



## 5<sup>th</sup> MEETING OF THE OECD WATER GOVERNANCE INITIATIVE

26 May 2015, Edinburgh International Conference Centre, Edinburgh

### HIGHLIGHTS



The [OECD Water Governance Initiative](#) (WGI) is an international multi-stakeholder network of around 100 delegates from public, private and not-for-profit sectors gathering twice a year in a Policy Forum to share on-going reforms, projects, lessons and good practices in support of better governance in the water sector. It was launched on 27-28 March 2013 in Paris and held its 2<sup>nd</sup> Meeting on 7-8 November 2013 (OECD Headquarters, Paris), its 3<sup>rd</sup> Meeting on 28-29 April 2014 (Madrid, Spain) and its 4<sup>th</sup> Meeting on 24-25 November 2014 (OECD Headquarters, Paris).

The OECD WGI aims to:

1. **Advise governments** in taking the needed steps for effective water reforms through policy dialogue across decision-makers at different levels;
2. Provide a **technical platform** to discuss analytical work on water governance through peer-to-peer exchanges and knowledge sharing;
3. Provide a **consultation mechanism** to raise the profile of governance issues in the **Global Water Agenda** (World Water Forum, Post-2015 Agenda);
4. Support the implementation of the governance targets designed for the 6<sup>th</sup> World Water Forum (Marseille, 2012) and the [implementation roadmap](#) of the [7<sup>th</sup> World Water Forum](#) (Korea, 2015);
5. Assist with the monitoring of the implementation of [OECD Principles on Water Governance](#), including through the preparation of **OECD Indicators on Water Governance**.

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## KEY HIGHLIGHTS

1. The 5<sup>th</sup> WGI meeting was held in Edinburgh, Scotland, and gathered more than 70 WGI members and 15 observers<sup>1</sup>. In all, 15 countries were represented as well as major stakeholders and organisations within and outside the water community.
2. The meeting had the following objectives<sup>2</sup>:
  - Follow-up on the outcomes of the governance sessions of the [7<sup>th</sup> World Water Forum](#) (Korea, 12-17 April 2015);
  - **Share experience** on water governance reforms, initiatives and events, with a zoom on the United Kingdom.
  - Discuss **ways forward** for the WGI, building on the **Satisfaction Survey** results;
  - Discuss the scoping note on **Water Governance Indicators** to be developed through a bottom-up and multi-stakeholder process;
3. Delegates **WELCOMED** the key achievements of the WGI since the 4<sup>th</sup> meeting:
  - The approval of the [OECD Principles on Water Governance](#) by the Regional Development Policy Committee on 11 May 2015 and their backing by Ministers at the [OECD Ministerial Council Meeting](#) on 4 June 2015. The Principles set standards for more effective, efficient and inclusive design and implementation of water policies. They were developed using a multi-stakeholder approach within the WGI and were endorsed by a large number of public, private and non-profit organisations at the 7<sup>th</sup> World Water Forum, 13 April, Korea, through the [Daegu Declaration](#);
  - The launch of two new **OECD reports** at the 7<sup>th</sup> World Water Forum on “[Stakeholder Engagement for Inclusive Water Governance](#)”, as a tangible output of the activities carried out by working group n°1 of WGI, and “[The Governance of Water Regulators](#)” as a valuable input to the activities of working group n°2;
  - The stimulating and productive discussions carried out at the 7<sup>th</sup> World Water Forum as part of the “**Effective Governance**” theme co-ordinated by the WGI, with the contribution of FAO, K-Water, Water Youth Network and Asan Institute of Public Policies, which outcomes are summarised in a brochure available [online](#).
4. Delegates **AGREED** that, after a two-year experimental period, the WGI proved its value added and should continue its activities, taking into consideration that:
  - The WGI **Satisfaction Survey** reveals a very high satisfaction rate of WGI members, most of whom are willing to play a more active role
  - Room for improvement of WGI is possible to fit the structure to the new functions (i.e. assist with the monitoring the OECD Principles on Water Governance) and to better harness the expertise and comparative advantage of each member (i.e. knowledge, network, daily activities, etc.);
  - The 7<sup>th</sup> World Water Forum’s [Implementation Roadmap on Effective Governance](#) provides a useful framework to implement the OECD Principles on Water Governance (using indicators and communication strategies), all the while making synergies with the post-2015 development agenda to ensure continuity up to the 8<sup>th</sup> World Water Forum (2018, Brasilia);

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<sup>1</sup> Click [here](#) to see the list of participants.

<sup>2</sup> Click [here](#) to consult the agenda of the meeting

- The scoping note on **OECD water governance indicators** provides a valuable framework to define input, process, and outcome indicators to measure governance in the water sector through quantitative, qualitative, operational, and objective-driven metrics reflecting different scales while remaining practical, participatory, relevant and real;

5. Delegates **SHARED** experience, views and knowledge on:

- ✓ The [5+5 Mediterranean Strategy for Water](#), co-ordinated by Spain and Algeria, which aims to support regional sustainable growth, preserve water quality and social prosperity, provide access to water for all, and exchange knowledge across Northern and Southern Mediterranean countries;
- ✓ WIN's [Water Integrity Global Outlook](#), expected for World Water Day 2016, which will provide evidence for policy makers to support water integrity more broadly and to support the implementation of Principle n°9 on integrity and transparency of the OECD Principles on Water Governance;
- ✓ UNESCO-IHP [Global Groundwater Governance](#) project, conducted with the GEF, FAO, the World Bank and IAH across 96 countries, which concluded with a Framework for Action to provide policy makers with science-based guidelines for informed decision making on groundwater management;
- ✓ SIWI's [GoAL-WaSH Programme](#) and [Action Platform on Source to Sea management](#) that aim to support integrated and innovative approaches to governance and management from source to sea and to generate and share knowledge on effective approaches and valuable experiences;
- ✓ GWP-MED/SIWI joint [Capacity Building programme for integrity](#) in Jordan, Lebanon, Morocco, Palestine and Tunisia, targeting youth, women, civil society, managers and decision makers to raise awareness and foster high level dialogue on water integrity with decision makers;
- ✓ Scotland's [Hydro-Nation](#) concept, which strives to maximise the value and benefits of water, through new legislation to raise the profile of water in the economy and society, and extensive knowledge sharing as part of a newly-created multi-stakeholder forum to think collectively of solutions and ways forward in the water sector;
- ✓ France's [on-going reforms](#) on biodiversity in the water sector and the role of local authorities in supplying water and sanitation services.

## NEXT STEPS

- ✓ **6 July 2015:** Written comments on the Inventory/scoping note on water governance indicators, and dissemination to members of the synthesis paper on the satisfaction survey;
- ✓ **September 2015:** Strategic, forward-looking paper & revised ToR of WGI for written comments;
- ✓ **September-October 2015:** Renewal of membership to the WGI for 2015-2018, with agreed-upon and tailored in-kind contributions to the activities;
- ✓ **2-3 November 2015:** Discussion and approval of the strategic paper and ToR at the 6<sup>th</sup> WGI Meeting (OECD Headquarters, Paris).

## SUMMARY RECORD

### *Opening Remarks*

6. The Chair welcomed delegates and shared updates since the 4<sup>th</sup> WGI meeting (24-25 Nov. 2014):
- The WGI co-ordinated the “Effective Governance” stream at the [7<sup>th</sup> World Water Forum](#) (12-17 April 2015, Korea), including a [high-level panel](#) on the OECD Principles on Water Governance in the presence of OECD Secretary General Angel Gurría. A [brochure](#) on the outcomes of the governance-related sessions at the Forum is available online;
  - The Daegu multi-stakeholder Declaration has gathered 65 signatures from organisations and stakeholder groups in support of the [OECD Principles on Water Governance](#). The latter were approved by the OECD Regional Development Policy Committee on 11 May and received the backing from the Ministers of OECD’s 34 countries on 4 June 2015.
7. Jon Rathjen, Water Industry Team leader in the Scottish Government, welcomed the delegates to the 5<sup>th</sup> Meeting of WGI, hosted as part of the [15<sup>th</sup> IWRA World Water Congress](#). Scotland is convinced that water can play a major role in economic progress and that water governance is one of the key building blocks to manage water successfully and gain socio-economic and environmental advantages.

