

# WATER, CORRUPTION AND CLIMATE CHANGE

## WIN Expert Consultation 2010

Monday 29 March 2010  
Heinrich Böll Foundation, Berlin



## ACRONYMS USED IN THIS REPORT

AMCOW	African Ministers Council on Water
CEO	Chief Executive Officer
CPWC	Co-operative Programme on Water and Climate
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
IPCC	Intergovernmental Panel on Climate Change
IRC	IRC International Water and Sanitation Centre
KSWC	Khartoum State Water Corporation
IUCN	International Union for the Conservation of Nature
IWRM	Integrated Water Resource Management
MIWR	Ministry of Irrigation and Water Resources (Khartoum)
NGO	Non-Governmental Organisation
SIWI	Stockholm International Water Institute
TI	Transparency International
UCB	Utility Competence Berlin
UNFCCC	United Nations Framework Convention on Climate Change
WAMAKHAIR	Water Management in Khartoum Research Project
WASH	Water, Sanitation and Hygiene
WIN	Water Integrity Network
WRM	Water Resource Management
WSP	Water and Sanitation Program
WSS	Water Supply and Sanitation

### About the Water Integrity Network (WIN)

The Water Integrity Network (WIN) was founded in 2006 by organisations active in the water sector or in the fight against corruption: Transparency International, the global civil society organisation leading the fight against corruption, IRC International Water and Sanitation Centre, Stockholm International Water Institute (SIWI) and the Water and Sanitation Program (WSP), the partnership of the World Bank. WIN now comprises 700-800 organisations and individuals working on integrity issues in the water sector. The WIN Secretariat comprising a small number of full-time staff is based in Berlin.

### Further information about this issue

- Global Corruption Report 2008: Corruption in the Water Sector
- Corruption in the Water Sector: Causes, Consequences and Potential Reform
- Advocating for Integrity in the Water Sector

Available from

[www.waterintegritynetwork.net](http://www.waterintegritynetwork.net)

[info@waterintegritynetwork.net](mailto:info@waterintegritynetwork.net)

## CONTENTS

Attendance at WIN Expert Consultation	iv
EXECUTIVE SUMMARY	1
Recommendations for action	4
INTRODUCTION	6
Why is corruption in the water sector so damaging?	7
What do we mean by 'mitigation' and 'adaptation'?	7
EXPERT PRESENTATIONS	
1: Stef Smits, IRC	8
Water, Sanitation and Hygiene (WASH): Adaptation to climate change. Other uncertainties and the role of governance	
2: Henk van Schaik, CPWC	12
Nexus of water corruption and integrity with environment and climate change.	
3: Claudia Pahl-Wostl, University of Osnabrück	14
Challenges for water governance and management facing global and climate change	
4: Adil Eltayeb Abdelnour, Sudanese Water Society	16
Challenges posed by climate change to Sub-Saharan Africa: Preparedness and interventions needed.	
5: Anne-Sophie Beckedorf	18
The politics of climate change: discourses, realities and management failures in water supply. Evidence from the field	
PLENARY DISCUSSION	20
GROUP WORK	22
First break-out session	22
What is special about water, corruption, environmental degradation and climate change?	
Second break-out session	24
What actions can be proposed and how can they be prioritised?	
CONCLUSIONS AND NEXT STEPS	28

### ACKNOWLEDGEMENTS

Special thanks to Grit Martinez who was responsible for the organisation of the event including selection of participants and developing the objectives and agenda for the consultation.

#### Facilitators

R. Andreas Kraemer director of the Ecologic Institute in Berlin and chairman of the Ecologic institute in Washington DC acted as moderator for the morning sessions of the expert consultation. Dr. Peter Mollinga and Günther Grassmann facilitated the group sessions.

Report of expert consultation published May 2010 by the Water Integrity Network, Berlin  
Written and produced for the Water Integrity Network  
by Peter McIntyre, Oxford, UK, with Susie Kinghan, WIN

*Every effort has been made to verify the accuracy of the information contained in this report. All information was believed to be correct as of May 2010. However, the Water Integrity Network cannot accept responsibility for the consequences of its use for other purposes or in other contexts.*

### ATTENDANCE AT WIN EXPERT CONSULTATION Heinrich Böll Foundation, Berlin, 29 March 2010

Dr. Adil Eltayeb Abdelnour Adam  
Sudanese Water Society, Sudan

Teun Bastemeijer  
Director, Water Integrity Network

Anne Sophie-Beckedorf  
WAMAKHAIR International Research Project, University of Bayreuth, Germany

Francesca Bellaubi  
Programme Coordinator Water Sector, Africa & Middle East,  
Transparency International

Lisa Elges  
Climate Governance Programme Development & Advocacy,  
Transparency International

Anja Gäntzsch  
GTZ, Germany

Günther Grassmann  
Director, utility competence berlin

Dr. Annabelle Houdret  
Head of Water Department, Adelphi Research, Berlin

Sarah Kaufmann  
Water Integrity Network

Susie Kinghan  
Water Integrity Network

R Andreas Kraemer  
CEO, Ecologic Institute, Berlin

Dr. Grit Martinez  
Senior Project Manager, Ecologic Institute, Berlin

Dr. Peter Mollinga  
Senior Researcher, Center for Development Research (ZEF), Bonn

Antoine Morin  
Adelphi Research, Canada

Prof. Claudia Pahl-Wostl  
Professor for Resource Management, Institute of Environmental Systems  
Research, University of Osnabrück

Christiaan Poortman  
Director of Global Programmes, Transparency International

Dirk Schäfer  
GTZ, Germany

Henk van Schaik  
Co-operative Programme on Water and Climate (CPWC)

Stef Smits  
Programme Officer IRC International Water and Sanitation Centre

Dr. Rob Swart  
Coordinator, International Climate Change Adaptation Research,  
Wageningen University and Research Centre

## WIN EXPERT CONSULTATION ON THE NEXUS OF WATER, CORRUPTION AND CLIMATE CHANGE

### EXECUTIVE SUMMARY

#### Context

“Water is the medium through which climate change acts upon societies, economies and environments.”

Henk van Schaik

Cooperative Programme on Water and Climate (CPWC)

The changing climate continues to be a huge challenge for the environment, human welfare and development. The world confronts a future where water resources essential for human life are depleted while the global population continues to rise and increases in extreme weather events disrupt food supplies and habitations. In response to global concerns, the 2009 Copenhagen Accord pledged to channel large sums, rising to US\$100 billion by 2020, to help developing countries adapt to protect against future threats, for example by increasing water storage, protecting low lying areas and planting drought-resistant crops.

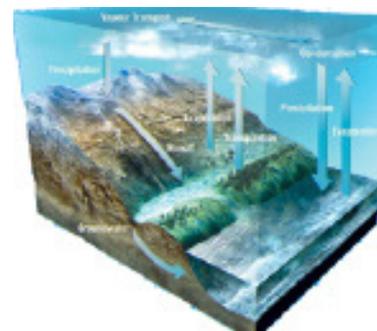
Despite major international consensus on the serious consequences of climate change, it is still an arena where the risks and benefits of action are uncertain and where the discourse is influenced by politics as well as by science. Not every extreme event can be attributed to climate change, while environmental degradation may result from human mismanagement, as well as long-term climatic changes. Climate change can therefore be at the same time a real and potent threat and a convenient excuse for failing to address the efficient and sustainable use of natural resources, including water. The integrity of the global discourse on climate change, as well as the need for transparency and accountability in the flow and use of money are paramount.

It is critical to consider how new challenges brought about by the climate change agenda will affect corruption in the water sector.

#### Expert Consultation

Concerned that issues raised by climate change may be adding new avenues and scope for corruption in the water sector, the Water Integrity Network (WIN) convened an expert consultation. Potential challenges include a misuse of the term ‘climate change’ and lack of transparency in the discourse surrounding this topic, as well as the channelling of large sums of money into poor countries which could increase the risk of corruption in the water sector without bringing real protection to threatened communities. The question WIN posed was does the climate change issue mean that the water sector has to change its approach to prevent and deal with corruption?

The consultation was held on Monday 29 March at the Heinrich Böll Foundation in Berlin to focus on the intersection between corruption, water and climate change. Around 20 experts who are active in the water sector, the climate change



The water cycle

agenda or within the field of integrity and anti corruption, set out to:

- o Review the current state of knowledge about the nexus of water, corruption, environment and climate change
- o Identify if new additional issues are raised by adding climate change to a consideration of water and corruption
- o Review the main factors affecting the level of corruption in the water sector in the context of climate change
- o Identify problems of corruption and cause and effect relations with respect to water, climate change and environmental degradation
- o Recommend strategies and actions to deal with these problems

The meeting took the form of expert presentations followed by two rounds of group work and a final plenary session. The first group sessions considered what is special about addressing water and corruption, environmental degradation and climate change – how does this differ from simply addressing water and corruption? The second group sessions made recommendations for addressing the problems that had been identified. The final plenary session pulled these together and outlined future courses of action.

