Environment

Water & Environmental Sanitation Network (WES-Net India)

Solution Exchange for WES-Net India Consolidated Reply

Query: Corruption and WSS Service Delivery, from SEUF, Thrissur (Experiences).

Compiled by Jyotsna Bapat, Resource Person and Moderator; additional research provided by Ramya Gopalan, Research Associate
19 April 2006

Original Query: V. Kurian Baby, Socio-Economic Unit Foundation (SEUF) Thrissur, Kerala
Posted: 31 March 2006

I work as Senior Advisor in the Socio Economic Unit Foundation (SEUF) and it has been my observation that investment projections and individual projects/programmes in general are prepared and benefit streams estimated with out reckoning, corruption, wastage and inefficiency.

Although substantial investments by national/state governments over the years have succeeded in creating infrastructure, they have become unsustainable as evidenced by the slippages of Water and Sanitation Sector (WSS) coverage, access to pipe - access to water - access to safe water and the, mismatch between investments and outcomes. One of the major reasons is the weak WSS governance; apparently the leading causative force is corruption, including calculated and incentivised wastage and inefficiency. In this regard, we have been working out various design elements to minimize corruption, like clarity of roles and responsibilities, decentralization, participation and community ownership, direct accountability, transparency, social audit, public expenditure tracking, client power and so on and so forth. Here we face a project design and development dilemma. If the design were rigid, the chances of the project failing is so high, as it does not offer adequate scope for insidious incentives.

Given this, I would be grateful, if members could share their views and experiences on

- Designing elements that could increase accountability and hence minimize (if not eliminate) corruption, including wastage and inefficiency triggered by corruption
- How to insulate/ring fence the projects/programmes to generate positive incentives for success
- Whether there is any quantitative effort in estimating burden of corruption and WSS and if so the methodology followed.

Look forward to responses

Responses received with thanks from:

1. **Abha Mishra**, UNDP, New Delhi

2. **[Anand Shekhar](#)**, WaterAid India, Bhubaneswar
3. **[Jeevan Porwal](#)**, Gramin Vikas Trust (GVT), Ratlam, MP
4. **[Kashinath Vajpai](#)**, New Delhi
5. **[Anonymous Contributor](#)**
6. **[Rahul Mangaonkar](#)**, AIR Society, Ahmedabad
7. **[R. Santhanam](#)**, Indian Society of Agribusiness Professionals, New Delhi
8. **[Shashidharan Enarth](#)**, Development Support Centre, Ahmedabad
9. **[V.V. Damle](#)**, CII, Pune
10. **[Arun Rajaram](#)**, Surya Infocom, Chennai

Further contributions are welcome!

Summary of Responses

In response to the query on corruption and WSS service delivery members' experiences largely suggested that there are no clear cut solutions to ensure that corruption is controlled, rather a series of monitoring mechanisms maybe employed in project design and development to minimize resulting inefficiencies and enable generation of positive incentives. In this regard members stated that incentive for a monitoring official to monitor is very little and highlighted problems frequently encountered while developing a program, examples proven to be successful and further recommendations to be incorporated, crucial to the project development and design process.

The initial aspect of primarily identifying **problems** was enumerated by members as follows:

- The tendency to invest very little on human resource needs, mainly referring to incentives for the personnel likely to implement the project, either from the Government or NGO.
- The minimal support offered in the form of rewards and reimbursements poses additional burden on the monitoring official and acts as a disincentive resulting in implementation delays and inefficiencies.
- When developing a large scale projects there is a lack of consideration to differences in each working area, applying the same criterion to hilly areas, plain areas, nearby and remote villages
- The incorporation of corrupt people into decision making committees as highlighted by one member acts as a disincentive to others and further, sometimes also results in influential people not part of these committees deciding outcomes.
- Non specification of quality norms and the absence of credible systems and methodologies for assessing quality affect performance of the various organization types.
- And finally, the "culture" of committees that has evolved as a mechanism of evading responsibility at an individual level in a system that does not reward excellence and rarely penalizes failure.

Two **experiences** of relevance to this query were appreciated by members highlighting differences in the details surrounding arrangements and contexts of approaches adopted.

- The first experience relates to the example of community contracting tried under the **[Swajal Project](#)** in Uttar Pradesh and Uttaranchal wherein a purchase committee comprising of members from Village Water and Sanitation Committees (VWSC) and NGO Engineers were formed and purchasing was undertaken by them once the proforma

invoice was approved by a meeting of the VWSC and subsequently verified by the District Project Management Unit (DPMU) officials. This arrangement helped improve the quality, timeliness and economy of delivering WSS services.

