

New Thinking on Water Governance
Regional Consultation Meeting
Singapore, 2-4 July 2009

Improving Water Governance

A Map of Challenges and Opportunities

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Asian Development Bank

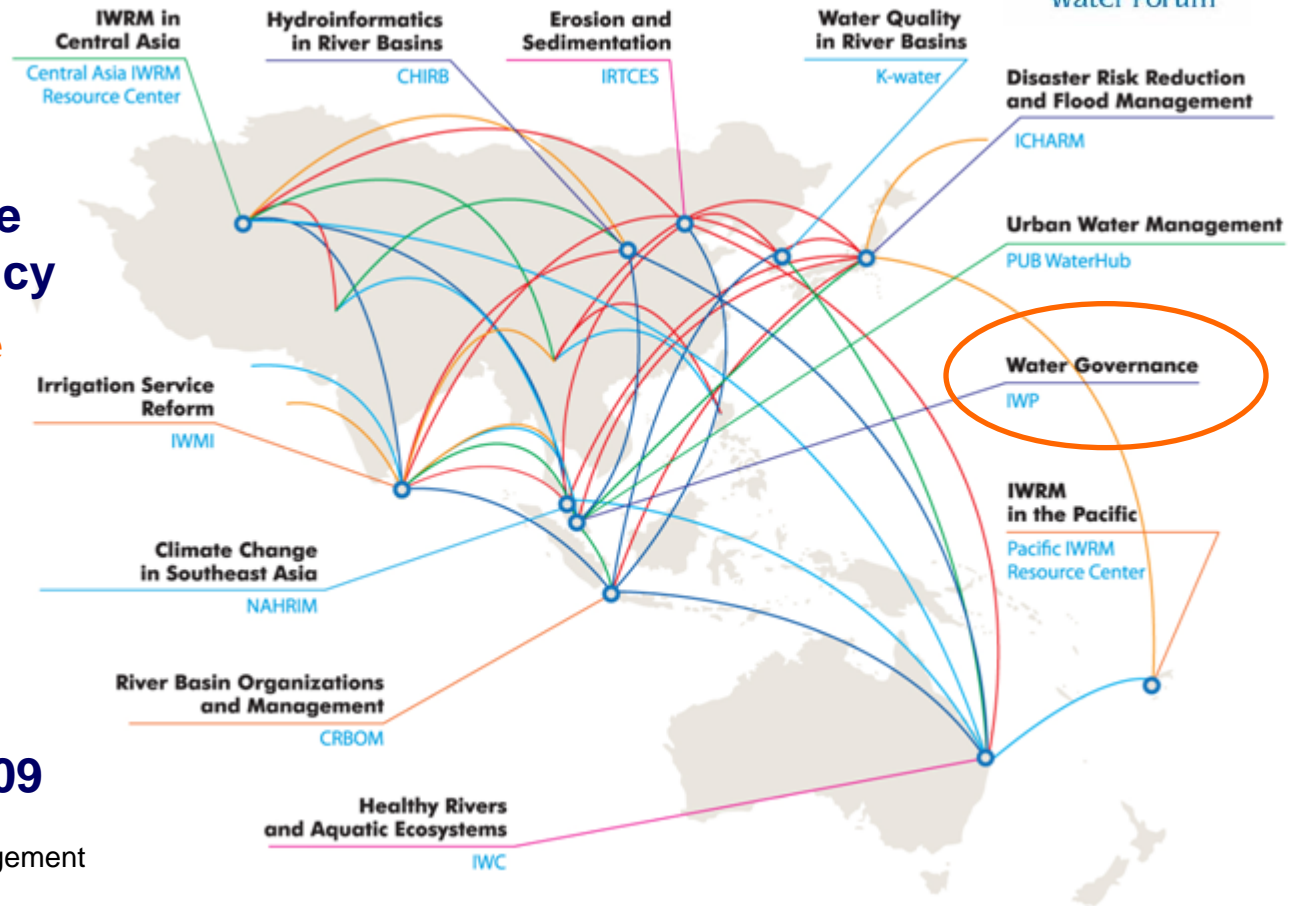


ADB Supports Knowledge Networking *KnowledgeHubs*



Asia-Pacific
Water Forum

**Congratulations to the
Institute of Water Policy
Regional Knowledge
Hub on Water
Governance**



Added on 25 June 2009

IGES - Groundwater
MRCS - Transboundary water management
TERI - Climate change (South Asia)
JSC - Sanitation

“The world of water will change
more in the next 20 years
compared to the past 2,000.”

Asit Biswas

2006 Stockholm Water Prize Laureate

Chair of Expert Panel

Asian Water Development Outlook 2007

Message from AWDO 2007

Governance is Key

“If some Asian countries face a water crisis in the future, it will not be because of physical scarcity of water, but because of inadequate or inappropriate water governance, including management practices, institutional arrangements, and socio-political conditions, which leave much to be desired.”

Key message to leaders: the water problems of Asian and Pacific member countries are solvable with strong political will, leadership, and commitment.

Water Governance Champions

Mr. Ek Sonn Chan turned around Phnom Penh Water Supply Authority to achieve stellar performance bested only by Singapore, weeding out corruption in the process.

