

Topic 4.3

Ethics, Transparency, and Empowerment of Stakeholders

Scoping Paper

MAIN QUESTION

Water plays a vital role in our life. It keeps us alive by hydrating our bodies, helping to balance the Earth's temperature, generating electricity, and allowing agriculture to yield crops for our food subsistence, among other essential contributions.

Human activities using water range from consumption, irrigation, food processing, generation of electricity, recreation-tourism, to extinguishing fires. These concurring needs are in competition, as water is generally scarce. Hence, water affairs are prime concerns for nations.

Despite water being crucial for our subsistence, still problems remain such as lack of universal access to drinkable water and sanitation, lack of access to energy, degraded environment, and insecure food supply. Consequently, these problems impact on hunger, education, gender equality, child life expectancy, maternal health, disease, environment and economic sustainability (World Water Assessment Programme 2008).

United Nations and others recognises a crisis in water explained largely by a problem of *governance* rather than scarcity (Plummer and Slaymaker 2007; Solanes and Jouravlev 2006; World Water Assessment Programme 2006). Professor Peter Rogers (2006), from Harvard University, clarifies that in a global scale water is abundant, whereas at local level the availability varies dramatically. Apparently more money will not improve the situation if issues of 'good governance, responsibility, the participation of civil society, decentralisation and transparency' are not tackled as precondition (Winpenny 2003: c). Governance is composed, among other elements by ethics, transparency, and empowerment of stakeholders or participation (Rogers and Hall 2003; Solanes and Jouravlev 2006).

Global corporations and business interests are moving toward support for public policy in water resource management. How do various stakeholder groups view this corporate response? What level of transparency and assurance would be required in order to accept

a role for business interests and support in water resource management? Can universal service be increased by involving business interests in public decisions? If yes, how? If not, what role should play business interests in a participatory process, in the understanding that they are other stakeholders?

This topic aims at focusing in three specific elements of governance: ethics, transparency, and empowerment of stakeholders. **In general, we enquire whether these elements contribute –to what degree and how– to tackle universal access to potable water, increase coverage of sanitation, enhance the environment, and secure food supply.**

Ethics

According to the *UN Millennium Project Task Force on Water and Sanitation*, ‘Access to water and sanitation is a moral and ethical imperative rooted in the cultural and religious traditions of societies around the world and enshrined in international human rights.’

The provision of a universal water service is often hindered by unethical elements, such as unlawful diversion of funds, decisions being made in exchange of personal favours, lack of honesty when decisions are wrongly made (which may, for instance, involve not selecting the most appropriate technologies).

More broadly, by raising awareness on water ethics is exploring the relevance of human values and ethics in the workplace for improving leadership and performance in the water resource management and water supply and sanitation sectors, and promoting a new water use and ethic in the world.

Besides political commitment and education, another contributing initiative is to improve citizens’ voice and social accountability. The role of NGOs, the media, etc, are important in this regard.

Transparency

Transparency entails being open to society about the structure, the activities, and the decision-making process of governing bodies. Processes, institutions, and information must be directly accessible to those concerned and information should flow freely.

In the water sector, transparency issues are present in river basin management (e.g. how do different stakeholders learn how decisions are made and on what ground?), irrigation

(e.g. on what grounds are decisions taken?), and water and sanitation services (e.g. why does the community pay such levels of prices?).

A transparent decision-making process guarantees that all citizens have access to information on matters that affect their lives directly. Whereas transparency is a guiding principle for governments, the increasing involvement of the private sector in the management of water resources raises important questions on corporate confidentiality and the limits of public access to corporate information.

Producing information is expensive. Too much information can saturate us. This paradox presents a particular challenge for the 'information' discourse as it can revert into *status quo*. Are there optimal levels of information that allow stakeholders to participate in a meaningful way in water decisions? Are there certain initiatives that require more information than others do? Who supervises the quality of information?

Empowerment of stakeholders

Traditionally, national states and governments, with the exception of few cases where markets dominate (e.g. some American western states and Chile) have been responsible for water management and service provision. However, in the last 20 years the argument in favour of citizen participation and involvement in governance has increased (King 2006).

There are different approaches to participation. In water services, for example, initiatives range from consumers' advocates (e.g. USA) to deliberative councils (e.g. Porto Alegre); whereas in irrigation, initiatives range from empowering water users associations in irrigation management to participatory design (Khanal 2003).

Despite the international consensus to accept governance as key to solve the water crisis, and many initiatives in this regard, many questions about governance initiatives remain unclear. For example, Moench et al. (2003) argue that the development and institutionalisation of general principles of governance will allow societies to adapt to changing conditions in an effective and equitable way. From another perspective, Mosley et al. (2004) show empirical evidence that the problem is not on general frameworks but on their implementation.

Participation initiatives vary in every country. Arguably, most of the initiatives consider common procedures about:

- how to identify stakeholders and users,
- how to organise and protect participation,
- how to fund participation,
- how to assure that participating stakeholders and users have an impact in the decision process,
- how to decide upon conflicting stakeholders' and users' interests, and
- how to redress decisions deemed unfair by the parties.

Nevertheless, these procedures are not enough for a successful experience. Even more, transplanting experiences and legal frameworks without a precise understanding of the local political, legal, and economic dynamics, may lead to a failure.

