



Webinar of WGI's Working Group on "Indicators"

15 November 2016 – 2:30 to 4:30 pm, CET

Highlights from Discussions

TABLE OF CONTENTS

Introduction.....	2
Discussion on Level 1 indicators: Measuring framework conditions.....	3
Discussion on Level 2 indicators: Measuring progress over time	4
Next steps.....	6
Annex I: List of Participants	7
Annex II: Agenda.....	8

Introduction

1. The webinar aimed to collect comments and views from the members of the Working Group on the preliminary draft on water governance indicators prepared by the OECD Secretariat and WG Coordinators (ASTE, INBO, TI), with inputs provided by several WGI. The webinar focused on tentative “framework conditions” (level 1 indicators) and “progress” (level 2 indicators) as well as the scoping note prepared to provide for the rationale and methodology. Discussion on the “impacts” (level 3 indicators) will be held at the 8th meeting of the WGI (Rabat, 12-13 January during the indicators breakout session).

2. A total of 23 members participated in the webinar (see list in Annex I). More than 60 suggestions of indicators had been collected prior to the webinar, based on a template prepared by the OECD Secretariat. In addition to the comment received at the webinar, some members volunteered to provide more inputs based on their ongoing work, and advised to catalyse some of the national experience in benchmarking basins/ utilities and check their consistency with the draft proposal). The agenda (Annex II) foresaw an introduction by the Secretariat to recall the rationale and objectives for developing indicators and their intended use by the OECD, governments and stakeholders. The Discussion was then organised around the two levels of indicators proposed (framework conditions and progress) based on the materials previously distributed to the members.

3. The Secretariat opened the webinar recalling the *objectives* of the work on water governance indicators, the *milestones* to date and the proposed *approach*. Developing water governance indicators would serve to support the implementation of the OECD Principles on Water Governance, which represent the major outcome of the first three years of the WGI’s activities. The proposed set of indicators is the result of more than two years of activities, initiated at the 3rd WGI meeting held in Madrid (Spain,) in April 2014 and followed by concrete steps over time, including the preparation of an Inventory of existing indicators and methodologies for assessing water governance and a Scoping Note on water governance indicators laying down the theoretical framework. At the 7th WGI meeting (The Hague, 23-24 June 2016) members agreed on the three-step approach related to short, medium and long term evaluations:

- Level 1 Indicators relate to framework conditions to provide a static photograph (or baseline) of needed policy frameworks, institutions and instruments for each of the 12 Principles (short term)
- Level 2 indicators seek to capture the progress over time for each of the 12 Principles, through quantitative metrics, against a pre-defined baseline (medium term)
- Level 3 Indicators intend to measure impacts of governance arrangements on policy outcomes both in terms of water management, institutions’ performance and well-being at large (long term)

4. The Secretariat recalled that the primary objective is for the indicator framework to be used as a tool for dialogue rather than an OECD reporting mechanism. It should be of help for any level of government or stakeholders willing to assess their water governance framework, investigate on gaps and improve the system as need be. It is based on a voluntary approach in interested cities, basins and countries. The framework represents a measurement tool, rather than an assessment tool itself. It is not meant to provide systematic rankings among countries/ basins/ cities though benchmarking will be considered for some fact-based dimensions. It is also expected that the indicator framework be intended as a flexible instrument to be used in or tailored to different in assessing their performance relatively to all or a limited number of Principles, according to their priorities, interests and abilities.

Discussion on Level 1 indicators: Measuring framework conditions

5. This first level of indicators was conceived as a *checklist* for countries and stakeholders to identify and discuss prerequisites for good water governance. The proposal relies primarily on *input and process* indicators. This is a “*static assessment*”, which is not meant to reveal whether the identified governance frameworks are working properly but only to scope whether they exist, entirely or partially, or not. Proposed indicators have been clustered around three categories: i) policy frameworks; ii) institutions, and iii) instruments. Given the fact that indicators are all qualitative, it is proposed to measure them through a traffic light system, which could indicate if : conditions are fully in place (green); conditions are partly in place based on factual data (yellow); conditions are not in place at all (red).

