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FRESHWATER

CASE STUDY

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A 'WATER GOVERNANCE OBSERVATORY' FOR BRAZIL

Assessing the effectiveness of water policy and governance

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OBSERVATÓRIO
DAS ÁGUAS

Water Governance Observatory logo

WWF-Brazil has significantly contributed to building an agenda for freshwater governance and management across the country. In recent years they have been instrumental in developing a 'Water Governance Observatory' which could contribute to assessing the effectiveness of freshwater management, policy and governance at a national level in Brazil.

Introduction

The 'Water Governance Observatory' whose creation is documented in this case study came about from a desire to make the management of water resources in Brazil transparent, inclusive and effective, in alignment with the requirements of Brazil's constitution.

Brazilian public policy has been through some significant transformations since the democratic process was reintroduced to the country. The 1988 Constitution proposed five institutional parameters that changed how Brazil operated:

- 1) Opening up access to policy, making this the right of every citizen and not simply a benefit provided by those in power.
- 2) Expanding the rights of citizens and including environmental issues, such as those relating to water resources, within the constitution.
- 3) Decentralisation of policy, particularly in terms of implementation, forms of cooperation, partnership and intergovernmental induction.
- 4) A shift to make public administration more 'professional', mainly through staff selection processes and career structures, paving the way for more technical and less patrimonial forms of management.
- 5) The democratisation of governmental decisions through opening up social participation at various stages of public policy development.

This institutional upheaval has led to important results over the last 25 years, increasing social inclusion and the power that citizens have to affect governmental decisions. For the environment, one of the most important areas was coordinated through the National Water Resource Management System (SINGREH – Portuguese acronym), which was created in 1997.

Two decades after it was founded, and despite the progress made through the formation of hundreds of collective bodies and the implementation of a range of planned management tools, the management of SINGREH still needs to be consolidated in order for it to be effective. An indication of the extent to which the management of water has been neglected, not just in Latin America's largest mega city - Sao Paulo - but in the majority of the country's state capitals is the unprecedented water crisis that the south east of Brazil suffered for at least two years from 2014.

Society needs to assume an essential role and demand concrete action in order to improve the management of water resources, guarantee the country's water security and ensure both economic and social development. A 'Water Governance Observatory' could provide the transparency required to enable Brazil to move towards responsible sustainability and guarantee access to water for its citizens, for economic activities and for natural ecosystems now and in the future.

What did we do?

WWF was instrumental in the recent creation of a national Water Governance Observatory – an evidence-based, participatory mechanism for continuous, independent assessment of the effectiveness of water policy and water governance in Brazil.

Proposed water governance indicators

1. **Institutional environment** – e.g. quality of legislation, effectiveness of the law, quality of regulation
2. **State capabilities** – e.g. financial resources, quality of bureaucracy, coordinated action of governmental agencies
3. **System management tools** – e.g. planning, targets, monitoring, indicators, evaluation of public policy
4. **Intergovernmental relations** – e.g. systemic logic, federal forums, autonomy of bodies, mechanisms to encourage, cooperation and coordination, flexibility and innovation
5. **State/Society interaction** – e.g. interconnection between controlling bodies, participation channels, inclusion and public education.

To achieve this WWF engaged constructively with a broad range of stakeholders, acting mainly as a thought leader, convenor and facilitator, but also deploying critically important seed funding made available through the HSBC Water Programme.

By applying a specially designed system of objectively verifiable indicators (see proposed indicators in the margin box), the Water Governance Observatory aims to enable the identification of status and trends that can be used to inform multiple audiences (including both decision makers and the wider public) and mobilise them to take action where needed. The availability of regularly updated status and trends information will provide essential context and underpinning for WWF's own freshwater strategy, as well as for the work of multiple partners.

How did we do it?

THE EARLY DAYS

The concept of a national Water Governance Observatory was first thought of in 2004/5. The then WWF-Brazil 'Water For Life' programme came up with the idea of conducting an assessment of how the National Water Resources Policy, established under Brazilian Law 9.433 of 1997, was being implemented.

WWF-Brazil organised a meeting with institutions engaged in water resources management through the coordination of the annual National Forum of Water Basin Committees. At this early stage, when most of the states in Brazil had not yet developed their state laws on water resources, it was considered important to think about indicators for monitoring the national water management system.

