



Effective Water Governance

Learning from the Dialogues

This document, Dialogue on Effective Water Governance: Learning from the Dialogues is a status report prepared for presentation at the 3rd World Water Forum in Kyoto, Japan, March 16-23, 2003. This document brings together the experience gained after conducting the Dialogue on Effective Water Governance over the last year. The process will continue over the forthcoming year and action plans will be drafted and implemented that help make water governance more effective. The Dialogue on Effective Water Governance was designed to be as broad based as possible and constructed through country and regional workshops and roundtables that brought together parliamentarians, government agencies, key water practitioners, community groups, NGOs, UN agencies, donors, the private sector and others. The participatory nature of the Dialogue will deliver new hope for sustainable water management in the new millennium.

Preface

Three years ago, at the dawn of the new millennium, many of us gathered in The Hague to discuss our collective Vision for Water in the 21st Century. In the Framework for Action, the Global Water Partnership (GWP) brought together many of the options open to us for achieving that Vision and highlighted the need to make water governance effective. The Ministers in The Hague, and subsequently at the Bonn International Conference on Freshwater, embraced this and promoted effective water governance as a key action to realise a future where all people, rich and poor, have access to water for domestic and productive purposes within a safe and sound environment.

I was very pleased that the efforts of the water community during the last three years succeeded in giving water a high political profile so that it was taken up at the Johannesburg World Summit on Sustainable Development in 2002. Here, the Heads of State accepted a Plan of Implementation that recognises the importance of governance for sustainable development and for meeting the Millennium Development Goals for water and sanitation. Governance has been a major issue in development for some time but only now are we looking at it from a water perspective. By addressing governance, we are moving our focus away from the purely physical aspects of water to the crucial political, social, economic and administrative systems under which we all live and which have such a profound impact on achieving our water vision.

In GWP we promote an integrated approach to achieve sustainable water resources management and service provision. The integrated water resources management (IWRM) approach is defined as “a process that promotes the co-ordinated development and management of water, land and related resources”. Putting IWRM into practice is a long-term process that will often require significant changes in the interactions between politics, laws, regulations, institutions, civil society, and the water user. The capacity to make these changes depends on establishing better governance systems.

The Dialogue on Effective Water Governance, undertaken by GWP in partnership with the United Nations Development Programme (UNDP) and the International Council for Local Environment Initiatives (ICLEI), moves forward from The Hague by promoting better water governance around the world. We recognised early on that this could only be done by focussing at country and local levels, where reality replaces rhetoric. Our philosophy is for action through partnerships and I am therefore, very pleased and impressed by all the work carried out for the Dialogue by so many individuals and organisations, particularly by those people working in the GWP regional and country water partnerships. This of course, is just a beginning and we will use the 3rd World Water Forum in Japan as an opportunity to share experiences and develop further the actions outlined in this report, and those from the regions, to work towards better governance.

Margaret Catley-Carlson
Chair, Global Water Partnership

1 Introducing the Dialogue

'Water governance refers to the range of political, social, economic and administrative systems that are in place to develop and manage water resources, and the delivery of water services, at different levels of society'

GWP Background Paper 7, 'Effective Water Governance' (2002)

Effective water governance

Effective water governance is necessary to solve the water crisis. Water governance determines the roles and responsibilities of the different interests – public, civil and private – in water resource management and development. Resolving the challenges in this area is necessary if we are to achieve sustainable water resources development and management. If we are to secure access to water for all (thus complying with a recent UN human rights declaration), maintain vital ecosystems and produce economic development out of water management, effective water governance is essential. Governance looks at the *balance of power* and the balance of actions at *different levels of authority*. It translates into political systems, laws, regulations, institutions, financial mechanisms and civil society development and consumer rights – essentially the rules of the game. Usually improving governance means reform.

Increasingly it is realised that neither the traditional public sector nor the illusive 'market' can resolve all challenges in water resource management. Complementarity and co-ordination and the creation of accountable but dynamic relationships between the different players and stakeholders are required. Effective governance can overcome fragmentation and conflict. In the past few years the concept of Integrated Water Resource Management (IWRM) has come to the fore as the means to ensure equitable, economically sound and environmentally sustainable management of water resources and provision of water services. Improving co-ordination and consultation, building partnerships and avoiding single-purpose strategies are essential to IWRM. IWRM requires a framework where the different and often competing water interests find a common ground and where multi-sectoral stakes are regulated and balanced.

The importance of governance for sustainable development has been recognised for some time but within the water community there was little recognition of its centrality. In some ways governance is an awkward word, and is very difficult to translate into many languages. However, it has recently attracted international significance within the water community. At the 2nd World Water Forum in The Hague the GWP Framework for Action stated that *the water crisis is often a crisis of governance* and singled out *making water governance effective* as a priority for action. The Hague Ministerial Declaration reinforced this view and identified *governing water wisely* as one of the seven challenges for achieving the World Water Vision. Since the 2nd World Water Forum water governance has become increasingly prominent in the international debate on water. The recommendations from the Bonn Conference on Freshwater singled out *Actions in the field of Governance* as one of three major themes. At the World Summit on Sustainable Development

in Johannesburg governance was highlighted and Article 4 of the Introduction to the Plan of Implementation states explicitly: *Good governance within each country and at the international level is essential for sustainable development.*

While international recognition is important for raising political awareness, governance is mainly an issue to be addressed at the country and local level. In 2001, as a concrete step to move from global rhetoric and good intentions to local actions the Global Water Partnership, with its partners UNDP and ICLEI, established the “Dialogue on Effective Water Governance”. The Dialogue was established in order to move the debate to the regions and countries where specific action must take place. The aim was to trigger changes; especially to facilitate communication between politicians and other decision-makers, water managers and users to determine the priority actions needed to improve water governance in their region, country or district. The dialogues aimed to bring stakeholders together to examine the political processes and analyse the water governance issues. The ultimate objective of the dialogues was to help raise the political will to change the water governance system for the better and set out local priorities and actions.

The Dialogue is part of a series of concerted actions to strengthen water governance that includes the preparation of a ToolBox for IWRM containing over 50 tools and case studies from all over the world, and the Cap-Net programme that will capitalise on the ToolBox and outcomes from the Dialogues to help build capacity for better water governance.

The Dialogue process

The Dialogue has been organised across all GWP Regional and Country Water Partnerships. Activities grew out of local initiatives with GWP Central providing support. UNDP and ICLEI involvement was important in reaching out to national and municipal governments and to countries not covered by GWP. The term ‘dialogue’ and ‘roundtable’ were adopted to emphasise the importance of getting people from different interests and backgrounds together to come to a better understanding and appreciation of what water governance means in practice.

Water governance dialogues took place at local, national and regional level. All in all – more than 40 dialogues took place, covering over 30 countries and six regions. In most cases a short assessment of current water governance systems was made as part of the preparations. Care was taken to invite persons from across the water sectors and from a diversity of backgrounds – government, both national and local, spokespersons from civil society and the private sector. The different dialogues lasted one or two days. In addition to the local national and regional dialogues there were a number of special events such as a dialogue on water governance at the Johannesburg World Summit on Sustainable Development and three moderated virtual governance dialogues in Spanish, French and English. Sometimes the different dialogues were linked. National dialogues were capped with regional dialogues. This made it possible to exchange experiences and to compare notes.

‘The national dialogue was the first discussion on water governance, a topic so far rarely touched due to its complexity!’

(Dialogue in Vietnam)

‘Beyond national, political, cultural, linguistic and religious differences, dialogue participants demonstrated a strong Mediterranean “consciousness”, a kind of shared, if not common, identity!’

(Mediterranean Dialogue)

'Effective water governance is important for public and civil society actors for the identification of the challenges faced by the region and its countries and to adopt positions to confront these challenges.'

(Central America Dialogue)

In general the dialogues made it possible to share and explore best current thinking on effective water governance, rank priority water governance issues, and identify implementing mechanisms. In the process the dialogues fostered support and commitment. The nature of the dialogues differed. Some had a broad agenda and were exploratory, creating awareness on the need for effective water governance. Others were more specific and business-like, identifying practical improvements in water governance and launching new initiatives. The themes of the different dialogues and the persons that took part are given in Annex 1.

