

Introducing A Framework For National Water Sector Apex Bodies To Assess Their Effectiveness¹

I. Abstract

1. National water sector apex bodies have been established in several countries in Asia to guide national water sector reforms to achieve sustainable water management.² These bodies are well placed to demonstrate leadership in improving water governance, both in the management of water resources and the delivery of water services.³ This paper proposes a framework for national water sector apex bodies to assess their effectiveness in demonstrating leadership to improve water governance. The framework will help national water sector apex bodies to compare their performance with their peer organizations, using mutually agreed indicators and standards. The framework will be further developed with advice from the Regional Meeting of National Water Sector Apex Bodies, organized on 18-21 May 2004 in Hanoi by the Asian Development Bank (ADB) in collaboration with the Office of the National Water Resources Council (ONWRC) in the Ministry of Natural Resources and Environment, Viet Nam.

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² The *Water Sector* refers to the whole of a country's policies, planning, implementation, and supporting activities to develop and manage its water resources and deliver water services to all users in its society. It includes activities for river basin and groundwater development and management, water supply and sanitation, wastewater management and pollution control, irrigation and drainage, hydropower development, flood control and management, watershed and wetlands protection and management, fisheries and aquatic resource management, water-borne transport, and other water-related activities (Asian Development Bank, 1996). *Water Sector Apex Bodies* refer to national organizations that guide the water sector, such as national water (resources) councils, committees, commissions, boards, or authorities, together with their supporting offices (Asian Development Bank, 2001).

³ As set out in Lincklaen Arriëns, W.T. (2004). Leadership in water governance - ADB's water policy and the need for national water sector apex bodies. Paper prepared for the Regional Meeting of National Water Sector Apex Bodies, Hanoi, May 2004. *Governance* refers to sound development management. Four pillars of good governance are accountability, participation, predictability, and transparency (Asian Development Bank, 1995). *Water Governance* refers to the range of political, social, economic, and administrative systems that are in place to regulate the development and management of water resources and the provision of water services at different levels of society (Global Water Partnership, website).

II. Background

2. ADB's water policy "Water for All"⁴ highlights the need for better water governance in countries of the region, and outlines seven main thrusts to achieve this in each country. National water sector apex bodies (NWSABs) are identified as key instruments to achieve a national focus on water sector reforms for better water governance.

3. Technical assistance has to date been provided by the ADB for the establishment and/or capacity building of the NWSABs in Sri Lanka, Lao PDR, Thailand, and Viet Nam. Several other Asian countries have also established NWSABs, including India, Bangladesh, Kazakhstan, Nepal, and the Philippines, while others, such as Indonesia, are considering the establishment of such a body.

4. ADB is also supporting its developing member countries through regional technical assistance projects for Promoting Effective Water Management Policies and Practices, financed from ADB's Cooperation Fund for the Water Sector. One of the components of the TA supports comparative analysis and exchange of experience in water governance in the region, including the effectiveness of NWSABs, river basin organizations, water utilities, regulatory bodies, and other water institutions.

5. Assistance programs supported by ADB have already started for (i) river basin organizations, through the Network of Asian River Basin Organizations (NARBO), in collaboration with the Japan Water Agency and the ADB Institute; (ii) water utilities, through the Southeast Asia Water Utilities Network (SEAWUN); and (iii) water regulatory bodies, through several TA projects financed by ADB.

III. The Regional Meeting in Hanoi

6. The objectives of the Regional Meeting of National Water Sector Apex Bodies in Hanoi are to (i) exchange information and experience on the work of NWSABs in the region, and (ii) identify priority needs and opportunities for networking, capacity building, and research among the apex bodies, including the development of methodologies for benchmarking and peer review to assess and monitor their effectiveness. Participation in the regional meeting is targeted to the heads of the secretariats of existing NWSABs in the region.

IV. The Purpose of National Water Sector Apex Bodies

7. ADB advocates that NWSABs are needed in the developing countries of Asia to bring together government, civil society and nongovernment stakeholders to promote effective water policies and guide national water sector reforms to achieve sustainable water management. The water sector typically has many stakeholders in each country, both in and outside government. National water sector apex bodies are needed to ensure that coherent and effective water management policies and action agendas are adopted and implemented with the support of government agencies concerned and civil society.

⁴ Water for All, the water policy of the Asian Development Bank was adopted by ADB's Board of Directors in 2001 after several years of extensive consultations with stakeholders. (Asian Development Bank, 2001).

