ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES

8th MEETING OF THE OECD WATER GOVERNANCE INITIATIVE

12-13 January 2017, Rabat, Morocco

HIGHLIGHTS

The OECD Water Governance Initiative (WGI) is an international multi-stakeholder network of around 130 delegates from public, private and not-for-profit sectors gathering twice a year in a Policy Forum to share on-going reforms, projects, lessons and good practices in support of better governance in the water sector. It was launched on 27-28 March 2013 in Paris. Since its creation, the WGI has gathered 8 times (7-8 November 2013, Paris; 28-29 April 2014, Madrid; 24-25 November 2014, Paris; 26 May 2015, Edinburgh; 2-3 November 2015, Paris; 23-24 June 2016, The Hague and 12-13 January, Rabat).

The OECD WGI aims to:

1. Provide a **multi-stakeholder technical platform** to share knowledge, experience and best practices on water governance across levels of government;
2. **Advise governments** in taking the needed steps for effective water reforms through peer-to-peer dialogue and stakeholder engagement across public, private and non-profit sectors;
3. Provide a **consultation mechanism** to raise the profile of governance in the Global Water Agenda (Sustainable Development Goals, World Water Forum, Habitat III, COP etc.);
4. Support the **implementation** of the OECD Principles on Water Governance in interested member and non-member countries by scaling up best practices and contributing to the development of indicators; and
5. **Foster continuity** on governance discussions between two World Water Forum (every 3 years), in particular by supporting the Governance Implementation Roadmap of the 7th World Water Forum (Korea, 2015) up to the 8th World Water Forum (Brazil, 2018).

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KEY HIGHLIGHTS

1. The 8th WGI meeting was held at the headquarters of the Delegated Ministry for Water, Rabat, Morocco and gathered 75 participants (see the list of participants). In all, 14 countries were represented as well as major stakeholder groups and organisations within and outside the water sector. The 8th meeting of the WGI had the following objectives (see the agenda):

- Update WGI members (renewal of the Chair, Steering Committee, outreach & consultations)
- Consult WGI members on the draft indicator framework and best practice survey results
- Discuss WGI inputs to Global Agendas, especially Habitat III, COP 22 & World Water Forum
- Share knowledge and experience on water governance, reforms, research and events

2. Delegates **WELCOMED**:

- The renewal of Peter Glas as Chair of the WGI for a second three-year term, and the arrival of the Spanish Association of Water Supply and Sanitation (AEAS) in the Steering Committee.
- The launch of the Global Coalition for Good Water Governance on 29 August 2016 to broaden the support base for the OECD Principles on Water Governance and offer an opportunity to stakeholders beyond the WGI to be consulted on indicators and good practices.
- The adoption of the OECD Council Recommendation on Water on 13 December 2016, which features the Principles on a Water Governance in a dedicated section (VI) on governance, thus raising them to the level of OECD legal instrument.
- The authoring by the Chair of the WGI of a Chapter on *Cities and regions – Connected by water in mutual dependency* in the OECD Regional Outlook 2016 to call for better efficiency and connectedness across territorial and hydrographic boundaries, and water-related policies.

3. Delegates **DISCUSSED**:

- The importance of water governance in the **Global Agenda**, as evidenced by the sessions organised at Habitat III (17-20 October 2016, Quito) and references to water in the New Urban Agenda; the contribution of governance to realise the SDGs as stated in the Action Plan of the High-level Panel on Water and the Key Messages and Policy Recommendations of the Budapest Water Summit (28-30 November 2016); the organisation of a Water Action Day at COP22; and the definition of governance as a cross-cutting theme of the Thematic Process for the 8th World Water Forum (18-23 March 2018, Brasilia), to be coordinated by the WGI.
- Progress achieved on **water governance indicators** and **best practices**. Members welcomed the draft indicator framework proposed to assess framework conditions; progress over time; and impacts of water governance. Delegates also welcomed the results of activities to scope the expectations for best practices through a short survey; take stock of existing databases on best practices; and pilot-test the draft template for collecting practices. Volunteers for pilot-testing indicators were identified in Austria, AEAS, GWP, Dutch Water Authorities, BDEW, Cap Verde and Sebou river basin agency (Morocco). Practices to be collected in March-April will be peer-reviewed within WGI focus groups against pre-defined criteria.

4. Delegates **SHARED** the outcomes of **recent water-related events**, in particular the 26th World Water Week, (28 August -2 September 2016, Stockholm, Sweden); the 3rd International Water Regulators Forum (10 October 2016, Brisbane, Australia); the EURO-INBO 2016 Conference (19-22 October 2016, Lourdes, France); the Korea International Water Week (19-22 October 2016, Daegu,

Korea); the 3rd Water Economics Forum (24 November 2016, Madrid, Spain); and WAREG General Assembly (6 December 2016, Tallinn, Estonia)

5. Delegates **SHARED** knowledge and information from **recent research, reforms, projects** on water governance, in particular on the CASTWATER project linking water and tourism; trust and satisfaction in tap water in France with the 20th French water barometer; public-private management models in Spain's water services; governance sessions to be organised at the 16th IWRA World Water Congress (29 May-2 June 2017, Cancun, Mexico); and WAREG's recent study on affordability in water services.

NEXT STEPS

- **April 2017**: Call for water governance practices and pilot-testing of indicators.
- **May-June 2017**: Working Groups' Webinars to discuss progress on practices and indicators.
- **3-4 July 2017:** 9th Meeting of the WGI, OECD Headquarters, Paris
- **20-21 November 2017**: 10th Meeting of the WGI, Vienna, Austria

SUMMARY RECORD

Welcoming Remarks

6. The meeting kicked-off with a video-message from Peter Glas, Chair of the WGI who could not participate in the meeting because of the flu. In his absence, the meeting was jointly chaired by Aziza Akhmouch, OECD, Hakan Tropp, SIWI and Jean-François Donzier, INBO. In his video message, the Chair of the WGI greeted the delegates and commended the dedication of the Moroccan authorities in the preparation of the 8th WGI meeting. He expressed his satisfaction for the energy deployed and progress achieved by the Working Groups since the 7th WGI meeting. He also welcomed the recognition given to *water* in the COP22 process, much thanks to the support of the Moroccan government, and to *governance* in the realisation of water-related SDGs, with the explicit mention of the OECD Principles on Water Governance in the Action Plan of the High-level Panel on Water.

7. Abdeslam Ziyad, Water Director of Morocco, officially opened the event expressing the regrets from Ms Charafat Afailal, Delegated Minister for Water, who could not participate due to last minute changes in her agenda. He welcomed the opportunity to host the 8th WGI meeting in Morocco, a country that has had its history and development closely intertwined with water. The WGI meeting also provides an opportunity for Moroccan officials and stakeholders to share their experience of managing "too little water" with WGI delegates, and learn from them. Morocco has long adopted a water governance model that anticipates risks of scarcity and manages supply so that water sustains the country's economic, social and environmental objectives. He considered the 8th meeting timely because it follows two major events held in Morocco in 2016 and that contributed to raising the profile of water in the Global Agenda: the International Conference on Water and Climate (Rabat, 11-12 July 2016) and the Water Action Day as part of COP 22 (7-17 November 2016, Marrakech).

8. Joaquim Oliveira Martins, Head of the OECD Regional Development Policy, congratulated Morocco for the energy and resources mobilised to host the WGI meeting, in addition to being an active member of the network. He mentioned that the OECD is working with Morocco on territorial development as part of the Country Programme, in particular on a policy dialogue on territorial development which addresses issues of metropolitan governance, urban-rural partnerships and managing policies at the right scale. He welcomed the election of the WGI Chair for a 2nd three-year term on November, as well as the selection of the Spanish Association of Water Supply and Sanitation (AEAS) as new member of the Steering Committee. It was recalled that the Steering Committee vacancy was primarily seen as an opportunity for the most active WGI members to up-scale their contribution in a more visible and strategic way. Based on an open call for applications, which gathered four submissions, the Steering Committee considered AEAS as the best-fit candidate, given its track record on substantive and outreach WGI activities in the past three years, and its potential for mobilising stakeholders and resources. The Secretariat also thanked Germany and the Netherlands for their latest financial contributions to the WGI, which are critical to its sustainability.

9. Finally, Joaquim Oliveira Martins updated delegates on three important developments at OECD related to water governance:

- The launch of the Global Coalition for Good Water Governance on 29 August 2016 by the OECD Secretary General at SWWW. The Global Coalition aims to broaden the support base for the OECD Principles on Water Governance by enlarging the circle to 40+ institutions to be consulted on the draft indicators and mobilised to collect practices.

- The adoption of the OECD Council Recommendation on Water on 13 December 2016, which updates and consolidates the OECD acquis on Water. The Recommendation covers the broad

range of water issues, with dedicated sections on water quality, quantity, risks and disasters, governance and financing. The OECD Principles on Water Governance are reflected verbatim in the governance section, which therefore raises them to the level of OECD legal instrument of the OECD. A toolkit is underway to support implementation, which will feature the indicators and best practices to be developed by the WGI.