This document brings together the main themes and highlights of the dialogues. By doing so the document intends to take stock and identify a number of cutting edge issues that can bring the discussion on effective governance for integrated water resource management forward. A synthesis of the dialogues is given in the next section and for more detailed information for each region the GWP Regional Water Partnerships have prepared sister documents for their region.

This document is not in any sense a final statement, as the dialogue will continue after the 3rd World Water Forum. The directions that the dialogue will take are discussed in the last section of this document. We believe that we should capitalise on the increased understanding of the need to make water governance more effective. By raising specific governance topics in specific settings, the process can be taken further.

Apart from being a milestone and allowing for a sharing of experience to date, the 3rd World Water Forum in Kyoto also provides an important opportunity to share experiences of effective water governance. Water and governance is an important theme and Annex 2 is a one-page statement that has been submitted to the Ministerial Conference in Kyoto to inform the Ministers on this issue.

2 Outcomes of the dialogues

Distributed governance in water

- Water governance is linked to governance in society at large
- Distributed governance and IWRM go together
- How to make distributed governance effective

The Dialogue has clearly demonstrated that water governance cannot be isolated from development in society at large. Governance systems as they prevail in a country or locality set the parameters and create the windows of opportunity for change. One frequently asked question in the dialogues was whether effective water governance is possible in a society that struggles with weak overall governance. In the past good water governance has co-existed with poor overall governance in some countries (for example, in Spain under General Franco) and good water governance has been a catalyst for broader governance advances as in the Dutch water boards in the 19th century. However, it was concluded in most dialogues that with increasing water scarcity the two are closely linked. For example, in Colombia the dialogue identified that governance of the territory was a precondition to resolve water governance issues. Water governance is intensely affected by governance in general be it within sectors such as agriculture or policies on investment, trade or nature conservation. Several dialogues identified the need for harmony between sectoral policies and even suggested that water can provide a model for improved governance in society at large.

The thrust of the dialogues differed with local governance priorities. There is clearly no single overriding theme or single best practice that fits it all. Often the dialogues served to define a position, that was not defined earlier, and identify priorities in improving water governance. As the Central American Dialogue for instance concluded: *'Tendencies of water governance in the countries are different but they have in common the clear aim of dialogue and broad participation in the process of building effective water governance conditions.'* Of the Central American countries, the Belize dialogue focussed on the need for improved public awareness and national policy making, whereas El Salvador, Honduras and Guatemala, stressed the need to improve laws for Water and Sanitation Utilities and Panama defined enforcement and regulation of laws as a priority. Costa Rica concluded that more integrated legal and institutional arrangements are essential and established a process with the National Assembly for the revision of outdated laws.

The GWP Mediterranean regional dialogue identified a mismatch between central government policies and priorities on the one hand, and people's concerns and aspirations on the other, and concluded that more transparency and accountability is needed with active public participation and better social, environmental and economic links. Follow up actions are planned to take this forward at country level and a network of parliamentarians has been

'Water governance cannot be separated from governance in general'

(*Virtual Dialogue on Water Governance*)

'We need to link water objectives to the social and economic national goals'

(Central America Dialogue)

'We need to develop a framework of management with polycentric governance that avoids chaos'

(Dialogue in Indonesia)

established to co-ordinate activities and increase the involvement of elected representatives in water affairs. Different countries have identified different priorities for better water governance, and Egypt for example, intends to focus on specific governance aspects for desert regions and the need for better co-ordination in order to shift to an IWRM approach. They stated that *'We will be looking at mechanisms to secure stakeholders participation in decision-making, from design to the implementation and management at the national and local level and share experiences across the region.'*

Participation underpinned most dialogues: bringing in more stakeholders, making their different roles effective and getting action through partnerships. There was a general agreement that *'what is required is to make distributed governance effective'*, as stated at the Southeast Asian regional dialogue.

Distributed governance describes a system where many different parties have roles and responsibilities – government, civil society, private sector, individuals – with the State no longer acting alone to solve societal problems.

As the Uruguay dialogue stated: *'an effort must be made to co-ordinate the many actors related to water resources, plan harmonising mechanisms between them and take into consideration that it is unreasonable to have just one organisation deciding on water matters'*. Distributed governance is an aspect of democracy – an arena of players and stakeholders rather than a forum of voters.

This was also the conclusion reached in Southern Africa where consultation at all levels were found critical as well as dialogues among the various institutions and stakeholders. Distributed governance is very much at the heart of integrated water resources management, balancing sectoral interests and economic and social development and environmental sustainability. This was expressed in the Poland National Dialogue as: *'fragmented, inefficient management structures encourage division rather than sharing of our water resources. Only integrated and efficient management structures can enable us to govern complex systems of surface and groundwater flows across political boundaries and its multitude of competing interests'*. Efficient water governance can be achieved by partnership between government and civil society. But it was recognised in the country dialogues that this is easy in theory but water is subject to political manoeuvring and vested interests and there is no place for complacency or expectation of quick fix solutions. Indeed, many recognised that the Dialogue on Effective Water Governance provided an opportunity to get together key players for serious discussion on sensitive issues – and demonstrated the value of talking.

Much of the discussion in the dialogues focused on the challenge of making distributed water governance work by creating dynamic relations and accountability. Awareness building and bringing more local players into the process was a key outcome of many dialogues. Common features for achieving better-distributed governance for water included:

- improved regulation;
- clearer definition of roles and relations;
- better allocation mechanisms to bring water distribution in line with society's changing needs;
- capacity building to prepare individuals and institutions;

- improved financing, including better use of existing budgets;
- local water management; and
- river basin management including shared waters.

Establishing the enabling environment

- Avoid over regulation and excessive or complex legislation
- Effective regulation – laws turned into working rules
- Need to involve and to inform players of regulation
- Introduction of ‘apex’ bodies

Most dialogues recognised that with the evolution of governance systems – in society as a whole and in water management – the rules of the game need to change. With the trend towards distributed governance the State’s role is changing as civil society, communities, local government and the private sector take on more responsibilities. Each country is developing its own systems and most dialogues referred to the confusion over the demarcation of responsibilities between and among actors, inadequate co-ordination mechanisms, jurisdictional gaps or overlaps, and the failure to match needs, responsibilities, authorities and capacities for action. These may be seen as ‘problems’ and government bureaucracies may be fearful of ‘losing control’ but they are also positive signs of the dynamic transformation from a centralised and overburdened State to a distributed network of players. The Brazilian dialogue identified the need to make a distinction between the governance of water supply and sanitation services and the governance of water as a natural resource with more focus given to the latter.

In most cases regulatory functions and service provision functions still intermingle, and there is no transparent assessment of the quality of services. It is unusual to have separate regulatory bodies in the water sector – unlike other sectors with public functions – or to have bodies of customers and stakeholders that oversee the quality of services. Outdated arrangements still persist and considerable work is needed to bring regulatory arrangements into line with new requirements. Moreover, as the Estonian national dialogue observed *‘there are still needs to increase enforcement activities’*.

Regulation often focuses on establishing regulatory powers and legislation narrowed down to the formulation of new laws. The ultimate test however is effective enforcement. Nearly all dialogues identified this as the single-most important issue in regulation. In some countries there is a plethora of rules and laws. *‘There are not less than nine Acts and about 150 executive decrees thereof as well as numerous procedural and professional standards directly or indirectly related to water management’*, the Hungary National Dialogue stated, making it hard to unambiguously implement most of them. In such cases harmonisation of laws is clearly required. The practical difficulties of regulation is still underestimated by many and prioritisation is required and the question needs to be asked, as in the Chile Dialogue, *‘What exactly should be subject to government regulation?’*

In many countries major new water laws have been or are being devel-

‘The problem is rather insufficiently effective regulation.’

(Dialogue in Poland)

‘The clarification of water rights is the first step in the administration of water rights’

(China Dialogue on Water Rights and Water Markets)

'Effective regulation depends on acceptable rules'

(Dialogue in Southeast Asia)

'Laws may be in line with the Dublin principles but laws need to be backed by muscle and by incentives.'

(Dialogue in Johannesburg)

oped but they still need to be translated into effective rules and implementation mechanisms. It is not common to have water laws refer to enforcing agencies that do not exist as yet. In other cases enforcement is insufficient, because those directly affected or responsible for law implementation have still very little understanding of it. All Central American countries stressed the importance and need to update their legal and institutional arrangements and Costa Rica has already started on a process to accomplish it. In China a series of dialogues helped to finalise the new water law that was introduced in October 2002. As a follow up action a high level roundtable will be held under the auspices of a standing committee of the People's Congress to consider the governance implications and the need for local regulations to make the law operational from the perspective of the sector agencies and provincial administrations.

