### **Transparency International Climate Governance**

# Transparency International Climate Governance Workshop Mapping governance risks, stakeholder interventions, and future actions 12<sup>th</sup> -14<sup>th</sup> June 2010, Berlin Vicinity, Germany

### **Workshop Concept**

### Demands to Address Transparency, Inclusiveness, Accountability, Anticorruption Deficits in Climate Governance

Climate Governance refers to the institutions and procedures by which decisions are taken at the global, regional, national and local levels to adapt to and to mitigate climate change. Of particular interest to this workshop are the ways in which climate governance will deploy financial resources, create and regulate carbon markets, and have the capacity to measure, report and verify (MRV) country actions as a means of incentivizing mitigation and adaptation. New money, new markets and enhanced MRV will pose serious governance challenges and opportunities at the global, regional and national levels.

In order for climate governance to perform these functions in an effective, efficient and equitable manner, relevant institutions and procedures will have to operate transparently, inclusively and accountably, and be safeguarded from corruption.

The governance issues related to climate finance include the leveraging and allocation of "new and additional" resources for climate finance primarily in developed countries, and the allocation, budgeting, distribution and expenditure of that funding by both contributing and recipient countries.

Likewise, the growth of carbon markets presents additional challenges and opportunities in particular where public decision-making and finance are involved. In countries or regions where emissions trading systems are in place or where other climate change mitigation regulations apply, governance issues concern transparency, accountability, anticorruption and public oversight regarding the adoption and operation of these systems/regulatory frameworks. This relates to, inter alia, emissions allowance allocations and (potential) auctioning, setting allowance values and/or carbon prices, the inclusion of "feed-in tariffs," the provision of public subsidies for e.g. technology development, the levying of carbon taxing, and the imposition of rules and procedures for carbon-trading, banking and marketing of both carbon credits and emissions allowances.

MRV processes, which will apply to international finance, carbon markets as well as to actions taken through a country's domestic resources, will also need to be transparent, accountable, involve public participation or consultation and be subject to public oversight - so as to safeguard against corruption risks and to ensure credibility and legitimacy.

### Workshop goals and objectives

### **Shared Learning**

This workshop offers an opportunity for climate governance and finance stakeholders to share their particular expertise regarding their work in identifying particular climate governance and corruption risks, and their efforts, plans and overall objectives and work plans designed to address those risks. This shared learning process intends to increase the knowledge of both priority climate governance issues and to develop a collective understanding amongst stakeholders regarding actions being taken to address those risks. Such shared learning provides an important basis for discussing opportunities for cooperation and ways to advance such cooperation over set time frames.

### Climate Governance Cooperation and Coordination

TI recognises the important work of the many organizational actors now involved in addressing the various challenges of climate governance and financing. Where a number of civil society organizations, public and private institutions, the media, the donor community and private sector actors share common objectives to achieve greater accountability, transparency and anticorruption, it would be opportune to develop working relationships, cooperation and coordinated efforts to strengthen the impact and effectiveness in achieving those objectives. The workshop aims to identify areas for cooperation and coordination and to establish concrete ways of organizing such relationships now and in the future.

### TI Climate Governance Programme Development

By bringing together key climate governance and finance stakeholders, TI aims to learn from others where they think TI is best placed to contribute to better climate governance and finance. TI's experience and expertise in addressing corruption risks and advocating for related reforms should be useful in supporting the ongoing and planned initiatives of other stakeholders. The workshop intends to draw inputs from others on where TI can best support their work and initiatives, and where TI's unique interventions are needed and could be supported by other stakeholders. For the purpose of this discussion, TI will prepare a draft working paper which outlines the key areas where TI considers its expertise and experience most relevant to addressing climate governance issues.

