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## Chapter 6 - Water policy reviews in practice

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### [Water policy reviews in practice: Country experiences](#)

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*This chapter illustrates the nature of water policy reviews, drawing on actual cases in Yemen, France, Mexico, England and Wales (United Kingdom), Victoria (Australia), Chile, Indonesia, Belize, Turkey and Lithuania.*

*Particular attention is paid to the process of review itself, and how public consultation was organized. The outcomes of reviews are discussed under the headings of reforms in water rights, privatization and corporatization, the promotion of prices and market mechanisms, and reforms in planning and management.*

The intention of this chapter is not to offer prescriptive guidance on how to mount water policy reviews, but rather to give readers the flavour of a number of such reviews that have actually been carried out.

It is only realistic to recognize that every country will wish to conduct reviews in their own way, responding to national differences in basic problems, cultural, legal, historical, political and institutional peculiarities, stages of development, professional and administrative capacity, and other fundamental factors. Hence this Guide does not prescribe blueprints.

### Water policy reviews in practice: Country experiences

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[Review processes](#)[Review outcomes](#)

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Table 3 contains examples of water policy reviews conducted recently by seven countries at various stages of development. Some issues of common interest are discussed below under the headings of review processes and main outcomes.

## Review processes

A common problem in approaching the review is that the water sector is large and diverse, and responsibility for it is fragmented, or at least divided amongst several agencies. Hence one of the first decisions to be taken is how the necessary coordination of information and views should occur. Despite having a Central Water Council, *Yemen* found it expedient to appoint an interdisciplinary task force reporting to an Advisory Committee chaired by the Vice Minister responsible for Water Resources. The Advisory Committee contained senior officials at Deputy Minister level from all water-related ministries (Box 12).

In *Indonesia*

the review was organized as a major multidisciplinary study by the Directorate General of Water Resources Development. It was supported by national and international expertise in water management, economics, legislation and institutions (Appendix 1). Likewise, in *Chile*

the review process started with a technical study carried out by the Water Department of the Ministry of Public Works. In *Mexico*,

a National Water Commission was created in 1989, with decision making powers over the allocation of water. The Commission steered through the important 1992 legislation. In *France*, a National Water Committee, a consultative body comprising representatives of Government, water users and elected officials, took part in the final stages of the process leading to the 1992 Water Act.

**TABLE 3 - Examples of water sector policy review**

COUNTRY	WATER POLICY REVIEW: STEPS TAKEN				
	1. Justification for review	2. Initiatives taken	3. Draft policy document/public consultation	4. Main thrust of policy review/reform	5. Final documents and action
England and Wales (United Kingdom)	1985: Conflicting issues of financial management of public Water Authorities.	1986: Government white paper on privatization of water industry; then various reports prepared.	Release of consultation policy papers for Parliamentary review.	Redraw boundary between the public and an integrated private sector. Control of a privatized water industry.	1988: Water Bill released. July 1989: Water Act enacted by Parliament.
France	Supply-demand imbalance worsened by drought.	Creation of National Water Committee. Regional seminars. National Water Seminar (March 1991).	Discussion of policy proposals at National Water Seminar.	Manage water resources in an integrated and balanced manner. Balance water resources development/conservation.	Law on Waters enacted by Parliament in January 1992.
Chile	Critical level of water resources deficiency; conflicts between the	1990: Government initiates review of water policy. August	Discussion of policy proposals at National Seminar.	Balance public and private sectors' roles; enhance tenure security of water rights.	Draft water resources legislation tabled in

