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ANTI-CORRUPTION
CONFERENCE

**MOBILISING PEOPLE:
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Long Session Report: Global Solutions

Session Title: After Rio+20: Promoting Transparency and Sustainability in the Water/Energy/Food Security Nexus

Date & Time: 9 Nov, 17.30-19-30

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Experts:

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Dr. Juan-Hua Meng, World Wildlife Fund for Nature

Mr. Cameron Ironside on behalf of Gil Maranhao Neto, GDF Suez Energy Brasil, Tractabel Energia S.A., Brazil

Dr. Vanessa Empinotti, Universidade de Sao Paolo

Moderated by: Dr. Michael Wiehen Position: Sr. Advisor Organisation: Transparency International

Session coordinated by: Dr. Donal O'Leary, Organisation Transparency International/Water Integrity Network

Summary of Panellists' Contributions & Discussion Points (please be as detailed as possible)

Donal O'Leary and on behalf of Ms. Kusum Athukorala

Topic: The Water/Energy/Food Security Nexus: What Came Out of Rio

There is a recent consensus on the Water/Energy/Food/Nexus approach which focuses on the achievement of water, energy and food security in order to reduce hunger and eradicate poverty. It stresses the interdependency between water, energy and food security and its underlying natural resources water, soil and land.

According to the hydropower industry, hydropower can address many of the critical nexus issues in Energy, Food, Water and Disasters agenda. However, as emphasized by Transparency International, there are risks that aid and climate finance will be wasted unless the checks and balances are in place to ensure that it's spent fairly and effectively.

In addition to the steps indicated in the Rio document (donors are encouraged to publish rolling timetables indicating progress towards their goals; Recipients are urged to report on the impact of aid with clear data on tangible results. Heralds the creation of an intergovernmental committee to assess funding needs and spending effectiveness) civil society can contribute through Promoting Third Party Monitoring of Transactions/Projects, Procurement Monitoring through Integrity Pacts, Community Participation/Monitoring of Projects; Anticorruption Hotlines to Report Abuse; Whistle-Blower Protection to Guard Against Retaliation

The Sri Lanka Water Partnership proposed an integrated approach in allocation and management of water resources' and emphasized the importance of community mobilization, equity and sustainability, working with women and youth ,inclusiveness, participatory , financial probity in all natural resources transactions, the value of coalitions and more.

Dr. Vanessa Empinotti

Topic: The Water Transparency Index (known by its Spanish acronym INTRAG) and its application in Spain and Brazil

The Water Transparency Index (known by its Spanish acronym INTRAG) is a tool developed in Spain to promote transparency and access to information on water. The tool ranks the transparency of River Basin Authorities based on how much information they place on their website using indicators developed by water experts. The first index developed in 2010 was repeated in 2011 and showed improvements for most indicators.

The tool is currently being adapted to the Brazilian context and institutional arrangement. It responds to a new interest on access to information from the government of Brazil and other Brazilian stakeholders. Methodological challenges include the reliance on on-line data and the quality of data itself.

Dr. Juan-Hua Meng

Topic: Environmental Integrity at the Heart of Water Security

Population growth, competing demands of natural resources, declining biodiversity place great stress on the environment and the green economy must fit within these 'planetary boundaries'. Water security underpins all human activities, agriculture, energy, trade, security, business, health, climate etc. and is at the heart of the nexus. Intact freshwater ecosystems are therefore fundamental to water security in order to provide ecosystem goods and services (food production, cultural heritage, economic goods, and agricultural water supply, and water supply, coastal and marine systems). In practice, if water is seen as a limiting factor for food and energy security, then the source of our water is where the crucial decisions need to be made.

When identifying conservation priorities for sustainability and development, the value of freshwater ecosystems needs to be carefully assessed and appreciated (valuable, unique, irreplaceable).

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Other important instruments to ensure intact freshwater ecosystems include basin-wide / regional / transboundary cooperation, Water Stewardship and precautionary principles/no-regret solutions.

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Since hydropower is one of the major players on rivers, the value of ecosystems must be taken into account when developing hydropower projects in order to ensure that the right projects operate in the right place. The Hydropower Sustainability Protocol is one promising tool that can be used to consider, measure and improve performance in the hydro sector.

