

14 March 2012

Dear Members of the UN High Level Panel on Global Sustainability,

Two critical issues are absent from the text currently being negotiated for the Rio +20 outcome document: preventing **corruption** and addressing risks in **climate finance**. Please find attached our proposals for rectifying this.

**Corruption** poses a serious and substantiated threat to sustainability. It undermines achievements made on poverty alleviation and green economic growth, and is seen as stalling progress on the Millennium Development Goals. This need not be. Higher levels of transparency, accountability and integrity are empirically correlated with more literate students, lower levels of maternal mortality and better access to clean water.

Preventing corruption must be an integral part of the Rio+20 agreement to ensure that development outcomes are achieved. The antidote to corruption is **good governance**. The agreement must explicitly address how to strengthen governance at all levels (local, national and global); enshrine mechanisms to promote democratic ownership, transparency and accountability; and ensure ethical conduct in both policy and practice on the part of all stakeholders (governments, businesses and civil society).

For these reasons, Transparency International, as a member of the Beyond 2015 campaign<sup>1</sup>, supports the call for the outcome document to include:

- mechanisms for citizens to hold national governments to account in real time for progress on commitments made
- a governmental peer review process which includes civil society
- mutual accountability between governments and donors

All these issues are also critical for climate finance. When free from corruption, **climate finance** has the potential to play a major role in the financing of sustainable development. Effective adaptation and mitigation expenditure necessitate in-built safeguards against risk, including robust and comprehensive fiduciary standards, mutual transparency across financial flows, independent oversight, clear chains of accountability, and legal and administrative mechanisms to determine liability and respective penalties in cases of fraud or abuse.

Given the potential volumes involved and the relatively untested nature of its institutional framework, climate finance must be treated as a 'new and emerging challenge', distinct from development aid. The Rio+20 outcome document is missing this link.

Our working paper, 'Putting climate finance on the Rio+20 agenda' offers concrete ways in which climate finance decision-making and spending can be made more just, efficient and effective. For a more comprehensive set of TI policy recommendations, please see our submission to the Rio+20 Secretariat here:

<http://www.uncsd2012.org/rio20/index.php?page=view&nr=345&type=510&menu=20&template=529&str=Public%20procurement>

We look forward to your support in ensuring that Rio+20 makes development truly sustainable.

Yours faithfully,



Huguette Labelle  
Chair, Transparency International

<sup>1</sup> <http://www.uncsd2012.org/rio20/content/documents/Beyond%202015%20Rio%20Zero%20Draft%20Final.pdf>