

Learning from Water Wars: Development Assistance for a Changing Climate

By Mike Muller, Professor, Graduate School of Public and Development Management, Witwatersrand University, Johannesburg Member, Technical Advisory Committee Member

Question Three: How can development agencies help vulnerable countries adapt effectively? What are appropriate roles for development agencies in supporting national-level decision-making processes for a changing climate? Specifically, how can they promote planning and policies that are robust, durable and sufficiently flexible to respond to and prepare for the many challenges posed by climate change, including its uncertainties, long-term impacts and surprises?

Using his top level experience in the water resource management sector in South Africa, Muller provides a detailed list of guiding principles to development agencies seeking to support national decision-makers in developing countries to address climate change challenges. These include (1) enhance the effectiveness of development assistance; (2) treat adaptation as integral to the overall development process; (3) make national ownership a key objective of development assistance; (4) avoid locking responses to climate change into sectoral "silos"; and (5) recognize and address the legitimacy of political issues.

Framing the Climate Challenge

Ismael Serageldin, former VP for Sustainable Development at the World Bank has complained that he is often misquoted about his warning that "the wars of the next century will be for water". In his original remarks, he says, he always added: "unless we change the way we manage water".

While climate change may indeed lead to wars about water, if we do not manage our water relationships better, Serageldin's story demonstrates that the way we phrase a message can have an important impact on the way it is perceived and acted upon. In that context, the current question: *"what are appropriate roles for development agencies in supporting national-level decision-making processes for a changing climate?"* risks suggesting that the challenge is decision-making processes for a changing climate rather than the more general decision-making that focuses on the current priorities of national leaderships. So this paper starts by suggesting that we should rather consider: *"what are appropriate roles for development agencies in supporting national-level decision-making processes to achieve national goals, given the challenges of a changing climate?"*

This approach is important for two reasons:

- First, it aims to attract the attention of decision-makers by addressing **their** interests and priorities;
- Second, it assumes that, in all but the poorest countries and failed states, there are forward-looking governance processes in place and that a changing climate is simply one **additional** factor that they have to consider, amongst many others.

The latter is certainly true in the field of water resource management. There has been a long debate about whether, in terms of the 80:20 principle, climate change should even be on the water resource management agenda. It is argued that, once population growth, the impacts of economic growth and consumption changes, together with existing climate variability, have been taken into account, future climate change appears to be a relatively small problem, which should be covered by actions taken to address the more immediate challenges.

Against this background, some guiding principles are suggested for development agencies that seek to support national decision-makers in addressing climate change challenges.

Guiding Principles for Development Agencies

1. Support efforts to enhance the effectiveness of development assistance

The first general set of comments is that the issues raised are by no means restricted to climate change. The business of development assistance is contentious and current approaches to improve its performance need to be taken into account by development agencies when they design approaches to support climate adaptation. It has been recognized, for example, that development assistance that takes a project rather than a programmatic approach can impose substantial transaction costs on aid recipients as well as weakening inter-sectoral planning and programming and undermining local political processes.

Aid effectiveness principles should continue to be supported

In response to concerns about the performance of "traditional" aid processes, donor and developing countries have agreed to improve their systems in terms of the Paris Declaration on Aid Effectiveness. The intention of the Aid Effectiveness process is entirely consistent with the objectives of helping countries to adapt effectively to climate change. While not under-estimating the challenges, the perceived importance of climate change should not be used to undermine an approach that seeks to build the capacity of poorer countries to address their multi-fold development challenges.

Transaction costs should be carried by donors not recipients

A specific concern expressed by developing country governments and shared by many development assistance administrators is that the donor funding process is too administration- and people-intensive. Often, recipients of donor agency assistance not only have to re-frame the activities for which they seek support in terms that meet donor requirements; they also have to administer the resulting activities within frameworks established by the donors (as well as within their own accounting and reporting systems).

Methodologies such as logframes and other project development processes are often perfectly sensible in themselves. But a national government official who is working within another planning and budgeting framework should not be expected to translate the logical (and political) processes that they follow. Rather, it should be the responsibility of the funding agency to provide the translation of one process into another.

