Cities, climate change and corruption

Dr. Dieter Zinnbauer,
Transparency International (currently on sabbatical)
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Outline

• Scale and scope of the urban corruption challenge..
• ... and the specific environmental / climate dimension
• What to do?
Some preliminaries

• A common definition
  “abuse of entrusted power for private gain”

• from street level “petty” bribes to state capture

• top-line stats on corruption
  • 25% of households in developing countries pay bribes to access essential services
  • between 10-40% of public budgets lost to corruption
  • 2/3 of people feel things have gotten worse
Urban climate change mitigation

- cities account for 70% of energy-related CO2 emissions

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corruption and pollution
- direct, significant impact of corruption on per capita sulphur and carbon dioxide emissions (94 countries, 1987-2000)
- systematic down-manipulation of air pollution reporting in Chinese cities (2000-2009, forensic study, 37 large cities)
- political connections associated with higher pollution levels, more use of coal for power production (China, provinces)
- corruption shifts environmental Kuznets Curve outwards, pollution turn-around only at higher income levels (several studies)
Urban climate change mitigation (cont’d)

• cities account for 70% of energy-related CO2 emissions

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corruption and environmental/energy policies
• corruption reduces stringency of energy and environmental policies (various multi-country studies)
• corruption increases deforestation (various multi-country studies)
• bribery (Mexico city) and illicit competition for customers (New York city) underpin systematic circumvention of car emission standards (forensic data studies)
• stickiness: higher accumulated country corruption levels associated with less ambitious climate policies and less global cooperation (131 countries)
Urban climate change resilience and adaptation

• 90% of coastal areas urban, 275 million in areas to be flooded in a 3C rise scenario
• 2.5 billion urban residents in cities with very little or only some bounce-back capacity

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• 83% of all deaths from building collapses in earthquakes in the last 30 years in highly corrupt countries due to massive code violations (global mapping)
• higher corruption significantly associated with lower access to improved drinking water and sanitation, lower infrastructure quality (multiple studies)
• corruption is estimated in developing countries to raise the price of connecting a household to a water network by as much as 30 to 45% (various cases)
• construction among most corrupt sectors as perceived by industry practitioners across the world (bribe payer survey)
• corruption destroys social capital and public trust which in turn precipitates more corruption (various studies)
• emergency relief extremely vulnerable to corruption (sectoral analysis)
An urban climate corruption risk perspective

High corruption risks when:

• challenging context: high corruption levels, complex governance situation
• weak capacity, fragmented governance
• shortages and bottlenecks in service, goods provision
• complex, large projects and related procurement processes
• rapid influx of large-scale resources (a resource curse situation)
• asymmetric interest situation: dispersed, distant public vs. immediate, concentrated vested interests
Challenging contexts and complex governance situation?

- **8** out of the **10** countries most vulnerable to extreme weather events (LT-CRI 2018) rank among the bottom third of most corrupt countries in the world (CPI 2016), none are in the upper half of cleaner countries.

- **10** out of the **10** fastest growing urban areas are in countries perceived as significantly corrupt (CPI 2010).

- Poor and marginalised communities, often living in urban zones of high-informality conditions and weak formal governance are also particularly vulnerable to climate change.

=> a perfect storm of high corruption, climate and urbanisation stresses
Fragmented governance, weak capacities?

• Legal urban governance area <<< functional metro region
  • Manila (8% of population covered), Buenos Aires (18%), Kolkata (28%), Jakarta (34%), Mexico City + Karachi (40%)

• Urban climate action to be coordinated across dozens of jurisdictions (e.g. Mexico City, Sao Paulo) or even hundreds (e.g. Abidjan)

• C40 cities: only half of all urban mitigation potential within grasp of direct city action

• Smaller cities with limited governance capacities at center of urbanisation

• Accredited planning professionals per 100,000 people:
  • UK: 37, South Africa: 3, India: 0.23
Shortages and bottlenecks?

• 150 million urban residents with perennial water shortage today; up to 1 billion by 2050
• escalating demands for urban services and infrastructures => most local agencies operate in “catch-up mode”
Complex, large projects and related procurement processes?
Panama City – Old Town
Panama City – Old Town now
Panama City – Old Town aerial view
“Large-scale resource influx?

• At least USD 100 billion per year to be provided for climate finance by 2020
Asymmetric interests and power?

77% of survey respondents in African cities and 61% in Asian cities believe public office holders benefit most from urban reforms due to corruption (2009)
Dhaka office tower

- land illegally obtained
- built without proper approval
- threatening crucial urban lake drainage system

- inaugurated by two prime ministers
- several court orders for demolition since 2011
- “a scam of abysmal proportions” (High Court)
- nothing has happened (April 2016)
Dhaka: Bangladesh

- Office tower: owned by Bangladesh Garment Manufacturers and Exporters Association, main trade group
- Sector accounts for \( \frac{3}{4} \) of countries exports, employs 4 million workers
- 10% of parliamentarians directly in garment business, various others with indirect interests
What to do? Fostering integrity in urbanisation and climate action

• Cities not only as hotspots, but also as potential beacons of integrity

• Some key lessons for tackling corruption
  • No magic bullet solution
  • Systemic issue: ring-fencing projects only stopgap measure
  • Not a handwashing intervention – long term engagement, since vested interest will push back, find new corrupt ways
  • Often you cannot fight corruption by fighting corruption – look at root causes
Engagement options for different stakeholders

- **City governments**
  - diagnose and reform most pressing institutional weaknesses: Local Integrity Systems Analysis
  - adopt open procurement and open contracting standards
  - raise transparency levels: real estate ownership, asset/income/interest declarations

- **Private sector**
  - local integrity pacts around big public works projects
  - join construction sector transparency initiative (COST)
Engagement options for different stakeholders 2

• Civil society:
  • a plethora of follow-the money and social accountability mechanisms available
    • participatory budgeting
    • social audits
  • assess/rank/compare, diagnose: e.g. Slovakia Cities Transparency Index
  • provide reporting platforms /helplines

• Donor agencies:
  • join IATI
  • support local champions
ZAMBIA

Donors

Donor Government Agencies $137,858,610

Recipients

Donor Government Agencies $40,389,811
Donor NGOs $6,781,891
International NGOs $498,390
Multilaterals $1,274,150
Recipient Government Agencies $51,425,156
Recipient NGOs $1,642,957
Unknown $35,846,256
Examples of NGO resources

- Bangladesh: Analysis of Water Development Board
- Global: Handbook Humanitarian Assistance
Citizen reporting – Anti-Corruption Assistance
TI Advocacy and Legal Advice Centers (ALACs)

2003 was the first year ALACs were opened

200,000+ citizens have contacted an ALAC so far

100+ ALAC offices are open

60+ countries have fully operating ALACs
Engagement options for different stakeholders

- **Urban professionals**
  - Raise awareness / preparedness for corruption challenge
  - Example: course module for urban planning schools / planning professionals
Urban planning course module

A – The basics of corruption
B – Corruption in urban development and planning
C – Individual and organisational dynamics of corruption and integrity
D – The role of professional ethics in urban planning
E – Tackling urban corruption – taking action as an urban planner

More about the course
Dieter Zinnbauer
dzinnbauer@transparency.org
• working papers „cities of integrity“, „land resource curse“, „ambient accountability“ on SSRN
• urban development + corruption course: www.transparency.org/urbanintegrity

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