- The launch of the OECD Regional Outlook 2016, which reckons the role of water for inclusive growth in regions and cities. The third edition of the Regional Outlook continues to emphasise the untapped growth, productivity and well-being potential in cities and regions and includes a dedicated chapter drafted by the Chair of the WGI. It calls for better efficiency and inclusiveness when connecting between territorial scales and water boundaries, and across water-related policies.

Update by the Secretariat on recent WGI activities

10. Aziza Akhmouch, Head of the OECD Water Governance Programme, updated members on the dissemination of the **Principles**, which are being increasingly referred to in the water literature, projects and advocacy activities. A dedicated article "The 12 OECD principles on water governance – When science meets policy" was co-authored with Francisco Nunes Correia and published in the journal *Utilities Policy*. The Principles are also referenced in international processes such as the Action Plan of the High-level Panel on Water, published on 21 September 2016, which encourages the endorsement of the Principles as a priority action to improve water governance and support the realisation of the 2030 Agenda. Furthermore, 43 new organisations have endorsed the Principles following the call to join the Global Coalition for Good Water Governance, which brings the total number of signatories to 182.

11. The draft paper on "**Flood Risk Governance: A Shared Responsibility**" peer-reviewed at the 7th WGI meeting was revised and a call for case studies was extended on 10 October 2016 to collect practical experiences on flood risk governance. In all, 27 cases were collected from Africa, Europe, Asia-Pacific and Latin America, which are being analysed to sketch out hypotheses, best practices and lessons learned. A revised draft including the analysis from case studies will be shared with WGI members for comments in April 2017, and launched at the 9th WGI meeting, 3-4 July 2017.

12. Delegates were informed that the **OECD and Brazil** are engaged in a 2nd Policy Dialogue on setting and governing economic instruments to manage water resources, looking in particular at abstraction and pollution charges. The draft report will be peer-reviewed at the 9th WGI meeting. The OECD is also conducting a Policy Dialogue with Chile on the governance of infrastructure to support Chile's 30/30 Agenda and includes a zoom on transport and water-related infrastructure. The draft report will be shared with WGI members by March 2017.

13. The OECD and IWRA are currently preparing a **special issue** of Water International on "Governance". The objective is three-fold: i) foster the science-policy interface in practice, with WGI multi-stakeholder authoring of articles to combine the views of practitioners, academics and policymakers; ii) provide a tangible output from the closer cooperation between IWRA and the WGI on the road to the 16th IWRA World Water Congress (June 2017, Cancun); and iii) provide a scientific evidence-base to the Principles**.** In addition to the OECD Secretariat, the Editorial Committee includes Andrew Ross (Australian National University), Sarah Hendry (University of Dundee), Sharon Megdal (University of Arizona), Francisco Nunes-Correia (University of Lisbon) as well as James Nickum, Editor-in-Chief of *Water International*. They contributed to developing the storyline of the special issue, which supported the call for abstracts extended to WGI members on 10 October. A total of 7

abstracts were ultimately selected. The drafts are expected in February for a peer-review mid-March, and a possible launch in June.

14. A **Taskforce on IWRM** was set up by WWC, GWP and IUCN following the adoption of the SDGs, which comprises several members of the WGI including OECD, ASTEE and IWRA. The objective is to operationalise IWRM in the 2030 Agenda as a key strategy for delivering across all targets of Goal 6, as well other water-related SDGs. The Taskforce should deliver political messages and contribute to an aggiornamento of the IWRM concept. These messages will be shared with the WGI members for comments, and further disseminated through key platforms such as the IWRA World Water Congress, the SDG 14 [Oceans] review meeting (5-3 June 2017, New York) and the 8th World Water Forum.

Raising the profile of water governance in the Global Agenda

Habitat III Conference (Quito, 17-20 October 2016)

15. The OECD was very active at Habitat III and participated in more than 40 events. Notably, the OECD promoted its approach on National Urban Policies (NUP) that encourages an integrated view of urbanisation and cities, and provides a framework for aligning policies across levels of government. The NUP approach was used to conduct several country reviews in Chile, Korea, Mexico and China. OECD's work on the Governance of Land Use was also disseminated in Quito, as it investigates how land use is regulated across the 35 OECD countries and reveals numerous inconsistencies in the alignment of policies (e.g. between land use and tax policies or transport). Such policy misalignment hinders not only the potential of cities to act as economic developers, but also to achieve broader objectives such as environmental sustainability and well-being. Strikingly, the central topic of Habitat III was to connect urban policies with related ones, including water. Sessions addressed urban governance issues, looking at i) metropolitan arrangements to overcome fragmentation, which negatively affects productivity and equity; ii) investment needs in cities to renew water infrastructure; iii) and the management of urban flood risks. The New Urban Agenda**,** which is the outcome document of Habitat III, depicts urbanisation as an opportunity. Cities are in a position to create greater efficiencies, including in public services, and be innovation hubs. The document refers multiple times to water and the OECD NUP approach, and also calls for more data, statistical analysis and capacities to support urban growth. The focus is now on implementing that Agenda, a process to which the OECD will contribute with the organisation of the 2nd International Conference on National Urban Policies in May 2017. Water should be a connector of policies throughout the Conference, including exploring links between SDG 6 [Water] and SDG 11 [Sustainable cities].

Budapest Water Summit (Budapest, 28-30 November 2016)

16. H.E. Mr Miklós Tromler, Ambassador of Hungary to Morocco, shared the key highlights from the Budapest Water Summit, which welcomed participants from 117 countries and involved the OECD/WGI in the Programme and Drafting Committee. Prestigious guests included four current and two former head of states; 30+ ministers, deputy-ministers, and state secretaries; the President of the UN General Assembly, Heads of UN Agencies, and important players of the scientific and business communities.

17. The UN estimates that yearly droughts and desertification cause the loss of 2 million hectares (i.e. 23 hectares per minute), while the world population could reach 8,500 million in 2030. These figures indicate that smaller production areas will have to supply more and more people with food. What is more, in 2015, 20+ million people had to flee their homes due to water-related disasters, and water-related hazards account for 90% of all natural disasters. Addressing these challenges and

managing water resources in a sustainable way were the underlying objectives of the 2016 Budapest Water Summit, held under the patronage of His Excellency János Áder, president of Hungary. A key feature of the Summit was the participation of 9 of the most important multilateral financial banks, including the World Bank Group and the Green Fund, which committed to double the amount of spending on water-related investments during the next 5 years.

18. The Summit concluded with Key Messages and Policy Recommendations to guide the next 15 years of public actions on water security. These messages cover issues of transboundary cooperation, policy coherence, and water governance at large. The Recommendations stipulate that water is an opportunity for development, education, and women and youth involvement. They also notably address the need for a new global water architecture to support the implementation of the SDGs. Hungary believes that the Summit and its outcome document laid down water policy directions and goals through which water resources can be preserved in the long-term for the next generations, and that refute the general thinking that future wars will be fought for water.

Preparatory process of the 8th World Water Forum

19. Danielle Gaillard-Picher, WWC and Aline Machado da Matta, ANA updated delegates on the latest landmarks of the preparatory process leading to the 8th World Water Forum to be held for the first time in the southern hemisphere (18-23 March 2018, Brasilia). The Thematic Process includes six core themes (i.e. climate, people, development, urban, ecosystems and finance) and three cross-cutting themes, which are governance, sharing and capacity. Within each theme, 3 or 4 topics will address more specific issues. Following a call for expression of interest, the WGI was named Coordinator of the Governance theme, together with INBO, WfWP, CONAGUA and ANA. This will help support the continuity with the previous 6th and 7th World Water Forum and the implementation of WGI's Implementation Roadmap from Korea (2015). Topic coordinators will be selected by the Theme coordinators in March 2017 following a similar process. A meeting of Theme coordinators is scheduled on 2-3 February in Brasilia to discuss content and synergies with other Forum processes (Regional, Sustainability, Citizen and Political). It is expected that the Political process will follow a similar format as for previous Fora, with Ministerial, Local and Parliamentarian processes to be prepared through PrepCom meetings. The High-Level Panel on Water is also expected to share some results of its work in Brasilia. A worldwide online consultation campaign will be organised to collect inputs on the Forum's themes. A 2nd Stakeholder Consultation Meeting will take place in Brasilia on 26-27 April 2017.

