG/pdf/MGIREB-UK-2012-2.pdf>

<sup>3</sup> <http://www.unwater.org/downloads/GWP-INBOHandbookForIWRMinBasins.pdf>

<sup>4</sup> [http://www.inbo-news.org/IMG/pdf/World\\_Pact\\_better\\_Basin\\_managt\\_Eng\\_-06\\_2012.pdf](http://www.inbo-news.org/IMG/pdf/World_Pact_better_Basin_managt_Eng_-06_2012.pdf)

<sup>5</sup> [http://www.inbo-news.org/IMG/pdf/EUROPE\\_INBO\\_2012\\_Final\\_Declaration\\_of\\_Istanbul\\_EN\\_with\\_track\\_changes\\_m\\_.pdf](http://www.inbo-news.org/IMG/pdf/EUROPE_INBO_2012_Final_Declaration_of_Istanbul_EN_with_track_changes_m_.pdf)

<sup>6</sup> [http://www.unece.org/fileadmin/DAM/env/water/meetings/Core\\_group\\_pilots/3rd\\_meeting\\_2013/programme\\_core\\_group\\_meeting\\_clean18Feb.pdf](http://www.unece.org/fileadmin/DAM/env/water/meetings/Core_group_pilots/3rd_meeting_2013/programme_core_group_meeting_clean18Feb.pdf)

the Initiative. Note that in September 2013, a UNESCO Seminar on public-private cooperation to foster water governance will provide an opportunity to relay key messages from the OECD Initiative.

24. The forthcoming **OECD report on water security** can provide insights to further implement Target 4. The OECD has adopted a risk-based vision of water security that encompasses 4 types of water risks (shortage, excess, inadequate quality, disruption to freshwater systems) and emphasises the need to define “acceptable” levels for each of them; this will help the prioritisation of actions and a shift from curative to preventive measures. Based on OECD recommendations, Target 4 could adopt this risk approach and encourage countries to explicitly undertake risk assessments, agree on acceptable levels of risk, and identify mechanisms to manage them. Similarly, OECD work on **flood risk management** can help implement Target 4. A risk-review of the Loire river basin (France) showed the critical role of effective stakeholder engagement, transparent cost-benefit analysis of mitigation measures, and regulation and accountability in water infrastructure and land development projects. The ongoing flood risk review in the Seine river basin (France) looks at the socio-economic impact of major floods as well as the spill-over effects on other service networks, in partnership with the major players of the Ile-de-France region.

25. Teun Bastemeijer, Director of the Water Integrity Network (WIN) and coordinator of Target 5 on **integrity**, presented the progress achieved since Marseille. Case studies were carried out in Kenya, Mozambique, Guatemala and Nepal, and tools such as the integrity scans and corruption surveys were further used in Benin, Mali and Bangladesh among others. He put forward the critical role of local political levels in improving corruption prevention and risk-assessment on the ground. WIN on-going projects to carry forward Target 5 comprise integrity surveys in several countries to provide updates and take stock of what has been achieved since the last surveys a few years ago; advocacy activities to help contextualise tools on transparency and cooperation, as for instance the Water Integrity Space; and capacity-building activities with virtual courses in English and Spanish to promote integrity among water professionals. The OECD Initiative on Water Governance can play a crucial role in rallying countries and existing networks behind this water integrity target to disseminate key messages on responsibility, ethics and measures against corruption and malpractice. The Water Integrity Forum, on 5-7 June, in Delft, Netherlands, will offer another opportunity to take stock of what has been done, see how key messages can be shared with a wider audience and discuss the ways forward to keep Target 5 realistic up to the 7<sup>th</sup> WWF.

26. Hakan Tropp, Director of the UNDP Water Governance Facility at the Stockholm International Water Institute (SIWI), reminded delegates that Target 6 on **transparency** is cross-cutting as it relates to key elements of water reforms: decentralisation, public-private partnership, integrated approaches, coordinated decision-making, and basin management. Water integrity training programmes in sub-Saharan Africa, developed jointly by the Water Governance Facility, WIN and CapNet, as part of the UNDP Programme help implement Target 6. There is a demand for greater capacity development on transparency issues and SIWI will now work on scaling up case studies at country level. Water integrity risk assessments were also conducted in Tajikistan and Bosnia-Herzegovina. A Users’ guide on how to carry out water governance assessment will be published in May 2013 to provide ideas and emphasise the importance of process in the methodology. Future areas of work for Target 6 up to the 2015 WWF include case studies to feed the appetite for sector governance analysis, and further work on the planning aspects of governance to discuss how the water sector could be better organised.

