The Role of Civil Society Oversight and Social Accountability in Climate Finance and Action

By Nyasha Frank Mpahlo – Executive Director (Green Governance Africa)

Background

In Vienna, on April 28-29, 2022 the World Bank's Office of Suspension and Debarment, the Anti-Corruption Law Interest Group of the American Society for International Law, and the Organization for Economic Cooperation and Development's Anti-Corruption Division had a historic ground breaking session (the 1st Symposium on Supranational Responses to Corruption) that looked at both current and prospective anti-corruption efforts that go beyond the national governments that make up their membership. Supranational anti-corruption mechanisms by various supranational organizations are confirmed to be able to act against corruption in situations where a state is unable or unwilling, to actively counter corruption, however, supranational initiatives have been developed in an uncoordinated fashion and organizations that have embarked on such efforts are not fully aware of each other's specific objectives, capabilities, or information sets. This has over the years reduced the potential multiplier effect that joint learning, coordination, or collaboration can achieve in the fight against corruption.[1] Based on lessons from the first symposium, recommendations to prioritize several actions to support international anti-corruption efforts through knowledge initiatives were established. This included the designing of anti-corruption strategies to tackle challenges in key areas like climate change interventions. It was noted that research specific to integrity in climate finance is necessary for stakeholders to adapt current anti-corruption measures or create new mechanisms for achieving better results in climate goals.

William Wilberforce once said "You may choose to look the other way, but you can never say again that you did not know." Climate change is an existential threat of extreme weather,[2] worsening poverty, risking public health and ultimately affecting peoples livelihoods across the world. It has become a unanimous global challenge that requires immediate and urgent collective action to reduce its impacts on livelihoods. On the 12th of December 2015, 196 Parties at the UN Climate Change Conference (COP21) in Paris, France entered into a legally binding international treaty on climate change.[3] The Paris Agreement, on article 2 set a milestone to hold the increase in global average temperature below 2°C above pre-industrial levels and to

---

[1] https://www.worldbank.org/en/news/feature/2023/06/30/osd-publishes-the-symposium-supranational-response-to-corruption-knowledge-report

[2] Huggel, C., Bouwer, L. M., Juhola, S., Mechler, R., Muccione, V., Orlove, B., & Wallimann-Helmer, I. (2022). The existential risk space of climate change. Climatic Change, 174(1), 8. https://www.sciencedirect.com/science/article/pii/B9780128229286000058

[3] Blau, J. (2017). The Paris Agreement: climate change, solidarity, and human rights. Springer. https://books.google.com/books?hl=en&lr=&id=QpF0DgAAQBAJ&oi=fnd&pg=PR4&dq=On+12+December+2015,+196+Parties%C2%A0at+the%C2%A0UN+Climate+Change+Conference%C2%A0(COP21)+in+Paris,+France+entered+into+a+legally+binding+international+treaty+on+climate+chang&ots=5AsQgpihoJ&sig=uj02pGliMou29anxKBehwi38yv4

eventually limit the temperature increase to 1.5°C above pre-industrial levels.[4] In response to this, many countries have pledged to reduce their carbon emissions and to mobilize finance for climate change mitigation and adaptation. At the heart of the Paris Agreement and the achievement of its long-term goals, are Nationally Determined Contributions (NDCs). According to United Nations Framework Convention on Climate Change (UNFCCC), country NDCs represent the actions that are taken by committed individual countries to lower their emissions and address the effects of climate change. However, it is important to note that developing countries, especially those in the global south, face a triple crisis of climate change, corruption, and debt distress.[5]