The transformation took less than 10 years to achieve good service, including to the poor. Non-revenue water reduced to less than 10%. Full cost recovery achieved, with healthy savings in the bank to finance expansions. He received a Magsaysay award for his leadership.

Watch the story in “The Connection” documentary on ADB’s *Water for All* website

Water Governance

Champions

Mayor Fernando's leadership in river clean-up, sanitation, and housing in Marikina City, Metro Manila led to several international awards for outstanding achievements that may still seem unimaginable in its neighboring cities.

Vision, legislation, enforcement, and connectivity were key success factors in her campaign.

From a recent seminar with
ADB's Water Community of Practice

Drivers of Change



- Population growth
- Economic development
- Urbanization
- Trade
- Energy
- Climate change

How can we respond with adaptive management?

What is Governance?

Definitions

- “Sound development management” - ADB
- “The institutions, processes and traditions related to issues of public concern which determine how power is exercised, how decisions are taken, and how citizens have their say.” – Institute on Governance
- Pillars of good governance are: participation, transparency, predictability, and accountability - ADB

What is Water Governance?

Definition

“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

“The water crisis in the Asia region is essentially a crisis of water governance” – Tadao Chino, ADB President

What is Water Governance?

Quotes

“Water governance is like the operating system software of a sophisticated computer system. It is the very environment that either enables or constrains what financing and infrastructure are attempting to accomplish. Without good water governance there is a gap between intended and actual results.”

– WooChong Um, Director for Sustainable Infrastructure, ADB

What is Water Governance?

Quotes

“When we focus on the infrastructure, we miss the mark. The real mark is to deliver acceptable services by keeping the infrastructure functioning, thus benefiting the people. And that requires good governance.”

– WooChong Um, Director for Sustainable Infrastructure, ADB

What is Water Governance?

Quotes

“If the public leads, politicians will surely follow.”

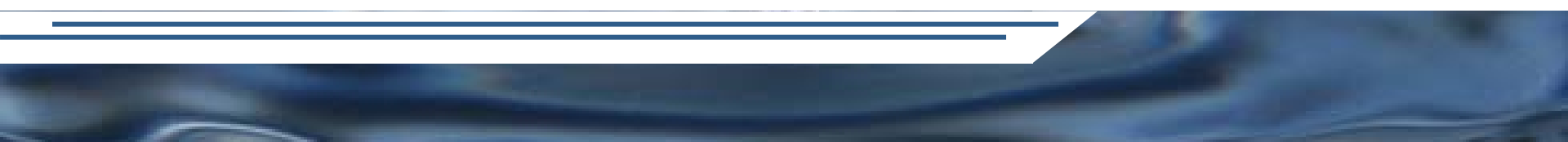
– Jeffrey Sachs

“It includes strategic planning, effective management, and efficient operational procedures.”

– Ramesh Vaidya

“The key to success is your passion.”

– Kazuo Inamori

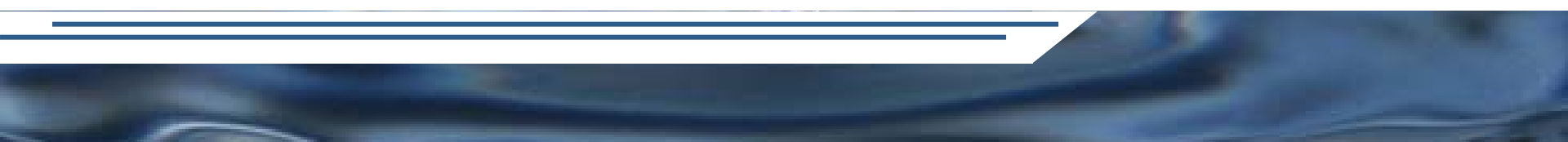


What is Water Governance?

Quotes

“Water governance is about knowledgeable people making the right decisions in managing water as a resource and as a service. It is about people working together effectively to implement these decisions and deliver practical and sustained results.”

– Yours truly



Improving Water Governance

3 Key Messages

- 1. Models:** there is a fundamental difference between the governance of delivering water as a service and managing water as a resource.
- 2. Arenas:** simultaneous action is needed in sector, organization, and project arenas, with individual leadership and integrity.
- 3. Key Result Areas:** regional collaboration is necessary in 8 KRAs. The knowledge hub is well placed to facilitate and support this.