All Central and Eastern European countries and several from the Mediterranean region (Greece, Slovenia, Turkey, Croatia and Bosnia–Herzegovina) stressed the importance of adapting to the EU Water Framework Directive. This key piece of environmental legislation has had a big impact in the region with regional EU treaties and directives acting as an impetus for improved water governance. It was noted in several Southern African countries that laws fail to recognise community structures that have ably managed water resources for many years.

Regulation needs to be complemented by incentives and capacities. Without this, effective, fair and transparent enforcement is in doubt and regulation becomes meaningless or even worse: counterproductive and arbitrary. Several dialogues made the point that 'people directly concerned' should be involved in the formulation of new law and consultative policy processes and policy pilots were recommended. Regulation should be based on field realities and not just on legal theory. This would help the relevance and the enforceability of new regulation. Another point put forward in several dialogues is to establish implementing bodies. In doing so it is important to avoid a confusion of competencies. In several countries 'apex' water bodies have come about in recent years. In many cases the institutional architecture is still being designed but the dialogues indicated that this is a sensitive issue and it is most important that powers and relations are clear. Overlapping functions either lead to turf fights or to nothing being done at all.

The future of the institutional architecture was a central issue in the dialogue organized in Colombia and one participant illustrated the problem as follows: *"Colombia is today evaluating the transfer of water management responsibilities to the national environmental protection agency. This is a challenge as the national EPA has traditionally been concerned with the protection of the national fauna and flora. People have not been at the centre of their work"*.

Economic instruments and financing

- Overcome under funding of even basic functions
- Introducing 'decent business' principles
- Creating value by good water governance
- Checks and balances on expenditure

Financing was the one issue that was prominent in every dialogue. In spite of the considerable attention for water in recent global debates it appears little progress has been made on the ground. *'Capital outlays of the state budget for water resources management are insufficient. There is not enough money for maintenance and repair of water infrastructure'*, the Poland National Dialogue established. Funding for water resource management or eco-system maintenance is even harder to come by. Under funding is a universal problem, but appears to be particularly severe in remote areas and on small islands – where the costs of water management are higher. In the Mediterranean regional dialogue Portugal, Egypt and Jordan linked governance to cost recovery and financing of the water sector.

In many countries water management and water services continue to be funded through central sources and funding is often insufficient and insecure. Where charges are collected on the basis of water use, they are often not retained by the organisations responsible for managing water resources. Instead they are paid into a general exchequer and from this account water service providers are funded. As a result opportunities are lost to redefine relations between different players – water managers, service providers, water users – and to bring financial mechanisms in line with new distributed forms of governance with larger accountability and ownership. Almost all dialogues recommended that at least running costs be charged to water users. Some dialogues, depending on political feasibility and current charging levels, wanted investment costs and a charge for using water resources included in the water bill. It was clear that there are still many unfulfilled expectations on the use of economic instruments in regulating water resource management through consumption and/or pollution charges.

In several Central and Eastern European dialogues the effective use of economic instruments was discussed with a focus on the mechanisms for collecting fees and controlling the funds raised rather than on theories or issues about the need for pricing. The Slovakian and Romanian dialogues discussed the new systems that are being introduced where charges will be collected by water agencies rather than central government thus making them more financially viable and hopefully bringing more accountability for customers. The dialogue demonstrated the complexity of the issue and the need for more clarity on practical details about charging mechanisms and less on the pros and cons of paying for water. Pollution charging was given high priority and some key recommendation from Romania included publishing an annual pollution report, effluent trading, separating responsibilities for pollution control and bulk water supply and imposing charges on fertiliser and pesticide sales.

'Reduce costs through improved operational efficiency, using benchmarking, development of water loss reduction programmes and improved work practices.'

(Pacific Small Islands Dialogue)

'If everyone is a stakeholder, everyone should contribute but willingness to pay depends on the confidence in the system'

(Southeast Asia Dialogue)

'Subsidies are no longer sustainable and the trend is towards making urban water supply self-supporting through tariff increases to improve cost-recovery.'

(African Ministers roundtable)

'The environmental costs created by inefficient water use are not borne by the water use sectors'

(Dialogue in Paraguay)

From the different dialogues there appears to be general agreement that water management is unlike other businesses. Though returns on investment and running costs should be safeguarded the bottom line in many dialogues was that water management should be run as a social enterprise rather than as a commercial venture. Several dialogues recommended that full cost recovery be pursued; yet at the same time special provisions should be made to safeguard access by the very poor. The dialogue for North Africa and Middle East mentioned that there were examples of such safety nets in drinking water supply, which would need to be expanded and extended to other water sectors. Other dialogues advocated cross-subsidisation from commercial water uses to 'social' water uses and for use by low-income groups. Yet even with these caveats there was agreement that water services and water management should be self-financing, financially viable and not dependent on external subsidy. There are clearly some contradictory conclusions and confusion between ideals and reality but most felt that increased awareness on the value of water, the cost of water services and the need to be financially sustainable and socially responsible will help to formulate better strategies.

For many participants in the dialogues, willingness to pay was linked to how useful and reliable water services are *perceived* to be. In this context the link between transparency and financing was raised in many dialogues. In many countries it was felt that the water charge itself is not the problem but the actual collection of the charge. Where corruption is (or is perceived to be) rampant, or collection systems poor the motivation to pay water charges is very small. This happens for instance where water is provided to an apartment block or to irrigation command areas and individual defaulters cannot be disconnected. The non-payment by some and the lack of effective sanctions usually translate into widespread non-recovery.

Several dialogues pointed out that discussions on financing have been too focused on water charges but not enough on the expenditure side of the equation. Water projects have often been undertaken for politically strategic reasons. Bulky capital outlays have been made to jump start the economy, provide employment or other politically expedient reason with little attention given to the cost of exploitation. Other dialogues highlighted the need for stakeholder scrutiny of prices and systematic examination of the financial implications of different options. Moreover, it was felt that mechanisms should be in place for example through national audit commissions for public investment to reduce corruption and its consequent huge inflation of costs or disillusionment with the system. Stakeholders' scrutiny should not only be by the public at large. The Thailand National Dialogue for instance suggested '*that business and industry sectors should be involved in determining pollution charges*'.

Most of the issues on economic instruments and financing translate in practice into creating better water governance systems for capital investment and recurrent financing by both the public and private sector. Transparent and accountable systems would go a long way to creating public confidence in paying for water services.

Building capacity for better water governance

- Capacity building for individuals and institutions
- Inform all players – including decision makers
- Need for new skills

Capacity building was identified by Egypt, Morocco, and in several other dialogues as a crucial ingredient for effective water governance. *'The problems are more with the players than with the instruments'*, concluded the Poland National Dialogue, whilst the Indonesian dialogue found that *'Capacity building is required for individuals and for institutions alike'*. Most dialogues felt that integrated water resource management requires new skills and capabilities – in multifunctional water uses and also at the cross points of water management and other disciplines, such as health, food and trade. The dialogue in Ecuador recognised a lack of capacity in the country to deal with and resolve water related conflicts. The traditional sectoral divisions may have been simpler with only two parties around the table, but the recognition of the role of multiple-stakeholders in the governance of water brings to the table the need to develop new capacities for negotiation. Capacity building is also required to introduce new governance systems and familiarise the decision-makers and implementers with different ways of managing water. A number of special groups were singled out for capacity building in the dialogues: policy makers for more understanding of integrated water resource management; local governments for better local water management; and regulators and law implementers for preparing new regulations.

It was identified that capacity building is more than just individual training, but should extend to creating new management systems or cultures within many of the organisations that are responsible for water resources and services management. As governance systems develop, capacity will need to be developed through learning from good examples and by doing. The traditional concept of specialist capacity building institutes may not be appropriate, as each player will have to try and find his own way. It is interesting to note that none of the governance dialogues identified the need for new or more research. Instead the emphasis was on putting things into practice and learning from experience through networks and partnerships.

