Transparency International is the global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, we raise awareness of the damaging effects of corruption and work with partners in government, business and civil society to develop and implement effective measures to tackle it.
Climate change and corruption

The effects of climate change are expected to increase in scale and intensity well into the next century. Leaders of developed countries have pledged up to US $100 billion by 2020 to support adaptation and mitigation activities in developing countries. Beyond this, governments around the world are investing heavily in increasing energy security and long term low carbon pathways.

Climate finance poses governance challenges for developed and developing countries alike. As new climate money flows increase, concerns are mounting regarding the transparency, accountability and integrity of how spending decisions are being taken, for what and how. Insufficiently developed regulatory systems and funding channels could provide opportunities for corruption. And many countries earmarked to receive climate finance face a number of governance challenges, including the capacity to control corrupt abuse.

Transparency International is committed to helping ensure that public money made available for climate change actions is not diverted through corruption. Launched in 2010, our Climate Governance Integrity Programme aims to fulfil this commitment by promoting viable anti-corruption safeguards and preventative measures at global and national levels.

Climate Governance Integrity Programme

Our programme is aimed at helping ensure that climate financing decisions and actions are conducted with sufficient transparency, accountability and integrity to prevent corruption from undermining climate goals. We also want to increase civil society capacities to contribute to climate finance governance policy development, implementation and oversight.

Desired outcomes

- Greater awareness by citizens, governments and businesses of the need to address governance challenges to minimise opportunities for corruption risks in climate finance
- Public and private sector climate finance actors commit to adopting, implementing and enforcing legally binding anti-corruption standards
- Increased public demand that climate governance actors in both the public and private sector act with integrity
- Greater citizen participation and oversight of climate policy development and implementation so that climate finance achieves social and environmental benefits.
A Bangladeshi family in a makeshift shelter after the devastation wrought by Cyclone Sidr. December 2009.
Target groups
Our primary target groups are global and national climate governance stakeholders including:

- International and national climate financing bodies, including multilateral development banks and export credit agencies
- National climate finance institutions of donor countries and recipient countries
- Private sector actors engaged in adaptation or mitigation related investments and projects supported by public subsidies
- Non-governmental organisations (including civil society organisations, media and research institutes) and affected communities.

Structure
The programme approaches the governance of public climate finance as two main streams.

Stream one
Public climate finance: Donor contributions

Stream one deals with public finance provided primarily by donor countries to support climate change adaption and mitigation actions in recipient countries. This comprises bilateral and multilateral funds and mechanisms largely financed by public resources which are set up to support climate actions mainly in developing countries. It includes funds organised under the UN Framework Convention on Climate Change such as the Adaptation Fund, the Special Climate Change Fund, and the Least Developed Countries Fund, as well as those managed by the Global Environmental Facility and multilateral development banks such as the Climate Investment Funds. It also includes the UN-REDD (Reduced Deforestation and Degradation) programme as a multi-donor trust fund.

Stream two
Public climate finance: Private sector inputs

Stream two focuses on the use of public finance to support or leverage private sector climate investments and projects in both developing and developed countries. Public finance under this stream is tied to specific climate change objectives to reduce greenhouse gas emissions and to contribute to sustainable development. This encompasses public funds used to develop and support emissions trading schemes and the international carbon market through the allocation of emissions allowances and the generation of carbon credits, largely under the Clean Development Mechanism. The stream also covers public subsidies aimed at encouraging greater global energy security, clean energy transitions and low carbon technology development.
Implementing stream one

Stream one involves three stages of development.

**Stage one:** a comprehensive plan to develop the capacity of global and local stakeholders to better engage in climate change related policy and law development. This involves four main, interdependent components: research, capacity building, advocacy and networking.

**Stage two:** greater strengthening and outreach of the four components. It employs the stage one assessments as a baseline and applies the assessment criteria to monitor progress and changes over time. Where the assessment signals governance weaknesses that could trigger corruption, the second stage of the programme seeks to develop and implement a clear strategy to address them by applying our tools and best practices.

**Stage three:** aims to sustain and strengthen areas of activity in level two.
A severe drought in East Africa is causing malnutrition rates to soar and threatening children’s lives throughout the region.
Timeline

The programme has been designed to span a time frame of five years, from 2011 to 2016. This involves an initial pilot phase followed by two ensuing phases to scale up outreach and pursue more focused actions. These will be strengthened and sustained at the country-level in line with the three level approach outlined above.

- The first phase (2011-2013) sets the groundwork for future programme development. The two key project tools (e-learning and climate finance mapping and assessment) are developed and piloted in six countries: Bangladesh, Dominican Republic, Kenya, Maldives, Mexico and Peru.

