

Tool 11: Options for Independent Oversight

Oversight refers to mechanisms that review institutional performance, paying particular attention to identifying failures in carrying out mandates, preserving participant discipline, and addressing inefficiencies.¹ Without effective oversight, WSIs can be vulnerable to weak or biased institutional performance, as participants inherently have **vested interests** in particular WSI outcomes, and these interests at times conflict with the interests of other **WSI participants** or **affected stakeholders**.

Independent oversight mechanisms can address power imbalances and give a specific voice to stakeholders that are affected by the outcomes of a WSI (e.g., local communities), but that are less able to pursue their interests within the WSI. An independent third party (with no **vested interests** in the WSI outcomes) is granted a special role to oversee the WSI operations or implementation of specific WSI agreements (financing agreements, MoUs, etc.), in order to verify compliance with agreed procedures and ensure that the **public interest** is safeguarded.

An oversight mechanism and/or institution with which a WSI can seek to cooperate may already exist. Engaging external control agents or cooperating and pro-actively sharing information with those institutions increases transparency and helps build trust

Tool	An overview of WSI oversight mechanisms that are independent of the WSI facilitators, managers, and coordinators. For each option, requirements are established to help WSI participants identify feasible options.
Related Key Activity	Assign appropriate roles and responsibilities. Monitor WSI participant adherence to governance.
Question Addressed	Most of our stakeholders and participants only look at their own interest. How can the WSI look at its work objectively, give voice to the concerns of weak stakeholders, and reflect the public interest?
Purpose	Enhance controls to detect illicit practices and reduce power imbalances: <ul style="list-style-type: none"> ✓ Ensure efficient functioning through higher levels of compliance. ✓ Increase trustworthiness of the WSIs.
Possible Users	WSI initiators and participants.
Level of Effort	Ranges from providing information to media or oversight bodies to enshrining roles in the WSI governance structure, to conducting comprehensive social audits.
WSI Phase	2: Formalization; 3: Implementation.

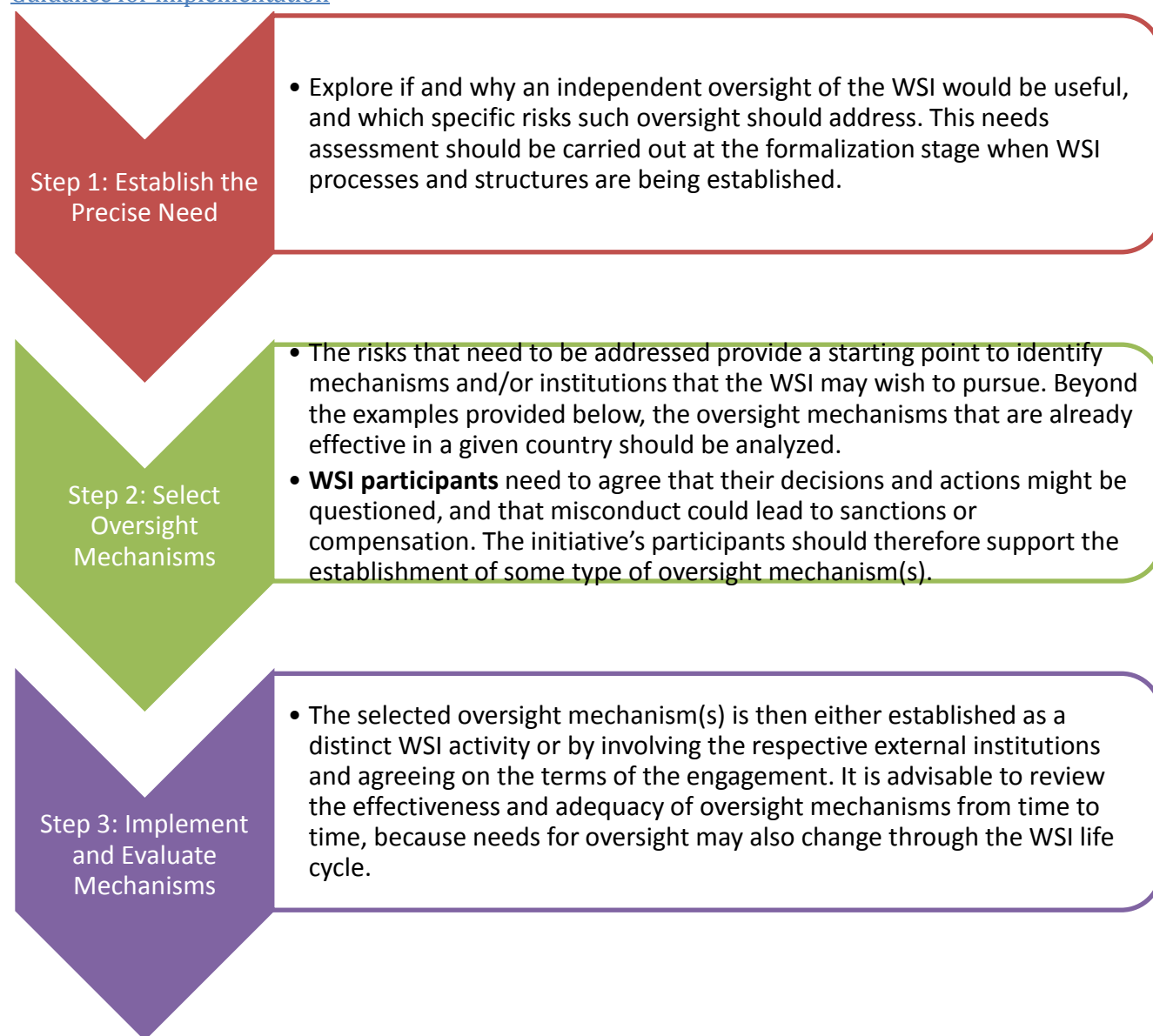
Using political ward councilors as community representatives is not appropriate — they are highly politicized, may just use it for their own benefit. [Civil Society]

