



# The Water-Energy Nexus

Toward a Good Governance Approach in Water Management

# Overview

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- ▶ Origins of water governance
- ▶ Sound water management
- ▶ Concept of water governance
- ▶ Good governance
- ▶ IWRM and the challenge of water governance
- ▶ Dimensions of governance and layers of governance
- ▶ Criteria for effective governance
- ▶ Rights, accountability and voice
- ▶ Transparency and corruption
- ▶ Financing governance, managing conflict, promoting synergies

# Origins

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- ▶ The term “governance” originates from the Greek *kubernetes* which means to steer, and found its way into Latin, then into Middle English via Old French.
- ▶ One of the first known references is in Geoffrey Chaucer’s *Canterbury Tales*, in the “Nun’s Priest’s Tale” relating to Chanticleer the Cock and his “gouvernaunce” of his seven hens
- ▶ Water governance can be traced back more than 5,000 years
  - ▶ Only recently has water become prominent on the global political agenda (e.g. Mar del Plata 1977, Dublin Conference on Water 1992, Agenda 21 Water Chapter 1992, 4 World Water Forums since 1997, the Millennium Declaration 2000)
  - ▶ Scientific work on water has also only recently globalised (e.g. Global Water System Project of the Earth System Science Project, the UN-wide World Water Assessment Programme)

# Sound water management

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- ▶ A complex interaction of factors:
  - ▶ Demographics, economic development and trade, social and cultural processes, consumption patterns, technology, climate
- ▶ This rules out one-size-fits all solutions to water management
- ▶ But when properly planned and implemented, governance instruments can affect water's drivers and uses to improve
  - ▶ efficiency, equity, sustainability

# The Concept of Water Governance



- ▶ “The range of political, social, economic and administrative systems that are in place to develop and manage water resources, and the delivery of water services, at different levels of society”
- ▶ Is there a risk that “governance” an over-used, overly broad term?
- ▶ Means very different things to many different people and organisations
  - ▶ Lack of conceptual clarity and operational precision
- ▶ Which aspects are “global”, “international”, “widespread”?
- ▶ Global:
  - ▶ A process for rational allocation of water management responsibilities among international institutions: UN as a central coordinating body
  - ▶ WTO, international trade, *virtual water* and *water footprint* – are water subsidies a trade “distortion” that should attract countervailing duties? How do farm subsidies affect water use, including that of poor farmers?
  - ▶ A global water law to underpin global water governance?

# Good Governance

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- ▶ **4 Basic elements (ADB):**
  - ▶ Accountability
  - ▶ Participation
  - ▶ Predictability
  - ▶ transparency
- ▶ **The World Bank: Sound development management comprising:**
  - ▶ Public sector management
  - ▶ Accountability
  - ▶ Legal framework for development
  - ▶ Information and transparency
- ▶ **Global Water Partnership:**
  - ▶ Governance is about effectively implementing socially acceptable allocation and regulation and is thus intensely political
  - ▶ Encompasses laws, regulations, institutions, relates to government policies and actions, domestic activities, networks of influence including international market forces, the private sector and civil society
  - ▶ No single definition of governance – different approaches may be followed
  - ▶ But common elements of good governance

# The Challenges of Water Governance

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## ► UN World Water Development Report (2006)

“in many countries water governance is in a state of confusion: in some countries there is a total lack of water institutions and others display fragmented institutional structures or conflicting decision-making structures. In many places conflicting upstream and downstream interests regarding riparian rights and access to water resources are pressing issues that need immediate attention, in many other cases there are strong tendencies to divert public resources for personal gain, or unpredictability in the use of laws and regulations, licensing practices impede markets and voluntary action and encourage corruption”

# Dimensions of Governance

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- ▶ **UN Water Development Report (2006)**
  - ▶ Economic (efficient use)
  - ▶ Environmental (sustainable use)
  - ▶ Political (equal democratic opportunities)
  - ▶ Social (equitable use)

“Water governance is sometimes equated with the actual water policy in place but governance is much more: it is about the exercise of power in policy-making ... the process of decision-making... the dynamics of policy and decision making, informal and formal legislation, collective action, negotiation and consensus-building and how these interact with other institutions”



# Layers of Governance

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- ▶ At least 4 levels:
  - ▶ Local
  - ▶ National
  - ▶ Basin
  - ▶ Global
- ▶ Principle of subsidiarity and decentralisation
  - ▶ Can delegation of responsibility go too far?
- ▶ Trans-boundary institutions, regional cooperation and political sensitivity
  - ▶ Problems and benefits of regional cooperation
  - ▶ Facilitating role of key players in the international financial architecture e.g. multi-lateral development banks (ADB, World Bank, GWP)

