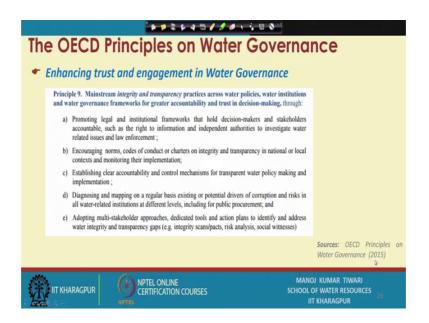**Water Economics and Governance**
Prof. Manoj Kumar Tiwari
School of Water Resources
Indian Institution Technology, Kharagpur

Lecture – 46
Principles of Water Governance & Effective Water Governance Schemes

Hi, everyone. In the previous session we were talking about the principles of water governance where we discussed the OECD principles on water governance.

(Refer Slide Time: 00:27)

Ah, we did talk about the first 8 principles that target the enhancing the effectiveness in water governance and enhancing the efficiency in the water governance. The OECD suggested a total of 12 principles. The remaining 4 the principle 9 and onwards target on enhancing the trust and engagement in water governance. So, the principle 9 of OECD on water governance suggest that mainstream integrity and transparency practices across water policies water institution and water governance framework for greater accountability and trust in decision making.

Now, this integrity and transparency which is the main motto of this principle can be can be achieved by promoting the legal and institutional framework that hold decision makers and stakeholders accountable. So, such as the right to information and independent authorities to investigate water related issues and law enforcement, if we have let us say such mechanism where one can seek the information through right to

information or the that kind of thing, there are independent authorities to investigate the water related issues and law whether they are being properly enforced or not.

So, this sort of legal and institutional framework if it is there, it helps the decision makers responsible and accountable for the water policies they are developing and if such systems exist it will enhance the trust in the water governance system and engagement of various stakeholders. So, I know that ok, if my rights are not being fulfilled I can pull this specific policy maker or implementer into the judiciary I can get him penalized for not doing his duty I can held him responsible.

So, if I have that kind of support system that will sort of in enhance my trust on the utility of service that because if they are not doing their duty they are likely to be penalized. So, that will enhance my trust that they should or they will be actually doing their duties properly, they will be performing their tasks whether it is of policymaking or it is of implementation or it is of operation and maintenance or the day to day regulation. So, that kind of trust develops if the systems are transparent and there are there are authorities that can authorities that listen to the public listen to the stakeholders ultimate stakeholders.
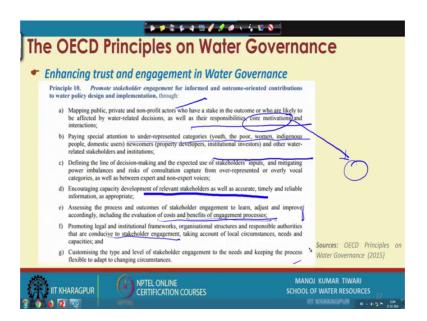
There has to be encouraging norms code of conduct and charters on the integrity and transparency of the national and local context for the monitoring and implementation purpose. Further establishing clear accountability and control mechanism for transparent water policy making and implementation is very essential and was included in the OECD principles.

Then diagnosing and mapping on a regular basis the existing and potential driver of corruption and risk in water related institution at different level. So, there has to be a close eye close watch or there has to be a system where it could be diagnosed and mapped that whether the financial transactions or financial involvements of the different labels of managers.

So, where are the potential drivers where that could lead to some sort of corruption that could lead to some sort of mismanagement, so, all these things should be identified and should be monitored and mapped on a regular basis in order to keep a close eye on the developments taking place and then adopting multi stakeholder approach dedicated tools

and action plans to identify and address the integrity and transparency gaps involving all the stakeholders. So, that is again of very high importance.

(Refer Slide Time: 05:38)

Then, the principle 10 suggest promotes stakeholder engagement for informed and outcome oriented contribution to water policy design and implementation. This we have been discussing from the very beginning of this course that water management should not be a subject of a government or subject of a stake only and more and more of stakeholder involvements are ensured more and more input will be there and the more better governance practices, governance mechanisms could be devised which includes which is sort of socially inclusive.

So, for this purpose one need to map the public private and non profit actors who will have a stake in the outcome in the water management policies or water management schemes, what are their level of responsibility their level of involvement and their core motivation for interaction, a company will likely to interact for business purpose a civil society is likely to interact for improving the social life, a government official have the key role and responsibility of managing the services, ok. So, there could be basically different stakeholders with different core motivations, now these needs to be identified.

