Exploring the integrity challenge in the water sector

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Abstract

Curbing corruption can make an important contribution to improving both the performance of existing water supply systems and the development of new systems. The Water Integrity Network has developed the Annotated Water Integrity Scan (AWIS) as a tool to help reduce corruption in the sector. The AWIS is a tool that can be used to quickly assess the situation (integrity in the water sector) and identify practical steps for improvement. This is one of a suite of tools WIN is developing to support coalition building and action programming that promotes good integrity practices to reduce or prevent corruption in the water sector. The scan explores integrity of the water sector defined as practices impeding corruption and promoting respect for the rule of law. Rather than measuring direct indicators of corruption it looks at the checks and balances that are in place to reduce risks and opportunities for corruption. The scan looks at three dimensions of integrity, transparency, accountability and participation and makes an assessment of anti-corruption practice. The first experiences of using the AWIS tool in Ghana, Honduras, Mali, Benin, Burkina Faso and South Asia are promising. Tests of the tool and the associated workshop methodology in various settings have looked at urban and rural water supply as well as irrigation and show that the tool is useful in assessing the situation, but also to establish dialogues. It has to be further established how far AWIS can be adapted to other sub-sectors such as urban wastewater management, hydro power, multi-purpose dams, and environmental sanitation

1 INTRODUCTION

Corruption is at the core of the governance crisis in the water sector. The scope of corruption varies substantially across the sector and between different countries and governance systems. Plummer (in TI, 2008) indicates that the financial cost of corruption is difficult to estimate, but in a best case scenario 10% of resources may by syphoned off whereas in a worst case scenario this may be 30%. This includes a wide variety of practices from petty to grand corruption. Petty corruption is the everyday corruption that directly affects households and particularly the poor and vulnerable groups. Grand or political corruption is at the other end of the scale and involves senior officials, ministers and heads of state diverting large sums of public money which may considerably affect the economy of countries. The Global Corruption Report (Transparency International, 2008) argues that the crisis of water is a failure of governance with corruption as one root cause. Given its secretive nature, it is obviously difficult to identify exactly how big an issue there might be in a given place.

Important efforts are underway to raise awareness of and fight corruption in the water sector as it is a driving force to instability, failed institutions and poverty. Such efforts are essential, as stated by Jon Lane[1] of the WSSCC in 2009, to move towards a world where human need and not human greed directs decisions. In response to a growing concern among sector professionals and organizations, the Water Integrity Network (WIN) was formed in 2006 as a coalition of partner organizations and individuals to stimulate anti-corruption activities in the water sector locally, nationally and globally. This includes the development of tools to create dialogue on preventing corruption and to provide entry points for action to increase integrity in the water sector and for monitoring relevant aspects of sector performance.

The tool presented in this paper is not exploring corruption itself, but explores the integrity of the systems that are in place. It provides an insight into strengths and weaknesses in the institutional setting that influence the risk of corruption. For example a country usually has a system of water licensing. A water licence provides an authority for using and or polluting surface water or ground water. Use may be consumptive (where water is not returned to the source e.g. irrigation) or non-consumptive (hydropower, cooling). By exploring the process potential risks for corruption can be identified (Table 1).

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[1] Interview with John Lane published on http://www.waterintegritynetwork.net/page/3233

Risk Area	Explanation of risk
Licence application process	Potential to influencing the awarding process
The content of the licence	Possibility to influence amount of water, timing, kind and amount of pollutant, safety margins etc
Bidding and trading procedures	Opportunities to influence the bidding mechanism and to corner the market
Enforcement of licence	Possibilities to avoid consequences of infringements (poor control measurement, paying bribes etc.)

Table 1   Risk areas for potential corruption in water licensing
Source: Warner et al. (2009)

The annotated water integrity scan (AWIS) presented in this paper is based on the same concept of analysis. It was developed to explore integrity in IWRM, rural and urban water supply, irrigation and hydro-power. The tool is low-cost and flexible. It can be applied over one day or less and is motivational, stimulating dialogue among a small group of eight to ten participants. It provides a quick overview of the integrity of the sector, thus providing a basis to identify areas for priority action which can be discussed by a larger group of sector professionals. It is also envisaged that it can help to monitor and document progress by repeating the AWIS every one or two years.