(From Field Testimony)

¹ American Non-Governmental Organizations Coalition for the International Criminal Court (AMICC), “Questions and Answers on an Independent Oversight Mechanism for the International Criminal Court.” (Washington DC, New York: United Nations Association of the United States of America, February 2008), <http://www.amicc.org/docs/OversightQA.pdf>.

among **WSI participants** and **affected stakeholders**. Oversight mechanisms can also change the behavior of **WSI participants**, because of their potential to expose and sanction the misuse of power and information. Nonetheless, independent oversight only works if it can really be enforced, and those **WSI participants** who do not comply are actually taken to task.

Guidance for implementation



Possible oversight mechanisms

To support this process, a non-exhaustive list of oversight mechanisms are introduced below, including guidance on the WSI integrity risks they can address and factors that should be considered:

Social audits

Social audits mobilize all **affected stakeholders** to systematically examine the impact of WSI performance and policy outcomes, and to compare real achievements with public expectations. A social audit uses inclusive and participatory techniques to involve all relevant stakeholders and feed the findings back to them. A social audit can mitigate power imbalances and build trust in a WSI by providing downward accountability to the **affected stakeholders**. It also enables effective **stakeholder engagement** at certain points along the life cycle of a WSI.

Key factors for this mechanism are the openness of **WSI participants** and, usually, the involvement of a local civil society organization with adequate technical skills in community involvement.

Further reading:

- GIZ Anti-Corruption Toolbox. (no date). "Social Audits." (Eschborn: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH).
https://gizanticorruptiontoolbox.org/img_auth.php/0/0b/Social_Audits.pdf.
- Civicus. (no date). Participatory Governance Toolkit: Social Audits. Civicus: World Alliance for Citizen Participation. http://civicus.org/images/PGX_H_Social%20Audits.pdf.
- HELVETAS Swiss Intercooperation. (no date). "Public Audit Practice — Shifting the Focus of Accountability Towards the People." (Zurich: HELVETAS.)
https://assets.helvetas.ch/downloads/15_publicauditpractice_shiftingthefocus_blaue_final_engl_a4_portrait.pdf.