- The second experience pertains to the **Western India Rain fed Farming Project** of Gram Vikas Trust which promoted participatory monitoring and evaluation from community, SHG and the village ensuring quality of work and controlling corruption. Further volunteers were selected by villagers for conducting periodic social audit, financial audit etc.

These experiences signify that the fight against corruption in the water sector may be most efficient at the community level particularly with increased community participation in the process of monitoring and evaluation. The experience of one member, however, cautions against the formation of committees, emphasizing one disadvantage, namely the incorporation of corrupt individuals into these committees. A committee formed within an organization may be dominated by the chair while a committee involving outsiders will usually preclude 100% attendance.

In sync with the above stated problems and experiences emphasized members responses provided **recommendations** that may be duly incorporated
- Disclosing to the community details of the project prior to start up
- Conducting regular social audits
- Encouraging small initiatives at the community level to reduce pilferages
- Making policy provisions and fixing targets to reduce corruption from society through solid participatory monitoring from plan to execution and financial deals
- Advocating cohesive and transparent working of the government and community for the success of a decentralized system
- Promoting flexible and transparent systems of working
- Understanding local and regional issues by working officials at the donor level
- Leading role of national and regional government with considerate support from all actors namely, donors, local leaders, community groups, NGOs, etc is crucial
- Establishing minimum performance norms defined particularly for the NGO Sector
- Including reputed academicians from outside the State with powers to coordinate with the proceedings of the Committee
- Including reputed Chartered Accountants from outside the State with powers to scrutinize implementation and procurement of the project.
- Establishing a committee of neutral personalities prior to sanctioning any financial aid to instill confidence in beneficiaries and caution those indulging in corruption

Further to this, members' highlighted that preventive action towards corruption as suggested below stand a better chance of success.
- Devising honest, mechanisms to make public offices transparent
- Making certain information public even without a requisition
- Putting conflict of interest rules upfront so prospective committee members know what they are getting into.
- Writing rewards and sanctions into byelaws so that offenders can be taken to court
- Rewarding good performers with monetary incentives without expecting altruistic contributions from leaders

Other aspects such as institutional structure, human resources, capacity building measures, inter and intra stakeholder coordination, commitment of top program managers etc have also been emphasized as key to ensuring control of corruption and success of an approach. Specifically the

use of the Right to Information to increase accountability and transparency and thus reduce corruption was highlighted by members.

The details of the experiences signifying these aspects are provided in greater detail below.

Comparative Experiences

Uttar Pradesh and Uttaranchal

Swajal Project *(from Anand Shekhar, WaterAid India, Bhubaneswar)*
Community contracting was tried under this project with a purchase committee being formed of members from VWSC and Ngo Engineers. Market surveys for non local materials required for construction was done to obtain a proforma invoice from one supplier which sought approval from the VWSC and verification by DPMU. This increased transperancy of the system and reduced the opportunity for corruption

Madhya Pradesh

Western India Rainfed Farming Project *(from Jeevan Porwal, Gramin Vikas Trust (GVT), Ratlam, MP)*
Under this project fo the Gramin Vikas Trust participatory monitoring and evaluation was prmotoed to ensure quality of work, process follow up to prevent corruption related to soil and water conservation, water Resource Development, and other livelihood activities. Villagers further selected volunteers for planning, review and implementation of development interventions

Related Resources

Recommended Organizations

Gramin Vikas Trust, Madhya Pradesh *(from Jeevan Porwal)*
Bhopal Office: 1, Chitragupt Society, E 7, Arerea Colony, Near Chittaranj College, Bhopal 462016, Tel: 0755 242 0612, 242 1627
Ratlam Office: E 9, Arose Villa, Anand Colony, Ratlam 457 001, Tel: 07412 267396, 267400
> *Recommended for their learning and experience in implementing the Western India Rain fed Farming Project*

Transparency International, Germany *(from Ramya Gopalan, Research Associate)*
http://www.transperancy.org
> *A global civil society organization working for anti-corruption initiatives and co-operation at regional and global levels*

Recommended Contacts

Recommended by R. Santhanam, Indian Society of Agribusiness Professionals, New Delhi, as individuals who have served as examples of ordinary citizens engaged in the fight against corruption in various sectors across the country:

- **G. R. Khairnar**
  > *Recommended as the individual who led the anti encroachment and anti illegal construction drive of Mumbai Municipal Corporation*

- **Anna Hazare**
    A social activist recommended for his crusade against corruption in Maharashtra
- **Verghese Kurien**
    The Father of the White Revolution, credited with architecting Operation Flood - the largest dairy development program in the world
- **Ravindran Nair**
    Chief Engineer of Delhi Metro Rail Corporation recommended for successfully completing assigned projects amidst changes in the Central Government

