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The 12 OECD principles on water governance – When science meets policy

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ABSTRACT

On the 4th of June 2015 the OECD Ministerial Council welcomed the "OECD Principles on Water Governance". This is one of the most visible and high-level results of two years of activity of the Water Governance Initiative (WGI), a multi-stakeholder platform of more than 100 delegates from public, private and non-profit sectors and gathering twice a year in a policy forum since March 2013. This new guidance for policymakers is rooted in six years of work on multi-level governance of water policy at the OECD, and more recently in the areas of stakeholder engagement, governance and performance of water services, basin governance, and integrity and transparency. The Principles were developed in a bottom-up fashion and led to extensive consultation of multiple and diversified interested parties in the early stages of their preparation. They are clustered around three main driving goals of water governance, namely its *effectiveness*, its *efficiency*, and its ability to generate *trust and engagement*, and are meant to inspire actions leading to better water governance at all levels of government and across the range of stakeholders involved in water policy design and implementation. Based on the authors' advisory, policymaking and academic experience, the paper will seek to discuss the rationale of the 12 principles and scope the needed conditions for their effective implementation by governments and stakeholders.

1. Introduction

On the 4th of June 2015 the OECD Ministerial Council welcomed the twelve "OECD Principles on Water Governance" (OECD, 2015a). This is a benchmark and a cornerstone of a long process that started in 2010. It was then that an analytical framework and tool for policymakers to identify and bridge governance challenges that affect all countries in a variable degree was developed. It was coined as the "OECD Multi-level Governance Framework: Mind the Gaps, Bridge the Gaps", providing a systematic approach for analysing main governance gaps and trying to overcome them (OECD, 2011).

This analytical framework was used to review water governance arrangements in 17 OECD countries (OECD, 2011) and 13 Latin American countries (OECD, 2012a). Stemming from the knowledge, experience and networking acquired with these preliminary efforts, two main fronts of work were launched: the Water Governance Initiative, and the National Policy Dialogues in Water Governance.

The Water Governance Initiative, under the OECD Water Governance Programme (OECD, 2015b) was created in March 2013 as a multi-stakeholder platform of more than 100 delegates from public, private and non-profit sectors that has been gathering every six months in a Policy Forum. The activity of this forum was initially organized in four thematic Working Groups: (i) Stakeholder engagement for effective water management; (ii) Performance of water supply and sanitation; (iii) Basin governance; and (iv) Integrity and transparency in the water sector. Since 2016 and following the adoption of the OECD Principles on Water Governance, it has been reorganised around two working groups on i) indicators, and ii) best practices.

The National Policy Dialogues are in-depth multi-stakeholder policy dialogues that seek to provide an evidence-based analysis of how water governance systems are performing in a given country and whether adjustments are needed to be fit for the future. Such exercises are demand-driven and tailored to countries' needs and

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were carried out in Mexico (OECD, 2013), Netherlands, Jordan, Tunisia (OECD, 2014a,b,c), and Brazil (OECD, 2015c).

Other aspects of water management and water governance have been contemplated by the activities developed by OECD, notably under the above-mentioned Water Governance Initiative (OECD, 2015b). In the above-mentioned reports and in other documents recently put out by OECD (OECD, 2015d, 2015e, 2015f, 2016), many case studies are analysed and approaches are compared.

Meanwhile, the attention given to governance issues has grown worldwide and many reports and papers, either with a national or with a global focus, have been published. Among the pioneering efforts in this direction is indeed the EUROWATER project funded in the early 90's by the European Commission (Correia, 1997a,b). Barraqué et al. (2011) and UNECE and WHO (2012) are just good examples of the growing attention given to governance and to the importance of good practices to ensure equitable access to the resource.

All this rich and diversified activity gradually consolidated in a set of concepts and approaches that aim, not only at diagnosing the failures of water governance, but mainly at identifying measures to overcome them. Some important features of this approach are presented in Section 2. The specific case of the urban water cycle (supply and wastewater treatment and disposal), as an important water use in the context of water resources management, is briefly addressed in Section 3. In Section 4 the three basic dimensions of water governance are presented, leading to the 12 principles for good water governance that are described in Section 5. Finally, some concluding remarks are presented in Section 6.

