

OECD-MEXICO POLICY DIALOGUE ON WATER

Hotel Royal Pedregal (Periférico Sur)
Mexico City, México

PUBLIC POLICY SEMINAR

MAKING WATER REFORM HAPPEN IN MEXICO

11-13 SEPTEMBER 2012
HOTEL ROYAL PEDREGAL – PERIFERICO SUR
MEXICO CITY

Mexico has set itself an ambitious [2030 Water Agenda](#) to achieve within the next 20 years sustainable aquifers, clean rivers, universal coverage, and settlement from catastrophic floods. CONAGUA, the *National Water Commission* of Mexico called on the OECD to conduct a Review in support of the implementation of the 2030 Water Agenda.

The [OECD-Mexico Water Policy Dialogue](#) aims to identify the governance, financing, and regulatory bottlenecks to the implementation of the 2030 Water Agenda, and provide customised policy recommendations to make water reform happen in Mexico. As part of its peer-reviewing process, the OECD has invited high-level experts from Australia, Italy, United Kingdom and Brazil to share their valuable experiences in conducting water policy reforms.

The objective of this Policy Seminar is to discuss OECD preliminary assessment and recommendations on Mexico's Water Reform with a specific focus on (i) multi-level governance and capacity-building, ii) river basin management, iii) financial sustainability and economic instruments, iv) regulation for water supply and sanitation. A draft report was prepared in support of discussions, and the final Review will be completed by 30 November 2012, and officially launched in January 2013.

The Policy Seminar will involve a wide range of stakeholders including representatives from different ministries and public agencies, CONAGUA officials, representatives from government institutions, State Water Commissions, river basin councils and their auxiliary bodies, service providers and their associations, private operators, donors, NGOs, IMTA, academics, water users' associations, and independent consultants.

The thematic workshops will be organized on the same format. After a 15-minute presentation of OECD preliminary results, a 15' reaction from CONAGUA officials, and a 15' presentation from peer-reviewers and experts, the floor will be opened for a 2h free-flow discussion with the audience.

TUESDAY 11 SEPTEMBER 2012
Meeting room OBSIDIANA 4, 5 and 6

9h – 9h30

Welcoming remarks by Marco Antonio Velazquez Holguin, Head of the 2030 Water Agenda
Presentation of the Seminar objectives by Aziza Akhmouch, Coordinator of the Policy Dialogue

Identifying and overcoming governance and capacity obstacles to the implementation of the 2030 Water Agenda

This session will present key multi-level governance “gaps” identified in Mexico’s water sector and good practices for better managing interdependencies across multiple actors to make the water reform happen on the ground. In particular, issues related to fragmentation of roles and responsibilities, capacity building at sub-national level, accountability, information collection, sharing and disclosure, and objectives’ alignment across levels of government will be addressed.

Chair : Aziza Akhmouch

9h30 – 13h

- 15’ Presentation of OECD preliminary results by Claire Charbit, OECD
- 15’ Intervention by Marco Antonio Velazquez Holguin / Enrique Zarate, CONAGUA
- 15’ Presentation by Ney Maranhão, Superintendent of Water Resources, National Water Agency, Brazil

2h debate with the audience

**(11h -11h30
Coffee break)**

Issues for discussion

- Ensuring policy coherence across water-related areas (agriculture, climate change, territorial development, energy, etc.) and building mutually supportive water planning instruments : trade-offs and options for upper horizontal coordination across ministries and public agencies for an inclusive national reform framework ;
- Fostering continuity of water reform across political calendars, mandates and objectives : the contribution of governance instruments to align objectives and incentives across time and space (multi-annual investment plans, contracts across levels of government, monitoring of public policies)
- Strengthening evaluation and accountability through better link between users and governmental agencies to foster capacity-building, information sharing, and participatory decision and rule-making in water reform

13h – 14h30 : Lunch Buffet
Room OBSIDIANA 2 and 3

**Implementing the 2030 Water Agenda at the sub-national level:
the critical role of river basin authorities**

14h 30 – 18h

The session will focus on the actual and potential role of Mexican river basin authorities as vehicles for the implementation of the 2030 Water Agenda. In particular, issues related to administrative, financial, and capacity of river basin councils and their auxiliary bodies (mainly river basin committees, commissions and technical groundwater committees) will be addressed and compared with good practices in OECD and non OECD member countries.