	administration and the private sector on socio-economic and property issues.	1991: National Seminar.			Congress (1992).
Mexico	Growing regional imbalance between water demand and availability of water to cities and to irrigation.	1989: Creation of the National Water Commission. Review of water policies.	Document outlining Water Policies and Strategies released and disseminated by National Water Commission (Dec. 1990).	Promote water use efficiency; improve quality of water services through enhanced role of the private sector.	Law on National Waters enacted by Federal Congress in November 1992.
Victoria (Australia)	Public impatience with a bureaucracy out of control and spending of public money without proper supervision.	1980: Public Bodies Review Committee set up to advise on policy. 1988: Independent Committee of Review set up to scrutinize proposed new water legislation.	1981: Committee recommendations released. 1986: Discussion Paper and Issues Papers for new legislation released. Workshops, public meetings held.	Rationalization of water management bodies. Restructuring of central water administration. Legislative reorganization. Corporatization of public sector agencies.	Water (Central Management Restructuring) Act enacted in 1984. Water Act enacted in December 1989.
Yemen	Over-exploitation, low-efficiency use and fast degradation of ground-water resources; institutional fragmentation resulting in conflicting draft water legislation.	1992: Government's comprehensive water resources policy review under inter-ministerial Advisory Committee and National Task Force.	Inter-sectorial and inter-regional working groups.	Conservation and sustainable utilization of water resources; environmental protection.	Task Force's comprehensive report and policy studies; national seminar on water policy; a National Water Seminar in 1993.
Indonesia	Re-orientation of large public investment, with high water subsidy, deterioration of water resources infrastructure, regional supply-demand imbalance, water use changes.	1987: Irrigation sector policy. 1991: Government's comprehensive water policy review; creation of private sector organizations for water resources management.	National and international seminars on water management policy. 1994: Draft water policy and policy action plan for 2nd 25-Year Plan.	De-centralized water administration based on river basins; privatization and cost-recovery; cross-sectorial analysis; regional water resources development.	Water policy in 2nd 25-Year Plan and VI <sup>th</sup> Development Plan. Decentralized water administration.

Sooner or later in democratic regimes a public discussion paper on water policy will need to be released. Its purpose will be to inform the general public and interested parties of the problems and issues, indicate the main lines of proposed policy reforms, and invite comment and consultation. In the *United Kingdom*,

where the water sector was privatized in England and Wales, the ground was prepared by the release of several official documents, starting with a White Paper and two consultation documents in 1986, a proposal for the National Rivers Authority in 1987, and a further White Paper in 1987, reflecting the reactions to the earlier one.

#### **BOX 12: THE REVIEW PROCESS IN YEMEN**

In response to increasing fragmentation and largely uncontrolled or private-user-based water resources management, the Government of the former Yemen Arab Republic had established a Central Water Council under the auspices of the Ministry of Water and Electricity. It had, however, become increasingly clear that water management in Yemen, working in a policy vacuum and without regulatory systems, was not sustainable, leading to fast depletion and degradation of the resources, with increasing incidence of water conflict. *Ad hoc* drilling and non-sustainable abstraction of groundwater at increasing depth tended to lead to increased water cost and uneconomical uses. As a consequence of water users maximizing their income by appropriating other people's resources and shifting their own costs onto society, the groundwater resources were being depleted, resulting in decreases in food production. Scarce water resources were also being used inefficiently and well-functioning customary and tribal systems were replaced by inefficient bureaucracies.

Policy intervention was therefore necessary to unify the water sector and bring competitive economic forces into play to protect the resources. However, policy implementation would be limited due to insufficient and poor institutional framework and human resources, absence of inter-sectorial coordination, and lack of analytical tools, adequate and reliable data, effective policy instruments, mechanisms for R & D and adaptation of new technologies.

Following unification in May 1990, the Government had not been able to agree on a basic water policy and institutional frameworks, including a basic water law, and in 1991, faced with two contradictory proposals for water legislation, the Government assigned the minister responsible for water resources the task of developing a coherent water policy as the basis for consensus on legislation and institutional frameworks for water resources management. An issue-and objective-based water policy was developed following a double track approach.

A national interdisciplinary water policy task force was set up with representatives from the various water subsectors. The task force developed draft water policy, reporting continuously to an Advisory Committee. The Advisory Committee was chaired by the Vice Minister, and had as members senior officials at Deputy Minister level from all water-related ministries. In this manner, a comprehensive draft National Water Resources Policy Document, including proposals for institutional arrangements for water resources management, was prepared for final review in a National Seminar, and consideration and approval by the Council of Ministers. The policy, when approved, will form the basis for a national water legislation and administration, and strategies and programmes in the water sector.

