

# Water services

## Corruption costing global water sector billions



*Water supply of Afghan refugees in Western Pakistan is compromised by uncontrolled diverting of water from surrounding host villages, who have no access to save drinking water.*

WIN/Joost Butenop

While 32% of the world’s population still lacks access to safe water, development efforts are being stifled by corruption and maladministration, with as much as 10% of water sector investment being lost. This is according to a new report by the Water Integrity Network (WIN).

The publication, *Water Integrity Global Outlook 2016*, reports that grand corruption cases plague the water sector worldwide. This while some 663 million people lack access to improved drinking water sources globally. This contributes to 1.6 million deaths annually, most of whom are children under the age of five.

The publication cites several cases where corruption robbed people of services. In 2015, an audit of the €70 million phase II national water programme in Benin, which included €50 million from the Netherlands and €20 million from the European Union, unveiled that €4 million had vanished from the Benin Ministry of Water. Dutch development cooperation with the government of Benin was suspended thereafter to safeguard additional funds from misuse.

In 2013, Malawi’s reformed public financial management system was misused to divert US\$5 million in public funds to the private accounts of officials.

A lack of transparency, accountability, and participation in water service delivery has also contributed to costly inefficiencies and failures in the West. In the United States, residents of Flint, Michigan, are reeling from recent revelations of high levels of lead contamination in the city’s water supply, blamed largely on inaction by the Michigan Department of Environmental Quality, the state agency responsible for ensuring safe drinking water. According to a report by *the Guardian*, the resulting class action lawsuits from Flint residents may cost the state upwards of US\$1 billion in damages.

The WIN report documents cases like these, revealing corruption’s costly impact on the world’s water resources. It also shows the degree to which poor water governance negatively affects the world’s most vulnerable populations – specifically women, children and the landless.

Examples are shared of both corruption and good practices from communities, private sector, civil society and governments. The report demonstrates how improved governance as well as integrity and anti-corruption measures can win back an estimated US\$75 billion for global investment in water services and infrastructure annually.

“The examples such as the Benin case, the Belo Monte Dam in Brazil, and Flint show that outright corruption or the lack of transparency, accountability and participation are enormous obstacles to achieving human rights and the sustainable development goals,” noted WIN Executive Director, Frank van der Valk.

### More than money

In many countries, public criticism of officials can lead to fines and imprisonment. In other cases, whistleblowers and activists who have sought to reveal cases of corruption have faced intimidation and violence.

Pedro Caché, an independent Mexican journalist, was jailed for ten months and charged with sabotage for filming a demonstration outside the state water commission in August 2014. After Caché’s release in May last year, Mexican media reported that allegations of his torture were being investigated the Comisión Ejecutiva de Atención a Víctimas, the federal agency responsible for victims and civil society organisations.

In March in Honduras, Berta Caceres and Nelson Garcia of the indigenous and environmental rights group COPINH were gunned down by unknown assailants in two separate incidents. Both are believed to have been assassinated in retaliation for their campaign against the Agua Zarca project. This is not unlike the murder of anti-mining activist, Sikhosiphi Rhadebe, who led protests against mining in Xolobeni on the Wild Coast in South Africa.

Unsurprising then that the WIN report specifically lists whistleblower protection as a vital element of public accountability and anti-corruption success.

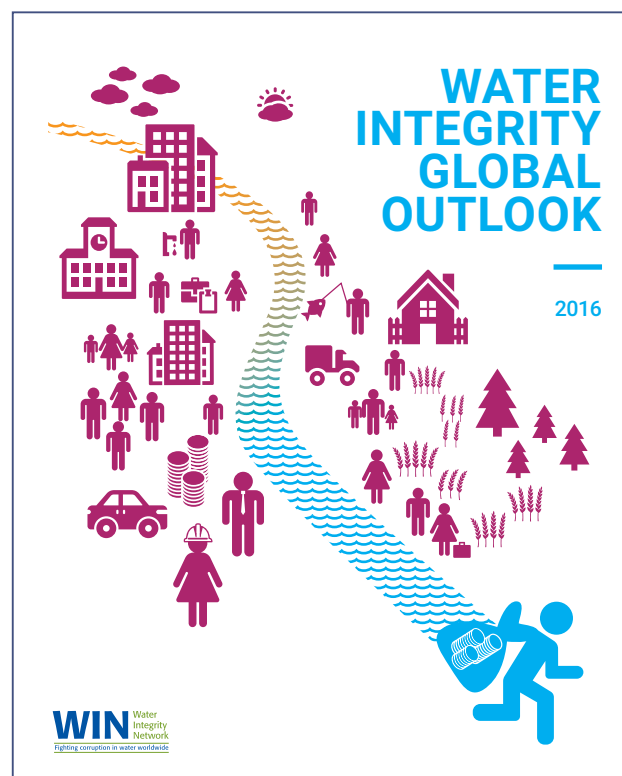
### New roads ahead

Demand for water is increasing worldwide. Petty corruption and grand corruption together are threats to water governance internationally and to efforts to meet water service needs and improve water sector performance. The report is a call to action for integrity for all players – governments, private companies, civil society groups, and individual citizens worldwide. It therefore highlights and draws lessons from those examples of where governments, companies, and community groups have won gains for water consumers and environmental protection.

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In Indonesia, the Jasa Tirta I Public Corporation, a state-owned but legally independent river basin organisation, became a model for anti-corruption initiatives by adopting international financial accounting standards, quality management systems, and integrity tools for employees.

In Sierra Leone, the Guama Valley Water Company’s tough anti-corruption reforms brought almost all illegal tampering of customer billing to an end. By 2015, gains in company revenue were enough to cover operations and maintenance.



*The Water Integrity Global Outlook 2016 focuses on addressing corruption in the global water sector.*

“The report proposes to build ‘integrity walls’ from building blocks of transparency, accountability, participation and anti-corruption measures,” said Van der Valk. “Urgent action by all stakeholders is required to stop the ongoing waste of resources.”

To download the full report, Visit [www.waterintegritynetwork.net](http://www.waterintegritynetwork.net)

