



# OECD Water Governance Initiative

## Terms of Reference

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### Preamble

This note frames the scope, objectives, and expected contribution of the OECD Water Governance Initiative<sup>1</sup> launched on 27-28 March 2013 at OECD Headquarters, Paris.

The OECD Water Governance Initiative is intended as an international **multi-stakeholder network** of around 100 delegates from public, private and not-for profit sectors gathering twice a year in a **Policy Forum** to share on-going reforms, projects, lessons and good practices in support of better water governance in the water sector. The Initiative builds on the process of the 6<sup>th</sup> World Water Forum (Marseille, 12-17 March 2012) and the outcomes of its Core Group on “Good Governance”, led by the OECD and other institutional partners.

The **OECD Secretariat** hosts the Initiative on Water Governance and carries out operational activities. A **Steering Committee** composed of the founding institutions from the 6<sup>th</sup> WWF Good Governance Core Group (see table below) defines strategic orientations and sustains the activities through thematic and regional working groups.

### Background and rationale

The OECD 2011 Report “Water Governance in OECD Countries: a Multi-level Approach” underlines the extent to which the current water crisis is largely a governance crisis. It also stresses that often, the technical, financial and even institutional “solutions” to the crisis are well-known. The main challenges concern their implementation on the ground – overcoming the governance gaps hindering water policy, monitoring social, environmental and economic outcomes and engaging stakeholders at all level to design and implement place-based policies, tailored to local contexts. Hence, the importance of sharing practices, tools and methodologies across countries and institutions to take stock of both what exists and works well, as well as lessons learnt from failures. In a word, how water governance “solutions” can work.

The 6<sup>th</sup> WWF offered the opportunity to launch and open such a dialogue. As part of this solution-oriented Forum, held in Marseille on 12-17 March 2012, a large community of stakeholders from different backgrounds worked together in the “Good Governance” Core Group led by the OECD to develop concrete, measurable and achievable solutions in terms of (i) effective public governance; (ii) integrated water resources management; and (iii) integrity and transparency.

From February 2011 to March 2012, six task forces gathering 300 contributors and led by six target solution group coordinators worked together in order to:

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<sup>1</sup> The **OECD Water Governance Initiative** may not be considered under any circumstance as an OECD body. The Initiative is hosted within the OECD, the Secretariat of which will be assumed by the Public Governance and Territorial Development Directorate as part of the activities of the OECD Territorial Development Policy Committee.

- define and agree upon **six good governance targets** to be achieved in the next decade, regarding stakeholders' engagement, service performance, improved integrated water resources management, groundwater governance, corruption alleviation and transparent budgetary processes (see table below);
- design realistic **action plans**, based on good practices worldwide; and
- collect **pragmatic responses** to overcome governance challenges in the water sector

#### Good Governance Targets defined for the 6<sup>th</sup> WWF, Marseille 12-17 2012

Effective public governance	<b>Target 1</b> 	By 2015, 50% of countries will have adopted <b>consultation, participation and co-ordination mechanisms allowing stakeholders at local, regional, national and international levels to effectively contribute to decision-making</b> in a coherent, holistic and integrated way. By 2021, 100% will have done so.
	<b>Target 2</b> 	By 2015, 50% countries will have strengthened <b>regulatory frameworks</b> and adopted <b>performance indicators</b> (service delivery) to monitor and evaluate water policies; and all countries will have put in place <b>capacity-building processes</b> at national and local level to foster good governance in service delivery. By 2018, all countries will have done so.
Integrated water resources management	<b>Target 3</b> 	By 2021, increase by 30% the number of <b>river basin management plans</b> (analysis of initial status and main issues).
	<b>Target 4</b> 	By 2015, increase the number of countries with <b>water security diagnoses and governance tools</b> , based on existing (local, national, international) regulatory and legislative frameworks and integrated water resources management mechanisms.
Better integrity and transparency	<b>Target 5</b> 	By 2018, 30 countries will have committed to promote <b>integrity</b> in the water sector, diagnose/map existing or potential <b>corruption risks</b> , and ensure that <b>anti-corruption policies</b> are well implemented and effective.
	<b>Target 6</b> 	By 2018, 30 countries will be implementing: <b>transparent water budget processes</b> , including information about <b>water infrastructure investment planning and implementation</b> (financial, technical, and socioeconomic impacts); and methods and tools for improving <b>transparency and accountability</b> within the water sector.