#### *Chile*

also distributed a basic document on national water policy to agencies and departments involved in water resources management. After receiving comments, a version of this was considered at a national seminar in 1991, involving officials, academics, professional associations and water users. *Yemen* also used the device of a National Seminar for final review of the draft National Water Resources Policy document. Likewise, in *France*, a series of seminars were conducted in the various regions, open to all potentially interested parties, especially farmers and local officials. The results of these seminars were considered at a national water seminar (Assises nationales de l'eau) in 1991.

**BOX 13: THE WATER REVIEW PROCESS IN VICTORIA, AUSTRALIA**

The process of developing the new Water Bill in the period 1985-89 had the following elements:

- **A Discussion Paper.** identifying principles and options. The review began in earnest early in 1985, in response to perceived deficiencies identified by stakeholders over the years. Various options for developing a modern legislative framework were canvassed in a Discussion Paper, released in September 1986.

- **Issues Papers.** Over the following few months, six Issues Papers were released, each floating more intricate or innovative proposals in greater detail. One explained, in simple terms, the historical development of common law and statutory provisions concerning private rights in water, demonstrated existing anachronisms and explained how they could be solved. Another set out the principles of a system of transferable water rights, how such a system might operate and what benefits might be expected.

Proposals for rationalizing the powers of different types of Water Boards were similarly explained. Other papers dealt with dam safety, drainage issues, groundwater and proposed procedures for objecting to, or appealing against, administrative decisions. In each case, the papers were widely distributed and written submissions and comments solicited.

- **Public Consultation.** There were several distinct avenues of consultation. First, the Rural Water Commission, with assistance from the Victoria Farmers' Federation, held intensive, small group workshops with irrigators at 22 different locations, to discuss a possible system of transferable water entitlements. The various Water Boards were assisted by two teams to help them understand proposals, and to develop operational plans for Ministerial approval. Finally, early in 1987, 17 public meetings were held in different parts of the State to discuss issues known to be of particular local concern, to answer questions raised by the audience, and to invite further written submissions.

- **Feedback.** Issues raised at each of the irrigators' workshops and public meetings were reported back in a series of Consultation Newsletters. Further written submissions were solicited. More than 150 submissions resulted from the irrigators' workshops and hundreds more from public meetings.

- **Draft Proposals.** After consideration of the results of consultation, Draft Proposals for a Bill were prepared and released in July 1988. This document was widely circulated, with a call for further comment and submissions.

- **The Independent Committee of Review.** In a novel move, designed to improve political support for the Bill, the Minister appointed an independent committee to review the Bill and take into consideration all comments and submissions made.

The Committee comprised nominees of the Australian Conservation Foundation, the Water Authorities Association of Victoria, the Victorian Farmers' Federation, the Institute of Water Administration, the Association of Victorian River Management Authorities and the Australian Water and Waste Water Association. A further appointee was a retired member of the Victorian Soil Conservation Authority and a grazier. The Deputy Chair was a country solicitor, with a practice in water matters, and it was Chaired by a Government member of Parliament who had formerly been a farmer and an irrigator.

The Committee distributed almost 3000 copies of the draft Bill and advertised widely for submissions, receiving almost 150, half of which came from water or sewerage authorities or their representative organizations. The Committee considered matters of principle and issues of major concern in the submissions made. In the five months available to it, it was unable to deal with all matters of detail raised in submissions, although each submission was considered. Time constraints prevented the Committee from holding its own public meetings.

An elaborate public consultation procedure was held in *Victoria* (Box 13), consisting of a Discussion Paper, Issues Papers, other detailed papers, group workshops, explanatory missions, public meetings, etc. An Independent Committee of Review was appointed, which distributed a large number of copies of the draft Bill and received evidence from many interested parties.

#### **BOX 14: WATER POLICY REVIEW IN BELIZE**

The water sector review was initiated in a national meeting and furthered by the establishment of an inter-ministerial *Pro-Tempore* Water Commission, with a mandate to prepare draft national water resources policy and provide recommendations for institutional and legal arrangements. The outcomes were a draft statement of national water resources policy, proposed institutional arrangements, and a draft national water resources legislation.

The policy review confirmed the need for a strong commitment from all parties in Belize to develop further and to implement a water resources management policy. It was necessary to centralize the normative and regulatory functions for water resources, and bring them together with the water resources assessment and planning responsibilities under one body - a move which required strong political support and adequate sustainable institutional arrangements, including the approval and enactment of a central water act. Other priority activities arising from the policies were improved information management, establishment of a water licensing system and encouragement of efficient water use, as well as transfer of financial responsibilities to the water users.

