

# WATER INTEGRITY GLOBAL OUTLOOK 2021

## *Integrity in Urban Water and Sanitation*

Despite the introduction of anti-corruption legislation and anti-corruption monitoring bodies in many countries, the water and sanitation sector continues to be plagued by corruption and failures of integrity. These undermine the effective use of finances invested annually in the sector, compromise the rights to water and sanitation of the poorest, and constrain the development opportunities of communities, households, and regions.

The Water Integrity Global Outlook 2016 (WIGO 2016) demonstrated a growing recognition of the need for measures to improve integrity and to eliminate corruption to enhance performance in the water and sanitation sector. It emphasized the use of transparency, accountability, participation, and anticorruption measures (TAPA) to achieve the UN Sustainable Development Goal (SDG) 6 on water and sanitation. WIGO 2016 also demonstrated the need for stronger data and evidence on the extent and impacts of corruption in the sector to guide the development and implementation of pro-integrity/anti-corruption programs.

WIN aims to establish the WIGO as a regular publication, which will become a medium for collecting and sharing evidence, knowledge, experiences, ideas, policy options, and good practices on improving integrity in the water sector. Each upcoming volume of the WIGO will unpack the concept of water integrity within the context of new selected theme. The next WIGO, focusing on integrity in urban water and sanitation, will be published in 2021.

## WHY THE URBAN WATER AND SANITATION SECTOR?

By 2050<sup>1</sup>, it is estimated that nearly 7 out of 10 people will live in urban areas. The current population in informal settlements in urban areas has reached an unprecedented high in the Global South, a staggering 1 billion<sup>2</sup> people. Such urbanization brings with it both opportunities and challenges. One of the major challenges is the provision of sustainable water and sanitation services, particularly to poor communities and those living in informal settlements. Already it is estimated that 700 million people live in urban areas across the world without improved sanitation and 156 million without improved water sources<sup>3</sup>.

The overexploitation of available water resources, declining water quality, and the water-related impacts of climate change such as floods and droughts add to the challenges of meeting the water and sanitation needs of urban areas. Day zero in Cape Town alerted the world to the impacts of poorly managed water supplies in the face of a severe drought, the likelihood of which is increasing due to climate change.

In addition, the uncontrolled disposal of large volumes of sludge and wastewater puts urban populations, especially the poor, at higher risk for disease. In September 2013 Mexico City experienced massive floods which destroyed 3,500 houses and led to a 300 per cent increase in intestinal infections and cholera.

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<sup>1</sup> <https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html>

<sup>2</sup> UN-Habitat, 2015-2016. Slum Almanac. Tracking Improvement in the Lives of Slum Dwellers.

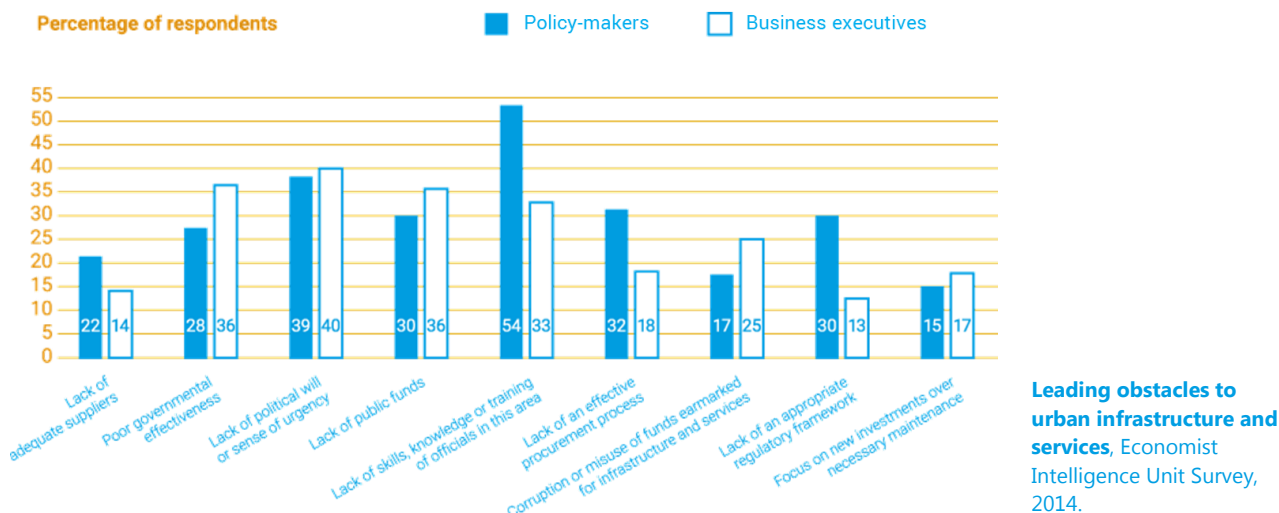
<sup>3</sup> <http://www.unwater.org/water-facts/urbanization/>

