BACKGROUND ON THE ISSUE

WHY IS IT IMPORTANT?

Effective complaints mechanisms and anti-corruption hotlines are essential elements for ensuring real accountability to stakeholders on the ground. These systems can encompass different areas and take different forms: Anti-corruption hotlines are generally limited in their mandate to provide a channel to denounce suspected corruption, and the ability to put a stop to a project in case it is proven; Other complaints mechanisms might channel and seek to address other grievances, including social or environmental damages or human rights abuses, which can often be the cause of or aggravated by corruption or fraud. Such complaints mechanisms offer a channel for victims or witnesses to seek remedial action and/or prosecution for wrongdoing. Ultimately though, these mechanisms should play complementary roles, by capturing and channeling beneficiaries’ concerns, they should help to correct problems and close gaps. Equally importantly though, a well-functioning accountability system can serve to lend greater legitimacy to projects and project actors by assuring citizens that they are valued stakeholders with ownership and a voice in the projects that affect them.

TI’s research into the governance structures of climate finance at global and recipient country levels has highlighted areas of corruption risk throughout the climate finance project cycle, and also evaluated the safeguards in place to guard against them. The research suggests that there is a general lack of transparency, accountability, and independence of the various complaints mechanisms and anti-corruption hotlines in place for climate financed projects. The multilateral funds evaluated in TI’s research have fiduciary standards which mandate that implementing entities under the funds have to ensure that anti-corruption hotlines are in place. However, our research indicated that the effectiveness in practice of these hotlines is questionable. For example, under the Adaptation Fund, information is available on the institution’s website regarding national level complaints mechanisms; however these are mostly limited to an email address to which a complaint may be submitted. Further information regarding confidentiality, whistle-blower protection, the type and independence of the investigatory body who will review the complaint, the response time requirements, the type of sanctions available and the scope of its enforcement is not available. That needs to be dug out from often obscure online resources and even snail mail communications.

CONSIDERATIONS AND CHALLENGES

A SUMMARY OF THE KEY ISSUES RAISED BY THE PARTICIPANTS AS BARRIERS THAT NEED TO BE ADDRESSED TO ENSURE COMPLAINTS MECHANISMS ARE EFFECTIVE

1) NEED FOR OUTREACH AND AWARENESS RAISING

Climate funds have noted that their complaints mechanisms are not receiving many grievances, which suggests a lack of knowledge and awareness amongst local stakeholders of climate finance projects on the existence of channels to denounce wrongdoing where they see it occurring. In many cases this may be because of physical access difficulties due to the remoteness of areas where climate finance projects are taking place. There is also a failure on the part of implementing bodies to effectively communicate the options available; information may not be made available in the local language or sufficiently tailored to the local context to make complaints mechanisms known and truly accessible to people on the ground.

2) CHALLENGES OF COORDINATION BETWEEN MULTIPLE BODIES

Where multiple agencies are acting in a country there will be a large number of different complaints mechanisms and anticorruption hotlines in place to channel grievances. Currently there is virtually no coordination or referral between these bodies, and a lack of clarity regarding the relationship between hotlines of multilateral actors and national institutions performing similar roles. In this context a complainant is unlikely to know who to report to or what to expect, and may be faced with silence if their complaint is not directed to the appropriate body or not covered by the mandate of the institution in question.

3) CONFIDENTIALITY OF COMPLAINANTS AND WHISTLE-BLOWER PROTECTION

There is a lack of clarity on provisions for confidentiality and the protection of victims or witness of corruption who come forward with complaints. Some complaints systems including those run by key multilateral development banks refuse to process anonymous complaints, which could be a serious impediment to people speaking out. The issue of whistle-blower protection within climate institutions is also vital for supporting potential witnesses such as technocrats or government officials working in the coordination or implementation of climate finance projects to come forward without fear that their careers will be put at risk.
CASE STUDY

Transparency International Kenyan’s work channelling and monitoring corruption cases highlights the importance of independent civil society involvement

TI Kenya’s Advocacy and Legal Advice Centre (ALAC) is one of the more than fifty TI-led anti-corruption complaints mechanisms operating countries across the world. The ALAC is a walk-in, call-in or mail in centre where Kenyan citizens can obtain free and confidential advice on corruption cases. A recent case processed by the Kenyan ALAC concerned a forested area along Kenya’s southern coastline. People with links to local decision-makers paid bribes to local officials to acquire an environmental impact assessment for building on land that by law should have been protected. The construction work led to the destruction of indigenous communities who had lived on the land for generations but were unable to legally enforce their rights. The ALAC took the case to Kenya’s Ethics and Anti-corruption Commission, National land commission and National Environmental Management Authority and successfully secured the revoking of the building licence.

4) LIMITED SCOPE OF EXISTING COMPLAINTS SYSTEMS

Many complaints systems have very a specific focus and/or mandate in terms of recourse action, and often do not have adequate processes in place to deal with a complaint received that falls outside their scope. For example, a redress mechanism exists under the Clean Development Mechanism but its scope is limited to the performance of Designated Operational Entities (CDM projects audits), and cannot handle complaints lodged about any other aspects of a project. In line with principles of national sovereignty, once a project has been accredited under the CDM, the Designated National Authority (the national body responsible for CDM projects) is responsible, and as such the Executive Board has no powers to revoke credits or halt implementation on the basis of complaints, no matter how grievous. Under this governance structure, human rights abuses could occur during the implementation of a project and the CDM’s governing bodies would have no power of recourse. Unrealistic expectations may be generated where the mandate of complaints mechanisms is not comprehensive and this is not made clear to all stakeholders from the outset of a project cycle.

