



**OECD Water Governance Initiative
Thematic Working Group 1**

Stakeholder engagement for effective water governance

* *
*

Scoping Note

Please send your comments and suggestions to

Aziza.akhmouch@oecd.org or Delphine.clavreul@oecd.org

* *
*

This scoping note describes the objective and scope of the work to be carried out by the thematic working group “stakeholder engagement”, coordinated by the OECD and Suez Environment as part of the 2013-2014 OECD Water Governance Initiative activities.

TABLE OF CONTENTS

PREAMBLE	1
RATIONALE.....	2
OBJECTIVE	4
METHODOLOGY & OUTPUTS	4
ROADMAP	5
TIMELINE.....	7
IMPLEMENTATION TASKFORCE	8
LIST OF CONTRIBUTORS	8

* *
*

PREAMBLE

1. The OECD Water Governance Initiative was launched on 27-28 March 2013 as an **international multi-stakeholder network** of around 100 delegates from public, private and not-for-profit sectors gathering twice a year in a **Policy Forum** to share on-going reforms, projects, lessons and good practices in support of better governance in the water sector.

2. The OECD Water Governance Initiative aims to:

- **Advise governments** in taking the needed steps for effective water governance reforms through **policy dialogue** across decision-makers at different levels;
- **Provide a technical platform** to discuss analytical work on water governance through peer-to-peer exchanges and knowledge sharing;
- Provide a **consultation mechanism** to raise the profile of governance issues in the **Global Water Agenda** and Post-2015 Development Agenda ;
- Support the implementation of the **6 governance targets** designed for the 6th World Water Forum (Marseille, 2012) up to the 7th World Water Forum (Korea, 2015);
- Contribute to the design of **OECD Principles on Water Governance** and **OECD Indicators on Water Governance** to engage decision-makers at all levels, within and outside the water sector, commit to action;

RATIONALE

3. By 2050, the world's population is projected to grow to around 9 billion, with a major proportion living in urban areas. The next decade will count **500 cities of more than 1 million inhabitants**, and **26 megacities**, mostly located in developing countries. According to the OECD environmental outlook, by 2050 4 billion people will live in water-stressed areas, and **water demand will increase by 55%**, thus generating further competition among water users (especially domestic, hydropower, and irrigation). These projections raise **significant challenges for the management of water resources and services**, which in the absence of policy changes, will not keep pace with urban population growth.

4. Competing demands for water resources intersect at the **basin** or **watershed level**. Balancing these competing demands to achieve **sustainable water management** will have the greatest chance for success if undertaken at the relevant scale, inclusive of, and resonating with, all stakeholders within the river basin: government; business, including energy providers; agriculture; and communities. Similarly, **water supply and sanitation management** cuts across hydrological and administrative boundaries and involve multiple stakeholders from end users to local and national authorities, regulators and civil society at large.

5. Rather than an objective *per se*, **stakeholder engagement¹** is a **governance instrument** that can help achieve water policy outcomes in terms of efficiency, sustainability and equity. It is a means to prevent conflicts, manage trade-offs, raise awareness and build intersectoral complementarities at the right scale. As stated in the 2011 Report *Water Governance in OECD countries: a Multilevel Approach*, stakeholder engagement can be a powerful tool to address territorial and institutional **fragmentation** in the water sector, align divergent objectives, improve **accountability** of decision-makers and service providers, and support **result-oriented action**.

¹ *Stakeholders* are herein defined as persons or groups who are directly or indirectly affected by water policy, as well as those who may have interests in it and/or the ability to influence its outcome, either positively or negatively. They may include locally affected communities or individuals and their formal and informal representatives, national or local government authorities, elected representatives, regulators, agencies, civil society organizations and groups with special interests, end users, the academic community, utilities and other businesses.

6. In most OECD countries, the traditional role of “government” as the single decision making authority in water policy has been replaced by multi-level, polycentric governance acknowledging that a large number of stakeholders in different institutional settings contribute to water management. This change reflects a more general trend in public policy, stepping away from the old “top-down hierarchical model” exerting sovereign control over the people and groups making up civil society, to gradual involvement of public, private and not-for-profit sectors at different levels, from consultation to co-production of public policy.

