OECD Water Governance Initiative

Thematic Working Group 4

Integrity & Transparency in the water sector

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Scoping Note

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This scoping note describes the objective and scope of the work to be carried out by the thematic working group "integrity & transparency", coordinated by the Water Integrity Network, the Stockholm International Water Institution/UNDP Water Governance Facility and Transparency International, as part of the 2013-2014 OECD Water Governance Initiative activities.

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PREAMBLE

1. The OECD Water Governance Initiative was launched on 27-28 March 2013 as an **international multi-stakeholder network** of around 100 delegates from public, private and not-for-profit sectors gathering twice a year in a **Policy Forum** to share on-going reforms, projects, lessons and good practices in support of better governance in the water sector.

2. The OECD Water Governance Initiative aims to:

- **Advise governments** in taking the needed steps for effective water governance reforms through **policy dialogue** across decision-makers at different levels;
- **Provide a technical platform** to discuss analytical work on water governance through peer-to-peer exchanges and knowledge sharing;
- Provide a **consultation mechanism** to raise the profile of governance issues in the **Global Water Agenda** and Post-2015 Development Agenda ;
- Support the implementation of the **6 governance targets** designed for the 6th World Water Forum (Marseille, 2012) up to the 7th World Water Forum (Korea, 2015);
- Contribute to the design of **OECD Principles on Water Governance** and **OECD Indicators on Water Governance** to engage decision-makers at all levels, within and outside the water sector, commit to action;

BACKGROUND

3. Since 2006, the Water Integrity Network, SIWI-UNDP Water Governance Facility (SIWI-WGF) and Transparency International (TI), together with the IRC-International Water and Sanitation Centre (IRC-IWSC) have advocated for water integrity with a focus on helping to ensure that the lives poor people will

no longer be negatively affected by corruption and malpractice. Main focus of institutional partners has been on West and East Africa, South Asia and Latin America, especially Central America, and some specific countries in that region. Selected work has also been carried out in Central Asia (Tajikistan) and Palestine.

4. In January 2011, WIN, SIWI, TI, ASTEE, INBO, UNESCO, and SUEZ-Environment joined the OECD-Led "Good Governance" Core Group for the preparations of the governance sessions for the 6th World Water Forum in 2012. This work has led, amongst others, to the definition of two specific governance targets as part of the preparatory process, which implementation is now being fostered by the supporting institutions. These targets are:

Target 5:   *By 2018, 30 countries will have committed to promote integrity in the water sector, diagnose/map existing or potential corruption risks, and ensure that anti-corruption policies are well implemented and effective.*

Target 6:   *By 2018, 30 countries will be implementing: transparent water budget processes, including information about water infrastructure investment planning and implementation (financial, technical, and socioeconomic impacts); and methods and tools for improving transparency and accountability within the water sector.*

5. Follow-up to this process is being ensured through the OECD Water Governance Initiative (OECD-WGI) wherein WIN, SIWI/UNDP Water Governance Facility, and TI help ensure that promoting solutions regarding Transparency, Accountability, Participation and Anti-corruption (TAPA) remain an important perspective in as well as an explicit component of programmes and initiatives for improved water governance.

6. Over the years a range of tools, policy briefs, training modules and advocacy material have been developed to show that when approaching the issue of integrity professionally and constructively, assessment of integrity gaps and risks is a good way of identifying what can be done. This body of tools also has shown through examples and pilot programmes in countries that something can be done to contain corruption where it hurts most. The Global Corruption report of 2008 (a joint initiative of the WIN and Transparency International), showed that corruption (or lack of ethics) has many faces and that integrity gaps need to be addressed across the board for sector performance and sustainability, not just the developing countries. This approach has contributed to the consultations and cooperation efforts in relation to the post-2015 agenda.

7. Building on the three organisation's' experience in fighting corruption, the working group will use their experience in terms of adapting relevant anticorruption and solution oriented integrity tools (e.g. Integrity Pacts, integrity management tool box) and good practice cases to the water sector; collaborating with a range of in-country partners in multi-stakeholder configurations, including some of TI's 100 National Chapters in developing in-country anticorruption strategies in the water sector. This could entail adapting relevant parts of TI's experience in developing global awareness-raising and advocacy campaigns to promote transparency, integrity, accountability and anticorruption in the water sector, and knowledge sharing on good practice cases in different facets of the water sector (including procurement, integrity in water services delivery; and transparency in information disclosure of information in river basin organizations) in countries as diverse as Colombia, India, Kenya, Mexico, Pakistan and Spain.

