

Water governance: trends and needs for new capacity development

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Abstract

New forms of governance focusing on process-oriented societal co-steering through, for example, formal and informal networks, partnerships and dialogue, have emerged within the water sector. The governance transformation is intrinsically linked to the increasing focus on the complexity of water management and the multifunctional character of water and the search for alternative forms of organisation. The emergence of concepts like integrated water resources management and river basin management should be seen in the light of the governance transformation. The full potential of the governance transformation for improved management of water resources and services is yet to be fully realised. Water decision-makers and managers are currently not prepared to fully realise the development potentials of new forms of governance, such as facilitating inclusive decision-making processes, coordination and negotiated outcomes. There is thus a need for additional *sociocratic* knowledge and capacity development that, for example, puts the emphasis on the management of people and processes, diversity of organisation and knowledge sharing. As a part of this it is paramount to treat politics as a part of the problem as well as of the solution and to broaden water issues outside the water sector itself.

Keywords: Dialogue; Governance; Integrated water management; Participation

1. Introduction

In development circles, governance has played a role for a while, but it is only fairly recently that it has picked up significant meaning in the water sector. Within the international political arena the concept has evolved from being something that was close to a political taboo in the North–South development cooperation dialogue, to being more widely accepted as a critical issue that needs to be addressed in order to come to grips with unsustainable development and poverty. Though the water sector has lagged behind in explicitly addressing water challenges in a governance framework, “fixing” various water-related challenges, such as dwindling water resources, insufficient services and pollution, is now increasingly seen in terms of getting the “right” governance system in place. The question of “getting it right” will mean different things in different countries. The framing of water challenges in terms of

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governance challenges has allowed for a broadening of the water agenda, and it is now increasingly accepted in development circles to scrutinise processes of democratisation, corruption and power imbalances between rich and poor countries and between rich and poor people, and that governance and politics are increasingly viewed as being part of water crises, as well playing a role in resolving these.

The water sector has traditionally been—and still is to a great extent—driven by investments in technological innovations and development of infrastructure to increase water supply. In many instances this has allowed a large number of people to benefit more in terms of access to water. However, there have also been many instances where infrastructure did not operate in an effective manner, or where the benefits of appropriate technology were not fully realised. This has led to a new set of questions being asked in development circles. Who is making decisions on the right to water and its benefits? Who is making decisions about who gets what water, when and how? What voices are heard in influencing decision-making? And on what political and scientific basis are decisions made?

The way societies govern their water affairs has profound impacts on livelihoods, yet governance has not received the same attention, within the water sector, as technical and infrastructure developments have. Any water governance system must be able to allocate water to ensure food and urban security, but also be able to assess for whom and for what purposes water is provided. In practice, tough trade-offs have to be made and allocation of benefits and costs have to be clarified. Governance is essentially about such processes of making choices, decisions and trade-offs. Questions related to water governance have been posed within research circles, but it is only fairly recently that this has started to impact on water-related work of governments, multilateral and bilateral organisations. Importantly, the development of water governance systems and that of water technology and infrastructure are not in opposition to one another. The effective application of technology and the proper functioning of infrastructure require an enabling governance system.

The governance changes that have taken place within the water sector can be explained by the evolution of governance from “old” notions of governance to “new” forms. This evolution is not normally examined within international water development circles. Instead, improved governance, which can be seen as a “new” form of governance, is treated as a prerequisite for managing water resources in better ways and for providing the poor with piped water and sanitation services.

This paper suggests that new forms of governance should focus on the complexity of how water is being governed—highlighting the emergence of ideas like integrated water resources management (IWRM) and river basin management approaches. This highlights the need for developing alternative forms of organisations that can work meaningfully with integrated approaches. The emergence of IWRM and river basin management approaches has led to a transformation from state-centred to more inclusive and pluralistic ways of making decisions within the water sector. This paper highlights the introduction of water governance into the international dialogue and its manifestation in the water sector. It is suggested that core government functions, such as enforcing regulatory powers, have, in many instances, been neglected in the new forms of governance and that there needs to be more emphasis on the roles of government. Finally, the need for additional *sociocratic* knowledge and capacity development among water managers and decision-makers is proposed as a means towards formulating new forms of governance.