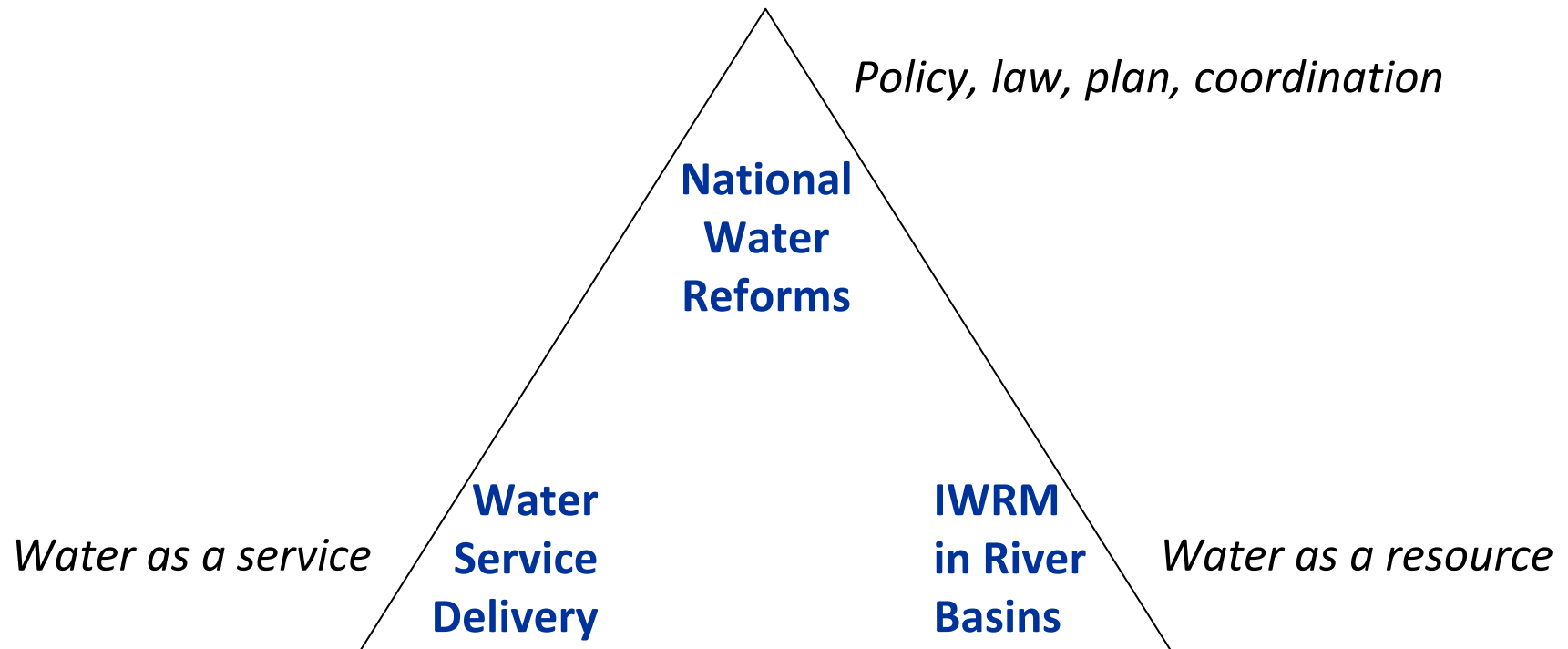
Improving Water Governance

Key Message 1

Models: there is a fundamental difference between the governance of delivering water as a service and managing water as a resource.