Social witness

Social witness is a tool that is used mainly for independent oversight in public procurement processes, but can be quite easily transferred to certain WSI processes related to financing agreements, MoUs, CoCs, or the development and maintenance of infrastructure. Integrating a social witness can improve transparency and credibility of a WSI because it provides for independent scrutiny of whether decisions are taken fairly and based on sound technical assessment. The social witness does not usually have any voting rights in a decision, but rather acts as an observer and quality controller, provides advice during preparatory and negotiating steps, reviews reports, and may conduct checks on the actual provision of the goods or services agreed to. Hence, the organization (usually an NGO) that acts as a social witness should have a good reputation and strong expertise in the processes it is tasked to oversee, and it should not have any interest in the outcome of these processes.

The key requirements for an effective social witness are the availability of a strong organization to fulfil the function, as well as the readiness of decision makers to seriously consider the advice of such an organization.

Further reading:

- Joanne Caddy, Tiago Peixoto, and Mary McNeil. 2007. *Beyond Public Scrutiny: Stocktaking of Social Accountability in OECD Countries*, pp. 105–107. (Washington DC: World Bank Institute).
<http://www.oecd.org/gov/public-innovation/38983242.pdf>.
- María González de Asís, Donal O’Leary, Per Ljung, and John Butterworth. 2009. *Improving Transparency, Integrity, and Accountability in Water Supply and Sanitation: Action, Learning,*

Experiences. Washington DC: The World Bank and Transparency International.

<https://openknowledge.worldbank.org/bitstream/handle/10986/2628/479680PUB0REVI101Official0Use0only1.pdf?sequence=1>.

- Open Contracting. (no date). "In Mexico 'social witness' oversees public procurement." Open Government Guide. <http://www.opengovguide.com/country-examples/in-mexico-social-witnesses-oversee-public-procurement/>.

Engagement with public oversight and watchdog institutions

Autonomous public watchdog institutions like anticorruption agencies, ombudspersons, or external audit institutions can also monitor and oversee the general operations or specific aspects of a WSI. Besides providing government oversight, cooperation with such institutions can help improve the legitimacy of the WSI and its coherence with government policies, and raise its profile vis-à-vis government institutions. When identifying the most suitable institution to partner with, it is important to take into account the institution's capacity, reputation (inside and outside government), services and functions, relevant engagement and expertise in the water sector or in collective action, as well as the broader strategies or initiatives of the institution that may provide a suitable framework for such a collaboration. Depending on which type of institution the WSI partners with, its role and function will vary. Possible functions include the following (and need to be assessed and verified for each case):

Anti-corruption agency or office of the ombudsperson:²

- Complaints and whistle-blowing mechanisms
- Cross-checking due diligence (black- or whitelists)
- Monitoring red flags for undue interference and mismanagement
- Investigating possible cases of misconduct of public officials

External audit institution:

- Financial audits
- Performance audits

Competition authority:

- Cross-checking due diligence (past cases of company misconduct)
- Investigating possible cases of misconduct by companies

Further reading:

- Bernd Müller, Meike Janosch, and Anne Hemedda. November 2011. "Managing water efficiently: Yemen's supreme water institution audits the water sector." (Eschborn: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH). http://www.researchgate.net/publication/265421712_Managing_water_efficiently_Yemens_supreme_audit_institution_audits_the_water_sector.

Engagement with governance and oversight bodies of public institutions involved in the WSI

² The division of mandates between these varies from country to country and so must be individually assessed.

Informing governance and oversight bodies (e.g., boards of directors, regulatory agencies, parliamentary commissions) of public institutions involved in the WSI can foster the proper conduct and engagement of such institutions in the WSI. Moreover, making such government institutions more aware of a WSI improves WSI alignment with public policies and strengthens information exchange on relevant current or future policy reforms.

Engagement with the media

Media can play an important role in engaging stakeholders, informing the public about WSIs, and providing critical review and feedback to **WSI participants**. WSIs should consider openly providing information to journalists and raising awareness among them on the concept and objectives of the WSI. Critical media coverage should be openly discussed within the WSI and should be used as a reference to address weaknesses or to improve information sharing and dialogue with **affected stakeholders**.

Further reading:

- GIZ Anti-Corruption Toolbox. (no date). "Proactive Media." (Eschborn: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH).
https://gizanticorruptiontoolbox.org/img_auth.php/3/36/Proactive_Media.pdf.