The institutional priorities included a development in stages with successive transfer of responsibilities for water resources management, monitoring and control to a National Water Commission supported by an executive Water Resources Department. In future, the administrative costs for water resources management should be reduced by more efficient use of existing human resources at government level and cost recovery from the water users.

In all the above cases, the careful preparation of the ground for reforms by issuing public documents and eliciting comments by interested parties paid off in easing the eventual passage of legislation or policy measures.

More recent examples of the process of review of water policies include Belize, Lithuania. In *Belize*, the priority water issues were declining water quality and fragmentation of water resources management, and the approach used to deal with the problem is considered in Box 14.

#### *Lithuania,*

an Eastern European country in transition, was in the process of reforming its water and land resources legislations, and this prompted a review of water policy. The review aimed at providing an accepted policy base for the new national water legislation, and the review process raised many issues related to water quality control, changing agricultural practices and land-use policy, with immediate implications for de-centralization of water administrations and privatization of water works. Examples of different aspects to be considered in the policy are given in Table 4.

### **Review outcomes**

The main outcomes of the reviews conducted in the countries listed in Table 3 can be considered under four main headings: reforms in water rights; privatization and corporatization; the promotion of prices and market mechanisms; and planning and

management reforms.

**TABLE 4 Factors addressed in the water policy review process in Lithuania**

ISSUE	ACTION NEEDED	LEGISLATION
1. Unsafe groundwater supplies in rural areas.	1. Regulated use; closure of unsafe supplies; incentives for improved individual and shared groundwater supplies; sale and distribution of potable water by private vendors.	1. (a) Regulate, through new water legislation, the use of groundwater for drinking and household purposes; (b) empower the public administration to close unsafe groundwater wells and enforce this measure.
2. Need for identification and definitions of water protection areas.	2. Introduce water quality and quantity control systems.	2. Enforce existing legislation on protected areas.
3. Waste from pig complexes is discharged directly into watercourses; lack of appropriate technology for handling of waste from pig complexes.	3. Incentives for installation of adequate waste treatment, de-watering and deposit systems; proper use in agriculture. Regulation: closure of complexes which cannot comply; plan restructuring of livestock subsector.	3. (a) Consolidate, in new water legislation, provisions on financial incentives for wastewater treatment; (b) empower public administrations to take emergency measures in cases of serious water pollution; (c) introduce a code of good agricultural practices.
4. Conflicts between (a) intensive agriculture, and (b) water quality protection from agrochemical pollution.	4. Basic policy decision reflected in land-use planning policy.	
5. Groundwater pollution from municipal wastewater in Karst areas.	5. Incentives, e.g., favourable credits to municipalities following priorities based on basin plans.	
6. Policy issues related to the use of surface water are linked with pollution and dilution requirements during periods of low flows, e.g., the Neverzies river.	6. Basin-specific policy as regional development policy: e.g., individual basins to cover water costs <u>or</u> cross-subsidies between inter-linked basins at national level.	
7. Conflict between (a) licensing and (b) quality control of pesticides, carried out by the same agency.	7. Pesticide quality control by the ministry responsible for trade based on environmental standards.	
8. Financing and implementation of municipal wastewater treatment to EC-HELCOM recommended standards.	8. Recognize real economic constraints; investments consistent with aims for domestic sanitation and environmental protection and cost to the economy; focus on pollution prevention vs. end-of-pipe treatment.	
9. Collection and treatment of industrial urban rainwater runoff.	9. As for 8.	

10. Poorly managed solid-waste dumping sites.	10. Define priorities for improvement/clean-up of solid-waste dumping sites based on a national plan.	
11. Consideration of step-wise, time-programmed implementation of industrial effluent standards.	11. Allow lower intermediate standards and grace periods based on restructuring plans for industrial subsectors.	11. Provide, through new water legislation, for phased implementation of effluent standards.
12. Need to consider economic and social consequences of effluent standards and water quality objectives.	12. Time frame for implementation of standards related to actual economic progress and affordability at national, sectorial and individual entity level.	12. As for 11.
13. Industry to have access to clean technology for safe disposal of waste.	13. Incentives for technical and research partnerships on a commercial basis for clean technology.	13. As for 3 (a).
14. Inefficiency and operational problems of joint industrial and municipal wastewater treatment.	14. Enforcement of standards for discharges into municipal treatment plants and main sewers.	14. Punish, by new water legislation, non-compliance with waste-water discharge permit conditions.
15. Viability of irrigation dubious; alternatives needed for disposal of slurry waste from pig complexes.	15. As for 3.	15. As for 3.