Where overall national development processes are deficient they should be strengthened not "second guessed"

Adaptation interventions are more likely to be effective if overall recipient country governance processes are effective. Where those processes are weak, strengthening them may be the most important contribution a development agency can make to adaptation.

2. Adaptation should be integral to the overall development process

Current climate change negotiating processes unfortunately emphasise the difference between adaptation actions and general development support. While this is done for pragmatic political reasons, it is a serious obstacle to effective support for adaptation. This should be explicitly acknowledged and efforts should be made in both climate change and development negotiations to find mechanisms that allow more rational approaches to be adopted.

Climate change is a long term process while national development programmes are driven by short term priorities rather than long term perspectives

While there is much discussion about whether "manmade" climate change has already begun to occur and great interest in extreme events, most of the scientific community still looks at climate change as a medium to long term phenomenon, whose major impacts will occur in 20 to 50 years. While both public and private sector increasingly tries to take the longer time frames into account, it must be recognized that decision-making will still usually be driven by much shorter term imperatives.

Immediate short-term priorities should be respected and pathways should be devised to build long term adaptation perspectives into current activities

Given the constraints under which developing countries work it will often not be possible to convince administrations to prioritise immediate action or even engagement with the challenge of climate change adaptation. This should be addressed by seeking to raise climate change issues within their immediate priority areas rather than seeking to convince governments to change their priorities. So agricultural policy makers seeking to expand horticultural exports could be encouraged to consider how they will address the risks posed by concerns about carbon emissions associated with airfreight. Urban development managers could

be helped to consider tradeoffs when planning new housing programmes to improve their climate resilience.

Development agencies should not "oversell" the knowledge that is available

In many parts of the world, including developing countries, long term decisions already take climate change (or, to be more precise, the anticipated impacts of climate change) into account to the extent possible. So forestry companies avoid establishing new plantations in some of the more obvious hotspots. Bridge and dam designers glean what information they can about the trends in the expected maximum floods that they intend their projects to withstand. Urban planners are aware of projected sea level rises and, to the extent possible, factor them into their work.

However, there is a limited amount of actionable information available about climate change futures and what projections and forecasts are made often have a high degree of uncertainty. Development agencies should avoid the temptation to exaggerate the contribution they can make to specific decisions about dealing with climate change.

3. National ownership is a key objective of current development assistance

For development assistance to impact upon decision-making processes, its products should be "owned" by the country concerned. This does not mean there will always be universal acceptance of particular recommendations. However, if agencies of government feel that particular approaches are being imposed on them rather than responding to their needs, they are unlikely to adopt them. This is one reason many consultants' reports, commissioned at considerable cost by donors, end up unread and unused.

Policies and programmes should be developed and owned by the national community concerned

While convincing national governments and broader national communities about the need for action on climate change adaptation may appear at times to delay critical action, the apparently long road to the goal of building concerted commitment to strategic action is likely to be quicker in the long run than attempts to short circuit political and social processes by seeking to promote specific externally driven processes.

While broad community mobilization around climate adaptation challenges and responses is important and should be promoted, care must be taken not to polarize opinion

While it may be tempting to seek to encourage movement by government by promoting civil society campaigns, this may be counter-productive if climate change adaptation becomes associated with particular political groups.

Processes to adapt to climate change should be integrated in existing national development policy, strategic planning and budget processes

All governments seek to achieve over-arching planning and budgeting systems and it is these that should be the focus of and channel for climate change adaptation promotion.

4. Responses to climate change must not be locked into sectoral "silos"

There is an understandable but unfortunate tendency for donor assistance to contribute to sectoral isolation. This is, in part, because donor funding reduces the need for sectors to engage, compete and cooperate in their domestic funding processes. Once donors are identified, energy is focused on developing that relationship, further weakening inter-sectoral cooperation. Donor programmes are also often themselves sectorally focused and may avoid collaborative and cooperative approaches. To date, many adaptation support programmes have fallen into this trap.