Impacts of Extreme Weather Events

The Climate Risk Index (CRI) identifies countries such as India, Pakistan, Mozambique, and Zimbabwe despite contributing little to greenhouse gas emissions, to be more exposed and vulnerable to extreme weather events. According to the CRI 2021 report there has been about 11,000 extreme weather events the past 20 years that are directly linked to over 480,000 fatalities and the associated economic losses amounted to US$ 2.56 trillion.[6] The most recent CRI that stretches between 2000 to 2019 countries affected most in 2019 were Mozambique, Malawi and Zimbabwe in March 2019 by tropical cyclone Idai as well as the Bahamas by hurricane Dorian in September 2019.[7] Tropical cyclone Idai washed away crops and livestock, worsening the already fragile food security situation in the Southern African region which was already prevailing in the countries that were hit. The total damages in Mozambique, Malawi and Zimbabwe amounted to more than US$2 billion, while more than 1000 people lost their lives, with 3 million being affected.[8]

Specific to Zimbabwe Cyclone Idai in March 2019, led to an extensive damage worth an estimated $622 million and over 50,000 households were destroyed, directly affecting 270,000 people, including 60,000 who were displaced in Chipinge and Chimanimani Districts.[9] In the same year in September 2019, hurricane Dorian hit the Bahamas with a tremendous force that destroyed homes, public buildings, and other properties on the islands of Abaco and Grand Bahama and surrounding Cays. The official death count of the Bahamas disaster is was 74 with 282 people that were recorded missing. Dorian is estimated to have caused losses and damages worth

---

[4] United Nations Framework Convention on Climate Change (UNFCCC) - Paris Agreement: https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

[5] Warner, K., Hamza, M., Oliver-Smith, A., Renaud, F., & Julca, A. (2010). Climate change, environmental degradation and migration. Natural Hazards, 55, 689-715. https://link.springer.com/article/10.1007/s11069-009-9419-7

[6] Khalifa, M., Zouaoui, H., Ben Othman, H., and Hussainey, K. (2023). The impact of climate risk on accounting conservatism: evidence from developing countries. Journal of applied accounting research. https://www.emerald.com/insight/content/doi/10.1108/JAAR-01-2023-0028/full/html

[7] Hakovirta, M. (2024). Socioeconomic Aspects of Climate Change in Cities and Municipalities. In Carbon Neutrality: Follow the Money (pp. 143-156). Cham: Springer Nature Switzerland. https://link.springer.com/chapter/10.1007/978-3-031-45202-4_8

[8] Mutasa, C. (2022). Revisiting the impacts of tropical cyclone Idai in Southern Africa. In Climate Impacts on Extreme Weather (pp. 175-189). Elsevier. https://www.sciencedirect.com/science/article/pii/B9780323884563000125

[9] Nhamo, G., & Chikodzi, D. (2021). The catastrophic impact of tropical Cyclone Idai in Southern Africa. In Cyclones in Southern Africa: Volume 1: Interfacing the Catastrophic Impact of Cyclone Idai with SDGs in Zimbabwe (pp. 3-29). Cham: Springer International Publishing. https://link.springer.com/chapter/10.1007/978-3-030-72393-4_1

USD3.4 billion that is also expected to be mobilized as climate finance to reduce the impacts of the disaster.[10]

Climate Finance in Adapting to Climate Change

UNFCCC defines climate finance as the local, national or transnational financing from public, private and other sources of financing to support mitigation and adaptation actions that will match the climate goals.[11] The high-level expert group on climate finance estimates that developing countries (excluding China) need $2.4 trillion annually in climate investment by 2030.[12] In 2021, total climate finance provided and mobilized by developed countries for developing countries amounted to USD 89.6 billion, showing a significant 7.6% increase over the previous year. Fighting the climate emergency requires large-scale investment in renewable energy, forest management and disaster preparedness thus due to this state of the situation, the world of climate finance becomes very interestingly complex. The Green Climate Fund (GCF), was relatively set up by the Paris Agreement to serve as the financial mechanism of Climate Change to mobilize US $100 billion a year, making it the largest climate fund in the world. In as much as the money that has been flowing in climate finance, the amount of money required to fight climate change in the world for mitigation is a lot of money. The cost of adapting to climate change is also huge in coastal defence, irrigation systems, and cyclone-proof housing. Above all extreme and unpredictable weather patterns will require far-reaching changes to our physical environment.