Water Action Day, COP 22 (Marrakech, 7-18 November 2016)

20. Safaa Bahije, in charge of international cooperation at the Delegated Ministry for Water of Morocco reported on the outcomes of COP22. She recalled that 2015 was the year of international commitments on climate and sustainable development, while 2016 marked a turning point toward the implementation of these commitments. In this context, Morocco considered water as a connector and raised its profile in the COP22. A preparatory conference was organised on 12-13 July in Rabat on Water and Climate, which gathered 700+ participants and included a Ministerial roundtable on Water for Africa. The Conference resulted in a Blue Book with recommendations that were presented at COP22. A Water Action Day was held in Marrakech on 9 November, jointly organised by Morocco, INBO and WWC. It was an opportunity to showcase the progress made by major initiatives launched at COP21 such as the Paris Pact on river basins, the Business Alliance and Climate is Water initiative, and to launch new ones, including the Parliamentarian Initiative on Water. In addition, a Water Dialogue, co-moderated by the OECD and AGWA was organised on the topics of sustainable development, socio-economic development, financial mechanisms, and knowledge, cooperation and capacity building. A High Level Panel was also organised on 17 November on accelerating climate

action and made references to the outcomes of the Water Action Day. COP22 conclusions lay down short-term actions that should be taken in 2017 for confirming the Water Action Day in the global climate agenda; supporting countries to include water programs in their NDCs; creating a Water-Energy Hub to assist developing countries; and launching two pilot projects related to i) National Water Information Systems and ii) multi-parties dialogues in pilot river basins. Mid-term actions to 2020 were also listed, including setting up a monitoring mechanism to evaluate progress on water and climate change commitments; and defining and implementing a priority action plan to improve access to water and sanitation services in Africa.

Group discussion on the global agenda

21. Delegates were invited to react to the presentations on the Global Agenda and share their own contributions, as appropriate.

22. On Habitat III and the potential of **urbanisation** for smart water management:

- FP2E concurred that urbanisation is an opportunity for water management. In France for instance, the rise of digital tools in urban water management has created greater "permeability" with other sectors, such as weather forecasting to better plan for water-related disasters, or urban planning to manage urban runoffs. Smart water meters bring water managers and insurers closer, and create opportunities for new sources of finance. ICTs are also creating new avenues that increasingly open water governance and foster better interconnectedness between local public services.

- The Institute for Water and Sanitation of Morocco organised a workshop with the Rabat School of Governance to discuss whether urbanisation was an opportunity or a threat. It was argued that water policies should support urban growth while mitigating the impacts on the resource. In Morocco, water policies and programmes have mostly focused on supporting access to water and sanitation in rural areas to ensure equity between urban and rural dwellers. It was suggested to organise a webinar within the WGI activities to discuss these issues in depth and question whether urbanisation is a fatality or opportunity for water governance building on the lessons learned from international experience.

- WIN presented the Urban Waters Hub, a new initiative deriving from Habitat III co-ordinated by GWP together with other organisations, which will provide guidance to reap the benefits of urbanisation for water management in the next 25 years.

- SIWI sees a clear role for the WGI to raise the profile of water governance to support the New Urban Agenda, looking for instance into rural-urban linkages and integrated urban development planning. Moving forward, the WGI should work closely with the OECD urban team to explore how to overcome silo approaches.

- Joaquim Oliveira Martins pointed out that urbanisation happens in different ways across countries (e.g. some have megacities, some do not, etc.). However, a common trend observed is that 30 to 40% of dwellers and economic activities are concentrated in large cities, while 2/3rd is distributed in medium and smaller cities. Urbanisation is therefore a distributive process that should be balanced across different sizes of cities and reap the full potential of all of them, including intermediate and small cities. This is why the OECD gives great importance to rural development as well given that lagging regions can largely contribute to national growth. In addition, OECD work on decentralisation insists that in order to achieve effective coordination across levels of governments, some responsibilities should be allocated

at lower levels, as part of a dialogue and partnership with the central level. For instance, well-being is essentially a local issue when it comes to fostering integration across economic growth, environment and other dimensions. The leadership of local policy makers is essential to make policy coherence happen. Different tools exist in different countries to facilitate coordination, such as the establishment of dedicated ministries or Centres of government, or setting-up metropolitan bodies for spatial planning or transport as a platform for integrated policy.

23. On COP22 and the role of water in **climate change adaptation**:

- Germany congratulated Morocco for the Water Action Day at COP22 that helped put water at the centre of climate change discussions. Greater coherence is needed between the two policy fields to foster interactions and joint strategies, and leverage climate funding for water. The conclusions of COP22 propose concrete actions to be taken and the WGI should explore how to contribute to their realisation.

- AgroParisTech mentioned that a Water-Youth-Climate initiative launched in 2015 met at COP22 to discuss an action agenda and potentially create a global platform to support youth projects linking water and climate. The initiative is supported by GWP, the French Water Partnership, AgroParisTech and the Water Youth Network.

- Morocco organised a pre-COP meeting with elected local and regional authorities that formulated a call for local action on climate. A conference of regional and local leaders was also organised at COP22 and concluded with the Marrakech Action Proclamation that should be linked to other commitments in Morocco on water efficiency and wastewater reuse.

- The Netherlands underlined that finance is critical to realise the water-related objectives set in the SDGs and the New Urban Agenda. As such, the High-level Panel on Water includes a focus on "valuing water" aimed at building a global consensus and common language to guide better approaches to valuing water across three critical dimensions – social and cultural, environmental and economic. With a view to contributing to this endeavour, a Roundtable on Water Finance is being set by the OECD, WWC and the Dutch government to link water professionals with investors and financiers. A first meeting will be organised on 12-13 April 2017 at OECD Headquarters, Paris.

24. The Water Youth Network thanked Hungary for the invitation to be co-organiser of the Youth Forum at the Budapest Summit, which was well-attended and resulted in a Youth Statement. It highlights the youth as an agent of change in collaboration, capacity building, inclusion and communication on water-related policy making. Youth representatives also participated in drafting the Summit's outcome statement.

25. On **other WGI contributions** supporting the Global Agenda:

- The Union for the Mediterranean (UfM) informed delegates that it is in the process of revitalising its Water Experts Working Group and developing a Ministerial Declaration on water. The draft Declaration has been circulated to 220 institutions for comments. The 43 UfM member countries will gather at a Ministerial Meeting on 27 April 2017 in Malta to plan the ways forward for UfM work on water, focusing on two deliverables: i) a renewed Water Agenda to support policy guidance in the region following international commitments (SDGs, Paris Agreement, Marrakech Partnership, etc.) and thinking to WGI and other platforms; and ii) a 2-year programme of work (2017-19) supported by a financing strategy.

– The Butterfly Effect recently joined a new network of NGOs and academics based in Europe, which has already met three times to work on two main outputs. First, the network has focused on contributing to the consultation of the European Commission on the European Consensus on Development Cooperation to ensure that water issues are well reflected, which has been achieved in the latest draft. Further consultations are scheduled over January-March 2017, with opportunities for WGI delegates to raise the profile of water governance. A second objective of the network is to take part in discussion on the global architecture to support water-related SDGs. The newly adopted UN resolution on 30 November 2016 states that 2018-2028 will be a new UN Decade on Water & Sustainable Development; and that the new architecture on water will be subject to a wide stakeholder consultation.

Sharing key messages on water governance from recent global events

26th Stockholm World Water Week

26. SIWI reported that the 2016 World Water Week was organised under the theme "Water for Sustainable Growth", with the OECD as key collaborating partners. The event gathered 3000+ participants from 120+ countries and featured Governance as one of the eight overarching seminars, along with other critical themes such as water and adaptation to climate change in the run-up to COP22. There was also room to discuss financing issues in the presence of non-water financial actors, particularly the financing value-chain, designing financing strategies for water projects and how governance can increase efficiency, equity and sustainability of water investments. Key messages from the event were summarised in the Overarching Conclusions. In 2017, the World Water Week will focus on wastewater and water quality, with a dedicated seminar on governance as well.

3rd International Water Regulators Forum

27. IWA introduced the 3rd International Water Regulators Forum that was organised as part of the IWA World Water Congress & Exhibition. Over 80 regulatory authorities from around the world gathered to address how to improve resiliency in water systems through 3 themes: infrastructure, affordability, and governance. The latter explored how regulators can use the OECD Principles on Water Governance to support these efforts. In particular, the Association of Southern-Eastern African Regulators, the Alberta multi-sectoral regulator, Japan and the Czech Republic regulatory authorities all shared their experience on improving governance for sustainable urban environment and to design shared strategies across sectors for sustainable water supply for future generations. Discussions highlighted the central role of regulators in connecting different stakeholders and sectors, and challenges related to limited infrastructure investments, the lack of enforcement of water quality standards and gaps in water access in remote areas. The Forum concluded that resilient water services and sustainable business models should not be considered as an alternative or counterpart for affordable services, and that regulators have an important role to balance both considerations. These conclusions will be reflected in a Working Paper to be shared with WGI delegates. The 4th Forum will be organised during the IWA Water & Development Congress & Exhibition on 13- 16 November 2017 in Buenos Aires.

EURO-INBO 2016 Conference

28. Since the adoption of the EU Water Framework Directive, basin organisations from EU and neighbouring countries have been meeting every year to exchange and learn from their peers to achieve the objectives of EU water-related regulation and policies. In 2016, the EURO-INBO Conference focused on 4 themes: i) the upcoming revision of the WFD in 2019 and its consequences; ii) water management in European cross-border basins; iii) the implementation of the new Flood

Directive; and iv) drought anticipation and mitigation. Participants concurred that the two main obstacles preventing countries from reaching the WFD objective of good ecological status of water bodies is the hydro-morphological alteration of rivers and diffuse pollution. In addition, there has been little monitoring of the economic and financial aspects of implementing the WFD, and of the distribution of costs across users. It was agreed that the possible 2019 revision of the WFD will be an opportunity to harmonise EU policies that affect water management (e.g. on renewable energies, agriculture, etc.).