6. The proposed Level 1 indicator framework was welcomed by all participants who overall agreed with the approach, rationale and methodology. The discussion raised the following points that can help improving the proposed set of indicators and related methodology:

- The **clustering of framework conditions** around the three blocks of *policy frameworks, institutions and instruments* is helpful as it helps conceptualise in a hierarchical and temporal manner what a water governance system should contain to work effectively. However, this does not necessarily mirror the reality, which is more blurred and complex than on the paper. Some participants enquired about the process through which indicators have been clustered. This was done through a reorganisation of the available knowledge acquired through OECD reviews on the subject, literature review (e.g. Inventory) and coordinators ‘expertise. Another value of the clustering is to show asymmetries in terms of information across the 12 principles and acknowledge where measurement may be a more challenging task and why. Regarding the cluster on “institutions” some further attention should be put on the scale at which they operate, including the local level. In particular, some participants advised to take into account existing indicators at local level (e.g. Austrian Benchmarking of water and sanitation), which was acknowledged by the secretariat while also emphasising that most framework conditions indicators were applying across scales. When relevant, the draft proposal makes a distinction between “national” and “subnational” institutions as in the case of Principle 6 where under the cluster “institution” it was suggested to include: “existence of institution setting objectives for utilities and oversight”.
- Participants agreed that indicators can build on existing metrics or new ones as the task of measuring water governance is conceived as an evolving one. The discussion on SDGs emphasised that ambitious political targets should be set first to push the statistical / data frontier afterwards in terms of data and information needed to track progress. The discussion with participants around **objective driven vs data driven** indicators led to the conclusion that while it is certainly an advantage to look at available data, the indicators should also provide incentives to building new information where need be. However, since indicators can be interpreted in different ways across and within countries and given the variety of sources and methodologies in place to obtain specific information, some members suggested to establish guidelines to support countries in the collection of data, while ensuring data certain level of harmonisation based on consensual definitions and methodologies.
- All participants agreed that it is important to **streamline the number of indicators**. Two ways were suggested for doing so: one is through the pilot testing itself: some indicators would be difficult to collect or simply not relevant, which would lead to a natural selection; another way would be to rank the indicators according to golden, silver and bronze categories according to their importance and relevance to the context/place considered. From a communication strategy point of view, it was emphasised that golden indicators would raise greater attention (e.g. Uganda’s 10 golden indicators) and could also delineate the bulk of information to be collected by the

Secretariat for the *Water Governance at a Glance* triennial publication. However some participants pointed that a more neutral language than gold, silver and bronze may be needed.

- Participants asked to clarify how and to what extent **level 1 and 2 indicators are coherent and connected**. It was responded that both levels complement each other, but are not bounded to one another. While Level 1 indicators relate to framework conditions, Level 2 indicators look at how these conditions work and evolve over time. However, Level 1 and Level 2 indicators can be conceived as two separate sets of measurements leading to different types of evaluation. Hence, a given city/basin/country not providing indicators on Level 1 can supply data on Level 2. A way of defining whether indicators at Level 1, 2, and 3 are coherent would be, once the whole indicator system is completed, to move backward, from Level 3 to 1 and evaluate the consistency across levels.
- Participants advised that, when using the traffic light system, the green, yellow and red categories should be based on **factual and tangible data and definitions**, especially as the majority of cases may fit under the yellow. A suggestion was also made to use the number of responses per category (green, yellow and red) to generate an **aggregated index** based on a weighting/scoring system in order to give a better sense of what is right or wrong, especially as most situations are likely to feature in the “yellow” category (few countries, cities, basins will have it all red or green). It is important to think carefully at the final visualisation: the traffic light system can reveal overrated (too much green) or downgraded (too much red) types of self-assessment.
- Regarding the **use the indicators**, it was underlined that their ultimate goal should be providing evidence for government and/or stakeholders to assess and improve their ability to tackle identified challenges. While it is important to keep the indicator system *simple* and as much as possible closer to the Principles, keeping it *right* it is just much as important. Indicators are not assessment tools *per se*. Hence, the purpose of the assessment should be clearly spelled out at the beginning by constituencies be using them. When appropriate and for certain dimensions of the Principles, indicators can also help benchmark countries, cities or basins. It was also suggested that collecting examples from benchmarking carried out at national level would be helpful in better framing what kind of benchmarking and for what purposes the WGI indicator system can be used for.