A proliferation of adaptation and sectoral interventions should be avoided

In many sectors of activity, development agencies have encouraged countries to develop sectoral strategies and plans. This may be appropriate in clearly defined areas such as health and education. But where the focus is on activities that are essentially inter-sectoral, it risks promoting a "silo" approach that is often counter-productive.

Thus the development of NAPAs (National Adaptation Programmes of Action) has often become a process by which Ministries of the Environment capture resources for activities that fall directly within their mandates. Where Integrated Water Resource Management Plans are seen as water sector plans rather than as instruments to promote integration, they are often shunned by other sectors, particularly if they contain "bad news" such as evidence of water use inefficiencies

and the need for policy change. The priority should be to strengthen existing inter-sectoral mechanisms to seek to ensure that adaptation issues are addressed within them.

All models are wrong, some are useful

Almost by definition, relatively poor developing countries have to address greater challenges with fewer resources. They do not have the luxury of intensive option investigation and feasibility studies. Equally, their needs are often sufficiently obvious not to require them. Development agencies should thus be cautious about claiming the ability to add significant value to decision-making through complex investigations and processes. Often, they will simply complicate what should be a relatively simple decision. And the truism that complicated policy models are usually merely a guide to possible outcomes should caution against processes that are more detailed than the information and understanding of the issues, or ability to respond, justifies.

If there is no demand, perhaps the product has limited value?

There are many cases in which a donor or development agency develops a particular "product" such as a financial facility or a technical assistance capability but finds that there is little take-up. This should not be taken simply as evidence that the developing country concerned is ignorant of its needs. In many cases, the lack of take-up will reflect their view of the value of the product and/or the extent to which it meets their needs.

5. The legitimacy of political issues should be recognised

Politics is a crucial element of the development policy process - just as it is in developed countries. The political dimensions of decision-making should be recognized in both donor and recipient contexts. For example, it is only recently that a decade long boycott of large dam projects, initiated by European Green politicians, has been lifted despite the demonstrated importance of water storage as a fundamental strategy for adaptation. The change has been brought about as much by the emergence of China and Brazil as development partners as by any policy re-evaluation or political change in Europe.

Politics needs to be respected as part of decision-making

Decisions taken in a political environment are rarely technically optimal but they do reflect the balance of forces in broader society. This is true both for recipient countries and development agencies and needs to be respected. The temptation to use financial leverage to impose rich country policy choices on poor countries should be avoided.

"Short termism" is not restricted to climate change and should be addressed systematically

The prioritization of immediately urgent short-term issues over strategically important long term issues is a universal feature of political cycles and in poor countries with more acute circumstances is often rational.

Development is a contested arena and competition between interests, as well as synergies, should be recognized and addressed.

It is widely recognized that climate adaptation is an intensely competitive arena. The chairman of the World Business Council for Sustainable Development has repeatedly stated that the intention of China is to win the contest to dominate the green economy and that this is a competitive concern to both the USA and Europe. In addition, as noted above, the emergence of China (and, to a lesser extent, India and Brazil) as development financiers and project implementers has significantly strengthened the hand of developing countries in their approach to their own development.

Those commentators who decry the nature of assistance from the BRICs have often failed to consider the costs and development blockages that have been imposed on the countries that are assisted by traditional donors and development agencies. The evidence is that, for the moment at least, the BRIC donors are more likely to respect and reflect the preferences of their partners. The challenge is thus to help the partners to make the best possible decisions for their circumstances and there is evidence that effective external supervision of BRIC projects can achieve extremely high quality, cost-effective results.

The implication of these developments is that efforts by development agencies to promote climate change adaptation will be weighed by the recipients against the potential benefit to the donor of the approaches that they are promoting. This is healthy and should be encouraged by frank dialogue that identifies both areas of cooperation and potential conflicts of interest. Thus developing countries may

justifiably question the intent behind efforts of donor agencies to promote specific sources of renewable energy but not others. However, where mutual benefit can be established - as when one country's needs and resources match another's technological strengths - the potential for partnership will be strengthened if the interests are explicitly identified.

10 G Street NE Suite 800, Washington, DC 20002, USA

Phone +1 (202) 729-7600

Fax +1 (202) 729-7610