The Final Synthesis Report on Good Governance from the 6<sup>th</sup> World Water Forum can be accessed at [http://www.oecd.org/gov/regional-policy/Report\\_CG\\_CS1\\_Good\\_Governance\\_EN.pdf](http://www.oecd.org/gov/regional-policy/Report_CG_CS1_Good_Governance_EN.pdf)

During the [conclusion of governance discussions](#) in Marseille, institutions gathered under the Core Group on “Good Governance” agreed to set up a platform that will maintain continuous links and cooperation across stakeholders between World Water Fora. The Mediterranean and America regional processes of the 6<sup>th</sup> WWF reached a similar conclusion on the necessity to go beyond Marseille 2012 in co-operation with the OECD.

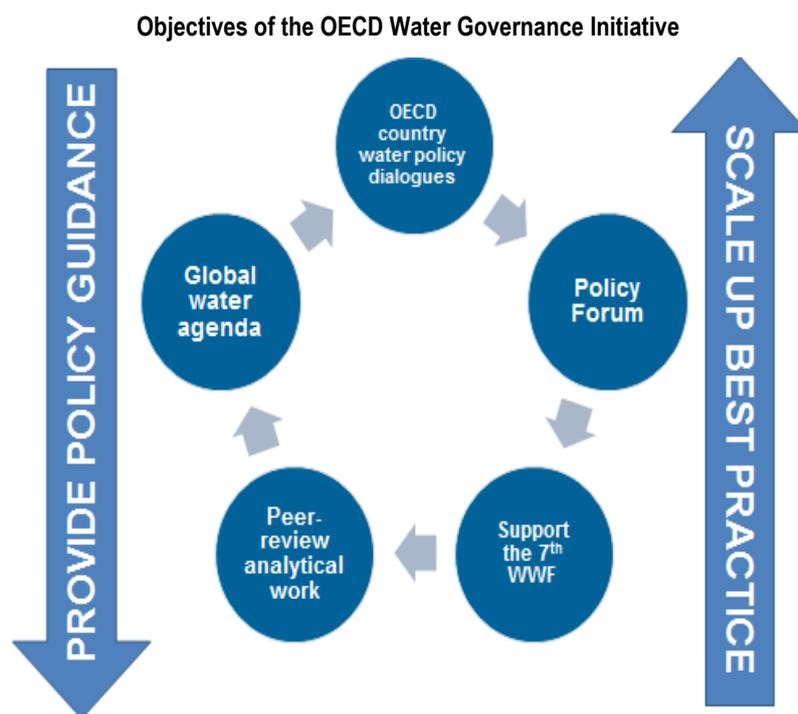
#### Scope and objectives

The OECD Water Governance Initiative provides a platform to convene key stakeholders within and outside the water sector in order to share experiences and lessons learnt in improving water governance.

The objectives include the following:

- **Advise governments** in taking the needed steps for effective water governance reforms through policy dialogue across decision-makers at different levels;
- Provide a **technical platform** to discuss analytical work on water governance through peer-to-peer exchanges and knowledge sharing;

- Provide a **consultation mechanism** to raise the profile of governance issues in the **Global Water Agenda** (World Water Forum, Post-2015 Development Agenda)
- Support the implementation of the governance targets designed for the 6<sup>th</sup> World Water Forum (Marseille, 2012) up to the 7<sup>th</sup> **World Water Forum** (Korea, 2015); and
- Contribute to the preparation of **OECD Principles on Water Governance** and **OECD Indicators on Water Governance** to engage decision-makers at all levels, within and outside the water sector ;



### Stakeholders to be engaged in the OECD Water Governance Initiative

The Initiative on Water Governance has an **open membership** and a wide **geographic, economic and institutional representation** of key water governance players at local, national and global levels. The (100+) members of the Initiative represent national governments, basin and local authorities (and their networks), regulators (and their networks), donors and international financial institutions, NGOs, international organisations and institutions, service providers (both public and private, and their networks), as well as academics and independent experts. The Initiative also relies on regional partners (or sub-networks) in the Mediterranean region, North America, Europe, Africa, in Latin America and Asia.