2   THE ANNOTATED WATER INTEGRITY SCAN

Despite the secretive nature of corruption, sector professionals, government officials and civil society organizations have considerable knowledge that can be used to obtain a good impression of the situation. However, instead of looking at corruption itself, which is more difficult involves certain risks, the annotated water integrity scan (AWIS)[2] was developed to look at the checks and balances that are in place in the different water sub-sectors.

The scan is developed for use in a group session with participants from different organizations involved in the sector including government, private sector and civil society. It aims at the collective construction of an overview of the integrity of the sector.

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[2] The AWIS was developed for WIN by Jan Teun Visscher, with support from John Butterworth both from IRC. It was reviewed by Teun Bastemeijer, Jenni Laxén, Erik Nielsen, Alexandra Malmqvist and Mael Castellan of WIN, Ania Grobicky of the GWP and Håkan Tropp of SIWI/WGF. It is partly based on experience of the TISDA project from TI in which Francesc Bellaubi played a key role. It was adjusted after a test workshop in Ghana organized by GII and WIN and in a workshop in Honduras organized by RAS-HON. Thereafter it was used in different ways by Teun Bastemeijer in Benin, Burkina Faso, Mali and South Asia resulting in new insights in the potential of the tool.

An important intention is to stimulate dialogue among these different actors and therefore an innovative approach is used that combined anonymous individual scoring with a description of the situation that allows for the accommodation of different experience and perceptions.

The scan looks at four main aspects of each of the water sub-sectors:

- Policy and legislation
- Regulation
- Investment in service development (sector investment)
- Service provision

The scan uses an action oriented and simplified definition of integrity being practices impeding corruption and promoting respect for the rule of law. It looks at the risks that could lead to corruption and thus in a sense also measures institutional weaknesses. The approach is based on the thinking behind the principal-agent model of Huppert (2002). This model explores the integrity of transactions between different actors in terms of services that are being provided and returns that are being received. In the AWIS we look at a more general level to three main dimensions of integrity which are defined as follows:

- **Transparency** (T) particularly relating to the existence of written rules, regulations, agreements (contracts) and procedures that govern the relationships between the main actors as these determine their basic rights and obligations
- **Accountability** (A) relating to the way in which the written procedures and agreements are being applied, where feasible also looking at possible compliance. This assumes that if procedures and agreements are clear then actors involved can hold each other accountable. So accountability is scored high when actors check each other directly or through a third party against the rules of engagement.
- **Participation** (P) of the public, the users or their representatives relating to their access to information, their role in decision making and their right and possibilities to effectively file complaints and be heard.

In addition the scan looks at:

- **Anti-corruption measures** being the specific measures organizations and governments take internally and externally to reduce the risk of corruption, where feasible also looking at application of sanctions. This includes a general analysis of the situation in the country as many anti-corruption measures relate to the public sector as a whole, but also a specific review per sub-sector where specific measures such as integrity pacts may be applied.

For each of these dimensions three reference levels (1, 2, 3) have been established which work as a scoring ladder. The lower the score the more needs to be undertaken to improve integrity. To allow for sufficient nuance to portray the situation participants are also allowed to give an interim score of 1.5 or 2.5.

The scores in fact represent a scale from 0 to 100% (See table 2). Scoring is done anonymously by participants and thereafter results are collected and processed by the facilitators. The combined results (mean scores) are shown for the dimensions of each aspect. Then participants are asked to provide an annotation for each indicator for the reference levels above and below each score. If for example the mean is 1.4, participants first will need to collectively provide arguments for reference level 1 and thereafter for reference level 2. This approach leaves room for different opinions and views as participants do not have to indicate their own thoughts, but can "play devil's advocate" without disclosing their own stand. Also participants do not need to agree on a final score which could easily lead to creating a yes/no debate in which participants 'fight' to get their view adopted (see for example Tables 4 and 6). So this approach allows for an open exchange of information. If in the course of the meeting it becomes clear that several participants in fact were not very well informed an anonymous re-scoring could be done for part or all of dimensions.