### *OECD Principles on Water Governance*

8. Joaquim Oliveira-Martins, Head of the OECD Regional Development Policy division, congratulated the delegates on the adoption of the OECD Principles on Water Governance, an achievement resulting from a collective process relying on multiple consultations, expertise and feedback. The Principles provide an opportunity to discuss water issues for the first time at Ministerial level at OECD. They are the result of a long and sustained effort in a **bottom-up approach** through working groups’ activities and milestones events. They focus on the *effectiveness* of water governance by covering issues of clear allocation of roles and responsibilities, relevant scale(s), policy coherence and capacity; *efficiency* of water governance, covering dimensions of data and information, the governance-financing nexus, regulatory frameworks and innovative governance; and *trust and engagement* in water governance, with integrity and transparency, stakeholder engagement, trade-offs across users, territories and generations, monitoring and evaluation.
9. Since the first discussion on the draft Principles at the [4<sup>th</sup> WGI meeting](#), extensive consultations have been carried across OECD members to build consensus on substance. The Principles were presented and discussed in several OECD committees and subject to three rounds of written comments by member states. A [specific session](#) on the Principles on Water Governance was held at the 7<sup>th</sup> World Water Forum in the presence of OECD Secretary General Angel Gurría, whom was handed the Daegu multi-stakeholder Declaration gathering 65 signatures from major stakeholder groups welcoming the Principles, committing to mainstream them into their activities and practices, and willing to further engage in developing indicators to monitor their implementation.
10. The Principles were discussed at the 33<sup>rd</sup> session of the Regional Development Policy Committee on 29 April. The Committee is the host of the WGI within the OECD structure and as such, it is the responsible authority that has the oversight for water governance discussions at the OECD. Eighteen countries spoke at the meeting and the large majority was very satisfied with the content of the Principles, with several of them praising the participatory process behind their development, including across various ministries within their respective countries. Some countries noted that the Principles are **much in line** with their agendas on water governance, and that they can provide a tool for policymakers, especially in the light of the [SDGs discussion](#). The OECD Principles on Water Governance were approved on 11 May 2015

and were welcomed by the OECD Council (monthly gathering of Ambassadors) on 13 May 2015, before they were transmitted to the [Ministerial Council Meeting](#), the highest level gathering at OECD, on 3-4 June in Paris.

11. Looking ahead, the WGI has a key role to play in supporting the implementation of the Principles, following the same bottom-up and multi-stakeholder approach. WGI members' expertise will be critical to develop **OECD Water Governance Indicators** in the coming months. Furthermore, the OECD is currently up-dating its legal instruments on water and a consolidated OECD Recommendation on Water is under preparation, which would feature the Principles on Water Governance. The OECD looks forward to working with the WGI and ensuring that the network is consulted along the process to benefit from members' feedback, alongside the work of member states.

### *Group discussion*

12. The Netherlands expressed its gratitude to OECD and the WGI for the work accomplished on the Principles. As Chair of the **OECD Ministerial Council Meeting**, the Dutch government followed closely the discussions around the Principles, and welcomed the text as a critical framework to address water governance issues. It will be essential for the WGI to make sure that the Principles on Water Governance are incorporated into a broader OECD Recommendation on Water.

13. GWP commended the OECD for adopting a bottom-up approach in the development of the Principles. Looking forward, it will be crucial to support their dissemination in **non-OECD countries** as well, and to link this effort to the work of the post-2015 development agenda in order to ensure the two processes move toward a common initiative for sustainable development.

14. Turkey carried extensive consultation with the OECD Secretariat in the last few weeks and, while it does not fully agree on certain sensitive issues in the document, it has joined the consensus with the best intentions. It was underlined that the Principles should not pre-empt future OECD work on water in general, and the development of a new overarching Recommendation on water in particular. Turkey called for future OECD Recommendation on water to be realistic and implementable and to address concerns and sensitivities of all member states.

Several members stand ready to support the implementation of the Principles:

- Deltares complimented the adoption of the Principles and looks forward to working with the WGI on their implementation. The focus could be on expanding the Principles to non-OECD countries with indicators and data collection, using existing databases. These indicators should look at the **performance of the water sector** comprehensively (i.e. flood risk prevention, groundwater management) so that governance is not isolated;
- AgroParisTech pointed out that the Principle n°2 on appropriate scales should also consider scales related to **water transfers across basins**, which implies to work with governments, basin organisations and other sectors as well;
- Spain was highly supportive of the OECD Principles throughout their development and stands ready to contribute to their implementation; and
- Suez Environnement highlighted the process and the outcomes of developing the OECD Principles as remarkable, and will support their **dissemination** across its networks and partners.

15. The World Water Council congratulated the OECD and the WGI for the work accomplished between the 6<sup>th</sup> and 7<sup>th</sup> World Water Fora and wishes to see the **success perpetuates** up to the 8<sup>th</sup> Forum.



16. Portugal welcomed the interesting process of achieving consensus on a complex issue such as water governance. Indeed, water governance requires a certain balance between *adaptation* and *continuity* when both are needed to simultaneously open governance systems to innovation. It requires balancing decentralisation and co-ordination and combining *financial sustainability* with *social concerns* to have self-supported systems and an industry that is profitable while socially acceptable. Furthermore, stakeholder engagement needs to include *direct* and *representative* democracy to have many actors at the table but also some governmental authority to keep a fair playing field. These contradictions made it very interesting for the WGI to be part of the development of the Principles, and while political compromises were necessary, it is a success that will be praised and put into practice in the future.

17. WIN highlighted that some OECD countries were very actively engaged in the development of the Principles, which shows that governance is a critical topic. The Principles have triggered discussions within countries and should be used as a **dialogue tool** to continue consultation at the national level and to **collect good practices** at different scales. The role of the WGI will be to facilitate these dialogues, starting with a group of pilot countries, linking also to the Sustainable Development Goals and to the development of the broader OECD Recommendation. The WGI policy-oriented platform should contribute to the development of instruments for monitoring the implementation of the Principles.

18. IWRA welcomed the WGI at its [15<sup>th</sup> IWRA World Water Congress](#) and mentioned that the OECD Principles on Water Governance are already cited by the scientific community and practitioners as exemplary. The WGI should take part in the 16<sup>th</sup> IWRA World Water Congress in 2017 in Mexico to report back on the progress achieved in the implementation of the Principles. It was also suggested that a specific edition of the Water International journal be dedicated to the topic of “water governance” to bring **scientific backing** to the Principles, in cooperation with some members of the WGI.

19. Ian Barker saluted the adoption of the OECD Principles and suggested to focus future activities in bringing evidence on their **practical implication**. As an example, lessons could be learned from the variety of regulatory approaches across the world to contribute to principle n°7, looking at both economic and environmental regulation.

20. UNESCO-IHP welcomed the contribution of the OECD Principles to raise the profile of governance in international discussions on water, in particular related to the SDGs.

21. The Secretariat called upon the WGI members to **disseminate** the Principles as broadly as possible after the OECD Ministerial Council Meeting. All countries willing to endorse the Principles will be welcomed. Future OECD policy dialogues on water governance will also be used to assess the performance of OECD and non-OECD countries in regards to the Principles. Furthermore, synergies could be sought with the **post-2015 development agenda** through the Principles as an input to the implementation of the SDGs. The forthcoming OECD Water Governance Indicators can help monitor the governance targets of water-related SDGs building on what exists and through partnerships for data collection.

### ***Launch of OECD reports***

22. The OECD report “[Stakeholder Engagement for Inclusive Water Governance](#)” was launched on 13 April 2015 at the 7<sup>th</sup> World Water Forum where [panellists](#) from different regions showcased **success stories** and **innovative tools** for inclusive decision-making on water. The report is the result of an 18-month policy dialogue, based on a survey across 215 institutions and 69 case studies. This is a tangible output of the Working Group n°1 led by the OECD, Suez Environnement and WBCSD and which followed a bottom-up, multi-stakeholder, and inclusive process in terms of collecting data, discussing findings and building consensus on the ways forward. It was extensively discussed and peer-reviewed

during a specific session of the 4<sup>th</sup> WGI meeting last November. This work involved organising two webinars in January and June 2014 and a [multi-stakeholder workshop](#) at OECD and a [specific session](#) at IWA World Water Congress in Lisbon in September 2014. The report concludes with 6 **basic principles** to get stakeholder engagement right, and a **Checklist for Public Action** with self-assessment questions and indicators for governments to figure out where they stand. The report also provides “**stakeholder profiles**” to look closer at the distinctive perceptions and experiences of each category of actors.