- The second phase (2012-2015) aims to scale up the programme’s outreach and scope. An additional 10-12 countries will initiate first level programme implementation. Country selection is based on criteria including financial flow levels, climatic impacts, affected populations, governance and corruption ratings, and confidence in the performance of programme implementing partners. Emerging economy countries such as Brazil, China, India, Russia and South Africa are given priority as are Least Developed Countries in Africa including Mozambique, Senegal and Zambia. Meanwhile, first phase pilot countries move to the second level of programme implementation.

- The third phase (2014-2016) aims to strengthen, improve and sustain the work initiated at level two in first phase pilot countries. Second phase countries move to level two programme implementation. Scaling up in this phase means increasing the programme’s outreach to involve an additional 20+ countries following the selection criteria applied in phase two.

First level action areas

At the first level the programme’s main deliverables include:

- **Research**: Global and national climate finance mapping and assessments
- **Capacity building**: E-learning tool on global climate finance governance, including ‘train the trainer’ modules
- **Networking**: Global and national networks organised around issue-based communities of practice
- **Advocacy**: Research-based interventions and contributions to global and national institutions and stakeholders
- **National multi-stakeholder strategies**: Increased and focused actions to promote good practices and tools to minimise opportunities for corruption in climate finance arrangements
- **Sustainability**: Actions to secure resources for phase two and three programme implementation and the organisation of a High Level Advisory Group to advise on the strategic development and resources, contribute to key action areas, and promote programme visibility and overall impacts.
“All of our history is gone. Our memories, our pictures everything is gone.” Texan wildfires, US. December 2005.
Global level research

The programme aims to produce a comprehensive mapping and assessment of the global climate financial architecture. Building on available research, the assessment reviews each funding source in terms of its governance, with particular attention to the degrees to which climate financing institutions and processes incorporate appropriate levels of transparency, accountability, integrity and independence. The assessments provide useful resources to identify best practices and signal areas where corruption risks are most likely to occur and undermine the aims and objectives of climate finance. The assessments help to identify strengths and weaknesses within climate finance institutions and processes to inform policy-makers and parallel advocacy actions. As objective analyses, the assessments also provide a baseline to measure positive or negative changes over time.

National level research

At the national level, similar mapping and assessments of climate finance recipient institutions and processes are conducted. The mapping exercise aims to produce a comprehensive illustration of all national and local bodies responsible for receiving and distributing national climate finance. From this mapping, a first level risk assessment is done to prioritise those institutions or processes that are most vulnerable to corruption and whose integrity, if compromised, would have the greatest impact on citizens. Priority institutions are assessed in terms of transparency, accountability, integrity and independence. The assessments highlight key advocacy areas and provide an informed baseline to monitor progressive change. The national assessments can also reveal best practices which, through organised shared learning, can prove useful for other countries and localities. Assessments showing marked weaknesses in certain areas may signal the need to apply a useful tool or best practice to enable better institutional functions.

Capacity building

The programme develops learning tools to help citizens understand the scope and governance structures of global climate financing schemes. These build on the global climate finance mapping and assessments by providing key information on the transparency, accountability, integrity, anti-corruption safeguards and independence of bilateral and multilateral institutions and processes responsible for delivering climate finance. The tools include an e-learning course on global climate finance which serves as a sustained, easily updatable training resource capable of wide stakeholder outreach. As an e-tool, it reduces costs associated with travel, time and greenhouse gas emissions.

Capacity building also involves ‘train the trainer’ activities as direct learning opportunities for stakeholder communities less familiar with e-learning approaches or less able to access internet based technologies. The programme enables its implementing partners to participate in key climate finance and governance learning events as ‘learning by doing’ opportunities.
Advocacy

Advocacy often functions as the bridge between knowledge and change. Through the programme’s research and capacity building actions, greater public engagement and advocacy action is envisaged to demand increased transparency, accountability and integrity in the governance of climate finance.

At the global level, key advocacy actions in the first implementation phase surround important concerns addressed in our *Global Corruption Report: Climate Change* published in 2011. This includes concerted inputs to multilateral mechanisms and funds including the Adaptation Fund, the Clean Development Mechanism (CDM), the Climate Investment Funds, the UN-REDD Programme, and funds operated by the Global Environmental Facility. Particular attention is focused on contributing to the development of the Green Climate Fund. The programme aims to work with partner stakeholders on joint advocacy initiatives.

Advocacy actions in the pilot countries are shaped over time in relation to increased knowledge and capacity to engage in climate finance governance issues. Each programme implementing partner devises an advocacy strategy and works in multi-stakeholder processes to develop that strategy throughout the first phase. Working papers, policy positions, and media interventions progress over time.