## URBAN WATER SUPPLY AND SANITATION IS PLAGUED BY CORRUPTION

A 2016 study by the World Bank found that “provided resources are targeted to the needs”, current yearly sector financing can cover just capital costs of achieving basic WASH services for all by 2030<sup>4</sup>. It is not sufficient to meet SDG6 and achieve “safely managed” WASH services by 2030, which would require three times more capital financing, amounting to \$114 billion per year.

Corruption and lack of integrity drains financing out of the sector, by, for example, siphoning funds out of the system, directing services delivery to specific groups, delivering sub-standard or dysfunctional services, employing incompetent people to manage water and sanitation services. This prevents resources from being targeted to needs, as is required in the World Bank scenario. This also reduces trust in sector institutions and limits the creditworthiness of service providers, making it harder to attract new financing.

The urban water and sanitation sector is far from immune. The 2019 World Water Development report specifically states that “corruption plagues many institutions in urban areas”<sup>5</sup>. In a survey conducted by the Economist Intelligence Unit, more than half of the respondents living in cities with inadequate infrastructure stated that “corruption or misuse of funds” hampered the development of urban infrastructure and services<sup>6</sup>.



In many instances, piped water caters to only a small segment of the population in low-income urban areas, while others depend on unsafe sources of water or illegally tap into piped water sources. Informal water vending and reselling systems often function outside the regulatory framework in cities, making the urban water sector more vulnerable to corruption. In many cities of India for example, water tankers owned by politicians illegally exploit groundwater to supply water where the local water utility is failing to deliver. In some countries, due to different cost structures, opportunistic behaviour and collusion among vendors, water from informal vendors can be 4.5-30 times the price of water from piped connections<sup>7</sup>.

<sup>4</sup> “Current levels of financing can cover the capital costs of achieving universal basic service for drinking water, sanitation, and hygiene by 2030, provided resources are targeted to the needs. Extending basic WASH services to the unserved will cost \$28.4 billion (range: \$13.8 to \$46.7 billion) per year from 2015 to 2030.”, <https://openknowledge.worldbank.org/bitstream/handle/10986/23681/K8632.pdf?sequence>

<sup>5</sup> <http://www.unwater.org/publications/world-water-development-report-2019/>

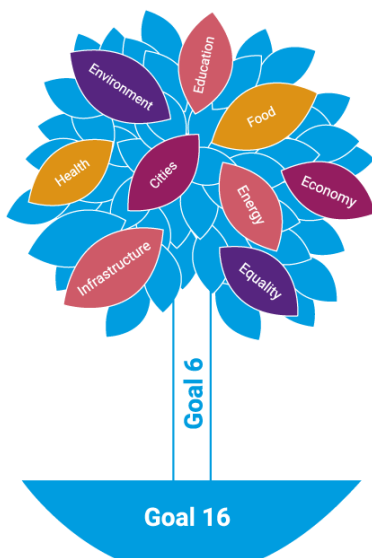
<sup>6</sup> [www.economistinsights.com/sites/default/files/Urban\\_Infrastructure\\_Insights.pdf](http://www.economistinsights.com/sites/default/files/Urban_Infrastructure_Insights.pdf)