7. The various World Water Fora provided opportunities for highlighting the importance of stakeholder engagement when designing and implementing water policy and projects.

- The Marrakech Ministerial Declaration (1997) advocated for a renewed partnership between governments, NGOs and other institutions towards a « *Blue Revolution* » (Rio Summit) to ensure sustainability of water resources;
- The Hague Declaration (2000) called for a transition from “*from vision to action*”, through participation of key stakeholders in decision-making processes;
- The Tokyo WWF (2003) concluded that alliances, partnerships, networking, participation and dialogue must be developed to create a “*new ethics of responsible water-use*”.
- The 4th WWF in Mexico City (2006) stressed the importance of empowering local actors and coordinating “*several government strata*” for effective water management;
- The Istanbul Declaration (2009) put particular emphasis on the critical role of local authorities, women, vulnerable and marginalized groups; and
- Marseilles’ declaration (2012) recalled that good water governance requires multi-stakeholder platforms and legal and institutional frameworks enabling the participation of all.

8. Despite this international pledge, there is still a long way to go for successful and inclusive stakeholder engagement, as several gaps persist on the ground. Despite the plethora of good practices across OECD and non OECD countries to engage stakeholders at different levels, there is a **lack of proper analysis and policy tools** to scale-up **success stories** for bench-learning, and enhance their **replicability** when relevant.

9. During the preparatory process of the 6th World Water Forum (Marseille, 12-17 March 2012), the following **stakeholder engagement target** was defined by the OECD-led Group on “Good Governance”:

“By 2015, 50% of countries will have adopted consultation, participation and co-ordination mechanism allowing stakeholders at local, regional, national and international levels to effectively contribute to decision-making in a coherent, holistic and integrated way. By 2021, 100% will have done so”.

10. This project seeks to provide the evidence-based **policy guidance** and international comparisons in support of the **target implementation**. In particular, it will connect the *policy level* (notably the actions taken to improve the institutional and regulatory framework in the water sector) with the *project level* while identifying practical tools and cases on the ground.

OBJECTIVE

11. The objective of the project is to develop a **methodological framework** based on empirical evidence, in support of effective stakeholder engagement in water management decision-making process, encompassing both water services and water resources. The project will rely on a **questionnaire** to collect data across OECD and BRICS countries. It will conclude with the publication of a **report** including a set of recommendations and indicators to be included in OECD Principles on water governance and Indicators on water governance.

12. The project will aim to build the evidence case for stakeholder engagement as an instrument for effective water governance, and will be structured around 3 pillars:

1. Analysis of challenges and opportunities for stakeholder engagement in water management

- A **literature review** setting the rationale, with a particular focus on the *costs* and *benefits* of engaging stakeholders of all types at different levels, including the *cost of inaction*;
- An **analytical framework** assessing the most frequent *obstacles* to stakeholder engagement, taking stock of lessons learned from a variety of policy fields and institutional contexts;
- A **typology of good practices** observed in OECD and non-OECD countries, according to the type/quality of institutions, the type of governance arrangements (including private sector participation); disparities within/across urban areas and other parameters to be determined.

2. Benchmarking and international comparisons

- A set of **institutional mappings** (in selected countries, cities, watersheds) of major stakeholders involved in water resources management, service delivery, regulation, financing, monitoring and evaluation;
- A **survey** across OECD and BRICS countries to learn from the implementation of stakeholder engagement tools on the ground, identify pros and cons, and draw policy lessons;

3. Action plan to make stakeholder engagement happen

- A **checklist** or **matrix** for effective stakeholder engagement in water-related decision-making processes with a series of indicators/proxies to be taken into consideration;
- A **set of policy recommendations for inclusive water management** with specific guidance on the framework conditions.