Corruption Risks in Climate Vulnerable Countries

As the global community wrestles with the challenges posed by climate change, the global and endemic problem of corruption, which transcends national borders, continues to affect the fundamental components of climate action. While governments in the most climate-prone areas are unable and unwilling to actively counter corruption, it becomes the role of civil society and an informed citizen movement to play the role of holding governments and other stakeholders accountable for their actions in addressing climate change. Article 2.1c of the Paris Agreement sought to align all financial flows with emission reduction and climate resilience, which would mark a transition towards sustainable investments and away from the use of fossil fuels. The policies concerning climate financing are expected to focus not only on the quantity of funding but also on its quality, making the finance more accessible and balanced between mitigation and adaptation. But unfortunately, corruption is growing at an alarming rate, which is a serious threat to these efforts.

According to U4 Anti-Corruption Resource Center financial losses from corruption are difficult to determine, but it is estimated that of US$13 billion of multilateral climate funds allocated to the water sector merely every year about 7–15% (US$1–2 billion) is

---

[10] WILCHCOMBE, J., NISHI, R., SIMMONS, J., WIDLANSKY, M., & TSURUNARI, Y. (2021). Field survey on storm surge by catastrophic Hurricane Dorian in the Bahamas 2019. Journal of Japan Society of Civil Engineers, Ser. B3 (Ocean Engineering), 77(2), I_289-I_294. https://www.jstage.jst.go.jp/article/jscejoe/77/2/77_I_289/_article/-char/ja/

[11] Ahluwalia, M. S., & Patel, U. (2022). Financing Climate Change Mitigation and Adaptation in Developing Countries. KEYS TO CLIMATE ACTION, 309. https://www.brookings.edu/wp-content/uploads/2023/10/Keys-to-Climate-Action-PDF-web.pdf#page=318

[12] Songwe, V., Stern, N., & Bhattacharya, A. (2022). Finance for climate action: Scaling up investment for climate and development. London: Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science. https://repository.uneca.org/handle/10855/49154

lost to corruption. The climate funding landscape is complex and fragmentary for addressing a number of economic and social facets affecting livelihoods, which complicates efforts to track financial flows and to ascertain who should be held accountable for decisions and results.[13] On the other hand due to the GCF's complex financing model, and the country ownership of the funds, the opportunities for fraud and corruption have a high bar of occurrence.[14] According to a 2020 U4 brief countries receiving the most finance present a higher risk for corrupt practices and these countries are already highly susceptible to corruption, indicated by their low scores in the Corruption Perception Index (CPI) and most of these countries score between 20-30 out of 100 in the 2023 CPI results by Transparency International.

In Zimbabwe from 2019-2023 corruption perception index scores range between 23 and 24 out of 100. While in 2023 Mozambique, Malawi scored 25 and 34 out of 100 respectively.[15] As these countries where at a time of urgent need for mitigation finance of the cyclone Idai. The issue now is that the scores these countries are getting highlights possible risk for corruption to infiltrate climate finances. Existing transparency guidelines under the Paris Agreement and accountability standards are criticized for not being customized to govern the large outflow of climate financing.[16] Hence to optimize the benefit of climate investments transparency, equity, and inclusion must be at the heart of climate finance decision-making in vulnerable countries. Developing appropriate and effective supranational anti-corruption tools and strategies by Multilateral Development Banks (MDBs) and other supranational organization to ensure integrity in climate finance is important for impact and success. The rates of corruption in climate vulnerable countries is a serious cause for concern for MDBs that provide climate mitigation and adaptation finance.

