

## **Plenary: Multistakeholder dialogue on tools for implementation of the water-related Sustainable Development Goals**

### ***Session: Governance: Key tools and lessons learnt from implementation***

**Session report, 17 January 2015**

#### **Introduction**

Water governance is essential to balance available resources with demands from a multitude of often conflicting water users, as well as to ensure critical ecosystems continue to maintain the resource base. In the frame of the SDGs, Governance has the essential role of creating an enabling environment, including effective institutions and management instruments, that eases the formulation and implementation of relevant policies and plans.

The session was chaired by Aziza Akhmouch, Head of the OECD Water Governance Programme, who started recalling the main governance SDGs implementation bottlenecks identified in the Conference Plenary. These bottlenecks included the following:

- The allocation of roles and responsibilities across service providers, water managers, policy makers and regulators (regulatory role of third party mechanisms), as well as the need to consider the implementation of SDGs as a shared responsibility.
- The consideration of the diversity of scales (geographical, institutional, territorial) involved and required to achieve high level goals.
- The need for policy coherence and intersectoral integration and coordination.
- The capacity building component and the need for tools to promote it.
- The need for better data and information; and the distribution of impacts driven by the lack of access to WASH services on water as factor that influences economic growth.
- The financial limitations
- Further governance promotion of innovation, political will, stakeholder engagement and transparency within the process, including in the estimation of the related costs and benefits.
- Further monitoring and evaluation of governance performance
- The equity and equality challenge.

The session panel was composed by the following distinguished participants:

- Governments: Denise Soares, Senior Researcher, Mexican Institute of Water Technology (IMTA), Mexico
- Civil Society: Rudolph Cleveringa, Deputy Executive Secretary, Global Water Partnership
- Business: Michael Spencer, Secretary, Alliance for Water Stewardship, Australia
- Academia: Joan Rose, Chair for Water Research, Michigan State University, US



*Discussion panel: from left to right Joan Rose, Rudolph Cleveringa, Aziza Akhmouch, Denise Soares and Mike Spencer.*

## **Lessons on Governance: Stakeholder Perspectives**

### **1. Lessons from Business**

Michael Spencer set the business scene by differentiating three different dimensions of governance: government governance, non-government or voluntary governance agreements and water or catchment governance. These are interdependent but have different roles. The role of business is within the 'voluntary governance', to deliver certain agreed outcomes in partnership with governments and civil society. In order to do so, there is a big interest in business to work with a variety of voluntary tools collected under the heading of 'Corporate Water Stewardship'.

#### ***The importance of developing a strong and compelling business case for corporate water stewardship***

To be effective, Corporate Water Stewardship could not and should not be driven by Corporate Social Responsibility or Public Relations strategies, but be part of the business. It should be linked to business goals and objectives, keeping barriers to entry low - such as costs and the provision of infrastructure.

#### ***Transparency: tool for business, tool for governments***

Transparency in water accounts in business, as well as in governments, can be a powerful tool to influence investment decisions towards sustainable options that promote the SDGs, as shown by the CDP Water program. However, it is strongly dependent on the regulatory environment, and can be hindered by regulations that prioritise profit or devalue social outcomes in the company law. One avenue to circumvent this is working with Stock Exchanges on including social and environmental reporting in listing rules.

### ***Regulation of pollution: the 'blindside' of water***

Regulation of pollution has been referred to as the 'blindside' of water. There is a need for consistency and measurement of performance, but regulations in this sense are usually poor or vague, and strongly depend on political will, leadership and capabilities of regulators. For business, the regulatory environment is part of the business case for corporate stewardship. However, where the regulatory environment is inadequate, business can play a leadership role by setting an example and being prepared to share good practice experiences with others.