29. The EURO-INBO is also a platform to peer-review river basin management plans and learn from the experience of other river basins organisations. In addition, the WFD approach to basin governance continues to be exported outside the EU, including in Caucasus, Central Asia and the Mediterranean. INBO and OIEau supported these efforts by taking part in twinning projects to advance institutions practices, such as with the Sebou river basin agency in Morocco. The event also discussed priority actions to support the Paris Pact (that now has 357 signatories) in terms of: i) capacity development and knowledge on monitoring networks (e.g. meteorology, hydrology, quality, etc.); ii) basin management planning to include impact and vulnerability assessment and water-related ecosystems services; iii) governance (i.e. institutional capacities, policy coherence, etc.); and iv)adequate financing. INBO and its European network were also mobilised during COP22 and participated in the creation of a Global Alliance for Water and Climate that brings together members of initiatives launched at COP21 on basin organisations, business and megacities.

Korea International Water Week

30. The Korea International Water Week derived from the 7th World Water Forum and was organised by the Ministry of Land, Infrastructure and Transport, the Ministry of Environment, Daegu Metropolitan City, the Gyeongsangbuk-do Province, and K-water. The meeting focused on Water Partnerships for Sustainable Development, building on the legacy of the 7th Forum. In particular, it served as a review meeting for the 16 Thematic Implementation Roadmaps adopted at the close of the 7th Forum, to monitor how these are contributing to the 2030 Agenda. The event fostered citizen involvement and awareness-raising, and engaged civil society in discussions on the challenges and opportunities on water for sustainable development. The 2nd Korea International Water Week will take place in the framework of the 1st Asia International Water Week on 20-23 September 2017 in Gyungju, which is a triennial event organised by the Asian Water Council.

The 3rd Water Economic Forum

31. The Water Economic Forum is an academic initiative from the University of Alcalá, Spain that aims to bring together Nobel Prize recipients, international experts, and practitioners to discuss water and economics. The 3rd edition held in Madrid, on 23 November discussed the link between water services and water resources and governance, in the presence of Gro Harlem Brundtland. Discussions addressed how to dispel myths about the urban water cycle in developed countries where current levels of water security are taken for granted. The event was structured around four sessions that addressed i) the enabling factors for successful public, private and civil society co-operation, where the OECD participated; ii) water security in Europe and Latin American cities; iii) the industrial revolution 4.0 and the potential impact of internet, cloud computing, big data and artificial intelligence on the provision of water services, underlining the role of governance and institutions to address technology challenges; and iv) independent regulation, looking in particular at the contribution of common regulatory principles to overcome institutional fragmentation. Discussions on governance underlined the need to move from crisis management to risk management, and to spread risks across all actors, including water operators and financiers. The Water Economic Forum received the iAgua prize for best water event of 2016 in Spain. In 2017, three more events will be organised, the next

being on 5 April 2017 in Barcelona. The outcomes of these meetings are expected to be compiled in a dedicated publication.

WAREG General Assembly

32. WAREG was established 4 years ago and counts 22 members (whether independent regulatory agencies such as in Italy or Portugal, or ministerial technical bodies as in France and Spain) to facilitate proactive collaboration, knowledge exchange and capacity building activities. It has four strategic objectives: i) exchanging common practices, information, and know-how; ii) organising specialised training; iii) promoting cooperation (e.g. on sustainability, affordability, infrastructure investment, and consumer protection); and iv) dialoguing with other relevant institutions at national, regional or international levels, with particular focus on European issues in the field of water services. WAREG has two Working Groups on affordability and water efficiency, and has produced internal reports on the comparative assessment of regulatory frameworks; public consultation practices on water in Europe; and price setting methodologies and tariffs. In addition, WAREG will release in early 2017 a report on affordability in European water systems, which builds on two workshops organised in June 2016 on cost assessment in regulatory contexts, and September 2016 on non-linear tariffs and consumption. WAREG organises four general assemblies every year and the latest Assembly took place on 6 December 2016 in Tallinn to address the challenge of investment backlogs in the water sector and identify solutions to mobilise finance. A paper was produced on the role and instruments of regulators in defining investment priorities, the advantages of economic regulation, and stakeholder engagement in regulatory action. Lastly, WAREG activities include the definition and analysis of key performance indicators on water infrastructure efficiency and the update of available information on water regulatory systems in Europe.

Additional insights from the group discussion

33. WIN stressed the importance given to regulation in many of the events presented, which echoes the OECD Principles on Water Governance, particularly n°6 [financing] and n°7 [regulatory frameworks]. However, there is little discussion on the link between regulation and integrity, covered in Principle n°9, which would be an interesting topic to focus on.

34. Peter Gammeltoft pointed out the need to share good and "bad" practices on water regulation, such as in the case of regulators that only focus on delivering water services at the cheapest possible prices in the short term while losing sight of wider public policy objectives. He argued that good regulators should not look at "slices" of water management but maintain a broad view of water policies.

Multi-stakeholder consultation on the draft water governance indicators

Rationale, process and content the draft indicators

35. The Secretariat reminded delegates that the core of WGI activities for 2016-18 is to support the implementation of the OECD Principles on Water Governance through various avenues, including by assessing the performance of water governance systems through a systemic framework of indicators that would reflect the dimensions of the twelve Principles. The draft indicators were developed by the Working Group, building on the 60+ suggestions of indicators received and a Working Group webinar held on 15 November where WGI members discussed issues of scale, water functions, existing vs. new indicators, consistency, and visualisation of data. It was recalled that the indicators should not be approached as an OECD reporting mechanism but as a tool for dialogue to be used by any government or stakeholder willing to assess a water governance system or to discuss

"dreaded" questions with other stakeholders at various scales. A 3-step approach to the indicators was proposed that looks at framework conditions; progress over time based on quantitative and qualitative information; and impacts on water management outcomes, institutional performance and well-being at large. Delegates were invited to share their views on how to streamline the number of indicators, such as by defining core and support indicators; how to define selection criteria; and how to organise the pilot-testing.

Group discussion on the draft indicators

36. The first draft on water governance indicators was broadly welcomed. 20+ delegates took the floor to support the work done by the Secretariat and the Working Group coordinators (ASTEE, INBO and Transparency International) and welcome the pragmatic approach of the 3-level framework. Some suggestions, which were consequently developed during the working group discussion, concerned the role of level 3 indicators and the intended way to measure impacts of water governance. In particular, K-water invited to carefully think at the approach to develop level 3 so that it supports the assessment, and the Water Youth Network suggested considering how level 3 indicators could be linked to the SDGs.

37. General remarks concerned the **use & misuse** of indicators:

- Indicators should be a ***means to an end.*** In particular, the indicators should not be employed as a "tick the box" exercise, but as a way to assess and identify gaps and success stories, for ultimately improving the efficacy, efficiency, sustainability and inclusiveness of water policies. IMDEA suggested that to bridge the gap between *measuring* and *assessing*, a number of criteria could be used not necessarily directly related to the Principles but rather covering universal issues of economic efficiency, equity, sustainability, and adaptability. The assessment could concern the water governance system; the outcomes of any water governance system (either business as usual or alternative, innovative responses); and/or the whole policy-making process. Criteria for assessment could include for example resilience, equity and feasibility. The indicators should be able to inform each one of the criteria. Peter Gammeltoft recalled that indicators will never be sufficient to properly assess water governance systems given that a full-fledge assessment requires other tools and channels (e.g. the country-specific policy dialogues that the OECD has undertaken thus far or the peer-review mechanisms within the EU Common Implementation Strategy). If needed, follow-up interviews could be organised after the indicators are used to complement the assessment with qualitative information. Portugal also stressed that expert judgement is an important contribution to the assessment of the water governance system. The Sebou river basin agency stressed that the indicators should clarify whether they measure *governance* or *good governance* because the storyline and rationale would be different.

- Indicators should not be conceived as a ***benchmarking tool***, although some comparisons can be allowed when necessary. Several delegates insisted that the indicators should not result in a single grade to be compared with other countries/basins/cities, but rather aim to ensure an overall ownership of water governance. The OECD shared the experience of benchmarking exercises carried out in several sectoral studies that help communicate and deliver messages through a number of composite indicators. Veolia stressed that not all countries will apply the indicators the same way, which will prevent benchmarking. ASTEE underlined that while benchmarking is not the objective of the draft indicators, it could be revisited in the middle or long term when a large amount of data has been collected. While acknowledging differences among countries, some benchmarking could provide useful information for countries to progress.