27. OECD work on integrity and transparency highlighted the relevance of adopting **combinations of tools and mechanisms** such as standards, codes of conduct, risk assessment, reporting, and the provision of information for public scrutiny while tailoring them to constraints on the ground. A prevailing governance challenge is the provision of meaningful and trusted evidence to evaluate and monitor governance situations. Lessons from OECD reports such as “*Governments at a Glance*”, as well as studies on integrity and corruption in public utilities sector can help in sector-specific domains.

28. Dr. Eun-Kyung Park of the Ministry of Foreign Affairs and Trade, Korea commented on the impressive progress achieved since Marseille on the governance targets. She emphasised the responsibility of Korea to include the outcome of the Good Governance Core Group in the next WWF, and the OECD Initiative on Water Governance is a positive indicator for the preparation of the 7<sup>th</sup> WWF. She also mentioned that governance challenges are often culture-bound and delegates should consider **national and regional specificities** when evaluating and analysing governance arrangements. For instance, Korea has a long heritage of scientific invention and large investment in **research and development** (currently 4% of GDP) which has influenced the decision to have a science and technology process at the 2015 WWF.

29. There has also been progress on water governance in the European region, notably the European Commission assessment on the implementation of the WFD based on the available and comparable information reported in river basin plans and on the Water Information System for Europe (WISE). Conclusions were integrated in the **Blueprint to safeguard Europe's waters** that provides an updated picture of water governance challenges at European regional level. EUREAU has also been working on strengthening the relation between public authorities and service operators to promote trust and accountability. In doing so, it has been applying OECD tools such as the **3Ts** (taxes, tariffs and transfers) to clarify the ultimate sources of revenues of the water sector and have a homogenous and transparent picture of the European situation. Note that it was suggested to add the *World Water Development Report* and the Blueprint to safeguard Europe's Waters in the Inventory of water governance tools, initiatives and platforms prepared by the OECD.

30. GWP-Med and IME reported on the progress achieved on the two governance targets in the **Mediterranean region**. First, on the operationality of IWRM plans and water efficiency plans with regards to climate change, transboundary management and financing, GWP-Med has worked with UNDP for the Global UN Water Report published in June 2012 to provide in-depth surveys in Tunisia and Jordan. IWRM reviews and training for government officials were also carried out in Southern Mediterranean countries. GWP-Med has also been working on the preparation of the Sustainable Development Goals to identify what Mediterranean countries consider most important water challenges. A transboundary water management project is underway in the Balkans, in partnership with local actors. The UfM-labelled project of OECD/GWP-Med on "Overcoming the governance obstacles to the mobilisation of financing in the Mediterranean water sector" includes an objective to set-up a platform between policy makers and private actors to enhance partnerships. The second IME-led target focused on the implementation of IWRM participatory mechanisms in the Mediterranean region, with a specific interest in Southern MENA countries and top-down approaches. Since Marseille, IME has kicked-off a study on public governance in 7 Mediterranean countries' water sector, to be completed by end of 2013.

31. **Chile** monitored the implementation of the 6 governance targets formulated for the 6<sup>th</sup> WWF and reported on progress achieved. Regarding target 1 on stakeholders' engagement, Chile has focused its efforts on reinforcing local water users associations. The government is also working on an assessment of water institutions, including the development of alternatives to address the current fragmentation of water governance functions. Relating to target 2 on regulatory frameworks and performance of water supply and sanitation, 2 project laws are now discussed in Parliament to increase penalties and the police function of the General Water Directorate (DGA), including the capacity to request water-related information from water rights owners. For target 3 on IWRM, regional management plans are being developed, as well as an initial status assessment. Regarding target 4 on water security, the DGA has started updating the National Water Assessment to include the effect of climate change on water availability. The newly published National Water Strategy "*Facing Scarcity*" will include the analysis of new water sources for water-scarce regions. The integration of surface and groundwater users will also strengthen water security. The National Auditor Office oversees governmental institutions for better integrity and accountability, and all resolutions of the DGA can be questioned in court. Regarding target 6 on transparency, a new National Water Information System was developed in 2011 as an online platform to improve and disclose water

related information (including the digitalization of more than 1 million documents) as well as to allow the online traceability of procedures in the DGA.

32. The Global Water Solidarity platform was created in 2011 to scale up water and sanitation initiatives throughout the world with an emphasis on the role of local authorities in international diplomacy and the contribution of **decentralised cooperation** mechanisms in the water sector. Because of local authorities' growing capacities and responsibilities for taxation, policy and technical development, the OECD Initiative on Water Governance must engage them on future activities. The Global Water Solidarity platform also promotes a governance shared by all to imagine systems where those with access to water resources finance those who don't.