Paying special attention to under-represented categories, whether youth, poor, women, indigenous people, domestic users, then newcomers who are the like property developers institutional investors all those type of stakeholders and other water related stakeholders

and invitation and institutions should be paid special attention. So, what are the requirement of youth what are the requirement of the poor and deprived what are the requirement of women. So, all this needs sort of a some further special attention.

Then defining the line of decision making and expected use of stakeholders input. It is not necessary that when we say that we need to involve different stakeholders it does not mean that we take the input from all the stakeholders and incorporate it. The involvement of stakeholder is needs to be perceived in a very clear and distinct manner that remember we discussed what are their core motivation.

So, if a industry let us say water industry is having it is motivation or profit oriented they come, they suggest that ok, this is the best policy in the market available right now. Even if it is expert company if we take they are saying and invest in certain specific type of technology which the interest industry and that particular industry may have vasted experience vasted interest in that particular technology and in fact, that technology may not be the most suitable for the said purpose or for the given conditions.

So, it is not necessary that whatever inputs we receive from the stakeholders or for that matter NGO's ok. So, NGO's also have their own set motivation at times, ok. There is a some NGO's or without holistically looking the picture without properly understanding the picture they may come and they may start giving input and giving feedback that no this is our certain policy should be of this particular specific type. For example, let us say construction of a dam. So, there are NGO's that without even proper understanding what is the objective of the construction of dam what is the social relevance of this what is the social cost social benefits they will come and start making noise that, no, we do not want dam over this river or over this channel or over this canal ok.

So, it is not necessarily that the input that we are getting from such places or even civil societies or even NGO's you know what kind of input we receive from the civil society these days, ok. They will come with the rally that make water free now that is the input from the civil society, but do policymakers should always take these inputs and decide policies based on these inputs only or rather go for having a sort of survey for willingness to pay and then decide for the prices, ok. The public agitation or public input many times is a many time is modelled or modelled in a specific fashion which may or may not be always the best way to go forward.
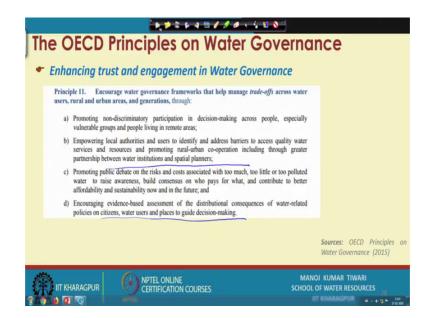
So, the inputs from the stockholders should always be taken, but again it relies onto the a sort of the goal of the state goal of the government the motivation or the input from the experts who are the water expert financial experts economic experts environmental experts. So, then the inputs received from different stakeholders should be assessed accordingly whether it is proper or improper whether one should incorporate these inputs we should basically set or target our policies in order to aligning along with the inputs received from the different stakeholders or those inputs can be dumped simply. So, that also is a possibility it is not necessarily that all the inputs received should always be considered the state or the experts should have that power or authority to dump some of the wasteful inputs, ok.

Then encouraging capacity development of relevant stakeholders as well as accurate timely and reliable information as we discussed earlier as well there is another approach through assessing the process and outcome of stakeholders engagement, ok. Now, this is again a very crucial point we call about the stakeholders engagement stakeholders engagement, but there has to be a assessment of the stakeholders engagement as well that. We are getting input from this how much energy or how much resource is being utilized in analyzing those inputs what kind of the, what kind of the crucial information or what kind of the suggestions we are receiving from those inputs. The inputs should actually be more of the information type is always welcome, but input in terms of sort of policy suggestions or decision making suggestions may or may not be worthy to consider at times.

So, how much is the sort of what is the total benefit of engagement process again needs to be assessed what is the total cost and benefits of the engagement process engagement of different stakeholders also need to be assessed. Then promotion of the legal and institutional framework, organizational structure and responsible authorities that are conductive to the stakeholders engagement should be there, ok. So, those authorities those key person which are open to the in open to the suggestions are nice to the stakeholders, nice to the people, nice to the end users should get sort of should get some sort of incentive or promotion.

The customizing the type and level of stakeholders engagement to the need and keeping the process flexible to adopt the changing circumstances is also of vital importance as suggested.