### **Workshop Expected Outcomes and Outputs**

- Participants increase their shared learning on key climate governance issues, the work of relevant stakeholders to address those issues.
- Participants increase their understanding of needed areas for future work, coordination and resource allocations.
- Participants increase networking, coordination and partnerships among participating stakeholders to address climate governance risks by promoting transparency, accountability, anticorruption and oversight.
- A first step Climate Governance Risk Map of public financing for adaptation and mitigation, carbon markets and climate law and policy development and implementation is produced through multi-stakeholder processes.
- A first step mapping of interventions and best practices to address climate governance and finance risks is produced through multi-stakeholder processes.
- A first step risk-intervention-gap map, which identifies areas for further efforts and actions, is produced through multi-stakeholder processes.
- TI's Climate Governance Strategy and Programme is further developed and refined through the inputs of external stakeholders.
- Multi-stakeholder programmes or action plans are devised to coordinate approaches in areas of Capacity Development/Building, Monitoring, Advocacy, Research, Best Practices/Tool Applications and Communications to address priority climate governance and corruption risks.
- An E- network or mailing list of participants is established to facilitate follow-up communications, actions and advocacy efforts.
- Focal points for future communications to follow-up on actions decided at the workshop may possibly be established.
- A manageable electronic medium for participants to continue to share information and learning on climate governance issues may be develop following a commitment of participants at the workshop.
- Working groups on particular areas or coordination groups to assist in advocacy efforts in relation to actions or plans decided at the workshop may be established.
- A joint commitment and strategy to cooperate in organising advocacy campaigns leading up to the International Anti-Corruption Conference (IACC) and the COP 16 and particular joint events or conferences before, during or after that event may be adopted at the workshop.

### **Workshop Participation**

The Workshop aims to attract approximately 50 participants from a wide range of representatives including representatives from bilateral climate finance agencies, intergovernmental institutions, private sector and civil society think tanks and non-governmental organisations. Approximately 25 key climate governance stakeholders have confirmed to date. A list of participating organisations may be obtained from the organisers.

### Climate Governance @ Transparency International

For the past 17 years, Transparency International has been working in the fight against corruption, to create change towards a corruption-free world as a global civil society organisation including more than 90 locally established national chapters across the globe. Through coalition building approaches involving government, business, civil society and media, as well as advocacy and media campaigns, research and policy development and a myriad of anticorruption tools and best practices, TI promotes transparency, accountability, integrity and anticorruption.

TI's work in addressing climate governance issues is relatively new but increasing. Generally, TI's position is that: Efficient, effective and equitable governance and finance requires that appropriate levels and mechanisms to assure accountability, transparency, and oversight, anticorruption and public participation are incorporated. With regard to climate change, this implies:

- The institutional and operational governance of public institutions bearing responsibility for climate change adaptation and mitigation, including the monitoring, reporting and verification of emissions reductions;
- The institutional and operational governance of financial institutions, private sector actors and publicprivate partnerships engaged in climate finance and MRV arrangements such as climate funds and carbon markets, and;
- The climate **governance frameworks, systems, and/or processes** involving a number of actors, public, private and/or civil engaged in adaptation and/or mitigation efforts.

TI has made climate governance a central advocacy issue in 2010 with the planned publication of TI's Global Corruption Report (GCR) publication focusing on the issue. The International Anti-Corruption Conference (IACC) supported by Transparency International planned for November 2010 in Bangkok aims to place climate governance and corruption in natural resources as key conference streams. One important anticipated IACC outcome is a conference declaration addressing transparency, accountability and anticorruption within the context of an international climate agreement, to be contributed to the 16<sup>th</sup> Conference of Parties of the UNFCCC to which TI has been an accredited civil society observer.

In the past year, TI has participated in a number of global climate governance forums and has formulated positions on climate financing in relation to the forthcoming G8 and G20 summits. TI serves as civil society observer on the Climate Investment Fund (CIF), Scaling-up Renewable Energy Programme (SREP) and participates in other Programmes with a view to contributing to the inclusions of transparency, accountability and anticorruption safeguards to development and operation of these funding mechanisms. Similarly, TI plans greater participation in other global climate governance and finance organizations and processes including the Global

### **Transparency International Climate Governance**

Environmental Facility, the Kyoto Protocol bodies and funds, and the nascent Climate Change Fund "adopted" at the COP 15 in December 2009.

In terms of programmatic work, TI has developed and is currently fundraising for a two year climate governance project to develop both global and national actions to increase global and national capacity development, advocacy, networking, governance/corruption risk mapping/assessments and TI tool applications to address priority risk areas. In the first phase, the project is intended to be piloted by TI National Chapters in seven countries: Bangladesh, Dominican Republic, Kenya, Madagascar, Maldives, Mexico and Peru. Given the high potential for the project to achieve results, the project design enables its application to other jurisdictions and multiplier effects. The project is supported by TI's experience in developing and implementing its multi-country Forest Governance and Integrity (FGI) Programme in Asia-pacific which aims to promote corruption-free forest governance and sustainable management enable increased economic development, poverty reduction and environmental protection. By tackling corruption as a primary driver of illegal logging and poor forest management, the programme reinforces initiatives such as REDD which rely on good forest governance requirements for effective implementation. The current FGI Programme operates in 5 countries in Asia Pacific, seeks to expand to an additional 6 countries in 2011, and aims to apply its results to enabling REDD+ initiatives.