- Indicators should not overlook the ***qualitative dimension***. Portugal pointed out that the draft indicators managed to encompass the dense but scattered literature existing on measuring water governance performance to provide an overarching view that covers all governance dimensions. However the framework itself should not be "obsessed" with quantitative measurement: some issues are so complex that they cannot be captured by a single figure in a satisfactory manner. ASTEE argued that quantifying is not necessarily always the solution and that both qualitative and qualitative approaches are applicable on the same subject in different contexts. Indicators should take into account local contexts and cultures, which play a key role in the assessment of water governance systems. Dutch Water Authorities advised to communicate broadly that the indicators are a means to an end, to avoid misunderstanding including as part of the monitoring of SDGs, and to minimise data requirements

- Indicators should not be ***misused***. IMDEA pointed out that indicators should not be an alibi for not doing more by creating a false impression of OECD vetting or legitimation of a given water policy system. The Mediterranean Institute for Water also called for caution because organisations or donors might be tempted to use the indicators to decide whether or not to provide funds to given projects or countries, which may result in a disincentive for some stakeholders or governments to use the indicator framework in a voluntary approach.

38. Indicators should allow a **dynamic assessment**. It was advised to have dynamic level 1 indicators that can be assessed through time, which raises the question of overlap with level 2 indicators. AAEGSI advised to make level 1 indicators dynamic because a single country can have different institutional frameworks across a period of time. Having core and supporting indicators could be a solution for countries to analyse specific governance issues with a dedicated subset of indicators. On the same line, Action against Hunger recommended that indicators remain realistic with a normative descriptive role and that progress be measured by comparing "pictures" of level 1 indicators through time. Turkey advised to streamline and adjust the number of indicators on river basin management, including on transboundary management, so they can be more easily used, and recommended that applying indicators to transboundary watercourses be the responsibility of the interested countries only. There were also concerns on the applicability of indicators calling for the monitoring of international conventions given that not all countries have subscribed to them. The Water Youth Network recommended streamlining indicators down to 3-4 core indicators per Principle. Veolia stressed that streamlining indicators should be based on whether or not they push water governance performance in the right direction, including in terms of complying with legal frameworks. FP2E stressed that water governance indicators should be streamlined with the objective to have a few that can be well informed, rather than to have too many with little information available. Action against Hunger suggested that each of the 12 principles should have only 1 composite indicator, describing the status of the principle at the time (static picture) plus a quantified appreciation of the quality of its measure.

39. Regarding the **selection criteria** for streamlining indicators and differentiating across core and no-core indicators, data availability was a key point. NARBO underlined that the ability of countries to use the indicators is closely related to their capacity to collect and share information. The Sebou river basin agency (Morocco) also pointed out that a prerequisite for using the indicators will be assessing whether enough data is available to paint a portrait of the water governance system.

40. On **pilot-testing** the draft indicators, GWP advised to involve various stakeholders in pilot-testing the indicators, as it cannot be the responsibility of a single organisation, and also to develop a protocol on the pilot-test with definitions of key terms, guiding questions, etc. For the Mediterranean Institute for Water, the pilot-test will shed light on the diverging opinion across players in a same country on the number and scope of indicators needed. This raises an important question on the

potential misuse of the indicators once completed and in the public domain. The Netherlands advised to invite countries to consider the pilot test as a peer-learning exercise. The Water Youth Network advised to prepare detailed guidance to support pilot-testers. WIN advised to showcase what immediate benefits can be yielded from taking part in the pilot test, to provide an incentive. Indicators should be considered as "thermometers" which results can provide a momentum for change and progress. The Sebou river basin agency foresees that the pilot test will be helpful to detect constraints on the ground and be fine-tuned accordingly, and advised that it should take place in both water-scarce and water-rich contexts. In all, Austria, AEAS, GWP, Dutch Water Authorities, BDEW, Cap Verde (through Portugal) and the Sebou river basin agency (Morocco) volunteered to pilot-test the draft indicators.

41. On how to **visualise** the indicators, Austria and Germany recommended adding a "grey" light as a non-applicable colour in the traffic light system for situations where indicators do not apply in a given country. Dutch Water Authorities also suggested adding a "white" light to the traffic light system when parameters are not available. The Netherlands welcomed the draft indicators as a tool for dialogue within and across countries on how to improve water governance. As a member of the task force pilot testing indicators for SDG 6, the Netherlands also suggested to apply a similar "ladder" approach to the water governance indicators, i.e. different levels of detail and depth depending on the data and information available in a country. Lastly, Turkey questioned the value added of the traffic light system to visualise the indicators and called for greater coherence across the three levels suggested. Action against Hunger suggested that each case should be represented by the classical 12 principles pie chart with traffic light colours, and for each of the 12 sectors, a number indicating the quality of the measure.

42. The coordinators of the Working Group shared some remarks:

- ASTEE underlined that many more steps will be needed to reach a sound framework. The draft indicators are flexible and reflect a variety of situations and actors' point of views. As such, the indicators are a self-assessment tool, but it is not to say that they cannot become, ultimately, a benchmarking tool. Benchmarks take time to develop and the WGI should not lose sight of the possibility of having such a tool in the long run. . Regarding the pilot-test, it will be tricky to define a detailed protocol ex ante of how the indicator framework should be done as this precisely something that should emerge from the pilot-test, including on the traffic light system for instance, so that a method can be developed afterwards. Furthermore, the objective of the pilot-test is indeed to involve multiple stakeholders to underline that governance is a shared responsibility and not only the prerogative of governments. . In ASTEE's opinion, the indicators will also be a useful diagnosis tool to identify data gaps. They will shed light on challenging issues where data is hard to get, and they will reveal different water governance difficulties across countries/basins/cities, rather than differences in situations. Lastly, the WGI should be careful not to create difficulties while trying to improve water governance, such as having the indicators "high jacked" for other purposes than the one they were created for. Nevertheless, the overall goal of the indicators is a virtuous one: create a system that can be recognised by all stakeholders, including donors who can rely on them to ensure their government requirements.

- OIEau explained that developing and using indicators is in itself an interesting exercise to shed light on information and data gaps and potentially trigger incentives to fill these gaps. Indicators will not be used to rank countries, because contexts are too diverse, but rather to improve the situation of a given country, basin or city. The indicators should be flexible so that each country does not have to use the entire framework but can be given the opportunity to select the parameters most relevant to the specific governance issue it wants to address.

- Transparency International shared the highlights of work done together with WIN to try to streamline the draft indicators for Principle 9 [integrity and transparency]. This work revealed that i) the system of 3 traffic lights creates a risk of having all indicators in the "yellow" category and may need to be nuanced; ii) level 1 and level 2 indicators are not the same and cannot be merged because the second category looks at the degree of measurability; iii) testing the indicators on specific situations greatly helps define core and support indicators. The pilot test phase will therefore be critical to validate the methodology and approach, and streamline the total number of indicators. Political support will be critical to make information publicly available at a later stage.

43. The Secretariat thanked the delegates for a very constructive discussion that revealed clear support to the undertaking of developing indicators that can contribute to the implementation of the Principles, and provided useful guidance to improve the current draft. The proposed framework should be flexible enough to adapt to different situations, including in terms of availability of data. Further thoughts are needed as to the final architecture and assessment criteria, and the critical articulation with other tools that can support a water governance assessment should be stated more explicitly to manage expectations as the indicators are one tool, amongst others, to "measure" but cannot provide the "assessment" alone. Synergies are also explored for the targets 6.b and 6.5 of SDG 6, which have governance dimensions, while keeping in mind that the 2 processes have different rationales and timelines.

Towards a WGI database on water governance practices

Presentation of the rationale, process and content of the database

44. The Secretariat presented the results of the three activities carried out by the Working Group on Best Practices since the 7th WGI Meeting, which were reported in the webinar held on 25 November 2016:

45. First, a short survey gathered insights on stakeholders' expectations for a database on water governance best practices. In total, 164 responses were collected, mainly from representatives of central governments, academia and civil society, and showed that all respondents always or very often use practices to inform their decision-making processes. Most of the time, they look for new ideas and for solutions that have been effective in practice at addressing specific water governance challenges. In particular, there is a strong interest in learning from evolving practices that have been able to adapt through time and overcome obstacles. The survey highlighted that the database should favour a small number of well-informed practices, rather than too many poorly informed practices. It was also advised to include lessons learned from "failed" or "bad" practices, which may require different channels than a public database, such as for instance closed-door peer-review meetings under Chatham House rules. Participants in the Webinar considered that developing the database should be considered a learning experience that can help build a common understanding of what implementing the OECD Principles entails (e.g. in terms of resources, capacity, etc.), and which drivers actually boost change of water governance systems at large beyond evidence and examples on individual principles. This means that the database needs a story line, or meta-pitch that goes beyond one-to-one search for each of the 12 Principles. Storytelling will be a critical part of developing the database to ensure that there is a sound narrative that brings all practices together and guides the users. As an example, it was suggested to focus on telling the "story" of putting governance into practice and highlighting the drivers of change in water governance to trigger interest from potential users.

46. Second, the co-ordinators of the working group reviewed 37 databases on practices (related to water or not) to analyse their pros and cons on content and functionalities. This inventory revealed

that the key strengths of practices on these platforms are that they are processed, reviewed, categorised and regularly updated. It was then recommended to peer-review practices to be collected and draw cross-cutting lessons rather than going for self-sourcing. The database could organise the practices around the 12 OECD Principles with an extra entry for horizontal themes and change dynamics (e.g. conjunctive management, etc.). Also, the database should be on open source and available at minimum in English and French.

