

Integrity in water governance



Corruption squanders resources and impedes implementation of agreed policy goals for the common good. Combatting it requires structural approaches such as institutional reforms, not simply the removal of offenders. Building integrity as a core component of governance systems enables institutions to limit and prevent corruption and manage resources more effectively.

The water sector is prone to corruption | Most definitions of corruption relate to Transparency International's description of "the abuse of entrusted power for private gain." Typical examples of corruption in the water sector include:

- Collusion (kickbacks or bid-rigging) and extortion in procurement procedures;
- Collusion during the quality control of construction of water infrastructure works;
- Bribery related to the awarding of licenses for wastewater discharges;
- Central and/or local-level elite capture of water provision services and committees;
- Bribery of utility officials to evade water fee payments;
- Nepotism and kickbacks in the appointment and promotion to lucrative positions;
- Embezzlement of government and foreign aid funds and assets.
- In-kind exchange of favours, from providing access to jobs and reaching as far as sexual favours, 'sextortion'
- This results in reduced availability and accessibility of water and sanitation services and is closely linked to low efficiency among water utilities.

There are several reasons why the water sector is particularly prone to corruption risks, and why their impacts are particularly acute:

Large projects can mean big money. Water sector is financial capital intensive, involving large flows of public money and

projects are also complex and difficult to standardise, making procurement lucrative and manipulation difficult to detect.

It is easy in many places to pass the buck on responsible oversight. Water governance often spills over across multiple agencies leading to many loopholes to exploit. The causes of failures in project performance or service delivery are frequently portrayed as results of technical problems.

It is hard for the victims to take action. Informal providers play a key role in delivering water to the poor, and they are by usually unregulated actors. Corruption in the delivery of water services affects those with the weakest voice and limited ability to demand more accountability.

How prevalent is corruption? | Measuring corruption is a challenging task. Some of the most pernicious effects are the hardest to track. They relate to how hidden agendas divert decisions away from agreed or common objectives and frustrate efforts of building society; and generally lead to lower interpersonal trust and welfare.

One clear effect of corruption is that public money meant for beneficial use is lost. The level of corruption, or the funds that are embezzled is, for obvious reasons, difficult to estimate. Attempts to assess this have put forth ranges of potential losses reaching "30-40 percent in 'highly corrupt' countries" (Plummer,



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2012, Davis 2004, UNDP, 2013). This impacts the poor most, as funds usually flow towards the wealthy and influential as “rents from corruption usually ‘travel up’ in a corrupt system”.

Combating corruption with integrity | Systems characterized by integrity are the opposite of those with endemic corruption. SIWI defines water integrity as the adherence of actors and institutions to the principles of transparency, accountability, and participation in water governance, based on core values of honesty, equity and professionalism.

Promoting and enforcing water integrity is one of the most important means for reducing poverty and inequality. These efforts link primarily to Sustainable Development Goal (SDGs) 1, 6 and 16, directly supporting the achievement of the 2030 agenda,

- Goal 1. End poverty in all its forms everywhere
- Goal 6. Ensure availability and sustainable management of water and sanitation for all
- Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

TAP Principles | The TAP principles of Transparency, Accountability and Participation is the main approach of partners promoting and enforcing water integrity.

Transparency refers to openness of governance processes and free access to public information. Transparency is a prerequisite for improving accountability and lowering levels of corruption, but it is contingent on access to public information, and freedom of media to analyse it.

Accountability refers to a set of controls, counterweights and supervision modes that make officials and institutions in the public and private sector answerable for their actions. Referring to the enforcement of the ‘rule of law’, it sanctions against poor performance, illegal acts and abuses of power.

Participation refers to the possibility for citizens to provide informed, timely and meaningful input and influence decisions and processes in the political, economic and social sphere at various levels.

Catalysing collective change | Sustainable solutions to lower the frequency and severity of corrupt actions must focus on initiating changes to address the root causes of the problem. Corruption emerges from a combination of three factors: pressure, opportunity and rationalisation, shown in the ‘Fraud Triangle’ in Figure 1. Pressure typically relates to real or perceived needs for money. Opportunity relates to what the persons can gain and the likelihood of being caught. Opportunities for corruption increase with monopoly powers and discretion, and are reduced by accountability measures, transparency, citizen over-sights which expand the chances of offenders being caught and sanctioned. The third leg in the triangle, rationalization, relates to the capacity of the individual to justify corrupt behaviours to themselves. In systems with endemic corruption, pressures and opportunities to engage in corruption can be high, and staying honest can be costly.