**(16h – 16h30
Coffee break)**

Chair : Roberto Martin Hurtado

- 15’ Presentation of OECD preliminary results by Aziza Akhmouch, OECD
- 15’ Intervention by Raul Navarro / Pedro Ulises, River Basin Management Division at CONAGUA
- 15’ Presentation by Ney Maranhão, Superintendent of Water Resources, National Water Agency, Brazil

2h debate with the audience

Issues for discussion

- Good practices for strengthening river basin organisations' governance framework (autonomy, budget, responsibility, capacity, and prerogatives) and aligning decision making and consultation boundaries for an effective contribution to the design, implementation and financing of sub-national water strategies;
- Ensuring greater representativeness of key stakeholders in river basin councils and coordination across river basin authorities to increase the learning curve, build capacities and foster exchanges based on good practices in OECD and non OECD countries

WEDNESDAY 12 SEPTEMBER 2012
Meeting room OBSIDIANA 4, 5 and 6

Making the most of economic instruments to implement the 2030 Water Agenda

This session will address the role of economic instruments in the implementation of the 2030 Water Agenda: to reduce investment needs and to generate additional revenues for water-related institutions services, and infrastructures. In particular, issues related to users' fees, the effectiveness and efficiency of public expenditure and the package of irrigation subsidies will be discussed, as well as good practices in designing comprehensive strategic financing plans with realistic objectives, clear principles and effective mechanisms.

Chair : Roberto Martin Hurtado

9h00 – 12h30

- 15' Presentation of OECD preliminary results and options for reform by Xavier Leflaive, OECD
- 15' Intervention by LMiguel Avilán and Karime Orozco, CONAGUA
- 15' Presentation by Kerry Olsson, National Water Commission, Australia

**(10h30 - 11h
Coffee break)**

2h debate with the audience

Issues for discussion

- Benefits of factoring financial sustainability considerations early in the decision-making process. Ways forward;
- Added value of a Water Financing System, and main issues to be covered (including alignment of national, basin and state funding priorities);
- Accompanying measures to facilitate the reform of pricing instruments and water harmful subsidies. They should address equity, affordability, or competitiveness concerns. They should also take account of the water-food security trade-off;
- Ambition and tools for a reform of water allocation mechanisms.

12h30 – 14h : Lunch Buffet
Room OBSIDIANA 2 and 3

14h – 17h30

Improving the regulatory framework for water supply and sanitation in Mexico

**(15h30 – 16h
Coffee break)**

This session will discuss how regulatory functions (including tariff regulation, monitoring of performance of service provision, enforcement of quality standards, customers engagement) are currently discharged in the WSS sector of Mexico and what might be needed to improve the regulatory framework to better implement Mexico's 2030 Water Agenda. In particular, regulatory challenges related to the fragmentation of institutions, efficient service provision, financial

sustainability of the sector will be discussed in light of the opportunity presented by the draft law proposal on WSS and the current discussions in the country on the establishment of an economic regulator.

Chair : Aziza Akhmouch

- 15' Presentation of OECD preliminary results by Céline Kauffmann, OECD
- 15' Intervention by Jose Ramon Ardavin / Eduardo Ibañez, CONAGUA
- 15' Presentation by Antonio Massarutto, expert on water reform in Italy and Philip Fletcher, Chairman of OFWAT

2h debate with the audience

Issues for discussion

- Ensuring a high quality regulatory framework for WSS in Mexico that supports the development of autonomous, efficient and financially sustainable utilities: the critical gaps that a WSS law could help address.
- Bridging the fragmentation of regulatory responsibilities in the WSS sector and depoliticizing the discussions on service provision and tariff setting through the establishment of economic regulators: benefits and pitfalls in the Mexican context.
- Strengthening States' role in WSS regulation: their role in monitoring service provision, setting tariff, channeling service provision concerns of users and consumers, and taking the lead in capacity building activities.

THURSDAY 13 SEPTEMBER 2012

Meeting room OBSIDIANA 4

**Presentation of OECD Preliminary Assessment and Recommendations :
a vision for long term implementation of water reform in Mexico**

This session will provide a recap of key conclusions from the Policy Seminar, assessment of cross-cutting issues related to the implementation of Mexico's Reform, and discussion on the ways forward.

Chair : Jose Antonio Ardavin, Head of OECD Center in Mexico

9h30 – 13h

- 45' wrap up and key OECD and Policy Seminar messages, by the rapporteurs
- 15' presentation of transversal issues for discussion, by Aziza Akhmouch
- 15' intervention by CONAGUA
- 30' Presentation of forward looking views from sub-national actors, by Minister Oscar Pimentel and Governor Anguiano (tbc)

11h -11h30

Coffee break

1h30 debate with the audience

Issues for discussion

- The role of different stakeholders in the implementation, sequencing, monitoring and prioritisation of the reform;
 - Incentives for continuity of reform across elections and between Mayors, Parliamentarians and Presidential political mandates
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