### ***Water Stewardship: one concept, many systems. What are the main ingredients?***

As it happens with water governance, where a clear definition of 'best practices in water governance' is not consensual and there are a wide variety of indexes and indicators, there is not a standardized code of Water Stewardship rules. There are four main frameworks for water stewardship, the UN CEO Water Mandate, the European Water Stewardship system, the Alliance for Water Stewardship system and the International Council on Mining and Metallurgy Water Stewardship Guidelines. Nevertheless, these four codes work together in a seamless way. The main common ingredients found from these water stewardship conceptualizations are the following:

- Water stewardship creates a focus for business on a holistic water policy and encourages them to understand water issues within their catchment (outside the gate).
- It encourages business to take a leadership role in their catchments.
- It gives an answer for business on how to respond to the exposure to water risks and provides a framework around which business can create a water strategy.
- It is build around outcomes and measurement of those outcomes at a catchment level.
- It encourages collaboration with government and civil society as well as transparency in water reporting.

### ***Corporate Water Stewardship Challenges***

Some of the most important challenges identified included:

- Encouraging collaboration between existing standardising organisations.
- Reducing complexity for business (small and large) by working with systems that they might already be using, such as best management practices.
- Being mindful of costs and not try to re-invent perfectly serviceable systems.
- Providing a step-wise opportunity for business to engage.

In building this around a business case, business interests can be channelled in managing risks, enhancing social license and building brand, around a global framework (or standard) that reflects broader social interests of the SDGs.

### ***Multistakeholder governance is a complex process***

Although a multi-stakeholder governance system being at the heart of corporate water stewardship, it is a complex process that goes far beyond simply inviting stakeholders to participate. There is an inherent responsibility to show respect for stakeholders, particularly civil society who have poor resources and often depend on voluntary contributions. Multi-stakeholder governance needs to review the whole process of stakeholder engagement to find the appropriate mechanisms to achieve an effective and harmonized governance.

## **2. Lessons from governments**

Denise Soares highlighted some of the lessons drawn from the cases presented during the session on governments' initiatives to progress on the SDGs.

### ***Political will, transparency and social participation at all scales***

Political will at all levels and scales is required, together with an approach of transparency towards civil society on governance accountability and performing. Despite the existence of appropriate regulatory frameworks, these are not effectively applied in many cases due to the weakness of existing management institutions. There is a great potential for social participation and inclusion in governance processes, mainly through the creation of technical capacities and participation platforms, acting as promoters and vehicle forces towards sustainable water management initiatives.

### ***Setting water as a priority***

The preservation of water resources has to be set as a top priority by governments in order to start the promotion and implementation of a sustainable water governance.

### ***Technology and integrative planning to address severe water scarcity***

The case of Spain and other arid regions shows that water scarcity is the best incentive to raise awareness on the value of water and trigger strategies for a sustainable and efficient use. Technology advances are powerful tools to optimize water use and distribution efficiency, provide alternative resources through desalination and water reuse, and enable sufficient and reliable water provision under severe water scarcity conditions. However, these need to be supported by users' engagement and co-responsibility in the financing and maintenance, through inclusive cost recovery and 'payment for services' policies.

### ***Water values and social engagement as the main ingredients for a successful water management plan***

A participatory approach aimed at creating social awareness on the essential values of water and giving citizens and all actors an active role in the water management process proved successful in Brazil. Building capacities to engage the society in the development of a water management program at micro a basin scale, which included participatory water quality monitoring, a 'train the trainers' program and a full change of water use patterns and conceptions, enabled an upgrade on water quality and environmental conditions with a win-win situation for all stakeholders and program participants.

### ***A shift from autocratic approaches to decentralized and participative processes***

The decentralization of drinking water and irrigation services and infrastructures, with shared management and cost responsibilities between governments and users, can provide local incentives and financial capability for improvements in water infrastructure development and maintenance. The creation of local capacities is required, but it pays off in terms of more responsible and conscious valuation and use of water resources and their provision.