Governments need to strengthen capacity building institutions with water and land management on their agenda in order to give present and future managers the skills to manage water in a holistic and sustainable way. A major activity supported by UNDP and GWP is Cap-Net, an international network for capacity building in integrated water resources management. Cap-Net plus other UNDP, ICLEI and GWP activities will help to improve cross-sectoral capacities and put in place effective and sound policies and institutions to manage and develop water resources in a sustainable way. The ToolBox for IWRM will be a key part of capacity building activities and has already been used by education and training establishments in Malaysia and other countries.

'Get the message out
– on what IWRM
and effective water
governance is all about'

(Southeast Asia Dialogue)

'Decision-makers
have still rather
limited knowledge
of the new philosophy
of water resources
management,
principles of IWRM, and
the resulting water
management rules'

(Dialogue in Poland)

'We need to promote the river basin concept with intensive involvement of the Local Government Units and strong linkages with the smallest political unit (barangay)'

(Dialogue in the Philippines)

'Decentralisation of responsibilities to local government and communities is important but must be within a viable framework'

(Dialogue in Johannesburg)

Decentralisation

- Put the subsidiarity principle in practice
- Decentralisation is a trend that needs to be put into a viable framework
- Local issues are different from regional or national issues
- There is a large lack of capacity that needs to be addressed

The so-called subsidiarity principle states that water should be managed at the lowest appropriate level. There are many good reasons for this, one being that water management issues at local level are often profoundly different from water (and land) management issues at national or regional level. Different priorities emerged from the local level dialogues and it is erroneous to automatically assume that issues and agendas are the same at different geographical scales and political levels. Local issues are often unique and not necessarily covered by policies set by central authorities. The water dialogues at local level in South Asia brought this out. Examples of issues of importance were the damage to rivers caused by uncontrolled sand or gravel mining, depletion of fish stock because of the use of pesticides and specific local pollution caused by industries. While the issues always have local peculiarities, they may not be unique and lessons should be shared with others with similar experience. However, solutions can only be found if local water governance systems are effective and properly harmonised within the national institutional context. Decentralisation was frequently discussed in the South American dialogues. For example, a participant in the Argentina dialogue stated, *'the decentralisation of water management is not just the municipalisation of water management'*. In Ecuador the process towards decentralisation could put governance at risk; *'because processes of decentralisation was being promoted in a country lacking public opinion and awareness about water issues'*.

In many countries the trend over the past decade has been to decentralise responsibilities away from central government with more responsibility to lower tiers of government or to other actors (communities and private sector). However, responsibility is often given away freely but power is much more difficult to prise away from the centre and this contradiction results in poor governance. In several countries in Eastern Europe provision of urban water services has been decentralised to municipal governments although not always with the consequent power to raise funds or illicit sanctions on those acting against the best interests of the constituency. In Estonia for instance local governments will be responsible for development of their water and sewerage (wastewater) plans and will take care of the ambient water quality. These developments bring with them opportunities to manage water in an integrated way and the possibilities for practical participation of local communities and other local players. Decentralisation also offers more scope for timely and effective enforcement of rules. There are also threats, highlighted in dialogues in for instance Eastern Europe, Africa and Southeast Asia, which include the lack of capacity at local level, particularly in smaller municipalities and rural areas, and the risk that water issues are buried under many other priorities. Also, in some countries local democracy is vibrant and intensely

political and mechanisms and systems are needed to resolve conflicts.

To address these weaknesses the various dialogues emphasised the importance of developing local expertise and the introduction of integrated water management planning at district and municipality level. In Guatemala, the local authorities of "El Naranjo" river basin decided to overcome the lack of a national strategy by building up a local water strategy based on consensus and common goals. The Philippines National Dialogue recommended reviewing the Local Government Code on Water. In the Indonesia National Dialogue the idea of Provincial Water Councils and the formation of District or City Water Councils, depending on local needs, was put forward. In other countries such as Hungary, Regional Water Councils already exist and the issue was strengthening capacity. Where municipalities are autonomous and self-governed bodies they may have the power to raise their own finances and attract domestic and even international investment. Yet, particularly for small or remote local bodies, access to such sources of finances is often difficult and they make seek recourse either to under funding, reliance on national budgets or exploitation of their natural resource base. Besides capacity building, adequate local financing mechanisms thus emerged as a priority field in many of the dialogues.

There is a need to link local water management with water resource planning at river basin or national level. At present the link between water management at different levels is often disjointed, conflicting or top down. There is a need to have water management that is both top-down and bottom-up. Some local issues may be best addressed in a larger national and basin framework. More strategies (with budgets and timetables) are needed to make sure river basin plans and national policies are action oriented to solve such issues and not just state the problems. The Chilean dialogue discussed the discourse of river basin as the management. *'Everybody says that IWRM assumes the river basin is the best management level. However, this is not applied in reality. Often this is because sector interests prevail against collective ones'*.

Whilst there is much discussion of governance and IWRM at the global level among experts there is less knowledge at local levels, even in Japan. ICLEI carried out a survey of 80 local governments selected by watersheds (47 Prefectures and 33 Municipalities) and found that IWRM is not yet well known among Japanese local authorities plan and there is little priority setting for policy development. Planning is carried out at prefecture level, but there is very little integration among spheres of government in the same region. Integration or co-operation among governmental agencies is not common and public participation does not influence local decision making although it is recognised as an important issue by government. There were starkly contrasting views on water management in Japan. One municipal official stated that *'there is no threatening water issue in Japan as everyone has good access to a certain quality of water'*, while a water expert said that, *'Japanese water management has a lot of problems to be sustainable'*. The survey concluded that more dialogue is needed between national and local authorities and other stakeholders to assess the real problems whilst recognising governments' effort to manage water so far.

"In times of political instability it was found more appropriate to design and organise a dialogue with those spheres of society that survive the crisis. From this perspective we decide to address the media".

(Dialogue in Argentina)

'Linkages between state and self-government administration and water administration must be given more attention'

(Dialogue in Poland)

'The river basin level approach should be expedited and critical/priority basins should be identified'

(Dialogue in the Philippines)

Basin management including shared waters

- Only start river basin management where it is most required and link with coastal management where appropriate
- Treat river basin management as a useful new element of the governance system
- Increasingly seen as a solution due to pressure on water but need to learn and understand what it means in practice
- Need to take account of political feasibility

River basin management offers a new element to water governance and an opportunity for interaction between water stakeholders. In most cases it is too soon to judge whether it is effective or not and several dialogues made the point that systematic learning from the increasing experience must continue. In several countries where dialogues took place river basin management is in the process of being introduced, for example, several Southeast Asian countries have set up river basin committees in their most critical basins. In Europe river basin management is being widely introduced as part of the EU Water Framework Directive and its implications formed the major focus of the dialogues in Central and Eastern Europe.

A consistent point made was that if river basin management is to have an impact, basin organisations have to have teeth. In Thailand the dialogue recommended that basin committees would be responsible for planning and budgeting and that all budgets would have to be agreed by the basin committee. In Eastern Europe it was identified that river basin plans need to be integrated with other planning processes and not operate in isolation. Some felt that river basin organisations should not depend exclusively on central budgets but be empowered to raise and retain their own revenues; from the stakeholders that benefit from their services and from the value that effective river basin management creates.

Another common point, that emerged from the dialogues, is that river basin management needs to have the elements of effective water governance – open and transparent; inclusive and communicative; coherent and integrative; equitable and ethical; accountable and efficient (as described in the GWP background paper on Effective Water Governance). Some dialogues singled out certain interests that have a large bearing on water management but tend to be excluded. The dialogue in Peru made special reference to the mining sector for instance. There was much concern on the representation of stakeholders in river basin management and the link both with national policies and local water management. This is a departure from the often technically based river basin authorities or secretive political co-ordination committees of the past.

The relations with national bodies and local water management needs to be defined, if not there is a risk that that river basin organisations will be seen as competing authorities and river basin management suffer accordingly. Instead as the Southeast Asian dialogue observed river basin management should be seen as a platform for bringing together different interests and pri-

orities. Where a national water body exists river basin committee should be linked to them – to ensure coherent and integrative policy. Local government and local stakeholders should be represented in river basin committees. In return river basin committees should also have a stake in local government. Particularly when river basins are large, there is a need to consider sub-basin councils, as was raised in the Bulgaria National Dialogue – to avoid river basin organisations becoming too remote and aloof.