47. Third, the template to collect practices was pilot tested by 7 WGI members who pointed out missing or unclear information fields. The template was revised so that practice providers can better illustrate how their practices illustrate the implementation of one or more Principles and how progress is achieved through time. The template will be used to collect a first set of practices in March 2017. Practices submitted will then be reviewed according to criteria being defined, looking in particular at their potential for replicability. It is proposed that peer-review discussions on the practices take place as part of thematic focus groups composed of WGI members, such as according to the 3 clusters of the Principles, which will be responsible for vetting practices and drawing overarching lessons on how to make the related OECD Principles happen.

Lessons from other WGI members' databases

48. Several members of the WGI with experience in developing and maintaining online platforms of good practices shared lessons learned:

- GWP introduced the IWRM Toolbox gathering case studies from different regions with detailed information on lessons learned from pitfalls and successes. A survey on the relevance of the Toolbox was conducted by GWP in 2012 and showed that improvements were necessary to highlight the replicability potential of case studies; provide follow-up information once a practice/project is completed; and peer-review case studies, including by creating teams of academics and practitioners that would develop case studies based on sound analysis and practical realities. GWP offered to host the WGI database in a dedicated space within its online infrastructure with a view to develop a Water Governance Knowledge Hub that would encourage communities of practice and stimulate experience sharing.

- IWA presented the Waterwiki created in 2011 as a platform where water professionals could interact, share knowledge, and access free content and literature. The platform attracted many users but its many functionalities (forum, working groups, etc.) raised high costs (in staff and time) to be maintained, which prompted its decommission in 2016. Key content and features were transferred to different IWA sites, including the IWA Publishing site, a News section, the IWA archive with popular articles, a collection of free e-books and IWA Connect, to keep meeting the expectations of different users while reducing maintenance costs.

- WIN made three attempts in the past to develop its database of case studies so that it would be really useful, which is challenge in such a crowded field where databases quickly run out of relevance. WIN's database keeps most of the editorial burden internal and collect cases in any format, which has made it easy for partners to share information. Categorising, complementing, editing and translating case studies are very time-consuming; so is updating the database. A lesson learned for instance is that promoting the platform and the cases is critical to attract views and web traffic. A database should also have a clear purpose to be attractive to users, and incentives to encourage them to share practices, include those that highlight challenges and failures. Finally, it was advised that the database capitalises on the WGI strengths and rely on the members to review the practices.

- NARBO's database on IWRM catalogues IWRM guidelines as well as practical experiences from its members on a wide range of issues (e.g. river management, dams, sewerage works, etc.). NARBO also organises regular workshops where basin organisations can share their practices and learn from others. A lesson learned is that a database should be conceived as a tool to connect practitioners, including from different communities of practices (engineers, policymakers, academics, etc.); and should encourage experience-sharing. NARBO's database serves as a broker in Asia to share stories of basin governance across developed and developing countries.

Group discussion on the best practices

49. Delegates thanked the Secretariat and Working Group coordinators and agreed that the survey, inventory and pilot-test exercises were thorough and helpful to guide next steps.

50. There were some suggestions on how to organise the **collection** of practices. Action against Hunger recommended collecting practices focused on specific governance topics or functions (e.g. rural or urban water management, drinking water or sanitation, etc.) in order for the peer-review process to be focused and detailed as well. pS-Eau mentioned its four WASH databases on framework documents, training material, projects, and experts as well as its directory of actors working on this topic, and shared its experience with collecting WASH case studies to reiterate the need to collect practices showcasing failures as they are often the most useful to learn from. The Korean Environment Institute pointed out that many OECD reports and policy dialogues on water include many cases and experiences that have already been peer-reviewed in OECD Committees and which could be featured in the database.

51. Regarding the **peer-review** of practices, Action against Hunger shared its experience so far in using the OECD Principles in 46 missions to map gaps and strategize practices, and advised to develop a systemic methodology for reviewing practices that could take the form of a manual. It was also suggested that the overall purpose of the database should be to build capacities and share knowledge among water actors. Turkey also underlined that when reviewing the replicability potential of practices, the WGI should pay careful attention to the capacities, technological innovation and financial resources needed to make practices work in various situations or contexts.

52. SIWI concluded that there should be a common understanding among the WGI on why and how the database should be developed. The challenge is to be ambitious while considering the limited resources available. The WGI should avoid the reputational risk of launching a database that cannot be sustained. Experiences form WGI members show that a database requires staff and time to be relevant, hence, moving forward, collective efforts should focused on raising funds. The title of the database should also be carefully thought out to reflect its content and proposals are welcomed (e.g. "Best Fit" practices database, etc.)

Water Governance in Morocco

53. The session provided an opportunity for Moroccan officials to introduce the water governance system of Morocco, and share insights on what have been the main landmarks of water policy, water governance gaps, as well as current and future priorities for the country. The session opened with an overview of water governance in Morocco by the Delegates Ministry in charge of water, followed by a panel of Moroccan institutions at different levels of government also playing a role in water management (i.e. Ministry of Agriculture and Fisheries, Ministry of Interior and Sebou river basin agency).

Overview of water governance in Morocco

54. Abdeslam Ziyad, Water Director of Morocco, provided an overview of the policy and regulatory framework for water management in the country, where water resources are unevenly distributed in time and space and particularly vulnerable to climate change. Because of such constraints, water management has been at the centre of public policy concerns in Morocco, with large volume of yearly investments (2 billion €) and a significant growth potential (i.e. investment growth is close to 7%). Long-term strategic planning for the water sector has helped set priority actions up to 2030. The institutional framework for water management in Morocco relies on: i) consultative and co-ordinating bodies (e.g. High-level Council on Water and Climate, Inter-ministerial Commission on Water, Basin Councils, etc.); ii) planning and regulatory bodies (e.g. ministerial offices, national development agencies, river basin agencies); and iii) management and operational bodies (e.g. public and private water operators, offices for agricultural development, subnational authorities, users).

55. Landmarks of water policy in Morocco include laws and projects to improve access to drinking water and food security in the 1970s to 1980s, followed by a focus on IWRM in the 1990s and a revision of the policy framework in the 2000s and 2010s, particularly with a new Water Law adopted in 2015 that aims by 2030 to i) improve water efficiency with a programme for demand management and water resources development drawn up with key institutional actors (ministries, operators, industries); ii) manage and develop water supply; and iii) protect water ecosystems and adapt to climate change. The new Law also covers cross-cutting governance dimensions related to decentralisation, building capacities and competences, and developing a water information system. The reform also shores up the Moroccan approach to decentralised, integrated and participatory water management; strengthens coordination and consultative bodies at all levels; creates legal provisions for the development of non-conventional water sources (i.e. desalination, wastewater reuse, rainwater harvesting); and strengthens economic instruments (e.g. polluter-pay and user-pay principles).

56. Until now, the water sector has been mainly financed through subsidies and Morocco is now exploring other sources of funding, including in the form of public-private partnerships for desalination. Looking ahead, Morocco's priorities will be to foster adaptive water governance in a context of climate change, improve transparency and control in the sector, and secure sustainable water finance.

Insights from Moroccan authorities

57. Samir Bensaid, Director General of Morocco's Institute for Water and Sanitation, introduced the ONEE, the national operator for electricity and water services, which is responsible for long-term water planning since the 1970s and particularly ensuring the balance between demand and supply so that water is a positive factor for economic and territorial development. The ONEE is in charge of i) 90% of the country's drinking water production; ii) water and sanitation service provision in 700+ small and medium cities; and iii) drinking water provision in rural areas. Indeed, local authorities have the option to set up their own local public utility to provide water services, but are often faced with capacity challenges to take on this responsibility and delegate the service to ONEE or private operator. ONEE therefore often acts as a joint municipality utility. ONEE sets water tariffs nationally in line with the country's territorial development strategy. Within the ONEE, the Institute for Water and Sanitation is in charge of capacity building, applied research, and training for water professionals. The Institute also supports technical assistance and sharing of know-how in sub-Saharan Africa with the help of donors.

58. Mhamed Belgheti of the Ministry of Agriculture and Fisheries recalled that in Morocco, agriculture is the largest user of water, even though priority for allocation is given to drinking water

supply in cities. In the 1960s, a strong-willed irrigation policy aimed to improve food security and create jobs in rural areas. Today, the agricultural sector relies both on state-managed large-scale water infrastructures to supply farms; and small/medium water infrastructures with strong social impact on poverty alleviation. The governance system is organised around nine regional offices for agricultural development that equip farms with irrigation systems, manage infrastructure, and enhance the value of water and land resources, in particularly for small-scale farming. An Agriculture Charter regulates investments in irrigation to ensure sustainable cost recovery and equity in water access for all farms. In 2008, Morocco adopted the Green Plan that includes 3 areas of priorities for water: i) water saving; ii) irrigation expansion; and iii) the development of public-private partnerships in irrigation to improve cost-recovery and the performance of irrigated systems.