Recommended Documentation

From [Ramya Gopalan](#), Research Associate

Delhi Water Supply & Sewerage Project – Project Preparation: Final Report Part-A
Volume I (Main Report) by PWC with DHV Consultants, The Netherlands and TCE Consulting Engineers Ltd. July 2005
http://www.delhijalboard.nic.in/djbdocs/reform_project/docs/docs/doc_project_prep_docs/pdf/final_report/DJB_Final_Report_Chapter_1_to_10_and_TOC_and_cover_pages/final_report_vol_II.pdf (Size: 6936 KB)
    This Chapter covers the recommendations on institutional restructuring of the UWSS sector in Delhi as well as the roadmap for implementation of the same.

Successful Governance Initiatives and Best Practices – Experiences from Indian States
Planning Commission, Govt. Of India and HDRC, UNDP, 2002
http://www.undp.org.in/hdrc/pub/bpm/bpm-full-mnul.pdf (Size: 2577 KB)
    This compendium contains interventions in the delivery of social services, land and water management, and areas of major public interface with the government

Delhi Water Supply & Sewerage Sector - Reform Project
Delhi Jal Board, July 2004
http://www.delhijalboard.nic.in/djbdocs/reform_project/docs/docs/doc_project_prep_docs/introduction/DJB-ReformProject%20-%20Final.doc (Size: 1786 KB)
    Project identifies certain critical areas and strategic reform measures, findings of which stress the need for urgent interventions.

Can We Meet International Water Targets Without Fighting Corruption?
Seminar, World Water Week, Transparency International, Stockholm, August 2005
http://www.siwi.org/downloads/WWW-Symp/Summary_of_presentations_an_discussions_Martinez.pdf (Size: 401 KB)
    This document provides a summary of the presentations made, comments of respondents and from the floor, as well as a panel discussion during the Seminar

Governance and Financing of Water Supply and Sanitation in Ethiopia, Kenya and South Africa – A Cross Country Synthesis
Sector Finance Working Papers: No. 5, WSP, September 2003
http://www.wsp.org/publications/af_governance.pdf (Size: 161 KB)
    Report synthesizes findings of country studies identifying key institutional & resource flow issues affecting effectiveness, efficiency and sustainability of water sector investments.

Water Supply and Sanitation & Integrated Water Resources Management: why seek better integration?
John Butterworth and John Soussan, WHIRL Project Working Paper 2

(Size: 288 KB)
> *Paper identifies approaches and key challenges to improve access of the poor to secure,
> safe and sustainable water supplies by the effective management of water resources*

Responses in Full

Abha Mishra, UNDP, New Delhi

It does look a case of being between the devil and the sea but I think the methodologies being applied by you would yield results. My experience suggests that there are no clear cut solution but needs a series of monitoring mechanisms to ensure that corruption is least.

I would like to point out that we when we develop a programme we tend to invest very little on human resource needs and here I am not talking about capacity development activities but incentives for the personnel who are going to implement it be it the Govt. or NGOs- A Govt. official (lowest level who actually carries out the activity) does not want to monitor as it is an additional burden along with his other official duties and he is not rewarded in any way and may have to spend out of his pocket on his TA as it is reimbursed after months or years or he has no funds allotted to buy immediate requirements for which sanctioned are delayed et. while an NGO may get support but it may be so minimal that only supports one time interaction with the villager or such a small amount of money that they have to use their own resources for a meeting.....These issues need to be part of the project as differences in each working area is also almost never thought of when we develop large scale project. The same criterion applies for hilly areas to plain areas to near villages to remote villages.

Secondly, before starting of a project it should be made mandatory that all the details be made available with the community in black and white and regular social audit is done, not piece meal information like the total budget only

And finally, flexibility does not mean that we cannot have certain do's and don't, to ensure that there is no misuse; we can always get the major changes approved by the committee above the level of change

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Anand Shekhar, WaterAid India, Bhubaneswar

Some 10,000 delegates meeting at the Water Forum in Mexico City also addressed this issue of the impact of corruption in the water and sanitation sector. Evidences were offered that the fight against corruption in the water sector may be most effective at the community level. And it is a fact that small initiatives at the level of communities can really go a long way in plugging the pilferages. Community contracting is one such example which was tried under Swajal Project in Uttar Pradesh and Uttaranchal.