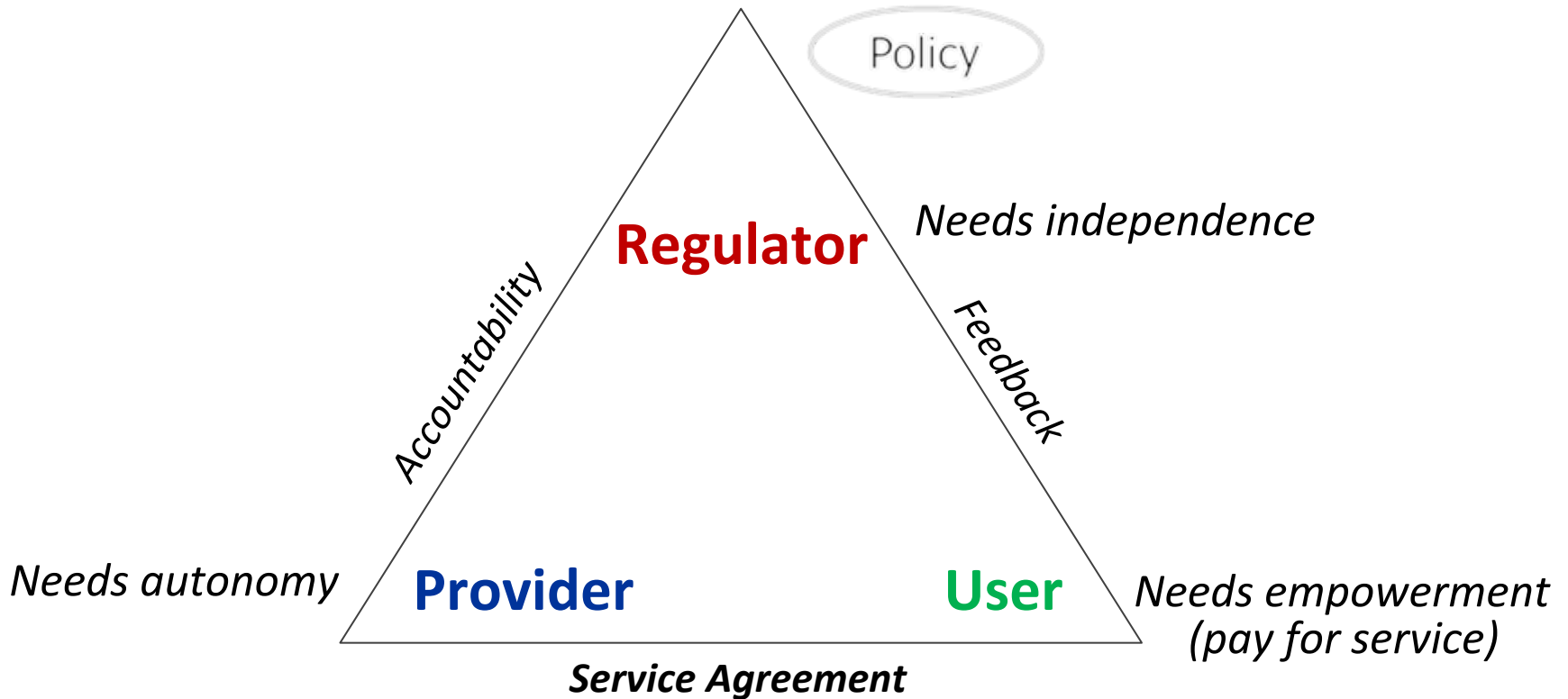
Water Sector Functions

Service and Resource

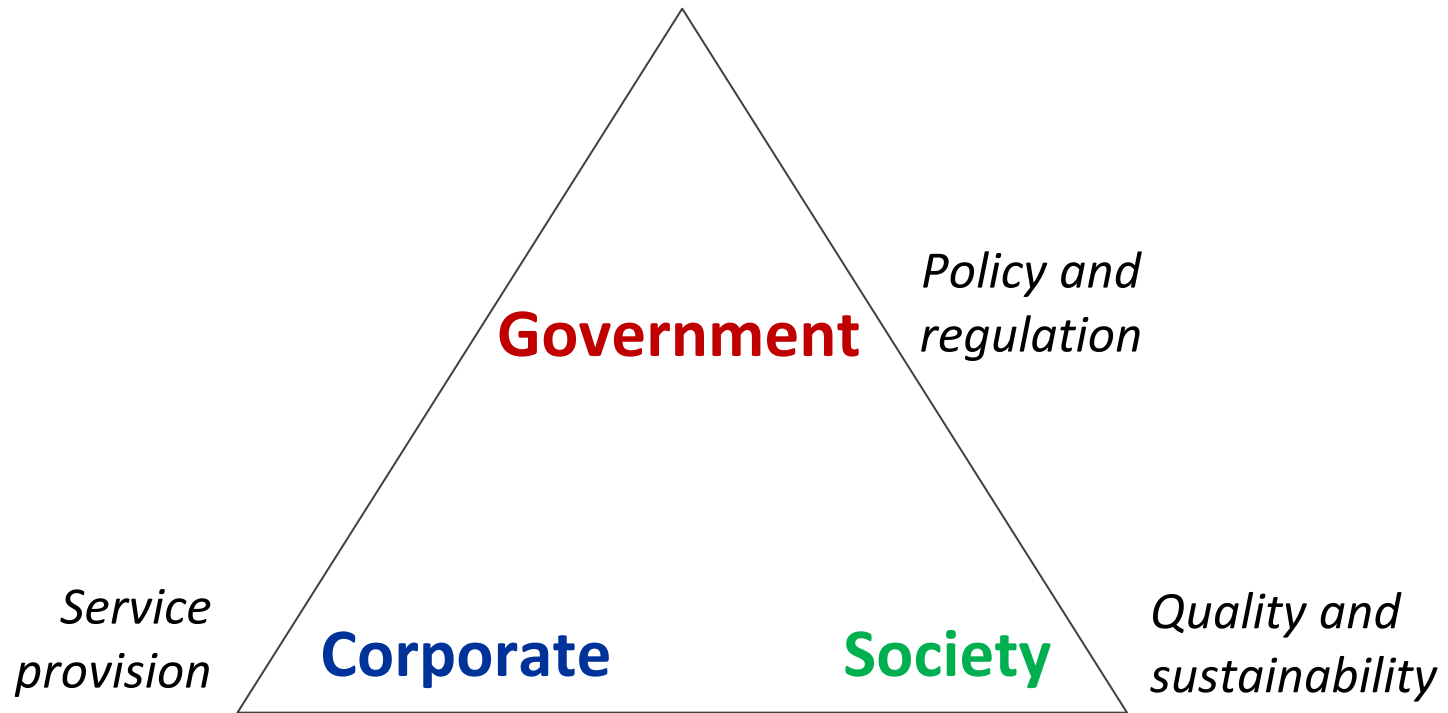


Governance Model

Water as a Service



Government – Corporate – Society Partnerships



Governance Model

Water as a Resource

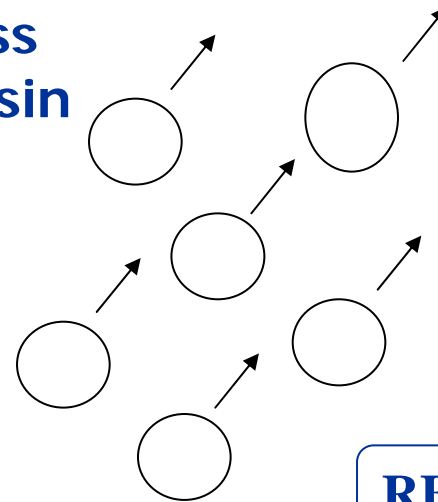
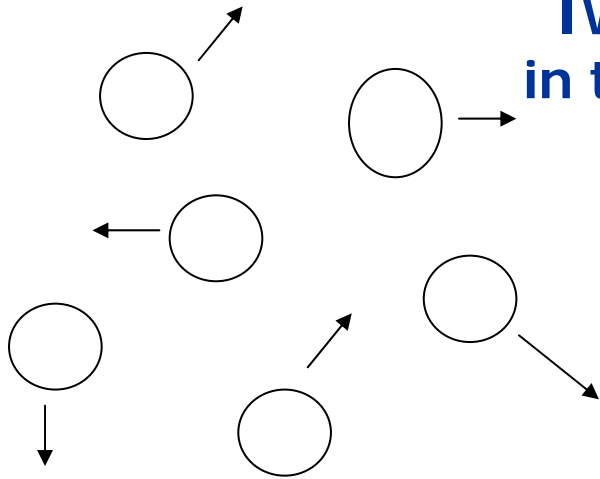