Mr. Cameron Ironside on behalf of Gil Maranhao Neto GDF Suez Energy Brasil, Tractabel Energia

Topic: Transparency of the Hydropower Development Process in Brazil with the Incorporation of New Tools to Promote/Guarantee Sustainability

Investments in renewable energy sources such as hydropower are projected to grow considerably in the near future in countries such as Brazil. One example of how sustainability can be integrated in the planning of hydropower projects is the Hydropower Sustainability Assessment Protocol. The Protocol, developed in a multi stakeholder process led by the International Hydropower Association is a framework for assessing the sustainability of hydropower projects (HPPs). The Protocol rates HPPs on a number of sustainability aspects during the project's life cycle stages (planning, implementation, operation), using a methodology that is globally applicable. The Protocol is governed by a multi-stakeholder council and is intended to work as a neutral platform for dialogue.

The Protocol is under application to the 3750 MW Jirau HHP on the Madeira River in Brazil, the first time it has been formally applied.

Main Outcomes (include interesting questions from the floor)

Acknowledging the potential of tools such as the Protocol, the workshop participants emphasized the value of such ‘early warning systems’ but also the challenges in terms of making these initiatives stick at the global governance level. Such tools can reduce reputational risks and/or financial risks for the governments. In the case of the Hydro Sustainability Assessment Protocol, this tool can also contribute to reducing reputational and financial risks for project developers and financiers. However, hydropower development is a sensitive issue that often has political dimensions which need to be handled well.

In addition to hydropower, freshwater ecosystems are also threatened by waste from urban rivers, exacerbated by lack of enforcement of regulations. EU Water Framework Directive, water stewardship by the industry and the involvement of communities for them to benefit from ecosystem services were mentioned as important components of improving sustainable water governance.

Overall, there seems to be wide agreement that:

- the Nexus approach can promote a ‘Green Growth/Sustainable Development Strategy
- Sustainable hydropower (and more widely water resources development) can be developed in accord with the Nexus approach
- Transparency and accountability are key ingredients to sustainable hydropower/water resources development
- Multistakeholder approach involving the private sector, the public sector and civil society can facilitate sustainable development in the water sector

Recommendations, Follow-Up Actions

After Rio + 20, the following recommendations are relevant:

- A focus on an integrated approach to water/energy and food security in the context of promoting a green economy that is geared to the reduction and eventual elimination of poverty (The ‘Bottom Billion’) is needed.
- In the context of assessing a renewable resource and promoting sustainability, such as hydropower, the value of a tool such as the Hydro Sustainability

Assessment Protocol (HSAP), which inter alia requires the explicit consideration of governance and anticorruption issues and meaningful consultation with all stakeholders, is becoming increasingly relevant and should be widely used, and

- Another very relevant tool is the Water Transparency Index (known as INTRAG-its Spanish acronym), which was developed to compare the transparency of river basin organizations in Spain and is now being used to compare the transparency of similar organizations in Brazil. This tool is also highly relevant in other countries and regions, such as China, India and Southern Africa.

Highlights (please include interesting quotes)

The workshop highlighted the many competing interests that exist within the nexus and recognised that trade-offs between different interests are needed from all sides. Platforms for multi-stakeholders interaction play an important role here. Since regulation only can improve what is already in place, governance/corruption risks need to be assessed and mitigated at earlier stages.

Tools and methodologies for assessing governance/sustainability and/or corruption risks must be undertaken in an inclusive manner and adapted to the local context. Their usefulness depends on the extent to which they are used (institutionalisation) and by whom (credibility).

Key Insights Recommended to be included in the IACC Declaration

After Rio + 20, there is a widespread recognition that corruption needs to be explicitly addressed, particularly in relation to assuring that development and climate funds are efficiently used. Addressing transparency and anticorruption issues in the management of institutions and in the identification, implementation and operation of large hydraulic infrastructure projects (e.g. hydroelectric projects) are important elements of moving towards a 'green economy'.

Rapporteur's name and date submitted

Maria Jacobson, 13 Nov 2012

Remember! This Long Report needs to be emailed to iacc@transparency.org after the conference by 14th November.