### Outcomes from the meeting

Serious concern emerged about how future flows of money into the sector would be managed, with an equal concern about the integrity and process of the public discourse on climate change.

The meeting ended with a call to put corruption and integrity high on the agendas of climate change organisations and other influential international bodies. The meeting called for the development of tools that could be used to aid better decision making with reference to water and climate change, and to monitor what happens to money channelled for mitigation and adaptation.

A sense of urgency is needed to put measures in place before funds start to flow. Teun Bastemeijer, Director of WIN, said, "Adaptation measures to cope with climate change might end up being largely ineffective due to corrupt practices, if integrity, accountability and transparency are not put on the top of the climate change agenda."

### Issues raised by adding a climate change perspective to water and corruption

#### Issue 1: A new definition of corruption: abuse of discourse

Great uncertainty surrounds both the current impact of climate change and predicted future scenarios. This brings opportunities for misuse or distortion of information, if, for example, the impact of poor water resource management is blamed on climate change or the discourse is misused to get access to new funds or resources. A real concern is that the discourse may be hijacked for political or commercial gain.



"Corruption is not only bribery. It includes wilful alteration of manuscripts or words."

Henk van Schaik  
Cooperative Programme  
on Water and Climate  
(CPWC)

### Issue 2: Complexity of information

Complexity of information surrounding climate change also brings a new dimension to corruption in the water sector – alteration of data or lack of transparency when talking about the level of uncertainty in predictions and calculations. For example, the Intergovernmental Panel on Climate Change (IPCC) had to retract a statement that glaciers in the Himalayas may be gone by 2035, and there have been other errors in scientific reports. While some are clearly clumsy accidents, there is a real question asked about misleading statements in scientific reports: Is this an example of corruption or is it a mistake? The technical knowledge required to understand climate science makes it more difficult to hold specialists to account and gives scope for lack of integrity. This is already the case in many areas of the water sector and the problem is further compounded by the addition of climate change.

### Issue 3: Wider group of stakeholders

The effects of climate change, both in terms of the changing environment and in terms of adaptation and mitigation projects and funding programmes, lead to a huge increase in the number of stakeholders beyond anything previously considered by the anti-corruption movement. This may amplify governance problems because climate change is a global problem that requires projects to be implemented at local level. International donor funding to national and sub-national projects will lead to complex accountability trails.

### Issue 4: New channels of funding for adaptation and mitigation

The huge sums of money involved in climate change mitigation and adaptation bring with them new opportunities for corruption. They include well-known types of corruption such as overpriced contracts and bribes as well as new concerns about certain groups misusing the discourse to get access to new funds. There is also a concern that new money could bypass existing channels in countries where the capacity to properly prepare and plan projects is already very low.

During the consultation, there was debate about whether money should be entrusted to governments, NGOs or used for capacity building with civil society. It was agreed that this depends on the strength of the government and the prevalence of corruption. Failed states may not have the capacity for good governance, while in other countries capacity building efforts could be combined with funds that are allocated to help meet good governance conditions.

“The problem is that there are too many meanings, not too few. The problem is confusion, not ignorance.”

Claudia Pahl-Wostl  
Institute of Environmental  
Systems Research,  
University of Osnabrück

“Climate change is something global. If we want to do something about it at local (national, regional or district) level, how are we going to see the impact of what we are doing?”

Francesc Bellaubi  
Transparency International

“Regardless of the science, a lot of money is going to go into adaptation and mitigation projects, and it is that influx of global and national resources that needs to be monitored and where transparency and accountability issues need to be heeded.”

Lisa Ann Elges  
Transparency International

“The more money there is, the less likely it is that it will be spent in an optimal way.”

Claudia Pahl-Wostl  
University of Osnabrück

“There are going to be large investments and large-scale complex projects that are inherently difficult to manage. There will be very tight pressure to have them delivered in a race against the climate change issues.”

Christiaan Poortman  
Director of Global  
Programmes,  
Transparency International

## RECOMMENDATIONS FOR ACTION

### Rec 1: Capacity building

#### a) Governments

“The main message I would like to leave behind is that all of this needs to be accompanied by a big effort in capacity building for improved governance in the WASH sector.”

Stef Smits  
IRC International Water and Sanitation Centre

Investment in capacity building of governments for improved governance is a priority. National governments, especially where adaptation projects will be prioritised, need improved capacity to cope with the proper spending of the substantial funds that will follow, and to manage large projects and programmes and have a transparent process for decision making. Financial support for climate change adaptation should be made conditional on respecting good governance principles; otherwise climate change will amplify the water crisis. This means that more financial support should be directed towards capacity building rather than simply towards large-scale infrastructure.

#### b) Civil Society

“They (civil society) are the ones who can demonstrate that the regulations are being obeyed.”

Christiaan Poortman  
Transparency International

There is a strong role for civil society groups in scrutinising whether what is promised is actually delivered. This requires capacity development to empower communities and marginalised groups. The role of civil society should be strengthened so that civil society groups can play a role in the decision-making process and that their voice is heard to hold governments and projects implementers to account.

### Rec 2: Rules and guidelines

In such an uncertain environment, it is important to develop tools and guidelines to ensure transparency and accountability, especially in two key areas:

- o Guidelines for a transparent decision-making process and risk management within the margins of climate change uncertainty.

Such frameworks need to be developed at a multitude of levels and for a range of stakeholders: international donors, national and local governments, NGOs and civil society. It is important to widen the range of people contributing to climate change debates and decision making processes. Improved participation (e.g. a wider sphere of actors than scientists and politicians) may have more impact than simply increasing the amount of data available.

- o Tools for the allocation and monitoring of climate change funds.

Rules on how specific climate change funds should be allocated and monitored could be developed by WIN working in cooperation with Transparency International and others such as the Cooperative Programme on Water and Climate (CPWC) at the level of the United Nations Framework Convention on Climate Change (UNFCCC).

### Rec 3: Increased advocacy and agenda setting

WIN can help to set the agenda for dealing with corruption in the water sector in relation to climate change, by raising the profile of corruption at international conferences and with important stakeholders. It is important to make sure that the issue is addressed at the beginning of project processes and

before funds are allocated, rather than having to deal with the consequences later. WIN can also play a role in improving the conceptual integrity of the discourse surrounding climate change, improving the quality and transparency of the debate and making clearer definitions of some key terms. This role should include making the discourse accessible to a broader sphere of participants.

### Rec 4: An opportunity for progress

Climate change can be used as a positive argument to stimulate transparency, to fight corruption and to encourage good management practices. Key changes for water governance and management, identified by the research group at the University of Osnabrück, include:

- o Managing the sources of problems rather than the effects
- o Linking science and decision making through open and shared sources of information
- o Using iterative learning cycles
- o Adopting "living with water" approaches

These measures are equally valid and vital with or without climate change, so it is important that new programmes that deal with climate change re-enforce rather than hinder these approaches. The development of tools for transparent decision making in the context of climate change can also be applied more generally in the water sector and in this way, the issue can be an opportunity for improved governance.

### Follow up

- A number of specific proposals were made for follow up work:
- o WIN to lead a discussion at the Stockholm World Water Week in September 2010 on governance, climate and transparency.
  - o WIN to put corruption, water and climate change on the agenda of African Ministers Council on Water (AMCOW), and at the International Anti Corruption Conference in Thailand in November 2010.
  - o Members to revitalise the working group for climate change and WASH which started last year and work towards alliance building with WIN and others from the water sector and donor communities.
  - o WIN and colleagues to adopt an agenda-setting function in terms of advocacy based on real examples of water, climate change and corruption. The development of materials and guidelines would also raise the visibility of WIN as an active organisation.
  - o WIN to conduct further consultation and reflection, using inputs tabled for this meeting as an important reference.



Grit Martinez from the Ecologic Institute who is a founder member of the Water Integrity Network and organised the expert consultation, with Peter Mollinga from the Center for Development Research (ZEF) in Bonn, who facilitated some of the group work.

## INTRODUCTION

Christiaan Poortman, Director of Global Programmes for Transparency International (TI), highlighted the growing concern about the potential for large scale corruption and mis-management as global attention became fixed on climate change.

Climate change will have a significant impact on tightening global markets as demand increases and supply declines. This situation is familiar to TI as one in which corruption can flourish.

"Climate change is new but it is also going to be related to what we have seen in the past in terms of lack of integrity and broader mismanagement of resources and resource allocation.

"Large sums of money are on the table to deal with adaption and mitigation. The 2009 Copenhagen Accord pledged US\$ 30 billion to the developing world over three years, rising to US\$100 billion per year by 2020.

"The TI corruption perceptions index shows that the construction sector is seen as the most prone to corruption, political interference and state capture of political interests. "In cases of climate change there are going to be large investments and large scale complex projects that are inherently difficult to manage. There will be very tight pressure to have them delivered in a race against the climate change issues. We also know that these large contracts are very easy to manipulate and that issues of quality or lack thereof are very easy to conceal."