### **Reforms in water rights**

In *France* and *Victoria, Australia*,

reforms amounted to replacing systems of water abstraction and use based on rules of custom - most notably, riparianism - administered by the courts through litigation among water users, by systems based on government-administered permits. *Chile*, in contrast, is considering tightening up a loose system of government-administered permits.

Broadly, in *France* and *Victoria, Australia*,

the first two countries, riparian proprietors were free to abstract and use water from a stream or from under their land. The option of switching to a radically different system requiring a government permit for water abstraction and use had implications for the legitimate water rights held by riparians, who stood to suffer a loss of property rights through no fault of their own.

The legal implications of the changes were (a) the need for radically revision of the existing law governing water abstraction and use, particularly by riparian proprietors, and (b) decision as to whether riparians should be compensated for the loss they would suffer in their legitimate property rights. The same issues arose in *Chile*, where reforms were considered to an exceedingly generous water rights system which conferred unrestrained powers akin to ownership over the waters covered by the grant. Owners of such rights may feel entitled to some form of compensation for the loss they stand to suffer.

This issue was dealt with differently in the various states. In *Victoria*, riparian landowners were substantially 'compensated' through the new legislation acknowledging their continued right to abstract and use water without a government permit for certain limited uses only. In *France*,



the rights of riparian landowners to abstract and use water were unaffected by the new law but, at the same time, they became subject to registration with the government for further administrative disposition under either a simple declaration regime or a more restrictive permit regime. *Chile* seems to have taken the approach of leaving unaffected all rights which have accrued under the existing legislation.

### ***Privatization and corporatization***

This was a major theme of the reforms in *England and Wales (United Kingdom)*, *Victoria (Australia)* and *Mexico*. In all three countries, water supply, sewerage and sewage disposal services used to be a public-sector responsibility, and in Mexico likewise for the provision of irrigation water supply services. For both efficiency and public revenue motives, all three countries chose to privatize or corporatize their water services.

Different solutions were adopted for the problem of regulating prices in a monopoly or near-monopoly situation. In *England and Wales*

(Box 15) tight statutory requirements have been placed on the newly formed private companies, particularly in regard to the quality of service and charges. The power of the service companies to fix charges has been made conditional on the prior governmental approval of company proposals - the so-called Charges Scheme. The powers and obligations of service companies are further spelled out in the terms of their operating licence.

The task of supervising the standards and levels of service, the maintenance of the water infrastructure and the levels and amounts of the charges of the water service companies is entrusted to the Director General of the Office of Water Services - a non-ministerial government department. The Secretary of State or the Director General of Water Services have been given powers by the Water Act 1989 to make provisional or final enforcement orders against water service companies.

#### **BOX 15: WATER POLICY REVIEW IN ENGLAND AND WALES (UNITED KINGDOM)**

In the United Kingdom, the policy of privatization of the water industry in England and Wales took shape as follows:

- February 1985: debate in the House of Commons on the Water Authorities (Return of Assets) Order. The Government tried to get Thames Water Authority to make accelerated repayment of a loan, which would have caused a 10% increase in water charges. The Authority informed the Government that it would repay the loan only after having received the approval by a Motion of the House of Commons, which in the event the Government won with a narrow majority. This spurred the Government's interest in privatizing the water industry.
- February 1986: publication of a Government White Paper on *Privatization of the Water Industry in England and Wales*. In this paper, the Government announced its proposal to transfer the ten Regional Water Authorities into the private sector without any change of functions, thereby preserving the concept of integrated water resources management.
- March-April 1986: the Government releases two consultation papers on, respectively, water and sewerage law, and the water environment. The decision to form a separate body for water pollution control and water resources management was first announced in April 1987.
- The House of Commons Select Committee on the Environment present a report on the existing water pollution control arrangements.