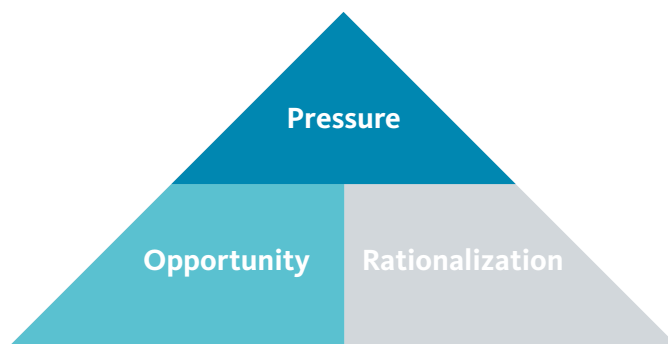


Figure 1: The Fraud Triangle (Source: ACFE)

Taking a collective action approach to reduce corruption accounts for the entire triangle. It entails generating interpersonal trust and trust in public institutions to operate with the public interest in mind. To build the required level of trust in individuals and institutions, the collective action model focuses efforts on institutional development towards the values of “impartiality” and “professionalism.” By doing so, it supports wider understanding of how to address the pressures that drive corruption and limit the opportunities for individuals to exploit and raise awareness on its negative impacts on society to make it more difficult for individuals to rationalize and justify corrupt actions they take.

In the water sector, this means achieving joining actions to ensure the full involvement of all relevant stakeholders in processes to build integrity. It also engages regulators as key actors for providing incentives and sanctions to limit corruption in the sector.

Transformation is possible | Twenty years of reform turned the Phnom Penh Water Supply Authority in Cambodia into a model of efficiency and integrity, forging constructive relations between staff and the public (Chan et al., 2012). This remarkable turn-around in a country with pervasive corruption is explained by exceptionally strong leadership, combining staff training and incentives with heavy penalties and fines for defrauders. A similar case in Africa is the transformation of the National Office for Water and Sanitation (ONEA) in Burkina Faso – “from insolvency to excellence” – where the company took control of its destiny, training staff and expanding services also to informal areas (Bertrand & Geli, 2015). This was a feat of political will, strategic planning and inspired management, also linked to the development and ‘clean’ procurement in relation to the construction of the Ziga dam (UNDP Water Governance Facility at SIWI, 2014).

Our response | The UNDP Water Governance Facility at SIWI (WGF) works in countries and regions around the world to enhance water governance and integrity. We work with diverse partners and programmes to:

- Stimulate public support for transparency and accountability in policies and actions affecting the water sector
- Promote knowledge, tools and approaches to support institutions to identify corruption risks and improve transparency and accountability in policies, programmes and operations
- Implement comprehensive water integrity capacity development programmes at all levels endeavoring a collective change
- Support development and implementation of integrity plans with institutions.

At regional level, in collaboration with SADC, Cap-Net, Water-Net and WIN, WGF organized the First African Water Integrity Summit, which enabled diverse stakeholders to share experiences on the implementation water integrity action plans. The Summit produced the 'Lusaka statement' which was recognized by the African Ministerial Council on Water (AMCOW). At the national level, a critical first step in this process is to build a common vision and agenda. WGF works in a number of countries to facilitate this through the establishment of national multi-stakeholder integrity coalitions, which would agree on the principles and priorities at national level. In many places we also provide support to the development and effective implementation of integrity management plans in different water resources management and service delivery institutions, which can help showcase examples of change that can be disseminated nationally and regionally. In the Middle East and North Africa (MENA), for example, WGF leads a regional capacity building programme on water governance and integrity in five countries. Implemented in collaboration with GWP-Med, IUCN and national partners in Palestine, Jordan, Lebanon, Morocco and Tunisia, the programme provides targeted support to multiple stakeholder groups to improve transparency and accountability practices in water management.

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To learn more about ongoing work in this field and access diverse knowledge and training materials, please visit <http://watergovernance.org/focus-area-post/integrity/>.



Photo: Pilar Avello

In El Salvador WGF supports the national water service provider, ANDA, to promote and institutionalize integrity into its organisational culture. During 2015/2016 ANDA is implementing an Integrity Pact on pipe replacement contracts and conducting a series of workshops aimed at improving integrity and overall management throughout the organization.

The UNDP Water Governance Facility at SIWI (WGF)

The UNDP Water Governance Facility at SIWI (WGF) is a collaboration between the United Nations Development Programme (UNDP) and the Stockholm International Water Institute (SIWI). The WGF provides strategic water governance support to low- and middle-income countries to advance socially equitable, environmentally sustainable and economically efficient management of water resources and water and sanitation

services. The ultimate aim is to improve lives and livelihoods and reduce poverty, inequalities and exclusion. The WGF forms part of the UNDP Water and Ocean Governance Programme (WOGP) and receives financial support from the Swedish International Development Cooperation Agency (Sida).

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