Score level	1	1.5	2	2.5	3
Related %	<20%	20-40%	40 - 60%	60 – 80%	> 80%

Table 2   Options available to score the AWIS levels

Prior to the implementation of the AWIS a brief overview of some of the key sector issues is being established (Table 3). The example shows that annual investments in water supply but also in irrigation and hydropower are considerable making it relevant to do the scan for all these sub-sectors.

Population (urban/rural)	7.8 million; (Urban 46% Rural 54%)
Surface area	112 492 km2
GDP (PPP) 2008	USD 4200 (2009) (country ranking: 151)
Water availability (m3/person/year)	14 949 m3/capita (2002)
Water distribution (WS, industry, agriculture)	WS 10%; Industry 10%; Agriculture 80% (2000)
Water supply coverage (total/urban/rural)	Gen. 87%, urban 95%, rural 81%
Sanitation coverage (total/urban/rural)	Gen. 69%, urban 87%, rural 54%
Projected annual investment WS	> USD 40 million/yr
Irrigated area of land	73 000 ha (some14.4% of potential area)
Projected annual investment in irrigation	> USD 125 million/yr (25-year projection).
Electricity production from dams	502 MW (MegaWatt) (2010)
Projected investment hydraulic projects	> USD 120 million/ yr for five years
CPI rating (+ ranking) 2009	2.5 (ranking 130 out of 180 countries)
HDI rating (+ ranking) 2009	Index: 0.732 (ranking 112 out of 180 countries)

Table 3   Example of summary country information: Honduras

3 THE ORGANIZATION OF THE SCAN

The overall approach to implement the AWIS consists of the following steps:

- Establishment of a small core team to guide the development of the AWIS for the country concerned including two facilitators.
- Collection the key country data (Table 3) and identification of key sector specialists and informed individuals for the various sectors including representation of government, private sector and civil society.
- Invitation of participants for a one-day workshop, some eight to ten participants per sub-sector and preferably not dealing with more than two subsectors at the time. It is important to restrict the number of participants to facilitate the dialogue, but also to make sure that a broad range of insights (organizations) are represented including where possible and opportune the local chapter of Transparency International or other CSOs. After the general introduction you can split in sub-groups one per sub-sector. If you just deal with one sub-sector you will need only one facilitator.
- Presentation of the AWIS methodology including an example of the annotation process to ensure that participants grasp the intention of annotation of the two levels (the one above and the one below the average score). Clarify that it is not an issue of debate about an agreed score. So if the average is for example 1.4 the group first has to provide arguments why the score could be closer to 1 and then arguments why it could be closer to 2.
- Participants fill in all the scores and facilitators and rapporteurs process them immediately to provide the average scores as an input for the continuation of the workshop.
- Facilitation of the annotation process by participants. Initially this may be a bit difficult as participants may tend to defend one level. So here the facilitator may need to stress again that nobody has to take a position. First one level will be defended collectively and then the other level. If in the discussion it is becoming apparent that several participants were less well informed, it might be considered to repeat the anonymous scoring process at the end.
- Establishing a discussion among participants encouraging them to review the overall picture and come up with some suggestions for action primarily focusing on priority areas
- Preparing a draft summary report with the ranking and the annotations by the team and sharing this first for comments with participants.
- Considering the organization of a larger follow-up workshop with sector leaders to share the results and discuss and agree upon possible priority action
- Publishing the completed report with the main comments that were received and potential actions points that were identified.

4   EXPERIENCE WITH AWIS

The first applications of the AWIS showed that it is a tool that encourages dialogue among participants and avoids that they need to defend a specific stand Experience shows that the AWIS and the facilitated dialogue indeed allows for a quick assessment of the situation. It also provides a very good basis for a presentation of the situation to a wider sector group and to jointly identify priority actions to improve upon the situation.

The AWIS has been applied in Ghana and Honduras following a similar approach by involving a small group in a one day meeting to first establish the scores and then provide the annotations.

Table 4 gives an example of the first model of the scan that was applied in Ghana. Also several of the wordings in the scoring options were adjusted as a result of the feedback from participants and the scoring levels were changed from 0 to 2 into 1 to 3 whilst also including the possibility of interim scores of 1.5 and 2.5. Changes in wording were needed to increase precision. Table 5 provides an example of some of the changes.