### ***Remaining challenges: upscaling, assessment and transparency***

Some important remaining challenges include the upscaling of successful local experiences to a national water policy scale, or even the translation of successful formulas to other regions. Another important challenge is the application and correct interpretation of existing

indicators to improve governance performance. Better monitoring and accounting initiatives need to be developed and accompanied by transparency and public information processes.

### ***Consensual and continuous water policies***

All political parties should be engaged to reach consensual water policies that fulfil public interest and are maintained in time. Water policies and their implementation should not be affected by changes in the governing forces or ideologies.

### ***From long-term planning to adaptive planning***

There is a trend to overestimate the capacity and role of planning in water management, whereas giving room for adaptation, flexibility and adjustment to uncertainty are necessary to avoid unintended or suboptimal outcomes.

## **3. Lessons from civil society**

Rudolph Cleveringa highlighted the main lessons drawn from Civil Society session, where the main discussion developed around the relationship between governance and civil society and the potential opportunities for the achievement of the SDGs.

### ***Basic principle of IWRM: Participation***

Principle No. 2 of the Dublin Declaration still sets the basic framework of Integrated Water Resources Management, based on the P word: Participation, '*involving users, planners and policy-makers at all levels*'.

### ***From South to North: lessons from the past***

The Water for Life Decade, along with the MDGs era, was marked by the North marking the pathway for the South to follow, in order to avoid applying mitigation and growth restraint measures themselves. The North has proved not yet ready to learn 'with the South for the South'. However, the global COP Conferences have made clear the need to couple mitigation with adaptation, bringing to the common understanding the role for the South to adapt and mitigate and for the North just to mitigate in order to reduce losses and damages. A lesson learned was an overall focus on the South leaving the North's responsibilities uncovered.

### ***Civil Societies***

Civil Society does not manifest itself as a single, homogenous set of actors with shared goals, norms and values. Actors are varied in socio/economic status, in cultural appreciations, in aspirations, etc, and all of them conform a mosaic of plural civil societies that endow richness and diversity. It is key that this reality is understood and accepted by all the actors themselves.

### ***Governments, governance and the lack of trust***

A red issue is the lack of trust or mistrust, which might be one of the biggest threats in the near future. This is due to the usual equation of governments and governance. Governments have the role to make the rules and enabling conditions, but governance is a shared responsibility that falls on the whole society. This mosaic of actors have to share the space allocated to Civil Society in water governance, and this as to be done through the creation of trust relationships. The process of trust building is a slow process of linking people that

cannot be done in a mechanic way; it involves a mindset, perceptions, behaviors, and needs willingness from all the sides to make it happen. Trust is needed to make governance an inclusive and equitable process, where the relation among actors has to be based on informed participation, inclusion in decision making on roles and responsibilities, access to risk and benefit sharing, risk sharing and conflict resolution, accountability and transparency in political and financial terms. But, above all, it is essential to get from localized solutions to larger societal models and approaches that empower both the roles and responsibilities and the rights and obligations of Civil Society constituents, also known as pro/active citizens.

Trust building between decentralized, segmented and local governments and civil society is easier when land and water governance issues at stake are local. Here segmentation reflects diversity and multiple perceptions can lead to broaden views, overcome fragmentation and consolidate common approaches in a shared river basin. Meanwhile, local languages, customs and norms enrich and complement the national culture, facilitating communication and knowledge sharing. However, several 'P words' are required, from politeness to perseverance, and the consolidation of mutual understanding and trust takes time.

### ***Civil society functions***

The cases illustrated some of the governance functions of civil society, including the following ones:

- Holding governance accountable, promoting transparency to strengthen dialogs and interactions 'Government and Civil Societies are people, not acronyms'.
- Demanding and promoting governmental monitoring, which prevents irregular use of funds.
- Articulating the needs of the local population and providing the evidence base for informed decision making. This included the design and implementation of projects and programmes on the different water themes
- Raising awareness and motivating the community to get involved.

