
CALL FOR PROPOSALS

Terms of reference for two research studies on corruption and integrity in water and sanitation sector finance

1 OBJECTIVE

The objective of the assignment is to conduct research and generate evidence on the role of integrity (anti-corruption) in water and sanitation sector finance:

- in any sub-sector including water supply, sanitation, irrigation, hydropower, flood and drought management, etc.,
- and with a focus on investments, financial management, and financial sustainability. For a preliminary list of potential topics, please see the Annex below.

2 BACKGROUND

We are seeking 2 separate consultants to deliver 2 separate research studies under 2 separate contracts. The 2 consultants may, if appropriate, be invited to liaise by email/skype, to share ideas and approaches with each other.

We expect each analysis to be based on a) interviews with key stakeholders, b) an analysis of relevant data, and c) a review and collation of published information (such as national and local newspaper reports, government and civil society reports) and programme documentation related to corruption and integrity in the water and sanitation sectors.

This work will feed into the Water Integrity Global Outlook 2024, the next volume of a triennial publication by the Water Integrity Network (WIN). The upcoming report will focus on the role of integrity in water and sanitation financing. We highly recommend applicants review this year's [Water Integrity Global Outlook 2021](#) when preparing their proposals for this call.

3 SCOPE OF SERVICES

- Document and analyse measures to combat integrity failures (including corruption - see the definition and categories in Annex 1) in investments and financial management in the water and sanitation sectors, or a selected sub-sector. For example, such measures can include national anti-corruption programmes, strengthening of capacities for regulation, budget tracking, audit and oversight of water and sanitation, programmes to share information and increase transparency, engagement of civil society and community participation. Establish a clear link between the analysed measures and water and sanitation sector investments, financial management, and financial sustainability.
- Collate any existing relevant reports integrity failures as they relate to investments, financial management, and financial sustainability in the the water and sanitation sectors, and analyse the root causes of the integrity failures.
- To the extent possible, analyse the impacts of integrity failures on financial sustainability and the mechanisms to combat integrity failures in the water and sanitation sectors (or a specific sub-sector or sector organisation, depending on the chosen scope of analysis)

- Collect, analyse, and visualise any relevant quantitative data (e.g., budgets or other financial statements, key performance indicators, etc.) that can inform the analysis, as described above.
- Draw recommendations based on the findings of the research.

Where possible the analysis should address issues of how corruption differently affects groups according to gender and other forms of marginalisation.

In the research, consider conducting interviews with key stakeholders (sample size should be determined and stated in the methodology section of the proposal) who can provide different viewpoints. The stakeholders may represent diverse interests in the water and sanitation sectors, e.g., service providers, government officials, local CSOs/CBOs, journalists, and organisational/institutional stakeholders potentially including development banks, NGOs and regulators. Within the interviews, if conducted, we expect to see gender balance to the extent possible.

In addition, the research could document perspectives from users, especially from impacted marginalised groups (such as slum dwellers, ethnic minorities, women, etc).

4 DELIVERABLES AND SCHEDULE

The specific deliverables are:

1. Draft report due by 28 November 2021
2. Final report due by 22 December 2021

We expect a final report of approximately 20-30 pages.

Payment schedule:

- 20% upon the approval of proposal by WIN and signing the contract
- 50% on submission and approval of the 1st draft
- 30% on submission and approval of the final draft

5 QUALIFICATIONS OF THE CONSULTANT

The lead consultant should demonstrate the following qualifications and competencies:

- Proven expertise in Finance discipline, e.g. public finance management, fiscal governance, credit ratings, audit, etc.
- Good understanding of water supply and sanitation sectors, or a specific sub-sector selected for the research
- Data analysis skills
- Excellent writing skills in English and good knowledge of the local language, if the analysis focuses on a specific location
- Good understanding of good governance/integrity/corruption issues
- Proven analytical skills and ability to synthesise findings from diverse materials and sources.

The following will be advantageous:

- Knowledge of or experience in gender mainstreaming and social inclusion

6 REMUNERATION

The maximum budget available for each research study is EUR 10,000. Proposals will be assessed on the relevance and feasibility of the proposed research, strengths of the methodology, the qualifications of the consultants, and value for money, among other factors.

7 COMMUNICATION

Umrbek Allakulov, WIN's Research and Evidence Coordinator will be the responsible person for this contract.

8 PROPOSAL SUBMISSION

Interested consultants are invited to submit a proposal (including a project plan, budget, and CV) to Umrbek Allakulov at uallakulov@win-s.org. The deadline for submitting proposals is **11:59 pm CEST, 17 October 2021**.