METHODOLOGY & OUTPUTS

13. The project will aim to address the following policy questions and suggest recommendations.

- **What is the difference between stakeholder engagement and public participation?**

The objective is to provide evidence on recent trends shifting from “consulting” and “informing” citizens and local communities to broader policies aiming at “engaging” a wide range of public, private and non-for-profit actors in decision-making processes.

- **Why is stakeholder engagement needed to cope with future water challenges?**

The objective is to analyse the drivers for new paradigms in stakeholder engagement to address (raise awareness, and contribute to solve) water quality and quantity (floods, droughts) issues, impacts on ecosystems, and competing needs for water (tourism, industry, recreational use, nature conservation, energy production, irrigation, rural/urban development etc.). Links to demographic, economic and climate change trends will be made, as well as their impact on (ageing, compact, green, shrinking) cities and their hinterlands.

- **What is the relevant scale for stakeholder engagement?**

The objective is to provide criteria for defining what is the appropriate *territorial scale* (basin, local, inter-municipal or regional scale, national) for the participation of relevant constituencies through different processes (from information, to consultation, consensus-building and co-production of decision-making);

- **Who should be considered when defining relevant stakeholders?**

The objective is to have a clear mapping of the different categories of stakeholders (from governments at different levels, to end users, regulators, civil society and donors) who are directly or indirectly affected by poor water governance, as well as those who may have interests in it and/or the ability to influence its outcome, either positively or negatively;

- **What are the main obstacles to effective stakeholder engagement in water management?**

The objective is to provide a diagnosis tool for policymakers to identify the most frequent bottlenecks to stakeholder engagement at different levels (e.g. information, capacity and accountability gaps), and assess their impacts on water management in terms of affordability, sustainability, and efficiency;

- **Where are good practices for stakeholder engagement?**

The objective is to provide an inventory of successful stakeholder engagement experiences, tools and methodologies from both OECD and non-OECD countries based on a comprehensive survey;

- **How can stakeholder engagement be fostered?**

The objective is to suggest a set of principles and indicators in support of more inclusive decision-making. Special attention will be devoted to incentives for managing water services and water resources at the right scale, ownership (public, private) and capacities at the sub-national level will receive special attention;

ROADMAP

Stage 1: Framing the analysis

14. *Taking stock from what already exists*: review of literature on the subject;

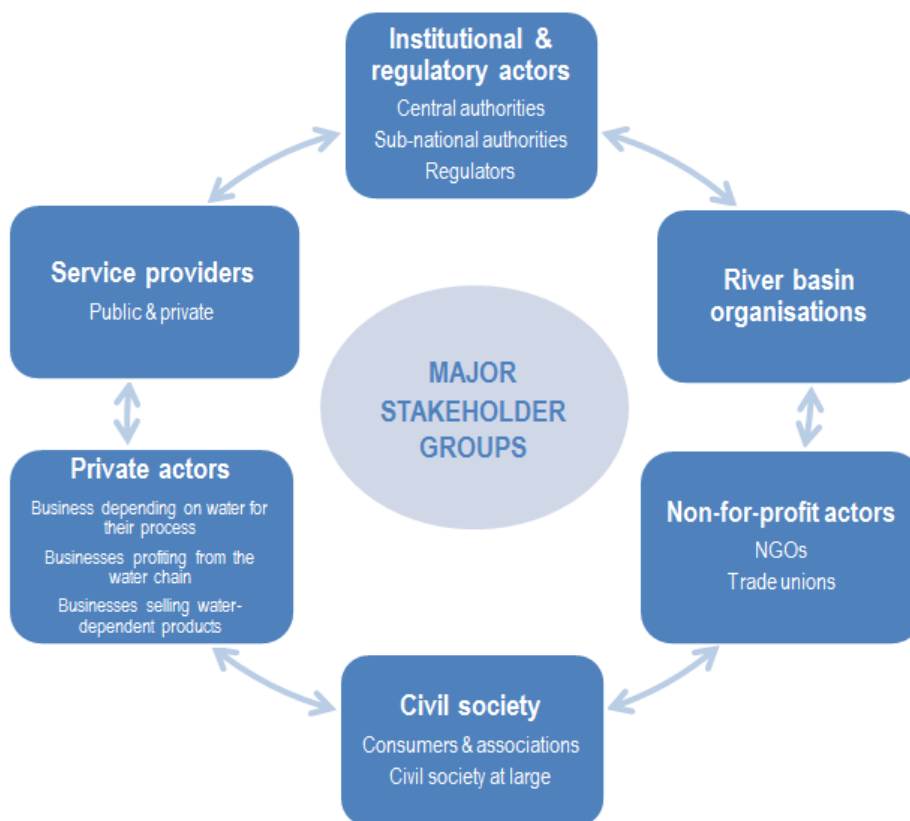
15. *Developing a taxonomy*: classification of tools, mechanisms and initiatives on stakeholder engagement based on pre-defined proxies such as concrete impacts on the ground, the extent to which water governance challenges are addressed holistically, etc.