Fragmented Development

Goal Congruence



**IWRM process
in the river basin**



**many actors and
stakeholders**

RBO

or other
facilitator

Integrated Water Resources Management

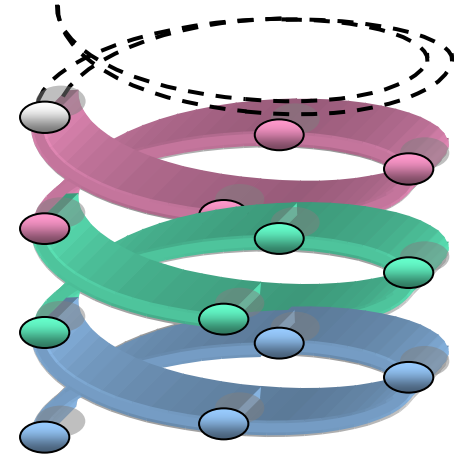
Definition

“A process which promotes the coordinated development and management of water, land and related resources, in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems” – Global Water Partnership

IWRM Approach

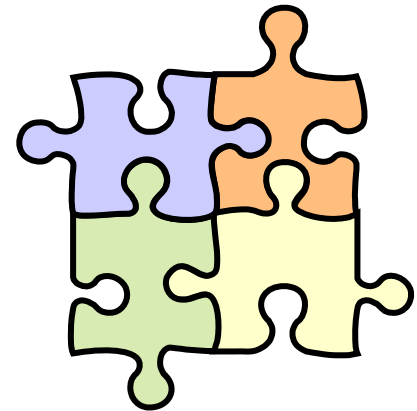
Increase a triple bottom line

- **Economic benefits \$**
- **Social benefits \$**
- **Environmental benefits \$**