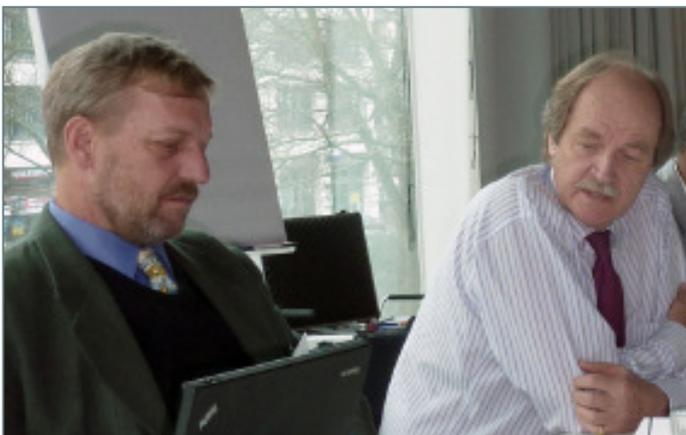
Teun Bastemeijer, Director of the Water Integrity Network (WIN), said that climate change should be taken seriously but that caution was also needed. "Climate change is at risk of becoming a market and a sector with new opportunities for political capture, and for misuse of influence in directing investments to serve the interest of the few. Adaptation measures to cope with climate change might end up being largely ineffective due to corrupt practices if integrity, accountability and transparency are not put on the top of the climate change agenda."

It is important to clarify what WIN could do on corruption and integrity especially by working with others to link up their professionalism, knowledge, experiences and research in order to promote action. "WIN is not about creating a huge global organisation to promote integrity in the world; it is about promoting the issue and hoping that

others will do the work as well. It is important to clarify in which areas to work, in order to be effective and to avoid duplicating what others are doing."

It was also important to focus on positive action to promote good governance. "Integrity, transparency and accountability are the positive ways of looking at possible solutions that go wider than just preventing corruption. Integrity is about honesty; accountability is about being responsible – how can we mobilise forces, competence, good spirits and positive energies in the right direction?"

Teun Bastemeijer, left, Director of WIN, with Christiaan Poortman, Director of Global Programmes for Transparency International.



### WHY IS CORRUPTION IN THE WATER SECTOR SO DAMAGING?

Water is a fundamental resource for life, food and development and lack of access to clean water causes the deaths of 5 million people annually.

The water sector is particularly vulnerable to corruption, in part because governance divides across agencies, large sums of public money are involved and projects are difficult to standardise. As water becomes scarcer, the risk of corruption increases. Worst affected are people with the weakest voice: the poor and marginalised. The World Bank estimates that 20%-40% water sector finance is lost to corrupt practices.

Water management is divided into five sub-sectors: 1. Water Supply and Sanitation (WSS), 2. Water Resource Management and flood control (WRM), 3. Hydropower, 4. Irrigation, 5. Groundwater extraction.

Corruption requires two players, any combination of public, private or consumer bodies, such as:

#### 1 Public – Public institutions

- WRM: inter-departmental collusion to cover up pollution
- Irrigation: distorted site selection in favour of an official's residence

#### 2 Public – Private partnerships

- WSS: kickbacks for awarding large-scale contracts
- Hydropower: licensing projects with unacceptable environmental or social impact

#### 3 Public – Consumers

- WSS: falsifying meter reading to obtain lower bills
- WRM: bribery to silence public protest over water contamination
- Irrigation: bribery to obtain preferential services or repairs

Susie Kinghan, WIN

### WHAT DO WE MEAN BY 'MITIGATION' AND 'ADAPTATION'?

The terms 'mitigation' and 'adaptation' are often linked in relation to climate change, but they have very different meanings and implications.

Mitigation relates to efforts by humanity to reduce levels of greenhouse gases in the atmosphere. Current strategies include switching from high-emitting thermal power stations to renewable energy generation; reducing energy use by increased efficiency, improved technology (e.g. hybrid cars) and insulation to reduce the need for heating; and introducing emissions trading systems to raise the price of, or ration, polluting emissions.

Adaptation is about coping with the effects of climate change. For example, re-location to higher ground is a response to threatened rises in sea level, stronger construction protects against extreme weather events, and better water storage anticipates increased frequency of droughts.

Successful mitigation strategies can take the pressure off the need for adaptation, but the cause and effect relationships in climate change are complex and predictions have wide error margins, so mitigation and adaptation strategies are both needed.

### PRESENTATION 1:

STEF SMITS, IRC

Water, Sanitation and Hygiene (WASH): Adaptation to climate change. Other uncertainties and the role of governance

### EXPERT PRESENTATIONS

There has been increasing discussion within the WASH sub sector about the climate change discourse and funding for climate change. To some extent this has been a discussion about alarmism versus scepticism. Is it possible to take away some of the myths and make these issues relevant to the WASH sector?

In 2009, organisations in the water sector established a Climate Change Working Group. This informal network, supported by the Water Supply and Sanitation Collaborative Council (WSSCC), promotes and supports effective climate change adaptation approaches within the WASH sub-sector by acting as a platform for knowledge development and sharing and for advocacy. The network concluded that:

- o The impact of climate change will be mainly felt on water resources: competition for water could increase because of changes in demand or because of increased occurrence of extreme weather events.
- o Impact is very unpredictable for any given location at any given moment. Climate change prediction models adopt a regional or country scale, while water or sanitation services are mainly developed at the level of town, city or community. The network identified a range of direct and indirect impacts categorised according to whether they affect resources and the natural environment, infrastructure, demand or access. Examples include changes in rainfall leading to changes in land use or changes in demand leading to reallocation of water from agricultural to urban use. Rapid climate change could cause many livelihood problems.



Stef Smits



Resources for planning WASH services are extremely stretched, even before climate change enters the picture. This District WASH Officer in Ethiopia is responsible for water and sanitation services for 200,000 people. His budget covers his salary for only eight months of the year, during which time he can make just two field visits.

### Many sources of uncertainty

Climate change is one of many sources of uncertainty and poor performance in the WASH sector. 30%-40% of all handpumps in sub Saharan Africa are broken at any one time and that has nothing to do with climate change. The capacity of the WASH sector to carry out its primary mandate to provide services is very limited and it is not equipped to deal with the complex uncertainties presented by climate change.

### Adaptation and corruption

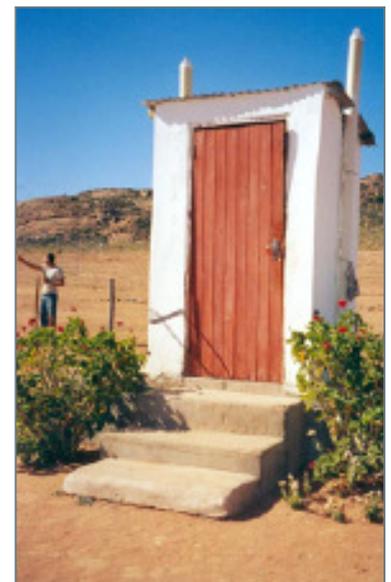
It is important to focus on strategies that allow adaptation to uncertainties, whether caused by climate change or by other factors related to limited capacity and governance. However, adaptation brings risks for corruption and mismanagement:

- o There will be lots of new money and pressure for spending it.
- o New money will largely bypass existing sector channels and go to separate climate funds or projects.
- o The sector has a very low absorption capacity. In some countries up to 50% of the sector budget cannot be spent because of lack of capacity to write and formulate projects and programmes.
- o The sector has high levels of complexity and uncertainty and “information asymmetry”, where construction companies, designers and engineers have lots of technical knowledge but regulatory and controlling bodies cannot analyse information.
- o There are a lot of myths: “People say our rivers run dry because of climate change. But is that true or do they run dry because of upstream abstraction, or because of population growth and so on?”

The WASH climate change group identified eight steps to follow when considering adaptation:

1. **Mapping vulnerability**
  - Prioritising vulnerable groups and areas and carrying out risk assessments before deciding where to invest
2. **Evidence-informed planning in stakeholder dialogue**
  - Increasing the evidence-base, making uncertainty explicit, dealing with contested information, and exploring ‘myths’
  - Promoting stakeholder dialogue to assess and discuss contested information and increase transparency in decision-making
3. **Adopt principles of adaptive management**
  - Using continuous planning cycles and scenario-based planning to explore uncertain futures
4. **Adopt integrated water resource management (IWRM) principles**
  - Get involved in IWRM discussions, especially looking at how at local people use water for agriculture, cattle, domestic use etc.
5. **Increase resilience of WASH services**
  - Adopting practical measures such as increasing the capacity of reservoirs or building toilets on pedestals
6. **Disaster preparedness and relief**
  - Including disaster management plans in regular WASH planning
7. **Financing**
  - Channelling adaptation funds through the WASH sector rather than having separate funds to provide the same services
8. **Capacity development at decentralised level**
  - Learning how to do participatory planning and setting up accountability and transparency mechanisms

Smits concluded: “The main message I would like to leave behind is that all of this needs to be accompanied by a big effort in capacity building for improved governance in the WASH sector.”