23. Looking ahead, the work on stakeholder engagement will focus on collecting best practices and developing indicators related to the Principle n°10 on Water Governance. The numerous case studies presented in the report will also be subject to more in-depth analysis to identify patterns across different forms of engagement, domains or contexts, and to elaborate tailored recommendations. The University of Rotterdam will work with the OECD towards publishing an article with **scientific evidence** from **comparative analysis** of the case studies detailed in the report. Those cases will also be more thoroughly and substantively reflected in the implementation handbook of the Principles on Water Governance in the coming 3 years.

24. Deltares presented the work done to apply the indicators on stakeholder engagement suggested in the OECD report to practical case studies as a **valuable framework** to evaluate engagement processes. Future activities could apply these indicators to case studies and communicate on the findings. Spain pointed out the need to engage further with **farmers and irrigators** as key stakeholders of water governance.

25. In the context of its contribution to the 7<sup>th</sup> World Water Forum, the OECD also published a report on “[The Governance of Water Regulators](#)”, building on a 2-year project carried out within the OECD [Network of Economic Regulators \(NER\)](#). The report documents the growing trend in the establishment of **dedicated regulatory authorities in charge of regulating water services**. Based on a survey across 34 water regulators, the report identifies the institutional settings, mandates, roles and core regulatory functions; internal organisation; accountability mechanisms; and use of tools and mechanisms to ensure regulatory quality of a sample of water regulators.

26. The report highlights the critical functions of water regulators, which can be bundled into 4 areas: i) economic regulation; ii) performance monitoring of water services; iii) regulatory enforcement; and iv) consumer engagement and protection. The report also sheds light on critical governance issues between regulators and the institutional framework more broadly such as: i) while regulators were established to bridge some of the gaps of complex institutional frameworks, coordination challenges remain; ii) the functions and powers of regulators are closely related to the market structure of the sector; iii) water regulators have various degrees of autonomy and independence; and iv) regulators are well-versed with consultation tools targeting utilities and the public at large but their potential is not fully exploited and information collected could be further disclosed.

27. The report provided a **benchmarking and bench-learning exercise** across regulators, shedding light on differences and similarities. Next steps in the NER work include reviewing regulators against the [OECD Best Practice Principles on the Governance of Regulators](#), starting with Colombia’s telecom regulator and Latvia’s multi-sector regulator. The OECD is also carrying out thematic work on the **independence of regulators** to understand the critical dimensions of legal, de jure and de facto independence, and its purposes.

28. ASTEE welcomed the OECD report as a **critical input** to the thematic working group n°2 on the governance and performance of water services. It was presented at the 7<sup>th</sup> World Water Forum during the session organised by ASTEE and IWA on [strengthening the performance and governance of water supply and sanitation services](#), where participants discussed the critical role of **political support in regulation**,



and the importance of stakeholder engagement in building political support. Regulatory agencies are most effective to dialogue with utilities and local authorities but weaker when discussing with the public at large. While data is available in developed countries, tools to communicate on issues of price and service quality are lacking, overall. Future work on water service performance could focus on **sunshine regulation** in order for the public to be part of the debate.

29. The University of Arizona welcomed the value added of this work as it addresses the many **different approaches to regulation**. The OECD report [Water and Cities: Ensuring Sustainable Futures](#) features a case from Arizona on the city of Tucson that illustrates the failure of the utility's attempt to deliver surface water to a groundwater-dependent community, the virtual uprising of citizens and voters' initiative, and the decision to build a drought-resilient management plan. The complete case study will be published in the American Water Works Association journal and circulated to the WGI.

### *Outcomes of the 7<sup>th</sup> World Water Forum*

30. The Chair reminded delegates that the WGI was mandated to co-ordinate the Effective Governance stream of the 7<sup>th</sup> World Water Forum, with several partner institutions (FAO, Water Youth Network, K-water and the Asan Institute for Policy Studies), and to organise seven specific sessions. In particular, the [session](#) on OECD Principles on Water Governance was [opened](#) by OECD Secretary General Angel Gurría who was personally handed the Daegu Declaration signed by 65 major stakeholders of the WGI in support of the Principles. The WGI was also actively engaged in governance discussions in the **Regional Process**, namely in the MENA region with GWP-Med and IME and in the Americas with ANEAS and CONAGUA; in the **Youth forum** with the Water Youth Network, and in the **Local and Regional Authorities process** with UCLG and ICLEI.

31. The WGI **thematic working groups** also organised sessions at the Forum. The [working group n°1](#) [stakeholder engagement] launched the OECD report "[Stakeholder Engagement for Inclusive Water Governance](#)" after a year-long policy dialogue and an extensive multi-stakeholder survey, and discussed ways forward to implement its Checklist for Public Action and carry-out in-depth case study analysis. The [working group n°2](#) [governance and performance of water and sanitation services] discussed recent trends regarding institutional frameworks and regulatory arrangements for water services and explored future work on sunshine regulation. The [working group n°3](#) [basin governance] discussed solutions to improve basin governance efficiency and plans to develop guidelines on joint surface/groundwater management as well as information-sharing at basin level. The [working group n°4](#) [integrity and transparency] built on practical experiences to discuss how integrity and transparency can support successful policies and sector reform, and committed to collecting, developing and disseminating tools in support of water integrity.

32. Fraser McLeod, Executive Director of the World Water Council, shared the main outcomes of the Forum. The event was the result of two years of preparation and sought to: i) be a **platform to mobilise action**, particularly at political level; ii) **challenge thinking** both inside and outside the water community; and iii) be an opportunity to **engage and debate**. The Forum counted 40 000 entries, 168 countries represented, 9 head of states, 100 official governmental delegations, 400 sessions and extensive media coverage worldwide. It was held in 2 different cities, with multiple venues, which created some challenges to ensure participation in all the sessions.

33. Three priority issues were flagged at high political level during the Ministerial, parliamentary and local and regional authorities' processes of the Forum: i) governments committed to ensure that a **water-related SDG** remains solid until the September UN General Assembly; ii) water should be incorporated as a central component of **climate change adaptation** at the COP 21 conference; and iii) **multi-stakeholder co-operation** should be scaled-up at all levels. There were other important **governmental agreements and commitments**, e.g. China, Japan and Korea signed a tripartite agreement

on water policy innovation, and the United States and Mexico announced a historic agreement over the Colorado River.

34. All stakeholders involved in the Forum also signed the [Daegu-Gyeongbuk Implementation Commitment](#) (DGIC) to ensure that the Implementation Roadmaps that were developed for the Forum will be put into action over the next 3 years. The DGIC represents a significant outcome of the Forum to create a formal structure that will measure, monitor and ensure that the statements made publicly in Korea will be implemented and reported on at the 8<sup>th</sup> Forum. Sixteen thematic areas were addressed at the Forum. As for the governance process, the WGI stood out as one of the most significant implemented action carried out from the 6<sup>th</sup> to the 7<sup>th</sup> Forum. The World Water Council and Korea are dedicated to continue supporting the Initiative. For the first time, the Regional Process included **cross-regional discussions**, in particular with the Economically Water Insecure group that created debates between Asia-Pacific, African and American regions. The **Citizen Forum** and pre-conferences around youth, women and indigenous peoples as well as the **alternative World Water Forum** also took place. Finally, the “**wishing wall**” displayed at the Forum helped gather ideas and suggestions for water sustainability that will be translated into English and disseminated. Outcome documents on the Forum will be prepared and available in the coming months.

35. Yoon Hongsun of the Ministry of Foreign Affairs of Korea shared the outcomes of the Forum from the perspective of the host country. In all, the Forum was among the biggest events ever hosted by Korea. Important achievements of the Forum concern the decision of parliamentarians to launch a **water legislation helpdesk** for providing specialised legal services related to the adoption, development and implementation of water legislation and budget allocation, and for sharing knowledge across parliamentarians and water legislation experts. In addition, the Local and Regional Authorities conference concluded with the adoption of the [Daegu-Gyeongbuk Water Action for sustainable cities and regions](#) that supports a water-related SDG, and calls for local and feasible solutions enabling cities and regions to contribute globally to the SDGs. Korea also launched a pilot project on “Sustainable Water and Management of Urban Areas”.

36. The Science and Technology process was a novelty of the 7<sup>th</sup> Forum and enabled authorities to make decisions that are conducive to **maximised welfare** and **economic opportunities** through private investment and innovation. The process fostered political, technological and scientific dialogues that led to the publication of a white paper, which provides guidelines to apply science and technology to the water sector. The Sciences and Technology process also launched the “[World Water Challenge](#)” programme that awarded the most innovative solution to current water challenges.

