



**Country Water Action: Asia
National Water Sector Apex Bodies -
Blazing New Trails with Performance Benchmarking and Peer
Reviews**
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TAKING NEW STEPS TO MEASURE PERFORMANCE

Special government bodies responsible for overseeing water sector reform processes are charting a new and innovative course to measure their performance by borrowing a concept that has long been used in the corporate world.

Benchmarking -- the process of measuring performance against ideal indicators -- has been the practice of such corporations as IBM, Coca Cola, Nike, Boeing and Ford. Benchmarking has become a service industry in itself. Gradually, the public sector, particularly in health and education in developed countries, has picked up the practice for internal assessment and comparative analysis.

In a [regional meeting](#) in Bangkok last April 2005, representatives of national water sector apex bodies in Asia agreed to pilot a benchmarking system in Philippines, Malaysia and Thailand.

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THE PEER REVIEW ADAPTATION

Typically, companies hire a private benchmarking firm to measure their performance. To further maximize the gains from benchmarking, however, the regional group of [water apex bodies](#) agreed to conduct the process through peer review.

"It's benchmarking with a twist," said Mai Flor, a water governance specialist and consultant for the Asian Development Bank. "Apex bodies aren't in competition with each other, like a private sector company wanting to do performance benchmarking would be. So why not learn from each other during the process?"

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SETTING THE STAGE FOR BENCHMARKING AND PEER REVIEW

How do you benchmark or even peer review the nebulous concept of reform, the main objective of national water sector apex bodies? It was a question

extensively discussed at the [Second Regional Meeting of National Water Sector Apex Bodies](#), held 27-29 April in Bangkok.

During the [first regional meeting](#) in Hanoi, Viet Nam in 2003, participants identified the need to evaluate their water sector apex bodies' performance and agreed to pursue a benchmarking and peer review process.

At the second regional meeting in May, participants agreed upon a set of indicators that would benchmark three telling characteristics of an NWSAB:

- mandate-- measurable by the characteristics of the structure, i.e. how it was created (by law, executive order, etc), its structure (whether it is a board, council, committee), its legal powers and authority and its membership
- activity-- measurable by the number and attendance of meetings per year, number of technical staff, days of training, staff profile, and characteristics of the budget
- effectiveness-- measurable by the types and qualities of water-related policies as well as the policy dialogues and stakeholder participation they involved

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CASE STUDIES OF INTERNATIONAL PEER REVIEWS

To date, benchmarking and peer review have been notably accomplished by two groups -- the Consultative Group to Assist the Poorest (CGAP) and the Organization of Economic Cooperation and Development (OECD), Flor said.

CGAP, along with 17 bilateral and multilateral aid agencies, participated in donor peer reviews to assess the effectiveness of their assistance.

OECD has been a leader of peer review among international organizations, using the method since its creation while continually refining its use. OECD defines peer review as the systematic examination and assessment of the performance of a state by another state with the ultimate goal of helping the reviewed state improve its policy making, adopt best practices and comply with established standards and principles.

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THE APEX CHALLENGE

The tallest challenge to adopting the benchmarking system by apex bodies is the wide scope of their mandates. They do not directly provide water services, which tend to have the clearest outputs to measure -- the number of meters of new pipes installed, the percent of costs recovered by revenues, the volume of irrigation per hectare.

Rather, the work of water sector apex bodies involves less easily measured or benchmarked activities, such as overseeing policy dialogues, formulating policy recommendations, and coordinating programs. The heart of their work is reform - reforming by coordinating efforts within a sector that can often be divided across numerous ministries and agencies.

PILOTING THE PROCESS

The pilot implementation of the peer review benchmarking is proposed to unfold in three phases over the course of 2005: a preparatory phase, country visit and submission of findings. Water sector apex bodies in Thailand, the Philippines and Malaysia will be the first pilots.

"Political will, strong sector leadership and a clear mandate are critical to the success of the NWSAB," Mai Flor told participants of the meeting.

These new steps by water apex bodies in the region aligns with the vision ADB President Haruhiko Kuroda shared at the [ADB Annual Meeting](#) in May in Istanbul, Turkey.

"I see us moving into a new era of development-more interdependent, more integrated and more inclusive," President Kuroda said. "An era where nobody is left behind."