Case Studies and National Examples

The *Global Corruption Report: Climate Change* is divided into five main sections. Each looks at a specific theme and uses case studies and national examples to illustrate its arguments. Below is a selection of these examples.

**Policy and decision-making**

**Policy capture**

**USA**

- The American Clean Energy and Security Bill, which would have introduced an emissions cap-and-trade law, was not even put to a vote in the Senate. This is largely accredited to the ‘brown lobby’ composed of 2000 registered oil, gas, coal and electricity lobbyists who spent an estimated US$400 million in 2009, compared to the green lobby’s US$22 million.

- Brown lobby expenditure will only increase thanks to the Supreme Court ruling lifting limits on election campaign spending. Its methods include forged letters (p. 47), establishing fake grassroots organisations, and head hunting legislative staffers. One senator, Max Baucus, has as many as 12 former staffers working as climate lobbyists.

**India**

- The world’s largest democracy, and fourth largest greenhouse gas (GHGs) emitter, has a significant role in global climate policy. Yet the issue has only recently captured the public consciousness at home. Although its emissions per head of population are tiny, 38 per cent of India’s emissions come from coal. This is set to double by 2030 as 400 million Indians are still without electricity.

- India also accounts for around 40 per cent of rejected projects under the Clean Development Mechanism (CDM), raising questions of the competency of its National CDM Authority. Since most Indian CDM projects deal in reductions of chemicals known as HFCs, where it is difficult to prove how much a project is responsible for emissions being reduced (“additionality”), Indian businesses have a strong incentive to lobby for a weak definition of “additionality” at the international level. Indeed, India’s international delegations have large industry representation, while NGOs are kept out.

- The Indian government spends US$20 billion on electricity subsidies, US$6 billion of it for farmers. Special interests such as the coal, fertiliser, petrochemical and motor industries, and farmers themselves, lobby local politicians to maintain this fossil fuel dependent, energy-inefficient status quo.
Public participation and access to information

China

- The world’s largest GHG emitter as of 2007, China has expressed serious commitment to emissions reductions and is at the forefront of developing low carbon technologies. The state owned coal sector accounts for 70 per cent of Chinese energy needs, which are expected to double by 2030. Discussions happen through the Party, and local authorities may own stakes in polluting industries. In contrast, the environmental agency only became a Ministry in 2008 and its 145 energy-saving monitoring centres lack staff, budgets and equipment, making it harder to comply with transparency rules.

- Chinese access to information law requires disclosure to public requests and the publishing of detailed environmental information. Energy efficiency goals are published annually. The city of Ningbo put 600 documents on its website in 2008, including all complaints and their processing status.

- 3500 domestic NGOs are registered and international NGOs such as Greenpeace and WWF are starting to engage in projects. However, limited information on procedures for public participation makes engagement difficult.

Mitigation

Building integrity into the carbon markets

Slovakia

- By 2008, Slovakia’s average emissions were 32 per cent lower than its 1990 Kyoto target, allowing it to sell a number of its emissions permits.

- The Slovak government sold 15 million tonnes of permits without public auction. The media and opposition parties called for the contract and sale price to be made publicly available.

- Media investigations revealed that Slovakia may have sold its quotas at half their market value, representing an estimated €75 million in lost revenue. Investigations also revealed that the purchasing company was newly formed and had links to members of the ministry who sold the permits.

Other country/regions studies discussed in relation to the carbon markets include: Hungary, India, Australia, and the United States.

Finding the right solutions to prevent greenwashing

UK

- “Greenwashing”—making products or services look more environmentally friendly than they actually are—can mislead consumers about the carbon footprint of their purchasing choices. UK guidelines for making “clear, accurate, relevant and verifiable” environmental claims are non-binding.
• Complaints to the UK Advertising Standards Authority about misleading environmental claims are growing. It banned adverts of Renault’s Twingo that called it an “eco-car”, despite above-average emissions for its size.

Other countries discussed in relation to greenwashing: **Denmark, France, Germany, and the United States.**

**Avoiding a green resource curse in the transition to a low-carbon economy**

**Bolivia**

• Growing demand for natural resources such as land and certain metals driven by the transition to a low-carbon economy should benefit the countries and communities in which they are found—not contribute to conflict or poverty.

• Half of the world’s known reserves of the lithium used for electric vehicles and expected to see demand grow 10 per cent annually, are believed to lie in Bolivia’s Uyuni salt lake.