	RWS7 service delivery		
Item	Scoring options	Score	Annotation
T	0 = No rules for procurement, audits and tariffs		• *Could not be supported*
	1 = Unclear or limited rules in places	1.3	• There are comprehensive rules in place, but they are not always clear and adhered to. • CWSA is making and checking the rules whilst also playing a role in supporting service delivery
	2 = Comprehensive rules in place		• There are comprehensive rules in place, including Municipal Investment Plans.
A	0 = Rules for procurement, distribution and or audits not applied		
	1 = Rules and audits partly applied (unfair sharing)	1.2	• There is non-conformance and non-compliance by groups such as NGOs and the private sector. • Unfair share and inequitable services.
	2 = Rules and audits are fully and honestly applied		• *Could not be supported*
AC	0 = No code of conduct in place for actors		• There is no specific Code of Conduct
	1 = Code of conduct or whistle blower	0.9	• There is no specific Code of Conduct, but a generic Code of Conduct. This is the same as for WS

	protection in place		investment, regulation, and policy and legislation.
	2 = Code of conduct and whistle blower protection fully applied		• *Could not be supported*
P	0 = user groups are generally not consulted by management		• *Could not be supported*
	1 = user groups are consulted or have complaint mechanism	1.4	• The physically-challenged are not participating. • Complaints are not adopted, designs are not changed. • Complains can arrive, but there is no money to improve the service.
	2 = All user groups are consulted (taking gender and pro-poor aspects into account) and have complaint mechanism		• There is a wide consultation process, at various levels or promotion, planning and implementation. • There is CONIWAS, an annual forum for feedback to the CWSA. There are also other platform, such as the Donor Coordination Platform, and the Learning Alliance.

Table 4   Example of the results for rural water supply (RWS) in Ghana

Item	Initial scoring options (Ghana)	Revised scoring option (Honduras)
T	0 = No rules for procurement, audits and tariffs	1 = Few / unclear rules for procurement, and financial and technical audits and service delivery (quality)
	1 = Unclear or limited rules in places	2 = Several rules exist but all may not be fully clear or easily accessible
	2 = Comprehensive rules in place	3 = Comprehensive rules in place that can be easily accessed
P	0 = user groups are generally not consulted by management	1 = user groups generally have very little access to information
	1 = user groups are consulted or have complaint mechanism	2 = Users groups have access to information, are informed and can express their views / complain
	2 = All user groups are consulted (taking gender and pro-poor aspects into account) and have complaint mechanism	3 = user groups are actively informed, can file complaints and are consulted (gender and pro-poor), and/or represented in decision making bodies

Table 5   Example of adjustments in scoring level descriptions

Table 6 gives an example of the results for urban water policies in Honduras, where the new scoring levels were used.

|	UWS1: policy and legislation (P&L)		
Item	Scoring options	Score	Annotation
T	1 = P&L very limited and not clear		• There is no water supply and sanitation policy • Some laws exist but are confusing and can be interpreted as convenient
	2 = P&L partly developed but with gaps	1.9	• Development partners have policies • A sector law exists that establishes the organizational setting and regulates service provision but this requires improvements. • A general water law exist (water resources)
	3 = P&L well established (pro-poor and gender sensitive)		
A	1 = P&L hardly or not at all applied with few institutions fulfilling their role		• Weak institutions • There are no clear institutional arrangements • Laws are only partially applied
	2 = P&L applied to a fair extent, but still with limitations and (part of the) institutions being weak	1.7	• The regulator exists but has limited resources • Water quality control is partly applied
	3 = P&L applied to a large extent and institutional roles are quite well established and implemented		
P	1 = Stakeholders have very little access to information on P&L		• The sector law was made in congress, but with very little consultation; many organizations do not agree for example to the transfer of water supply systems • The law is not shared
	2 = Stakeholders have access to information, are informed and can express their views / complain	1.5	• The law favours municipalities and allows for more public participation • Some consultation with the public were carried out but results have not been incorporated in the law • Civil society participation is promoted but it is only applied to a very limited extent