While having reviewed the current and foreseen corruption and governance risks to be addressed in the governance of climate financing and MRV processes, the challenge for TI is to further identify where TI should best focus and coordinate its interventions to contribute most effectively to ensure appropriate levels of transparency, accountability, anticorruption, public participation and public oversight. TI is committed to working with key stakeholders to address priority climate governance issues. We welcome contributions to our programme development and opportunities to support the work of other stakeholders through our expertise in promoting civil society anticorruption work globally. Through partnerships and coordinated actions, we hope the developing climate governance system can be supported to ensure desired human and environmental benefits and safeguards enshrined in global agreements and declarations.

Draft Worksh	op Programme – 12 <sup>th</sup> - 14 June 2010	
	Saturday, 12 <sup>th</sup> June 2010	
Timing	Discussion	
09:00 – 09:30	<ul> <li>Session 1 - Plenary</li> <li>Welcome Address and Introduction</li> <li>Welcomes participants</li> <li>Outlines key workshop objectives, workshop agenda and organisational structure</li> </ul>	
09:30 – 10:00	Session 2 - Plenary Ice Breaker and Introduction of Workshop Participants	
10:00 -11:00	Session 3(a)- Plenary Panel Discussion	
(45 minutes Panel talks followed by 15	Governance and Corruption Risks in Public Financing for Adaptation, Mitigation and Low-Carbon Development	
minute discussions and Q&A)	Panellists: Informal panel discussion include Dr. Richard Klein, Senior Research Fellow and Theme Leader 'Reducing Climate Risk', Stockholm Environment Institute, and Professor, Centre for Climate Science and Policy Research, Linköping University, and Ms. Sandra Nicoll, Director, Public Management, Governance and Participation Division, Asian Development Bank	
	Description: Participants review global, regional and national public financing initiatives, identifying areas where governance and corruption risks, transparency and accountability deficits exist. Key issues include how voluntary contributions are leveraged as "new and additional" global climate finance, how decisions are made to how such climate financing is to be allocated and distributed, how the that financing is then made accountable at the global level. Matters regarding the institutional governance, including transparency, accountability, anticorruption and public participation requirements are assessed. Regarding climate finance recipient country governance, issues discussed include how recipient nations absorb the "new and additional" finance through new or existing institutions, the governance of these institutions, the ways in which the climate finance is allocated within national budgets, how the money is spent and accounted for nationally in relation to adaptation and mitigation objectives and how these processes involve public participation and lend themselves to public oversight.	
11:00 - 11:30	Coffee and Tea Break	
11:30 – 12:30	Session 3(b) - Working Group Discussions Discussing, Assessing and Prioritising Governance and Corruption Risks in Public Financing for Adaptation and Mitigation	
	Description: Working Groups address public financing governance and corruption risks relevant to (1) developed, industrialised countries; (1a) Possible also the BRICs; (2) developing countries in Asia; (3) developing countries on Africa; (4) developing countries in Latin America; (5) Global Financial Institutions e.g. World Bank Climate Investment Funds; (6) Global Climate funding initiatives e.g. UNFCCC/Kyoto Protocol Funds.	
	Description: Each Breakout group is charged with 2 tasks:  (1) Assess and discuss risks: Each group is provided a list of corruption/governance risks identified in Session 3(a). They are asked to assess whether this list adequately cover the	