2. What is governance?

Governance was previously defined almost as a synonym for government and the act of steering society, specifically with regard to authoritative direction and control. This interpretation of governance focused on how effectively the bureaucracy and government branches enforced political decisions. Governance is currently perceived and defined as a much broader concept that involves a broad range of actors within society. In other words, governance is about the processes of making choices, decisions and trade-offs. Governance addresses linkages and processes between and within organisations and social groups involved in decision-making, both horizontally across sectors and between urban and rural areas, and vertically from local to international (Rogers & Hall, 2003). Governance is not limited to “government” but also includes the private sector and civil society. The character of relationships (and the formal and informal rules and regulations guiding such relationships) between different social actors and organisations is an important feature of governance.

There is a plethora of definitions of governance. In the mid-1990s, the [Commission on Global Governance \(1995\)](#) defined the concept as: “. . .the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be accommodated and co-operative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest”. Other definitions by the United Nations (UN) or Bretton Wood system follow a similar line. The governance definition of the United Nations Development Programme (UNDP) emphasises that “economic, political and administrative authority” is crucial for managing a country’s affairs. It also emphasises governance as a process through which citizens and various groups can “articulate their interests, exercise their legal rights, meet their obligations and mediate their differences” (UNDP, 2004). The World Bank (WB) version of governance includes traditions and institutions by which authority in a country is exercised for the common good. It also draws attention to how those in authority are selected and monitored, respect of citizens and effective management of resources for social and economic development. The WB view of governance is more preoccupied with the functioning of government and its public administration as compared to many other definitions (Smouts, 1998). Newman (2001), for example, has defined governance as a: “. . . wide variety of ways to solve common problems including organisational, social, national and international problems. Defined in this way, governance generally refers to questions about forms of power and authority, patterns of relationship and rights and obligations among the people facing common problems”. Lee (2003) defined governance in a minimalist way: “. . .a way of social coordination for resolving common problems”. Social coordination is perceived as a broad term that includes a wide range of actors. It also brings attention to relationships, dialogue, negotiation and capacities as critical components “for resolving common problems”.

The inclusion of governance for the resolution of common problems and the common good is an interesting case in point. At times governance tends to be somewhat esoteric, which obscures its practical implications. It is therefore useful to reiterate that governance is something very concrete that is often manifested in daily interactions between local public officials, citizens, communities and organisations. From the point of view of practitioners and private and public decision-makers governance becomes more meaningful if it is linked to the common good or the resolution of common problems. The classic case of the Italian Mafia as a highly efficient governance system but, to most of us, with completely unacceptable means and ends, shows that there need to be notions of the common good

to avoid parochial interests. However, this should not obscure the fact that, in any society, there will be competition, disputes, and at times conflicts on what the common problems are and how to resolve them.

Water governance has been defined as “. . .the range of political, social, economic and administrative systems that are in place to develop and manage water resources, and the delivery of water services, at different levels of society” (Rogers & Hall, 2003). Importantly, governance in a sector like water must be perceived as a subset of a country’s general governance system of how various actors relate to each other (Rogers & Hall, 2003).

Despite alternative approaches to defining new forms of governance, some similar features can be discerned:

- Governance is seen as a process of interactions rather than as a formal institution/regime.
- Governance is based on accommodation rather than domination—decision-making is increasingly based on negotiations, dialogue and networking.
- Governance provides alternatives to top-down hierarchy, such as through horizontal networks.
- Governance includes both private and public sectors and the interactions and relationships between them are critical for governance outcomes.
- Governance is action-orientated (governance for the common good or for solving common problems) and appears at all scales, from local to global.
- Authority is still considered important but it does not necessarily take the form of government authority.
- There is an emphasis on relationships, networks and organisation of collective action.
- Governance looks to flexibility and informal institutions that often escape formal government structures, for example networks.