On the other hand, grand corruption poses a serious threat to international efforts to tackle climate change. The key players in networks of grand corruption include politicians, multinational companies, regulatory agencies, facilitators, and local businesses. The negative consequences of corruption in climate finance policies are too numerous to mention, these include environmental degradation, health risks, human rights violations, allocation of resources not reaching the most vulnerable groups, and delays in the green energy transition.[17] National governments consume resources to administer grants, which often involve hiring expensive foreign consultants to plan, implement and monitor projects. These costs eat into the funds intended for local communities and the focus on large, individual projects tends to limit the reach of benefits to a specific area. While other governments also make decisions for political reasons, distributing resources including money for adaptation based on what will help them stay in power, and they are more likely to fund political supporters than climate affected groups. Unfortunately, this has often left marginalized communities even more vulnerable to climate shocks.[18]

Supranational Mechanisms to Fight Corruption

[13] https://www.transparency.org/en/projects/climate-governance-integrity-programme

[14] Albert Lihalakha: The integrity enforcement regime at the Green Climate Fund (paper) Co-authored with Dr. Sanjeev Narrainen, Integrity and Compliance Office, Green Climate Fund.

[15] https://www.transparency.org/en/cpi/2023/index

[16] https://blogs.worldbank.org/en/climatechange/greening-social-accountability-climate-finance

[17] https://www.u4.no/publications/grand-corruption-and-climate-change-policies#:~:text=The%20negative%20consequences%20of%20grand,delays%20in%20green%20energy%20transition.

[18] https://coastadapt.com.au/resources-adaptation-including-innovative-financing-mechanisms

Climate change is a global issue that transcends national borders and affects multiple countries and regions.[19] The trans-boundary nature of climate change means that the impacts of greenhouse gas emissions and other climate-related factors are not confined to one specific area, but can have far-reaching consequences for the environment, economy, and society as a whole. The trans-boundary nature of the climate change discourse requires us to interrogate the supranational mechanisms that are in place to curb trans-boundary corruption in climate finance mobilization, distribution, and utilization. For the most corrupt nations, the absence of a functional policy, legislation, and institutional anti-corruption framework in climate finance management and action exposes their local communities to climate shocks and makes it almost impossible for them to recover from climate disasters.

Supranational mechanisms play a crucial role in curbing corruption in climate finance mobilization by promoting transparency, accountability, and integrity in the allocation and disbursement of funds. These mechanisms include international organizations such as the United Nations, the World Bank, and regional bodies like the European Union, as well as initiatives like the Extractive Industries Transparency Initiative (EITI) and the Open Government Partnership (OGP). One example of a supranational mechanism is the Green Climate Fund (GCF), which has established robust safeguards and accountability mechanisms to prevent corruption and ensure that funds are used effectively for climate action. The GCF's Independent Integrity Unit investigates allegations of fraud and corruption, and the Fund's policies require transparency and stakeholder engagement in project decision-making. Another important initiative is the OECD Anti-Corruption Network for Eastern Europe and Central Asia (ACN), which works with governments in the region to strengthen anti-corruption measures in climate finance projects.[20] The ACN provides technical assistance, capacity-building, and peer learning opportunities to help countries prevent and detect corruption in the management of climate funds.

Civil Society Oversight and Social Accountability in Climate Action

Since the major causes of corruption and fraud in climate finance include a lack of rule of law, lack of accountability, and lack of openness in government and private sector institutions, CSOs and social movements can act as watchdogs to monitor the allocation and utilization of climate finance by organizations for the effective implementation of climate change mitigation and adaptation efforts. CSOs with their knowledge and experience, are essential to hold governments accountable for their climate finance commitments and ensure that the money is being used in a transparent and efficient manner.[21] They also play a crucial supporting role to supranational anti-corruption efforts as watchdogs, holding perpetrators of corruption across borders when national authorities are unable or unwilling to do so. These organizations often have the flexibility, independence, and access resources to pursue investigations that law enforcement may not be able to undertake due to various constraints.[22]

---

[19] https://reliefweb.int/report/world/prospects-development-climate-changed-world-anticipating-cross-border-effects-climate-change-and-climate-action#:~:text=Climate%20change%20is%20not%20confined,have%20significant%20cross%2Dborder%20consequences.

