

# Overview of corruption risks and early warning indicators

**PUBLIC  
PUBLIC**  
interactions

- Distortions and diversion of national budgets

- Administrative fraud
- Document falsification

**PUBLIC  
PRIVATE**  
interactions

- State Capture of policy and regulatory frameworks

- Bribery, fraud, collusion in tenders
- Fraud/bribes in construction

**PUBLIC  
CONSUMER**  
interactions

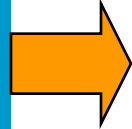
- Illegal connections
- Speed bribes
- Billing/payment bribes

- Bribery/fraud in community procurement
- Elite capture

# PUBLIC to PUBLIC interactions

## Policy-making/Regulating

- Diversion of funds
- Distortions in decision-making, policy-making



## Early warning indicators

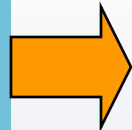
- Monopolies/tariff abnormalities
- Lack of clarity of regulator/provider roles

## Anti-corruption Measures

- Policy and tariff reform
- Separation
- Transparent minimum standards
- Independent auditing

## Planning and budgeting

- Corruption in planning and management
- Bribery and kickbacks in fiscal transfers



- Embezzlement in budgeting, planning, fiscal transfers
- Speed/complexity of budget processes
- No. of signatures
- % spending on capital intensive spending

- Citizen oversight and monitoring
- Technical auditing
- Participatory planning and budgeting

## Management and Program Design

- Appointments, transfers
- Preferred candidates
- Selection of projects



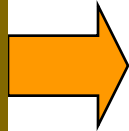
- Unqualified senior staff
- Low salaries, high perks, cf. HH assets
- Increase in price of informal water

- Performance based staff reforms
- Transparent, competitive appointments

**PUBLIC to  
PRIVATE**  
interactions

**Procurement**

- Bribery, fraud, collusion in tenders



**Early warning  
indicators**

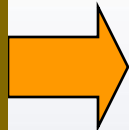
- Same tender lists
- Bidders drop out
- Higher unit costs

**Anti-corruption Measures**

- Simplify tender documents
- Bidding transparency
- Independent tender evaluation

**Construction**

- Fraud/bribes in construction

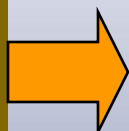


- Variation orders
- Low worker payments

- Integrity pacts
- Citizen oversight and monitoring
- Technical auditing
- Citizen auditing, public hearings

**Operations**

- Fraud/bribes in construction



- Single source supply
- Change in quality and coverage

- Benchmarking
- SSIP support mechanisms

# PUBLIC to CONSUMER interactions

## Construction

- Community based WSS – theft of materials
- Fraudulent documents

## Early warning indicators

- Loss of materials
- Infrastructure failure

## Anti-corruption Measures

- Corruption assessments
- Citizen monitoring and oversight

## Operations

- Admin corruption (access, service, speed)

- Low rate of faults
- Lack of interest in connection campaigns
- Night time tanking

- Report cards
- Transparency in reporting

- meter, billing and collection – fraud and bribery

- Unexplained variations in revenues

- Citizen oversight and monitoring
- Complaints redressed
- Reform to customer interface (e.g. women cashiers)