	primary governance/corruption risks and to add where necessary additional risks;  (2) Prioritise the risks: Group participants should consider and prioritise risks in terms of which risks they view should be addressed as most serious in short. Medium and long terms scenarios.  Report back preparation: Each breakout group identifies a Rapporteur who is responsible for recording the discussions against a report back form and preparing 2-4 power point slides summarising the discussion on risks. A spokesperson is also elected to report back on the group discussions.		
12:30 – 13:30	Lunch Break	Session 3(b) Meeting of Rapporteurs and Spokespersons consolidate and summarise report back slides for Session 6 presentation.	
13:30-14:30	Session 4(a) - Panel Discussion		
(45 minutes Panel Presentations followed by 15 minute Discussions and Q&A)	Governance and Corruption Risks in Carbon Markets  Description: This session explores the current and anticipated governance/corruption risks in carbon markets. In reviewing the developing emissions trading / cap and trade systems, panellists how and if the appropriate transparency, accountability and anticorruption standards are applied to emissions allowance allocations and (potential) auctioning, setting allowance values and/or carbon prices, the inclusion of "feed-in tariffs," the provision of public subsidies for e.g. technology development, levying of carbon taxing, and imposition of rules and procedures for carbon-trading, banking and marketing of both carbon credits and emissions allowances.  This session also examines the actors and processes involved in monitoring, reporting and verification of emissions reductions in relation to the issuance of carbon credits, emissions allowances and the achievement of national, regional and/or global mitigation commitments.		
14:30 – 15:30	Session 4(b) - Breakout Groups Assessing and Prioritising Governance and Corruption Risks in Carbon Markets		
	Working groups are formed to address "carbon market" governance and corruption risks relevant (1) EU ETS; (2) US Voluntary Carbon Markets; (3) CDM and JI Carbon Credit issuing schemes; (4) a global ETS?; (5) Government subsidies and "feed-in-tariffs"; (6)Carbon price-setting, Carbon Tariffs (7) possibly also Technology Transfer and Intellectual Property Rights.		
	Description: Each Breakout group is charged with 2 tasks:  (1) Assess and discuss risks: Each group is provided a list of corruption/governance risks identified in Session 4(a). They are asked to assess whether this list adequately cover the primary governance/corruption risks and to add where necessary additional risks to the list; (30 minutes)  (2) Prioritise the risks: Group participants should consider and prioritise risks in terms of which risks they view should be addressed as most serious in short. Medium and long terms scenarios. (30 minutes)		
	Report back preparation: Each breakout group identifies a Rapporteur who is responsible for recording the discussions against a report back form and preparing 2-4 power point slides summarising the discussion. A spokesperson is also elected to report back on the group disc		
15:30 – 16:00	Coffee and Tea Break	Session 4(b) Meeting of Rapporteurs and Spokespersons consolidate and summarise report back slides for Session	

### 16:00 - 17:00

### (45 minutes Panel Presentations followed by 15 minute Discussions and Q&A)

### Session 5(a): Presentations

# Governance and Corruption Risks in Law and Policy Development and Implementation: Building the Case and Constituencies for "Citizen MRV"

*Panellists*: Informal panel discussions are led by Mr. Jake Werksman and Ms. Smita Nakhooda of the World Resources Institute.

Description: This session, which will be led by the World Resources Institute, will describe efforts to address governance challenges in the sectors and issue areas that will be key to responding to climate change. Promoting good governance and rooting out corruption requires a deep understanding of the procedures, institutions and stakeholder interests that are unique to the energy, land use, forestry and transport sectors. The process of developing law and policy for addressing adaptation, which cuts across all sectors, also requires a tailored treatment.

Good climate governance will depend on laws and policies supported by constituencies that care about fair, effective and efficient outcomes and that associate these outcomes with lower GHG emissions and investments in climate resilience. Strategies that build this support from the "bottom up" through "citizen MRV" may provide the best chance to put the world on a path to low carbon future.

This session will present efforts thus far by groups engaged in promoting good governance in these sectors and issue areas by assessing weaknesses in transparency, inclusiveness, accountability and by mapping corruption related risks. Panellists will be asked to describe how climate finance, carbon markets, and the development of MRV systems may present additional challenges and opportunities for prioritizing and advocating for reforms in governance.

### 17:00 - 18:30

### Session 5(b) - Breakout Groups

## Discussing, Assessing and Prioritising Governance and Corruption Risks in Law and Policy Development and implementation

Description: Breakout groups are formed to address how good governance and corruption risks can be addressed in key sectors through developments in (1) global law and policy – formulating a new climate treaty; (2) EU law and policy; (3) US law and policy; (4) developing country law and policy (group(a)) (4) developing country law and policy (group(b)).