As part of this work, WWF-Brazil put together a short publication evaluating the 'pluses and minuses' and 'wins and losses' from the first eight years of the policy. This report also identified and discussed a series of 32 potential indicators under five thematic headings that could be used by the proposed Water Governance Observatory (see the following documents, available online in Portuguese):

- [Reflexões e Dicas](#) (Reflections & Tips)
- [Observatório das águas: a água e o poder público no Brasil](#) (Water Observatory: water & public power in Brazil)

WORKING IN PARTNERSHIP

In 2012, after a period of dormancy, it was decided that this issue should be tackled again as there was little sign from the federal or state governments of progress with the National

Gauging progress

A 'thermometer' system was applied by expert workshop participants to rate progress under a variety of provisional indicators for each dimension as

- Basic
- Intermediate
- Advanced

This confirmed that implementation of SINGREH to date had been poor. The trialling of provisional indicators was used to generate more detailed proposals, with the example below showing four suggested indicators for the financial resources aspect of the 'state capabilities' dimension of public governance. In this example CFURH is the Brazilian acronym for the government mechanism 'Financial Compensation for the Use of Water Resources'.

Water Resources Management System (SINGREH), established under the National Water Resources Policy.

WWF-Brazil decided to seek a technical partnership with [Fundação Getúlio Vargas \(FGV\)](#), a leading research institute working mainly in the fields of economics and political/social sciences. In particular, WWF approached Dr Fernando Abrucio (FGV and University of São Paulo) who had worked on developing impact monitoring systems for government policy in sectors including health, welfare and education.

Abrucio had tried to establish how these governance systems functioned and how best to understand them. He helped WWF to coordinate a water governance study in Brazil applying his systematic approach and associated indicators to evaluate SINGREH. This took one year, including extensive background research, stakeholder interviews and the convening of two expert workshops. It resulted in a 2014 report: *Governance of Water Resources – Proposal of indicators to monitor implementation*. Its findings proposed two key concepts:

1. A set of water governance indicators grouped under five 'dimensions of public governance', each with several components (example below):

Dimensions of governance	Aspects of governance	What needs to be verified	Suggested indicators	Sources
STATE CAPABILITIES	Financial resources	If there is a fund being operated for the management of water resources.	Revenues being applied to management via a national water resources fund.	Financial reports.
		If funds from CFURH distributed to states and municipalities are being applied to assets aimed at the management of water resources.	Actions implemented using CFURH resources.	Analysis of the application of CFURH resources in states and municipalities.
		Identification in multiyear plans of the resources that will be designated for water resources and related areas, considering the priority of the respective water resource plans.	Execution/ budgetary execution of resources in multi-year plans for water resources.	Analysis of federal and state multi-year plans.
		Execution of plans.	Resources provided to bodies and sectors (applied)/ planned resources.	Financial reports.

2. A Water Observatory that could act as a type of watchdog to monitor the status and progress of these indicators across the country.

Based on expert advice, WWF-Brazil proposed that ANA (the Brazilian National Water Agency, established in 2000) should consider these indicators and use them to develop a performance index for Brazil's water policy. ANA's earlier attempts to produce situation reports about Brazilian water resources had proven unsuccessful. WWF's suggestion was well received, though a formal decision was deferred pending publication of a separate ANA-commissioned study being conducted by the *OECD Water Resources Governance in Brazil*. That report focused on two critical conditions for more sustainable, inclusive and effective water policies in Brazil:

1. Better water allocation regimes to manage trade-offs across water users and uses.
2. A stronger multi-level governance system to better reconcile state and federal priorities and improve capacity at different levels of government.

With the OECD backing calls for more effective water governance in Brazil, ANA in principle supported the idea of establishing a Water Governance Observatory. It was agreed that this should be serious, robust and compelling, involving mainly civil society actors. In the interests of avoiding actual or perceived conflicts of interest, especially in relation to any criticism levelled at ANA by the observatory, ANA decided that it would not be a member of the observatory, but indicated its full support.