16. *Identifying groups of stakeholders*: categorisation of stakeholders using pre-defined criteria such as the level of interest in water management, the degree to which they are affected by water policy, the nature of the contribution, the extent to which excluding or including certain stakeholder from the decision-making process would affect the overall effectiveness of water policy, etc.

17. *Identifying multi-level bottlenecks to effective stakeholder engagement* in terms of:

- “Objective”: i.e. different rationales, interests, agendas, and stakes across stakeholders creating obstacles for adopting convergent targets, especially in case of motivational gap;
- “Capacity”: i.e. insufficient scientific and technical capacity of stakeholders to effectively engage in decision-making processes;
- “Information”: i.e. knowledge gap between science, policy and practice, asymmetries of information between stakeholders, misinformation; and
- “Accountability”: i.e. limited awareness, enforcement, monitoring and evaluation tools ;

18. *Collecting evidence*: a questionnaire will be sent to focal points for each group of stakeholders with a direct interest and/or stake in water management:



- **Institutional and regulatory actors:** central authorities; sub-national authorities; and regulators;
- **River basin organisations;**
- **Service providers** (public or private);
- **Private actors:** businesses depending on water for their production process; businesses profiting from the water chain; and businesses selling water-dependent products;
- **Non-for-profit actors:** NGOs and trade unions;
- **Civil society:** consumers and their associations, civil society at large.

Stage 2: Analysing governance challenges and policy options, building on international comparisons

19. *Institutional mapping of roles and responsibilities:* the project will provide (for each identified municipality and watershed) an overview of the groups of stakeholders across the decision-making process and their interactions in terms of consultation, information sharing, and representation.

20. *Guidance to bridge identified gaps:* building on good practices for stakeholder engagement observed in OECD and BRICS countries, policy recommendations will be suggested, as well as key steps to:

- define the *nature and modalities* of stakeholder engagement;
- develop a *common language* for stakeholder engagement
- set the *framework conditions* for stakeholder engagement;
- provide needed *incentives* and *mechanisms* for better accountability and transparency

21. Decision makers face difficulties in accurately appraising the benefits of stakeholder participation, given the complex economic, social and environmental factors, which has implications for their abilities to identify risks and opportunities. The project will thus provide a set of *indicators* to measure and assess the value and effectiveness of stakeholder engagement looking in terms of

- *Impact*, i.e. indicators to track measurable effect of stakeholder engagement;
- *Outcome*, i.e. indicators to track short- and medium-term results of engaging stakeholders;
- *Output and input*, i.e. indicators to track the needed contributions and resources; and
- *Process*, i.e. indicators to track the necessary actions and achievement for effective participation.

TIMELINE



- **7 – 8 November 2013:** Discussion and agreement of the scope of the project and who does what.