Description: Each Breakout group is charged with 2 tasks:

- (1) Assess and discuss risks: Each group is provided a list of corruption/governance risks identified in Session 4(a). They are asked to assess whether this list adequately cover the primary governance/corruption risks and to add where necessary additional risks to the list; (45 minutes)
- (2) Prioritise the risks: Group participants should consider and prioritise risks in terms of which risks they view should be addressed as most serious in short. Medium and long terms scenarios. (45 minutes)

Report back preparation: Each breakout group identifies a Rapporteur who is responsible for recording the discussions against a report back form and preparing 2-4 power point slides summarising the discussion. A spokesperson is also elected to report back on the group discussions.

### 18:30 - 20:00

#### **Break- Free Time**

Session 4(b) Meeting of Rapporteurs and Spokespersons consolidate and summarise report back slides and feedback for group report back in Session 6 Presentation.

20:00 - 23:00

**Welcome Dinner and Networking Event** 

Draft Workshop Programme – 12 <sup>th</sup> - 14 June 2010			
	Sunday, June 13th		
08:00 -09:00	Informal Follow-up Meeting of all Rapporteurs and Spokespersons to consolidate and summarise report back slides and feedback for group report back in Session 6.		
09:00 – 10:00	Session 6 - Plenary Report Back		
(45 minutes Report Back followed by 15 minutes Discussions and Q&A)	Description: Spokespersons for each of the governance and corruption risks areas in public finance for adaptation and mitigation, carbon markets and law and policy development/implementation are consolidated and present the findings of breakout group discussions. They summarise the most relevant risks identified and explain the addition of any risks which breakout group participants raised. The report backs suggest risk priorities and reasons why these priorities were agreed upon in each breakout group.		
	Each report back should be approximately 10-15 minutes with a total report back time of 30-45 minutes. Remaining time is allocated for questions and clarifications.		
	A result of the report back session is a corruption/governance risk mapping showing priority risks to be addressed.		
10:00 - 10:30	Coffee and Tea Break		
10:30 - 12:30	Session 7 - Working Group Discussions Mapping Interventions, Gaps, and Needs		
(60 minutes discussions on items (1) – (3); 20 minutes for each item (4), (5) and (6).	Description: The purposes of this session are to enable participants to share information about what each of their respective organisations is doing to address certain governance/corruption risks, to clarify the type of interventions being undertaken and the respective target groups and beneficiaries of those interventions. Through this mapping exercise, participants indentify areas where risks are not being addressed, to identify needs for new interventions or for activities to support and give strength to existing interventions.		
	Breakout groups are formed to address priority risks identified in Sessions 2(b), 3(b) and 4(b) as summarised in Session 5. Breakout Groups should be kept to maximum 10 persons to enable open and sufficient exchange amongst all participants. Each Breakout group is charged with 6 tasks:		
	<ol> <li>Identify Interventions: Group participants discuss and map the ongoing/planned interventions to address the risks of each represented organisation.</li> <li>Typify interventions: Participants consider how their interventions could best be categorised as e.g. capacity building, monitoring, advocacy, assessment/research oriented, best practices, or other types of initiatives</li> <li>Identify agents of change and beneficiaries: Participants consider their target groups – who or what policy or institution is responsible for affecting the change sought and who benefits as a result of the intervention. In some cases, such as in capacity building interventions both the target and beneficiary may be the same.</li> <li>Identify Gaps: Participants identify which the priority risks not being addressed at all or not being addressed sufficiently by current intervention and consider possible interventions which could address those gaps.</li> <li>Identify needs for collaboration</li> </ol>		
	(6) Identify supportive or leading activities by TI		