### ***"Indigenous people have a lot to ask and a lot to offer"***

Indigenous peoples have valuable long-standing knowledge on their lands and waters and are yet often marginalized from water governance. There is need to recognize, integrate and further listen to these people, their concepts, needs and visions, by governments and civil societies to enrich water governance and build trust among actors, as illustrated by cases in Tanzania and LAC.

### ***Participation pays off, but do we need to pay for participation?***

It is an overall finding that participation of Civil Societies pays off in many ways. However, Civil Society organizations usually have no access to funds. With the Climate Change discussions, Disaster Risk Reduction and SDGs agendas being plotted there is a pledge for fund allocation, whereas extended examples of deficient transparency and fund management warn on the need for more financial strategies and accountability. Pre-investments and investments in human capacities to create participation governance decision making is a 'yellow card'.

### ***Listening takes time***

Learning to listen takes a time donor do not have in the present conditions of 4-5 years democratic cycles. There is need for longer time horizons and perseverance in the process to have all actors and perspectives reflected in water governance decision making.

### ***Scaling up and replication of capacity building approaches***

Capacitation needs its own share of governance approaches and successful examples of Women and Youth engagement initiatives need to be scaled up, reinforced and replicated. However, scaling up while overcoming obstacles also needs to address the governance of the fiscal, institutional, political, cultural, partnership and learning spaces, all of which require monitoring and need to involve Civil Societies in the process. Thus scaling up needs a different analytical framework, such as the one from Brookings, than just removing obstacles.

### ***Drivers and innovations towards the SDGs***

Some aspects and dimensions of innovation were highlighted as potential drivers towards the SDGs.

- The inclusion of Women and particularly Youth is essential as a first driver towards the SDGs. Youth are an important driver and agent of communication but, whereas there is a dedicated SDG for women, there is not a specific goal for Youth beyond some punctual targets.
- Governance of communication: it is no longer a question of affordable access to communication but of ownership and use, and possible abuse, of social media and big data. Encouraging examples of constructive use of smart ICT for DRR were seen in Bangladesh and Eastern Africa.
- Governance of consumers: consumers, and especially youngsters, are a driving force of change in water governance through more informed and responsible consumption, increased involvement in water and land footprinting, sustainable brand selection, etc.
- Governance of the use of social security networks and guaranteed work schemes as part of a Green Economy in attaining water objectives and securing green jobs.

## **4. Lessons from academia**

Dr. Joan Rose emphasized that Academia has a very important role to play in generating knowledge and making it available, providing data and facilitating knowledge transfer.

### ***Challenges for academia: 'the responsibility to shape future generations'***

Some of the main challenges identified for academia included the following:

- Academia has the responsibility of shaping and building the next generations
- Knowledge transfer: translating data and findings outside the academic world
- Academics and scientist are already playing a role in the implementation of SDGs, but how to create a Global Mandate to bring it further and reinforce the areas where action is poorer.
- Put more emphasis and resources into applied, practical or 'engaged with the community' research. Academia has strong mandate to publish, in order to gather scientific recognition, validation and funding ('The written word carries a lot'). This written, peer reviewed works constitute a reliable evidence base to support governance.
- Water is a wicked problem where there are no clear answers so there is need for continuous learning and adaptation.
- We live in a human coupled natural system, with water-energy-climate-human health-biodiversity interphases that need to be better understood.

### ***Some outstanding tools***

Remarkable tools presented in the case studies included the following:

- The water safety plans, which provided a pathway for science and data to enter into the system and creates a platform for stakeholder engagement and dialogue.
- The Quantitative Microbial Risk Assessment framework for health targets.
- Ecosystem services tools
- The knowledge-broker figure: a person who is designated money to look at knowledge and knowledge transfer

### ***Making tools accessible and usable – the role of training***

New tools to enhance data availability, accessibility and use by the governments and communities are required at a local, watershed and national level. These tools allow for resolution of information that helps make better decisions. However, they also need to provide the required training to make them accessible to the broad public.