Discussion on Level 2 indicators: Measuring progress over time

7. In the case of progress indicators the *temporal dimension* should be taken into account, as measuring progress would imply to choose a “baseline” and to compare dimensions across years rather than across cities, basins and countries though this may apply to and be relevant for some indicators. The proposal relies on *process, output and outcomes* indicators that seek to characterise progress based on the objectives to be achieved through the measurement itself. Progress indicators aim to measure the “*use*” of identified frameworks, institutions and instruments with quantitative indicators expressed through numbers, ratio, or percentage.

8. The discussion showed an overall agreement by participants on the approach, rationale and objective though valuable comments were provided, many of which would require further discussions to be addressed.

- Some participants pointed that progress indicators cannot be captured only by **quantitative metrics** and should be complemented by **qualitative information**. A way forward (and adopted in other OECD practices) is to provide tangible examples and/or factual data together with the quantitative indicator when supplying the data and to make the most of the interconnections across Level 1 and Level 2 indicators. The need for qualitative information to support the

quantitative one could provide a direct connection with the activities of the working group on best practice.

- Clarification was requested on the **process** through which progress indicators have been defined and the connection with the other levels of indicators (framework conditions and impacts). In particular it was asked to what extent indicators were driven by Principles and Sub-Principles or were the results of the proposals submitted by the members. The Secretariat clarified that some Level 2 indicators are linked to Level 1 indicators: they specify the use of existing framework conditions. As such, and when this is the case, they are linked to Principles and sub-principles. Level 2 indicators aim to analytically measure how countries progress relatively to each component of the Principles. Level 3 indicators, on the other hand, should be able to show to what extent these progresses contribute to obtain economic, environmental and social results. Therefore there is no certainty that level 2 indicators will drive systematically level 3 indicators or whether a different approach should be used. It is anticipated that level 3 indicators will not follow a principle by principle logics but rather be clustered in a way that water governance systems can provide a more integrated and holistic view. Such a step towards measuring impacts should be help widen the measurement carried out by the SDGs, some targets of which are more narrow (e.g. SDG 6.6b) than the scope encompassed by OECD Principles (e.g. Principle 10 on stakeholder engagement).
- It was mentioned that most of the progress indicators proposed can **measure changes over time** within a given city, basin or country **but not changes across places**, namely across cities, basins and countries as they rely on different types of data collection and/or methodologies. Data for some indicators will not be easy to retrieve by water managers themselves because they go beyond their realm of actions and/or responsibilities; in addition, the production, collection and disclosure of information might be costly in some cases or data might just not be available. However, the approach followed by the WG is to be ambitious and consider the development of indicators itself as a means to push the frontier in terms of data that can be produced and accessed. Agreeing on a holistic indicator framework for all dimensions of governance would boost the accountability of government and related institutions in water policy design and implementation and would be an indication itself of the level of transparency. A way to proceed would be to identify some easy-to-measure indicators and the open data sources from which it is possible to benefit. Another point was to understand whether the self-assessment by a given city, basin or country should concern all the Principles or could be carry out through a selective approach, based on the needs and relevance in a given context.
- The **frequency** of the measurement should be established especially for the data to be collected and processed by the OECD within the Water Governance at a Glance Publication. On the latter, it was deemed that a three-year timeframe was reasonable.
- It was overall agreed that the proposed golden, silver and bronze methodology could allow prioritising indicators for which more or less information can be available at a relatively modest cost. Some indicators are very useful, but data crunchy or sensitive in terms of accessing the information. Pilot tests could also be helpful to identify which indicators could be more relevant and in which context. Given that some of the indicators do not rely to water specifically and are beyond the realm of data/information produced by water managers, their respective constituencies should also be engaged in the process at some point.
- Some participants asked for the development of a **guidance or methodological note** that would accompany the indicator frameworks in order to provide the needed background information and insights for non-experts to be able to run the exercise.