The call for water management at the basin level frequently results in the management of shared basins either between sovereign states or between administrative authorities within a country. Crossing administrative boundaries causes governance difficulties that should not be dismissed lightly. Water is an intensely political issue at all levels and introducing a new layer of administration can interfere with delicate political sensitivities. In several parts of the world, particularly the former Soviet Union, administrative boundaries have dramatically changed or new regional priorities emerge. International riparian co-operation in water management needs to adjust for such changes.

In many parts of the world transboundary water management was for a long time uncharted territory and water development or effluent disposal took place with no respect for neighbouring countries or administrations. As the Hungary National Dialogue observed, it unfortunately needed a catastrophic cyanide spill in a tributary of the Danube river to bring people together to address water governance systems in that river basin.

A pre-condition for successful transboundary water management to take place is the presence of political awareness and commitment. Moreover, a sequencing of actions based on political feasibility is needed to create confidence; harmonising data and methodologies and preparing joint development plans based on shared benefits are useful first steps as highlighted at the Johannesburg governance dialogue. The discussion on the Black Sea organised as part of the Bulgaria Dialogue made a number of particular suggestions, for instance, setting up a directorate and river basin council with sufficient access to expert resources and to link freshwater management with coastal zone management. A common theme in discussions on transboundary water management was how to capitalise on confidence building and move beyond co-ordinating committees and shared visions into effective management of the shared resources.

Transboundary rivers are abundant in Central America and in the debate between parliamentarians from the region a declaration was adopted that calls among other things for the enforcement of transboundary environmental impact assessments. The dialogue in Uruguay suggested the inclusion of Brazil in the now bi-national (Uruguay and Argentina) Uruguay River Commission.

'Participants looked at the river basin organisation as a forum where provincial representatives can defend their local demands and aspirations and also listen to and discuss common interests.'

(Dialogue in Vietnam)

'Yes, the public has been informed and involved enough, but the problem is no legal obligation to take the opinion of the public into account.'

(Dialogue in Estonia)

The process of change

- Need to build as much as possible on existing arrangement
- Capitalise on opportunities and be realistic
- Open processes and policy making with all stakeholders as far as practical

Moving towards more effective water governance is about changing institutions and redefining the roles of different players in society. Many dialogues highlighted the need to link up more effectively with issues such as land management, export policy, pricing strategy and international diplomacy in order to govern water resources more wisely. At the Mediterranean dialogue, Palestine, Turkey, Morocco and Israel all called for institutional reforms to improve co-ordination and for increased transparency in decision-making. Whilst the dialogues mainly focused on processes for change they did recognise the need that this leads to visible outcomes.

Many dialogue participants were overwhelmed by the complexity and the time and effort needed to implement reforms. This was highlighted at the Panama dialogue and others in the Central American region. In changing governance systems sequencing and prioritisation is thus essential and practitioners need to decide what can be done now and what has to be put off for the future. Reforms should start with the critical priorities that are politically feasible rather than the impossible 'ideal' solution. As mentioned at the Johannesburg dialogue it is better to start with the 'realistic' third or fourth best as the beginning of a long-term iterative process. Good water management must be made politically feasible through gradually building up commitment among key decision-makers.

International experts, NGOs and academics often paint idealistic or politically correct images that are just not practical in most countries. Several of the dialogues pointed out that there are large differences between countries – their geographic and cultural peculiarities, their capacity to adapt their governance systems, and in the transaction costs they can afford to manage water resources and services – and the debate on water governance should avoid promoting generic solutions. An example, at the West African Ministers Roundtable, a region where climate variations are extreme and electricity shortages persist, they raised their concerns over the difficulty of raising international finance for much needed dam building.

Many dialogues stressed the importance of using existing institutions, where possible, rather than creating new institutions. The donor community endorses this view. In this context river basin organisations need to be based on the usefulness they can play within the administrative systems and not solely on their hydraulic logic. They may thus make sense in basins with intense and competing water use and weak governance systems but not where other satisfactory systems exist. Similarly, 'apex' water authorities, such as ANA in Brazil, may have a considerable contribution to make, whilst in other countries alternative national planning mechanisms may exist that can carry out this co-ordinating role more effectively.

Many dialogues emphasised the need for open policy processes to give

direction to the changes. In the last fifteen years 'participation' has been a successful and powerful instrument in various fields of water management. Participation has helped identify pragmatic directions, has allowed drawing on large pools of creativity and local knowledge, helped build up commitment and create the capacity to implement changes.

Water governance must be seen within broader governance systems in society and must take account of social changes. Often reality means that 'the third or fourth best' is all that can be achieved in practice and an iterative approach is needed to bring about change. On the other hand significant political or social changes in a country can create opportunities for dramatically improving water management. As the Vietnam National Dialogue observed, *'changes in water governance, such as separation of operational and regulatory functions, had been on the table for a long time, but recent general administrative reform provided the opportunity to turn ideas into reality'*.

'Current law must be modified, but with an eye to maintaining the positive sections such as the recognition of water rights.'

(Dialogue in Peru)

3 The ongoing Dialogue process

In general, the Dialogue has made a start in putting a complex and sometimes esoteric issue on the agenda of decision-makers and moved the issue from the global to more functional levels. The dialogues have shown that through improved water governance opportunities are at hand to avert water mayhem and agree on better management and more balanced use of water resources. The dialogues, that took place over the last year, discussed how to adjust governance systems to challenges such as increased pressure on water resource systems, changing political constellations, new national boundaries, and even global warming. The dialogues stayed away from sterile debate on big principles. Instead they tried to be pragmatic and ask the ‘what next’ question. They identified the need to redefine rights and responsibilities and improve co-ordination and consultation, come to effective regulation, realign financial practices and invest in capacity building. Priorities obviously differed from place to place. The dialogues also discussed the follow up steps, as making water governance effective requires considerable effort and time and there is a need to have an economy of objectives.

The Dialogue on Effective Water Governance was designed to be an on-going process. In the future the emphasis on being practical needs to continue and needs to be strengthened. The best dialogues were those that were specific in theme and place. This helped in making headway – in identifying practical improvements and finding support for them. If the theme was broad and the audience diverse it was more difficult to focus and the dialogues were more of an information sharing or awareness raising nature. There is always the risk with a concept such as water governance to remain nebulous and vague. This would be unfortunate, as most governance themes are highly relevant and concern the social and political fabric of water management – water governance affects people’s daily lives. By concentrating on crucial and even controversial governance issues, of common interest to all, progress can be made in changing water governance. It will avoid that bad water governance persists – by default and because it was never discussed with a larger group of stakeholders.

There was very positive experience with local governance dialogues. At local level the water management issues tend to be straightforward. The ‘what needs to be done’ by different players is usually clear. Yet, as observed, local level capacity is often weak and water management is buried under a range of other issues. There is sometimes limited understanding of the possibilities to locally regulate. As was observed after the Local Dialogue in Jalpaiguri, India: *‘Participants were very much ‘awareness-oriented’ and tended to forget other policy tools for the block: regulating, enforcing existing regulations, financial tools, managerial changes and improvements.’* Local governance dialogues can effectively contribute to chart the water resource management issues and initiate local policy and action processes.

Country and regional dialogues highlighted national water policy issues, but also served to exchange notes. The discussion on water governance is

relatively new and much needs to be learned. The preparation of a conceptual paper by GWP was much appreciated as a beginning to the dialogues. For the same reason there is a strong argument to link dialogues at different levels. In the evaluation of the dialogues in one region, it was also concluded to enlarge the circle in the future and involve not just water policy makers, but also those whose areas closely linked to water management: environment, finance or trade. This was an original aim of the Dialogue but proved difficult to achieve in practice. Some contact was made with journalists to better educate them on water issues but this needs further work.

A very explicit objective of the Dialogue was to raise political will. The dialogues were set up to draw political decision-makers into the water debate beyond the short-term opportunism that is often associated with politics. A large number of political leaders were reached, but considerable more work is required. An unexpected remark made by several participating politicians was that they felt that their own role in water issues was far too marginal. The dialogue helped them in developing insights in an issue that is important but often only pressing when too late – when there are floods, droughts or serious water quality problems. Another remark was that the dialogues help build up a constituency for change – that cannot be achieved otherwise. Future dialogues should therefore continue to brief and encourage politicians, decision-makers and their advisers and confidantes.