Adopting practical measures such as raised toilets — an example of adaptation.



Anja Gaentzsch and Dirk Schäfer listen to the discussion.

### Discussion

An extensive discussion followed, focused on governance issues, the significance of power relationships, the role of donors, and the relative merits of working through government agencies or civil society groups and NGOs.

#### Where should the money go – NGOs or governments?

Stef Smits argued that any extra money for improving governance should go towards efforts to increase demand for services and for accountability by community user groups, and to strengthen the capacity of governments to use and manage funds.

“In the water and sanitation sector we have made a big mistake in the absence of a reliable and trustworthy government to channel the funds through NGOs. I think that has backfired on us. I would definitely avoid that particularly when NGOs are in an implementation role, drilling bore holes, building water supply systems.

“Where NGOs have a big role to play is in creating this demand for accountability and in working with the citizen, to strengthen local governance capacity to set up water and sanitation units within local government, and in working on regulation and regulatory bodies. Regulation won’t solve all the problems but without regulatory bodies we are going nowhere.”

In Africa 80%-90% of investment in rural water supply comes from donors and the role of the state has become very limited. “We need to hold government to account – firstly by social control by customers and secondly by regulators. I think that is the balance that needs to be struck.”

Christiaan Poortman felt that the money should be directed at strengthening civil society to play a scrutiny role, “so they could assess whether what they have been promised has actually been delivered.” Educating a layer

Christiaan Poortman from TI with Adil Eltayeb Abdelnour, from the Sudanese Water Society.



of civil society would benefit many areas of anti-corruption work, including water. "They are the ones who can demonstrate that the regulations are being obeyed. We are talking about educating a number of people who in the final analysis need to be given a voice. We can find a balanced approach but I react against just starting with governments, who have been by and large guilty on this issue of governance."

Dirk Schäfer said that the money should go through governments, when there was better scrutiny of what happens to it. Countries that had established regulatory bodies, such as Zambia and Tanzania, had made substantial progress. "There is still corruption in the sector but the big advantage now is that it becomes visible when it was not before. I would be very reluctant to put an additional US\$ 50 million into governments to improve governance unless you strengthen these bodies."

Peter Mollinga said that civil society had an important role in terms of social auditing but warned against being dismissive about government structures. "The onus is on us to say that the government is there and how do we work with it."

Anne-Sophie Beckedorf was concerned about how it was possible to ensure that regulatory bodies did their job, since they too could become corrupted. "I would guess that the most important thing is really to choose the right people — who are making sure that the money that is spent is going in the right direction."

### The role of donors

R. Andreas Kraemer, who moderated the morning session, said that donors often became nervous about channelling money



R. Andreas Kraemer, CEO of the Ecologic Institute in Berlin and chairman of the Ecologic Institute in Washington DC acted as moderator for the morning session.

through government sources, and as a result were reluctant to fund projects and technology transfers. "They are afraid of the ineffectiveness of the use of the funds and the erosion that this causes in the integrity of climate policies as a whole. They are particularly concerned about large amounts of money going to large projects and financing schemes — they see those projects are particularly vulnerable to wrong kinds of decision." Rob Swart agreed that large infrastructure was the area of greatest concern. It is important to promote adaptation measures that are less prone to corruption —

such as increasing water efficiency and repairing leaking pipes to solve water shortages, rather than building dams.

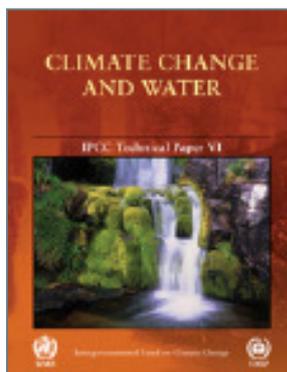
Peter Mollinga said that in his experience the project mode was the engine of corruption. "There are serious questions about how to fund any interventions. You get very unpleasant questions about complacency and accountability on the donor side."

### PRESENTATION 2: HENK VAN SCHAIK, CPWC

Nexus of water  
corruption and  
integrity with  
environment and  
climate change.



The CPWC started in 2001 following the third assessment report of the IPCC. Henk Van Schaik observed, "Less than ten years on, we are talking about operationalising these very complex insights. I think it is a revolution within ten years to talk about such fundamental change."



The IPCC technical report on climate change and water was published in June 2008.

Henk van Schaik from the Cooperative Programme on Water and Climate (CPWC) addressed the challenges that misinformation about climate change pose to integrity and corruption in the water sector at a time when basic assumptions about the provision of water are being challenged. He outlined the need for:

- o Transparency of information
- o Scientifically plausible scenarios
- o Use of climate change for positive water solutions

There was a debate in UNESCO about what climate change means for rights to water (the right to 27 litres per person per day) and for water rights (including transboundary issues). "There is clearly an issue because climate change will affect the availability of water resources and the demand for water supplies and services."

"We say water is the medium through which climate change acts upon societies, economies and environments. It acts on the availability: quantity, quality and timing of water resources and on water services and the demand for water."

### Wider definition of corruption

Van Schaik stressed the need for transparency of information and the need to acknowledge the uncertainty of climate forecasting. "Corruption is not only bribery. It includes wilful alteration of manuscripts or words. So it is also about information and adherence to moral principles, honesty, soundness, wholeness."

#### CLIMATE CHANGE FORECASTS CAN NEVER BE PRECISE

Climate change information is based on the International Panel on Climate Change, a community of scientists that produces technical reports, including Climate change and water in June 2008.

However, some figures have come under attack. That report states that the Netherlands is 50% below sea level (it should say 26%); that by 2020 there could be a 50% yield loss in rain-fed agriculture; and that by 2050 about 200 million people would be displaced because of climate change. The IPCC had to retract a statement that glaciers in the Himalayas may be gone by 2035. The big question about these IPCC reports is: Is that corruption or is it due to mistakes?

Van Schaik pointed out that information about climate change and the number of people potentially affected arrives in reports through a complex series of steps. Future emission scenarios are drawn up taking into account the economic agenda, sustainable development, material wealth, equity and sustainability. Then scientists use a chain of models with high levels of uncertainty to make predictions about hydrology and precipitation.

His conclusion is that climate stories start as socio-economic forecasts and are very much politically driven. Despite a desire for accurate information, climate models will never give precise and exact information. Adaptation is therefore about dealing with uncertainty and risk.

• *Despite the need for data, the number of local Data Centre Stations giving hydrology and groundwater information across the globe is being reduced.*



An example of good practice adopted before climate change came onto the agenda. A small dam at Kitui Sand, Kenya, stores water underground and prevents run-off.

To be credible, responses should be robust, flexible and resilient. This means introducing best practice, such as leak reduction, and 'no regret' policies which are the right thing to do under most likely scenarios. You do not need all the climate change information to decide on these sensible measures.

Henk van Schaik argued that as well as being a source of risk, climate change could be used as a good argument to fight bribery and malpractice and to encourage good management. "Good practice and integrity are steps towards dealing with climate change."

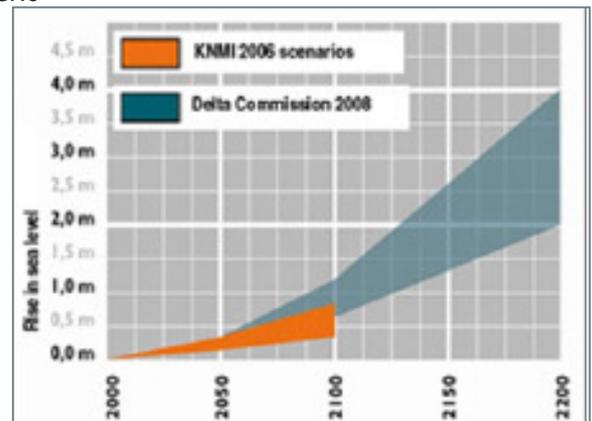
He summarised his concern about information by defining corruption as the wilful misuse of climate information in decision making. However, using extreme 'plausible' scenarios is not the same as corruption. Van Schaik gave as an example, the scenario produced by the Delta Commission in the Netherlands (see right). This "scientifically plausible", rather than "alarmist", scenario was chosen by the Dutch Government to present to Parliament to convince them to take certain measures. "It is about plausibility, but I might also say that it is about truth creation," said Van Schaik. "Here is a truth based on science of what the future might look like. Is that corruption? I don't think so. Can it be controversial? Yes."

Peter Mollinga compared this long-range forecasting to trying to predict the present day from the first decade of the 1800s. "That was before the industrial revolution in most places. How can we think about that? Our imaginations are severely limited."