37. Looking forward, Korea’s President Park committed to create the World Water Partnership as a consultative mechanism across countries involved in the World Water Fora to develop tangible outcomes from the fora and link them to inter-governmental processes. In addition, Korea will launch the Daegu-Gyeongbuk Water Week to discuss and monitor the progress of the Implementation Roadmaps and encourage co-operation among water-related business sectors. The first edition will take place in September-October 2016. Korea has also announced an increase of its share of ODA flows in the water sector and the launch the K-water programme, an integrated national co-operation scheme aimed at sharing Korea’s successful experiences in water management and its water-related knowledge and technology with developing countries. Furthermore, Korea will work closely with the Global Green Growth Institute and the Green Climate Fund to assist developing countries in accessing **adequate financing** as well as appropriate **technologies** and enhanced capacities to effectively integrate water security and climate resilience. Finally, Korea will work with Brazil to carry over some of these initiatives to the 8<sup>th</sup> Forum and share lessons learned.

38. The OECD Secretariat presented a synthesis of the [Implementation Roadmap on Effective Governance](#). The Roadmap serves a tool to bridge the mobilisation of the 7<sup>th</sup> Forum up to the 8<sup>th</sup> Forum

regarding the 16 thematic areas. For the theme 4.2 on governance, the Roadmap covers 3 dimensions: i) *why* the international community should focus on water governance, with the rationale and the ultimate goal to be achieved.; ii) *what* needs to be done to achieve this goal, with objectives, related actions and milestones up to the 8<sup>th</sup> World Water Forum; and iii) *how* these objectives and actions should be implemented, according to an Action monitoring plan with progress indicators and a communication strategy. The Implementation Roadmap highlights a **sequenced approach**: the framework is shaped around the 12 OECD Principles on Water Governance and linked to the **6<sup>th</sup> Forum's targets** on good governance that helped structured the WGI's thematic working groups. It also relates to the water-related draft **SDGs** to capitalise on the contribution of the international community in the field of governance. An online [Action Monitoring System](#) was set up after the 7<sup>th</sup> Forum to help review the progress achieved and collect good practices on the road to the 8<sup>th</sup> Forum in Brasilia. Delegates were invited to share their comments on the document by 1<sup>st</sup> July and a revised version of the Implementation Roadmap will be discussed at the [Stockholm World Water Week](#). The 6<sup>th</sup> WGI meeting will be an opportunity to identify potential **regional "champions"** among the WGI that would support the Implementation Roadmap.

39. **GWOPA** congratulated the Secretariat on collecting 65 signatures for the Daegu Declaration. Moving forward, the implementation of the Principles and the Roadmap could benefit from greater engagement of the WGI members by tapping more on their mandates and areas of work. It would allow channelling the implementation through their activities rather than creating new ones. GWOPA is dedicated to support these efforts with its partner water and sanitation utilities. It also calls for **reshaping the thematic working groups** according to the implementation of the Principles.

40. INBO congratulated the World Water Forum Secretariat for strengthening the links between the thematic and regional processes in the [Ministerial Declaration](#) and [Daegu-Gyeongbuk Recommendations to the Ministers](#), and for organising inter-regional discussions. Regarding the logistical organisation of the event, lessons can be learned for future Fora, in particular selecting one city and **limiting the number of sessions** to ensure good participation levels. INBO and its regional networks (MENBO, ANBO and the Americas platform) stand ready to facilitate dialogues among basin organisation on the Implementation Roadmap and the OECD Principles on Water Governance.

41. GWP is willing to support the **implementation phase** and encouraged the WGI to recognise each member's expertise and partners to make the most of collective work across the WGI. The increasing number of water events was also pointed out as a potential risk of **fatigue** from the water community to contribute to too many similar discussions.

42. NARBO stands ready to be a regional champion in the **Asia-Pacific** and make the Implementation Roadmap happen within its network of basin practitioners.

43. The University of Arizona pointed that the Principles and the Implementation Roadmap may have too many objectives, which could prevent an effective implementation on the ground. In addition, it was suggested to create **incentives for government**, in the form of rewards or prizes, to encourage better water governance.

44. Mexico wishes to be part of the Implementation Roadmap and suggested to **host a consultation meeting**. The next World Water Forum will be held in Latin America and Mexico committed to make governance a priority topic at the event.

45. SIC-ICWC called for **raising awareness** on the OECD Principles and the Implementation Roadmap in the Central Asia region and a first step would be to **translate the document** in several languages to make it a global effort up to the 8<sup>th</sup> Forum. WGI members and their partners could help in this process.

## *Water Governance in the United Kingdom*

46. Jon Rathjen, Water Industry Team leader in the Scottish Government, opened the session to introduce the concept of [Hydro-Nation](#) that Scotland has been building for several years and its practical implementation. Scotland gathers 90% of the United Kingdom's fresh water volumes. In 2002, several water companies were merged into one single public company to reduce cost and improve efficiency, and which now has almost full service coverage except for the Highlands and some islands. The Scottish government has taken strong social engagements and aims to **reduce water bills**. Historically, service performance levels were poor in the nation but today, they are in line with the most-performing EU countries. In addition, Scotland works to **reduce leakage** and increase savings for the environment and other purposes. The Scottish regulatory framework includes **independent environmental and economic regulation** as well as customer representation. In relation to the OECD Principle n°8 on Water Governance that addresses innovative practices, Scotland has introduced **competition** within its retail market for business, as in England, which has been successful to drive costs out of the system. Scotland considers water as an opportunity and strives to maximise its benefits. To do so, legislation was adopted in 2013 to **develop the value of water**. Scottish Ministers are now required to report annually to the Parliament on the progress achieved in developing the value of Scotland's water resources. Scotland aims to raise the profile of water as a key element of the economy and society that should be managed responsibly. The nation is eager to learn from the water community on specific issues such as water management and access to sanitation in remote areas. The creation of a **multi-stakeholder forum** supports dialogue with all water actors in Scotland to think collectively about solutions and ways forward. There is also increasing investment in **research programmes** on national and global water issues, and in international partnerships such as with Malawi, Tanzania, and Zambia, to learn from experiences in water community management. Scottish Ministers have also ordered a contract for **innovative water service** to support small businesses in bringing their innovations forward and building capacities.

47. Gordon Downie, of Shepherd & Wedderburn Solicitors, presented the **regulatory context** of the water industry in the United Kingdom. While the English model of independent regulation dominates in the country, there are some variances across jurisdictions with **three separate economic regulators** in England and Wales, Scotland, and Northern Ireland, which were established respectively in 1989, 1999 and 2006. In Scotland, the monopoly utility Scottish Water operates in the public sector and is funded by a combination of customer charges and government loans. Ministerial objectives are set within a charging framework established by the economic regulator. The economic regulator is charged with ensuring the delivery of the ministerial objectives at the lowest overall cost, and with protecting interests of customers. Furthermore, its scope of independence is clearly delineated to reduce costs in delivering services. In England and Wales, Ofwat's statutory duties go beyond price setting to include also sustainable development and long term resilience of the water system against the environmental pressure, population growth and change in customer behaviour. Ofwat's independence is less clear-cut than in Scotland due to the complexity of its duties assigned by the Parliament. In Northern Ireland, political events have driven a different approach to water management with no charge levied on domestic household customers.

48. Allan Sutherland, CEO of the Water Industry Commission for Scotland, discussed three key challenging issues related to **economic regulation** in support of better water governance: i) addressing the inevitable **information asymmetries** that exist with regulated companies; ii) allowing and encouraging **innovative approaches** within regulated companies; and iii) ensuring that **customers' interests** are properly reflected in the trade-offs made in price-setting processes. To overcome these challenges, it is important to create change over time and to not rely on models. Change should be progressive and transparent rather than sudden in order to maintain customers' and investors' confidence. Barriers to innovative practices should be investigated to be lifted. Also, competition should be introduced where possible and customers should be involved in decision-making processes where they are not already. Key conclusions can be drawn from the United Kingdom's experience in water regulation and governance: i)

**clear governance arrangements** and **allocation of roles** across the different institutions is critical; ii) **mixed economy** is a good way to set the water sector on the right path, as in the case of Scotland, while keeping in mind that reputational rather than profit incentives seem correlated with better performance, environmental compliance and innovation; and iii) **customer engagement** in deciding how to make the best of current arrangements and in helping policy makers achieve better outcomes is likely to become increasingly important.