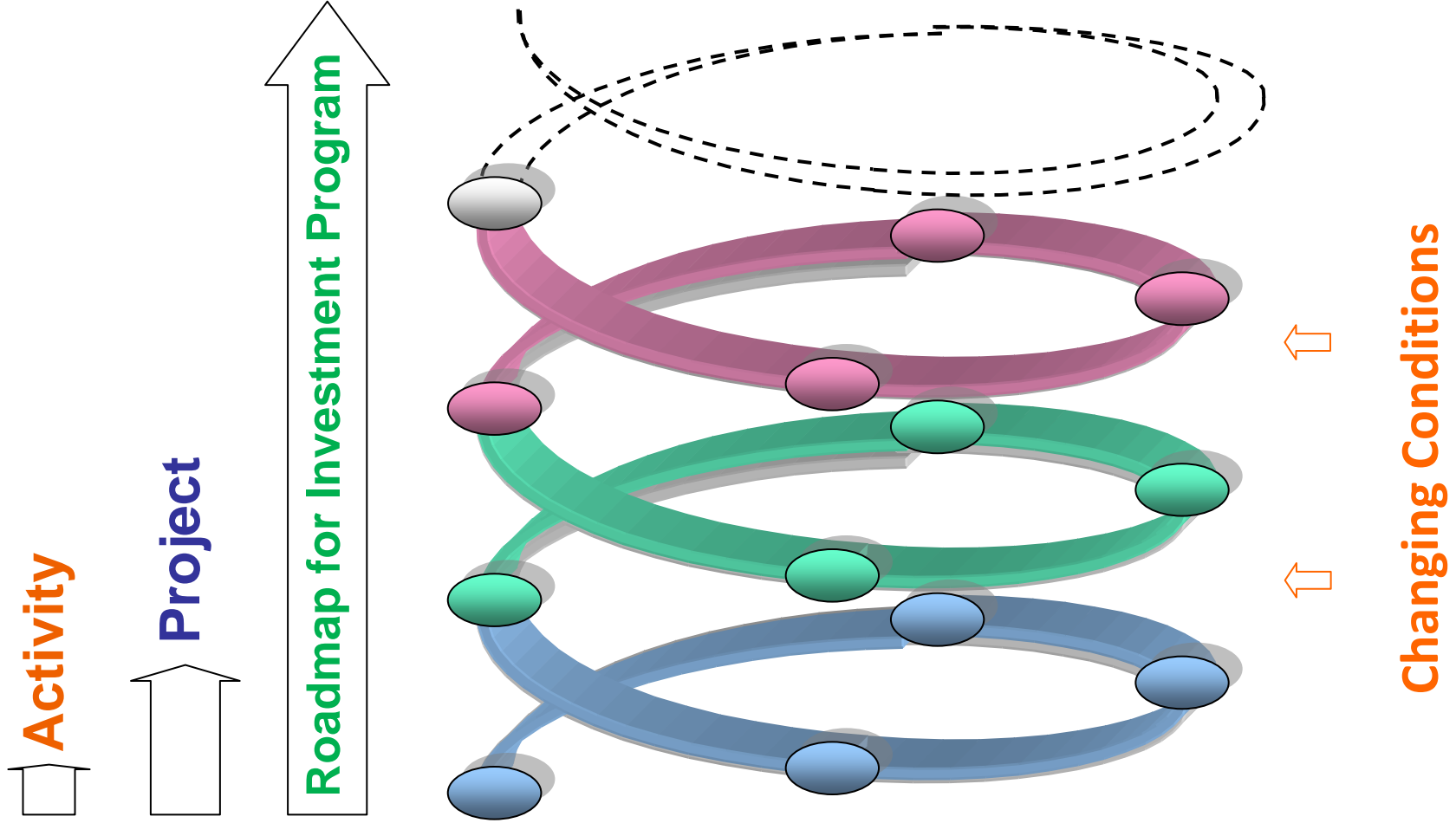
Optimizing stakeholder satisfaction

- **Adopt inclusive approach**
- **Find win-win solutions**
- **Generate buy-in for IWRM**



IWRM Process

*Finding Keys for Success
in adaptive management*



Water as Service and Resource

Keys for Success

- Choose the right depth of participation
- Include focus on poor and vulnerable groups
- Develop a “social contract” for service provision
- Make use of governance rhythms
(tenure of elected leaders, crises)
- Personal vision, passion, effectiveness and integrity, and leadership are key

Improving Water Governance

Key Message 2

Arenas: simultaneous action is needed in sector, organization, and project arenas, with individual leadership and integrity.