### Recommendations

Van Schaik put forward a number of recommendations for WIN to adopt as strategies:

- o Consider climate change as a positive argument to stimulate transparency and fight corruption as well as a factor in corruption.
- o Emphasise the relevance of climate change for decision-making and for looking out for malpractice or cover ups.
- o Develop guidelines for transparent decision-making by all stake-holders in the uncertainties of climate change.



The Delta Commission (a state commission in the Netherlands) produced this "plausible high end" range of scenarios to look at possible sea level rises. Under worst conditions sea levels could rise by 1.20 metres by the year 2100 and by 2-4 metres by 2200 putting maybe 50% of the country below sea level. But are such long-range projections in any way credible?

### PRESENTATION 3:

CLAUDIA  
PAHL-WOSTL,  
UNIVERSITY OF  
OSNABRÜCK

### Challenges for water governance and management facing global and climate change



Claudia Pahl-Wostl showed this picture of the Rhone in Switzerland as an example of how rivers are channelled and lose their capacity to act as a buffer in the landscape, looking more like roads than rivers.

Claudia Pahl-Wostl, Professor for Resources Management at the University of Osnabrück, said that the need to improve water management did not start with climate change. The question was how necessary changes would be different for climate change and what were the implications for corruption?

Her team at Osnabrück did an inventory on what the sector had said was needed to change water governance and water management prior to climate change. These changes included:

- o Participatory management and collaborative decision making
- o Increased integration of issues and sectors
- o Management of the sources of problems rather than the effects
- o Decentralised and more flexible management approaches
- o More attention to management of human behaviour, moving away from a technical approach
- o Explicit inclusion of environmental issues in management goals
- o Open and shared information sources, linking science and decision making
- o Iterative learning cycles

The process of change has been slow. However, the International Union for Conservation of Nature (IUCN) in its perspectives on water and climate change adaptation prepared for Copenhagen in 2009 predicted that climate change would encourage the sector to pay more attention to these neglected issues and to take a more holistic view.

Pahl-Wostl pointed to a changing approach to flood management, from controlling water to living with water. The dominant orthodoxy is one where experts quantified risks and implement large-scale infrastructure, such as reservoirs and dams. The new approach to “living with water” is one where participatory risk evaluation and negotiation about integrated solutions achieves an ecosystem service approach with technical infrastructure. “We still need technology but a more intelligent, participatory and negotiated approach to dealing with risk. I

#### CENTRALISED CONTROL DISEMPOWERS LOCAL OVERSIGHT

Pahl-Wostl worked in Uzbekistan, helping to analyse how to deal with extreme events and droughts in the Amudarya basin. Uzbekistan is an extreme case; ranking 175 out of 180 in Transparency International’s Corruption Perception Index. “We found that nearly everything is controlled at the national level. Very little is controlled at the regional level.” The informal sector is very strong in Uzbekistan but difficult to analyse.

The regulatory network in place did not work. “There are many water users’ associations, established with money from the World Bank, but all the technology and water infrastructure is falling to pieces. It does not look as if the water users’ association is doing anything about this.”

When she held workshops, she found people to be uninvolved and inactive. “The government says that is why you can’t give them responsibility – they do not even talk. But this is not astonishing because they get into trouble with the government if they open their mouths.”

don't say that large scale infrastructure is not needed – but who decides? It seems to be much easier to get money for a new water supply network than to educate people who live in the slums in the city.”

Given the evidence on climate change, it is not easy to say what was right or wrong in terms of stating problems and assessing potential solutions. “The problem is that there are too many meanings, not too few. The problem is confusion, not ignorance.”

The other issue is about the kinds of evidence people should use to construct an argument. Powerful actors may impose their framing on a process (‘How big is the dam?’ rather than ‘Do we need a dam?’). However, negotiation about re-framing the questions is essential for deciding on such complex issues.

The design of policies should include scenario analyses – to find strategies that perform well under different circumstances. One approach is to evaluate decisions by looking at the cost of reversing them.

Flexibility to renegotiate strategies and goals is not easy. When more adaptive and flexible solutions were promoted to tackle environmental goals in the USA, many NGOs opposed it because they wanted to negotiate on numbers, such as the load that goes into the river. Flexibility can only be achieved through principles of good governance to ensure that it is:

- o Participatory
- o Consensus oriented
- o Accountable
- o Transparent
- o Responsive
- o Effective and efficient
- o Equitable and inclusive
- o Follows the rule of law

Pahl-Wostl drew a distinction between countries with effective formal institutions and a flexible approach and countries with ineffective institutions and rigid regulatory laws with which nobody complies. The question was how to improve on this. Should you first try to improve the regulatory system and ensure that rules are really obeyed? She did not recommend leaving Government out of the equation but would seek to strengthen its institutions. She would also put effort into strengthening local capacity in society.

### Conclusions

- o Climate change will amplify water crises unless good governance principles are respected.
- o Financial support for climate change adaptation must be made conditional on respecting good governance principles.
- o Claims for adaptive governance can be counterproductive in water governance regimes where corruption prevails.
- o The most promising approach is to support bottom-up processes to build adaptive capacity and to empower marginalised groups.
- o More financial support should be directed towards capacity building and simple technology rather than large-scale infrastructure.



Policy formulation needs to be part of a cycle of goal setting, implementation, monitoring and evaluation and assessment. Scenario analysis helps to find strategies suitable for different possible futures.

### PRESENTATION 4: ADIL ELTAYEB ABDELNOUR ADAM, SUDANESE WATER

#### SOCIETY

#### Challenges posed by climate change to Sub-Saharan Africa: Preparedness and interventions needed.



Dr Adil Abdelnour

African states face serious environmental degradation, Adil Eltayeb Abdelnour Adam told the meeting. One serious constraint is economic incompetence and a fragile social structure. Many African states depend on primitive agriculture that leads to economic incompetence and low competition in international markets. Poor infrastructure and technical capacity is obvious, especially in structures for water harvesting or water storage capacity.

#### Water and climate change

Rainwater farming as practised by many of the poor in Africa could be put under pressure. Water security, food security and social security are threatened by the effects of climate change on water resources, leading to greater urbanisation, displacement and demographic changes. Tropical forests, lakes and wetlands are at risk. This situation is aggravated by poor management, poor agricultural practices and pesticide pollution. There is competition for water between users and sectors, and poor technology available to deal with problems. "We need to think of the water content of each new crop to be produced, so that we can match our crops to the prevailing conditions."

#### Impact on infrastructure and agriculture

Many African countries are flood prone and ill-equipped to modify infrastructure in flood and drought prone areas, as extreme weather events increase. Watersheds need to be developed to maximise water storage to cope with expanding water needs under a changing climate. Climate change will exacerbate deterioration of soil and vegetation cover and will disrupt the hydrologic cycle, reducing water supplies, disrupting agricultural activities and reducing wildlife.

#### Socio-economic impacts

Failure to satisfy food needs results in crises and shortages. Land grab by international companies is a new trend in Africa and will displace rural communities to release land for such crops such as grain based biofuel production. As the growing season alters and floods and droughts increase, there could be more famines and mass migrations leading to environmental refugees. It will become increasingly difficult to achieve the Millennium Development Goals.

Demographic changes will increase demand for water while climate change will limit irrigated agriculture as population growth leads to an expanding need for food. Current water use would lead to a crisis, increasing political tension and constraining development.

#### Challenges and the way forward for Sub-Saharan Africa

Dr Adil said that the way forward was to mobilise financial resources to combat climate change, with climate-friendly policies and technologies, and better policies for water demand management. Land use should be determined by the most effective water use.

He called for intergenerational equity so that problems of today were not made worse for those who will follow.

## EXTREME EVENTS

But are they due to climate change?



Dr Adil showed pictures of a haboob (sandstorm) outside Khartoum and floods in Sinja as examples of extreme events made more common by climate change. In the discussion it was agreed that the haboob has occurred throughout history and was not therefore necessarily caused by climate change.

This illustrates the difficulty of assessing information about climate change and relating this to events in our daily lives.

### PRESENTATION 5:

ANNE-SOPHIE  
BECKEDORF

The politics of climate change: discourses, realities and management failures in water supply: Evidence from the field

WAMAKHAIR (the Water Management in Khartoum International Research Project 2008-2011) is a German-French-Sudanese project involving the Universities of Bayreuth, Paris and Ahfad and looking at how the regulatory water system reflects transformational processes within urban society and the relationship between the water management system in Khartoum and social change.

Anne-Sophie Beckedorf is a PhD student working in the WAMAKHAIR International Research Project on water management in Khartoum.

Beckedorf described how discourses on climate change represent the way societies give meaning to the world they live in by coming to an understanding about key issues, problems, explanations and solutions. They are driven by competing interests and power and lead to social reality and political decision making.

