

Accountability And The Environment  
The Need For A Joint Initiative Of Public, Private  
And Civil Society Sectors

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Introductory Remarks  
For Workshop On Corruption And The Environment

1. WHY FOCUS ON THE ENVIRONMENT?

- Corruption affects all sectors of society and the economy. Why focus on the environment as a particular issue of corruption? Four principal reasons:
  1. utilisation of natural resources and the environment is highly susceptible to abuse through corruption
  2. certain aspects of corruption related to environmental resources are distinct from other sectors
  3. public awareness of a rapidly deteriorating environment has focused attention of all actors society
  4. growing realisation of the high economic costs of misallocation of environmental resources as a result of corruption.

In discussing the impact of corruption on the environment it is useful to distinguish between the judicial/regulatory domain (i.e. breaking the law and the implied consequences) and the specific ecological, cultural and economic dimension associated with corrupt practices in environmental management. The former has been addressed in a number of the workshops held during this conference and I will therefore focus on the environmental impacts of corruption.

2. HOW DOES CORRUPTION AFFECT THE ENVIRONMENT?

While there are countless ways of summarising the way in which corruption can affect the environment it may be useful to provide a typology for appreciating scope of the problem. Corruption at its most basic allows someone to gain access to environmental resources either in contravention to existing rules or at a price below that which society has attributed to this resource. Examples include:

- exploitation of a natural resource – e.g. minerals, wildlife, forests.
- illegal access to an environmental resource – e.g. extraction of products from national parks, infrastructure in fragile ecosystems.
- Environmentally damaging practices – e.g. pollution; hazardous waste.

- excessive/unsustainable utilisation of a resource – e.g. fisheries, groundwater.

Corruption essentially perverts societies' choices and values attributed to these resources. The environment, be it clean air, a pristine wetland, wildlife habitat or a forest usually has a value associated with its continued existence. It may be accorded a low or high value and it can be expressed in economic terms (ie. monetary values) or other values. Among the most frequent values cited are:

- aesthetic values
- cultural heritage and spiritual values
- ecological values (essential elements of an ecosystem)
- economic values associated with consumptive and non-consumptive use of natural resource.

Irrespective of the particular value and the currency used for assessing it – corruption generally results in a use of environmental resources not sanctioned by society. Otherwise there would be no need for bribery or other means of perverting the decision making process and ultimately public choice. The end result is a misallocation of resources.

### 3. WHO IS TO BLAME?

While blame can usually be apportioned to individuals and organisations it is generally acknowledged that the level of corruption reflects the degree to which a society is functional. While political science can offer a much more sophisticated explanation one aspect of defining a functional society relates to the way in which the public, private and civil society sectors interact with one another in defining and implementing society's choices.

Environmental management and the sustainable utilisation of natural resources involves all three sectors. While each performs a different function all three must have commonly agreed rights and responsibilities that provide a framework of norms which in turn creates the conditions for public accountability.

### 4. CLOSING THE DOOR TO CORRUPTION – A JOINT EFFORT

The damaging impact of corruption on the environment and other sectors for that matter has grown exponentially as the financial scope of economic actors has grown and with it the size of projects and capital involved. The global economy coupled with a growing transnationality among economic actors has complicated the issue as they now operate in multiple legal contexts with differing laws and values accorded to the environment. The latter must not be underestimated as a factor in determining the degree to which corruption may be tolerated in a society. For many living developing economies and the values accorded to environmental resources do not reflect those held by more developed economies and their respective public choices. This may not necessarily be an issue of

greater or lesser valuation but of difference in needs, priorities, knowledge and perceptions.

Take the example of conservation and national parks in Africa. Protected areas were an expression of value accorded to wildlife and its habitat by colonial settlers and their regimes. The policy response – namely establishing protected areas – resulted in the alienation and exclusion of local people from using a resource that had in many cases been brought to the point of extinction by the very same community of colonial settlers. In order to gain access to a local resource – their resource – local communities now had to resort to paying bribes. Who and what induces corruption may not always be as straightforward as it appears.

To minimise the scope for corruption it is essential that societies:

- Clearly articulate and define the values they accord to the environment and natural resources. This can be done through legislation (protected areas, pollution standards etc), policies (environmental management), conventions (World Heritage Sites; Ramsar; Biodiversity; Climate Change etc).
- Establish an effective monitoring system that relies on public, private and civil society input. Only by pooling resources, information and exposing corrupt practises through joint initiatives can we close the loopholes. The environment – perhaps more than any other sector – lends itself to such a collaborative effort as NGOs and business have extensive networks, resources and knowledge they can deploy in the absence of adequate public sector funding.
- Develop an effective system of incentives and sanctions to reward compliance. The price of corruption must increase dramatically but at the same time the rewards for clean business transactions must also be raised. Simply banning a corporation from all future tenders for one case of corruption may not be as powerful an incentive as a one year ban after which it can regain access to a market if it has put in place checks and balances to avoid future corruption.

In all of the above, it is essential that corruption does not become a divisive issue, but rather a common purpose that everyone should be involved in exposing and fighting it. The Commission I am involved with – the World Commission on Dams – is but one example of trying to create a platform for developing basic agreements and norms that should guide all actors involved with dams. Recognising that corruption can fundamentally distort public choice in the context of large dam construction has led us to work with Transparency International and others to identify ways in which the scope for such distortion can be minimised in the future. Processes such as the World Commission on Dams are part of a broader dialogue among public, private and civil society actors that are urgently needed if we are to develop effective mechanisms for ensuring that individuals do not pervert the choices we make as democratic societies.