You may include up to two different separate research studies in a single proposal.

Please note that WIN cannot guarantee safety or extend protection to consultants undertaking this work. Please include a brief section outlining your understanding of whether it would be acceptable and safe for you to do this work, and measures you would take to mitigate any risk, including but not limited to physical safety, legal, or COVID-19 infection risks.

Instructions for proposal preparation

Please give a brief overview (max 3 pages) of:

1. The nature of the proposed research and documentation that you propose to undertake.
2. Proposed methodology, including the key research questions, data sources, data collection and sampling strategy, where applicable.
3. If the research builds on a related previous or ongoing work, a short description of the work.
4. Expected results and insights from the proposed research.
5. A project plan, including a timeline and proposed budget.
6. If you wish to submit a proposal for two different research studies, provide information on points 1-5 above separately for each research project. .
7. Your expertise and qualifications on the topic of integrity and finance in the water and sanitation sectors, that will enable you to successfully carry out the proposed research study.
8. A description of previous and ongoing works (such as publications) on similar topics
9. If you plan to carry out the research study in a team, please provide the information required under points 7 and 8 for each team member.

Note: In discussing the areas of corruption, your response should aim to follow our 3-way categorisation of types of integrity failure (see Annex 1), though certainly you are free to identify situations which do not sit easily within this categorisation. In your discussion of current and possible solutions, we encourage you to consider approaches to promoting transparency, accountability, participation, and anti-corruption measures.

9 ANNEX 1

We categorise types of *integrity failure* as follows, and consultants should aim to follow this classification:

1) Corruption in public financial management:

This category covers inappropriate capture of public resources by public or private actors. Examples might include: a) accounting fraud and diversion of major public funds; b) smaller-scale accounting fraud e.g. fraudulent expenses claims, abusive demands for per diems; c) procurement corruption; d) nepotism in contract award or employment; e) businesses paying bribes to gain some benefit; f) false or inflated invoicing.

2) Corruption at the interface between individuals and institutions:

This category centrally covers bribery of public officials by private individuals, to obtain a benefit or avoid a penalty. Examples might include a) bribery to obtain a subsidy, or to obtain a non-subsidised but desirable benefit; b) bribery to avoid a penalty. These situations may range from collusion (the individual is essentially happy to pay the bribe) to extreme extortion (the public official denies a clear basic right, or fabricates a reason to impose a penalty). Extortion may include sexual extortion or sextortion (public official demands sexual favours).

3) Wider integrity failures:

The previous categories have focused on corruption, essentially unethical decision-making for personal financial gain. This category considers wider types of integrity failure. Examples here may include a) allocation of financial or other resources that is not fair and equitable, but is instead designed to win votes and/or to satisfy favoured groups (e.g. very wealthy elites, middle-class citizens, the military, public employees, favoured ethnicities); b) allocation of financial or other resources that is not fair and equitable and cost-effective, but is instead designed to achieve a "public relations" goal (e.g. government or NGO investment designed to demonstrate large "numbers of beneficiaries" cheaply rather than achieve real benefit); c) whitewashing CSR investments (e.g. a brewery which loudly invests a small amount of money in improving slum water supply, but is meanwhile over-extracting local water resource).

10 ANNEX 2

Please see below a preliminary and non-exhaustive list of potential topics. Applicants are invited to select a different topic and make the case about its importance in their proposals.

1. Integrity risks, failures, and/or solutions across the various forms of sector finance:
 - a. taxes (e.g. subsidies)
 - b. transfers
 - c. tariffs (e.g. regulation, equity, etc)
 - d. private sector investment
2. Integrity risks and solutions in sector financing for different uses of water (drinking water, sanitation, agriculture, commercial and industrial use, energy, etc)
3. Integrity risks/solutions in:
 - a. capital investments/ infrastructure costs
 - b. operating costs
 - c. maintenance costs
4. Integrity risks in climate finance
 - a. budget tracking
 - b. maladaptation to climate change as a consequence of integrity failures
5. The role of integrity in water and sanitation sector finance to advance gender equity and social inclusion
 - a. Integrity failures leading to inadequate financing for water and sanitation service provision in informal settlements
 - b. Transparency and justice in tariff setting
6. Integrity in sector finance and financial sustainability of small water/ sanitation service providers
7. Other overarching topics, such as
 - a. political interference and undue influence in water and sanitation sector finance (e.g. in decision making over investments)
 - b. the role of integrity in creditworthiness of sector organisations
 - c. effects of integrity failures in project design (e.g. skewed preference for large/ megaprojects rather than locally feasible solutions)