IWRM TOOL - B1.05

Water Integrity and Anti-corruption

Summary

Water integrity is the use of vested powers and resources honestly and accountably for sustainable and just water resources management and water and sanitation services. Building the TAP-A Integrity Wall (transparency, accountability, participation and anti-corruption) is a commonly used approach towards enhancing integrity in the water sector. This tool provides principles, guiding frameworks, and methods that can be used to evaluate the integrity situation, take preventive and effective measures to strengthen integrity, and reduce the risks of corrupt practices.

What is Water Integrity and Corruption?

Water integrity includes, but extends beyond, control of corruption – i.e., the misuse of entrusted power for private gain (Transparency International, 2022). Water integrity is the use of vested powers and resources honestly and accountably for sustainable and just water resources management and water and sanitation services. Water integrity requires that, in addition to addressing corruption, actors in the sector adhere to the principles of transparency, accountability and participation in order to achieve equitable, pro-poor, and inclusive decision-making. It is necessary, but not sufficient, to eliminate fraud and corruption in water resources management. All actors in the sector must act in a way that protects the rights of the most vulnerable, marginalised or otherwise discriminated to water for domestic and productive use, and to decent sanitation and hygiene services, regardless of who they are and where they live.

The Water Integrity Network (WIN) estimates that at least 10% of water sector investments

are lost to corruption, representing approximately US$75 billion annually that is being siphoned off from water projects and programmes (WIN 2016). Beyond the economic loss, poor integrity tarnishes the reputation and creditworthiness of water sector organisations. As such, organisations operating in the water sector have cost-saving and reputation incentives to fight corruption and build water integrity. By implementing the integrity practices, water institutions could save money which could then be invested in achieving more customer satisfaction by scaling up the reach and quality of water supply services (Tools B2). Strengthening water integrity thus is a win-win situation insofar reducing corruption can help governments and water-related organisations not only save money but also ultimately build efficiency in managing water resources (Tools C6).

Principles for Building Water Integrity: TAP-A Integrity Wall

Building water integrity requires taking a preventive and multi-pronged approach. Investigations and sanctioning are reactive mechanisms that are part of the solution for fighting corruption (Tools B1.01). That said, investigations and sanctions should only be considered the last steps in the fight against corruption, and they come at a price, as they can further tarnish the reputation of any organisation. Moreover, the multi-level and decentralised nature of the water sector means that building water integrity should be mainstreamed across the water governance system. As such, the TAP-A principles (transparency, accountability, participation and anti-corruption) must be embedded not only in Policies (Tools A1) and Legal Frameworks (Tools A2) but also as part of Institutional Arrangements (Tools B), Investment Principles (Tools D1), and Financing Mechanisms (Tools D2).

The TAP-A Integrity Wall is a framework that can help enhance integrity in the water sector (Fig. 1). Enhancing transparency refers to disclosing information from all water management organisations which is then the basis for holding the involved parties accountable. Monitoring the performance of the institutions involved in the water sector, in addition to, revealing and identifying corruption actors are ways to increase accountability. Enlarging and intensifying stakeholder participation enriches the understanding and knowledge of involved stakeholders, two important contributing factors to building institutional trust. Strengthening oversight and law enforcement as well as speaking out about corruption and protecting whistle-blowers helps to fight corruption. The integrity wall based on TAP-A mechanism ensures integrity and reduce corruption at different levels.

TRANSPARECNY	ACCOUNTABILITY	PARTICIPATION	ANTI-CORRUPTION
Means ensuring that people know their rights can see how decision are taken, and how money is spent.	Means making sure decision-makers take responsability and achieve fair, efficient and sustainable results.	Means consulting all relevant people when making decision that affect them.	Means making rules stronger and enforcing them properly.
Increase transparency by assessing extent of corruption making information available and clarifying the decision-making process.	Increase accountability by monitoring performance more clearly and clarifying lines of responsability.	Increase participation by building understanding and ensuring places at the table for different stakeholders.	Fight corruption by speaking out, protecting whistle-blowers, and strengthening oversight and law enforcement.

For example:

- Strengthen 'right to information' laws and processes
- Research extent of corruption and economic damage
- Publish budget plans contracting documents in accessible formats
- Develop advocacy and encourage media reporting
- Clarify and communicate rights and obligations of actors and institutions

For example:

- Clarify lines of responsability in governance and funding systems
- Strengthen sector monitoring and reporting on human rights and SGD targets
- Audit finances and make results public
- Support citizen monitoring of budgets procurements and projects
- Build stakeholders feedback and review mechanism

For example:

- Include water user associations in decision-making
- Build capacities for stakeholder involvement
- Promote social inclusion and address gender disparities
- Balance stakeholders interests in policy making and legislation
- Ensure places at table for civil society private sector and excluded groups

For example:

- Enforce zero tolerance for corruption nobody above the law
- Build links and joint action with anticorruption bodies
- Encourage and protect whistle-blowers
- Implement and enforce rules on conflicts of interest, confusion, and favoritism
- Strengthen role of regulators and law enforcement systems

Figure 1. Pillars of Integrity Wall (Adapted from <u>Water Integrity Global Outlook, 2016</u>).

Selected Tools and References for Water Integrity

The WIN, a network of organisations and individuals promoting water integrity to reduce corruption, provides a set of Assessment and <u>Action Tools</u> that can be tailored to different management models and processes and can easily be adapted to different countries and contexts.

1. The <u>Annotated Water Integrity Scan (AWIS)</u> is an important assessment tool that is designed to evaluate the integrity situation in the water sector of an institution. The AWIS is conducted through a one-day multi-stakeholder workshop which focuses on the pillars of the integrity assessing for five major risk areas: policy and legislation, regulation, investment projects and programmers, service provisions and anti-corruption framework. The scores for each risk area are complemented and annotations provides a basis for prioritization of water integrity.
2. WIN has additionally developed an <u>Integrity Management Toolbox</u> for Water Sector Organisation. This tool aims to improve the internal systematic management processes as well as to reduce the reputational and legal risk related to integrity issues for public and private utilities. It includes a three-step method during which concerned stakeholders assess integrity risk and develop a roadmap to mitigate them under the guidance of a professional facilitator. First step is the preparation phase where management sets overall objectives, defines priorities, and allocates resources. In the second step, a one to three-day long participatory workshop is conducted to assess the concrete integrity risks of an organisation and suggests relevant mitigation options. The last step is the implementation phase where the agreed road map of the

integrity tools is implemented and monitored frequently.

3. The <u>Integrity Management Toolbox for Small Water Supply Systems</u> enables people to operate small and community-managed water supply system better as well as ensure compliance to the national and local laws, rules and standard. It is a long-term process including three major steps i.e., preparation phase where the stakeholders of a community groups come together to familiarize themselves with the context. Integrity workshop, second step- where they identify integrity issues and prepare the action plan. At last, implementation phase where the facilitator monitors and evaluates the proper implementation of action plans in the field.

4. <u>The Water and Sanitation Sector Integrity Risk Index (WIRI)</u> is a composite index, which is constructed by applying big data analytics to administrative data and survey datasets to enhance understanding of local governments and sectoral decision-makers on corruption risks. WIRI offers insight across the three main integrity hotspots in the water and sanitation sectors: public investment projects, recurrent spending supporting ongoing operations and client-service provider interactions. WIRI provides a comparison on corruption risks in terms of both spatial and temporal variation, helping to track progress, monitor and support CSO and stakeholders to advocate for better services.

Thematic Tagging
Water services

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