- **20 December 2013:** Preparation of the questionnaire to be answered in a 5-week timeframe.
- **Q1 2014:** Interviews to complement responses to the questionnaires.
- **April 2014:** Draft issues paper, preliminary results and assessment from the questionnaire, to be discussed at the 3rd meeting of the Water Governance Initiative (date tbc).
- **31 July 2014:** Circulation of the *draft report* for written comments by mid-September 2014.
- **September 2014:** *Multi-stakeholder workshop* to discuss the findings of the report.
- **November 2014:** Presentation and discussion at the 4th Meeting of the Water Governance Initiative.
- **April 2015:** Official launch of the report during the 7th World Water Forum (12-17 April 2015, Daegu, Korea). The event will involve the preparation of a *brochure* with key conclusions and recommendations to be disseminated to the press during the event, with the final report.

IMPLEMENTATION TASKFORCE

OECD	Suez Environnement
Ms. Aziza Akhmouch Aziza.akhmouch@oecd.org	Mr. Alexandre Brailowsky Alexandre.brailowsky@suez-env.com
Ms. Delphine Clavreul Delphine.clavreul@oecd.org	Ms. Joannie Leclerc Joannie.LECLERC@suez-env.com

LIST OF CONTRIBUTORS

<i>National Government Representatives</i>		
CONAGUA - Mexico	JIMENEZ ALCAZAR Abel	abel.jimenez@conagua.gob.mx
Dutch Delta Commissioner Office	VAN DER ENDT Jolinda	jolinda.vander.endt@deltacommissaris.nl
Danish Water Agency	MOLLER NIELSEN Jakob DISSING Henrik	jamni@nst.dk hedis@nst.dk
<i>Basin, local and regional actors & their networks</i>		
Network of Asian River Basin Organisations (NARBO)	KAWASAKI Tadashige BIN ABDULLAH Keizrul	keizrul@gmail.com tadashige_kawasaki@water.go.jp
Association of Regional Water Authorities – Netherlands (tbc)	DOORNBOS Gerard LANGEVELD Paul	Gerard.doornbos@rijnland.net PLangeveld@uvw.nl
<i>Regulators & their networks</i>		
Turin School of Local Regulation	BECCHIS Franco VANIN Elisa	franco.becchis@fondazioneambiente.org elisa.vanin@fondazioneambiente.org
<i>Service providers & their networks</i>		
Aqua Publica Europea	FIASCONARO Milo	milo.fiasconaro@aquapublica.eu
Portuguese Water Supply and	GODINHO Rui	rui.godinho@apda.pt

Wastewater Association (APDA)

Non-governmental organisations

Arab Water Council	ABU-ZEID Mahmoud	president@arabwatercouncil.org
Global Institute for Water Environment & Health (GIWEH)	MIRZOEVA Elina	elina.mirzoeva@giweh.ch
Butterfly Effect	WITMER Leshia	lesha.witmer@bpw-international.org wima@witmer.info

International organisations

World Business Council for Sustainable Development	CRAMWINCKEL Joppe OESTERLE Julie	cramwinckel@wbcasd.org Oesterle@wbcasd.org
International Water Association	WILLIAMS Tom	Tom.Williams@iwahq.org
UNDP / Global Water Solidarity, Hub for Innovative Partnerships (tbc)	BAYON Jean-Philippe	jean-philippe.bayon@undp.org
Global Water Partnership – Mediterranean (tbc)	BROUMA Anthi SCOULLOS Michael	anthi@gwpmed.org secretariat@gwpmed.org
Institut Méditerranéen de l'Eau (tbc)	KENNOU Hachmi	hkennou@ime-eau.org

Academic, Independent experts, Think Tanks

IRSTEA – France	FERRAND Nils	Nils.ferrand@irstea.fr
Independent expert	GARDUNO Hector	hector.garduno@live.com.mx
Water Resources Research Centre – University of Arizona	MEGDAL Sharon	smegdal@cals.arizona.edu
3rd World Water Centre for Water Management	TORTAJADA Cecilia	ctortajada@thirdworldcentre.org
UNESCO-IHE	WHEN DE MONTALVO Uta	u.wehndemontalvo@unesco-ihe.org
UN Decade Programme on Advocacy and Communication	MAETSU Josefina	maestu@un.org