Many meetings were held to sensitise and mobilise key stakeholders (including universities, state environment departments and other government agencies, watershed committees, private entities, and non-governmental organisations) to become part of the proposed Water Governance Observatory. By November 2015 the concept of an observatory had generated great interest throughout the country. Over 50 key institutions put themselves forward for representation in the observatory (drawn mainly from the more than 200 water basin committees and forums at either state or federal level), and 20 of the 26 Brazilian states as well as representatives from the Federal District of Brasilia (DF) were also engaged in the observatory. In these discussions and forums about an observatory the emphasis has been on a solutions-led approach, not one that simply criticises government and points out problems without offering answers.



Cuiabá River in the Pantanal © Karina Berg, WWF-UK



Cattle ranching in the Pantanal © Karina Berg, WWF-UK



Madeira River, Brazil © Karina Berg, WWF-UK

WATER CRISIS IN BRAZIL

A freshwater crisis hit Brazil in 2014 and 2015 with unprecedented water shortages in the biggest cities in the south east. It brought about rationing that was associated with severe drought and exacerbated by unsustainable management of water resources. This actually strengthened the arguments of WWF-Brazil and other stakeholders in favour of the emerging Water Governance Observatory, which was formally established in May 2015 and began its initial stages of operation as a virtual network for information and data exchange in July 2015.

What have we achieved so far?

The initial framework for a national water observatory has been established in order to have a platform that can objectively monitor water governance across the country. This has the support of multiple stakeholders, including ANA (the National Water Agency). Although things remain at an early stage, the significance of this achievement should not be underestimated. However, it remains too early to be able to demonstrate concrete impacts arising from the work of the observatory.

Apart from actually establishing the Water Governance Observatory, other achievements have included:

- **Consensus of opinion:** The collaboration and buy-in across Brazil for the concept of a national Water Governance Observatory. Convening and consulting across sectors in a country the size of Brazil is an enormous undertaking and securing widespread understanding and support for the Water Governance Observatory is a success in itself.
- **Water governance indicators defined:** The development of a set of indicators which create a consistent framework from which to gauge and compare the implementation of Brazil's national water system across the country. These indicators have been developed through a collaborative process amongst freshwater experts and institutions and address five key elements of freshwater governance.

Contribution to conservation goals

The Water Governance Observatory is still in its initial stages and as such it has not yet made tangible contributions towards the protection of freshwater ecosystems in Brazil. However, given that meeting WWF-Brazil's freshwater-related goals and objectives will ultimately require effective water governance (as

evidenced by the inclusion of water governance in WWF-Brazil's freshwater programme since 2005), the Water Governance Observatory is seen as an important vehicle for achieving these. For example:

- Having a robust national water governance framework in place strengthens the possibility of reaching restoration goals relating to riparian forests around rivers and critical springs – resulting in securing conservation and integrity of freshwater ecosystems.
- In WWF-Brazil's priority basins, the formalisation of water governance will strengthen the delivery of programmatic work. For example, in the upper Paraguay river basin, a clear framework will reinforce the need for the productive sector, social groups and the public sector to contribute to good management and conservation of the water resources, which in turn will lead to the protection of the Pantanal wetland.
- The planning of large infrastructure projects such as dams would benefit from stronger governance and enforcement of public policy implementation good practice.
- Supporting the development and implementation of integrated water basin strategies, and the collective action needed to ensure that they are indeed integrated.

What went well?

WWF-Brazil has played a leadership role in Brazilian freshwater issues since around 2005 and no other organisation in Brazil to date has taken a national perspective in relation to the country's freshwater challenges. Due to this prior experience, especially in relation to the concept of a water observatory, stakeholders already viewed WWF positively. WWF's efforts to revive the Water Governance Observatory approach was made easier thanks to their previous results and meant that there was an existing nucleus of critical stakeholders that could be reactivated relatively easily. The group was further motivated by a common perception that the authorities had been negligent in its implementation of SINGREH.

The critical ingredients for success so far have been:

- Selecting a research partner (FGV) with a proven track record in evaluating the impact and effectiveness of major government policies;



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Chapada Guimaraes © Karina Berg, WWF-UK



Pantanal © Karina Berg, WWF-UK



Paraguay River © Karina Berg, WWF-UK

- Being able to provide baseline funding through the HSBC Water Programme for research and seed money for the continuation of the freshwater governance work which led to the initial establishment of the Water Observatory;
- Ensuring that the relationship with ANA (the National Water Agency) is based on principles of trust and mutual respect, with WWF playing the role of a supportive, but constructively critical, friend;
- Translating the momentum created by increased public, political and media awareness during the water crisis into concrete support for establishing the Water Governance Observatory.

