

WATER INTEGRITY FORUM

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Good Morning,

My name is Christiaan Poortman and I have the pleasure to speak to you on behalf of two organizations. First, I am representing Transparency International and its Managing Director Cobus de Swardt. I am also a Senior Adviser at TI. And second, I am representing the Construction Sector Transparency Initiative (CoST) of which I am the Chairman. In the next 10 minutes or so, I propose to give you a quick overview of where, I think, things stand in the fight against corruption and the quest for greater transparency and accountability in the world. I will then try to link this broad framework with the issue of integrity in the water sector and highlight some experiences from the Construction Sector Transparency Initiative which could be relevant for our discussion at this Forum. Finally, I will mention some of the main challenges that the water sector will face, in my view, in dealing with the "cancer of corruption" as referred to by James Wolfensohn as President of the World Bank in 1996.

This year, 2013, Transparency International is celebrating its 20th anniversary. For most of the last century, global corruption was a non-issue -- its existence either denied, ignored, and even considered an essential lubricant for doing business. Most governments and international organizations simply closed their eyes to corruption and its pernicious effects. This began to change in the 1990s. Transparency

International was launched in 1993 and was instrumental in raising the global awareness of the corruption issue. The OECD drafted a Convention against bribery of foreign officials which became effective in 1999. A path-breaking UN Convention Against Corruption was adopted in 2003 which provides the most comprehensive framework yet for the global fight against corruption. And increasingly, multinational companies started adopting codes of conduct prohibiting bribery. By the beginning of this century the public dialogue about corruption had been transformed -- corruption was increasingly recognised for what it is: a cruel tax on economic and development activity with most of its burden falling on those in society who are vulnerable, poor and unable to fight back. But translating commitments about fighting corruption into concrete action remains **the** major challenge before us.

The events of the last 5 years have however inserted a new urgency in getting serious about tackling corruption. The recent global economic and financial crisis has acted as a catalyst for demands for a new social contract between governments and citizens based on improved transparency and accountability. Social movements such as Occupy Wall Street, and the Arab Spring have been making demands for greater integrity in public policy making -- and austerity measures and cuts in public expenditures have resulted in renewed emphasis on "value for money". Responding to that demand, new global initiatives have been launched, e.g. Open Government Partnership, Global Initiative for Fiscal Transparency, Open Contracting Partnership, EITI -- and my own organization CoST. The issues of transparency and accountability now feature on the agenda of the United Nations and the G20, and are figuring prominently on the agenda of the upcoming G8 meeting in the UK.

Coming closer to the business of this Forum, the new thinking is also affecting the way poverty and social service delivery is being addressed. There is evidence of a paradigm shift towards the inclusion of governance as a critical determinant of success. More specifically, governance is likely to be included in the post-2015 goal

framework for the achievement of the Millennium Development Goals. It is so far unclear whether the framework will include specific governance goals but it *is* clear that governance will feature prominently in the targets and indicators used to deliver the goals. This will apply, inter alia, to the delivery of sustainable access to safe drinking water and basic sanitation (MDG 7C). This Forum will be an important opportunity to highlight the issue of governance in the provision of this basic service -- and how to address it. And there are, obviously, many other components of the water sector that are similarly affected and need reform.

This Forum will bring together a group of experts and practitioners who will share recent experience and solutions and, more importantly, make another strong statement in support of integrity in the water sector. Transparency International is proud having been at the birth of the Water Integrity Initiative (WIN) which, in its relatively short life, has become a major force in the fight against corruption in the sector. A number of other agencies have joined. The recent focus on the sector has resulted in a number of new approaches and measures to more effectively deal with the integrity challenge. No doubt, we will hear much more about these during the course of this Forum.

But as we have seen with all anti-corruption programs, **monitoring** will be key to achieve genuine, and sustainable, results. Building on the experience of the Construction Sector Transparency Initiative, openness and transparency provide the only real option to introduce the critical checks and balance needed. A main recommendation should be for every government and government agency to provide full disclosure -- and distribution -- of basic information for all public sector water projects. At the same time, it is important that a group of stakeholders be formed -- including representatives of government, private sector (contractors/operators), and civil society (consumers) -- that would have access to, and review, the project information. These two actions would significantly expand

participation and accountability in the sector. The experience of CoST shows that this approach can generate concrete results in terms of greater efficiency of investment -- by reducing cost and time overruns -- and also, very importantly, detect and limit corruption.

To be clear, there remain many **challenges** to bringing greater integrity to the sector. All efforts will be stymied if the "tone at the top" is not supportive. Greater transparency and accountability need an enabling environment to grow, ie. a strong commitment on the part of policy makers to disclose relevant project/program information. This Forum may help in bringing about such greater commitment. To be sure, there **are** strong incentives for policy makers to improve integrity in the sector: greater efficiency of public spending; improved quality of public service; enhanced public confidence; and improved political reputation. Another challenge is to bring about meaningful participation and voice on the part of the stakeholders. Civil society in particular, needs to have full access to the disclosed information, the capacity to digest it, and be able to exercise its right to accountability.

The bottom line is that we can build on the strong popular movement for action that is going around the world. Citizens are increasingly unwilling to accept their lack of influence in public decision making. And public agencies around the world are challenged to come up with new answers and approaches to deal with these legitimate demands. There is thus a great opportunity to tackle the issues of governance and integrity in a comprehensive manner. Let us make the best use of it.

Thank you.