The current governance discussions typically revolve around concepts like dialogue, participation, negotiation, networking and partnership. The 2002 World Summit on Sustainable Development (WSSD) and the so-called *Type II Partnerships* are examples of how this new form of governance is expressed at the international level. These partnerships included a variety of government agencies, NGOs, research institutes and also private sector participation. They constituted an attempt to formalise ways of stimulating broadly based innovative partnerships to make a contribution to the implementation of Agenda 21 and the Millennium Development Goals. *Type II Partnerships* represent an innovation in international diplomacy, since they broke away from the traditional inter-governmental negotiations to a more inclusive notion of international environmental governance. This development has also received criticism. Critical NGOs argue that it is just a government attempt to abdicate from responsibilities to promote sustainable development and that it may undermine formal and binding negotiated outcomes. Another line of criticism has been that corporate involvement in partnerships merely functions as a means to allow these corporations to appear to be environmentally friendly (Streck, 2002).

3. Governance trends in the international water arena

Governance started to gain importance in development cooperation circles in the late 1980s, predominantly against the backdrop of inefficient investments in technology and infrastructure by donors and the World Bank. Much of this development cooperation never realised its intended effect of

enabling development. As a result, there was an emergence of a school of thought that considered governance as critical to make efficient use of investments as well as to operate and maintain technologies and infrastructure. A new terminology that quickly appeared was “good governance” and there was an increasing emphasis on civil society, typically the so-called Non-Governmental Organisations (NGOs) and private corporations who were seen as the new development wizards. The use of governance in the UN and Bretton Woods circles has not been without controversy, as it is normative and prescriptive to their nature. Many times “good” governance has been perceived by developing countries—sometimes for good reasons—as a value-laden concept that serves the purposes of loan or donor conditions. In the wake of explicitly acknowledging the critical development roles of NGOs and private sector companies, a new type of development terminology emerged, such as “decentralisation”, “public and private partnerships” and “participation”.

3.1. International responses to water governance: promises not coming true!

The 2000 Second World Water Forum held in the Hague was one of the first international water meetings that explicitly addressed governance as a main issue that must be addressed to deal effectively with shortages of water resources and services. Subsequent international meetings, such as the 2001 Bonn International Conference on Freshwater, the 2002 (WSSD), in Johannesburg and the 2005 13th session of the Commission on Sustainable Development in New York, have all considered improved governance in the water sector to be an overarching concern for meeting the water-related Millennium Development Goals (MDGs). Nonetheless, the strong focus on governance-related issues as critical for addressing water challenges is yet to have the desired impact.

An important part of the work of bilateral and multilateral organisations has been supporting the enhancement of capacities to strengthen national and local water agendas and policies, investment priorities and providing useful examples for scaling-up of activities. Despite these efforts, water resources and services and how they are governed are, in most countries, not considered a major priority. Despite the world’s governments at the WSSD making promises of action-oriented outcomes, investment in the water sector is still at a very low level in developing countries. Specific effort is needed to include governance issues in donor budgets. Aside from development cooperation support, the Poverty Reduction Strategy Papers (PRSPs) are used as proxies to show the level of political interest to prioritise water and its governance.