Improving Water Governance

Range of Change

**Permanent
changes**



Values

Behavior

Law

Policy

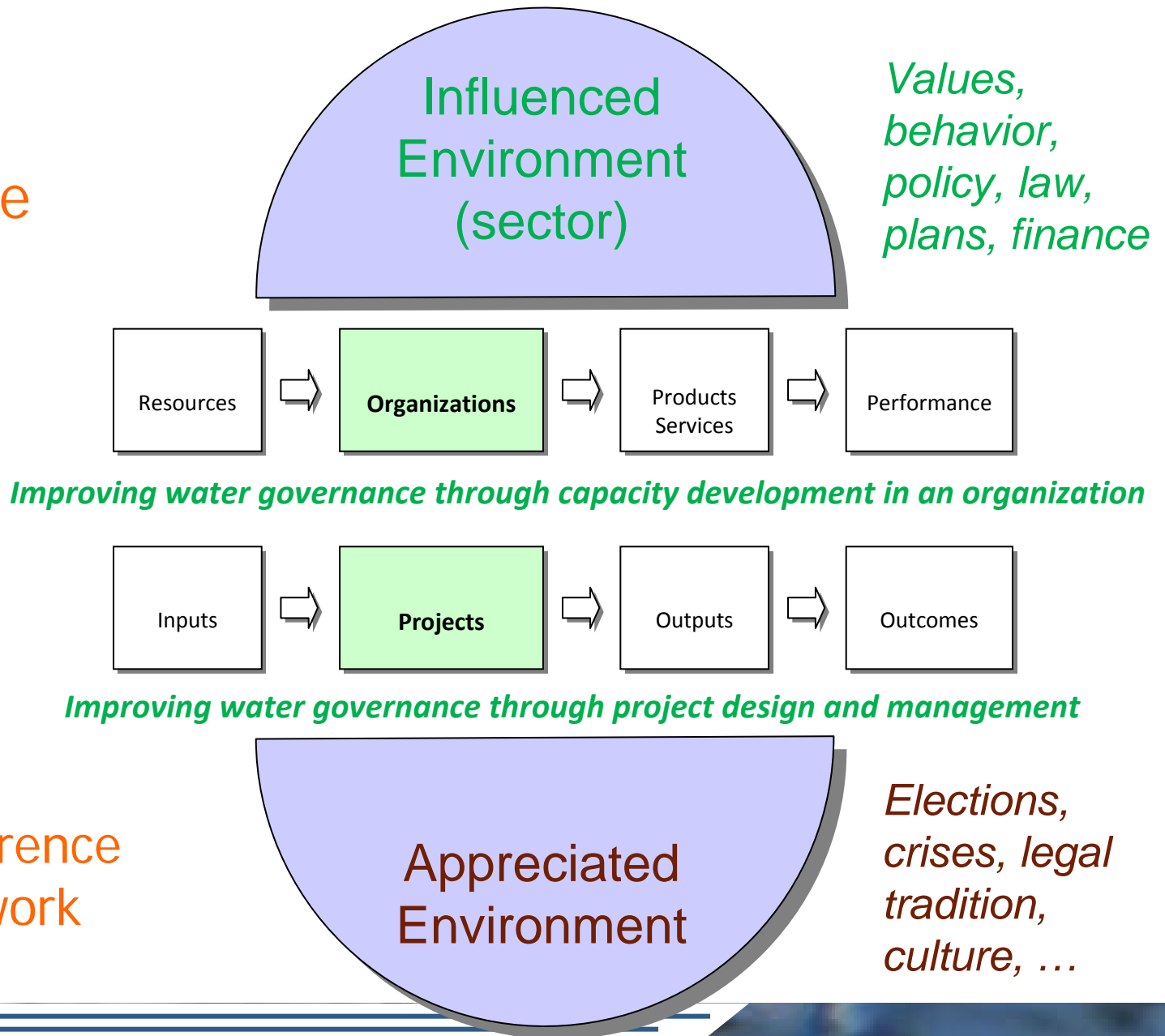
Organization

Project

Activity

**Temporary
Changes**

Improving Water Governance Arenas



Make a difference where you work

Keys for Success

Project Arena

- Stakeholder participation
- Leadership and champions
- Management of finance and procurement (transparency, anti-corruption, contracts)
- Cost recovery and sustainability
- Performance against benchmarks
- Risk mitigation and management

Keys for Success

Organization Arena

- Diagnostic assessment for capacity development
 - Expected outputs and outcomes
 - Validated stakeholder support and accountability
 - Resources (budgets, staff, assets, technology)
 - Management structure, systems, processes, strategy, policy, drivers (vision, values, stakeholder support)
- Transparency (disclosure, communications)
- Predictability (standard operating procedures)
- Performance (benchmarking and peer review)

Keys for Success

Sector Arena

- National water sector apex bodies can play a leading role in water governance at the sector level
- Facilitate, support, monitor programs for
 - public awareness and behavior change
 - improving values about water
 - water legislation and regulations
 - water policies and guidelines
 - institutional reforms and capacity
 - Incorporation of water in important plans: public investment, regional, spatial, disaster, ...

Keys for Success

Across the Arenas

- Effectiveness in personal arena underpins all
- Promote leadership
- Communicate same language about governance
- Analyze incentives and disincentives
- Right packaging of interventions for results
- Measure results with governance indicators

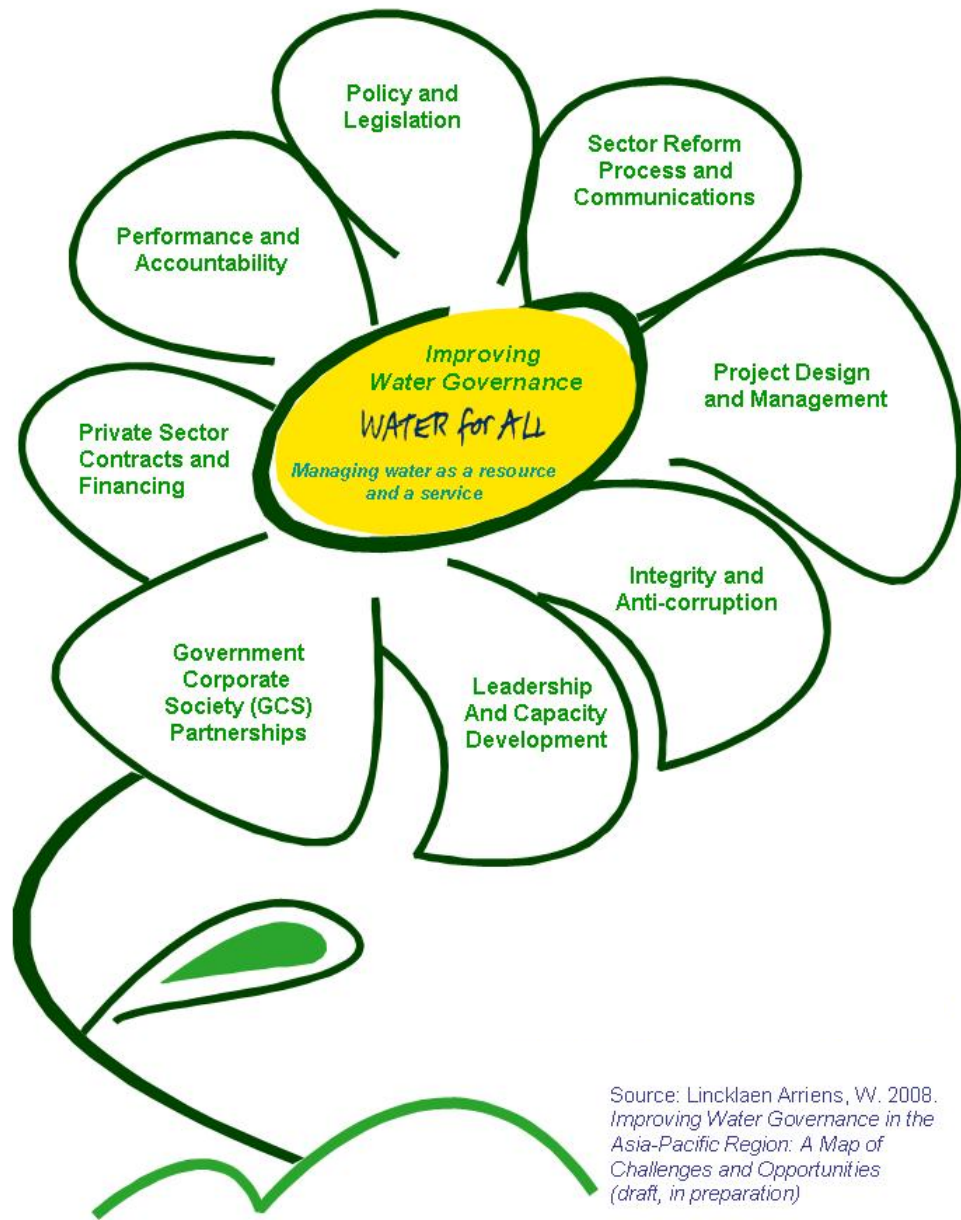
Improving Water Governance

Key Message 3

Key Result Areas: regional collaboration is necessary in 8 KRAs. The knowledge hub is well placed to facilitate and support this.