(Refer Slide Time: 14:46)

Then we have the next principle which is to encourage water governance framework that help manage tradeoffs across water users rural and urban areas and generations. So, one should have a sort of clear policy for promoting non-discriminatory participation in decision making across different people which is sort of engagement of the again engagement of the different stakeholders, especially from the vulnerable groups and people living in the remote area and the authorities at local scale or regional scale should be empowered to identify and address the barriers across the quality water services and resource sort of resources and promoting rural urban cooperation including though greater partnership between the water institution and spatial partners.

So, what happens that we discussed earlier that there are times when we need to manage the tradeoffs particularly when there is a limited resource; resource could be in terms of water or resource could be in terms of funds also ok. So, when we have limited let us say financial resources, where to allocate that financial resources? Now, if we are investing into the water services ensuring for the domestic supply the agriculture is going to be suffer, if we are ensuring it to be for agriculture and domestic the industry may suffer.

So, there is there has to be some tradeoffs between these particularly when there is a limited resources and that needs to be sort of a frame needs to be under a proper framework, ok. There has to be a clear cut guideline or framework for such tradeoffs that which sector should be given priority under what circumstances that sort of policy

promotion and then the engagement needs to be ensured. There has to be like public debates on the risk and cost associated with the services what is too much, what is too little, what is too polluted, water and then raise awareness build consensus on who pays for what, ok.
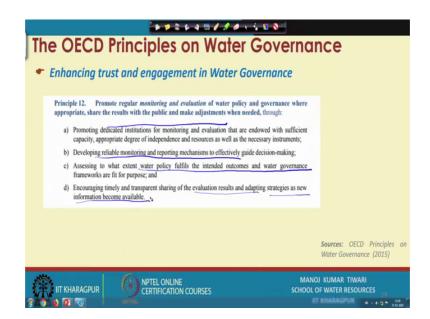
The government if giving subsidy it should be in the knowledge of public that they are getting subsidy otherwise they consider that ok, I am if somebody is saying let us say 50 rupees per month for a water services so, the household if he is not being informed and he is not being told that total cost of water supply to his household is actually 1000 rupees in a month and not just 50 that he is paying.

So, then only he will know that there is some additional value and I am getting let us say 950 rupees in the form of subsidy from the government or cross subsidy from the other users who are paying for my water. On the other hand, if such mechanism or such system or such information is not available then it what people just say ok, I am paying for water right they do not exactly know that they are paying far less than the call then the cost which is likely to incur in ensuring the water supply to their household.

So, this kind of thing is very important further people should be made aware that what is the water consumption pattern across other different reasons whether they are using too high or they are doing good in terms of like water saving. So, if they are doing good then also they should be appreciated they should be a told that we are working on such and such systems and we are standing in comparison to the where we are standing in comparison to the other good managed system what is polluted, what are the different pollution parameters, how which water to use which water not to use.

So, all these awareness should be raised and there has to be evidence based assessment of the distributional consequences of water related policies on citizen water use and places to guide decision making. So, this is also needs to be incorporated for the enhancing the trust and engagement of the public in water governance systems.

(Refer Slide Time: 19:59)

The last principle, the last OECD principle on water governance suggest that promotion of the regular monitoring and evaluation of water policy and governance were appropriate share the results with the public and make adjustment when needed now a water policy or water practice or a water services installed, but there has to be periodical monitoring and evaluation of that services then the whatsoever are the gaps or whatsoever are the demerits in the system should be clearly identified should be informed to the public, take the inputs from the public, and accordingly, the policy could be revised or could be amended or the like technology adaptation can be improved.

So, all those things can be done only with regular monitoring and evaluation or periodic monitoring and regulation. So, this sort of said for promoting dedicated institutions for monitoring and evaluation. If we have a dedicated institution whose role and responsibility is to monitor only, like we have in financial this thing we have an audit department.
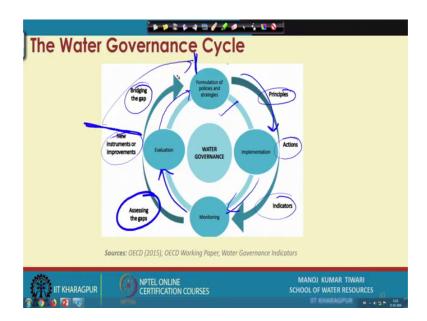
So, what audit department does it just monitors the it just monitors it just sort of do a auditing of how much money is coming into the system how much money is going out of the system whatsoever has come in the system whether had it has been properly recorded or not, whether it is and whatsoever is going out of the system whether it is going through right means or not. So, that that is sort of financial auditing.