According to the Organization for Economic Co-operation and Development (OECD) statistics, the total OECD aid to the water sector in developing countries during recent years has averaged approximately USD 3 billion a year. An additional USD 1–1.5 billion a year is allocated to the water sector in the form of non-concessional lending, mainly by the World Bank (WB). Over three-quarters of the aid to the water sector is allocated to water supply and sanitation. The bulk of the aid for water supply and sanitation is allocated to a handful of large projects undertaken in urban areas. Such support is, of course, much needed and desired. However, what is disheartening from a governance point of view is that only about 10%—or some USD 300 million—of the total aid in the water sector is directed to support the development of water policy, planning and programmes. The statistics also show that many countries where a large portion of the population have insufficient access to safe water received very little of this aid. Only 12% of total aid to the water sector in 2000–2001 went to countries where less than 60% of the population had access to an improved water source, which

includes most of the least-developed countries. On the positive side, the amount of aid allocated to various types of low-cost and small-scale technologies, such as treadle pumps, rainwater harvesting, small-scale sanitation and so forth, seems to be increasing (OECD, 2002).

Around the start of the new millennium, the WB and the International Monetary Fund (IMF) started to develop a new framework for providing low-interest loans and debt relief to the poorest countries in the world. As a part of this framework, and to be able to access loans, governments must now produce a Poverty Reduction Strategy Paper (PRSP) which functions as an in-country comprehensive strategy to reduce poverty. It further aims at providing a link between national governments, donor support and the development outcomes needed to meet the MDGs. PRSPs are driven and owned by the respective country and are a means of securing resources for development priorities. They can be viewed as a country's long-term development strategy to guide future investments. In essence, the PRSPs are aimed at providing an operational basis for IMF and WB concessional lending and for debt relief under the Heavily Indebted Poor Countries (HIPC) initiative. Both multi- and bi-lateral donors are increasingly using PRSPs to coordinate their development cooperation and to achieve coherence in development objectives with recipient governments.

The inclusion of improved water supply and sanitation in the PRSPs can provide an indication of the extent to which prioritised investment strategies exist to develop these two areas. Recent assessments of PRSPs in sub-Saharan Africa and Asia show that water supply and sanitation are under-represented in the PRSPs. Out of seventeen sub-Saharan countries studied, only Uganda showed a high level of priority for water supply and sanitation. An assessment of nine Asian PRSPs found similar results. In the Asian cases, water resource issues, such as floods and droughts as well as water supply, sanitation and irrigation, were frequently present in the analysis of issues in the PRSPs, but were more rarely reflected in the programmes for action or priorities for investment. A wider assessment of interim and full PRSPs by the WB confirms the above. The assessment showed that natural resources management and environmental protection were included only in limited ways. There were some exceptions, however, such as Mozambique where the protection and management of environmental and natural resources was prioritised (see Bojö & Reddy, 2002; Frans & Soussan, 2003; Slaymaker & Newborne, 2004).

Another trend has been the emergence of various kinds of global water networks, such as the Global Water Partnership, the World Water Council, Gender and Water Alliance, Freshwater Action Network, etc. Such networks can play significant roles in pursuing internationally agreed water targets at national and local levels, increasing awareness, promoting advocacy, designing pilot programmes for up-scaling, developing concepts, transferring knowledge, building capacities and so forth. Despite the support of the establishment of various international networks, current international and national commitments to improving governance within the water sector is far from adequate. It is a step forward by the international community to call for national IWRM plans (as agreed at the WSSD): however, if individual governments do not implement the plans, they will inevitably fail. Governance is often used as a "catch-phrase" at international water gatherings, with little effort to clarify the concept. However, many organisations, such as the UNDP, The Global Water Partnership, the International Fund for Agricultural Development and others, are currently working to put the ideas surrounding water governance into action.

If the international community is serious about addressing water governance it has to take into account new forms of governance. What this involves is discussed below.

4. New and old forms of governance

From a political science point of view, governance has been discussed in terms of “governability” and linked to concepts like the rule of law, legitimacy and hegemony. In the “old” way of defining the concept, the state or government and their steering of public institutions, i.e. inter-governmental relations, was the main analytical preoccupation (Lee, 2003). Previous governance discussions typically drew attention to concepts like hierarchy, control and enforcement. During the 1980s “governability” gave way to governance, defined as re-designing or re-inventing public administration. In a broad sense it was about reforming an “over-loaded” and an increasingly “un-governable” welfare state, as well as reforming state-led development that had largely failed to deliver sufficient social and economic development. The concept of governance currently involves a multiplicity of actors and deals with issues related to processes, organisational relations, networks, communication and coordination.