### Potential outputs

Expected outputs of the Water Governance Initiative include the following:

- **An International Inventory identifying existing tools, methodologies, initiatives and programmes** in support of good governance in the water sector, to be updated on a regular basis and linked to existing tool spaces in the water sector (e.g. WIN, UNESCO, INBO, UNDP/SIWI);
- **Monitoring of the implementation of the 6<sup>th</sup> WWF governance targets**: this could take the form of annual progress reports, a matrix of key obstacles to targets' implementation in different countries, institutional

partnerships across members (MoUs, cooperation framework) to support specific target implementation, in-depth analytical work to assess what has been achieved, collection of good practices on the ground etc.;

- **Principles and Indicators on Water Governance** to be endorsed by OECD bodies and committees with a view to becoming an international standard. This set of overarching recommendations will contribute to enhance better governance in the water sector, and pave the way to an Implementation Toolkit to monitor and support countries, and facilitate bench-learning;
- **Policy guidance and other contributions in support of better water governance:** e.g. analytical work, data sharing, dissemination of good practices, peer-review, benchmarks and support to water reform processes.

## Organisation and sustainability of the OECD Water Governance Initiative

### Three-tier structure of the OECD Water Governance Initiative



Subject to appropriate funding, the day-to-day operational activities of the Initiative and the bi-annual meetings will be hosted and carried out by the **OECD Secretariat**. The maintenance and operation of the Initiative will be **funded exclusively through voluntary contributions and in-kind contributions**. **Voluntary contributions could take the form of a basket of donors** from the Steering Committee Members and other sponsors, and **in-kind contributions** could take such forms as hosting some regional and thematic working groups meetings, sharing available knowledge and information, convening joint activities of the Initiative.

The **Steering Committee** defines strategic orientations and sustains the activities through leading the thematic working groups. It can have a rotating membership with half of the steering committee being renewed (for example) after each World Water Forum. The Steering Committee for the first three years of operation of the OECD Water Governance Initiative will be composed of target solution groups' coordinators of the 6<sup>th</sup> WWF Governance Group (OECD, Suez Environment, UNESCO, ASTEE, INBO, SIWI, Transparency international and the Water Integrity Network).

The **Chair** of the OECD Water Governance Initiative, designated for a period of three years, takes part in strategic discussions, supports the Initiative's activities and contributes to raising the profile of the Initiative within and outside the OECD.

## Activities of the OECD Water Governance Initiative

- **Bi-annual meetings** convening stakeholders, back to back with important water-related events. Such a meeting could also be hosted by regional governance initiatives which could play the role of liaison within their respective geographic areas, or thematic coordinators depending on their respective activities.

- **Pre-listed activities building on key water governance events and commitments** from partners (e.g. International year on water cooperation, e.g. WIN-UNESCO Integrity Conference etc., Water and Diplomacy Conference etc.)
- **Thematic Working Groups** on *stakeholder engagement, performance and governance of water services, basin governance, integrity and transparency*. They will be linked to specific work in the different continents carried out by “**regional partners**”, with cross-fertilisation mechanisms to foster exchanges, building on specialisation of communities of practice and linking with relevant network organisations;
- A **Community Platform** to easily exchange information among members and across working groups;

#### Organisation of the OECD Water Governance Initiative



#### Duration and Tentative calendar 2013-2015

The Initiative is set up for an initial duration of two years starting the official launch (27-28 March 2013), and could be pursued, subject to the results and conclusions of the 7th World Water Forum in Korea (April, 2015).

- 27-28 March 2013 : Official kick-off – 1<sup>st</sup> meeting of the OECD Water Governance Initiative
- September 2013: Selection of the Chair, thematic working groups, identification of regional partners.
- 7-8 November 2013 : 2<sup>nd</sup> Meeting of the OECD Water Governance Initiative
- 28-29 April 2014 : 3<sup>rd</sup> meeting of the OECD Water Governance Initiative
- 24-25 November 2014 : 4<sup>th</sup> meeting of the OECD Water Governance Initiative
- 12-17 April 2015 : 7<sup>th</sup> World Water Forum, Korea

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