59. Abdelmajid Ben Oumrhar explained the role of the Ministry of Interior in coordinating with subnational authorities, since decentralisation began in the country in 1976, after which responsibilities for water service provision were transferred at the local level. In 2015, the country underwent a territorial reform and local authorities now have prerogatives to choose the service provision model (public, private or mixed). Large cities have mostly chosen to rely on private operators (e.g. Casablanca, Rabat), while middle-size cities have their own public utilities (e.g. Fès, Agadir), and small cities and villages have contracts with the ONEE. The water tariff system in Morocco includes tariffs set by private operators according to their contracts with large cities, and the tariffs applied by autonomous utilities and the ONEE. To finance service provision, the government set up two national programmes targeting water and sanitation in rural areas (PAGER - *Programme d'approvisionnement groupé en eau potable des populations rurales*) as well as sanitation in urban areas (PNA - *Programme national d'assainissement*). Today and following the 2015 territorial reform that redefined Moroccan regions, the government is piloting a study in the Souss-Massa region on ways to optimise the provision of public services at regional level, particularly for water and electricity. 60. Samira El Haouat, Director of the Sebou River Basin Agency, introduced Morocco's basin governance system, which is structured around nine river basin agencies that act as deconcentrated bodies at the hydrological level of the Ministry in charge of water. They are responsible for drawing up strategic plans for integrated water resources management. River basin agencies are also platforms for dialogue among stakeholders (i.e. state and sectoral representatives, elected local officials, users) to ensure that their concerns are taken into account and that each basin management plan reflects local specificities. A new law adopted in 2016 introduced for the first time the structures of river basin committees to echo the European basin model, which are in charge of consulting with NGOs and the private sector. Basin agencies and committees in Morocco raise their own revenues, based on pollution and abstraction charges, but still rely heavily on government subsidies.

Group discussion on water governance in Morocco

61. GWP congratulated Morocco for the progress made on water governance in the last few years, particularly for what concerns demand management, and underlined the importance of factoring in the environment as a key user when allocating water resources, in addition to households, industry and agriculture. It was also stressed that raising awareness and building a culture of water in Morocco could be effective solutions to encourage water savings.

62. The Mediterranean Institute for Water suggested that territorial reforms in Morocco, which have transferred prerogatives at lower levels of government be supported by governance mechanisms that help reconcile administrative (cities) and hydrological (basin agencies) bodies so that their priorities can converge. In addition, decentralisation of water responsibilities should be supported by efforts to help strengthen capacities at local level to shoulder these new prerogatives.

63. Turkey supports Morocco in its efforts to improve water governance and looked forward to pursuing cooperation with the country, including through the OECD/Morocco Country Programme.

64. Germany expressed its satisfaction of the cooperation work carried out with Morocco on water, including addressing multi-dimensions aspects of governance and financing. Germany has also introduced water and agriculture to the G20 Agenda as part of its current G20 presidency and organises every year the Global Forum on Food and Agriculture that brings together 80 ministries of agriculture to discuss water, among other issues. The Forum will be organised on 19-21 January 2017 back-to-back with the G20 Meeting of Agriculture Ministers and result a declaration highlighting the importance of water.

65. ASTEE pointed out that there is a tendency to think that entangling responsibilities for strategic planning with operational management leads to conflict of interests that generate integrity and transparency issues, but observed that it is the contrary in Morocco where these responsibilities seem so have been well entrusted to ONEE.

66. The High Commission for Planning of Morocco explained that statistical departments in the country are playing an increasingly important role to support strategic planning and governance in the water sector. Information and data are central to move forward, particularly on the realisation of the SDGs in the country.

67. IMDEA put the European water model in perspective by sharing the experience of Spain that can offer valuable lessons for Morocco, including on pitfalls to avoid. Particularly, diversifying water sources should not be considered only a technological or hydrological challenge but also a governance one, because it should be accompanied by the appropriate economic instruments. In the case of Spain, incentives were created to build the needed infrastructure (e.g. for desalination) but not all these infrastructure currently operate at their maximum capacity nor always contribute to conserve water resources, with sometimes damaging consequences. Looking at Morocco's strategy for 2030 to improve water use and irrigation efficiency, it should be acknowledged that saving water at plot level does not necessarily mean saving water at the watershed level, and that encompassing measures should be set up to make these efforts happen the right way (e.g. rationalise subsidies across agriculture and energy sectors).

68. OECD underlined that economic instruments should not only be used to raise the needed revenues but also to influence users' behaviours and water consumption patterns, thus being used as a demand management instrument to raise awareness on risks, signal scarcity and allocate water where it creates best economic, social and environmental value.

69. WAREG enquired about the role of Morocco's regulatory framework to address and adjust bad practices in the water sector, such as tariffs that are too high.

70. Moroccan representatives thanked the delegates for their constructive comments and complemented their remarks by laying down current priorities in the country that address the issues raised during the group discussion. These priorities will focus on i) fostering policy coherence at ministerial level on water issues; ii) strengthening capacities to make decentralisation successfully happen in the water sector; iii) improving water efficiency across places; iv) strengthening regulation by water sub-sectors and making room for users to play a greater role, including to diagnose and address bad practices; and v) improving ecosystem preservation, including as part of twinning projects at basin level and a project with the WWF to monitor river flows. Looking ahead, Morocco expressed interest in carrying out a policy dialogue with OECD to deepen ongoing policy developments and learn from international experience.

Sharing knowledge on water governance policy reforms, projects, publications

71. For the first time, the session was organised in an innovative format whereby presenters were given two minutes to make compelling "pitches" in plenary on their projects, events or publications to raise the appetite of WGI members for more information. Following such presentations, smaller group discussions were organised for each topic with interested delegates to go more in-depth.

72. Murcia Water Agency presented the CASTWATER project, funded by the European regional development fund (from the Interreg-Mediterranean programme) up to October 2019 to assess water governance challenges affecting the tourism industry. It aims to identify solutions to improve water efficiency in leisure activities related to tourism (e.g. golf courses, hotels, camping grounds, resorts, etc.). The project brings together 11 partners from local and regional authorities in 7 countries (Greece, Italy, Cyprus[1], Malta, France, Spain, and Croatia) and is expected to develop an online tool to evaluate and certify the performance of the tourism industry and local authorities for water management and governance. It will rely on workshops, communication campaigns, action plans, and conclude with a Mediterranean conference on sustainable water management in tourism.

73. FP2E introduced the 20th barometer of tap water use in France, which is carried out every year to monitor the evolution of citizens' trust in tap water, looking for instance at consumption of tap water vs. bottled water, concerns about water quality, satisfaction in drinking water services. While trends may not change drastically from one year to another, the barometer now has a 20-year perspective and shows for instance that French citizens consider themselves twice as much informed about water issues than 20 years ago. There is overall a high level of satisfaction with water services and high levels of trust in the quality of tap water (81% of surveyed citizens fully trust tap water, and 66% drink tap water on a daily basis). It also showed that trust in tap water is strongly affected by other sectors, such as agriculture (e.g. when a food crisis happens, etc.). The barometer also sheds light on a growing concern over the years regarding sustainable water consumption, whereby 54% of surveyed citizens fear water scarcity in the coming years and 63% think that water quality will deteriorate. Overall, the perception of water tariffs has been increasingly positive. 38% of surveyed citizens consider that the price they pay for water represent good value for money, and 87% are aware that water pollution increases the price of water services.

74. AEAS presented Spain's model for public-private partnership in water services be it: i) direct public management, i.e. when services are managed by a local body, ii) delegated public management, i.e. when services are managed by public and public-private companies; or iii) delegated private management, i.e. when services are managed by private companies). AEAS supports having a balance across these types of management whereby public companies work toward being more innovative and efficient and private companies toward being more customer-oriented. A focus was made on the case of Alicante, where the water operator is the oldest mixed water company in Spain and has succeeded to provide water despite extreme water stress and high seasonal variability in water demand because of tourism. The operator has developed an integral management system that covers all activities and supports self-assessment and transparency with the publication of an annual Corporate Social

[1] *Note by Turkey*: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the "Cyprus issue". *Note by all the European Union Member States of the OECD and the European Union:* The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Responsibility Report. It also carried out a pilot audit under AquaRating and ran several awareness campaigns on responsible water use.

75. The IWRA will hold its 16th World Water Congress in Cancun from 29 May to 2 June 2017 under the theme "Bridging Science and Policy" and will put a high premium on governance with 12 dedicated sessions. The WGI will host a special session on the special issue of *Water International* where authors will discuss the key messages from their papers. In all, 50 special sessions and 10 side events will be organised, and 250 posters will be prepared based on abstracts received. WGI members were invited to participate in the event and interact with policy makers and academics. The Congress is expected to be a milestone in the year leading to the 8th World Water Forum.