8. ADB regards National Water Sector Apex Bodies as critical institutions to improve decision-making for better water governance. In support of its water policy, ADB actively promotes and supports the development of national water sector apex bodies in its DMCs to:

- a. **promote a national focus on water sector reform**, through the formulation and adoption of effective national water policies, water laws, improved institutional capacities, information management, and a national action agenda for the water sector;
- b. **guide a water sector reform process** in which the relevant stakeholders in the country collaborate to achieve agreed water sector outcomes; and
- c. **facilitate policy dialogue and investment partnerships** in the water sector with development partners, including ADB.

9. The regional meeting will provide inputs to elaborate on the purpose of the NWSABs. While several developing countries in the region have established such bodies, systematic and comparative analysis has yet to be undertaken to assess their effectiveness and learn from their experience and success factors.

10. The Regional Meeting of National Water Sector Apex Bodies in Hanoi marks the start of ADB's regional technical assistance for comparative analysis of the experience of NWSABs in the region. The analysis is supported under ADB's series of regional technical assistance entitled Promoting Effective Water Management Policies and Practices, financed by its Cooperation Fund for the Water Sector. The methodology for the comparative analysis will be developed and tested by the author in collaboration with the School of Frontier Sciences, Tokyo University.

11. The comparative analysis will be complemented by a program of ADB-supported networking activities for the exchange of experience and capacity building among NWSABs, for which the regional meeting in Hanoi is expected to give directions and make recommendations.

V. Expected Outputs of the Comparative Analysis

12. The expected outputs of the comparative analysis of NWSABs are expected to include:
- a. A regional inventory and overview of the work of NWSABs in countries across the region, as a basis for exchange of information, experience, and networking among NWSABs;
 - b. A review of water sector progress in countries across the region towards achieving a generic set of desirable water sector outcomes;
 - c. A framework of indicators of effectiveness of NWSABs in helping countries to achieve the generic set of desirable water sector outcomes, as a measure of the effectiveness of NWSABs in terms of desired outputs and outcomes;
 - d. A framework of structural, enabling, constraining, and contextual factors that determine the effectiveness of NWSABs in a country-specific context, validated through case studies of individual NWSABs in several countries;
 - e. A methodology for benchmarking the performance of individual NWSABs in the region, drawing on selected effectiveness indicators and success factors; and

- f. A recommended process for peer reviews of NWSABs in the region, using the frameworks for effectiveness and benchmarking methodology for NWSABs, to stimulate networking towards better performance with their full ownership.

VI. Methodology for the Comparative Analysis

13. The comparative analysis is expected to provide important lessons learned and inputs to the design of capacity building activities for the NWSABs themselves, and more broadly for designing interventions to improve water governance in the region. The analysis itself will employ both *deductive* and *inductive* approaches.

14. A deductive approach will be used to assess the indicators of effectiveness of NWSABs in helping their countries to produce water sector outputs and achieve desired water sector outcomes in the medium to longer term. These water sector outcomes or desired situations are linked to the actions contained in ADB's Water Policy Water for All.

15. ADB has commissioned a situation analysis of water reforms in the region with regard to progress in achieving 40 water sector outcomes. A discussion paper outlining initial results of the analysis will be presented to the regional workshop by Professor Paul Mosley, ADB Consultant (Mosley, 2004).

16. While the formulation of these 40 water sector outcomes is generic and expected to be applicable to most if not all developing countries in the region, it is also important to understand the individual experience of each NWSAB in the context of the country-specific conditions. These specific conditions relate to the country's historical and socio-economic development, as well as to its cultural, administrative and legal traditions, and state of development and management of the country's water resources.

17. These and other factors will therefore be analyzed as part of a framework of structural, enabling, constraining, and contextual success factors that determine the effectiveness of NWSABs in a country-specific context. This analysis will be undertaken in an inductive manner through case studies of individual NWSABs in several countries in the region.

VII. Analysis of Effectiveness Indicators for NWSABs

18. The tentative framework of effectiveness indicators for NWSABs is presented below, drawing on the seven principal elements of ADB's Water Policy Water for All, reformulated as seven main tasks for NWSABs, with effectiveness indicators for each task indicated in bullets. While some of these reform tasks could be delegated to other organizations in the sector as appropriate, the responsibility for their initiation, quality assurance, and timely completion should rest with the NWSAB as the body overseeing the reform process. It is particularly important that the NWSAB can facilitate better decision-making as a key requirement for improving water governance.

- a. *Guiding water sector reforms to support national development goals, reduce poverty, and protect the environment.* Provide a holistic, determined, and sustained focus on national water resource development and management, to meet national development goals, reduce poverty, and protect the environment.

