SYNTHESIS REPORT: Anti-Corruption in the Water Sector

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Introduction

Water governance is of crucial importance in the Arab region. Water is a basic need and an important resource for economic development. However, water is relatively scarce in the Arab region: about 5% of the World’s population lives in the Arab region while it has less than 1% of the World’s fresh water resources (1).

There exist many threats to water sources and service provision. Population growth, unequal access, pollution, climate change, over-exploitation, and destruction of water resources are among the many challenges governments face in providing an equitable and sustainable water services. The statistical data on access to drinking water and sanitation show relative high percentages of coverage of services. However, these data do not always reflect the quality of the service.

Corruption in the water sector is a significant problem and reduces the effectiveness of efforts to attain the Millennium Development Goals (MDGs) in drinking water and sanitation. Poor water provision especially affects women and children from poor households.

High risks of corruption exist in contracting of megaprojects like large-scale irrigation systems, drinking water systems and hydropower dams. Petty corruption might occur on the local level. Corruption results in higher costs to society, more water contamination and less quality of services.

Increased government oversight

Effective government oversight is the principle measure to curb corruption. The effectiveness of monitoring and auditing by the central audit agency, the parliament, anti-corruption agency, the ombudsman and specific sector and local government organizations might be enhanced. Whistleblowers might be protected. An independent water sector regulator might monitor decentralized and/or privatized water service providers. Different tools exist to curb collusion and bid rigging in tender procedures. Within government organizations several measures can be implemented, such as: transparency and integrity in employee appointment and job promotion regulations; and training and promotion of ethics and integrity. Increasingly, monitoring systems include citizen information (Citizen Report Cards in India, hotlines, etc.) to monitor public and private utilities. Political will to curb corruption is very important but not sufficient. Political leaders with the will to end corruption should implement concrete reforms, enforce sanctions and mobilize a wide range of stakeholders. Furthermore, anti corruption requires allocation of public resources over a prolonged period of time.

Inclusive water governance

Corruption in the water sector is closely related to the wider issue of water governance. Water governance is a broad issue ranging from international treaties on cross-boundary river and aquifer management to operational rules for rural community drinking water systems. Water governance is about the equity in the distribution of the benefits and costs of water services, and the authority to take decisions on this distribution. At different levels of government, involving the beneficiaries and affected communities in the planning, budgeting, design, tendering, construction, inspection and auditing of water projects will increase the effectiveness of government spending and curb corruption. Participation of citizens in water quality monitoring and pollution mapping can also improve effectiveness of water source protection. This involvement is more effective when representatives of water users organizations can be elected to take seat on boards of for example watershed committees, drinking water and irrigation agencies, in comparison with situations where citizens are only informed and consulted on water issues.
Involvement of private sector

The involvement of the private sector companies differs widely among the Arab countries. For example in Tunisia water governance is largely public. In Morocco almost 40% of the urban population has drinking water and sanitation services provided by private companies. In Egypt waste water plants are being built by international companies. There are many forms of involvement of private companies. The most common is the provision of services (e.g., information technology) and construction of water infrastructure. Involvement of the private sector is not the same as “privatization” of the water service. However, the contracting of companies by government agencies (at any level) implies the risk of conflict of interest, collusion or bid rigging. Integrity pacts among all involved stakeholders can reduce these risks. Also the participation of social witnesses that are genuine representatives of the beneficiaries can curb the risk of corruption. Major private companies might try to influence national regulation.

Key elements from the discussion in the roundtable session of corruption in the water sector

- Water is scarce in the Arab region, which makes it necessary to implement concrete policies related to the human right to water. Most water (80%) of water is used in agriculture. The social benefit of water use should be looked at (e.g., irrigation water for golf courses).

- The development of an adequate water tariff system is important. In the Arab world anyone will get water free of charge at the source. However, the service of distribution of water from the source to the points of consumption has certain costs. Schemes with cross-subsidy and volumetric payment can be designed to provide water at relatively low costs to poorer households.

- Yemen has one of the lowest availability rates of fresh water resources per capita in the world. In an assessment of rural water projects a vast majority proved to be malfunctioning. In Yemen an Anti Corruption Action Plan (ACAP) was developed in the water sector as part of the US$1.5 billion 5-year National Water Sector Strategy and Investment Program (NWSSIP). The plan was developed from 2007. It is a sector wide approach (SWAp). The ACAP uses the three principles of good governance: Transparency, Accountability and Participation. Yemen has made process in the governance agenda: there is a new procurement law and regulation, an anti-corruption law (including the Supreme National Agency for the Control of Corruption - SNACC), development of a procurement database and staff training. Internal and external auditing have been strengthened, as well as the Central Organization for Control and Auditing (COCA). Among many activities training was given, the procurement procedure was enhanced, a code of conduct was established, and a hotline was put in place. (2)

- Roles need to be defined among all involved organizations. Anti-corruption bodies must be connected to the highest authority.

- It is important to have full disclosure of incoming and outgoing flows of funds of government agencies at national and local levels.

- Relatively large donor funds for reconstruction increase risks of corruption (e.g., Iraq). Also increased complexity of technology reduces transparency.

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1 Some points have been completed with data from secondary sources – those are indicated in the text.
- Information gathering, disclosure and dissemination are important to enhance transparency and integrity. Training programs of water users groups and also of newspaper and radio and television reporters are essential. Citizens can also participate in gathering and dissemination of information.

- The Ombudsman from Jordan that started in 2009 applies an innovative approach to enable all citizens to file complaints concerning public services. It was agreed with Jordan Post that complaints forms are available and can be sent from all post offices in the country. Most complaints filed relate to conflicts over labour contracts, but also complaints about water services can be filed.

Possibly ways forward for national anti-corruption plans in the water sector

a) A first mapping of general water governance problems and corruption risks can be done by means of a cross-sector dialogue between anti-corruption agencies and water sector bodies. Multi-stakeholder platforms can be organized in each country with on the one hand representatives of general anti-corruption agencies like: central audit office, anti-corruption agency, ombudsman’s office, members of parliament, etc., and on the other hand water sector functionaries of different levels (relevant ministries, regulator, managers of water utilities, and representatives of community system operators), also CSO and water users’ organizations might be invited.

b) After the first general mapping a more detailed corruption risk mapping can be done with use of the “Annotated Water Integrity Scans” manual of WIN and IRC to make a more detailed risk mapping of corruption in the water subsectors and areas identified by the multi-stakeholder platforms in each country. (the manual can be downloaded from: www.waterintegritynetwork.net)

c) After the detailed risk mapping a water governance and integrity plan can be developed by the stakeholders. A training program might form part of the plan. (the Water Integrity Training Manual can be downloaded from: www.siwi.org)

d) More structural reforms in the water sector might be proposed to national legislators in a later phase.

Important organizations:

- Pogar / UNDP programme
- The Arab Anti-Corruption & Integrity Network
- Water Integrity Network / Transparency International

Reference and further reading:

1. CEDARE (Centre for Environment and Development for the Arab Region and Europe, 2006, Water conflict and conflict management mechanisms in the Middle East and North Africa Region