- **Technical inputs** were provided on the scope of indicators themselves. It was advised for instance to align progress indicators under Principle 10, with the SDG 6.b “Support and strengthen the participation of local communities in improving water and sanitation management”. For Principle 6, it was suggested to include “the experience of the utility in accessing debt (e.g. credit rating that utility debt can secure).
- It was also advised to think upstream about the way of visualising progress indicator, which could be through **spider graphs**. This kind of visual representation would provide a dynamic view of the progress, by showing for each Principle the distance to a certain degree of achievement, for example considering a scale from 1 to 10.
- The **ownership** of indicators is a key aspect to take into account throughout the process, especially as this is primarily conceived as a voluntary exercise and tool for dialogue. Participants advised to engage with other constituencies and recipients than members of the WGI when the draft is more advanced to see further support, comments and buy-in. In that regard, the members of the Global Coalition for Good Water Governance and experts of the OECD Working Party on Territorial Indicators will be consulted in the near future to broaden the base.

Next steps

9. Written comments on the proposed framework are welcomed by **25 November 2016**. The revised draft will be sent to all WGI members, beyond Working Group members. At the 8th WGI meeting, to be held in Rabat on 12-13 January 2017, delegates will have the opportunity to discuss the proposed indicator framework during a 2-hour plenary session. A dedicated breakout session of the working group will also be organised to discuss the approach, scope and content of impact indicators (Level 3).

Annex I: List of Participants

Name	Institution	Position
Andrew Ross	Australian National University	Visiting fellow and consultant
Aparna Sridhar	The Nature Conservancy	Policy Advisor
Christina Christopoulou	CEEP/BDEW	Policy Adviser
Daniel Valensuela	INBO	Deputy
Dominique Gatel	Veolia	Public Affairs, Vice president for Water
Donal O'Leary	Transparency International	Senior Advisor
Elsa Favrot	ENGIE	Project manager
Francesca Xerri (Jorge Rodriguez Romero)	European Commission Unit C1 - Clean Water	Trainee
Gari Villa-Landa Sokolova	AEAS	Head of International Affairs
Gerald Jan	Deltares	Researcher
Gonzalo Delacamara	IMDEA Water	Senior Research Fellow ² Coordinator of the Water Economics Group
Gordon Downie	Shepherd and Wedderburn LLP	Partner
Guido Dernbauer	Austrian Association of Cities and Towns	Policy Officer
Hendrik Jan IJsinga	EurEau	Member delegate
Lotten Hubendick	SIWI	Programme Officer
Marcus Heiss	Austrian Association for Gas and Water	Expert
Marina Takane	World Health Organization	Technical Officer
Milo Fiasconaro	Aqua Publica Europea	Executive Director
Osman Tikansak	Turkish Water Institute	Expert
Pierre-Alain Roche	ASTE	President
Scott Rodger	Shepherd and Wedderburn LLP	Analyst - Regulation and Markets
Tadashige Kawasaki	NARBO / Japan Water Agency	Secretariat Deputy Director
Umbek Allakulov	Water Integrity Network	Research & Development Officer

Annex II: Agenda

2h30 : Secretariat introduction : rationale and objectives for developing indicators (5 min)

2h35 : Presentation of Level 1 Indicators – Framework conditions (5 min)

2h40 : Discussion with WG members on Level 1 indicators : comments, suggestions, advice (30 min)

- Do you agree with the approach and methodology?
- Is there any gap / overlap to be sorted out and how?
- How to streamline and reduce the number of indicators? Which criteria?
- Is there a need to spell out scales / water functions for Level 1 indicators or not?

3h20 : Reactions/responses from the co-ordinators and Secretariat (10 min)

3h30 : Presentation of Level 2 Indicators – Progress (5 min)

3h35 : Discussion with WG members on Level 2 indicators : comments, suggestions, advice (30 min)

- Do you agree with the approach and methodology?
- Is there any gap / overlap / alternative metrics to be considered and how?
- How to streamline and reduce the number of indicators? Which criteria?
- How to spell out water functions and scales for progress indicators?

4h05 : Reactions/responses from the co-ordinators and Secretariat (10 min)

4h15 Wrap up and next steps (15 min)

4h30 : End of the Webinar