### ***Obstacles and solutions***

Providing the human capacity and resources: professionals and experts from developing countries trained abroad can feel isolated when returning to their home countries. Solutions proposed for this problem included the creation of expert associations and networks, or the so called 'Centres of excellence' which provide cluster-education at the interface of science and policy, thus creating "interactive expertise" among selected groups of professionals that can later enter the political sphere in their home countries.

### ***Bringing scientific knowledge to the public***

One of the biggest challenges identified was how to build the bridge between the academics and the public and civil societies. Dissemination of knowledge and communication is key and there is need to find vehicles to do this efficiently. In this sense, media could be an interesting option.

### ***Multidisciplinary and Interdisciplinary work in water***

A lot of good work is being done in the interdisciplinary and multidisciplinary fields in the water space, leading to a number of examples of promotion and larger funding of water projects that involve interacting disciplines like social sciences. This successful stories need to be upscaled to a global level as a pattern for other institutions where support to water projects is constrained by the perception of large funding requirements.

### ***The eternal process of learning and adapting***

Experience shows that is need to be continuously evolving, learning and adapting. Research and governances themselves, which are continuously evolving, show that 'one size does not fit all' and there is need for continuous adjustment of scales (up-scaling/down-scaling), management approaches (adaptive management for complex problems, co-management) and stakeholder processes.

### ***The interest and capacity of academia to contribute to water governance***

There is interest and capacity within the academic sector work in water issues to improve government policies performance and contribute social benefits. The creation of academic grants that address outcomes, impacts and societal benefits is already been demanded. The inclusion of students in the implementation and practical processes is critical as it is an essential part of their training. However, the key question remains whether it is possible to

make robust policies that are not subject to the short-sightedness of the political environments.

In terms of innovative and technological contributions, pilot and demonstrating of innovation within the water sector are critical, as well as evidence based and peer-reviewed scientific contributions that provide robust information for decision making.

## **Contributions from the open discussion**

### ***How to deal with governance challenges related to procurement, contracting, supervision, transparency, corruption, where several actors are involved?***

Several points were raised in response to this question:

- The space and capacities that civil societies need to conquer in order to be properly informed about the rules of procurement, bidding, tendering and the technicalities reflected in the 'smallprints' of the international funding agreements is being explored. But there is usually an alliance among businesses and entities delivering this procurement services. This alliance could act as a monitoring system that ensures a double evaluation and rating of performance, not only according to business compliance indicators, but also through validation by civil societies or other members, creating a win-win mechanism rather than a traditional control function.
- This was agreed from a business sector perspective, with the note that the best feedback will be given by experience.
- A highlight was made on the potential capacity of universities to play the role of an 'honest broker' in this area, providing a neutral and safe space for trading and transfer of ideas with a higher level of trust.
- It was also stressed that the population will only engage in fighting corruption and demanding accountability when they have their basic priorities like food, health or housing covered. Basic access to information is a higher priority in those cases.
- Corruption was noted not to only relate to what is lost in the procurement of the service per se, but an even more important part is that related to the non-compliance with quality criteria. This can lead to the translation of huge efforts within a community to provide the necessary inputs for a project (labour, land, materials) into a situation of higher risk for water security than the original one. Quality compliance can only be ensured by monitoring, and an effective monitoring requires access to reliable information and appropriate skills and capacitation.

Aziza Akhmouch concluded with two separate remarks: first, the creation of the appropriate public procurement rules that ensure legal certainty, flexibility, value for money and protection of end users is something exogenous to the water sector and more linked to good governance. Second, the importance of the type of instruments and third party mechanisms that are being applied to ensure this proper implementation (observatories, participatory monitoring, etc). These are issues affecting both developed and developing countries and is a good example of a ground where governance principles outside the water sector directly affect the water sector.

### ***What are the opportunities to collaborate in practical research that provide scientific methodologies while supporting action?***

There is movement for academic community engaged research. It is based on the principles of timeliness, communication, involvement with the community and management of expectations, costs and outcomes. Communication in these projects has to be done both in written and oral form, with presentations in front of the communities involved, and ways to take outcome reports through some kind of peer-reviewing process are being explored.