# Criteria for Effective Governance

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- ▶ Participation
- ▶ Transparency
- ▶ Equity
- ▶ Efficiency and effectiveness
- ▶ Rule of law
- ▶ Accountability
- ▶ Coherence
- ▶ Responsiveness
- ▶ Integration
- ▶ Leadership
- ▶ Ethical considerations
- ▶ Indicators to assess governance
  - ▶ No blueprint for success (UN World Water Report 2006)

# IWRM and its Challenges

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- ▶ Integrated Water Resources Management (IWRM) has become a leading paradigm
- ▶ Defined by the Global Water Partnership (GWP)
  - ▶ “a process which promotes the coordinated development and management of water, land and related resources, in order to maximise the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems”

# IRWM

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- ▶ IWRM is a long-term process entailing
  - ▶ Political, social and institutional changes and possible actions
  - ▶ Is challenging in practice –multiple sectors and many institutions
  - ▶ Entails complicated issues
  - ▶ Necessitates constructive engagement, consultation, multi-stakeholder dialogues regarding policy reforms and compliance
- ▶ Conceived as a framework for *national* water governance
- ▶ As a *global* solution requires getting national water governance in order as a pre-condition for successful global cooperation

# Water: A Human Right Or an Economic Good?



- ▶ **The International Covenant on Economic, Social and Cultural Rights:**
  - ▶ “the right of everyone to an adequate standard of living”
  - ▶ “a powerful moral claim”
  - ▶ No-one should be excluded from water and sanitation services due to poverty, ability to pay, group membership, or place of habitation
- ▶ **Practical challenges:**
  - ▶ Rights have different meanings in different circumstances
- ▶ **Only meaningful to the extent that it can be enforced in law**
  - ▶ Definition and access to litigation
- ▶ **Accessibility also has an economic dimension**
  - ▶ Affordability (not necessarily free)
  - ▶ Advantages in managing as an economic good



# Accountability and Voice

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- ▶ **Value of information**
  - ▶ Aids decision-making
  - ▶ Enables more efficient and cost-effective infrastructure design
- ▶ **Relevance and user-friendliness**
  - ▶ Success of decentralisation of responsibilities for water services
  - ▶ Can mobilise and empower public opinion
- ▶ **Quality of data and access to information**
- ▶ **A driver of performance**

# Transparency and Corruption

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- ▶ The water sector is especially susceptible to corruption
  - ▶ In developing countries corruption raises the price of connecting a household to a water network by as much as 30%, inflating the cost of water and sanitation by US\$48 bn (Transparency International *Global Corruption Report 2008*)
- ▶ Efforts to prevent corruption have made recent progress
  - ▶ E.g. Water Integrity Network, water watch groups, telephone hotlines, anti-corruption policies
- ▶ Many initiatives to counter corruption are outside the domain of water
- ▶ Moves toward accountability, transparency and performance monitoring are preconditions for reform
  - ▶ Enhanced transparency in water services would release large sums for their intended purposes

# Financing Governance

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- ▶ Good governance is vital to attracting finance for infrastructure and services
- ▶ Every part of the water sector needs proper resourcing for
  - ▶ Planning and policy making, research, monitoring, regulation, public and stakeholder engagement, resource development and protection, environmental safeguarding, pollution control
- ▶ Financing governance at supra-state level
  - ▶ the “free rider” problem
  - ▶ shared waters, political sensitivity and manipulation of data
- ▶ International institutions have a clear role in supporting cases of “under-funded regionalism”



# Managing Conflicts and Promoting Synergies

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- ▶ **Increased competition between demands for water and need for society to respond to these pressures**
  - ▶ Countries showing water stress or scarcity is expected to climb from 24 in 2001 to 50 in 2025 and 54 in 2050, with a total population of 4 bn living in these conditions
  - ▶ The combination of water pollution and scarcity - environmental degradation – an additional factor of concern in areas of continuing population growth
- ▶ **Increased complexity in water management**
  - ▶ A proliferation of new aims, constraints, and performance criteria
- ▶ **Balancing trade-offs between**
  - ▶ equity and efficiency, claims of the environment and future generations, cost recovery and basic needs



- ▶ Water is vitally affected by events and decisions outside the water sector
  - ▶ Key senior government, business and civil society leaders are often absent from discussions about water
- ▶ Strong links between water and general socio-economic development
  - ▶ A strong case for immediate action to accelerate investment and create capacity and governance capability at all levels