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### ***1) What is the Global Corruption Report?***

Since 2001 the Global Corruption Report (GCR) has offered an annual assessment of the state of corruption around the world. Produced by Transparency International (TI), the global civil society organisation leading the fight against corruption, the GCR brings together leading experts and practitioners to analyse current issues, new challenges and solutions in the area of corruption.

In its thematic section the report presents an in-depth analysis of one key corruption issue. This year, the GCR turns its attention to corruption in the water sector. Previous editions analysed judicial corruption (2007) and the health sector (2006). In its country section the Report compiles country accounts of corruption trends and institutional reforms for more than 30 countries in all world regions. In its research section the report showcases the latest empirical insights and methodological advances in diagnosing and assessing corruption.

### ***2) What makes the GCR such an important publication?***

By bringing together more than 70 experts, practitioners and activists from around the world and combining in-depth topical analysis with country and research updates, the GCR offers the most comprehensive annual assessment of corruption mechanisms and solutions, as well as the dynamics of reform from global to local level.

All contributions are peer-reviewed, independently fact-checked and professionally edited in accordance with TI's commitment to advance the fight against corruption through rigorous, unbiased analysis and constructive engagement. This makes the GCR an annual reference document of unrivalled scope for policy-makers, researchers, civil society, the media and anyone else interested in corruption.

### ***3) Who produces the GCR?***

The GCR is produced annually by an editorial team working in the Policy and Research Department of TI's Secretariat in Berlin, supported by external editors, peer reviewers, fact-checkers, translators and an international editorial advisory panel of experts.

### ***4) How is the Country Reports section of the book developed?***

All TI national chapters are invited to submit a country report for publication in the GCR. Submissions are voluntary and the decision to participate is made independently by each chapter. The goal is for chapters to present an overview of the most important corruption-related developments and institutional changes of the year preceding publication of the report.

### ***5) How does the GCR relate to other research by Transparency International?***

TI is the leading independent producer of empirical research on corruption. It has assembled a comprehensive research portfolio that combines qualitative with quantitative approaches, macro-level indicators with in-depth diagnostics, expert analysis with experience and perceptions-based survey work. Taken together these research initiatives present a comprehensive empirical picture of the scale, spread and dynamics of corruption around the world and help to support and mobilise for evidence-based, effectively-tailored policy reform. More specifically, TI's portfolio of research products includes:

- the Corruption Perceptions Index (CPI) an annual meta-index that aggregates several major indicators of expert surveys on corruption and good governance for more than 175 countries
- the Global Corruption Barometer an annual representative survey of more than 60,000 households in over 60 countries on perception and experience of corruption
- the Bribe Payer's Index (BPI) The BPI is a ranking of 30 leading exporting countries according to the propensity of their firms to bribe abroad. It is based on a survey of business executives about the business practices of foreign firms in their country
- the National Integrity System studies, a series of in-country produced studies that provide an extensive diagnostic assessment of the strengths and weaknesses of the key institutions that enable good governance and national integrity in a country

The Global Corruption Report is the fifth integral pillar in this portfolio. It takes a thematic approach and explores corruption with regard to a specific sector or governance issues of particular topical relevance and timeliness. In its research section, the GCR showcases, along with other corruption-related articles, the most recently published empirical indicators from TI, including the CPI, the Barometer and the Bribe Payer's Index.

### ***6) Why does the GCR 2008 focus on corruption in the water sector?***

Corruption is rarely associated with the water sector yet it is a major factor in the global water crisis that poses one of the most significant threats to inclusive human development and environmental sustainability. It represents a first step by TI to draw public attention to this substantial and overlooked threat.

More than 1 billion people around the world do not have guaranteed access to water and more than 2.6 billion live without basic sanitation. As our global population grows and climate change

intensifies, local water scarcity will also escalate in many places, undermining global security, causing environmental degradation and exacting a human toll. Failure to tackle corruption in the water sector exacerbates these dire conditions and raises the social and economic costs of ensuring sustainable, safe access to water for all.

The GCR 2008 is the first publication of its kind to examine the link between corruption and the water sector in a comprehensive manner. It documents a wide range of corruption risks in different areas of the sector, from water resources management and water for sanitation to irrigation and hydropower. The GCR 2008 has benefited from financial support and expert input from the Water Integrity Network (see Question 7).

### ***7) What kinds of corruption occur in the water sector and what are the consequences?***

The GCR 2008 examines four key sub-sectors of the water sector, in which corruption risks are particularly high.

**Water Resources Management:** Corruption in water resources management occurs when a small but powerful elite exert undue influence on water policies to bias infrastructure build-out and water distribution in their favour. It affects the costs and quality of large scale water infrastructure projects. At least equally important, corruption is often found to critically undermine the sustainability of water resources when used to evade environmental regulations, leading to water pollution, overuse and intensified competition for water resources that can pose a threat to social cohesion, political stability and regional security.

**Drinking Water and Sanitation Services:** Corruption is found at every point along the water delivery chain, from deciding on network extension or the location of water collection points in rural areas to contracting for municipal water projects, connecting a household to a water network, or allowing citizens access to a community well or standpipe. Such corruption threatens the opportunities for millions of people to access safe water and basic sanitation, placing lives and livelihoods at risk.