### **Tour de table on recent water governance reforms in OECD and non OECD countries**

33. Mario Marcel, Deputy Director of the OECD Public Governance and Territorial Development Directorate, introduced the session on national water governance reforms and noted the major contribution this Policy Forum is to facilitate exchange of experiences to draw lessons from what works well, what does not, **key political economy challenges that prompt reforms**; and obstacles hindering their effective implementation. The OECD Initiative on Water Governance includes national government representatives that have been in charge of triggering important reforms in the sector, with strong governance components. It is crucial to learn from the objectives, diagnoses and policy tools that supported reforms, and to provide data and comparative evidence to further support these processes. Discussions showed that despite different strategies in different countries, common governance problems emerge, in particular the issues of coherence between uses of water, co-operation among multiple stakeholders, and multi-level governance across national, regional and local levels involved on reform processes.

34. **Australia** faces bottlenecks to the effective implementation of the Australian Water Act that aimed to coordinate legal arrangements for water resources management between Federal and State governments. Emphasis was put on states' diverging interests in terms of water allocation and investment needs that prevent effective cooperation. The case of South Australia where the forestry sector has been measuring and accounting its water use received particular attention.

35. **Chile** is going through an institutional reform of its water authorities and instruments. The first stage has been to internally assess and evaluate how water has been managed in the country, in partnership with the World Bank, and develop a National Water Strategy to strengthen the institutional framework. The OECD multi-level governance gap methodology was used to carry out such an assessment and make an inventory of 112 functions that were concentrated in 11 macro-functions with overlapping roles and responsibilities, duplications and redundancies across the public authorities and water users organisations (43 organisations were identified). The second stage now builds on the World Bank assessment and a team of local and international expert, to suggest institutional reform options to Chilean water governance (by June 2013).

36. **Italy** has recently experienced some challenges following the June 2011 referendum on the profitability of water companies and public participation levels in utilities. This type of public participation mechanism allows citizens to abolish laws or selected articles if they gather a minimum of 500,000 signatures. The results set the government and the parliament on a difficult path to ensure the financial viability of water companies and the implementation of the EU WFD. It was noted that Italian legislation has been already including several EU water principles, mainly IWRM, polluter-pay principles and transparency, and is currently working on new elements of the Directive to further mitigate fragmentation at sub-national level. The Italian regulator, Electricity and Gas Regulatory Agency (AEEG), was transferred economic regulation of water supply and sanitation, and given a new mandate to define tariffs and develop a database for the water sector. Taking over the role of the former CONVIRI, the AEEG has

worked to maintain the balance between hard regulation and soft law and to involve participation by means of better regulation approaches. Note that the 2013 *OECD Environmental Performance Review of Italy* (click [here](#) to access it<sup>7</sup>) has a chapter dedicated to water governance that points out key challenges and policy options in river basin management and financial sustainability of the water sector in Italy.

37. The **Netherlands** has developed adaptive water management programmes to fit the water governance system to future challenges, especially in the face of natural disasters and flood risks. The Dutch Delta Programme provides an agenda of measures for the next 50 to 100 years, engaging all levels of governments and stakeholders, to commit to 2 goals: ensuring fresh water supply and keeping the country safe. A Delta Commissioner, appointed for 7 years, works in a participatory decision-making fashion to consolidate annual proposals for the Parliament. It was noted that preventive approaches can also face strong bottlenecks to mobilise necessary funding in a context of economic crisis and fiscal consolidation. The sense of urgency (vs. long term risks or concerns) is clearly an incentive to cut public expenditures.

38. **Portugal's** water sector has faced major governance reforms in the face of economic crisis and fiscal consolidation. The 2005 Water Law instituted five river basin authorities to work closely with local stakeholders and prepare river basin plans for the WFD implementation. Polluter-pay and user-pay principles were applied but the recent consolidation measures have somewhat diverted water levies to other uses and sectors. Centralisation of financial resources management was accompanied by re-centralisation of the river basin authorities into the environmental agency and has slowed down the reform process.

39. **South Africa** has experienced several legislation changes in the water sector since the 1994 comeback to democratic rule, including the 1997 Water Service Act and the 1998 National Water Act. South Africa is currently conducting a water allocation reform to provide access to water for those who were denied based on historic riparian rights. It includes a new compulsory licencing based on public interest but provisions of the law have proven difficult to operationalize in a context of weak regulation and inexistent definition of "public interest". For water supply service, the principle of free basic water was introduced to be implemented by municipalities where cross-subsidisation happened. Current water governance challenges include the weak sub-national financial base preventing effective implementation of legislation and hindering the maintenance and operation of infrastructures. Efforts are conducted to better align water with other sectors and a *National Water Resource Strategy* was prescribed to define how water should be managed at national level with regards to transboundary water management and inter-basin transfers. The strategy will also address water and wastewater for sustainable growth development and support the decentralisation drive under which 9 catchment agencies were created. Further efforts concern the introduction of water resources management charges to create a revenue base for water management; the consolidation of the Reserve for the right to water and right for the environment; the tentative creation of a national regulator (under the Ministry); the development of indicators for intangible adequacy index, in partnership with the University of Oxford, to monitor public participation progress; the creation of an incentive Blue and Green drop system for municipal water treatment; and the creation of water accounts.