Under each project a purchase committee comprising members from Village Water and Sanitation Committees (VWSC) and NGO Engineers were formed. These committees use to do a market survey for various non local materials required for construction and obtain a proforma invoice from one supplier. The proforma invoice use to be placed before a meeting of VWSC and once the VWSC approved it; this proforma invoice was submitted to the District Project Management Unit (DPMU). The DPMU after going through a cost control exercise, use to release the first installment of the funds. The communities then undertook purchase of the material themselves.

This helped them purchase material of good quality and get value for their money. The materials also reached them in time.

This was a unique arrangement that time given the situation that generally all procurements are done centrally and by state departments. This really had helped in improving the quality, timeliness and economy of delivering water supply and sanitation services.

Jeevan Porwal, Gramin Vikas Trust (GVT), Ratlam, MP

I think, we have to make provision at policy and fix target to reduce corruption from the society, corruption from the society can be ended by solid participatory monitoring from planning to excution and financial dealing.

We have very good learning and experiences of our Western India Rainfed Farming Project of Gramin Vikas Trust. We have promoted participatory monitoring and evaluation system from Community, SHG and Village and at office level, to ensure quality of work, process follow-up keeping the objective to stop the corruption in every bit of the of work which may be related to Soil & Water Conservation, Water Resource Development, Crops development forestry and others livelihood activities of our projects, also under facilitation by project, villagers selected volunteers for planning, implementation and review of the development interventions, periodically conducted social audit, Fiancial Audit etc.

Many experiences, we can share, I am sending this mail to our team member of the concern field, they also have very good learning on Watershed Development, Participatory Planning Process & PM&E.

Kashinath Vajpai, New Delhi

Will join Anand upon his considerate views and adding that, the performa invoices used to be collected from more than one supplier. Also, DPMU officials also did similar exercise to check and verify the available rates in the market for these non-local materials (Cement, pipes, fitting accessories, iron, etc.). This really made the system transparent at each level and lost the opportunities for corruption.

This kind of practices helped in reducing the chances of corruption manifold. The government and community set example in decentralization of governance through cohesive and transparent working. Further to this, the approach was highly successful example of trickling down the thoughts and working in decentralized system.

It sets example and opportunity, to learn how this approach worked successfully, and helped in reducing the chances of corruption at different levels.

We should note that the approach was successful due to many reasons, i.e. institutional structure, human resources, capacity building measures, flexible and transparent system of working, inter and intra stakeholder coordination, understanding and support from donor agency, and the commitment of top programme managers to usher the path.

Here, the working of officials at donor agency level is very important in terms of their understanding in local and regional issues, perception and commitment in water and sanitation promotion, monitoring skills and coordination & negotiation skills to national and provincial governments and local leaders. We must perceive this among the most important issue to be

seen for regional water supply and sanitation planning in transparent manner and to reduce to chances of corruption in further steps as well.

Obviously the role of national and regional government is crucial to take the lead with the considerate support from all actors (donors, local leaders, community groups, NGOs, etc.).

I would rather say that looking deeply in to the 'Corruption Unusual' should be first step to understand before discussing this at 'community level'.

Anonymous Contributor

One disadvantage of committee as I see from my personal experience is that some time corrupt people will be incorporated in to committee. Non corrupt people after some time stop coming to meetings as there concerns are not recorded or taken into account.

Taking account of my current position I can't point to any single situation. As I have witnessed nearly 100+ committees formed in our own organization and outside the organization. When a committee is formed involving only members of the organization people will usually agree with the chair who usually dominates.

In other committee involving outsiders, will usually not have 100% attendance. This is the case right form Boards, corporation, recruitment committee, budget committee to small level committees like training, awareness, transfer etc. Such committees are some times formed so that no one will blame the single decision maker and enquiries will be difficult down the line.

Roughly in a state an average of 10 committees will be formed every day. In some cases committees are formed to ratify the decisions already made. I may still sound generic as it is quite a normal observation for the people within government. Many times proceedings would have already been prepared even before committee is formed or met.

Some time influential people who will never become member of committee will decide the outcome.

This is only a negative aspect I have observed. I am not against making committees or other opinions suggested by members.

Rahul Mangaonkar, AIR Society, Ahmedabad

With regards to accountability, transparency and seeking information Right to Information can be used, creative use of RTI potentially can also reduce corruption. The larger issue is that of spillovers of State and Central level schemes and implementation at ground level. Better coordination between NGO's and the Govt. can help overcome these issues. It has been amply demonstrated in Delhi, Gujarat and other parts of the country that PPP; Public Private Partnerships have a greater chance of sustainability and spread.