3 = Stakeholders are actively consulted (pro-poor and gender sensitive) and/or represented in decision making bodies		

Table 6   Example of the results for urban water supply (UWS) in Honduras

Results in Honduras on average showed low levels for all indicators. Transparency for rural and urban water supply came out best with level 2 (50% and a standard deviation (SD) of 15%) possibly due to support from development partners, but still considerable effort is needed. Accountability is at an average of 1.8 (40%, SD 15%), and the weakest is participation with an average of 1.6 (30%, SD 6%)). The variation in the answers of the participants (standard deviation) shows that differences in perceptions clearly exist partly because of lack of information. The advantage of AWIS is that these differences can be reflected in the annotations without the need for agreeing on a final score. The overall scores for anti-corruption legislation are also quite low, with 1.9 (45%) for transparency, 1.8 (40%) for accountability and 1.6 (30%) for participation.

In view of the small number of people involved and the fact that different groups do the AWIS in different countries a direct comparison is not feasible. Still looking at the results from Ghana and Honduras it is interesting to see that in both countries the level of transparency scores highest, accountability comes second and participation scores lowest for all four aspects. This may be the result of the strong support of development partners over recent years to help establish legal and regulatory frameworks. Whereas this seems to have resulted in better rules of engagement in general (better T scores), these have not been accompanied in these countries by sufficiently strong development of independent institutional settings (hence lower A scores), or by a strong civil society (hence lower P scores).

The tool was also used in a five hour session in Benin with 11 participants from different organizations. Participants were familiarized with the methodology and the concept of integrity and did the scoring. Here it was contemplated that each participant would give an annotation in writing but this was abolished based on the argument that this would not be anonymous as handwriting might link the annotation to a specific participant. The scoring was done individually and then results were presented in graphical form (see Figure 1).
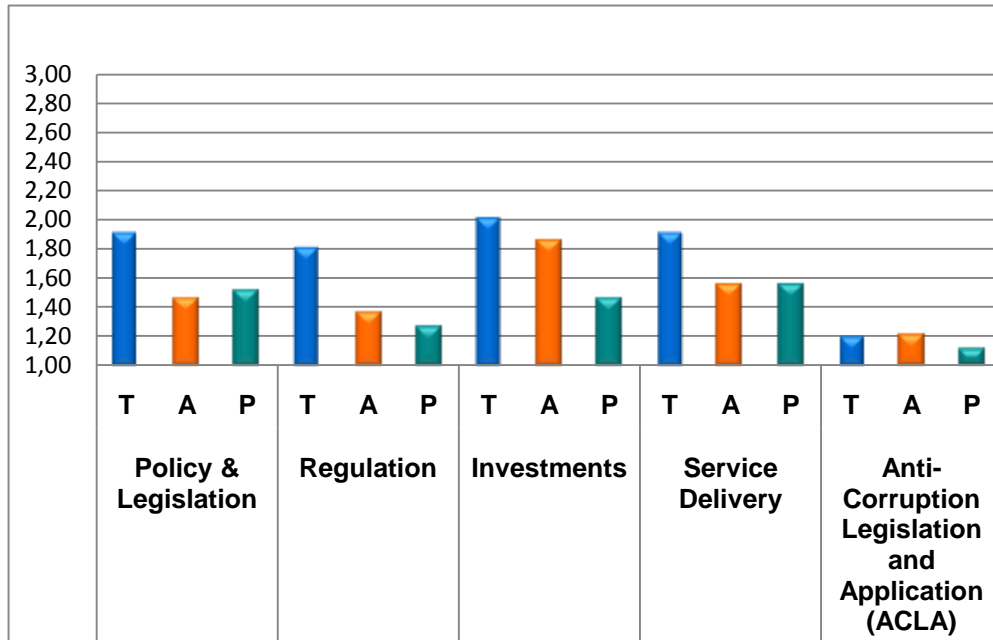
Figure 1   **Overview of results of the AWIS for rural water supply in Benin[3]**

Thereafter, results were discussed and participants agreed that the results gave a reasonable overview of the situation. Participants were very positive about the practical approach and felt that it would be useful to implement it with a more diverse group and share results more widely. A next step could be to establish the annotations for the reference levels in Benin to enable a more in-depth analysis.