### ***How to shift towards open governance and open access to information?***

In relation to open governance, three aspects were highlighted:

- First, successful examples of open governance, like the case of Peru in the times of 'Sendero Luminoso', involved the allocation of funds by the central government to municipalities and governance groups for them to decide upon investments in natural resources, applying control mechanisms such as readjustment of funds in function of progress.
- Second, Big Data and Smart ICTs are useful but there is also need to consider where they are located.
- Third, open governance is a timely process that requires an in-depth review of old commitments.

Regarding open access to information, an important challenge for water stewardship identified from the business standpoint is how to put data into a digestible format that can be really useful and informative. A long-term initiative when these standards are more extended is to create shared databases at basin scale where information is disclosed in a transparent way.

The academic world moves towards open access, especially since an important part of research projects are public funded. However, an important challenge for open access to information is how to manage funding for publishing companies and editors, as web based publishing is not free, and different models are being explored to find a solution.

An important issue is the **Democratization of information** through the Internet and how different aspects such as scale or quality insurance are dealt with. This is especially complex for water quality data, where the spatial and timing factors are essential to ensure the delivery of accurate data. There is need to interact with the computer and communication science to explore viable formulas, which may include initiatives like partnerships among websites or services to multiple communities.

### ***Water governance monitoring and the importance of qualitative indicators***

How to monitor governance is presently a working area within the OECD. Water governance is a complex and context dependent issue and the fact that there is no 'one fits all' solution seems clear, but the idea that it cannot be measured or monitored should be left behind. Within the 12 'must have' of governance policies there is room for more fact based or qualitative indicators such as 'traffic light systems', grids and other qualitative indicators. They can also be disentangled to the different governance issues to have a global and individual perspective of performance of governance and its different components.

Indicators or sets of indicators should be applied to comparable elements and the subdivision into clusters (clusters of families or communities) can be an effective way of creating comparable units.

## Final messages emerging...

The importance governance has for achieving the water sustainable development goals can hardly be minimized. When the objectives are agreed and well-defined, when policies are consistent and coherent, and when institutions are robust and adaptive to local specificities and new conditions, public and private actions can effectively use the range of tools available to support the implementation of the water related SDGs.

Among the diverse Governance tools are those that serve to improve water security through a well designed institutional framework of water use licenses, regulation on water use and water allocation while preserving the environment (as in Myanmar) vis a vis or combined with more conventional engineering works. There are other examples of tools for the promotion of ethical values to insure appropriate use of financial resources.

Implementing the SDGs needs to acknowledge that water cuts across administrative boundaries, and governments need to act in partnership with civil society, the private sector and the broader range of stakeholders. Partnerships are needed, in particular, and amongst others to:

- Clearly allocate roles and responsibilities for policymaking, service provision and regulation and ensuring sound coordination between stakeholders
- Manage water at the appropriate territorial scale(s) including coherent and integrated basin governance systems to accommodate needs and priorities across levels of governance.
- Go beyond silos and foster policy coherence between all areas linked with water, and essential to build a sustainable water future, such as climate change adaptation, food, urban development, energy, trade, etc.
- Where access to services is most needed, ensure that increased decentralization and empowerment of local government and communities comes with increased financial resources and capacities at this level.
- Produce, update, and share meaningful, quality, timely, consistent, and comparable data and information on water and water-related issues, and use it to guide, assess and improve policy formulation and water management.
- Foster integrity and transparency, as corruption and rent-seeking is still a barrier to make public action serve its intended social goals; it is estimated that the revenues captured by corruption in the water sector accounts to 20 to 30% of the income from tariffs collected.
- Engage with stakeholders in water management with sufficient attention to consumer behavior to build acceptability, legitimacy and sustainability of decisions and policies, to build trust and strengthen transparency, but also to support capacity.
- Conduct regular and thorough monitoring and evaluation of water policy and water governance systems, and share the results with the public in order to identify areas of improvement and adjust when needed. This also requires robust, timely and comparable data and information at all levels of decision-making.