40. **Sweden** is a good example of how to engage local actors and develop reliable scientific data to support water reform processes. The creation of the Swedish Water and Marine Agency helped foster integrated approaches and better distribute funding across local initiatives. Also, 16 environment targets were recently adopted by the Parliament among which 3 are of relevance for marine water management.

41. **France** water management model is characterised by 6 river basin participatory committees and their executive water agencies, an integrated approach, and environmental taxation based on polluter-pay

---

<sup>7</sup> [http://www.keepeek.com/Digital-Asset-Management/oced/environment/oced-environmental-performance-reviews-italy-2013\\_9789264186378-en](http://www.keepeek.com/Digital-Asset-Management/oced/environment/oced-environmental-performance-reviews-italy-2013_9789264186378-en)

and user-pay principles. The 2013 Organic Budget Law confirmed the 10<sup>th</sup> programme of the water agencies and committed to a 13 billion Euro investment over the next 5 years. Recent reforms have focused on the social acceptability of water tariffs and the redefinition of tariff rules for more transparency; the creation of users' consultative committees in large cities' public water utilities; and the establishment of a National observatory of water and sanitation operators. In the framework of the Committee for the modernisation of public action, a nation-wide evaluation of public policies was launched early this year. The water sector in particular will be one of the first policies to be reviewed, by the summer, and discussed during the General Conference on Environment in fall 2013.

42. **Mexico** engaged important reforms in its water sector, and benefited from OECD guidance in 2012 as part of the policy dialogue *Making Water Reform Happen in Mexico* (click [here](#) to access it<sup>8</sup>). A new administration took over in December 2012, and is reviewing the existing national water legal framework, including the development of a new National Water Law, and the preparation of a new National Water Programme to develop water policies for 2013-2018 in cooperation with regional and local authorities. A General Law on water supply and sanitation is also under way to accommodate the recognition of the Human Right to Water and Sanitation. The Mexican presidential address on the World Water Day reiterated 2 messages: the status of water as a national security matter and the importance to have a public water policy of rationality and responsibility; and a line of action to be focused on adequate and affordable water services, water for food security, sustainable water management, and water security.

43. **Brazil** currently faces governance challenges to coordinate water policy across federal and state government levels. Water is mostly a state issue in the country and the implementation of federal water legislation in a context of legal fragmentation between the General Water Law and the 27 state water resources laws is a critical challenge. The *National Water Management Pact* recently launched is a positive step to encourage output-based performance and reward mechanisms to support political initiative. Overall, 50 million dollars will be transferred in the next 5 years to manage these agreements between the National Water Agency and states, with targets jointly decided and approved by state water commissions. A policy dialogue on water governance in Brazil will be carried forward by the OECD to provide the framework and evidence for customised water management Pacts and assess allocation mechanisms. The “*InterAguas*” programme, co-financed by the World Bank, provides useful instruments to coordinate sectoral policies and promote cross-programmes such as the water security national plan on flooding, water supply and regional development, co-coordinated by the National Water Agency, the Ministry of cities and the Ministry of integration. Note that Brazil will be a candidate to host the 2018 WWF.

44. The **United Kingdom** water governance system is characterised by a central legislature, an environmental regulator with river basin implementation approaches, participatory mechanisms and an oversight economic regulator (OFWAT) for the 10 regional companies managing drinking water and sanitation. In 2012, the UK Environment Agency published a “*Case for Change – Current and future water availability*” (click [here](#) to access it<sup>9</sup>) with proposals and advice to support water reform and fit water policy for the future. Climate change and population demand growth are priority topics. On-going reforms have focused on drafting a more dynamic water allocation system, revising the water security planning approach and calling for more economic incentives and competition among the water and sanitation companies. The recent creation of an environmental regulator for Wales is a new challenge in terms of cross-border catchment that will entail a new approach to competition and allocation.