#### *Group discussion*

49. Delegates shared some remarks on the experience of the United Kingdom:

- The concept of Hydro Nation could be a **testing ground** for the OECD Principles on Water Governance to see how the Scottish governance framework could be structured around the 12 principles. Also, it would be interesting to see how approaches to collecting and treating wastewater and to engaging stakeholders are applied to remote Scottish islands [WIN];
- Five years ago, Scotland consolidated all operations into a public operator for domestic users and an **ex-post assessment** of this choice could provide interesting lessons for other countries (e.g. pros and cons, impact on addressing information asymmetries, etc.) [OECD];
- In most cases, the relation between operators and their customers consists in collecting bills, but Scotland moved away from this model and created the possibility for others to operate as retailers and for incumbents to lose their customers, which changes the **culture** in the water sector and may influence customers' behaviours [Ian Barker];
- OECD work on stakeholder engagement shows that regulators mostly interact with utilities while they could play a role vis-a-vis other public agencies in the water sector. Also, the case of Ireland shows a trend of putting a price back on water, which triggers political debate and **social mobilisation** [OECD].

#### *Final remarks by the Scottish delegation*

50. Jon Rathjen agreed that the OECD Principles on Water Governance are a **useful benchmark framework** to assess Scotland's performance and identify room for improvement, including areas where innovative practices could be developed. Innovative and creative approaches should concern remote areas and islands in particular to maximise the benefits of water. Also, Scotland aims to strengthen its work on water at international level through **development aid** and international enterprise agencies to promote its expertise on regulation, legislation, knowledge and design, including through organisations such as European associations (Aqua Publica Europea), the regulatory network associations of public water owners and the UK water partnership.

51. Alan Sutherland underlined that Scotland, along with Italy and Portugal, is among the firsts to join the **Network of European Water Service Regulators** (WAREG), and is also working with the new Greek economic regulator on water that was set up as a response to one of the bailout terms. Regarding Scottish Water, the operator was created in 2002 by merging three authorities under the pressure of increasing charges in rural and Northern areas of Scotland. From an economic regulator's perspective, the merger was the opportunity to **improve efficiency**. Benchmarking is maintained across different parts of Scottish Water's business as well as with companies in England and Wales. Furthermore, introducing competition has allowed service providers to perform better and to reach efficiency targets.

52. Gordon Downie shared the experience of collaboration between the Scottish economic regulator and Ofwat to share experience on opening the retail non-domestic market to competition, in terms of

regulatory codes and instruments. In Northern Ireland, the regulatory and governance frameworks for water were established to fit a privatised model of water utilities, but ultimately the privatisation did not happen and charges were not introduced. By contrast, Ireland had neither water charge nor local taxation; hence there was no revenue basis for collecting charges. The recent introduction of a water charge is part of the attempt for **securing government revenues** to overcome the crisis. Ireland also made the decision to apply the English regulatory model to the energy sector, which should contribute to more robust and independent regulation.

### *Strategic orientations of the Water Governance Initiative*

53. After 2 years of WGI's activities, time has come to reflect on what has been accomplished. Hence, a **Satisfaction Survey** was conducted by the Secretariat among the 115 members, 82 of which responded (71.3% response rate).

54. Between 2013 and 2015, the WGI grew from 90 to 115 members. The WGI was extensively consulted in the early stages of the preparation of **OECD Principles on Water Governance** in a bottom-up fashion, through technical discussions on scoping papers and key messages in selected thematic areas. It also contributed massively to the **global agenda** during several international events (e.g. Budapest Water Summit, Istanbul International Water Forum, Zaragoza UN Water conference, IWA and IWRA World Congresses, 7<sup>th</sup> World Water Forum).

55. Results from the survey regarding the level of attendance to WGI plenary meetings show a **high turnout** among members. A small share of members only (10.9%) did not attend any meetings but have followed and contributed to WGI activities remotely. Results also show that the **level of attendance remains roughly the same** when meetings are **hosted outside** the OECD as is the case for the 3<sup>rd</sup> meeting, held in Madrid, Spain, on 28-29 April 2014. The members mainly contributed to the WGI by **commenting on the documents** prepared by the Secretariat and by **attending physically the biannual meetings**, with respective shares of 58.5% and 57.3%. This is very much in line with one of the objectives of the WGI, which consist in providing a technical platform to discuss findings, working papers and draft reports on water governance. Members ranked the **dissemination of results and mobilisation of networks** as the 4<sup>th</sup> contribution, which may require further thought about the best format to facilitate dissemination (e.g. brochures, newsletters, policy briefs and other communication material etc.).

56. The results point to an **extremely high level of satisfaction** with the WGI, above 90% for the Secretariat, the Chair, the overall network, and the Steering Committee. Suggestions for improvement flagged, for instance, the need for a better **regional balance** across the members to give room for representatives from Asia-Pacific, Africa, and the MENA region and to reach out beyond OECD members. Respondents would also welcome **more time to comment on the documents** shared (usual deadlines provided vary between 2 and 3 weeks). Also, greater awareness of the **role and purpose of the steering committee** is needed, besides the information provided in the terms of references.

57. Respondents considered that the main benefit taken from the WGI is the opportunity to contribute to **shaping policy guidance to governments** (69.5%). This contribution can be considered as a mutual benefit whereby the multi-stakeholder composition of the WGI also provides a valuable reality check when developing such guidance. The WGI's role as a forum facilitating **knowledge and experience-sharing** on water governance policies and reforms was identified as the second most important benefit (54.9%), closely followed by the contribution to **thematic and analytical work** (53.7%). The WGI also brings together **stakeholders** within and outside the water community that do not often gather, which is considered by members as the fifth most important benefits (37.8%). Respondents also consider that the WGI brings about benefits when linking to their own initiatives and projects on water governance.



58. Looking back at the WGI's first two years of work and the results, **100% of respondents consider that the WGI should pursue its activities**. The WGI is considered one of the few international fora that addresses water governance issues in a comprehensive and participative way to provide a **one-stop-shop** where **mutual learning and experience-sharing** can take place and **international best practices** can be identified and scaled up.

59. Survey results revealed that **participation in the thematic working groups**, which followed a demand-driven and voluntary approach, was somewhat unbalanced (figure 8) with a large majority of members taking part in working group n°1 on stakeholder engagement. A positive fact is that most members have been engaging with at least one of the working groups, with only 12.2% being part of none. Most members have actually focused essentially their efforts on one working group (54%), due to the fact that these groups work and meet in parallel sessions, and because of limited human and financial resources to devote to these activities. There are varying levels of satisfaction with the four working groups. While the working group n°1 (OECD, Suez Environnement) on stakeholder engagement is outstanding with 94.74% (results, outcomes) and 81.6% (coordination, communication), working group n°3 (UNESCO IHP and INBO) on basin governance is below 50%, with 47.8% of satisfaction in terms of results, and 30.4% only in terms of communication and coordination. The working group n°4 (Water Integrity Network, Transparency International and Stockholm International Water Institute) on integrity and transparency has high levels of satisfaction as well, with 84.6% in terms of results, and 76.9% for communication and coordination. There is also room for improvement for working group n°2 (ASTEE and International Water Association) on the performance of water services with satisfaction levels in the bottom half for coordination and communication (47.4%) and slightly above 50% for the results and outcomes (57.9 %).

60. Respondents flagged some **areas for improvement** in the next phase, with a primary focus on the water governance topics covered and the facilitation of exchanges. The WGI could address innovative or emerging water governance themes linking to climate change, flood and drought governance and groundwater depletion. Members also stress the importance of linking better to the SDGs. The facilitation of meetings is the 2<sup>nd</sup> area, flagged by 45.1% of respondents. Respondents also called for *less* formal WGI plenary meetings when possible, and for more small-scale and action-oriented discussions

61. The **communication strategy** and the **structure** of the WGI were the last two areas where respondents see some improvement necessary. They underline the importance of producing more **“milestone” documents** in between plenary meetings to stay informed, and to further develop the digital communication of the WGI. This would help to **better disseminate** the WGI results and achievements (e.g. recent adoption of the OECD Principles on Water Governance) to reach out to governments and stakeholders and raise the profile of governance in the global water agenda. **Priorities** listed for the next phase include **best practice identification, indicators, global agenda** and **outreach** to assist with the implementation of the Principles. A large majority of members (77%) have expressed interest in **playing a more active role** in the WGI, including supporting the Steering Committee (43.9%); helping to coordinate or lead a working group (41.5%); and hosting a workshop or plenary meeting of the WGI.