At local and national levels, increasing privatisation, public and private partnerships and decentralisation of water management (including management by user groups) and services delivery are significant trends of new forms of governance in both developing and developed countries. The “old” and “new” forms of governance are summarised in Table 1. Since both civil society and the market are taking on crucial roles in development (sometimes self-ascribed, but at other times ascribed by donors and international lending institutes), some critical questions need to be asked regarding their efficiency in operation, as well as their contribution to the equitable and efficient allocation of wealth and natural resources. Following is a short account of recent trends in the privatisation of water services in developing countries. Studies are also indicating that many civil society organisations linked to water and the environment have not been able to live up to their development expectations (Tropp, 1998).

4.1. Main themes of new governance

Three main water governance themes are identified:

- The first is a focus on the *complexity* of water management and the multifunctional nature of water for societies and environment. Water governance is seen as consisting of multiple agencies, institutions

Table 1. New and old forms of governance.

Old governance emphasises	New governance emphasises
Emphasises the government and bureaucracy	Civil society and markets. The government and bureaucracy are still important entities but with reduced authority
Political power monopoly	Co-steering
Steering	Diversity of actors and power diffusion
Hierarchical control	Horizontally shared control
Enforcement of rules and regulations	Inter-organisational relations and coordination Decentralisation/bottom-up management
Control	Formal and informal institutions
Top-down management	Co-governing (distributed governance)
Formal institutions	Network governance
Inter-governmental relations	Process orientation
	Expansion of voluntary exchange, self-governance and market mechanisms
	Dialogue and partnership
	Participation and negotiation

and systems, linked by complex patterns of interaction, and marked by increasing problems of coordination. Within the water sector there has lately been a focus on IWRM and river basin management approaches as the means to capture and deal with such complexities.

- As a result of increasing complexities there is a focus on identifying alternative forms of organisation. The old form of governance emphasised hierarchy and the role of government to steer societal interactions, while new forms of governance stress horizontal decision-making through partnerships and networks that involve a wide range of actors, ranging from local to global. The emphasis on partnerships between the public and the private sector, decentralisation and devolution of decision-making, as well as donor support to international water networks are all typical manifestations of the search for innovative and alternative forms of organisation.
- The perception of increased complexity and the search for alternative forms of organisation is a transformation of how water is being governed, or at least should be governed. Furthermore, a discrepancy between policy and the practice often exists. During the past two decades the practice of water governance has moved away from state-centric decision-making towards more inclusive and pluralistic ways of decision-making. This development has manifested itself in the water sector in various forms, such as public and private partnerships, decentralisation and devolution of decision-making, and donor support to international water networks, to mention but a few.

The concept of governance is useful because it can explain developments of decentralisation, privatisation, ideas of integrated approaches, etc., in the water sector. However, there is another side of the governance coin that points to normative notions of governance and the fact that “governance matters” for improved water resources management and services provision. The new notion of governance has opened up new development debates and analyses. As governance embraces a wide set of societal actors it raises critical questions of the roles and capacities of, for example, various kinds of NGOs, community-based organisations, local entrepreneurs and multinational corporations. Moreover, since such entities are not elected by the public, it draws critical attention to their political legitimacy, whose interests they represent and how they can be held accountable.

4.2. What happens to government in the emerging governance framework? Is it time to bring government back in?

Current trends in the water sector imply that “traditional” roles of government, such as hierarchical control and the claim of power monopoly, are de-emphasised. The private sector, civil society and public–private partnerships are increasingly viewed as alternative forms of governance. Some see this change as a deliberate strategy and that governments are co-opting or governing through other entities. Other viewpoints claim that government should be perceived as one part of a complex system of societal steering. According to this perspective, government contributes to governance, but does not control it. Some have gone as far as stating that there is a trend of governing without government.

