

Transparency International Climate Governance Programme

Adaptation Finance: Key Findings

Global Corruption Report on Climate Change

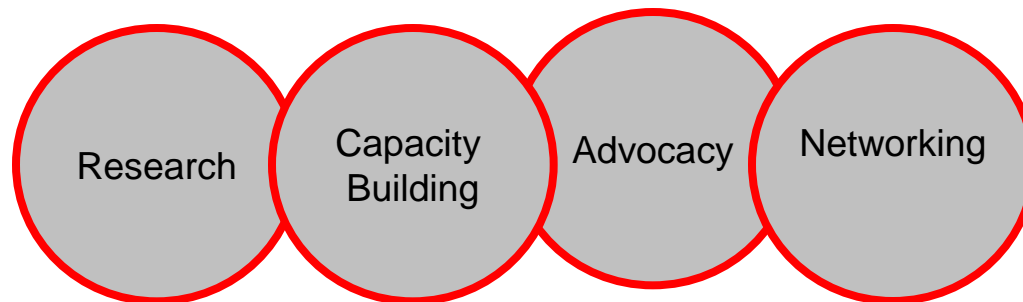
Lisa Elges, Transparency International

Climate Finance Workshop Series

Overseas Development Institute

London, 10th May 2011

“To promote accountability, transparency, and integrity in climate governance and finance policies and actions, institutions and their operations”





GLOBAL CORRUPTION REPORT

Climate Change

Climate Governance and Financing

Scale and Speed

Needs: 300+ Billion/year (315 + 16>?<63 + 50)?

Current:

- 30 Billion by 2012; /10/2/1.2/30%
- 100 Billion/year by 2020;
- Carbon Markets 120 Billion Annual Trade (2009)

Climate Change

Life and Business as Usual

2025

Integrity Risks



Risks: New and Additional?

Allocation
and
reallocation
of public
financing





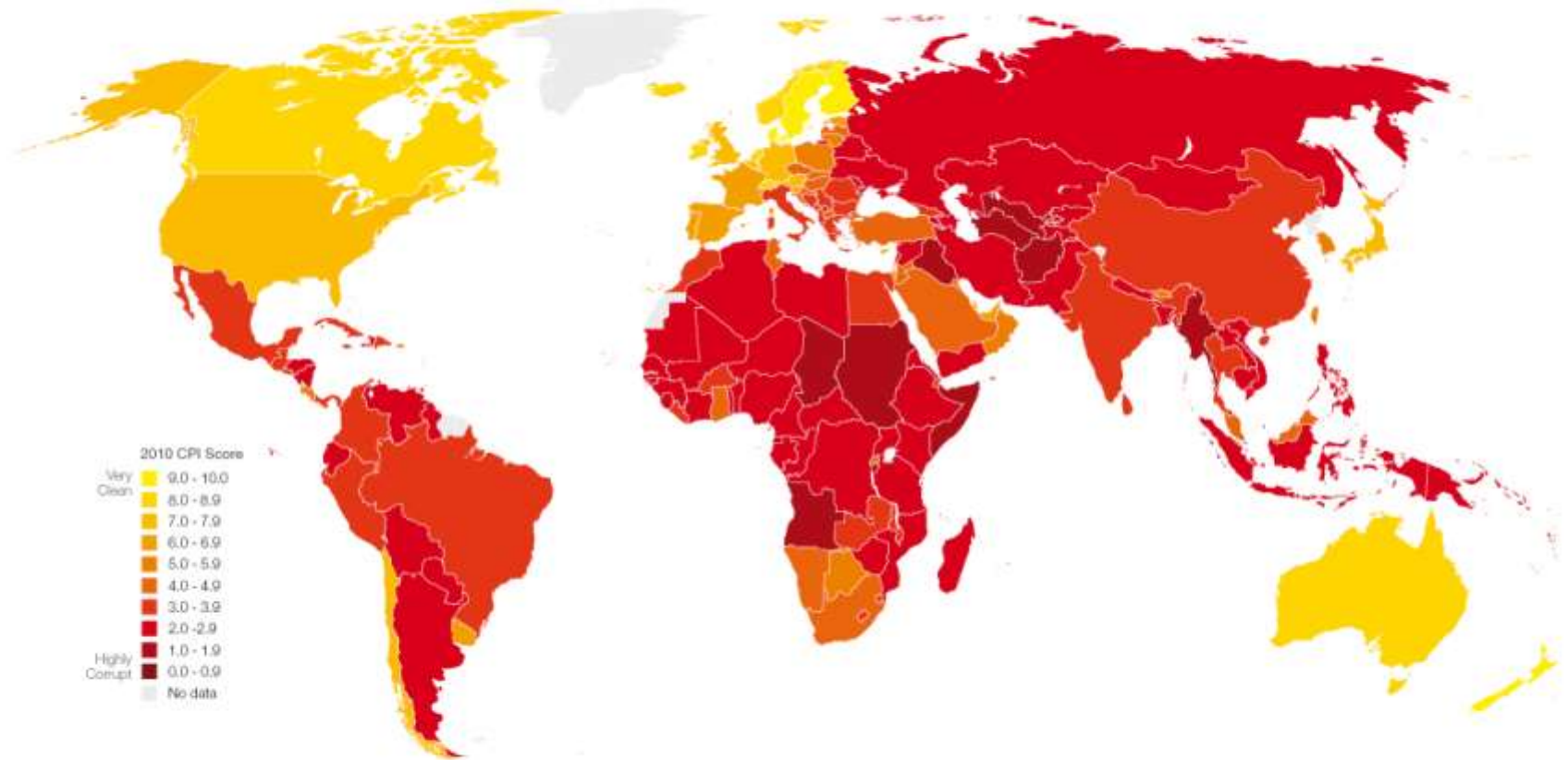
Monitoring, Reporting and Verification (MRV):