## Annex: Highlights on governance and the post 2015 process

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### Implementation challenges

- We still equate governance with governments. Governance is not just about governments. The highly interconnected nature of water as a global risks means it needs to be addressed from multiple angles. **Governance is a shared responsibility** in coordinating and solving collective action problems. Multistakeholder collaboration is essential for the implementation of the SDG on Water but difficult due to **misaligned incentives and uncertainties**.
- Governments and businesses **short-termism** is a problem to water. Civil society should have **long-term objectives**, longer than the 3/4 year democratic mandates.
- Poor and **indigenous people** are often stewards of resources and the most vulnerable. They have a lot to offer. Are vulnerable from an economic thinking.
- The **lack of trust, mistrust**. The water sector is overly fragmented. And civil societies are segmented and compete with one another. Trust is a process, not just between civil society and governments but also between civil society parties. Horizontal and vertical trust building underpins a multilayered and effective governance.
- The human right to water and sanitation cannot be tackled focusing on WASH alone. It should be integrated in **water stewardship** practices. Business working in internal operations, should deliver change behaviour into supply chains and local communities for future.

### Transparency and access to information

- A very articulated process is needed between health, education and access to information so that people look for **transparency** and the corruption of governments and businesses ends.
- **Informed participation and participatory monitoring** is a way to (re)build trust and increase accountability and transparency in political and financial terms such anti-fraud and anti-corruption.
- The **governance of communication** is key. **Big data** represents an opportunity to gain greater insight and make more informed decisions.

### Cooperation and sharing

- A proper **culture of sharing** among the different stakeholders would be useful to deliver value for all.
- **Informed participation and participatory monitoring** helps getting from localized solutions in governance to larger societal models and approaches that empower the roles and responsibilities as well as rights and obligations of civil society constituents.
- **Trust** is the key ingredient of inclusive and equitable governance of water, and water related development and risk sharing. Pluralism and diversity of civil societies should be seen as an endowment and point of richness.

## Integrated approaches

- Improved water Governance depends on the government ability to make water quality and water management in general an **integral part of the development strategy of the country**.
- A **systemic approach** is needed to better cope with risks and ensure a water secure world. Water risks are often interlinked and spill over **other policy sectors** (drought in agriculture, flood in land planning, modified freshwater systems for hydropower, etc.). More holistic decision-making process and integration of a wide variety of actors in water governance can help in achieving win-win outcomes across various sectors.
- A **strong business case**, thinking beyond the water box, developing a proper risk assessment and applying a total lifecycle cost approach, is fundamental for the success and sustainability of water-related financing and investment decisions.

## Driving forces for improved governance

- A post-2015 disaster risk reduction framework represents an opportunity to adopt new implementation pathways, including greater stakeholder participation, particularly of the poor, indigenous peoples, youth and women.
- The **governance of consumers** is essential. Consumers are a driving force of change in water governance as especially young consumers are growingly informed and involved in water and land footprinting, slow food and wanting to know the origin of their food. Branding is key. However, mainstream governance look more at the input and production or management side of water rather than use and increasing the efficiencies in the field to fork value chains where considerable water quality and quantity issues are locked.
- **New trade arrangements** will affect governance and the implementation of SDGs and COP decisions.
- An **appropriate regulatory framework** and pressure from international buyers requiring sustainable certified products are examples of the right type of incentives for sustainable investments. Cases of reverse incentives however do also exist, where for example sustainable development projects are missing deadlines for investment decision due to stricter and more time-consuming review and compliance rules compared to traditional projects.
- The existence of a reliable **Water Governance Index** was identified as a potential facilitator for quicker and easier investment decisions, as existing indices as developed by OECD or World Bank are of a too coarse granulometry.