#### *Input from working groups' co-ordinators*

62. Working Group n°1 (stakeholder engagement) is dedicated to **disseminate the findings** from the report [“Stakeholder Engagement for Inclusive Water Governance”](#) as broadly as possible across countries and categories of actors. Working Group n°2 (performance and governance of water services) recognised that all expectations were not reached, mainly because of the **lack of clear objectives and resources** to support the activities. Looking ahead, it will be important to better combine multi-stakeholder inputs as part of technical discussions. Working Group n°3 (basin governance) faced difficulties in addressing certain **sensitive issues** related to transboundary water management and joint management of surface and groundwater, mainly due to the multi-stakeholder composition of the working group (e.g. government,

river basin organisations, academics, international organisations, etc.). It was reflected during the discussion on the working group's synthesis paper on basin governance in which different ideas and interests had to be facilitated. In particular, comments from the Turkish delegation were partly taken into account by deleting select sentences, adding specific suggestions and revising the overall structure of the paper. For future activities, it will be interesting to **collect success stories** related to the Principles and **develop indicators** at different levels and on different aspects. The next INBO General Assembly in Mexico would also be a good opportunity for disseminating the Principles and for consulting basin authorities. Working Group n°4 (integrity and transparency) acknowledged that more could have been done, by the co-ordinators and the contributors, to keep the group more active. In the future, the working groups could be reshaped to include new and interlinked prerogatives related to monitoring, identifying new partners, working on the ground to promote the implementation of the Principles, including in non-OECD countries, and communicating with different knowledge tools and products.

### *Group discussion*

63. The Murcia Water Agency stressed that water governance matters at all levels of government, and is a means to manage water supply, water reuse, desalination and water transfers. In the future, the WGI should progress on **developing indicators** to hold authorities accountable and evaluate the results of water policies. **Good practices** on water governance from around the world, including on how to share resources between basins, can provide valuable lessons. It is also proposed to set-up **training tools**, in partnership with academics and research within WGI, to help develop a sound **theoretical framework** for good governance and contribute to the dissemination of the Principles.

64. Deltares suggested that, in addition to developing indicators, the WGI could also attempt to develop **solutions** to particular water governance issues and identify the types of governance arrangements that match a specific governance challenge. The Principles could also be applied in different ways by relying on both data collected through the indicators, and as a **dialogue tool** on how to improve water governance. The latter could help structure discussions with countries and feed the database on water governance by collecting examples and experiences of successes and failures linked to the Principles.

65. The Turkish Water Institute (SUEN) expressed its gratitude to the WGI for the work accomplished. The consultation on the draft Principles provided an opportunity to discuss internally and across governmental institutions working on water management. The Implementation Roadmap and the forthcoming water governance indicators have the potential to positively impact the water sector if all members **join efforts** to make it happen. There have been some concerns about the operational procedure and bureaucratic functioning of the WGI, which are easy to overcome if **clear rules are established** and followed for different stakeholders to work together. Some improvements are needed in the working group n°3's synthesis paper to make it more relevant. Overall, more time should be allocated to comment on WGI documents ahead of meetings.

66. Portugal congratulated all members on the positive results of the satisfaction survey and underlined that the WGI delivered on many **high expectations**. Looking forward, it will be important to reorganise the working groups, which can be done in different ways to reshuffle and consider **new priorities and topics**, such as related to each Principle. The working groups could dig deeper on each topic to showcase success stories and work on indicators. For instance, it could consist in creating three working groups for each pillar of the Principles and members would choose which one(s) to contribute to in order to ensure continuity with the Principles.

67. GWP stands ready to promote the Principles in non-OECD countries and to insert them in discussions at regional level. **Pilot countries** could be identified in different regions to carry out discussions on the Principles and collect lessons. Also, more work could be done to link the Principles to

the SDGs, building on on-going work in different regions (e.g. AMCOW and ANBO are working on a monitoring system in Africa) rather than in isolation. Similarly, the work on water governance indicators should be participative and involve different regions and actors, as well as UN agencies working on monitoring the SDG on water. Finally, the Chair of GWP expressed interest in joining the WGI Steering Committee.

68. GWOPA made the point that the WGI should move to **long-term perspectives**, with the necessary means, mandate and structure. The WGI should focus on assisting the OECD with the implementation, monitoring and review of the Principles. **Implementation tools** should be mapped, including across WGI members' areas of work. For instance, GWOPA could link to local authorities and utilities. In addition, the ownership and involvement of the members could be enhanced through a **long-term governance structure** for the WGI (i.e. clear terms of reference for the steering committee, better co-ordination of the working groups, new members to be included as trade unions, customer associations).

69. The Butterfly Effect reiterated that the association's members are satisfied with the WGI and are willing to engage further in the near future. Some improvement could be made in select areas: there is a **language barrier** when documents are only available in English, and the **accessibility to meetings** without financial support is also a concern. Innovative ways to facilitate the meetings could be considered to go beyond formal large plenary gatherings. Regarding future activities, linking with the SDG framework is key. Regional calls for contribution could be sent to invite actors to collect and submit examples of good and bad practices and discuss how the Principles can enhance good practices and overcome challenges. Also, countries subject to OECD policy dialogues provide opportunities to use the Principles. Similarly, the work on water governance indicators could provide food for thought to the UN Statistical Committee in order to not duplicate efforts and double the work load of collecting data. Finally, the working groups should be adjusted according to the best methodology and to what should be achieved by 2018.

70. The University of Utrecht pointed out that examples of failed practices are often hard to collect. The implementation of the Principles should not follow "hard" guidelines. Rather, the WGI could develop **tailored guidance** in implementing the Principles.

71. Spain shared its willingness to continue supporting the WGI, which should focus on developing water governance indicators around the **3 pillars** that structure the Principles.

72. Ian Barker saluted the extremely positive results from the satisfaction survey. Future activities should make clear that governance is a means to an end and that governance frameworks are vehicles to deliver outcomes. Looking ahead, it will be critical to look at the **barriers** that would prevent countries from setting up good governance frameworks and from achieving expected outcomes. Regarding the structure of the WGI, one should keep in mind that a hallmark of the WGI has been its **organic evolution**. A fundamental question is whether the working groups should continue, or whether the WGI needs a more structured design and formalised approach.

73. Turkey has followed closely the OECD work on water-related issues and in particular the WGI, which work should remained within the mandate of the OECD. The WGI provides an interesting experience by bringing together **different stakeholders** and officials, and should focus more on **sharing national experience** and good practices. In the future, OECD member countries should be better engaged in the early stages of the work to flag and address potential sensitivities. Sufficient time should be devoted to the discussion with member countries on water governance indicators and more extensive discussions within OECD formal bodies should take place on the implementation of the Principles, keeping in mind that the WGI is an **informal network**. Some grave concerns were also expressed regarding the working group n°3's synthesis paper, which Turkey is not in a position to adopt.

74. AgroParisTech underlined that the WGI is now ready to move to supporting the implementation of the Principles, looking at cases of **successes and failures** across different contexts. It will imply adapting the structure of the WGI according to what needs to be achieved and to future visions (e.g. climate change, etc.).

75. INBO clarified the role of the working groups as **open multi-stakeholder platforms** rather than official inter-governmental bodies, where different viewpoints can be shared. The working group n°3's synthesis paper aims to reflect on this variety of opinions but does not build on a consensus across all the working group contributors. A disclaimer says explicitly that the text does not engage governments.

76. The Secretariat presented the next steps. A **synthesis of the survey results** will be circulated to all members and **concrete proposals** will be suggested on how to further contribute to the WGI during bilateral discussions with the members. The development of **indicators** is only one building block of the **implementation** approach, which will essentially focus on outreach and collection of good/bad practices. The structure of the WGI should reflect the evolution of its functions and a **strategic paper** will be prepared by the Secretariat and discussed within the steering committee to lay down suggestions for discussion with the members of WGI and the oversight responsible body (OECD's Regional Development Policy Committee). The WGI has been an institutional innovation within the OECD structure, and while it does not have any formal status or decision-making prerogatives, its richness lies in its multi-stakeholder nature, which brings around the table different profiles and players. The OECD is willing to pursue the experiment and tighten the links with the Regional Development Policy Committee (RDPC), which oversees the WGI. The WGI Chair should take part in the next meeting of RDPC to report on what was achieved as the work of the WGI can be valuable for other policy fields (e.g. regarding policy coordination towards low-carbon economies).