[20] https://www.oecd.org/corruption/acn/

[21] Climate Action Network: https://www.climatenetwork.org/

[22] Adam Földes: International pathways to accountability for grand corruption23 (paper)

CSOs and social movements have a crucial role to play in ensuring integrity in climate finance for meaningful climate response. Firstly, civil society can monitor where climate finance goes, secondly civil society can monitor climate finance to empower communities for faster climate action. Civil society can collaborate with investigative journalists and other entities to create networks of information sharing, enabling them to uncover and expose corrupt activities that may otherwise go unnoticed in the management of climate finance in countries vulnerable to both corruption and impacts of climate change. They can also mobilize resources quickly to investigate cases of grand corruption, highlighting the negative consequences on society and the environment.

The Climate Finance Group for Latin America tracks finance to ensure effective local implementation, emphasizing citizen involvement in project planning for better accountability and resource allocation which is often a missing link in the accountability chain. In instances where public authorities are ineffective or influenced by corruption, civil society and social accountability can step in to fill the gap by pressuring authorities through legal pathways and supporting weaker investigative bodies. Their efforts can help combat grand corruption globally, regardless of where the crime occurred or the origin of the perpetrators. The group developed methods to track climate finance and empowering communities to advocate for more rapid climate action. Despite facing challenges such as limited resources and opposition from governments, civil society organizations continue to grow in size, skills, and influence, positioning themselves as key players in the fight against corruption at both national and supranational levels. Their role in advocating for transparency, accountability, and ethical decision-making is vital in building a culture of integrity and promoting effective anti-corruption mechanisms on a global scale.

To take you back in time, following the earthquakes that occurred on August 17th and November 12th 1999 in the Marmara region in Izmit killing 17,479 people and Istanbul killing almost 1000 people, a significant number of CSOs were established.[23] Existing organizations also became more active and were able to enhance their capacities, with the support of international development cooperation agencies and foreign CSOs. Notably, a coordination body named Civic Coordination for the Earthquake was created made up of organizations responsible for supporting and coordinating the activities of civil associations, state foundations, regional directorates, and professional associations.[24] The Civic Coordination for the Earthquake played a crucial role in coordinating resources and matching them with the needs of the people affected by the earthquake. They also established a database that stored data related to the structure and operation of various governmental institutions, local administrations, professional organizations, NGOs, and civic initiatives involved in the disaster response efforts. The geographical or physical locations of distributors, agents in the distribution network of the disaster was developed to optimize the flow of goods and services, as well as to track and manage the activities of interventions. Overall, this coordination body was

[23] Görgün, E., Zang, A., Bohnhoff, M., Milkereit, C., & Dresen, G. (2009). Analysis of Izmit aftershocks 25 days before the November 12th 1999 Düzce earthquake, Turkey. Tectonophysics, 474(3-4), 507-515. https://www.sciencedirect.com/science/article/pii/S0040195109002431

[24] Ganapati, N. E. (2014). Linking development to disasters in Turkey: moving forward after the Marmara earthquake. Disaster and Development: Examining Global Issues and Cases, 61-78. https://link.springer.com/chapter/10.1007/978-3-319-04468-2_4

highly effective in its functions with transparency and it could be held accountable for the out flow of mitigation finance.

Conclusion

In conclusion, climate change is a global challenge that requires immediate and urgent action. The mobilization and allocation of climate finance remain a challenge, especially in developing countries, due to corruption, mismanagement, and lack of transparency. Civil society organizations and social movements have a crucial role to play in ensuring transparency, accountability, and the effective use of climate finance for meaningful climate action. They can act as watchdogs to monitor the allocation and utilization of climate finance for the effective implementation of climate change mitigation and adaptation efforts. The independent oversight of civil society can help to strengthen policies and anti-corruption institutions to prevent corruption, mismanagement, and the diversion of funds from climate-change response. The essay has even demonstrated that civil society oversight and social accountability have the potential to compliment climate action by promoting sustainable and transparent utilization of climate finance at the local and supranational levels.