In Central America and other regions parliamentarians have also been actively engaged and links were established with the NGO 'Parliamentarians for Global Action'. A promising initiative is the creation of a network of parliamentarians, born out of the governance dialogues in the Mediterranean. This network would address the present limited role of the parliamentarians in water issues and establish a regular, organised and effective regional dialogue. The network aims to be a light and flexible structure articulated around the GWP. The network should be one of elected officers and others with links to NGOs and the media. More such networks need to be developed to inform and activate politicians.

In many respects the water governance dialogue is 'distributed governance in practice'. It makes a conscious effort to bring different stakeholders together. The question has been asked whom to invite and on what criteria. In networks and in civil society such questions are never easy to answer. The question of representation is partly subsumed under the question of effectiveness. The importance of the dialogue is to be inclusive and diverse but also practical. It wants to bring the different viewpoints together and provide the place where they interact. Yet the Dialogue also wants to promote change and bring parties to the table that can make a difference and encourage them to do so. Several of the dialogues already made strong suggestions in this regard. The Central America Dialogue suggested linking the ongoing process to all of the specialised organisations of the SICA (the regional political organisation), as well as to the Presidents Forum.

The outcomes of the Mediterranean dialogue will feed into the Greek and the Italian Presidencies of the European Union and promote activities for the year of Freshwater 2003.

'There is a need to clearly define the priority water governance issues.'

(Dialogue in Argentina)

'It was difficult to determine the precise topic that would be covered by the dialogue as even the topic of *Effective Water Governance* still has many aspects. It was not easy to choose which aspect is more important than the other'

(Dialogue in Indonesia)

Governance impinges on national sovereignty and to promote change the dialogue must have legitimacy with governments. The strong UNDP in-country presence and regional and global networks provide unique opportunities to assist countries access and apply water resources knowledge and good practices. UNDP is mandated to work with governance, sustainable development and water resources to enhance human and institutional development and is working on a broad range of issues pertaining to the promotion of effective governance for more equitable and efficient use and allocation of water. UNDP will continue to promote various concrete Dialogue outcomes for enhancing water governance systems. Such outcomes will lay the foundation for the continued work on implementing water action programmes and plans, initiating new water governance programme areas and improving existing water policies, legislation and institutions.

Apart from participating in several dialogues organised by the GWP Regional Water Partnerships, one example of the UNDP contribution is the Urban Governance Initiative (TUGI) for the Southeast Asia and Pacific region. The Initiative operates from Malaysia and can provide a valuable hub for promoting good urban governance. Many of the issues and actions raised at the dialogues in relation to improved water service provision link to this initiative, including institutional reform, innovative approaches and capacity building efforts for participatory, transparent, accountable and equitable urban governance. The programme thus provides a means to follow up many of the dialogue recommendations through supporting institutional capacity building, providing policy advisory, training and support services, enabling innovations on tools and methodologies for urban administration and management as well as ensuring information sharing and networking on all the above within and between cities in Asia and the Pacific.

Planning for 2003

In the coming three years GWP, UNDP and ICLEI will continue to work together to strengthen the water governance initiative. The Dialogue was accepted as a Type II Implementation Partnership at the World Summit on Sustainable Development in Johannesburg and this provides an opportunity to promote effective water governance and concentrate on priority themes and hot topics. There will be more room for local dialogues – through the country water partnerships of GWP, the local governments that are members of ICLEI and the national governments through UNDP. As the Dialogue process continues the opportunities for cross fertilisation increase, between areas, between countries and between regions and also between dialogues taking place at different levels – from sub basin to region. We also expect more inspiring examples and good practices of effective water governance, of which the GWP Toolbox on IWRM will be the depository. Effective water governance should be a priority cause in bringing integrated water resource management on the ground in the next five to ten years and within their limitations the ongoing governance dialogues should contribute to it.

All GWP Regional Water Partnerships, together with UNDP and ICLEI

are planning activities for 2003. This report is accompanied by a set of more detailed reports from each region that outlines actions already completed and those planned for 2003. An overview for each region is given below:

In the Mediterranean region efforts will be taken to carry out country, basin and/or local level dialogues to build on the general awareness and understanding developed through the regional dialogues. Specific activities will also include:

- facilitating and strengthening the Circles of Parliamentarians and Media;
- an assessment on water legislation in Mediterranean countries;
- a particular focus on developing activities in the Balkan sub-region that is emerging from a difficult period of conflict.

In addition, a Strategic Plan for promoting water governance at regional level and in the Mediterranean countries will be developed taking account of the different governance systems in the region, with EU countries, EU accession countries, European, middle Eastern and north African countries. The Strategic Plan will take account of the numerous individual initiatives in the region for improving water governance. It will help to identify and support actions under new programmes (such as MEDA), bilateral support, and developing a Mediterranean component for the EU Water Initiative.

The next step for Central and Eastern European countries is to identify governance options for implementation at country, basin and local levels (including transboundary issues) within the context of the EU Water Framework Directive. As the countries in this region are in transition, while also at different stages of development, dialogues will continue to play a central role in determining the best way forward. To ensure public ownership and the sustainability of the development measures, public participation will increasingly play an important role. In their continued advance in this regard, the countries will continue to draw from the applicable experiences from current EU member states, while also continuing to find the best way of accommodating their specific needs and aspirations emanating from their own particular circumstances and environments.

In the Southeast Asia region outputs of the dialogues will be taken forward by the four countries most advanced in 2002 and four other countries, Malaysia, Laos, Cambodia and Myanmar will start the dialogue process.

Planned actions include, among others:

- linking governance efforts with ongoing processes in the region such as decentralisation by identifying systematic roles of local government in IWRM;
- promoting clearer regulations (e.g., regulatory systems, law/policy amendments based on field experience/consultation) and clarify water rights and licensing systems;
- developing frameworks and plans for capacity building in conjunction with Cap-Net, covering both individuals and institutions; and
- increasing advocacy through participation in important policy-related meetings and conferences (e.g., Ministerial Conference Kyoto; ASEAN Environment Ministers).

'Through the dialogues, inform the water actors to help settle conflicts and find ways to adapt to new situations, and as a tool to generate trust and ownership of IWRM'

(Central America Dialogue)

'It is part of good politics to listen to local concerns, which may be different from top-down policies'

(Southeast Asia Dialogue)

In Central America each country will follow up the dialogues started in 2002 to increase the understanding of water governance in the region. Specific actions include:

- continue to promote dialogues as a technique for awareness raising and for arriving at consensus on governance issues;
- involving more stakeholders in the process of developing new water laws;
- developing more concrete strategies to meet the goals set out in the dialogues;
- developing stronger links with the regional political body SICA and with the Forum for Central American Presidents.

In South America the Dialogue has involved many relevant stakeholders but in many countries the private sector did not answer the invitation and mobilisation of this sector will be a priority for the future. There was a general desire for more and improved transparency and as a response, the aim will be to involve more stakeholders and media involvement. The concept of distributed water governance as presented at the dialogues demonstrated the potential of GWP Country Water Partnerships as platforms for future dialogue and action. Several countries (Peru, Paraguay, Uruguay, Colombia and Chile) expressed an intention to establish water partnerships in the near future. In 2003, new country water partnerships will thus emerge and work with the issues already identified in the Dialogue. South America will continue the Governance dialogues with improved and more operational communication amongst politicians and civil society; policy formulation and greater use of media. A progress report from the Governance Regimes Study project will be presented to a wider community and a second phase will be undertaken.

Under the auspices of the New Programme for African Development (NEPAD) the European Union, Canada and other donors will work with GWP and provide extra support for the preparation of IWRM plans and improved water governance. For example, as part of the EU Water Initiative a Programme for Water Governance is being prepared and will commence in 2003 in sub-Saharan Africa. In Southern Africa, the aim is to take concrete action in order to improve the basic conditions of governance. The follow up of the Dialogue will focus on:

- the preparation of strategic IWRM plans and development of information on governance issues for decision-makers to strengthen SADC;
- the distribution of key documents, training of media personnel and establishment of a media desk;
- raising awareness of parliamentarians, cataloguing SADC material.