#### ***Sharing recent water governance reforms, events and projects***

77. Spain presented the [5+5 Mediterranean Strategy for Water](#) that was launched jointly with Algeria on 31 May 2015 and which was adopted by Ministers from Algeria, France, Italy, Libya, Malta, Mauritania, Morocco, Portugal, Spain, and Tunisia, in collaboration with the European Commission, the Union of the Arab Maghreb, the Union for the Mediterranean and other institutions (MENBO, FAO, SEMIDE, IME). The 5+5 Strategy is based on a guiding document with orientations and objectives agreed by Western Mediterranean countries with the objective to support regional sustainable growth, preserve water quality and social prosperity, provide access to water for all, and exchange knowledge. The 5+5 Strategy is structured around 13 priority issues that take into account: i) the general constraints of water in the Mediterranean (i.e. sensitive environment, growing population and pollution, important agriculture developments, water demand growth, competing water uses, economic development, etc.) and ; ii) different challenges between the Northern and Southern Mediterranean countries.

78. UNESCO-IHP presented the [Global Groundwater Governance](#) project to stress the importance of good aquifer management, particularly in light of the many uncertainties related to flows and dynamics. The Global Groundwater Governance project aims to bring global attention on the urgent need for improved governance of groundwater resources and aquifers, and to identify and promote **guiding principles** for managing groundwater resources at country level. The Project was backed by five international sponsors (GEF, UNESCO, FAO, the World Bank and the International Association of Hydrogeologists) and carried out 5 regional consultations in 96 countries. Through Regional Diagnostics/Global Diagnostic, a [Framework for Action](#) was developed to provide policy makers with science-based guidelines for informed decision making and with a proposed set of Governance Performance Indicators regarding technical, legal and fiscal, and institutional aspects. In the future, the work on groundwater governance should focus on the conjunctive management of surface and groundwater with a long term perspective. It should also address the co-management of land use and water to protect or

encourage recharge and avoid groundwater degradation. Finally, it should address the issue of **co-governance** across all activities in the subsurface space.

79. WIN up-dated delegates on the preparation of the [Water Integrity Global Outlook](#) that should provide interesting experiences to support the implementation of the OECD Principle n°9 on Water Governance that focuses on integrity and transparency. Indeed, the Outlook aims to take stock of what has been achieved since the 2008 Global Corruption Report on the water sector, and to inspire collective action based on good practices, partnerships and programmes and latest developments including the progress of the WGI. The Outlook is developed by co-publishing partners (WIN, GWP, UNESCO-IHE, the International Water Management Institute, SIWI, and Transparency International). Key messages and ways forward from the Outlook will be discussed and agreed-upon during a [seminar](#) at the Stockholm World Water Week. The Outlook will be reviewed in July and finalised in December 2015, to be launched on the 2016 World Water Day. Its key findings i) encourage water integrity as a pragmatic approach to address complex water issues and challenges; ii) stress that people and institutions in the water sector should be driven by values and ethics; and iii) underline that a lack of integrity can hinder sector performance while impacting the most vulnerable groups. The Water Integrity Global Outlook will provide evidence for policy makers to support water integrity more broadly.

80. SIWI presented several on-going initiatives, including the [GoAL-WaSH Programme](#) (Governance, Advocacy and Leadership in Water, Sanitation and Hygiene), carried out with UNDP in 12 countries, and the [Action Platform on Source to Sea Management](#) that aims to support integrated and innovative approaches to governance and management from source to sea, and to generate and share knowledge on effective approaches and valuable experiences. A report will be prepared to conceptualise how to connect these two ecological systems. SIWI is also managing several water integrity programmes, including Integrity Risk Assessments Mappings within the Southern African development community, in cooperation with Cap-Net and WaterNet, with the objective to build corruption-resilient systems. SIWI is also implementing a [Capacity Building programme for integrity](#) in the MENA region, jointly with GWP-Med. The programme focuses on several pilot countries (i.e. Jordan, Lebanon, Morocco, Palestine and Tunisia) and target groups (youth and women, civil society, mid-level managers and high level decision makers). GWP-Med works at regional level to raise awareness and foster high-level dialogue on water integrity with decision makers. The programme has identified critical capacity needs in the different countries and has prepared tailored training materials. In particular, training sessions have taken place in Tunis in September 2014 and at the [3<sup>rd</sup> Arab Water Week](#) in January 2015. Up-coming trainings at national level will be tailored to the target groups and an **Action Plan** will be developed on how to improve water integrity as an agent of change in the MENA region. Regional trainings will also enable communities to practice water integrity, and national workshops will be held to strengthen water integrity principles and practices.

81. ASTEE provided an up-date on several on-going reforms in **France**. They concern the [biodiversity in the water sector](#); and the [role of local authorities in supplying water and sanitation services](#). Legislation is still in discussion and amendments have been proposed.

### *Getting started for OECD Water Governance Indicators*

82. The development of **Water Governance Indicators** was first discussed during the 3<sup>rd</sup> WGI meeting (28-29 April 2014, Madrid) to support the implementation of the OECD Principles on Water Governance. Since then, an Inventory was prepared to take stock of existing water governance indicators and frameworks for measuring water governance and to identify gaps that the WGI could bridge. Subsequent discussions took place at the 4<sup>th</sup> WGI meeting and during a [dedicated session](#) of the 7<sup>th</sup> World Water Forum to think of options for building a robust set of indicators that can trigger improvements of the water policy cycle. Indicators can help assess what works, what does not work and what is missing, and as

such, they provide a common frame of reference for **bench-learning** and to enhance the availability of data for greater **accountability** and **transparency**.

83. The Inventory of existing instruments for measuring water governance revealed that there is at present no systemic framework for measuring all the dimensions of water governance, which is needed to identify and scale up international best practices and assist countries in reaching the 12 Principles on water governance. The scoping note prepared by the Secretariat identifies several challenges that arise when measuring water governance and which relate to the **multi-dimensional** and complex nature of water governance; the related **uncertainties** of each context; the difficult **comparability** across a diversity of countries; and the difficulty in establishing **causality** between instruments and results. The scoping note addresses 10 questions that state where we stand and pave the way of where we want to go. The objective of water governance indicators will be to determine whether the framework conditions and/or governance mechanisms are in place across levels of government to implement the OECD Principles in practice. Therefore, the indicators should:

- reflect **different scales** to enhance multi-level coordination;
- encompass **input** indicators, **process** indicators, and **outcome** indicators;
- be **qualitative** and **quantitative**, **operational** and **governance-related**, and **objective-driven** rather than data-driven; and
- be **practical**, **participatory**, **relevant** and **real**.

84. Getting credible, valid and useful data requires an **input-based and bottom-up process** in order to foster synergies across institutions, to draw from a range of expertise and knowledge, and to minimise the risk of “too safe” indicators or “too poorly” measurable ones. The indicators should require producing and collecting data at the **least cost** for society, hence they should be simple, affordable and practical. Ultimately, indicators are not an end, but should be used to **trigger discussion** for improving the water policy cycle and reducing asymmetric information. They should benefit **various categories of stakeholders** (governments, basin organisations, service providers, donors, civil society) to help them mainstream good governance into their daily practices. The scoping note also includes some suggestions regarding:

- **Monitoring:** the WGI would assist in the monitoring of the Principles, under the umbrella and guidance of the RDPC, based on information produced and collected by the Secretariat, in co-operation with WGI members and regional/local networks and umbrella organisations;
- **Replicability:** the indicators would be collected every 3 years and a reality check (pilot tests, etc.) would help judge their replicability in time (i.e. suitability and effectiveness) and in space, through a stage approach;
- **Disclosure of information:** the indicators would take the form of a triennial OECD publication “Water Governance at a Glance”, also available as a web-based instrument for data visualisation and consultation, and which would include “profiles” for each interested country with institutional mapping, basic facts and figures, good practices for each Principle, and a traffic light type of assessment system showing areas of improvement.

85. The next steps for pursuing the development of the indicators will consist in collecting written comments from WGI members on the scoping note and the Inventory by 6 July 2015. WGI members will be mobilised to help **identify milestone events and workshops** where further discussion and agreement on indicators could take place. They will be invited to provide guidance for **choosing indicators at different scales** and for selecting the **relevant existing sources** to collect sectoral data.