The environmental lobby and the Confederation of British Industry advocate transferring the regulatory functions of the Water Authorities to a public independent body.

- June 1987: general elections, won by the Conservative Party.
- July 1987: the Government publishes a proposal for a public regulatory body in a privatized water industry, namely the National Rivers Authority.
- October 1987: Second Reading, in the House of Commons, of the Public Utilities Transfers and Water Charges Bill. This Bill (then passed in 1988) authorized the Water Authorities to reorganize themselves internally into utility and regulatory divisions.
- December 1987: publication of *The Government Policy for a public regulatory body in a privatized water industry*. The paper reflected the criticisms of some of the proposals in the 1986 White Paper, and laid out the structure of divided regulatory and water service responsibilities, which was incorporated in the Water Bill.
- 24 November 1988: the Water Bill is released.
- 6 July 1989: the Bill is enacted into law as the Water Act 1989.
- 25 July 1991: review and consolidation of water resources management under the Water Resources Act 1991, repealing the water resources management elements of the 1989 Act.

In *Victoria*,

the Melbourne and Metropolitan Board of Works and the Rural Water Commission were corporatized through separate Acts of Parliament passed in July 1992. The Commission has been turned into a Corporation and its Board of Management restructured to include commercial, legal, financial and water management expertise. Public control of its operations is achieved through rolling three-year performance contracts, to be negotiated between the Corporation and the Minister responsible for water. Regional Management Boards will also be established, with delegated powers and similar operating modes.

The Rural Water Corporation will act as a 'holding corporation' and be responsible for maintaining State-wide hydrological services. Two subsidiary service corporations will be set up for technical, financial and administrative support to Regional Management Boards.

In *Mexico*,

the new Federal Water Act confers on irrigation water users' groupings the legal status and powers needed for them effectively to manage the irrigation systems, which are scheduled for transfer from the Government to the private sector. The service customers sit on the Boards of Management of the public irrigation companies. At the state level, legislation has been enacted to strengthen the financial and managerial flexibility of the urban water and sewerage utilities by turning them into commercial companies with authority to fix and collect service charges and to cut off service for non-payment of charges due. The managing boards of these companies contain, amongst others, customers' representatives, in an attempt to ensure some accountability.

In *Turkey*,

initial emphasis was on mobilization of the private sector for hydropower, which was supported in Law 3096, 1984. Two projects including hydropower components have been completed, based on Build, Operate and Turnover (BOT) financing arrangements, and several others are under project preparation and negotiation. The BOT financing model was later approved, in Law 3996, 1994, for urban water supply projects. Major domestic and industrial water supply projects have been planned and tendered for BOT execution.

Transfer of O&M responsibilities in government irrigation schemes to water users' organizations, as associations, municipalities, village bodies and cooperatives, was provided for already in 1954 in the establishing law for State Hydraulic Works. The transfer programme was accelerated from 1993. The review process is summarized in Box 16.

### ***Promotion of prices and market mechanisms***

One attendant legal issue is the legal status of water vis-a-vis the land it 'serves,' i.e., whether water rights should be tied to ownership or possession of the land and to a particular use, or should have independent status. Another is reconciling the uniquely distinctive 'public good' connotation of the 'commodity' water with the profit motivation of market-driven water-rights holders' allocation decisions.

In *Victoria (Australia)*,

restricted water markets were allowed to develop in the irrigation sector alone, and within the same irrigation district or among different irrigation districts. Transfers are subject to prior screening and approval by the irrigation district authorities, who may impose restrictions on such matters as: the minimum amount of water rights that must be retained by any landowner in an irrigation district; the maximum amount of water rights which may be held by any such landowner; and the out-of-district transferability of water rights. Transfers can be seasonal or permanent, with water 'attaching' to the land of the transferee in the latter case. 'Attachment' of water rights to the land implies that the former cannot be transferred separately from the latter, and restrains speculation.

In *Mexico*,

the new Federal Water Act allows the transfer of water rights, subject to prior government approval if the proposed transfer affects the rights of third parties, or affects the hydrology or ecology of the basin (or aquifer, in the case of groundwater). Water markets are also allowed to develop within a basin or aquifer on the basis of regional, basin-wide, state-wide or local stipulations made by the government. Under the new Act, however, groundwater cannot be transferred separately from the land.