In western countries information from science is transferred to political decision makers and the media, which leads to political pressure for action. The two main problems about discourses on climate change are:

- 1) Climate change is seen only as a natural event
- 2) Political interference, where the climate change discourse is used to promote political, managerial or economical concerns



Anne-Sophie Beckedorf

In Khartoum, where the Ministry of Irrigation and Water Resources (MIWR) are trying to improve Nile implementations through the Nile Basin Initiative, there is both interest in climate change research and adaptation and mistrust of these concepts. One civil servant told her: "Climate change is an invention from the West... it is just one of the other topics from the international community... one year, it is participation, one year, it is gender, one year, it is climate change."

On the other hand, the climate change discourse is also used to justify problems of water provision to distract from failures that are rooted in management.

In September 2009 water failures led to demonstrations and unrest. Problems included:

- o Lowest level of the Blue Nile since 1940
- o The Nile waters fell to such an extent that intake pipes were left dry above the water level. The intake of the Betemal water treatment plant became grounded on sand
- o Severe water cuts were imposed during Ramadan

According to official statements by Government, the Khartoum State Water Corporation (KSWC) and newspapers, Khartoum was a victim of climate change.

However, Beckedorf concluded that some problems were due to the mis-management of the water supply system in Khartoum, and that climate change had been a convenient scapegoat. No action had been taken despite an earlier study predicting an increase in silting and recommending action to increase the river flow at the pumping site.

A number of constraints have disrupted the efficient supply of drinking water:

- o Decentralisation: Water sector reforms transferred responsibilities but not budgets to states.
- o Expertise of engineers: There is decreasing know-how due to the lack of external aid/training courses.
- o Water governance problems including:
  - Political appointments not necessarily based on quality
  - Unclear responsibilities
  - Lack of job descriptions
  - Profit-seeking (positions used to access resources)
  - Weak commitment to service delivery
  - Whoever cries loudest is served first
  - Lack of technical control
  - Clientele relationships
- o Privatisation: Introduced in Sudan in the 1990s, privatisation had been used as a means to increase personal, political and economic power, blocking subsequent reforms.

### Complex causes for delays

Beckerdorf looked at one case study where a project had been held up and the main water company was faced with the prospect of paying large sums for the means to deliver water that had to stay in the reservoirs. There were several reasons for the delay, including technical difficulties, bureaucratic procedures, and poor engineering competence by companies carrying out some of the work.

“I would say that the main problems lay in the managerial aspects. There was lack of control in the implementation by private companies. At the same time there is a system of familial, financial or friendship relationships between some private companies and some staff within the government contracting bodies. This results in the fact that a poor performance by the companies has no consequences.” Finally, she concludes, there were also “some wrong people in the wrong place”.



Image shown during Beckerdorf's presentation of a water project in Khartoum.

## PLENARY DISCUSSION

The essence of the first session of group work was to identify what was different about addressing water and corruption, water and corruption in relation to environmental degradation and water and corruption in relation to both environmental degradation and climate change.

R. Andreas Kraemer asked the experts to concentrate on what WIN can do, and to identify examples where water infrastructure management development, water resource protection and management have the necessary standards of integrity and transparency. They should also cite bad practice and areas where there are weaknesses in the management structures.

Christiaan Poortman said it was important to isolate what was specifically related to water, rather than to corruption in general. "Is there anything that one can reasonably do different? We need to focus on water and what we can or cannot do, and what we know and don't know."

Lisa Elges agreed. "The task for WIN is to clarify the added value. How and when is looking at water governance and management in a normal situation different with climate change? Why is this a specific area where water governance and management are relevant?"

Grit Martinez wanted to address how to mainstream all the important messages that were coming out in this meeting. This needed to be done with professionals and with governmental bodies. "How do you lift the level of effectiveness of capacity building?" What would this mean in terms of developing new tools or using existing tools differently?

The plenary discussion ranged over a number of topics for possible future action, including how to prevent scientific uncertainties from being misused, whether there should be different approaches to each of the sub-sectors within water, and whether global inequities in consumption levels should be addressed.

### HOW FAR IS SCIENTIFIC INFORMATION MISUSED IN THE GLOBAL DISCOURSE ON CLIMATE CHANGE?

Rob Swart said that climate change uncertainties could be misused to exaggerate impact or to exaggerate the cost of adaptation. There is huge uncertainty about costs especially since those doing the modelling never look at corruption. "It would be interesting to bring this issue to the attention of the people in the World Bank and so on which have been preparing studies."

Lisa Elges felt that WIN and Transparency International faced the same problem regardless of the scientific basis for climate change. "Regardless of the science a lot of money is going to go into adaptation and mitigation projects and it is that influx of global and national resources that needs to be monitored and where the transparency and accountability issues need to be heeded."

Henk van Schaik thought it was important to intervene as soon as possible in discussions about financing adaptation and mitigation, as monitoring systems were being discussed in the United Nations Framework Convention on Climate Change (UNFCCC). "The funding issue is being developed and it is chaos and it is probably going to be impossible to monitor what you want to monitor, but it is useful to draw their attention to proper accounting of the adaptation funding."

### Designing adaptation approaches for each sub-sector

Dirk Schäfer said that adaptation mechanisms would be different in each sub-sector – water resources management, urban water supply and sanitation and rural water supply and sanitation. This did not mean reinventing the wheel but building on what was already there. "There are a lot of issues that people are already aware of and climate change can be used to strengthen these points." Henk van Schaik said that most adaptation policies consist of "doing better what you should do and doing correctly what should be done." Stef Smits agreed that capacity building efforts should be sub-sector specific. However, it was a big task because it would require them to target many different agencies and institutions.

Teun Bastemeijer said that WIN was already trying to address different sub-sectors by working with institutions such as the International Hydropower Association and the World Wildlife Fund, and is developing country-based actions. In Ghana they are testing an annotated water integrity scan in rural/urban water supply. WIN also uses a tool about procurement prepared with TI, and is developing other tools for the water sector. "We are learning. WIN is a young initiative with a very small secretariat and trying to do our best with very few resources."

### Unequal consumption of water and resources

Adil Abdelnour said that multinational companies encourage over-consumption and that an individual in the United States consumed 20 times more than one person in Africa. He proposed that the UN should seek to control per capita consumption. It was decided that this meeting could not deal with consumption issues. However, Rob Swart said they should not neglect the way water was used to produce food since animal products use an order of magnitude more water per calorie than crops. Claudia Pahl-Wostl identified bio-fuel production as an area of concern, since these crops could affect water resources. Countries that allowed this to happen were increasing their own vulnerability.

Lisa Elges said that transparency and accountability mechanisms were needed to hold project implementers to account. Increasingly, in the water and energy sectors people are displaced by a hydropower plant or through "land grab" using complex legal processes to remove people from land they have occupied for many years.

The meeting divided into groups to consider differences in addressing:

- o Water and corruption
- o Water and corruption in relation to environmental degradation
- o Water and corruption, environmental degradation and climate change

## GROUP WORK First break-out session



Anja Gäntzsch reporting back from group one.

## Group one report by Anja Gäntzsch

The two groups reported back in a plenary session, starting with the report from group one by Anja Gäntzsch from GTZ.

Group one looked at what was different about corruption in relation to climate change and water, clustering arguments under four headings:

1. Climate change brings a lot more money, investments and funds into adaptation and mitigation strategies  
This increases the risk of corruption and the need for accountability and integrity in monitoring. With climate change on the political agenda, water is even bigger business.
2. Complexity and uncertainty  
There is uncertainty of information, and doubt about causal relationships and links with different policy areas. Complexity increases uncertainty so as complexity increases, there is greater risk of corruption. To help combat this and demystify causes and effects, we need to be clear about our own definitions and terminology.
3. Increased range of groups and stakeholders involved  
Climate change brings in a new range of stakeholders, affecting more people than previously considered when addressing corruption and water. Climate change brings in global donors alongside national levels of governance and projects and local level stakeholders. There are many target groups for advocacy. How does WIN and partners link the global climate change debate to the local and national level?
4. Variety of impacts when climate change is added in  
A variety of impacts need to be dealt with when climate change enters the picture, including environmental impacts (such as the integrity of land use) and social impacts (such as the increased opportunities for hiding corruption).



In an era of climate change, water will become even bigger business, new funds will be made available and climate change will be used as an argument to increase costs.

Group one made that the point that climate change is expected to lead to an increase in extreme events, increasing the need for disaster relief which is an area prone to corruption.