Networking

Climate governance networks will be formed and organised around the programme’s research, capacity building and advocacy action areas - at both country and global levels. In developing the climate finance mapping and assessment tools, the programme seeks to organise communities of practice around particular areas of research and advocacy. This may include particular issue areas such as adaptation finance and/or a focus on institutions and programmes responsible for delivering climate finance, such as multilateral development banks and the Climate Investment Funds.

At the country level, all programme tools are developed and implemented through multi-stakeholder processes to ensure the relevance and uptake of the programme’s deliverables. This process involves networking. Developing a well-represented network and key partnerships enables better outcomes in achieving the programme’s goal.

At the global level, TI has developed a growing number of strategic partnerships with civil society groups including Adaptation Watch, CDM Watch, Germanwatch and Global Witness and research-based institutions including the Stockholm Environmental Institute and the World Resources Institute.
Pakistan six months after the monsoon rainfall that forced more than 20 million people from their homes. December 2010.
Second and third level action areas

Programme implementation at the second level involves greater strengthening and outreach of the four components. It employs the first level assessments as a baseline and applies the assessment criteria to monitor progress and changes over time. Where the assessments signal governance weaknesses which could trigger corruption, the second level stage of the programme seeks to develop and implement a clear strategy to address them by applying our tools and best practices. The third level of implementation aims to sustain and strengthen level two areas of activity.

Key second level objectives

- To apply the mapping and assessment tool to assess change and progress towards better climate finance governance and reduced corruption risks, and to sustain that monitoring work over time
- To further increase capacity building at global and national levels to wider stakeholder communities through e-learning and direct training tools
- To further develop, strengthen and sustain climate governance networks and communities of practice globally and at country levels
- To scale up levels of advocacy actions aimed at reducing corruption risks in climate financing
- To apply and sustain use of best practices and tools to address governance challenges and corruption risks identified in level one.

Applying our existing tools and best practices

Anti-corruption legal advice centres

Through confidential hotlines and face-to-face meetings, experts at our anti-corruption legal advice centres offer free assistance to victims and witnesses of corruption. First piloted in 2003, there are now more than 60, in almost 50 countries. The centres’ effectiveness lies in a two-pronged approach. As well as helping in individual cases, they take evidence from them to advocate for change - legal, administrative or cultural - that will prevent future corruption. Across areas as diverse as prisoner abuse and traffic fines, union fees or the misuse of public assets, the centres have helped improve laws and their application at national level. They can also be mobilised to work with citizens to increase accountability and oversight in the implementation of climate adaptation and mitigation projects at the country level.

Integrity pacts

Many of our chapters are monitoring public procurement and contracting through Integrity Pacts, a tool developed by Transparency International a decade ago. The pacts are agreements between government agencies and bidders for a public sector contract to abstain from bribery, collusion or other corrupt practices. An independent external monitor ensures the pact is not violated. Pacts have been applied successfully in more than 15 countries with the total amount monitored now well over 300 worldwide. These are a desirable tool for climate change adaptation and mitigation projects, particularly where public procurement processes and specific industry sectors are perceived to be vulnerable to corruption.
Development pacts

Development pacts are public agreements between communities and their representatives that commit both to meeting specific development priorities. Their goals range widely, from building schools or roads, to improving services such as water and health. Crucially, communities decide their own needs, rather than just hearing them from others. The pacts bring together local politicians, public officials, service providers, service recipients and other citizens, who agree on a joint roadmap to prevent corruption and ensure tangible results. A committee of volunteers then monitor progress to ensure promises are kept. These pacts offer great potential for citizens to encourage public institutions to perform well, with both transparency and accountability.

Forest governance and integrity corruption risk assessment tool

This tool was designed to pinpoint where corruption drives illegal logging within forest governance systems and supply chains, and is being adapted to assess similar risks with regard to the implementation of Reduced Deforestation and Degradation (REDD) initiatives. It can be further adapted to identify corruption risks related to climate change mitigation and adaption programmes at the country level.

Climate governance integrity programme resources

The Climate Governance Integrity programme’s first phase (2011-2013) is funded by the German Ministry of Environment International Climate Initiative. It supports the programme’s key design and development tools and funds global and national level implementation through our secretariat in Germany and six programme partners in Bangladesh, Dominican Republic, Kenya, Maldives, Mexico and Peru. The first phase of implementation total € 2.5 million. The second phase (2012-2015), which aims to scale up the programme’s outreach and scope to continue work in the pilot countries and expand the programme to include an additional 12 countries, requires approximately € 6.4 million. This involves an operational cost of € 150,000 in each country annually. In the third phase (2014-2016) the programme will include a total of 38 countries and require a budget increase to € 12.4 million.
“There were many times we had storms. The worst time, the house collapsed and we had to rebuild again.” Vietnam, June 2006.