In West Africa support will be given to on-going activities in good governance, such as support for integrated communication for IWRM at different levels in ECOWAS and preparing case studies on good governance. Other proposed actions include:

- a comparative study of water governance regimes in two countries of West Africa;

- a programme of awareness creation on water governance for decision-makers in West Africa, particularly middle-level personnel who were identified as a barrier to change;
- reinforcing existing networks, for example on shared basins, Cap-Net etc.

The newer GWP regional water partnerships, such as Eastern Africa, the Caribbean and Central Asia and Caucuses will prepare plans for work on water governance during 2003. For example, in Eastern Africa a study and electronic conference is planned to identify most urgent needs and to document good practices.

Annex 1

Directory of Governance dialogues carried out by GWP Water Partnerships

CENTRAL AMERICA

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
BELIZE 11-02	Public awareness, public policies, institutional fragmentation.	20 participants: public sector technical level, executive branch, consultants, NGOs, and private sector.
COSTA RICA 04-02	Legal and institutional arrangements.	255 national, regional and global institutions, consultants, NGOs, academic community, political parties, media participants, public sector, executive legislative and judicial branches, private sector, and NGOs (mainly non water users).
EL SALVADOR 10-02	Water supply and law, National Water Agenda.	National, regional and global organisations, consultants, NGOs, local authorities, and private sector.
GUATEMALA 12-02	Water supply, water law, river basin strategy, and water protection.	141 participants: local public sector, private water users and NGOs.
HONDURAS 12-02	Water supply and sanitation, water law, river basin and forestry laws.	66 participants: embassies, local, national and international authorities, NGOs, academic community and media.
NICARAGUA 06-02	Media awareness.	40 participants: official representatives of media, radio and television.
PANAMA 12-02	Law regulations, effective enforcement of law.	National, local and basin authorities, academic community, NGOs, and consultants.
REGIONAL 01-03	Merging two dialogues: effective water governance and poverty.	
REGIONAL PARLIAMENTARIANS	IWRM water security for people.	Presidents, members and staff from legislative environmental committees, NGOs, local consultants and media, public sector parliamentarians, and private sector.

SOUTH AMERICA

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
ARGENTINA 10-02	Status of water governance, water services to the poor, education and training in the governance of water resources, awareness to politicians and decision makers, identification of priority water governance issues.	Representatives of the media, NGOs, universities and private sector attended a one-day national workshop. 40 people attended the dialogue. Staffs from national water agencies were specially invited since they assure continuity in the water sector. The process was supported and assisted by IARH (Argentinean Institute for Water Resources) and UNECLAC.
BRAZIL 12-02	Governance, decision-making, federalism and subsidiarity, legal gaps, information needs, environment and water resources and the complexity behind the implementation of a national water management system.	The dialogue took place through sub-regional and national workshops. 500 participants from national and local governments, academia, private sector, NGOs, donors, river basin committees and water users. The dialogue was implemented together with the Brazilian Institute for Water Resources (IBRH).
CHILE	Uses of water resources and regulation, present political, juridical, and economic system, environmental protection, regulation of water use in relation to water rights, public regulation instruments that can be applied to the private sector.	The dialogue was implemented in three phases and involved 80 people. The phases were: preparation of concept paper, meetings with various actors (academia, public sector-national water directorate, irrigation commission, NGOs, regional river basin organisation), and one national dialogue with stakeholders. Representatives of the private sector were invited but regrettably did not attend. The process was supported and assisted by ECLAC and the National Directorate for Water Resources (DGA).
COLOMBIA 12-02	Water governance and roles of stakeholders. Relationship between water governance and territory, corruption, lack of equity in water and agricultural access, transparency and information, lack of coordination. Needs of people are not well covered in environmental policy making.	A 2 day national workshop involving 50 people from government authorities, private sector, academia and NGOs. The process was also supported by the NGO ACODAL and UNECLAC.

SOUTH AMERICA (continued)

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
ECUADOR 01-03	The concept of governance, policies, principles and values. Governmental failures, relation between civil society and water governance and participation issues.	The dialogue discussed a document prepared by SAMTAC and a concept paper for Ecuador. Two local and one national workshop were organised. The process involved 400 people and will be finalised with a workshop to provide feedback to the participants and stakeholders. The process was supported by CAMAREN.
PARAGUAY 11-02	The role of municipalities in the supply of drinking water and sanitation. Urban drainage and floods, land planning and management, information systems, stakeholder participation, integrated water planning, improved water legislation, decentralisation and river basins.	Two workshops were held on the role of local governments in IWRM and water governance in Paraguay involved NGOs (ALTERVIDA), academia, more than 30 municipalities and other institutions. The process was assisted by UNDP and ECLAC. A total of 160 people participated at the workshops. The media published special notes on the dialogue.
PERU	Water law, fragmentation of water authorities and its impact to water users, basin level planning and management and participatory component of mining rights, transfers to associated water rights.	The dialogue consisted of workshops: 3 local and one national, and involved 168 people. An electronic dialogue was organised. Participants included academia, government institutions, civil society, private sector - especially the mining industry, and representatives of international technical co-operation. The process was supported by UNECLAC and UNDP, and implemented together with the Catholic University.
URUGUAY 10-02	Water policies, water planning and water assignment, consolidation of environmental costs and water costs, water rights, and plan harmonisation mechanisms.	The process consisted of 3 local workshops at the basin level and culminated with a national workshop. More than 300 people participated in the dialogue from academia, private and public sector, civil society, and the legislative and the judicial branches of government. The process was supported also by UNDP and UNECLAC, and implemented jointly with Dirección Nacional de Hidrografía Et Universidad de la República.
VENEZUELA	Water law.	Due to the unstable political situation, the governance dialogue has been postponed for the near future.

MEDITERRANEAN

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
CAIRO 12-01 SUB-REGIONAL	Identification of main challenges and basic tools for achieving policy and institutional reform, water pricing, policy and institutional reforms, legal frameworks, law enforcement, participatory processes, civil society empowerment, and financial instruments and incentives.	160 participants from 24 countries: governments, NGOs, local authorities, international organisations – strong focus on the middle East and North Africa.
ATHENS 3-02 REGIONAL	Follow up to the above: Policy and institutional reform, instigating participatory processes and empowering civil society. Creating legal frameworks, developing financial instruments and incentives. Access to information. Reallocation of water, and resolving conflicts for competing uses. Capacity building for improved decision-making.	140 participants from 26 countries: government officials, professional institutions, NGOs, academia and journalists.
ATHENS 9-02	Obstacles and success stories from the implementation of the EU Water Framework Directive in EU member states and accession countries. Challenges for enlarging the impact of the EU WFD in other Mediterranean countries.	123 participants from 23 countries: governments, local authorities, academia, private sector, and NGOs.
ATHENS 2-12 REGIONAL PARLIAMENTARIANS AND JOURNALISTS	Mediterranean water issues and identification of issues that receive enough attention in the Parliaments, adequacy and continuity of funding, establishment of a network of parliamentarians and journalists.	123 participants from 23 countries: members of national parliaments, administrators of national governments, local authorities, academia, private sector, NGOs, and journalists.

CENTRAL AND EASTERN EUROPE

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
BULGARIA 4-02	Institutional arrangements, water user association, water law and transposition of EU directives into national legislation, setting up national regulatory body, strategy for irrigation development, quality of water services.	360 water specialists and stakeholders interviewed, round table on IWRM, discussion with NGO and national conference.
POLAND 9-02	Laws legislation, institutions, planning instruments, economic instruments, financial sources and flows, foreign assistance, water for agriculture in rural regions.	80 participants: water professionals, ecological NGOs, and government representatives.
SLOVAKIA 7-02	Legal framework and EU harmonisation, institutional arrangements, financing and economic tools, water planning, monitoring system, information exchange and communication, access to information, and public participation.	National dialogue by questionnaire and internet debate involving about 100 stakeholders, discussion forum by about 20 representatives of water authorities, research community, academia and NGOs.
LATVIA	Strategy policy for water management, legislation incl. new law on water management, law implementation, pilot IWRM projects, institutional arrangements, and financial flows.	Staff of L4 enterprise and Latvia in co-operation with Latvia-Swedish "Daugava River Basin Project" - about 50 representatives of various water related enterprises.
LITHUANIA	Laws and legislation, institutional arrangements, river basin districts, economic instruments, access to information, monitoring system, public participation and the role of NGOs.	80 participants: government representatives, research community, and Lithuania Green Movement.
ROMANIA 8-02	Laws, legislation, institutional framework, financing systems planning, permitting, licensing and enforcement, monitoring system, information and communication, public involvement, and education and research.	Report prepared under the auspices of GWP-Romania presented and debated at national meeting with about 80 stakeholders.