Researchers in the field of international relations seized on the term “governance” to describe the accomplishment of rule without the presence of sovereign power, for example Rosenau & Czempiel’s book *Governance Without Government* (1992). Rhodes (1997) applies this to domestic politics: “governance refers to self-organizing, interorganizational networks”. This is, however, an exaggeration that lacks empirical evidence. Della Sala (2001) suggests that the new form of governance advocates

flexibility, which implies that informal institutions can be as important as formal ones. For many developing countries, where traditional water rights comprise a significant part of how water is governed, this is not a new concept. The challenge here seems to be the unclear delineation between formal and traditional water rights that often results in inefficient water resources management.

Within the water sector there has been a clear trend towards de-emphasising government. A brief example is provided by the privatisation of water services. It shows that government will continue to perform important functions for water resources management and service provision. During the 1990s there was a focus on privatisation as the panacea for extending and improving water services to underserved people. It was claimed that increased privatisation would improve the provision of water services to poor people and that it could “free-up” public sector resources to be re-invested into the water sector. The privatisation of water services has shown uneven results and currently only some 5–10% of the world’s population is serviced by private operators. This excludes local small-scale water vendors and operators. The current trend is that multinational water operators are withdrawing from developing countries. For example, Saur has withdrawn from Mozambique and Zimbabwe. Suez began down-scaling its water investments in developing countries in January 2003 to one-third of its current investment levels. Also, other companies like Veolia and Thames Water are reconsidering their commitment in developing countries. In 2004 Thames Water withdrew its water operations from Shanghai and is currently facing difficulties in Jakarta, where it became involved in water privatisation in 1997. To date, Thames Water has not been able to make a profit. Consumer resistance and political unease have held up rate rises, which in turn, combined with allegations of poor performance, has brought bad publicity (*The Economist*, 2004). Many of the multinational water companies are now focusing on the less risky markets of Europe and North America.

One of the reasons why the private sector has not been able to meet the high expectations of various stakeholders has been the weak water regulatory capacity of many governments that, in some cases, has resulted in price-hikes and poor water quality and management. It is thus clear that governments will continue to play a critical role in water governance to provide an enabling governance framework in which water investments and management and services governance innovation can prosper. Government agencies will, to various degrees, be critical partners in different kinds of governance water resources management and service delivery constellations that involve private sector and civil society actors. It is thus time to *bring the government back in* and re-emphasise its critical role to improve water services and management. This is perhaps most evident in the government’s regulatory authority power, which increasingly embraces new forms of governance, such as multi-stakeholder dialogue and participation, facilitating negotiations and conflict resolution between water users and the decentralisation of water decision-making.

5. Responding to new forms of water

If it is accepted that one of the largest challenges in resolving water crises has to do with governance, it is clear that many decision-makers and managers within the water sector currently are not prepared to deal with new forms of governance issues, such as conflict mediation, mobilisation of communities, partnership formation, managing processes of stakeholder dialogue and participation. The water sector is still largely technology- and water-supply-driven. This has favoured a capacity and knowledge generation within the water sector that focuses on, for example, managing “things” and an orientation

Table 2. Response to water governance challenges: the need for new knowledge and capacity development.

Technocrats - conventional knowledge and capacity	Sociocrats – new knowledge and capacities that need to be further developed
Managing “things”	Managing people and processes
Top-down	Bottom-up
Blueprint	Knowledge sharing
Measurement and	Mediation/interpretation
Construction-oriented	Process-oriented
Standardisation	Diversity
Disciplinary knowledge based on technological know-how and natural sciences	Multidisciplinary knowledge based on understanding of society and nature that can facilitate integrative approaches
Physical information is produced pertaining to hydrology, biology, geology, etc.	Socio-economic information is produced pertaining to, for example, income levels and consumption patterns

towards infrastructure development (Chambers, 1997). This type of conventional technocratic knowledge and capacity will continue to be important and necessary to water agencies and decision-makers, but their ability to absorb and implement new forms of governance will require different sets of knowledge and capacities. Holders of this type of knowledge and capacity could be called sociocrats and are managers and decision-makers who have the ability to play an effective role in social-steering and co-governance (see Table 2).

