Anticorruption in the water sector

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Water: a basic need
Water: many threats
Anti-corruption?
Anti-corruption in the water sector

1. The negative effects of corruption in the water sector
2. Why is the water sector prone to corruption?
3. Types of corruption in the water sector
4. The institutionalized character of corruption
5. Three approaches to anti-corruption measures
6. Examples of anti-corruption measures
Corruption in the water sector

Corruption reduces the effectiveness of efforts to attain the Millennium Development Goals in drinking water and sanitation.
Corruption in the water sector

Poor water provision especially affects women and children
Corruption in the water sector

Corruption results in higher costs to society, more water contamination and less quality of services.
Corruption in the water sector affects the poor harder than the wealthier.
Water sub-sectors

Corruption can be found in all water subsectors:

- Drinking water and sanitation
- Irrigation
- Water resources management
- Dam construction / Hydropower
WHY IS THE WATER SECTOR PRONE TO CORRUPTION?

Construction

- Big projects with large funds and many stakeholders
- Lack of transparency
- Low levels of participation in design
- Political use of water projects

Operation of drinking water and irrigation systems

- Water is basic need and provision by monopoly
- Lack of users' participation and accountability
Grand corruption

• Collusion and bid rigging in tendering
• Policy capture by the elite
• Embezzlement of government assets and funds
• Bribery in international deals
• Nepotism
Petty corruption

Extortion of bribes for:

• water connections
• water use licenses
• “speed money”
• lower water tariff
Systemic and institutionalized nature of corruption in the water sector

Systemic and institutionalized nature of corruption in the water sector

- Informal rules have developed that reinforce corrupt practices through systemic biases
- Functionaries might bribe to raise money to pay for entry, job transfer, etc.
- The ‘internal logic’ of a corrupt organization goes beyond the individual moral standards
- This makes corruption very persistent
Anti corruption principles

• Accountability
• Transparency
• Integrity

Three approaches to anti-corruption measures

- Increased government oversight
- Privatization and initiatives of the private sector
- Increased voice of citizens
Government oversight

- Central audit agency (incl. prosecution and punishment)
- Anti-Corruption Agency (ACA)
- Independent water sector regulator
- Parliamentary committee (Peru, Lesotho)
- Whistleblower protection and corruption hotline (Uganda)
- Provide understandable information to citizens and press (Indonesia)
- Use simple low-cost technology and designs
- Ensure contracts are fulfilled and violators punished
Political will to curb corruption

Accompanied with:
- Concrete reforms
- Enforcement of sanctions
- Mobilization of a wide range of stakeholders

Anti-corruption requires allocation of public resources over a prolonged period
Privatization and private sector initiatives

Privatization of water utilities:
• Contracting construction and/or operation (India)
• Public-Private Partnerships (Peru)

Privatization can enhance the risk of corruption in tendering

Initiatives of private sector:
• Codes of ethic conduct of private companies (Colombia, Argentina)
Increased voice of water users

Democracy, rule of law and free press are essential

- Participation in decision making: elected representatives in boards of water utilities (Peru)
- Increased accountability (social auditing in Ecuador, trade unions in Peru)
- Use complaints to monitor public and private utilities (Citizen Report Cards in India, Ombudsman)
Increased voice of water users

- Citizen participation in environmental pollution mapping
- Participative municipality planning and budgeting (Bolivia and Uganda)
- Transfer of irrigation systems to water users’ associations (Philippines, Peru)
- Transparency in tendering (Pakistan, Mexico: integrity pacts with ‘society witnesses’)
By way of conclusion

Anti-corruption measures are more successful with active involvement of:
• Government organizations
• Private companies
• Civil society organizations
Organizations & sources of info.

- **Water Integrity Network (WIN).** Collaborating entities: Transparency International (TI), Water and Sanitation Program (WSP), IRC International Water and Sanitation Centre, Stockholm International Water Institute (SIWI)
- **U4 Anti-Corruption Resource Centre** (CMI, Bergen, Norway)
- Asian Development Bank
- WaterAid

Two key publications on corruption in the water sector:
- ‘Corruption in the Water Sector: Causes, Consequences and Potential Reform’ (Stålgren, 2006)
THANK YOU VERY MUCH FOR YOUR ATTENTION!
Questions for debate and analysis

Where do you see the highest corruption risks in the water sector in your country?
What examples of effective anti-corruption can you identify in the water sector?
Where do we find genuine participation of users in water provision agencies?
How could government agencies work together with Civil Society Organizations in the water sector?