86. INBO shared its experience in developing [IWRM indicators in transboundary basins](#). The challenge lies in developing different indicators and information to serve different purposes, whether as a basis for dialogue between stakeholders in a basin to follow the implementation of actions, or to inform the public. In the case of transboundary basins, two series of indicators were required to evaluate the **efficiency of actions** undertaken and to evaluate the **quality of basin governance**. Another challenge lies in the collection of data, which is mainly produced on the ground and by riparian countries in the case of transboundary basins. It is often fragmented, dispersed, heterogeneous, incomplete, and rarely comparable. Therefore, it is necessary to define common standards to compare information produced by various stakeholders. Organising an efficient information system on water requires a highly complex chain from data production to transfer, conservation, interpretation and use for different purposes. In addition, data should cover a wide range of issues related to water quality and quantity, surface and groundwater, various ecosystems (estuaries, coastal waters), land use (forest, agriculture), economic sectors, and risks (erosion, flood, drought). INBO set up a project on indicators for African transboundary river basin authorities to develop **key performance indicators** looking at governance body and policy at various levels (international, national, local). The difficulty lied in the lack of quality information and the need to create indicators usable for all authorities.

87. NARBO presented its [benchmarking system for river basin organisations](#). The exercise relies on 4 steps: i) assessing the situation using **IWRM indicators**; ii) evaluating the quality of IWRM frameworks looking at various aspects such as stakeholder engagement; iii) applying existing guidelines (e.g. INBO/GWP's handbooks, UNESCO's IWRM guideline, etc.) supporting improvement; and iv) developing a **concrete tailored programme** fit to each basin to improve the institutional framework and financial arrangements. NARBO's [Smart Implementation of IWRM](#) concept was presented as part of the Asia-Pacific process of the 7<sup>th</sup> World Water Forum.

88. Suez Environnement is under-going a **materiality test** as part of its corporate transformation to be better aligned with its stakeholders. The objective is to cross-check the **financial and non-financial visions** of the company by evaluating 50 priority issues across a sample of 1,000 stakeholders. As such, Suez Environnement is the first company to conduct such a **large consultation** and will share the methodology and results with WGI members.

#### *Group discussion*

89. The Butterfly Effect congratulated the Secretariat for the scoping note. When developing and using indicators, the emphasis should be on **“learning” and “inviting” stakeholders** to collect information and to contribute, even when objectives and targets have not been reached, but rather to know that actions are taken and progress is made. This approach is likely to be reflected in the SDG monitoring system in order for countries to present information on where they stand. The set of indicators should also be **understandable** by all actors concerned, not only experts. It will also be critical for indicators to measure the **involvement** and the **impact of different groups of actors**, such as what is done and tested by the [UN Water Assessment Program](#) on gender equality. It will also be crucial to link the development of water governance indicators and the collection of data to the [post-2015 process](#).

90. K-water underlined that **data may be biased** depending on which actor collects it. Therefore, it will be critical to involve as many stakeholders as possible in each country and basin to assess the governance frameworks. International and regional institutions such as ADB, NARBO, INBO and the World Bank will have a key role to play in this regard as well.

91. Deltares has used existing water data to develop preliminary indicators to support the implementation of the OECD Principles, some of which are harder than others to measure. In addition, the

set of indicators to be developed should take into consideration the fact that some **governance topics are cross-cutting** (e.g. transparency, stakeholder engagement).

92. WIN suggested clarifying the **semantic** used in the scoping note (e.g. indicator “system”, indicator “framework”, etc.) to make sure the vocabulary is coherent. Indicators should imply both bottom-up and top-down processes (in collecting data, reporting results, etc.) and should inspire actions, learning and improvement. The question of *who* will monitor should be further discussed and countries, within and outside the OECD, which are interested to **pilot test** the indicators should be identified.

93. ASTEE congratulated the Secretariat on the scoping note and committed to send written comments.

94. China welcomed the OECD Principles on Water Governance and the discussion on water governance indicators. It was recommended to develop a **simple and practical indicator system** to ensure it is usable by all. It was suggested that indicators look at **performance and results**. As such, performance indicators could be applied to countries with similar institutional settings, while result indicators could be used for countries that have different political arrangements and social background.

95. SIWI thanked the Secretariat for the scoping note, which paves the way for developing the analytical framework of the indicators. The issue of **scale** will be critical when supporting the implementation of the Principles at the national or the local level. It will also be crucial to address the issue of **who pays** and invests in monitoring and data collection. Collective thinking will be needed to consider how to overcome the funding barrier. It will be important to seize the opportunity of the SDGs’ monitoring system, which will attract global attention, to piggy-back on this international process and make sure that the efforts of the WGI are relevant in this framework.

96. Turkey reminded delegates that the OECD Principles state that the OECD will “assist interested Members and non-Members in reaching these standards and **identifying best practices**. In its future work, the Regional Development Policy Committee will make the necessary proposals for the follow-up on the Principles”. Issues such as monitoring and indicators are sensitive and will require extensive discussions at OECD level before undertaking such an exercise. Turkey also expressed that it took the WGI two years to finalise the Principles, therefore more time will be needed to develop the Indicators.

97. UNESCO-IHP related past experience in developing [sustainability indicators](#) to underline that the number of indicators to be defined should not be excessive and remain manageable for governments and stakeholders. The scoping note provides a valuable framework for thinking about different aspects of indicators that can fit different purposes and as such, serve as a “**how-to**” **guide** for building intelligent sets of indicators. UNESCO has worked on developing a methodology and a set of variables and indicators for a global project on transboundary aquifers to guide **integrated groundwater assessment** ([GEF Transboundary Waters Assessment Programme - TWAP](#)). The indicators were subsequently tested in 3 regions in the framework of the [GGRETA Project](#) and contribute to the development of another set of legal/institutional indicators that could complement the Inventory prepared by the Secretariat.

98. GWP-Med called for ensuring that the content of the indicators is aligned with the SDGs and that the process for developing the indicators echoes existing mechanisms at **regional** (AMCOW, ANBO) and **political** (UfM, League of Arab states) levels.

99. The Netherlands encouraged the indicators to be as **simple** as possible and to focus on the “**need-to-knows**” in order to help governments and the broader range of stakeholders in making good governance happen and in providing the enabling environment for attracting water investments.

100. The Secretariat stressed that the RDPC has extensive experience with producing **subnational data**, such as for the [Principles on Effective Public Investment across Levels of Government](#) as its members are equipped to produce information that can reflect the broad range of opinions, at various levels, with the support of the WGI. In addition, **comparability** of data needs to be ensured. It was also clarified that the OECD does not act as a regulator but is an international bank of good practices. It is therefore intended that the indicators provide a **frame of reference** for assessing how governance frameworks are performing in delivering the intended outcomes. The intention will *not* be to rank countries or to impose a burdensome reporting system. The Principles on Water Governance applied good governance principles into a specific sector and provided a holistic framework for having a one-stop-shop view of what good governance is/should be in the water sector. Similarly, the indicators on water governance will build on what exists and bridge identified gaps to help countries interested in sharing their good practices and challenges with their peers and the broader range of stakeholders. The Principles on Water Governance are **inter-connected** with **cross-cutting themes**, and so will the indicators on water governance.

101. The indicators will be developed over the next three years with the objective to present a tangible publication and database at the 8<sup>th</sup> World Water Forum (2018, Brasilia) that will show the evidence collected across OECD members and other interested countries on what they have achieved toward good water governance. Extensive discussions will be carried out within OECD subsidiary bodies dealing with governance matters to reach a consensus and secure governments' commitment that they will take the indicators forward. A more advanced version of the scoping paper will be prepared for and discussed at the 6<sup>th</sup> WGI meeting.

## ACRONYMS

<b>AIDA</b>	International Association for Water Laws
<b>ASTEE</b>	Association Scientifique et Technique pour l'eau et l'environnement
<b>EU</b>	European Union
<b>GIWEH</b>	Global Institute for Water Environment and Health
<b>GWP-Med</b>	Global Water Partnership - Mediterranean
<b>INBO</b>	International Network of Basin Organisations
<b>IWA</b>	International Water Association
<b>IWRA</b>	International Water Resources Association
<b>IWRM</b>	Integrated Water Resource Management
<b>LAC</b>	Latin America and the Caribbean
<b>MENA</b>	Middle East and North Africa
<b>NARBO</b>	Networks of Asian River Basin Organisations
<b>NGO</b>	Non-Governmental Organisations
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>RDPC</b>	Regional Development Policy Committee
<b>SDG</b>	Sustainable Development Goal
<b>SIWI</b>	Stockholm International Water Institute
<b>SUEN</b>	Turkish Water Institute
<b>UNESCO-IHP</b>	United Nations Educational, Scientific and Cultural Organisation – International Hydrological Programme
<b>WBCSD</b>	World Business Council for Sustainable Development
<b>WWF</b>	World Water Forum