Challenges

There was a period of 10 years between the initial idea behind a Water Governance Observatory and its eventual coming into being in its initially embryonic state. This could have been faster and shows the necessity for long-term commitment from the key partners; momentum can easily be lost through changes in structure and staffing for example.

Securing funding to maintain momentum and generating support for each crucial step of the process to really consolidate this sort of initiative is also a significant challenge. There is a sense that this sort of work needs to be grounded in concrete examples. These would demonstrate the benefits a governance framework may bring to more programmatic regional examples in WWF's portfolio, in order to really be able to communicate the value of these sorts of initiatives and generate interest and support from donors.

Next steps

At the end of 2015 the Water Governance Observatory partners decided to produce a baseline report '*Relatório Zero*' demonstrating the current state of governance and water management across Brazil that the Observatory could use as the foundation for its work in the coming years. The idea was to bring together the key information required to monitor specific indicators of (or proxies for) policy performance, such as on the level of investment by the state in water policy, as measured by the number of state government and federal government employees working on water resource management. The aim is to give a clear message to the national water management system that a set of clear, structured indicators for monitoring governance is needed and these should connect with the National Water Resource Policies so that it is possible to see the progress being made towards stated objectives.

The study was due to be completed in early 2016, with the first phase requiring input in the form of data from 20 states and the Federal District of Brasilia by the end of March 2016, ready for a media launch at the end of the year, including a crowd-funding campaign to fund development of a map-based website or web portal that could be used to reach out to and engage wider audiences, including the public. However, delays in obtaining data from some states and changes in staff / senior management combined with the development of a new freshwater strategic initiative for WWF-Brazil meant that the timeframe for completing the study was significantly adjusted.

In the longer term, it is hoped that the observatory will mature to become an independent organisation. The aim is to develop a 'business plan' for the observatory setting out objectives, governance and funding needs, as well as specifying the commitments expected from participants. This is due to be completed by the end of 2017.

Among the key questions to be addressed by the observatory and which the *Relatório Zero* should contribute significantly to answering are:

- Are relevant laws effective and are they being applied correctly?
- Are the funds allocated to water management being transferred correctly between different government agencies and public bodies?
- Do society at large and water basin committees participate actively in discussions and decision-making concerning water resources?
- Are water basin committees managing to implement their plans to restore water quality and quantity?

A key focus for WWF will be further strengthening institutional buy-in and ownership among the observatory partners, whilst reducing WWF's own role to a level that is appropriate and sustainable (in terms of available resources – financial and human) in the long term.

Lesson sharing: top three

1. The Water Governance Observatory requires strong buy-in from all stakeholders. WWF-Brazil took the initial leadership role, but it became clear that the partners started to rely too much on WWF, expecting WWF to fund and do everything. WWF was able to invest 'seed funding' and certainly played a key convening, facilitating and mobilising role, but is not in a position to ensure long-term funding and in any case this would not be desirable.

2. It takes a long time to convert interest into concrete commitments. When WWF-Brazil revived the concept of a Water Governance Observatory it approached key individuals and invited them to send formal letters of commitment on behalf of their institutions. Moving beyond such motivation of individuals to true institutional commitment is something that does not happen overnight.
3. There is very clear risk embedded in the process, including political and reputational risk. For example, the observatory could fail in its purpose if there was a breakdown of trust between governmental and NGO partners, such as could arise if governmental representatives felt 'under attack' from NGO lobbying. Equally, NGOs, including WWF could be accused of getting 'too close' to government. Effective communications are critical to avoid or minimise this risk; for example by accentuating the positive, solutions-focused approach of the Water Governance Observatory, referred to above.

Resources and references

Links to relevant documents are included within the text. Additional sources of information are provided below.

[WWF-Brazil information, publications and other resources about the Observatory \(in Portuguese\)](#)

[OECD 2015 document "Water Governance Indicators and Measurement Frameworks"](#)

[UNESCO-IHE 2008 "Global Water Governance"](#)

FOR MORE INFORMATION

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