<sup>7</sup> <http://documents.worldbank.org/curated/en/358461549427540914/pdf/Informal-Water-Markets.pdf>

In urban sanitation and wastewater management, which includes large infrastructure projects, roles and responsibilities tend to be fragmented between different tiers of government and line ministries, resulting in overly complex governance and administrative systems. This creates opportunities for undue political influence and increased corruption. One result may be skewed decisions towards high-capital-cost projects, which generate greater profits and potential for payback than more cost-effective technology and solutions.

There are anti-corruption policies and laws in place in many countries, but often they are poorly implemented or enforced. This allows violators to function with impunity, and at times to resort to violence when confronted.

## INTEGRITY IS ESSENTIAL TO ENSURE SUSTAINABLE URBAN WATER SUPPLY AND SANITATION



### The SDG Tree:

Goal 16 (effective, accountable and inclusive institutions at all levels) is the fundamental base that sustains the growth towards fulfilment of all the other SDGs. (WIGO 2016)

Without addressing the twin issues of corruption and lack of integrity in the water and sanitation sector, it is unlikely that the SDGs will be met, including for the huge numbers of people living in urban areas. Urgent action is required.

Despite the challenges there are examples of good practices for integrity in cities. For instance, the Phnom Penh water utility increased staff salaries when they realized that low salaries were triggering bribery schemes. Burkina Faso's National Water and Sanitation Office developed a series of measures to counter corruption in big water infrastructure projects supplying Ouagadougou.

WIGO 2021 will take stock of cases and examine challenges, opportunities, and emerging issues pertaining to integrity in the water and sanitation sector in cities. It will also spotlight tools, solutions, innovations in regulatory mechanisms and advances in frontier technologies that can support improved integrity in the sector.

WIGO 2021 aims to provide decision makers with objective information, in-depth analysis, and actionable recommendations to improve integrity in urban water governance and management. Sector professionals and civil society groups can use this report as a trigger for active dialogue on the topic of water and corruption that will lead to changes in both policy and practice.

## CALL FOR CONTRIBUTIONS

WIN invites all interested water sector stakeholders (international organizations, government and regulatory agencies, academic and research institutes, service providers, civil society organizations, associations, and others) to contribute to the upcoming publication.

We are looking to collaborate on new research, case studies, and data collection initiatives on corruption and integrity in urban water and sanitation. Please send your suggestions or queries to Umrbek Allakulov, WIN Research and Evidence Coordinator, at [uallakulov@win-s.org](mailto:uallakulov@win-s.org).

We look forward to discussing opportunities.



#### WHAT IS IT?

A new water integrity publication, a follow-up to the internationally recognized Water Integrity Global Outlook, due in 2021.

#### WHAT WILL IT BE ABOUT?

Corruption and integrity in the water and sanitation sector, with a focus on corruption dynamics in urban water and sanitation and integrity solutions.

#### WHAT FOR?

Corruption and integrity failures continue to plague the water and sanitation sector. This undermines the effective use of financing and compromises people's rights to water and sanitation, especially the poorest. However, the issue is only beginning to be addressed openly.

We need more data and understanding of the scale and impact of corruption, also in specific sub-sectors, to design the most effective evidence-based integrity answers. The Water Integrity Global Outlook 2021 will take stock of trends and emerging issues and spotlight tools and solutions.

#### WHO'S BEHIND IT?

The first Water Integrity Global Outlook was a collaborative publication led by the Water Integrity Network with CapNet, Global Water Partnership, Transparency International, Transparency International Bangladesh, and the UNDP Water Governance Facility at SIWI.

WIN is calling all interested water and sanitation sector stakeholders to contribute to the next edition.

#### WHO CAN I CONTACT?

Umrbek Allakulov, WIN Research and Evidence Coordinator:  
[uallakulov@win-s.org](mailto:uallakulov@win-s.org).