The fourth application of the AWIS was in Sri Lanka during a working meeting of South Asia National Water Partnerships. During this session the tool was tested by two parallel groups on two separate sub-sectors, one of which was irrigation (Figure 2). The exercise was a virtual one (i.e. for an imaginary country) because participants came from different countries in South Asia and were asked to score on the basis of their own experience. One finding was that although differences were observed between participants (countries) the overall tendency was to score most levels under 2 (50%). The highest score is in transparency of investments 2.3 (65%) but even in that area improvement is needed. As in Benin, the scan was carried out without discussing individual annotations. Participants agreed that results and the discussion were very enlightening. They considered the tool useful and simple to apply to obtain a very quick overview of the situation.

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[3] The AWIS in Benin was an adapted version of the initial AWIS and includes Anti Corruption as a separate dimension. In the graph also IWRM is included as a separate dimension
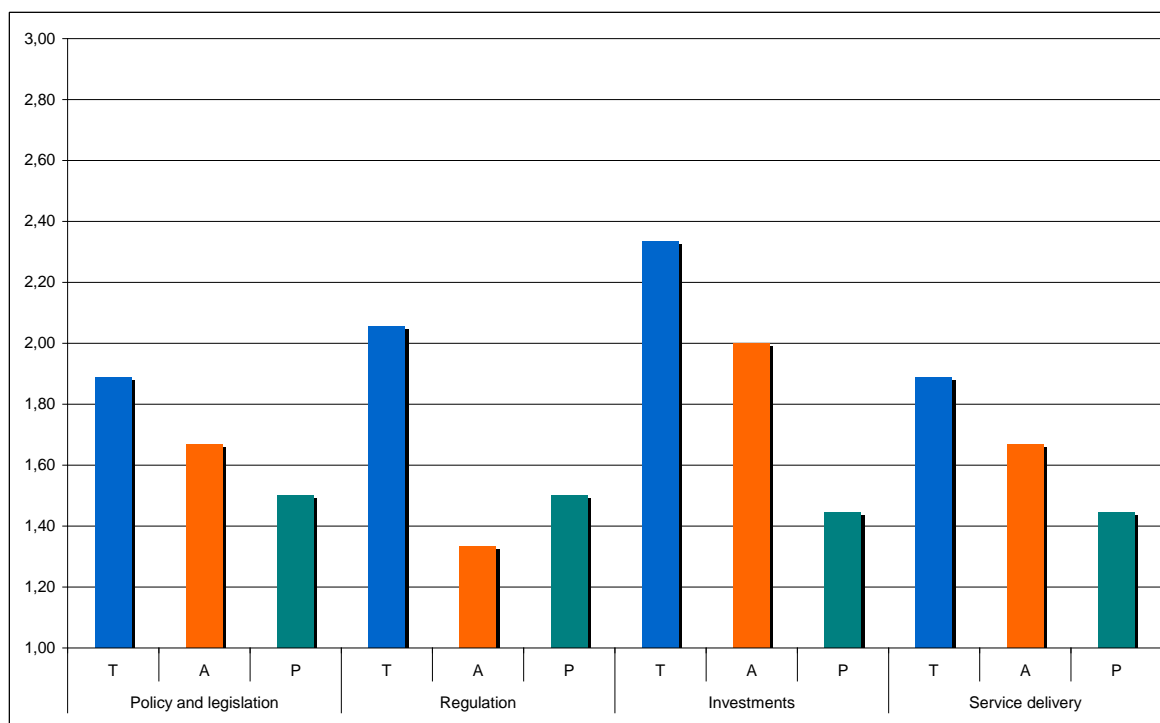
Figure 2   AWIS for irrigation (regional participants in meeting in Sri Lanka)

5   REFLECTION AND FOLLOW-UP

The AWIS is still being tested, but it already provides a tool that can be implemented quickly with limited resources. Its use helps to establish a focused discussion among sector professionals which can then be shared with a larger group. It establishes a baseline for the integrity situation which can be used to identify areas for priority action, and if it were repeated it could be used to assess progress.