45. **Korea**'s current obstacles to water reform and water projects include the lack of participation and collective approach, competing interests hindering local water projects, and the weight of strong interest

---

<sup>8</sup> <http://pac-apps.oecd.org/kappa/Publications/Description.asp?ProductId=149757>

<sup>9</sup> <http://cdn.environment-agency.gov.uk/geho1111bvep-e-e.pdf>

groups in decision making processes. On-going efforts focus on water allocation projects and demand/supply analysis to conduct environmental impact assessments and evaluate social and economic benefits of water projects.

### **Group discussion on meeting the water governance challenge in cities and their hinterland**

46. Yves Leterme, OECD Deputy Secretary General, welcomed participants. He underscored the critical priorities toward solving institutional and territorial fragmentation, enhancing public participation, and re-thinking water systems towards more adaptive and flexible approaches, and raised the question of the appropriate “scale” to address such challenges. Managing water for future cities requires a close look at how to bridge the mismatch between administrative and hydrological boundaries through effective governance mechanisms.

47. Blanca Jimenez Cisneros, Director of the UNESCO Water Sciences Division, expressed her support to the OECD Initiative on Water Governance as a milestone contribution to the 2013 UN International Year for Water Cooperation. She noted that the main principles needed to achieve water governance are well understood but need to be included, along the concept of water security, in the debate on the Sustainable Development Goals and in the future global post-2015 agenda.

48. OECD Secretariat then provided context for the discussion on **water policies for future cities**. Projections estimate that 70% of the world population will be living in cities by 2050, which will present significant challenges for the water sector and economic dynamics. In 2013-2014, the OECD will look at the specific set of challenges urbanisation will raise for developed and emerging economies’ water sector and the need for drastic change of policies in three major areas: i) financial sustainability to ensure business models for water utilities are fit for the future, and the associated governance bottlenecks and regulatory gaps; ii) water innovation in urban settings with regards to greening infrastructure and water reuse; and iii) urban-rural linkages and the interaction between surface and groundwater. A group discussion then started with delegates.

49. The OECD Initiative on Water Governance was invited to pay attention to **delta cities** and their evolutions in the next decade, particularly in Asia, because water safety needs to be on current and future political agendas especially for city safety plans, the maintenance of water systems and the development of urban-river basin approaches. The Jucar basin can provide an interesting case study to address water scarcity through the increasing role of water reuse and water quality regulatory framework as incentives for water efficiency, in particular since the 2007 adoption of a national regulatory framework for water reuse in Spain that has proven difficult to implement in the agricultural sector. Governance practices related to the use of **non-conventional water resources** to solve water scarcity and drought should also be addressed in the OECD project.

50. The **city of Paris** currently faces water governance challenges. The water supply chain lies on a technical approach to water and sanitation service with large networks and infrastructure dating back to the 19<sup>th</sup> century and built without coordination with the neighbouring communities. In recent years, urban trends in Paris raised the question of a metropolitan approach to water management to include more stakeholders in decision-making. The city administration has set-up a three-faceted approach: a *territorial approach* with new contracts emerging between Paris, authorities in the hinterlands and farmers to develop a tighter cooperation between the supplying areas and the cities; a *democratic approach* with the creation of Paris’ Observatory on Water that gathers trade unions, elected officials, users associations and academics to discuss urban water challenges in Paris; and a *public governance approach*, with the return to a publicly owned and managed water service operator to clear water supply management from financial reasoning. Pricing of water has been a key question, after the recognition of the Human Right to Water and Sanitation, through social welfare. On-going debates aim to design a new approach to pricing that can

integrate environmental services and social policy. Note that a metropolitan conference on water and sanitation in the Paris area was organised on 2 April 2013 in Paris, France (click [here](#) to access it).

51. Several governance challenges face urban water management in **Italy**, especially the financing gap that arose after the 2011 referendum on water services management. Italian utilities can no longer cover the return on investment costs causing critical consequences on on-going and planned infrastructure investment. Investment needs are currently of 65-40 billion Euros for the next 25 years. A recent positive step is the creation of an independent regulatory authority in Italy to determine tariffs at national level, guarantee the impact of full-cost recovery principle, including environmental and resource costs, and trigger a virtuous circle for the implementation of economic aspects of river basin management planning.

52. **Asian cities** face particular institutional fragmentation in the water sector, as well as limited stakeholder engagement in development processes, and weak regulatory frameworks despite improvement in recent years. ADB operational plan for 2012-2020 and *Green Cities Initiative* will look at urban planning and urban management practices through several city case studies in South-East Asian countries including Myanmar, Philippine, Vietnam and Thailand, and formulate guidelines to develop comprehensive urban management plans. For the Asian/Pacific region, K-Water called upon the Initiative to look at solutions to help water professionals better communicate and co-ordinate with land-planning decision-makers, on issues such as the misalignment between land policies and flood protection measures. Australia provided additional remarks on the tensions between the Federal state and sub-national units as regard urban water issues and suggested further discussions to encourage common understanding among institutions involved in urban water governance.