- Climate Finance**
- GHG Reductions**

Recipient Countries

Capacities to absorb Climate Finance and meet adaptation/mitigation objectives, to involve local stakeholders in decision-making processes in country-driven processes





BPI 2008: State Capture

Industrial Sector	Observations	Score 2008	Standard Deviation	Confidence Interval 95%	
				Lower Bound	Upper Bound
Public works contracts & construction	447	5.6	3.23	5.3	5.9
Oil & gas	296	5.7	3.15	5.3	6.0
Mining	112	5.8	3.35	5.2	6.5
Real estate & property development	393	5.9	3.10	5.6	6.2
Heavy manufacturing	323	6.1	3.01	5.8	6.5
Pharmaceutical & medical care	368	6.2	3.15	5.9	6.5
Civilian aerospace	105	6.3	2.92	5.7	6.9
Arms and defence	92	6.4	3.21	5.8	7.1
Power generation & transmission	272	6.5	3.01	6.1	6.8
Telecommunications & equipment	811	6.5	2.87	6.3	6.7
Utilities	599	6.5	3.07	6.3	6.8
Banking & finance	1298	6.6	2.95	6.5	6.8
Forestry	93	6.7	3.17	6.1	7.4
Transportation & storage	889	6.7	2.83	6.5	6.9
Hotels, Restaurant & Leisure	425	7.0	2.75	6.7	7.3
Information technology (computers & s	666	7.0	2.78	6.8	7.2
Agriculture	324	7.1	2.81	6.8	7.4
Fisheries	89	7.1	2.87	6.5	7.7
Light manufacturing	598	7.2	2.75	7.0	7.4

Construction Sector

- Characteristics
 - Large, long term projects for public sector using complex supply chains – difficult to detect/prosecute
 - Project needs assessment preparation and build design, contractor selection, contract award, contract implementation, final accounting and auditing phase
 - (poor) Regulatory capacities, (in)sufficient regulations
- Risks
 - 5-20% bureaucracy/corruption
 - Urgency, fragmentation, disconnect with long-term planning
 - undue influence, conflicts of interest
 - prestige projects = scale of social needs?)),
 - Collusion
- Results
 - High price and low quality results – decrease resilience
 - skewed priorities;
 - Environmental integrity threatened
 - Construction industry: 33% of CO₂ emissions

“Water Sector”

By 2020, 75-250 million people in Africa will be exposed to water stress by climate change

Current water challenges exacerbated by weak governance, regulatory frameworks + law enforcement

UN MDG- water and sanitation = 48 million USD

Bangladesh:

Climate Programme 500 Million USD

Bangladesh Water Integrity Initiative (BAWIN)

Humanitarian Relief

Increased emergency aid predicted: OCHA – Increase from 200-400 recorded natural disasters (20 years), 90% climate related
240 million affected every year to 375 million by 2015
Annual global spending to increase 32 – 1600% by 2030

Corruption? External environment + humanitarian agencies controls

Survival corruption, gate-keeper capture – less aid to beneficiaries

Case Studies:

Philippines: Disaster risk and Climate Change
Adaptation Projects

United States: Hurricane Katarina

Macedonian capital Skopje

Climate Migration

- by 2050, 200 million people forced to leave homes (Africa, Asia)
- Vulnerability will lead to increased human smuggling and trafficking
 - Inequality, insecurity, scarce resources expropriated by elite
 - Lacking governance standards for “climate refugees”
 - Humanitarian relief embezzled or restricted for internally displaced persons

Better preparedness to deal with climate change migrants, resettlement planning

UNFCCC Protocol proposed to allow for financial support via climate refugee protection and resettlement fund

Adapting and mitigating overlaps, impacts

Bolivia: Resource Curse? Lithium revenues,
development, transparency, accountability

Mitigation projects + Bio-fuels production, revenue
allocations, land grab and land rights issues,
development

REDD+ and Forests

Integrity Tools for Construction, Forest and Water Sectors, Humanitarian Aid





Thank you