In general the groups in the different countries considered the methodology interesting and a good way to talk about integrity, as it provides an insight into weaknesses in the institutional setting that influence the risk of corruption. This can be more productive and is certainly less conflictive that trying to look directly at corruption itself. In all countries standard deviations were considerable among the different scores of participants. This shows that different interpretations of the situation exists which stresses the need for dialogue to jointly create a good insight in the situation. This also underlines the advantage of the AWIS that anonymous scoring is combined with annotations where this type of differences can be reflected, as always annotations have to be provided for two levels.

In Ghana and Honduras it was felt by the participants that the emphasis on jointly trying to provide annotations for the different levels of the scores in a dialogue approach was quite

different from normal workshop discussions, and requires good facilitation. In particular, it is very important to emphasize that it is not necessary to reach an agreed score but to provide good arguments (annotations) for the reference levels immediately above and below the average score.

This approach to the development of annotations requires some time to adopt, however, as it is very easy to move into the more common "yes but" approach of opposing views. Also it does not always feel good for participants to defend a "low score". People often want to be positive rather than overly negative. The argument given as an example was that "*while the score may be low today, we know that we are in a process that will lead to a higher score in the future; but we are not there yet. Still, we do not want to end up so low on the scoring"*. This point makes it even more important to have a mixed group with representatives from different constituencies and to give a very clear explanation in the beginning where it is stressed that being critical is crucial to ensure that proper action can be identified to improve the situation.

After the first test in Ghana the formulation of some of the indicators were improved. Further fine-tuning would be useful however as some participants indicated that they took time to understand the definitions that were used for transparency and accountability. these are not universal and therefore may be interpreted differently. Several participants felt that the issue of public access to information is normally included in both transparency and accountability. In the later version of AWIS this has been made clearer, but additional testing will still be essential.

In Benin (one session on rural water supply), Burkina Faso (one session on rural water supply and one on urban water supply with the national water and sanitation utility ONEA) and Mali (one session on rural water supply) the AWIS tool was used in shorter session which did not include the procedure for annotation presented in the methodology. In Mali, with a larger group from civil society, some participants felt they had not fully understood the indicators and as a consequence results seemed not to reflect the situation properly, so scoring was repeated. The end results of the scans according to participants were sufficiently precise to use them for example to identify the most important gaps and to advocate for priority actions to improve the water integrity situation. In Benin, the AWIS tool is expected to be used sector wide in a larger national event on water integrity and good governance. The AWIS session resulted in the proposal to formally establish a multi stakeholder platform through an inter-ministerial decree. This decree is being drafted in consultation with Development Partners. Other ideas for follow-up were suggested in Burkina Faso using the tool for cooperation on performance benchmarking between African utilities and the Water Operator Partnerships. Another suggestion was to improve and better specify the indicators for investment projects of water utilities. In South Asia it is expected that the National Water Partnership in Bhutan will develop and test an adapted version of the tool to be used at the local level and that AWIS will be one of the cornerstones for cooperation between WIN and the GWP in South Asia.

Reflecting on these first workshop experiences the AWIS tool seems to be have been welcomed by participants in different countries. Ownership is promoted since the tool is under development so participants can make suggestions for adjustments. It serves the purpose of finding entry points to improve the performance of the water sector. WIN underscores that it has no intention of using the results to compare levels of integrity between countries as it aims to encourage and support promotion of integrity on a country by country basis with strong local ownership. This is therefore clearly not about establishing a new perception index on integrity, but about providing a flexible tool that can support the integrity building process and that allows for exchange of experience within and between countries and institutions.

The AWIS tool requires adaptation for use in different sub-sectors and in different contexts. Also the implementation of the tool in each country needs to be embedded in a dialogue with the stakeholders to explore if the tool needs to be adapted to better match the specific country situation and to ensure local ownership. More work needs also to be done fine tuning some of the indicators and to develop and test the tool for use in environmental sanitation and urban and industrial wastewater management for example. WIN intends to finalize a draft guideline and training module to be used in some regional or country based pilot training to help ensure that capacity to facilitate AWIS sessions is developed in countries and regions.

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