In *Chile*,

water rights which have accrued under the existing legislation and those which will be granted under the new legislation will remain freely transferable to different uses and places of use through market transactions. However, all transactions involving water abstraction works will require prior government authorization. Furthermore, in the arid north of the country, transferability will be effectively impeded in so far as water rights are made to terminate automatically when the use for which they have been granted ends.

**BOX 16: NATIONAL WATER SECTOR POLICY REVIEW IN TURKEY**

The water sector review included the following steps:

**Justification for the review**

- Provision of sustainable and environmentally sound water resources development.
- Growing regional imbalance between water demand and availability (supply-demand imbalance),
- Changed water uses no longer matched both urban and rural distributional availability.
- Unreasonably high investment in the water sector.

**Initiatives**

- Preparation of an irrigation master plan and strategy review.

**Draft policy document and public consultation**

- Several laws and regulations drafted on private sector participation and environmental protection.
- Proposal to parliament for a legislative change to accelerate transfer of responsibility for O&M of irrigation systems to the users.
- Workshops for transfer programme.
- Annual review based on master plan.

**Main thrust of policy review and reform**

- Institution and capacity building for environmental protection.
- Raise water use efficiency and improve quality of water services through enhanced role of water user organizations, privatization and re-orientation of cost recovery.
- Support to regional development projects, such as the Southeast Anatolia Project (GAP) and the Central Anatolia Project (KOP).

**Legislation**

- Environmental Protection Law enacted by parliament in 1983.
- Law allowing private sector to build and operate (BOT) hydropower plants enacted in 1984, and amended and expanded in 1994 to cover water supply sector.
- Amended legislation concerning late payment penalty to be imposed on water fees and facilitating transfer of O&M equipment and machinery to private users along with the system.

***Planning and management reforms***

### Responsibilities in the water sector in *France*

were consolidated in the comprehensive legislation passed in 1992. The basin system, which dates back to the 1960s, balances central responsibility with regional and local decision making and control. The country is divided into six river basins, and coordination in each is provided by the Basin Committee. The latter is, in effect, a regional water parliament, in which users confer and resolve their different needs (Box 17). The main features of the 1992 legislation were to empower local communities, and to enhance the powers of the *Agences financières de bassins* - now *Agences de l'eau*.

#### **BOX 17: A NEW WATER LAW IN FRANCE**

Water rights in France have recently undergone a thorough renovation. The law of 3 January 1992 considers water as a common heritage and thus closely associates the users of the country's six hydrological basins in its management. It is based on an integrated approach with a dual objective: user satisfaction and conservation of the natural environment.

The Ministry of the Environment masterminds water policy, lays down regulations and organizes overall planning in consultation with, and assisted by, the Inter-Ministerial Water Council. Specific aspects of water management are entrusted to technical ministries. The *prefets*, aided by territorial public services, are responsible for local policing of water and fishing. They authorize uses and discharges, apply legislation specific to pollution or dangerous installation, ensure conformity to quality objectives and approve planning documents (water and fishing).

#### **An original organization**

The Law encourages consultation among all water-use partners, whose needs are often contradictory, by means of a planning system that designates legitimate water use: the Water Development Scheme (*Schéma d'aménagement et de gestion des eaux (SAGE)*).

This planning tool is prepared at the local level by the local Basin Committee, and covers a catchment area or river. The local authorities may provide financial aid for planned developments.

Overall coordination at the level of a major hydrographic basin is ensured by the Main Water Development and Management Scheme (*Schéma directeur d'aménagement et de gestion des eaux (SDAGE)*), as drawn up by the Basin Committee and approved by the national authorities.

The Basin Committee is a *de facto* 'Regional Water Parliament'. It organizes meetings among representatives of users, associations and local authorities, who form the majority, as well as State representatives. It fosters consultation and solidarity. It defines the policy and management of the catchment area. It pronounces on the fixing of charges and on the intervention programme tabled by its executive, the Water Agency.

At national level, the National Water Board brings together representatives of different user categories, catchment area structures and public services, and gives its opinion on national water management policy.