8. In June 2013, the first international water integrity forum (organised by WIN and UNESCO-IHE) gathered 60 different organizations contributed, including members of the steering committee of the OECD-WGI. The Forum (see www.waterintegrityforum.com) took stock of where we stand in enhancement of water integrity issues in the following thematic areas of work:

- Water for food and energy
- Water management in river basins
- Rural water supply and sanitation
- Integrated urban water management and services

9. It also took stock of tools and approaches available and under development:

- Diagnostic tools
- Solution tools
- Approaches and methodologies to achieve outcomes and impact in countries, regions and at the global level.

10. The *User's Guide on Assessing Water Governance* (publication with the UNDP Oslo Governance Centre, the SIWI-WGF and UNDP-PACDE) will be particularly useful to assess on-going water sector reform and set priorities to close the implementation gap. It proposes an 8-step process approach and suggests tools to be used in various steps. This guide is also a clear expression of the three institutions' engagement with strategic partners to make water integrity part and parcel of a global effort to improve water governance, whilst continuing to advocate that corruption drains the water sector, makes sustainable achievement of sustainable development goals and targets unlikely in many contexts, and that something can be done about it.

RATIONALE

11. The rationale for this working group can be derived from the Delft Statement on water integrity (see separate document). Paragraphs relevant to the work to be carried out by this working group are:

12. "Water is a fundamental resource for sustainable development. It is essential to eradicate poverty, to secure water, food and energy for a rapidly growing population and to maintain life-sustaining ecosystems for future generations. In most countries water crises are not due to resource scarcity but primarily to governance failures. Fragmented institutions obstruct accountability in a sector with high investment and aid flows, making it particularly vulnerable to corruption. Lack of water- related integrity incurs huge cost for societies, in lost lives, stalling development, wasted talent and degraded resources.

13. The importance of water and good governance has been recognized in preparations on the Sustainable Development Goals (SDGs), as well as in numerous declarations and conventions. The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda and the 6th World Water Forum both linked effective governance to integrity and control of corruption. Water Integrity embodies the transformative shifts identified by the High Level Panel, by incorporating a global partnership for the equitable, sustainable, and accountable management of water resources and the services these provide to all societies. Eliminating corruption across water-related sectors and building integrity into policies and action plans will be essential to these ambitions.

- Water Integrity includes, but extends beyond, control of corruption. It encompasses the integrity of water resources, as well as the integrity of people and institutions. Integrity challenges come in many forms, involving financial transactions, manipulation of knowledge and information, discrimination in all forms, illegal or irresponsible water abstraction and waste discharge, as well as biased rules and processes that favour power and short-term interests over equity, fairness, societal welfare and long-term sustainability.

- Building integrity and overcoming corruption are global concerns. Water management is complex, capital-intense and often involves monopolies, providing systemic incentives for abuses of power. Decision making is dispersed across policy domains and jurisdictions, allowing rampant exploitation of loopholes. These characteristics create the need to actively promote integrity on all levels, from local to global, for national and transboundary water systems. Clear and comprehensive results frameworks, combined with transparency, form the basis of accountability and stakeholder participation. Free and easy public access to relevant, reliable and consistent data and information, including legal documents, is recognized as a key requirement.

14. Among the lines of actions were recommended in the statement:

a. develop a broad consensus on water integrity, and use multiple communication channels to raise awareness for issues and available solutions;

b. encourage organizations, including our own, to consider water integrity in the development of organizational policies, strategies and action plans;

c. invest in inclusive multi-stakeholder processes that foster collaboration beyond the water sector, engaging user organisations, investors, planning authorities and core governance institutions at country level to join reform agendas;

d. incorporate issues of water integrity, including standards to effectively manage integrity, into capacity development, professional training and teaching;

e. advocate in international and regional fora for the incorporation of water integrity into post-2015 development goals related to water access, water use, good governance and natural resources management;

f. move decisively towards a universal code of conduct for individual and institutional behaviour based on ethical principles, values and competence.