R. Santhanam, Indian Society of Agribusiness Professionals, New Delhi

It is unfortunate that this otherwise excellent contribution on corruption in public affairs has to remain 'Anonymous' and this points to under currents of influencing factors, which may be

called "Chidambara Ragasiyam' as in a Tamil proverb, meaning: "A secret which everybody knows, but nobody mentions in public"

The only solution is that ordinary citizens fight these trends at their own level with all possible means at their disposal.

Examples have been shown by Mr. Khairnar of Mumbai, Mr. Anna Hazare and earlier by Dr. Verghese Kurien who did not allow political or other negative forces to enter his (chosen) domain. We can also cite the more recent example of Mr. Ravindran Nair, Chief Engineer of Delhi Metro Rail Corporation, who has completed successfully the assigned projects and has seen several governments come and go at the Centre, which goes to show that we can achieve as ordinary citizens. All these people entered the "Hall of Fame", since they chose to remain uninfluenced by forces, part of a decadent society. A society, its nation and its people can be judged only by the way its ordinary citizens act and decadence can set in any time and large infusions of capital and resources is not the right answer.

[Shashidharan Enarth](), Development Support Centre, Ahmedabad

Moderator's Note: **The following is a summary of Mr. Shashidharan Enarth's response, the full text of which can be read [here]()**

Visualizing the anguish and frustration of '[anonymous]()' the response approaches the subject of corruption from different angles. Further it highlights that preventive actions towards corruption stand a better chance of success. The response also provides suggestions such as

- Devising honest, mechanisms to make public offices transparent
- Making certain information public even without a requisition
- Putting conflict of interest rules upfront so prospective committee members know what they are getting into.
- Writing rewards and sanctions into byelaws so that offenders can be taken to court
- Rewarding good performers with monetary incentives without expecting altruistic contributions from leaders

While the response acknowledges the possibility of individuals subverting rules, it goes onto argue that these rules may still kick start the transformation of institutions and will atleast reduce the leverage individuals have to engage in corrupt activities.

[V.V. Damle](), CII, Pune

Moderator's Note: **The following is a summary of Mr. V.V. Damle's response, the full text of which can be read [here]()**

Appreciating the [Anonymous Contribution]() and the discussion thus far on the query regarding Corruption and WSS Service Delivery, the response goes on to enumerate the "culture" of committees that has evolved as a mechanism of evading responsibility at an individual level in a system where excellence is not rewarded and failure is rarely penalized. The response in a more generic sense appraises decision making cultures in various types of organizations highlighting the non specification of quality norms and the absence of credible systems and methodologies for assessing quality as factors affecting the performance within these organization types. Further the response recommends minimum performance norms to be defined particularly for the NGO Sector.

[Arun Rajaram](#), Surya Infocom, Chennai

I fully agree with [view](#) that committee's hitherto formed in our Country have not been able to identify the source of these corruption leave alone bringing them to justice. Over the years these committee's are just like the inquiry commissions formed by the ruling government after a disaster either natural or manmade. Whether it be recent fire in Meerut or it be Flood.

I am of the view that if the following is taken care while forming the committee it may be possible to identify the root cause in each of the instances or projects at lease 70% if not more.

1. Bring some reputed academicians from outside the State and give him powers to coordinate with the proceedings of the Committee. For purist would not know how to tell a lie or cover up truth.

2. Bring some reputed Chartered Accountants from outside the State and give them powers to scrutinize all the documents pertaining to implementation and procuring of the project under scrutiny.

3. While sanctioning a project, prior to sanctioning any financial aid, a committee involving such neutral personalities including ex-judiciary people will instill confidence on the beneficiaries at the same time cautioning people who want to swindle by indulging in mass corruption.

I have seen a particular project in Kerala under Kerala water authority going to naught from the objective point of view though on paper the project has been completed was despite the fact that the funding agency appointed their own consultants which was easily managed by corrupt elements. This only means that if the funding agency has hired a consultant to supervise a particular job it means that their job is not over.

9 out of ten projects in our Country is not actually benefiting the target end user simply because the funding agency do not seem to be bent on the checks and balances required to ensure the same. Once the news is flashed in news paper and project is inked with a State or Central Govt. Body they feel that the job is over. The funding agency should have an invisible supervising team which will keep track of the project. They can even allot three to four percent of the total project cost for the same. The money can be recovered simply by proper implementation of the project. It is true that even today the specifications mentioned for a particular project is ensured to have loopholes so that the same job would be bid by a vendor at Rs.500/- per Unit and another at Rs.50/- per Unit. The later would get the job and get away with money as well by clever paper works. This is very, very true on conditions of anonymity I can give many an examples in areas of health, education, infrastructure etc.

I am of the view that I can contribute to this process if supported by partners.

transmit the information contained in these messages should be aware that they are relying on their own judgment.