Similarly, we should have a proper auditing system for water services as well so that one can understand that where are the gaps where are the lacks and what is the sort of weather we are with sufficient capacity appropriate degree of independence and a sort of resource management is fine or not. So, all those things needs to be considered then developing reliable monitoring and reporting mechanism for these assessments these monitoring and evaluation it should be basically made open to public that this is what is happening with the particular water policy or particular management program and then assessing to what extent these policies full fill the intended goal and the water governance framework are fit for the purpose.

And, encouraging timely and transparent sharing of these results and adopting new strategies as and when they become available new strategies, new information, new practices. So, all those things should be adopted incorporated and such managed system should actually be able to enhance more trust and engage more stakeholders in the water governance.

So, if you grossly see the OECD principles on water governance which talk about how we can make a more effective water governance, then how we can make a more efficient water governance and how we can make a more inclusive water governance, how we can develop trust and engagement through these 12 set of principles. So, this is this has almost like the OECD group has almost covers the all the important aspect of the water governance, ok.
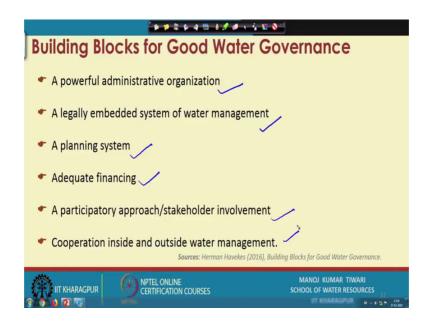
(Refer Slide Time: 24:12)

Now, if you see the water governance cycle there is again it we call we are calling it cycle because if you see these are all interconnected and interdependent, ok. You start with the formulation of policies and strategies then you go for the implementation of those policies and strategies from the implementation you go for the monitoring from the monitoring you identify the gaps challenges or the those kind of thing. So, there has to be evaluation of these thing and then you again change the policy in order to bridge those gaps in the purpose these policies and all these are formed based on a set of principles then it is implemented through a set of actions it is monitored through a set of indicators.

We will talk about what are the policy indicators in subsequent sessions, but then they are monitored through a set of indicators once they are monitored then we do assess the gaps for the purpose of evaluation and once we have assessed the gap we see what are the alternatives available for improvement, what are the new technologies, what are the new mechanisms, what are the new approaches through which we can improve, ok.

So, those needs to be seen and then we sort of based on where we are standing and what are the available further available technologies and setup we bridge these gaps and again this cycle comes like again the cycle starts with the new policy or new practice which has been adopted, ok. So, that is how the water governance cycle works.

(Refer Slide Time: 26:16)

If you see the various building blocks for good water governance, ok. Now, there is a report which talks about the 6 building blocks for good water governance, these includes a powerful and administrative organization has to be there. This is very essential for good water governance. So, there has to be an administrative organization with adequate powers, ok. There has to be a legally embedded system for water management now legal embedment legal embedding is very important because otherwise if there are no set of legal principles or legal rules and if it is basically leave too much is left open to the policy maker or decision makers so, there will be lot of question on their decisions, ok if I am taking certain decision on to the water governance issues.

If there are set guidelines for making that decision, under such and such circumstances it is preferable to go let us say if you are having a limited resource it is preferable to go for go for domestic supply as opposed to the industrial supply if I am having that sort of said demarcation the implementing agency or the administrative organization will be taking that decision and have a solid background to justify their decision.

On the other hand, if such legal framework is not available then somebody taking a decision ok, I want to like give priority to the domestic sector there will be question from the industrial sector then how will grow what will happen and blah blah why you are doing that this is not fair somebody may see an opportunity of corruption or taking some money from the industries and all that may give actually the priority to the industrial

sector also, because it is a open there is no legally framework for guiding principle available for such and such things. So, that leaves sort of a gap and it is very important to have a legally embedded system for good water management, this is one of the very important building blocks.

There has to be a planning system, there has to be adequate financing, ok. So, who is going to finance who is going to fund the water services there has to be set clear mechanism and financial sources available for that. There has to be a participatory approach and stakeholders involvement as we have been discussing and there has to be a cooperation inside and outside the water management. So, these are the important building blocks for the water governance.

So, we will close this session over here and discuss the some of more aspects of water governance, some good practices of water governance in the next session.

Thank you.