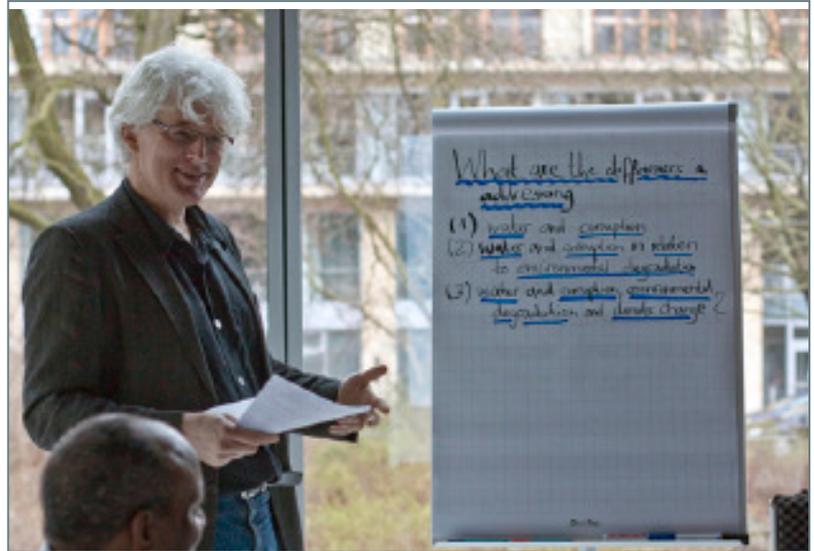


Günther Grassmann, Director of Utility Competence Berlin, who facilitated group one, and Teun Bastemeijer from WIN sorting the cards into themes.

### Group two report by Dr Annabelle Houdret

Group two also looked at what was specific about climate change in relation to water and corruption and came up with five main points:

1. The environment is particularly vulnerable to climate change, and environmental issues are particularly vulnerable to corruption.
2. The impact of climate change must be acknowledged but there is a great misuse of the term climate change. This misuse of information may be deliberate or it may be linked to missing information and uncertainty of data.
3. What is specific about climate change is that we need a broader definition of corruption: not only in the classical case of bribery but also in a more abstract sense of misusing the discourse on climate change to get access to resources.
4. As budgets shift to different institutions or sectors, money made available for mitigation or adaptation may not be available for other development cooperation.
5. The complexity of the topic and the lack of clear information lead to uncertainty about the right approaches, whom to work with and the institutions and the sectors on which to focus. Accountability is lacking both for data and for measures taken, since the results are not always visible and immediate.



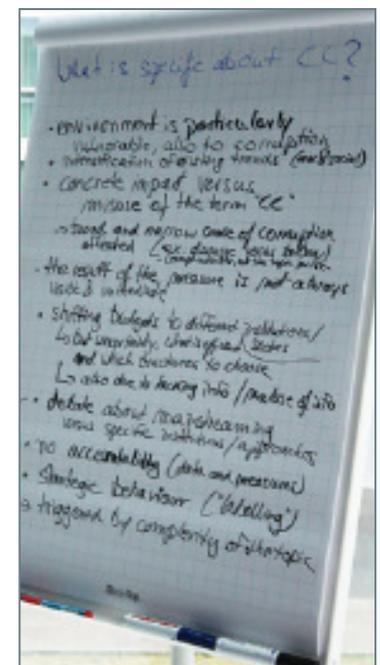
Dr Peter Mollinga, Senior Researcher in Natural Resources and Social Dynamics at the ZEF Center for Development Research, Bonn, Germany, facilitating group two.

### Discussion

The discussion that followed reinforced some synergies between the presentations and introduced new areas. The main points were:

- o Misuse of climate change term and discourse, and mixed motives in the climate change debate
- o Shifting budgets linked to high levels of uncertainty – leading to a lack of accountability
- o The complexity of linking accountability from global to local level
- o The need to act quickly to make a framework to monitor funds

Henk van Schaik said that the stage was dominated by sceptics and alarmists – one role for WIN could be to play the role of referee. Everything should be built on credible information but the IPCC, the provider of credibility was under fire, while a Minister in Indonesia went on the record as saying he only subscribed to climate change so he could get money in order to pay his staff<sup>1</sup>.



Group two: the environment is particularly vulnerable to climate change and to corruption.

<sup>1</sup> Quoted in The Jakarta Post, 22 May 2009 <http://www.thejakartapost.com/news/2009/05/22/govt-use-climate-loans-cover-state-budget-deficit.html>

Claudia Pahl-Wostl said that there were often mixed motives in the public debate. "Some people who are alarmist are convinced the planet is breaking down – they are not corrupt. But others are saying it to get their hands on some money and that is closer to corruption." She highlighted the dilemma. "On the one hand, we need money to deal with adaptation to climate change but, on the other, the more money there is, the less likely it is that it will be spent in an optimal way."

Grit Martinez queried how it was possible to decide between true and false statements under circumstances where we only have 100 years of climate data and forecasting is very unreliable. "I would like everything to be built on credible information, but where do you get that?"

Francesc Bellaubi questioned how it was possible to see the effects of local (national, regional or district) action. "How are we going to see the impacts of what we are doing? How are we going to monitor all this money and how it is spent? We do not know the links from the broad system to a smaller system. How do we follow the money?"

Henk van Schaik pointed out that adaptation money had not yet been distributed to countries. "That is why the time to develop mechanisms for monitoring is actually now. There are ongoing projects receiving investments from the World Bank that already take climate into account – that is one category. The second comes from these adaptation funds and they have not yet been allocated. There is a chance to develop monitoring mechanisms."

### GROUP WORK Second break-out session

Following the first set of presentations and discussion, the groups reassembled to consider what actions could be proposed and how to prioritise them. They looked at:

1. What are the main factors affecting the level of corruption in the water sector?
2. What are the problems and the cause and effect relations focusing on corruption in relation to water climate change and environmental degradation?
3. What are the strategies and actions to deal with these problems?

### Understanding mandates

Dirk Schäfer argued that it was important to have a clear understanding of mandates and responsibilities. "These funds will always go to a country and it must be clear who are the actors in charge in that country at the different levels, otherwise you will have 20 different institutions in that country saying they are the ones who should be receiving the funds."

It was felt that the disaster relief agencies have lots of experience of tracking large financial flows, and it could be beneficial for WIN to form a partnership with them.

### Better decision making

There was a debate about what would lead to better decision making. Peter Mollinga doubted that better quality of scientific information would make the difference. "There is very little evidence that the quality of the knowledge has anything to do with whether it is used or not."

Claudia Pahl-Wostl agreed. "It is not necessarily improving the quality of the knowledge that makes a difference, but improving the quality of the debate in terms of who is involved. The procedural rules are much more important than the quality of the knowledge entering it."

"Sometimes scientists, me included, have been quite naïve, in terms of their belief about what knowledge can do in such a debate. I think it is better to

understand the context in which the power relationships occur to understand why people are willing to do something, and why they are limited."

Peter Mollinga summed this up, "It is more about who sits at the table rather than what is being discussed at the table."



Above and top, group work under way to identify what actions to propose and how to prioritise them.

### Rules, regulations and checklists

Dirk Schäfer reported that the German government is going to introduce climate checks – so that every project in the water sector would undergo climate proofing. This led to a discussion on regulations and whether they were useful or not. It was felt that they were a necessary, but not sufficient, condition to prevent corruption. Annabelle Houdret was concerned that increasing paperwork would not lead to improvement. "In my experience people in countries are overwhelmed with different kinds of reporting and requirements."

However, Dirk Schäfer felt that rule making could be useful. "Usually in the countries I have worked in there was a complete lack of rules in the water sector and absolutely no understanding of the roles and responsibilities of the different actors. They go into decentralisation processes and those new institutions amongst service providers or user associations have no idea of what their actual tasks are. It is often very helpful to come up with guidelines and rules."

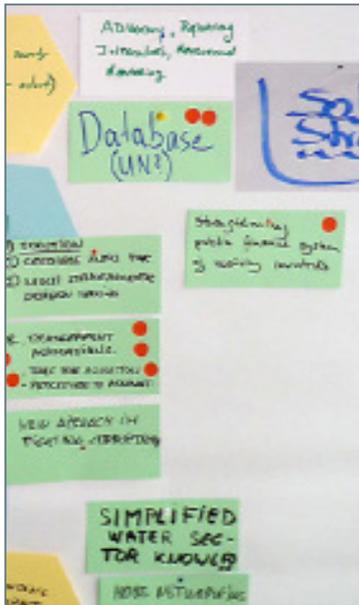
Stef Smits agreed: "In Honduras, there is a legal framework and a policy document but basically anyone can come in and start drilling boreholes and putting in pipes without checking environmental impact assessments or informing the local authority. It is the Wild West."

Transparency and accountability tools or mechanisms could be strengthened in the water sub-sectors, especially within the WASH sector. This could lead to capacity building for local authorities on climate change and how it is linked to water and corruption.

## Reporting back from groups

### Group one report from Teun Bastemeijer

Many problems are related to finance. Pressure for quick action could increase opportunities for corruption. Transparency and accountability in terms of allocating funds or investments in the water sector are important. Indeed, developing tools and procedures to support accountability for “transparent allocations” was felt to be the most pressing task.



Some solutions identified by group one.



Günther Grassmann, Director of utility competence berlin, facilitating group one.