	Report back preparation: In each group a Rapporteur is assigned to record the group's discussions and main conclusions in a map format. Following the session, the map is consolidated with maps generated by other breakout groups in a overview "workshop map" for all participants to view and access.		
12:30 – 13:30	Lunch Break	Participants are asked to complete a workshop evaluation form distributed during the lunch break to be returned to a designated person or drop-in box by Monday morning.	
13:30–15:30	Session 8: Report Back Plenary Consolidating the Map: Stakeholder Interventions, Gaps, and Needs		
	Description: The findings of Session 8 are presented to the participants. The report back presents a consolidated map showing interventions, gaps, needs, desired areas for collaboration and support from TI. Based on these findings, the Plenary suggests further discussions to elaborate and develop the ways forward to achieve the desired collaboration and inputs from TI.		
	Coffee and Tea served in Plenary Room following Plenary and during Session 10(a) Working Group Sessions		
15:30 - 17:00	Session 9 (a) – Working Groups Moving Forward Part 1- Working together to achieve common objectives: Developing collaborative work and TI's contributions  Description: In this session, working groups are formed according to those needs and inputs gathered through the previous sessions. The aim of each group is to discuss how participants' organisations can best effectively work together and support each other to meet common goals and objectives.  While the focus of each working group depends on the outcomes of previous sessions, some of the anticipated topics may be:  • Global Advocacy Campaigns for transparency, accountability and oversight provisions in a new climate treaty, climate financing arrangements, or other climate governance frameworks  • Public Climate Finance Monitoring at the Global Level  • Public Climate Finance Monitoring at National Levels  • MRV in relation to the issuance of Carbon Credit and Emissions Allowance Permits  • Transparency and Accountability in private sector roles in adaptation and mitigation undertakings  • Transparency and Accountability in Public-Private Partnerships  • Transparency and Accountability in Global, Regional and National Climate Law and Policy Development and Implementation  Each working group should consider common objectives, desired impacts, frameworks of cooperation, opportunities (e.g. upcoming events, milestones, funding), organisational issues (e.g. constraints, benefits), communications and other issues. Each group keeps track of the key points of its discussion to consider developing an Action Plan for Session 10(b)		
19:00 – 22:00	Workshop Dinner (Excursion/Cultural Even	t tbc)	

### Draft Workshop Programme – 12<sup>th</sup>- 14 June 2010

### Monday, June 14<sup>th</sup> 2010

#### 09:00 - 11:00

### Session 9(b): Working Groups

## Moving Forward Part 2- Working together to achieve common objectives: Setting Plans of Action

Description: In this session, working groups organised in Session 10(a) re-join to discuss in concrete terms how their collaborative frameworks might take shape and what steps are envisaged to take forward their agreed objectives to cooperate together. The working groups are asked to formulate concrete plans of action for short and medium term objectives, taking into consideration common objectives, desired impacts, measurement indicators, frameworks of cooperation, opportunities (e.g. upcoming events, milestones, funding), target groups, beneficiaries, organisational issues (e.g. constraints, benefits), communications (including the setting up of contact points, working groups, internet based communications options) and other issues.

Report back preparation: a Plan of Action type form is prepared for each working group to consider as a guidance document for deliberations. Where relevant, the form should be filled in to reflect the group's discussions, agreed or desired courses of action and expected outcomes. Each group may decide to the level of detail appropriate to its "action plan."

Each group elects a spokesperson to relay the main discussion points and outcomes during the report back session and a Rapporteur to record items suggested in the preceding paragraph.

### 11:00 -11:30

### **Coffee and Tea Break**

#### 11:30 - 12:30

### Session 11: Plenary Report Back Session

### Making Actions Work: Innovation for sharing, coordinating and planning across groups

*Description:* A spokesperson from each of the working groups summarises the highlights of her group discussion including but not limited to the type of cooperation discussed, by whom/what organisations, what interventions are encompassed, what risks are addressed, what opportunities are available and what constraints are faced, what resources can be utilised, the time frame(s) for action, what the next steps may be, and how communication is expected to proceed.

Each spokesperson is given 5-10 minutes to present her group's discussions and conclusions allowing time for questions and clarifications among workshop participants.

### 12:30 - 13:30

### Session 10: Workshop Conclusions and Wrap Up

*Description:* The workshop chairperson summarises the conclusions of the workshop discussions over the 2.5 days, highlighting significant decisions and outcomes from plenary and breakout group sessions. The chairperson reviews overall participation, facilitation and working methods of the Workshop. Participants are asked to comment on the Workshop and to offer recommendations how it could be improved for similar future events.

The Chair opens the floor to any outstanding issues, suggestions, comments and views of the

### Transparency International Climate Governance

	participants.
	The Chair leads the group in discussing next steps for workshop follow-up including the plans to take forward the TI Climate Governance Programme. Workshop participants discuss how to best present the findings of the workshop and how to continue discussions on key issues such as through working groups and electronic communications.
13:30 – 14:30	Farewell Lunch