CENTRAL AND EASTERN EUROPE (continued)

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
ESTONIA	Institutional arrangements, planning schemes, water permits and law enforcement, monitoring system, access to information, public participation, financing and economic tools, expenditure and investments, and political context.	Opinion pool involving 100 stakeholders. Estonia dialogues: 20 representatives of government, water authorities, academia, and NGOs.
HUNGARY	Major conflicts, laws and legislation, trans-boundary issues, EU directives, IWRM barriers, bureaucratic obstacles, water vs. environmental management, river basin planning, local management, property rights, economic instruments, financial flows, cost recovery, and public participation.	GWP-Hungary Advisory Committee org. round-table dialogue based on the experience of the Trans-Tisza region involving about 150 stakeholders and representatives of various organisations.

SOUTHERN AFRICA

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
SOUTH AFRICA 6-02 REGIONAL	South African water law, Namibian water policy, Zambia institutional reform, and Malawi water reform strategy.	120 participants: member institutions of GWP-Southern Africa composed of governments, NGOs, academia, and civil society.
LESOTHO 10-02	SADC regional strategy and water policy.	SADC and GWP-Southern Africa representatives.
LESOTHO 12-02	Synergy between the regional water policy and the FFA.	SADC and GWP-Southern Africa representatives.
SOUTH AFRICA 09-02	Special session at the WaterDome as part of the WSSD.	60 participants: government representatives, NGOs, and private sector.
GWP CONSULTATIVE PARTNERS MEETING, GHANA 06-02	Raising awareness of parliamentarians, cataloguing of SADC material training of media personnel, and establishment of media desk.	35 participants: representatives from African countries, and EU delegates.

WEST AFRICA

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
GHANA 17-02	Identification of potential governance issue for dialogue.	35 participants: country representatives from Africa, and EU delegates.
GHANA 17-02	Governance issue in Tano River Basin.	30 participants: NGOs, civil society, and representatives from local government.
GHANA 7-02	Financing and cost recovery, payment, ownership and control of financial resources for water, private sector participation, water and decentralisation, water and food production, water and poverty, and gender in water.	Total of 35 participants composed of ministers, deputy ministers and senior government officials from Benin, Burkina Faso, Nigeria and Ghana.

CHINA

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
BEIJING 3-02	Water rights, water markets and the new Chinese water law.	100 participants mostly from government and international organisations.
SHANGHAI 02-03	Water governance and the new water law for governance.	Selected senior representatives from key central, basin and provincial governments and international experts.

CARIBBEAN AND PACIFIC

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
GWP CP MEETING, GHANA 6-02	Managing risk and vulnerability in the water sector for small island communities, decision-making in resource development (demand management, rainwater harvesting, alternative sources etc).	Representatives from the region.

EASTERN AFRICA

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
GWP CP MEETING, GHANA 6-02	Alternative funding mechanisms, conflict resolution, enabling frameworks, service delivery for the urban poor, and the role of the private sector.	Representatives from Kenya, Uganda, Ethiopia, Eritrea, Sudan (governmental, NGOs, academicians).

SOUTHEAST ASIA

REGION/COUNTRY DATE	DIALOGUE ISSUES	WHO TOOK PART?
INDONESIA 8-02	Institutions and financing.	126 participants from central and local government institutions, academic institutions, professional and research organisations, public companies, private sector associations, NGOs, international and regional organisations, and local politicians.
PHILIPPINES 9-02	Role of government, service providers, private sector participation, regulation, apex body, river basin organisation, and capacity building.	National government agencies, government owned and controlled corporations, water districts, local government units, academic and research institutions, NGOs, private sector, external support agencies, and member organisations of GWP.
THAILAND	Apex body, review and refine of water laws and policies, organisational restructuring, river basin organisations, database management, capacity building, participatory decision-making, conflict resolution, promotion of good governance, and economic instruments.	140 participants: officials and representatives from government, academic sector, NGOs and the private sector.
VIETNAM 10-02	Status of water governance, institutional aspects, civil society and community role, and financial aspects.	51 participants from ministries at directory level, researchers, water-related specialists, technical and academic institutions, professional associations, NGOs and media agencies.
THAILAND-REGIONAL DIALOGUE	Capacity building, effective river basin management, introducing financial and economic instruments, water allocation, effective regulations, and effective roles of stakeholders.	110 participants from Southeast Asia representing national governments, academic institutions, regional/ international organisations, private sector, non-government organisations, media agencies. Support provided by UNDP, Mekong River Commission, IWMI and ADB.

Annex 2 Kyoto Water and Governance Theme – Draft Statement

Key Issues:

Why governance? There is clear evidence that political openness and stability and good governance are the most significant factors for reducing poverty, improving equity and attracting investment. Recently, goals and targets for water have been set and the political will to meet these targets rose. Despite this there is too little action and too little investment with current investments often poorly managed. Investment (public or private) is low because water is seen as a high-risk low return activity that is complex with sensitive issues that increase transaction costs. Good water governance requires effective socio-political and administrative systems adopting an IWRM approach with transparent and participatory processes that address ecological and human needs. Primary responsibility rests with Governments to establish an effective governance framework although care is needed to account for external influences such as international agreements. Government should not abdicate responsibility but nor can the State act alone and achieving good water governance will require action through partnerships.

Actions since The Hague:

1. Governance has become firmly established within the water community and the Bonn Conference and World Summit in Johannesburg have provided increased political awareness of water governance issues.
2. Several countries have developed new water laws.
3. Dialogues on water governance have been held in over 30 countries and the Dialogue on effective water governance was accepted as a Type II partnership at the WSSD.
4. Many partnerships have been established or strengthened (involving public, private and civil society stakeholders).

Recommendations:

1. Governments should commit to the preparation of IWRM plans by 2005 in accordance with the WSSD Plan of Implementation. These plans should set out STRATEGIES and NOT just issues. They should be prepared with the participation of stakeholders. Plans should link to national Poverty Reduction Strategies.
2. The donor community should commit an increased percentage of their funds for water and for establishing better water governance systems. Extra support should be given to countries with sensible socio-economic policies to help implement laws and build administrative capacity for efficient public institutions at different levels of authority as well as provide seed money for infrastructure development for the poor.
3. Central government should strengthen its capacity for sustainable management of water resources and, as appropriate, decentralise operational and service delivery functions to municipalities, local governments, communities and private operators. Water services should be paid for by consumers and/or through transparent, targeted and funded subsidies so that all water service delivery systems are financially and managerially sustainable.
4. Governments should commit to institutional development and prepare simple but clear legal and regulatory frameworks that avoid jurisdictional overlaps and conflict between sectors and fill administrative gaps.
5. Better communications and access to information sharing should be promoted to help establish accountable and transparent systems and reduce corruption. Civil society and the local media should act as watchdogs to help ensure compliance within a monopoly situation. Stakeholders should secure legitimacy and 'ownership' of policies by society through social mobilisation and participation.



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The International Council for
Local Environmental Initiatives



The Global Water Partnership (GWP), established in 1996, is an international network open to all organizations involved in water resources management: developed and developing country government institutions, agencies of the United Nations, bi- and multilateral development banks, professional associations, research institutions, non-governmental organizations, and the private sector.

GWP was created to foster Integrated Water Resources Management (IWRM), which aims to ensure the coordinated development and management of water, land, and related resources by maximizing economic and social welfare without compromising the sustainability of vital environmental systems. GWP promotes IWRM by creating fora at global, regional, and national levels designed to support stakeholders with their practical implementation of IWRM.

Currently, the GWP network consists of eleven regions: Central America, South America, Southern Africa, Eastern Africa, West Africa, the Mediterranean, Central and Eastern Europe, Central Asia and Caucasus, South Asia, Southeast Asia and China. The GWP Secretariat is located in Stockholm in Sweden and supported by the following resource centers: DHI Water & Environment in Denmark, HR Wallingford in the UK, and the International Water Management Institute (IWMI) in Sri Lanka. The mission of GWP is to “support countries in the sustainable management of their water resources.”

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