- o Uncertainty of information and knowledge and dishonestly in the climate change discussions were seen as big factors.
- o Mitigation is a big market for industries, which means they will compete for the money.
- o Culture and the local context are important and can be used to promote integrity.
- o One suggestion was to promote tools that help local decision makers and civil society to do the right thing. These would include tools to help to make the right decisions on financing at local and national level.
- o WIN in conjunction with a number of other organisations needs to think more about advocacy and communication. WIN should ensure that water issues are on the agendas of key governance stakeholders and processes which do not yet have water and corruption on their radar screens.
- o WIN could research real life examples for advocacy, using networks and partnerships to find examples of good and bad practice.
- o Climate change could be used as a positive tool to encourage the sector to tell the truth.

There had been a feeling that although WIN was a small, young entity it should not underestimate itself, because WIN can put corruption and climate change on the agenda of many other organisations.

### Group two report from Annabelle Houdret

The most urgent tasks boiled down to two main approaches.

#### 1. Developing guidelines and tools

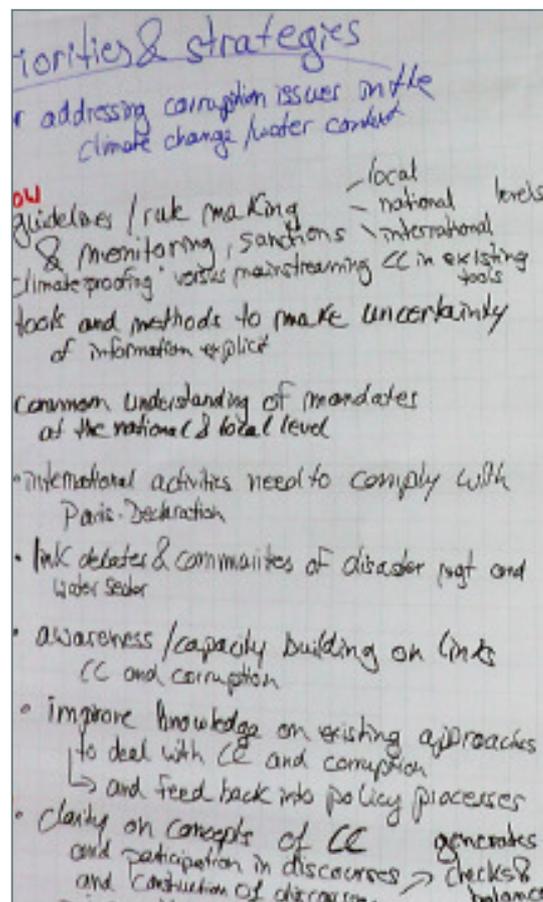
There are many programmes for research and development cooperation and specific funds related to climate change. This was the right moment to develop tools on how these funds should be allocated, monitored etc. Rule making, guidelines, monitoring and sanctions could be devised at different levels, local, national and international by WIN and TI working together at the level of the UNFCCC. There was a debate about whether to develop special tools for climate proofing or to mainstream climate change within existing tools.

#### 2. Conceptual integrity

This covers the debate about what is meant by climate change, what is the mainstream discourse and how much does it reflect local perspectives. Greater clarity is needed on the concept of climate change and how it is related to water and to corruption, There is a need to improve the quality of the debate by broadening the sphere of actors who participate in these discourses. Opening the discourse to a broader audience would introduce checks and balances among people who participate. A common understanding of the mandate was needed at local and national level. Awareness raising and capacity building were also needed on the links between climate change and corruption. A need was identified to improve knowledge of existing measures to deal with climate change related corruption and feed these back into the policy processes. An area explored, but not fully developed, was to solicit local and national perspectives by representatives of WIN and IRC in countries.



Annabelle Houdret compiling group two's list of possible solutions.



Some solutions proposed during the expert meeting.

### CONCLUSIONS AND NEXT STEPS

There was a consensus that addressing issues raised by climate change was an important step for those working on anti-corruption in the water sector. The meeting had been successful in raising awareness, stimulating dialogue and acting as a platform for future discussions.

A key recommendation was that the Water Integrity Network could continue what it had already begun by organising this consultation – advocacy of corruption risks brought about by climate change to the water sector. It was felt that this issue was currently not high enough on the agenda of those discussing climate change funding, adaptation and mitigation, and WIN could play a role in raising awareness. Henk van Schaik offered to work with WIN to lead a discussion on governance, climate and transparency at the Stockholm World Water Week in September 2010. Teun Bastemeijer also said that WIN wants to put corruption, water and climate change on the agenda of African Ministers Council on Water (AMCOW), and at the International Anti Corruption Conference in Thailand in November 2010.

The five presentations in the morning provided expert insights into specific issues surrounding climate change and water governance and highlighted some pertinent examples. This set the groundwork for the plenary sessions which allowed for very open discussions about the issues raised. The afternoon group work required participants to focus on specific questions and then feedback the main points. It is interesting to note that both groups raised similar issues and there was a great deal of consensus resulting from the feedback sessions.

The first group session considered whether climate change will bring new challenges to corruption in the water sector or if it will simply deepen existing problems – it was agreed that both of these things would be the case. There are some unique features surrounding climate change and corruption due to the high levels of uncertainty. This can lead to lack of integrity in the discourse on climate change, as well as the misuse and misrepresentation of data. There is scope for climate change to become a market with opportunities for personal, political or financial gain, as well as a cover up for other non-climate related water problems. A broader definition of corruption is therefore needed, which deals with this idea of 'conceptual integrity'. There was some suggestion that WIN could play a role in leading on this, clarifying some key concepts and acting as a neutral arbiter in discussions.

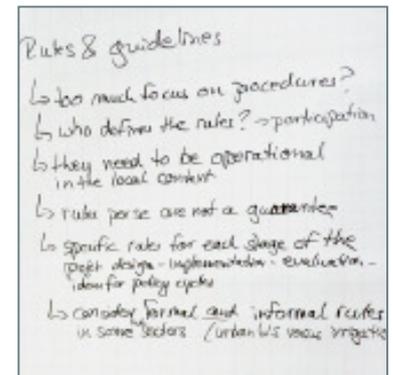
One major issue raised throughout the day which brings new challenges and adds to existing ones is the new funding being channelled into climate change projects. Corruption risks surrounding funds are not new, but this new money may circumvent existing monitoring channels in a race to implement adaptation and mitigation programmes. There was much discussion on the need to develop monitoring frameworks to make sure these funds are managed in a transparent, accountable way. Now is a critical moment to develop such monitoring mechanisms while the UNFCCC decides how and where funds will be spent.

Debate around the importance of developing tools for regulation and monitoring persisted throughout the day. These were discussed in relation not only to funding, but also decision

making processes and participation, accountability for project delivery and guidelines at the local level on how to understand climate change causes and effects.

One point which generated strong agreement was that improved water governance was crucial and this in itself would in fact support adaptation and mitigation strategies. For example, improved water storage, implementation of flood risk strategies in vulnerable areas or capacity development to improve water resource management are already key issues for the water sector. Therefore, many climate change solutions are about continuing 'pre-climate change' strategies. This is also true for anti-corruption work which already focuses on improved water governance, greater accountability and transparency in decision making and monitoring of funds. In other words, continuing and doing better the work already being done in the water sector is an important strategy in the fight against corruption in relation to water and climate change.

While there is a need for further consultation, reflection and increased advocacy, it was acknowledged that the consultation was an important first step in raising awareness on this key issue. The inputs that were tabled on climate change and water were an important reference and WIN, along with many of the participants, hopes to make the next steps in developing a strategy building partnerships to work on some of the recommendations discussed.



Proposed rules and guidelines during the expert meeting.

### SPECIFIC PROPOSALS FOR FOLLOW UP

- o Henk van Schaik said that there was still one table free at the Stockholm World Water Week in September 2010, and WIN could use it to lead a discussion on governance, climate and transparency. This was welcomed.
- o WIN wants to put corruption, water and climate change on the agenda of African Ministers Council on Water (AMCOW), and at the International Anti Corruption Conference in Thailand in November 2010.
- o Stef Smits was keen to revitalise the working group for climate change and WASH which started last year and to think more about alliance building with WIN and others from the water sector or donor communities.
- o Peter Mollinga said it was clear from the synergy of ideas from participants that there was a strong agenda-setting function for WIN and their colleagues in terms of advocacy based on real examples of water, climate change and corruption. The development of materials and guidelines would also raise the visibility of WIN as an active organisation.
- o Teun Bastemeijer said there was still a need for further consultation and reflection and that inputs tabled for this meeting were an important reference. "Knowledge is being developed and we have to use it for advocating and strengthening capacities."



[www.waterintegritynetwork.net](http://www.waterintegritynetwork.net)

c/o Transparency International  
Alt Moabit 96  
10559 Berlin, Germany

[info@waterintegritynetwork.net](mailto:info@waterintegritynetwork.net)