76. WAREG shared key messages from its study on water affordability. First, affordability issues are most often addressed through water-specific norms, such as national, regional and local water and sanitation laws, which occasionally also cover other public services. In most cases, these affordability norms help ease the payments of water bills for the entire population, not only the poor. At times, these norms focus on specific groups (e.g. the poor, the disabled, the elders, etc.). Also, affordability norms are equally issued at central level and at local level and can sometimes co-exist at more than one level (i.e. national and municipal). Typically, affordability norms establish regulators to enforce the rules and /or laws, with little discretional powers. In most cases, the main criterion adopted for defining affordability is related to income. Other criteria include health or age. Finally, in two-thirds of the countries assessed, costs associated with policies and actions to address affordability issues are recovered through tariffs and in case of non-payment of bills, water supply to consumers may be partially or completely curtailed. Sometimes, such curtailment may be denied when consumers is eligible to social support.

Working Groups' break-out discussion

77. Following plenary discussions on indicators and best practices on day 1, members gathered in parallel breakout groups (1h30 each) facilitated by their respective coordinators to follow-up on the outcomes of plenary discussions addressing in particular two questions i) how to streamline and pilot-test the draft indicators; and ii) how to finalise the template to collect practices and get organised for peer-reviewing practices.

Report Back to Plenary –insights from discussions on best practices

78. The session was moderated by SIWI, Suez, WIN and OECD. The importance of fitting the content and functionalities of database to users' expectations was recalled as well as the need for analysing and screening practices on a regular basis to keep the database relevant (e.g. every 3 years); and for striking a balance between developing and developed countries with different levels of capacities and expectations.

79. Participants discussed the call for collecting practices and concurred that it should be both wide and targeted: on the first hand, all WGI members should encourage their constituents and networks to share a practice to ensure that cases collected cover different sectors, take place at different levels of government and address a broad range of issues. On the other hand, specific categories of actors could be invited to provide practices.

80. Possible quality criteria against which practices could be reviewed were then discussed. Suggestions include i) relevance of the practices in light of the Principles; ii) potential for replicability; iii) sustainability of the practice over time ; iv) whether there is a story to tell; v) whether there is

evidence that the practice was successful and added value; and vi) whether the practice fits the template.

81. Lastly, participants suggested that the peer-review process be two-tier: a first level would aim to check whether the template is well filled-in, whether sources of information are reliable, whether the practices focuses on water governance dimensions, and not water management at large, etc. A second level would rely on specific focus groups to dig deeper in the practices, identify gaps, liaise with practice providers if needed, and ultimately validate (or not) practices for the database. Such focus groups would be organised around the three clusters of the Principles or governance topics, and be composed of WGI members with expertise on these themes. It was also suggested that focus groups could liaise with stakeholders involved in the practice, other than the practice provider, to have their opinion and a reality check. These focus groups would act as communities of practitioners working on specific water governance dimensions. An effective way to review practices could also be by making the most of events, projects or programmes as platforms to discuss cases. Above all, it was agreed that the peer-review should not focus too much on details, which can become burdensome, but ensure that each practice has an interesting story to tell.

82. Next steps will include the preparation of a methodological note on the peer-review process, building on the quality criteria suggested. The call for practices will be launched in March 2017 and a webinar will be organised in May 2017 to draw up cross-cutting and overarching messages from the first batch of practices collected.

Report Back to Plenary –insights from discussions on indicators

83. The session was moderated by OECD, ASTEE, INBO and Transparency International. The discussion helped dig deeper on some comments received in the plenary of day 1, and build consensus on the approach (what the indicators aim to do, and what they are not seeking to do) and converge in terms of the ways forward to streamline and pilot-test the indicators.

84. It was agreed that the indicators should be reshuffled and streamlined to be more pragmatic, less burdensome, clearly framed as one of the many tools of the "assessment chain", and geared towards clear assessment criteria, which may not always correspond to a one-to-one measurement of the 12 OECD Principles. While the Secretariat can certainly give a first try at reducing the overall number and reorganising the framework, it was recalled that the inclusiveness of the process is important to keep all stakeholders on board, especially those who contributed with 60+ suggestions to the current framework. Therefore, the pilot testing will be essential to provide an objective reality check and guidance to further streamline as appropriate.

85. It was also suggested to better distinguish the objective and contributions of each level proposed. For instance, it was agreed that Level 1 indicators as currently framed are more "descriptors" than indicators per se, and should be transformed into a traffic light system, taking into account a scale based on 4 levels of assessment (rather than 3) and adding the "not applicable" option . Some delegates enquired about the value added of level 2 indicators, arguing progress can be measured over time with level 1 indicators, which recalls the importance of clearly spelling out what each level does or cannot do. Typically, further efforts will be needed to better correlate level 1 and level 2 indicators, the latter providing the measurement degree of the former. The presence of this direct connection between level 1 and 2 indicators can be used to streamline the number of indicators, by taking primarily into account those that match both levels). Valuable suggestions were provided as source of inspiration such as the methodological guide of the Water Stewardship Golden Standards. Some delegates advised to resort to multivariate analyses and external expert judgement as appropriate.

86. Delegates also discussed and provided guidance on the pilot testing of indicators and the need for a robust methodology and guidance for end users. It was advised to prepare guiding questions to mentor pilot-testers, and to organise the pilot-test by scale (national, basin, local) rather than by category of stakeholders in order to have a multi-actor perspective on the indicators at a given scale. It was advised to provide mentoring for volunteers of the pilot testing, in order to allow interaction between the volunteers and the Working Group coordinators. From the perspective of a pilot tester, it will be advisable to coordinate with several stakeholders within a country, basin or cities, since information could be available from different sources. Participants questioned whether pilot-testers should cover all indicators or focus on the indicators for the Principle(s) they are most interested in.

87. A webinar will be organised in May 2017 to discuss the results of the pilot test. The revised indicator framework will be subject to a 2nd multi-stakeholder consultation at the 9th WGI Meeting on 3-4 July 2017. Once it is completed, the institutions that will have participated in the pilot-testing will be invited to supply the data available for the indicators. It will be important to create incentives and a positive narrative to encourage volunteers (e.g. indicators as a tool to self-assess water governance, to dialogue, or to contribute to monitoring the SDG, etc.). An *OECD Water Governance at a Glance* report, to be released at the 8th World Water Forum, will disclose the indicator framework, the outcomes of the pilot-test, and case-studies based on data collected. Cross-cutting lessons from practices collected and prominent examples from the database will also feature in the publication.

Closing remarks & Next Steps

88. Morocco warmly thanked delegates for coming to Rabat and taking part in fascinating discussions that have boosted Moroccan authorities to keep improving water governance in the country. Morocco is dedicated to implement the OECD Principles on Water Governance and to assess its performance thanks to the activities of the WGI.

89. The OECD Secretariat closed the meeting by thanking the Delegated Ministry in charge of water of Morocco for its outstanding hosting of the 8th WGI meeting, and very high commitment to raise the profile of water in the Global Agenda. WGI delegates were also thanked for an excellent meeting, with very constructive feedback and guidance to move forward the activities on indicators and best practices. It was confirmed that the 9th meeting of the WGI will be held on 3-4 July 2017 at OECD Headquarters in Paris and that the 10th meeting will be hosted by the Vienna City Council on 20-21 November 2017 in Austria.

ACRONYMS

ANA	National Water Agency (Brazil)
ASTEE	Association Scientifique et Technique pour l'eau et l'environnement
BDEW	German Association of Energy and Water Providers
CONAGUA	National Water Commission (Mexico)
EU	European Union
FP2E	Fédération Professionnelle des Entreprises de l'Eau
GWP	Global Water Partnership
IMDEA	Madrid Institute of Advanced Studies
INBO	International Network of Basin Organisations
IWA	International Water Association
IWRA	International Water Resources Association
IWRM	Integrated Water Resource Management
NARBO	Network of Asian River Basin Organizations
NGO	Non-Governmental Organisations
OECD	Organisation for Economic Co-operation and Development
OIEau	Office International de l'eau
pS-Eau	Programme Solidarité Eau
RDPC	Regional Development Policy Committee
SDG	Sustainable Development Goal
SIWI	Stockholm International Water Institute
UN	United Nations
WAREG	Network of European Water Regulators
WASH	Water-Sanitation-Hygiene
WfWP	Women for Water Partnership
WGI	Water Governance Initiative
WIN	Water Integrity Network
WWC	World Water Council

CALENDAR OF 2017/18 EVENTS

10-11 May 2017 Istanbul, Turkey	4th Istanbul International Water Forum	SUEN
29 May-2 June 2017 Cancun, Mexico	16th IWRA World Water Congress	IWRA
27 August – 1 September 2017 Stockholm, Sweden	27th World Water Week	SIWI
12-14 September 2017 Tel Aviv, Israel	WATEC – Israel	Mekorot - Israel
30 October-3 November 2017 Amsterdam, Netherlands	Amsterdam International Water Week	Netherlands Water Partnership; IWA; WC International Water Conferences
13- 16 November 2017 Buenos Aires, Argentina	Water & Development Congress & Exhibition	IWA
18-23 March 2018 Brasilia, Brazil	8th World Water Forum	WWC, ANA-Brazil