• Without proper management, lithium-processing could threaten local communities, damage the surrounding ecosystem, affect a growing and promising tourism industry and threaten scarce water supplies.

• In the past, Bolivian state oil companies have not always adhered to public procurement processes and in some cases have failed to consult with indigenous groups prior to exploration.

• As the country moves forward with plans for exploitations, it must also ensure that mining and environmental regulations are met, that public participation is broad, and that information on contracting and financing is open to the public.

Examples of other countries where natural resource demand needs good governance:

• **Colombia and Sierra Leone:** land for biofuels
• **Democratic Republic of Congo:** minerals used in photovoltaic and electronic technology

**Preventing fraud in renewable infrastructure**

**Spain**

• The Spanish government admitted it needed a supervisory mechanism to audit solar parks after it triggered a scramble to complete photovoltaic installations when it obliged utilities to buy solar power at fixed high rates. A subsequent investigation found that over 4000 photovoltaic installations in 13 per cent of the country’s solar parks were falsely registered as operational despite making no contribution the energy grid.

**North Africa**

• Estimates suggest concentrated solar power installations covering less than one per cent of the Sahara Desert could meet all of Europe’s power needs.
However, 78 per cent of a small group of experts surveyed said complexity and corruption in bureaucratic procedures was a high level concern for deployment of solar power in North Africa, which would raise the risks and costs of investment.

**Adaptation**

**Disaster preparedness**

**Philippines**
- It is estimated that Southeast Asian nations should budget amounts equivalent to 5–6 per cent of their GDP for disaster management. At present they budget 2–3 per cent.

- Lack of preparedness can put lives at risk. In 2009 thousands of people were swept away or marooned, and more than 300,000 homes were destroyed or damaged by Typhoon Ketsana. There were too few boats and amphibian trucks to rescue them. In Marikina, the worst-hit city, only two rubber boats were available for rescue operations. The government declared a state of emergency and extended it for a year, even in areas not affected by the storm. A supplemental budget worth US$250 million was proposed. This led to suspicions funds could be misappropriated. It is still not clear how the budget has been spent.

- The Department of Public Works and Highways was supposed to begin the US$14 million Pasig-Marikina River Improvement Project in 2007, but three years later, in 2010, it has still to be implemented. The Kamanava Area Flood Control and Drainage System Improvement Project in northeast Metro Manila, worth US$15 million, has also been delayed.

- Projects that are built often suffer from neglect, as officials fail to maintain crucial disaster risk management facilities. The Effective Flood Control System, worth approximately US$25 million, funded by a Japanese loan, was reported to have failed on account of the neglect of the Metropolitan Manila Development Authority. In the case of Marikina and Cainta, the flood line was 17 metres above sea level, but a land development project, which had to pass through 32 signatories before being approved, allowed construction at a mere 9 metres.

**Land management**

**Kenya**
- It is estimated that more than 100,000 people were forcibly evicted from their homes in forested areas between 2004 and 2006. In 2009 the prime minister, Raila Odinga, had to overturn an eviction notice delivered to people in the Mau forest by the Kenyan Forestry Service.

- The Kenyan tourism, tea and energy sectors stand to lose more than US$300 million annually from deforestation exacerbated by corruption among under-resourced forest guards. In 2009 400,000 hectares of forest in Mau Forest
Complex, Rift Valley were destroyed. In 1963 Kenya had forest cover of some 10 per cent, by 2006 it was less than two per cent.

Forestry

Bangladesh

- Bangladesh is on the climate change front line, as the country most at risk to tropical cyclones and sixth most at risk to flooding.

- It has some defence in the form of Sundarban, the largest mangrove forest in the world and an essential ‘bio-shield’ against cyclones, high tidal surges, and coastal erosion. It also accounts for 41 per cent of the country’s total forest revenue and 45 per cent of all timber and fuel output.

- Sundarban is being weakened by illegal logging, which is in turn exacerbated by corruption. Fishermen and official collectors illegally transport an estimated US $10 million worth of logs annually, while corrupt forest officials extort almost US$3.1 million from fishermen a year.

Making sure land rights come before carbon trading

Papua New Guinea

- Papua New Guinea’s government is keen to earn carbon credits from its rainforests, the third largest in the world. Timber royalties are generally divided between landowners and governments at a ratio of three to one, but it is unclear whether landowners will benefit similarly from carbon trade.

- It established an Office for Climate Change and Environmental Stability in 2008 to manage international climate funds. It claims the right to sell the carbon, though no previous legislation regulates the sale of carbon.

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