**Irrigation and agriculture:** Irrigation systems that are difficult to monitor and rely on experts for their maintenance are particularly vulnerable to corruption, resulting in wasted funding and more costly and uncertain irrigation services, particularly for less influential small farmers. With 70 per cent of all human water use already dedicated to irrigation of agriculture and massive new irrigation investments under way to counter global food shortages, corruption in irrigation systems represents substantial losses and poses a significant obstacle to respond effectively to the world food crisis.

**Hydropower:** Corrupt activity is enabled by complex, expensive and customised engineering designs that accompany large-scale dam projects. This can result in inflated project costs and project designs that are ill-attuned to local needs and circumstances. Large resettlement funds and compensation programmes intended for those affected by dam projects have also proven very susceptible to corruption, adding further to the human costs and development challenges of dam projects.

### ***8) How does corruption in the water sector affect our chances of achieving the Millennium Development Goals?***

Corruption in the water sector severely undermines international efforts to fulfil the Millennium Development Goal (MDG) of reducing by half the number of people without access to safe drinking water and basic sanitation, and creates knock-on effects that frustrate attempts to meet

other MDGs. It is estimated that in developing countries corruption inflates by as much as 30 per cent the price of connecting a household to a water network. Such staggering increases mean that in order to achieve the water-related MDG by 2015, an additional US\$48 billion would need to be invested over the next decade to compensate for losses caused by corruption.

Failure to provide safe drinking water and basic sanitation makes it difficult to reduce child mortality and improve maternal health (Goals 4 and 5), forces girls and women in many places to collect water rather than attend school (undermining Goals 2 and 3), and makes the fights against extreme poverty and for environmental sustainability (Goals 1 and 7) even more challenging.

### ***9) Why is corruption particularly pervasive in the water sector?***

The very nature of water defies political and institutional boundaries; water governance is often shared between countries and between various institutions within nations, creating diffuse responsibilities and leaving the administration of water resources vulnerable to loopholes and co-ordination failures that can be exploited by corrupt activities.

Corruption risks in the sector are also high because large infrastructure projects for water provision are complex and difficult to standardise and monitor, creating particular challenges for integrity in procurement, tendering and oversight. The situation is exacerbated by the fact that water governance is still primarily considered as a technical undertaking and engineering challenge, while little attention is given to the social and political factors that influence decisions about water distribution and infrastructure development and maintenance.

Finally, informal providers supply water to the poor while operating outside the protection of a legal framework, leaving both parties susceptible to extortion or bribery. The poor, future generations and the natural environment are particularly affected by corruption in the water sector, yet they also have the least ability to affect change and demand accountability.

### ***10) Does corruption in the water sector only affect developing countries?***

No country is immune to corruption in the water sector. In industrialised countries cases have emerged in which water contracts have been awarded corruptly or human and financial resources in the water sector have been misused for political purposes by public office holders. Price fixing and bid-rigging have also been documented in water infrastructure projects in wealthy nations where corruption has abetted a flouting of environmental regulations with serious consequences for local water sustainability.

### ***11) What can be done to tackle corruption in the water sector?***

The GCR documents a large number of promising initiatives to roll back corruption in the water sector and offers a series of practical policy suggestions. Most reform efforts depend on two key principles: transparency and participation. Transparency at all stages of water governance, from policy design to project planning, from water pollution management to expenditure tracking and performance monitoring, is the basic condition to ensure accountability of all actors.

The drive towards increased transparency must be matched by more opportunities and support for citizens to participate in decision-making and monitoring. Greater transparency and participation, in combination with the strengthening of independent oversight offer the

additional checks and balances required to effectively hold public and private actors in the water sector to account and stamp-out corrupt practices.

***12) Who is working to stop corruption in the water sector?***

Transparency International is one of five founding members of the Water Integrity Network (WIN), a new and pivotal actor currently advancing the fight against corruption in the water sector. WIN is a global network of water experts, practitioners, academics and activists that aim to collectively fight corruption in the water sector in order to reduce poverty.

***13) What is the role of the engineers, the scientists and other water sector experts to help combat corruption in the water sector?***

The expert community has a pivotal role to play in raising awareness about corruption in the sector and to help develop effective reform strategies. Expert experience is an important factor and driver to advance research on particular corruption dynamics in the sector. Practitioner expertise is indispensable to developing anti-corruption strategies for the sector that are practical, feasible and tailored to local circumstances. Finally the expert and practitioner community can strengthen their own commitment to professional integrity through anti-corruption codes of conduct or engagement in initiatives, such as the Water Integrity Network, and they can encourage the related business community and public sector institutions to enter into similar agreements, strengthen their internal system for anti-corruption compliance and pledge explicit support for a corruption-free sector.

***14) What can I do to help tackle corruption in the water sector?***

TI and WIN welcome the collaboration of individuals, civil society, governments and business in the fight against corruption in the water sector. You can sign up for free membership to WIN, which will allow you to link into a community of individuals and organisations that are concerned about corruption in water. Members receive a regular newsletter and WIN also has a small grants programme to support water related anti-corruption activities undertaken by its members. Check the WIN website regularly to learn about upcoming workshops that you can attend and find out how you can participate at the local or regional level.

***15) Who can I contact for more information?***

- For media requests please contact: [press@transparency.org](mailto:press@transparency.org)
- For general information on the Global Corruption Report, please contact the editorial team at [gcr@transparency.org](mailto:gcr@transparency.org)
- For general information on corruption in the water sector please contact: [info@waterintegritynetwork.net](mailto:info@waterintegritynetwork.net)