53. Delegates exchanged views on the relevance and timeliness of urban water governance challenges and the crucial role the OECD Initiative on Water Governance can play to address them. Extensive remarks focused on the need for research on specific aspects of urban water management such as the **institutional design** that can drive effective urban water reforms; the necessary **coordination** of mayors, lobbies, business and regulators to create osmosis among urban water actors; new approaches to deal with **competing economic** and **political needs** among public and private actors; and the question of the **urban “water poor”** with regards to the informal water sector. Delegates highlighted several key urban water governance gaps: the lack of **capacities** at city level among officials and regulators; the lack of sustainable **business models** for water and sanitation services; **financing**, cost recovery and progressive charges; and **corruption** practices in water metering and collection of fees. Note that the UNESCO Series on urban water, the report “*Urban water conflicts*” (UNESCO, 2012) and the *Turin Index on default payment for local services* were mentioned as possible contributions to the Inventory of water governance tools, initiatives and platforms prepared by the OECD.

#### **Tour de table on recent water governance reforms in OECD and non OECD cities**

54. Claire Charbit, OECD Secretariat, initiated the discussion with a presentation of the Territorial Development Policy Committee (TDPC) work on cities and urban-rural linkages, putting forward the role the OECD Initiative on Water Governance can play as a gateway for interacting with other urban sectors, actors and approaches. The TDPC definition of **functional urban areas** can help identify the institutions involved in urban water issues, the effective coordination mechanisms to adopt, and the good governance approaches to converge various interests and objectives towards efficient water management for the citizens. Attention was also brought on the relevance of recent OECD work on green cities, policy making after disasters, and sub-national public investment principles to provide a methodology and tools to feed the discussions on good urban water governance practices.

55. Urban water management reforms in **Portugal** led to the creation of 18 state-owned regional companies to produce quality bulk water for municipalities that remained responsible for supplying

households through retail services. This model of state-municipalities partnerships has been responsible for the effective absorption of EU cohesions and regional development funds. Up to now, 85% of municipalities have joined this system while the largest ones have maintained their own water operators and others have signed concession contracts with private utilities. The reform also created an independent regulator, ERSAR (water, sanitation, solid waste), to improve the legislative framework, set prices, control quality, strengthen capacities at municipal level and create an open database on service quality performance across 500 companies.

56. **South Africa's** urban water situation is characterised by an unequal access to water and sanitation, especially in rural settings; a lack of capital investment at local level to maintain infrastructure; unregulated tariffs that drive prices up for end users; and a lack of legal compliance with discharge requirement. The South African legislation has made a clear distinction between water resources management and water and sanitation services but is now considering streamlining the two separate laws to create a continuum. South Africa put a particular focus on the current challenge of pricing and the need for sound regulation and economies of scale to raise revenue and support municipalities.

57. Discussions also shed light on the importance of **contextualising governance issues** to lift ambiguities between developed and developing countries to better analyse issues such as unconventional access, the informal sector, trends on population growth, and urban sprawl. Solutions for better governance exist but the call for economic growth and development often hinders good coordination in countries. IRD called upon the Initiative to focus research on analysing ex-ante and ex-post cost-benefit analysis to show the **economic and financial costs of sub-optimal governance**, to develop conditionality in support of good governance and better inter-institutional relations.

58. Several delegates advised the OECD Initiative on Water Governance to look at issues of **competing uses**; urban water **quality standards** in productive sectors; transparent **participatory approaches** to water pricing; and the appropriate levels of **skills** for water supply and sanitation. Note that the IWA-IUCN Initiative "*Nexus dialogue on water infrastructure solutions*" (click [here](#) to access it<sup>10</sup>), the GWP-Med papers "*Urban water and Sanitation*" (2006) and "*Integrated Urban Water Management*" (2012) (click [here](#) to access it<sup>11</sup>), and the GWP-Med project "*Sustainable development for European cities and regions*" project were mentioned as possible contributions to the Inventory of water governance tools, initiatives and platforms prepared by the OECD.

### **Group discussion on the strategic orientations of the OECD Water Governance Initiative**

59. Delegates were invited to exchange views on the expectations, commitments and next steps needed for the OECD Initiative on Water Governance to develop **concrete outcomes** for the 2015 WWF and beyond, which could potentially include the Observatory and Principles on water governance.