SPECIFIC OBJECTIVES

15. The specific objectives relate to the scope and objectives of the OECD-WGI, specified for this working group on transparency and integrity:

1. Provide a Policy and action learning platform for policy makers and multiple stakeholders with special additional focus on non-OECD countries and their partner countries and institutions based in OECD countries. When useful and feasible, case based action learning and peer reviews between OECD and developing country situations will be organised, with participation of stakeholders from different basin, local, national and (sub-) regional contexts. A special focus would be on demonstrating the efficacy of various tools developed by SIWI-WGF, TI, WIN and others to promote integrity at the institutional level.

2. Draft water governance guidelines and principles will be developed in close coordination with other working groups and the OECD-WGI steering committee and contextualized through country based and regional dialogues involving public, private and civil society stakeholders. A set of

specific indicators related to water integrity and transparency will also be proposed as part of this effort, in order to help implement overarching principles and the two targets defined as part of the 6th WWF process. Part of these guidelines and principles would relate to a code of ethics. A universal code of ethics could take the form of a **guidance document or initial checklist** or dialogue tool to be used in given situations to build trust and commitment among stakeholders. In drafting these guidelines and principles, a special effort will be made to tap into relevant experience of oversight/regulatory agencies.

3. Facilitating an internet based knowledge and tools platform and link to the OECD-WGI observatory. This platform could be developed from the Water Integrity Space (WIS), which already provides comprehensive information on the topic in the form of tools, literature and case studies and would link to other knowledge and capacity building hubs.

PROPOSED ACTION PROGRAMME

Objective I: Policy and Action Learning Platform

Water Governance assessments

16. These assessments could concern a number of countries that express an interest and where several stakeholders and/or members of the working group wish to join the action.

17. To ensure a practical element of action learning among stakeholders, the approach would entail specific focus on integrity "hotspots".

18. Hotspots are situations where action and solutions are urgent and where multi-stakeholder processes can make a short term difference for the better. Hotspots can be thematic (water pollution, high vulnerability to floods and other disasters), or geographic (a specific area such as the interface between the major city and the other parts of a river basin). In addition, 'hotspots' could include areas with high risks of corruption, including 'regulatory capture' or public financial management (including procurement)

The approach could include testing and validating the new User's Guide for Water Governance Assessment.

Country based Water Governance and Integrity case studies.

19. In some countries assessments may initially not be possible due to sensitivity of governance, transparency and integrity issues, more general reviews could be an alternative and could be attractive when mirrored with some other participating countries (OECD-versus Non-OECD);

Testing the efficacy of existing tools.

20. Such tools could include the WIN's Toolbox on Water Integrity Management and TI's 'Business Principles to Combating Bribery', OECD Cleangovbiz strategy, integrity scans and studies towards promoting institutional integrity, particularly in water services and provision in both OECD and non-OECD countries under different regulatory regimes.

Developing tools for benchmarking sector and institutional integrity and performance.

21. This component could include testing such tools in both OECD and non-OECD countries.

Learning and sharing events

22. Such events could be organised in several countries, and with participation of participants from other countries

Objective II: Draft water governance guidelines and principles and guidance for codes of ethics.

Review of existing documentation, guides, tools and training material

Development of advocacy document or documents targeting different audiences

Dialogue sessions in regional and national conferences and workshops facilitated by members of the working group

Facilitation of dialogue and learning sessions during OECD-WGI plenary meetings and international conferences

Objective III: Water Integrity space and capacity development

Reviewing current web-based platforms and hubs

Make an inventory capacities and resources to facilitate and maintain the combined platform

Joint strategy for promotion of the platform and water integrity tools

Capacity building for use of tools in support of country and regional action programmes

INDICATIVE PLANNING & APPROACH TO ENGAGE WITH STAKEHOLDERS

23. The indicative planning for implementation of the action programme needs to be developed jointly with members of the working group. Members of the working group will be expected to work out specific components or sub-components using their contact network and presence in countries and regions for example.

24. The working group on transparency and integrity will work across sub-sectors and themes in particular in relation to the activities relating to most components under Objective 1. This will require good and open communication between working groups, but also to the wider network of stakeholders. Key messages need to be developed for advocacy and their use strategised throughout the OECD-WGI and beyond.

25. It will be important that the working group contributes meaningfully to the governance relation action tools sessions at the 7th World Water Forum that will be held early April 2015, but the World Water Forum is not an end in itself. As such the working group which will be launched on 7-8 November 2013 is expected to develop a plan for 2014, 2015 and 2016. The World Water Forum may provide an opportunity to share the first results with a wider group of stakeholders and test the key advocacy messages and approach.

IMPLEMENTATION TASKFORCE

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