1. national water sector profile
 2. water policy (with criteria for coverage of issues)
 3. water law (law and administration versus negotiated service agreements)
 4. national water action agenda
 5. integrated water sector information system
 6. water sector coordination
 7. water and national poverty reduction strategies
 8. water and the national environmental action plan.
- b. *Introducing integrated water resources management.* Arrange for the decentralization of planning, development, and management of water resources to an appropriate level responding to basin boundaries.
1. river basin organizations and benchmarking of their performance
 2. river basin profiles
 3. river basin plans
 4. water rights and allocation systems
- c. *Improving and expanding the delivery of water services.* Delegate the delivery of water services to autonomous and accountable public, private, or cooperative agencies providing measured water services in a defined geographical area to their customers and/or members for an appropriate fee.
1. irrigation service reforms and benchmarking of performance
 2. drinking water supply and sanitation service reforms and benchmarking of performance
 3. industrial water supply and wastewater service reforms and benchmarking of performance
 4. private sector participation in water services
 5. other service delivery reforms
- d. *Enhancing sustainable water use in society.* Enhance sustainable water use in society—with financial incentives, regulatory bodies, and public education promoting economic efficiency, conservation of water resources, and protection of the environment—within a transparent policy framework.
1. financial incentives and cost recovery policies
 2. credible regulator for water services and tariffs
 3. public awareness and education
- e. *Promoting the equitable use of shared water resources.* Promote the equitable allocation of shared water resources within and between countries for the mutual benefit of all riparian users in the river basin.
1. dialogues held
 2. exchange of data and information agreed
 3. joint projects initiated
- f. *Fostering consultative and participatory approaches.* Promote water sector activities that are participatory and consultative at each level, leading to

commitment by stakeholders and action that is socially acceptable, with provisions to ensure access to water services by the poor.

1. stakeholder representation in the water sector apex body
 2. stakeholder representation in river basin organizations
 3. community participation in water supply and sanitation
 4. participatory irrigation management
 5. gender and development
 6. equitable water use and poverty reduction (to be elaborated)
- g. *Building capacity to respond to changing needs.* Commit to sustained capacity building, monitoring, evaluation, research, and learning at all levels, to respond effectively to changing needs at the national, basin, project, service entity, and community level.
1. capacity assessments carried out
 2. capacity building programs developed
 3. research programs and networking arrangements developed
 4. partnerships/twinning arrangements established

19. These tentative effectiveness indicators will be further reviewed against the set of 40 generic water sector outcomes formulated by Professor Paul Mosley, and against the need to clarify what improvements in decision-making are needed in the water sector.

VIII. Case Studies of Success Factors for NWSABs

20. The tentative framework of effectiveness or success factors for NWSABs is presented below, grouped into structural, process, enabling, constraining, and contextual factors. These will serve as basis for the case study analysis of individual NWSABs in the region.

- a. *The Structure of NWSABs:*
1. representation of stakeholder groups
 2. level of membership
 3. chairing arrangements
 4. reporting channel
 5. resources available.
- b. *The Business Process of NWSABs:*
1. competent secretariat
 2. frequency of meetings
 3. conduct of meetings
 4. the role of champions.
- c. *Enabling Factors:*
1. influence in water sector financing and expenditures
 2. support of leading politicians to influence water sector decision making
 3. engagement of the leadership group of ministers and top administrators

4. public awareness and support for water reforms and the NWSAB's work
 5. support for water sector reforms by external support agencies
 6. the nature and size of performance/output gaps in the sector
 7. results from reform and change, as impetus for further change.
- d. *Constraining Factors:*
1. gatekeepers and opponents
 2. frequency of elections and changes in government.
- e. *Contextual Factors:*
1. legal traditions (Roman law and democracy versus Confucian bureaucratic tradition of informed leadership)
 2. cultural factors, e.g. approaches to consultation, consensus building, and decision making
 3. phase of the country's water sector evolution, e.g. from water resources development to management and water (re)allocation
 4. prevailing context of government policies, e.g. on stakeholder participation in development, on decentralization and devolution, and more generally on approaches to policy reform and organizational change
 5. crisis events that prompted change.

IX. Towards Benchmarking the Performance of NWSABs

21. With the benefit of a better understanding of the effectiveness indicators and success factors of NWSABs, it will be possible to set standards and procedures for benchmarking and international comparison of the work and performance of NWSABs. Benchmarking works best if the organizations to be rated are themselves taking the lead in the initiative and full ownership of the results.

22. ADB is interested to support NWSABs in the region in the process of developing and implementation of a benchmarking system, and sees this as a critical step to improving water sector governance under capable leadership of the NWSABs.

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