2. Multi-level approach and the seven gaps of water governance

Water is certainly a very peculiar substance of unmatched importance in all areas of human life. From each individual alone up to the entire society as a whole, from each economic activity up to the environment in all its strength and diversity, nothing can prosper, evolve or even survive without the presence and appropriate availability of that peculiar substance. It is no wonder then, that water resources management, at all levels, attracts so much attention and is so much considered as a key element in so many levels and areas of public policy (Correia, 1997a, 1997b; Dixit, 2009; Thielbörger, 2014).

Water is not only a very important component of the environment, and policies and measures are certainly necessary to ensure its quality and renewal, but water is also a key factor of social and economic development, also requiring adequate policies for its sustainable use. Public health, environment, agriculture, industry, energy, and transportation are areas of public policy that typically cannot be formulated without considering water availability or scarcity. Spatial Planning, regional development, poverty alleviation are good examples of policies that although being broader in scope, are severely conditioned by water and river basin management in general (Briscoe, 2011; UNESCO 2015a).

Taking all this into account, it is no surprise that formulating policies for water management, and implementing those policies, requires the engagement of several levels of society, including not only the so-called civil society, but also the political and administrative organizations at various levels. In fact, local authorities, regional or state authorities, national authorities, and even international organizations, are all requested to play a role and they have to articulate with each other in a more or less harmonious way (Moss and Newig, 2010; OECD, 2011).

All those authorities have a recognized legitimacy at a given level, and at that level that legitimacy is certainly relevant for the formulation and implementation of water policies. Some tensions or conflicting views among those authorities, or among them and segments of civil society, are unavoidable. However, to a large extent, the quality of water governance depends on the way those tensions or conflicting situations are overcome and settled.

A multilevel approach to water governance is necessary and this is clearly stated by OECD (2011). A review of water institutions in 17 OECD countries, complemented by a review in 13 Latin American countries (OECD, 2012a), substantiated this statement and led to the formulation of a framework of analysis based on the identification of the most common gaps hindering water governance.

Under the *motto* "OECD Multi-level Governance Framework: Mind the Gaps, Bridge the Gaps", a tool was developed that allows policymakers to identify and bridge governance faults that affect, to a greater or lesser extent, all countries, regardless of their institutional setting, water availability or degree of decentralisation. The proper utilization of this *motto* is displayed on Fig. 1 and the Gaps are presented in Table 1.

On the top of the fragmentation associated to all these levels of governance, it is important to emphasize that the laws of nature impose a spatial grid that is distinct from the political-administrative grid. In fact, the basin is commonly and correctly considered the appropriate scale for analysing and meeting water resources challenges. There are indeed very strong reasons to give a great deal of importance to that physical scale given that all effects propagate from upstream to downstream, creating unavoidable links among all users and uses of water. Whatever is done upstream has consequences downstream, creating some sort of factual solidarity stemming from the inescapable interdependencies imposed by nature. Thus, it is possible to say that, while political and administrative structures have to be considered for the sake of *subsidiarity* and democratic legitimacy, the basin scale and basin processes have to be necessarily considered for a matter of *solidarity*.

3. Urban water services in the context of water resources

As mentioned above, water is extremely important for many areas of economic activity, and also for human health, for the environment, and for social wellbeing. This is probably the reason why talking to technical or political communities related to those various areas is sometimes misleading. Frequently they tend to think about water exclusively, or at least with a very strong bias, in terms of *their* specific frameworks. For instance, people from the agriculture sector tend to think in terms of rain-fed versus irrigated agriculture, in water allocation and productivity per hectare, or in terms of storage for facing the dry periods of plant growth. The energy sector tends to think in terms of hydropower versus water for cooling thermal or nuclear stations, in megawatts produced by a given discharge, or on how to increase the potential of wind powered systems by coupling them with hydropower. These are just a few examples that could be replicated for all sectors of economic activity and virtually for all areas of water related policy.

Water is such an important resource that all sectors tend to look at it with their specific "glasses", often in contradiction, if not in open conflict, with other sectors. This is basically why water resources policy and management is tightly interwoven with all these sectors and should somehow lay above them to promote some order, to settle potential or existing conflicts and manage trade-offs among various conflicting uses, all certainly being economically and socially relevant (World Bank, 2003). This is clearly displayed on Fig. 2. Obviously this complex process of "laying above" must be politically driven by legitimate and democratic authorities, must rely on a proactive engagement of all stakeholders, and must be conducted in a transparent and accountable manner. This is the "essence" of water resources governance.

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