Introduction

Transparency International (TI) is an international civil society organisation representing a global coalition dedicated to promoting transparent and accountable governance. TI aims to ensure that corruption and fraud do not undermine sustainable development and human rights and that climate finance decision-making processes and implementation demonstrate integrity at all levels. TI’s work is intended to support the effective investment of public money to achieve optimum climate change, environmental and social outcomes.

To date, TI has conducted anti-corruption and governance assessments of existing national and multilateral climate finance including the Climate Investment Funds (CIF), identifying best practices and areas to strengthen. TI is committed to contributing relevant recommendations to the CIF, as the Funds aim to strengthen governing policies and practices. In this context, Transparency International respectfully submits the following recommendations regarding the Funds’ draft “Proposed Measures to Strengthen National-Level Stakeholder Engagement in the Climate Investment Funds.”

Recommendations

Transparency International welcomes the draft “Proposed Measures to Strengthen National-Level Stakeholder Engagement in the Climate Investment Funds.” The draft demonstrates a clear commitment by the Funds to strengthen stakeholder engagement. It outlines a number of key actions to do so, including the identification of best practices in countries where CIF projects and programmes have been implemented with success.

As a preliminary document, the draft provides a well-structured, convincing rationale for strengthening stakeholder engagement, grounded in the principles of sustainable development. As such, TI views this draft as an important step in the right direction to ensure greater accountability of CIF-financed actions.

In line with TI’s findings and recommendations in “Protecting Climate Finance an Anti-Corruption Assessment of the Climate Investment Funds (2014),” TI proposes that the CIF further develop this draft to address the following concerns:
The draft should state the policy of multilateral development banks on stakeholder engagement. It should also spell out the policy of national implementing actors. These should be available on the CIF website.

At a national level, the CIF should assess how multilateral development banks and national implementing actors conduct their stakeholder engagement. The CIF should conduct evaluations and assessments of their performance on a regular basis. These should be available and accessible on the CIF website.

Specific guidance, which sets the minimum standards and practices for stakeholder engagement at the national level, should be outlined in the draft. The draft offers a start to such guidance, but falls short of articulating what must and must not happen through stakeholder engagement processes throughout project cycles. This requires an elaboration of point 3 in box 3, titled “Principles for enhanced national-level stakeholder engagement”, on page 5 of the draft.

Unclear language allowing for wide interpretation of what may and may not be promoted or required should be clarified by commentaries or explanatory notes. On page 12, the draft states: “Where there is less widespread or more specialised stakeholder interest, particularly where investment plans do not entail major local impacts, a more simplified strategy may be warranted.” Here it is unclear what would qualify as a major (or non-major) local impact. It is also unclear what a ‘simplified strategy’ means, in practical terms.

Further, the draft should offer specific guidance to ensure the integrity of national stakeholder consultations. In this regard, TI recommends that policies on ethics and conflicts of interest be applicable to stakeholders engaged in a consultation. The draft fails to address this concern.

Also, the draft should discuss stakeholder engagement in cases where it is facilitated and supported by grievance and/or corruption complaints mechanisms. Our experience shows that citizen and stakeholder awareness-raising and engagement often serves as an ‘early warning system’ to identify and address problems, independent of project cycle consultation processes.