60. UK Environment Agency underlined that the Initiative should play a role of **advisory body** to help governments take the needed steps for effective water governance reforms and provide examples of best governance arrangements and **good practices** through **peer-review** studies to highlight the situation in each country and show ways forwards. WIN acknowledged the importance of defining **thematic clusters** based on commonly identified governance gaps to structure the activities of the Initiative and raised the need for a **communication strategy** to engage with relevant "out of the water box" partners, involve the media and share knowledge and expertise with a wider audience. WBCSD noted the Initiative should rely on the **6 governance targets** to serve as guidelines for actions. Several delegates called for more guidance on the methodological and operational framework of the Initiative to have a transparent process for the

<sup>10</sup> <http://www.waternexusolutions.org/1x9/about.html>

<sup>11</sup> [http://www.gwp.org/Global/The%20Challenge/Resource%20material/GWP\\_TEC16.pdf](http://www.gwp.org/Global/The%20Challenge/Resource%20material/GWP_TEC16.pdf)

selection of **case studies**, and to ensure the reliability and comparability of information. GWSP suggested organising a workshop on that last topic. Italy reminded the role that **OECD bodies, committees and tools** (ECO reviews, EPR, Green Growth programme) can play to support the work of the Initiative.

61. UNESCO's proposed contributions include: i) data and methodological support in different water-related disciplines; ii) case studies to feed experience sharing; iii) information on groundwater and transboundary management; and iv) connections with university and training centres. **INBO** committed to support the OECD Initiative on Water Governance with 2 contributions: i) the engagement of its members and regional sub-networks to provide case studies when relevant; and ii) the mobilisation of International Network of Water Training Centres to relay the Initiative's key messages.

62. Several delegates showed appetite to lead thematic working groups. AIDA suggested a working group on the **specifics of legal systems** in support of water resources governance, and more specifically on groundwater in co-operation with UNESCO-IHP. FAO showed interest in leading a working group on **policy coherence** between water and agriculture in coping with scarcity. UNESCO-IHE proposed to lead 2 working groups on i) **capacity development** for water governance, and ii) water governance in the **digital age**.

63. The Chair then launched the discussion on the design of an **Observatory on water governance**. The OECD forthcoming *Observatory on Public Sector Innovation* was presented as an example of process to follow if an Observatory on water governance is set-up. In a context of financial and fiscal crisis, and increasing citizens' expectation for new channels of service delivery, the Observatory on Public Sector Innovation was collaboratively developed with OECD member countries, private and academic partners as a community platform to map existing initiatives and practices across countries; promote the notion of innovation as a response to fiscal consolidation and service delivery improvement; and provide practical tools for practitioners.

64. UN Water Decade Programme has a Documentation Centre (click [here](#) to access it<sup>12</sup>), which acts as a **web-based tool** for organising global water knowledge, and depository for UN publications and work on specific water themes. It includes an Index of information and experiences regularly updated. Setting such a platform proved complex and time-consuming to ensure accessibility, interactivity with social media, and data reliability. The OECD Water Governance Initiative could provide a **meta observatory** across existing water governance information centres to reduce transaction costs. Ways forward will imply defining classification criteria, alert systems and searchables.

65. The OECD Observatory on water governance could serve as a **one-stop-shop** gathering existing water governance initiatives, projects and programmes. If the decision is made to set up an Observatory, some sequencing in the design will be needed to move gradually from a non-invasive depository of knowledge to a **tool for discussion** and **advisory support**. Note that the UNESCO-GEF-FAO-WB groundwater governance project website (click [here](#) to access it<sup>13</sup>), and the GWP toolbox (click [here](#) to access it<sup>14</sup>) and textbook on IWRM were mentioned as possible contributions to the Inventory of water governance tools, initiatives and platforms prepared by the OECD.

---

<sup>12</sup> [http://www.zaragoza.es/ciudad/medioambiente/onu/en/ultimasPer\\_Onu](http://www.zaragoza.es/ciudad/medioambiente/onu/en/ultimasPer_Onu)

<sup>13</sup> <http://www.groundwatergovernance.org/>

<sup>14</sup> <http://www.gwptoolbox.org/>

## On the road to OECD Principles on Water Governance

66. The discussion was introduced by the need to develop a **pragmatic approach** to help implement the governance targets and get actors, within and outside the water sector, commit to action. There are many tools and indicators to identify effective and ineffective water governance practices, successes and failures, to equip governments with guidelines and incentive tools to better design and implement reforms.

67. FAO welcomed the design of OECD Principles on water governance, which can complement the on-going efforts focusing on water scarcity and the agricultural sector. FAO will address governance challenges associated with these issues, provide cases studies, and develop recommendations to measure the improvement in water productivity in specific contexts. The ultimate long-term objective is to help national governments implement recommendations to improve water governance for agriculture and food security. FAO advocated for including the water and agriculture nexus in the forthcoming OECD Principles on water governance.