Improving Water Governance

Key Result Areas



Nurture governance
as a fragile flower...

Source: Lincklaen Arriens, W. 2008.
*Improving Water Governance in the
Asia-Pacific Region: A Map of
Challenges and Opportunities*
(draft, in preparation)

Regional Collaboration

Key Result Areas

1. Performance and accountability
2. Policy and legislation (e.g. on water rights for better allocation and rapid resolution of conflicts)
3. Sector reform and communications
4. Project design and management (arena)
5. Integrity and anti-corruption
6. Leadership and capacity development
7. Government-Corporate-Society partnerships
8. Private sector contracts and financing

Regional Collaboration

Keys for Success

- Work with practitioner networks (WUNs, NARBO)
- Collaboration among knowledge hubs
- Engage with leaders (ministries, agencies, private sector, civil society)
- *Ministers for Water Security* initiative
- Asia-Pacific Water Summit, Water Leaders Summit
- Involve ministries of finance and planning
- Work with parliamentarians

Build collaboration with the regional knowledge hub!



10 Key Operating Principles for Hubs

1. Vision and leadership for achieving results in the hub's priority topic
2. A focus on meeting client needs with relevant and feasible solutions
3. An inclusive attitude to knowledge networking with clients and partners
4. An (international) team of experienced specialists working at the hub
5. A stimulating research environment at the hub, including internships
6. Generation, identification and dissemination of state-of-the-art knowledge
7. Regular comparative analysis of progress in countries across the region
8. Excellent products and services for knowledge and capacity development
9. Adequate human and financial resources to develop the hub's excellence
10. An entrepreneurial approach to developing a sustainable business model

Improving Water Security

Guiding Vision

“Societies can enjoy water security when they successfully manage their water resources and services to:

1. Satisfy household water and sanitation needs in all communities
2. Support productive economies in agriculture and industry
3. Develop vibrant, liveable cities and towns
4. Restore healthy rivers and ecosystems
5. Build resilient communities that can adapt to change.”

AWDO 2010
Team

ADB teams up for AWDO 2010

Partners

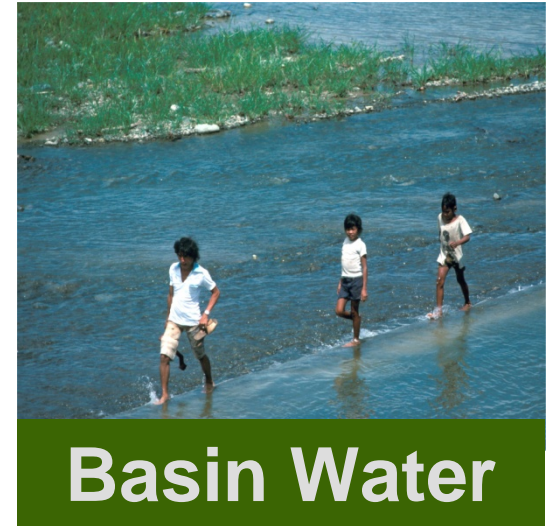
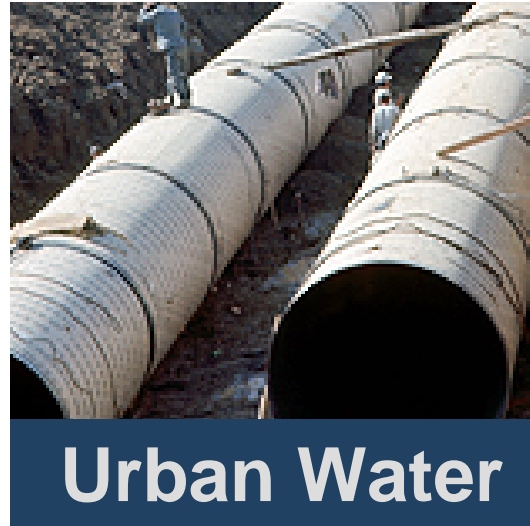
- IWMI in Sri Lanka
- ICHARM, JICA, ADB Institute in Japan
- IWC in Australia
- PUB and Lee Kuan Yew School in Singapore
- ICIMOD in Nepal
- FAO and UNESCAP in Thailand
- APWF Subregional Coordinators



Asia-Pacific
Water Forum

ADB's Water Financing Program

Investment Areas



Supported by reforms, capacity development, knowledge networking, and regional cooperation

ADB President Kuroda:

7 Investment Priorities for the Region



1. Rural water services
2. Bankable urban water projects
3. Sanitation and IWRM in basins
4. Climate change adaptation
5. Disaster preparedness
6. Leadership and knowledge sharing
7. Leveraging investments through partnerships for water security

Towards Water Security for All

www.adb.org/water

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