New forms of governance require even more emphasis on the management of processes and people. Inclusiveness of decision-making implies that bottom-up approaches should be intensified. Improved decision-making will also require more emphasis on the multidisciplinary production of knowledge. It is important to develop knowledge and capacities that can respond effectively to situations characterised by complexity, uncertainties, change and trade-offs. The conventional modes of water governance typically remain rigid, and the challenge that is faced is to develop governance frameworks and institutions that are inclusive, responsive and adaptive to changing conditions. Ultimately people who can bring about transformation are needed, and therefore more attention needs to be paid to the knowledge and capacity that are critical to developing water governance systems that are inclusive, flexible and that can respond to changing social and hydrological conditions.

6. Conclusion – whose water governance are we talking about?

An important matter that needs to be considered is to what extent new forms of governance serve segments of society as opposed to society as a whole. Currently, various groups, such as poor people in both rural and urban areas, are grossly disadvantaged when it comes to accessing safe drinking water and adequate sanitation and water for food production. If a particular water resource is managed exclusively by private markets, only those with property or sufficient income will have access to this water. If public authorities manage water, it is still not certain that poor, isolated or socially immobilised elements will maintain access to water proportional to their numbers or their needs. There are many questions that can be posed about how to achieve consensus on public policies to govern water. Unfortunately, doing this in any society creates winners and losers, at least in the short run. Any water governance system should aim for social and political stability. Robust and flexible governance structures should be able to cope with

such problems by providing mediation between conflicting water uses, compensation to disfavoured groups and benefit-sharing.

As stated in the introduction, the water sector has been lagging behind many other sectors when it comes to introducing the concept of governance and its importance for sound development of water resources and related services. It was only fairly recently that the role of governance started to receive a fair bit of attention in the water sector, but still there needs to be more systematic approaches of how governance can be more easily understood and applied by water managers and decision-makers.

An increasing focus on governance as an enigma that needs to be solved in order to achieve improved water resources decision-making, management and related services has allowed for the introduction of a new set of issues into the water sector.

- *Politics as part of the problem as well as of the solution.* The emergence of new forms of governance in the water sector has opened up the possibility of viewing politics as part of the solution and not just the problem. Politics and trade-offs cannot be avoided in making hard decisions on water resources allocation among various sectors and user groups.
- *Centre-staging the need for additional capacity building.* Technical solutions and conventional sector approaches to water issues are insufficient to ensure sound water development. *Sociocrats* should be centrally active to water governance. Knowledge and capacities pertaining to managing people and processes and mediation will be critical to improving water governance. It is also required that the knowledge itself be more diversified and multidisciplinary to reflect the complexities of how water is used and governed.
- *The need to broaden water issues outside the water sector.* The role of governance and events outside the water sector is critical to the success of getting an effective water governance system in place. The reform of the water sector goes hand-in-hand with overall governance reform. It is highly unlikely that more effective participation, transparency and so on will take place in the water sector unless the particular country's overall governance system allows this. As a part of broadening the water agenda there is an increasing need to harmonise and coordinate international water targets and principles with other international regimes, such as with global or regional trading regimes. Until water concerns are made part of broader national and international processes of trade, stability and democratisation, the chances of achieving the international water targets remain poor. There is thus a need to collaborate with new actors outside the water realm and to form more inclusive water development networks.

Until such time as the water community successfully deals with these water-governance-related issues, it will be very difficult to make use of improved water governance as a means of achieving more sustainable water resources development and the expansion of water services.

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