68. WBCSD pointed to the value added for the **business community** of OECD Principles on Water Governance, and committed to activate its members to help in that process. The Principles could also serve as a tool to evaluate the progress of the six governance targets up to the 7<sup>th</sup> WWF.

69. IRD underlined the strategic role OECD Principles on Water Governance and the Initiative could play in raising the profile of **governance as a factor of development**. “Good” governance indicators are often well-known but the challenge is to disseminate and implement them on the ground. There is a niche for the Initiative to fill this methodological gap and engage with donors, financial institutions, development agencies and local authorities to engage them as early as possible in dissemination processes.

70. When designing Principles on Water Governance, the Initiative should first **map current tools and remaining gaps** to avoid overlaps and duplications. It was noted that the Initiative should focus on **fostering experience sharing** through **case studies** and good practices to analyse the influence of water governance instruments and methodologies **across different levels of government** and develop forward-looking generational **priorities**. Note that WaterLex database on the Human Right to Water and Sanitation and the Toolkit for practitioners were mentioned as possible contributions to the Inventory of water governance tools, initiatives and platforms prepared by the OECD.

71. ADB support to the OECD Initiative on Water Governance will be provided through the *Green Cities Initiative*, regional research and case studies on water governance, the organisation of regional and sub-regional events, and the engagement of ADB partners to pilot case studies on water governance in the implementation of investment programmes and projects.

### Closing remarks

72. Rolf Alter, Director of the OECD Public Governance and Territorial Development Directorate, concluded the event, congratulating delegates on the **high level discussions** conducted over the 2 days. The OECD Initiative on Water Governance gathers a rich variety of points of views, experiences and expectations that make this **Policy Forum** irreplaceable and an invaluable contribution to tackling water governance challenges. He raised the important role of the Initiative in making governance a key piece of the solution to solve the water crisis and noted that the numerous projects mentioned during the discussions are a testament to the audience waiting for **solutions and actions**. He highlighted the comparative advantage of the OECD to engage with **governments** in a practical manner and that the OECD Initiative on Water Governance should build on this specificity to develop **principles of good policies for better water governance**, fed by case studies, as a collective solution for the Korea 2015 WWF.

## Acronyms

<b>ADB</b>	Asian Development Bank
<b>AEEG</b>	Authority for Electricity and Gas – Italy ( <i>Autorità per l'energia elettrica e il gas</i> )
<b>AFD</b>	French Development Agency (Agence Française de Développement)
<b>AMCOW</b>	African Minister Council of Water
<b>ASTEE</b>	Scientific and technical association for water and the environment – France ( <i>Association Scientifique et Technique pour l'Eau et l'Environnement</i> )
<b>CONVIRI</b>	Committee for the protection of water resources – Italy ( <i>Comitato per la vigilanza sull'uso delle risorse idriche</i> )
<b>CNRS</b>	National centre for scientific research – France ( <i>Centre national pour la recherche scientifique</i> )
<b>ERSAR</b>	Regulatory authority for water and waste services – Portugal ( <i>Entidade Reguladora dos Serviços de Águas e Resíduos</i> )
<b>FAO</b>	Food and Agriculture Organisation
<b>GDP</b>	Growth Domestic Product
<b>GEF</b>	Global Environment Facility
<b>GWP</b>	Global Water Partnership
<b>GWP-Med</b>	Global Water Partnership - Mediterranean
<b>IME</b>	Mediterranean Institute for Water ( <i>Institut Méditerranéen de l'Eau</i> )
<b>INBO</b>	International Network of Basin Organisations
<b>IRD</b>	Institute for research and development – France ( <i>Institut de Recherche et de Développement</i> )
<b>IWA</b>	International Water Association
<b>IWRM</b>	Integrated Water Resources Management
<b>MENA</b>	Middle East North Africa
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OFWAT</b>	Economic regulator of the water and sewerage sectors - England and Wales
<b>SIWI</b>	Stockholm International Water Institute
<b>TDPC</b>	Territorial Development Policy Committee
<b>UfM</b>	Union for the Mediterranean
<b>UN</b>	United Nations
<b>UNDP</b>	United Nation Development Programme
<b>UNECE</b>	United Nations Economic Commission for Europe
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNESCO-IHE</b>	United Nations Educational, Scientific and Cultural Organization – Institute for Water Education
<b>UNESCO-IHP</b>	United Nations Educational, Scientific and Cultural Organization – International Hydrological Programme
<b>WBCSD</b>	World Business Council for Sustainable Development
<b>WFD</b>	Water Framework Directive
<b>WIN</b>	Water Integrity Network
<b>WWC</b>	World Water Council
<b>WWF</b>	World Water Forum