



**SOFIMUN**  
**Sofia International Model United Nations**

Edition: 11/2009  
Period: 18-25 July 2009  
Location: Sofia, Bulgaria

Website: [www.sofimun.org](http://www.sofimun.org)  
Forum: [www.forum.sofimun.com](http://www.forum.sofimun.com)  
E-mail: [info@sofimun.org](mailto:info@sofimun.org)

*"Search Of Future Ideas, Models Us Now"*

**COMMITTEE:**  
UNITED NATIONS DEVELOPMENT  
PROGRAM

**CHAIRPERSON:**  
GEORGIANA UNGUREANU & KRISTINA  
KOVACHEVA

**TOPIC:** (B)  
WATER GOVERNANCE: CORRUPTION IN  
THE WATER SECTOR IN DEVELOPING  
COUNTRIES

## UNITED NATIONS DEVELOPMENT PROGRAM (UNDP)



UNDP is the UN's global development network, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.

World leaders have pledged to achieve the Millennium Development Goals, including the overarching goal of cutting poverty in half by 2015. UNDP's network links and coordinates global and national efforts to reach these Goals. Our focus is helping countries build and share solutions to the challenges of:

- Democratic Governance
- Poverty Reduction
- Crisis Prevention and Recovery
- Environment and Energy
- HIV/AIDS

UNDP helps developing countries attract and use aid effectively. In all our activities, we encourage the protection of human rights and the empowerment of women.

The annual Human Development Report, commissioned by UNDP, focuses the global debate on key development issues, providing new measurement tools, innovative analysis and often controversial policy proposals. The global Report's analytical framework and inclusive approach carry over into regional, national and local Human Development Reports, also supported by UNDP.

In each country office, the UNDP Resident Representative normally also serves as the Resident Coordinator of development activities for the United Nations system as a whole. Through such coordination, UNDP seeks to ensure the most effective use of UN and international aid resources.

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## **Topic B: Water governance: corruption in the water sector in developing countries - summary**

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### **1. RELEVANCE OF THE ISSUE AND HISTORY OF THE PROBLEM**

Corruption is at the core of the governance crisis in the water sector. Whereas the scope of corruption varies substantially across the sector and between different countries and governance systems, estimates by the World Bank suggest that 20% to 40% of water sector finances are being lost to dishonest and corrupt practices.

Corruption increases transaction costs and discourages investments in infrastructure such as hydropower production. Ecosystems suffer because of this corruption and bribes are paid to cover up the discharge of wastewater and toxins in water resources. There is a lack of functioning public institutions typically engendered by this corruption in the water sector.

Water scarcity is often cited as a potential source of conflict. According to the UN Global Programme Against Corruption, corruption adds to this threat by undermining government security institutions (rule by law), increasing the gap between rich and poor and fostering a culture of crime and illicit behaviour.

In short, corruption affects the governance of water by affecting who gets what water when, where and how. It also determines how costs are distributed among individuals, society and the environment. Corruption worsens the world water crisis and evidence suggests that the costs are disproportionately borne by the poor and by the environment.

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## **Topic B: Water governance: corruption in the water sector in developing countries - background guide**

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### **STATEMENT OF THE PROBLEM**

Effective management of the water sector is vital for human welfare and environmental sustainability. The sector is large (with capital investments worldwide in excess of US\$ 500 billion per year), complex (with many actors in the public sector, the private sector, civil society and the community of donors/financiers) and overall poorly performing. There are over 1 billion people without regular access to clean water and a further 2.6 billion without access to regular sanitation. Water scarcity already affects local regions on every continent, and by 2025 more than 3 billion people could be living in water-stressed countries. There is agreement that the underlying problem in the water sector is poor governance, at the core of which is corruption. Corruption pervades all aspects of the water sector, from water resources management to drinking water services, irrigation and hydropower. Despite the complexity, leakage, and the potential impacts on the poor and despite significant reform efforts by a range of supporting agencies, the current understanding of the extent and nature of corruption in the water and sanitation sector in developing countries is limited, as is knowledge of the policies and mechanisms that are required to tackle it.