9) REMEDIAL ACTIONS OR SANCTIONS IN RESPONSE TO COMPLAINTS

Climate finance institutions tend not to provide details over what investigative, redress or remedial actions should be taken and within what time frame complaints should be followed up on. Different sets of rules amongst different multilateral, national and local institutions create parallel accountability structures that makes following up on reported or suspected corruption cumbersome.

CASE STUDY

The Gold Standard Foundation’s experience ensuring effective feedback mechanisms suggests that the simplest systems can be the most effective

All projects certified by The Gold Standard Foundation are subject to a continuous feedback mechanism from project design to the last issuance of credits. Local stakeholders are involved in project design from the outset through local stakeholder consultations and The Gold Standard has both ongoing grievance and complaints mechanisms. In addition all Gold Standard stakeholders, including its 85+ NGO partners, are pre-advised on the issuance of credits from all Gold Standard projects and are given two weeks to feed-in any comments or concerns around a project. During monitoring, reporting and verification of project outcomes – times during which information sharing and project consultations occur - these mechanisms are actively advertised. The adaptability of this system is key to making it work - for example, in a remote community without online access, a book placed in the community was available for all locals to contribute their own feedback and concerns. This book was submitted to the auditor at the end of each annual audit period. Under the Gold Standard system, enforcement is also made possible as credits can be withheld from a project where wrongdoing and/or problems are reported and verified.

Climate funds and national governments in climate recipient countries should ensure that there is effective coordination between complaints mechanisms, whether run by national public institutions, international agencies acting in the country or civil society actors. Options should be explored for the establishment of effective referral systems for complaints at the national level, to ensure that if one body receives a complaint that it is not within its mandate to address, that it can be diverted to an alternative body that is capable of effectively following up. An independent watchdog should be in place to monitor and track such a referral system, provide feedback to the complainant and ensure effective follow up.

A mapping of climate finance projects and the different complaints systems in place at the national level that describes the scope and mandate of different systems is required to provide greater clarity to citizens, and greater standardisation of the handling of complaints.

Civil society organisations should play an active role in supporting complaints systems at the national and local level. Civil society can provide the link to the grassroots and facilitate outreach and awareness-raising to stakeholders of climate finance projects. They can also serve as effective arbiters and as independent watchdogs to ensure that complaints are duly followed up on. Fund decision making bodies should give more consideration to what is required to guarantee and formalise the crucial role civil society actors can perform in the channelling and effective redress of corruption complaints.
Transparent
In all communications with stakeholders of projects there should be the utmost clarity over the scope and mandate of systems in place so that citizens with grievances know not only who they should talk to, but also what they can expect in terms of follow-up. Whilst being sure to maintain discretion and confidentiality of specific cases, the administrator of any complaints mechanism should report on a periodic basis on its activities and performance.

Responsive
Complaints received should be dealt with in an efficient and timely manner. On registering a complaint, a response should be issued which provides information on an expected timeline and actions to be undertaken. Feedback to the complainant on the progress of their case should be ensured on a systematic and regular basis.

Effective
Clear guidelines for sanction and redress of cases must be established and followed in a timely and consistent manner. The mechanism should provide an effective channel to the relevant national or international institution for redress, which could include prosecution by national authorities. Where there are failures within the legal system to effectively address the issue, other possible areas of action should be pursued: including media campaigning and advocacy, or pressure exerted on donors.

Well-coordinated
The mechanism should be backed up by a solid referral system to ensure that a complaint can be effectively dealt with regardless of who initially receives it.

Accessible
Strategic outreach and awareness-raising needs to take place to targeted communities. The two major target groups identified would be communities directly affected by climate finance projects and the technocrats and officials involved through each stage of the project cycle. Outreach should be quite client focused, helping people to navigate the process of making a complaint through channels that are appropriate to the local context. This might include the provision of different channels, such as a phone-line, email address, dedicated staff, locked box, or other provisions tailored to the local context.

Safe
Especially in situations of weak or non-existent whistle-blower protection, provisions should be in place to ensure anonymity.

Independent
In order to garner the trust and engagement of citizens, complaints mechanisms must guarantee their impartiality and independence and a consistent and objective approach in all investigations and decisions. Because corruption complaints in the climate sector may require technical expertise to verify claims, independent experts should be available to lend support to cases.

AGREED PRINCIPLES FOR EFFECTIVE COMPLAINTS MECHANISMS AND ANTI-CORRUPTION HOTLINES:

There should be better communication with relevant stakeholders of the available anti-corruption hotlines and complaints channels; this can be achieved through simple reforms such as a clearly accessible section an institutional website or the inclusion of billboards at project sites with contact details to make complaints.

Climate finance actors should explore options for making an effective grievance mechanism a conditionality for project approval.