Overview of Related Sub-Questions

Below are outlined the Key Questions identified at the Fifth World Water Forum Webpage. These questions, along with the main question, are the starting point to discuss in Istanbul next March, about how to address the issue of ethics, transparency, and empowerment of stakeholders.

What does 'participation of users' really mean at different geographic levels for water resources and water services management?¹

Participation of the public, stakeholders, or users in decision-making related to water resources and water services management varies extensively. For example, some areas for participation are taking part in the implementation of policy, developing strategy, formulating plans, programmes, setting quality standards, reviewing price setting, and drafting legislation.

Different stakeholders representing users' and non-users' interests at different locations can be involved, among other initiatives, through:

- public hearings,

¹ This question received 23% of the votes cast at the Key Questions.

- by commenting on documents made available to them before these are finalised (i.e. consultation),
- by sitting at the company board or at the regulator's board, and
- by direct interactions or giving user groups a participatory role in implementation of projects and programmes.

In consequence, there are many areas for participation, but who are the ones representing users and non-users is a relevant question, as well as how to keep their relative weight in the decision-making process.

Costing and pricing water services: what priority measures to increase transparency? Should international standard(s) be designed to improve the situation?²

The *Camdessus Report on Financing Water for All* concluded that available funding sources will be insufficient to maintain and expand water coverage. As the financing of water services is becoming ever more urgent, action is required to increase funding.

A classical strategy for funding is for users to pay for the service. The general criteria applied to tariff-setting include (a) financial sustainability, requiring the collection of sufficient revenue to meet present and future necessary financial obligations and (b) efficiency in delivering the service (Hantke-Domas 2005). Other important characteristics are (i) simplicity, which means that the tariff plan should be open, understandable and straightforward,- (ii) transparency, enabling users to understand how their own tariffs and those of other users are set,- and (c) predictability, permitting users to reasonably anticipate and plan for their water related expenses.

The Fifth World Water Forum must carry forward the discussion on guidelines for charging the service provision rather than for water per se. From the financial viewpoint, the discussion on water services should not focus on whether the supplier should be public or private. What is important is to identify who can provide this service at the least cost and best quality.

² This question received 15% of the votes cast at the Key Questions.

In this light the question is: what are the measures to be adopted to make the price setting process more transparent?

What are the advantages/disadvantages to international guidelines vs. international standards?³

Water resource management and water supply and sanitation are local specific, so are institutional- organisational arrangements and socio-economic conditions. Can international guidelines serve as models over which local/national standards can be designed for developed or developing countries? In this matter, are the new international standards providing guidelines for water supply and sanitation services, really going to improve governance at all levels and to help water authorities and their operators to achieve a level of quality that best meets the expectations of users and the principles of sustainable development?

How can we 'add' / integrate 'outcome' into monitoring systems and reward a good process?

There is a need for stakeholder involvement for appropriate indicator development, information production, reporting, and application to decision making; and use these indicators within the wider context of planning and management.

What are the different models of user participation (e.g. elected water commissioners, water user boards, river basin committee, etc)? What are the different conditions for their effectiveness?

Elected representatives are a good form of representation as they are accountable to their electorate, thus bringing in greater degree of transparency. In the other hand, where projects are owned and managed by communities such organizations may ensure sustainability of projects.

In approaching problems within the water supply and sanitation sector, like many other sectors, two courses of action are always possible: the *hard way* and the *soft way*. In development language, *hard approaches* or *hard components* refer to infrastructure (e.g. building dams, laying pipes, installing toilets, etc) and are usually the focus of government and donor strategies to improve the sector.

³ This question received 15% of the casted votes at the Key Questions.

The *soft approaches* or *soft components* refer to social aspects of a programme or project that also bring about results, such as special consideration for women (gender components) or involving beneficiaries (participation components). These soft components are usually not the focus of large budgets, but they play complementary roles. Indeed, an infrastructure project involving the community or considering the needs of women will have a more relevant and lasting impact than a project that does not. Consequently, depending on the situation, these soft components may contribute to resolve negative conditions without the added expense of infrastructure.

Beside the hard approaches, another approach is the water resources and water services management, which is crucial for the effectiveness of access to water and sanitation for the populations. How to empower water users for water governance at grass-root level?

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This approach suggests that water users should be vested with the control and regulation of water bodies, including responsibility for aquifer recharging for the underground water and maintenance of the water bodies in the relevant territory (e.g. basin, aquifer, city, village, etc). It suggests that water literacy coupled with necessary financial assistance and provision of free access to water-related information available with government agencies, technical help, and guidance should help empowering the local body. What are the different experiences of such approach empowering people in the management of water resources? In what circumstances is this approach advisable? What are the institutional, legal, and financial conditions for its success?

(Types of) Organizations to be involved in topic consultations

- Associations: Farmers/Water Users, Mayors.
- International Agencies: FAO, IFAD, UNEP, WEC.
- National Governments: (min of environment/finance/agriculture/economic affairs).
- Trade organizations: WTO
- Association(s) of agricultural producers: SAI, bio-fuel producers

- Professional Associations: ICID.
- Research Institutions: IWMI, IFPRI, Universities.
- Multilateral donors: World Bank, AFDB, ADB
- Environmental agencies / NGOs: WWF, Wetlands International, CARE, Watchdogs
- Related national organisations, NGOs and local civil society.
- Related river basin authority in different countries.
- Related local authorities (mayors, water services executives,...)
- Water operators.

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