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## DISCUSSION OF THE PROBLEM

### Water governance

Water Governance refers to the range of political, social, economic, and administrative systems that are in place to develop and manage water resources and the delivery of water services at different levels of society. It comprises the mechanisms, processes, and institutions through which all involved stakeholders, including citizens and interest groups, articulate their priorities, exercise their legal rights, meet their obligations and mediate their differences.

### Corruption in transboundary waters

Tackling corruption in transboundary water-sharing is difficult for two reasons. It is harder to prevent and punish because of its international context, and it has very grave consequences. Transparency International states that "preserving and sharing the benefits of a common good such as a river basin is vulnerable to a serious free-rider problem: everyone has a strong incentive to take more than their fair share if there is suspicion that others also do so. Trust in the effective enforcement of commitments on all sides is essential to sustaining such agreements. But water corruption fatally undermines this trust by thwarting enforcement and opening the door to irresponsible water grabs or water pollution." As a result, shared water ecosystems become more vulnerable to overuse and ecological collapse.



One attempt to tackle these issues is the 1997 UN Convention on the Law of the Non-navigational Uses of International Watercourses. It codifies important principles of prior notification, equitable and reasonable utilization and no significant harm for the use of transboundary waters. These principles inform many international water-sharing agreements, but only few countries have so far signed up to the convention.

### Consumption and services

High potential causes of corruption in the water sector on consumer level include:

- large flow of public money, often uncoordinated donor, national and local funds
- monopolistic nature of service delivery (depending on the region – public or private)
- opacity of political interference in investment decisions
- problematic tariffs and subsidies
- the increasing role of the informal market
- lack of information between user and provider
- the complexity of sector stakeholders, systems, levels of service and institutional roles and functions.



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The corruption in the water sector in developing countries has different dimensions. Tackling this issue on the level between consumers and public officials is one of the most problematic, since bribes are frequent and systematic. Moreover, in rural areas in developing countries the corruption affects the work and delivery of NGO-supported water supplies and the implementation of sanitation projects. Systematic assessments and measures are lacking. As a result, this affects mainly the poor. This type of corruption is caused by a failed system on a regional level due to weak policies, ineffective agencies and institutional frameworks.

The problems related to corruption in the water sector:

- The impact of corruption in the sector is often underestimated
- There is a lack of information on the scope, nature, impact, and costs of corruption in the water sector
- the current anticorruption instruments and mechanism in developing countries especially in Africa and South Asia have failed
- the level of governance determines the decisions about anticorruption activities and many developing countries are lacking a sufficient level of governance.
- There is a need of effective measures to improve the transparency, accountability and integrity in decision-making in the water sector.
- The unwillingness of stakeholders to engage in anticorruption activities

## PAST ACTIONS

The World Bank, the African Development Bank, sector donors, and other sector agencies have strengthened their commitment to addressing corruption in donor-funded initiatives and in their own systems. Most of what is being done now in the water governance agenda - introducing policy, institutional, and financial management reforms; reducing inefficiencies; improving leadership; and building demand-side capacity - is central to anticorruption activity, but so far these activities have had little effect on corrupt practices in the sector.



## GUIDING QUESTIONS

**Successful preparation for this topic includes, but is not limited to, the following questions:**

What anticorruption initiatives on a local, regional and international level should be adopted?

How to strengthen regulatory oversight of water management and use?

Whether and how transparency and accountability could be adopted as a guiding principle for water governance?

How water services delivery in developing countries should be improved?

Which measures should be discussed in order to lower the expected gains from corruption and reduce private sector bribing?



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## **Suggested Reading and Additional Sources - mandatory**

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### ***Topic B: Water governance: corruption in the water sector in developing countries***

For a better understanding of the issue, the following sources should be consulted, but they are not exhaustive, therefore it is recommended that the delegates research the topic on their own, both through academic sources, as well as informal channels.

1. [Transparency International Global Corruption Report](#)
2. [Tackling corruption in the water and sanitation sector in Africa](#)
3. [Human Development Report](#)
4. [Corruption: The Missing Link in Water Governance by Hakan Tropp](#)
5. [The UN Convention against Corruption](#)
6. [Millennium Development Goals](#)
7. [Country preparation including national level reports](#)
8. Part II of the Global Corruption Report 2008