

GLOBAL CLIMATE FINANCE, ACCOUNTABLE PUBLIC POLICY: Addressing the Multi-Dimensional Transparency Challenge

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ABSTRACT

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A concrete result of the 2011 United Nations Climate Change Conference in Durban (COP17) was the establishment of the Green Climate Fund (GCF), with the aim of channelling \$100 billion per year from developed countries to developing countries to support their efforts to respond to climate change and promote sustainable development. The emerging global architecture for climate finance raises significant questions related to public policy and environmental governance. Participatory governance practices, including freedom of information, are increasingly considered effective tools for both coping with environmental problems and finding sustainable solutions to development challenges. Moreover, without sufficient transparency in their decision making, the various climate funds are unlikely to attract a sufficient supply of urgently needed finance, and the ambitious targets of the GCF will be unmet. Yet, the question of the modality and process for governing climate finance is undetermined and obscure. The complexity of climate finance stems from a multi-level structure with international, regional, national, and sub-national actors; multi-sector dimensions, with both public and private donors and recipients; and the sector's global/multilateral/multidirectional character. This article amplifies the "transparency pressure points" in climate finance generally and the GCF specifically. Public policymaking, in response to the many complex and urgent climate change challenges, may depend on securing the principle of freedom of information within the global climate finance architecture.

I. INTRODUCTION

Crafting an effective global response to climate change is fundamentally about promoting sustainable development (Overseas Development Institute 2012). Therefore, climate finance that funds both adaptation and mitigation action is of fundamental relevance to development policy. As a global architecture for the governance of climate finance begins to emerge, the relationship between effective public policymaking, climate change, and sustainable development becomes clearer. This interdependent relationship prompts the need for urgent thinking about the appropriate institutional arrangements (Jones et al. 2010; Nakhoda et al. 2011)—particularly, arrangements directed toward ensuring transparency and accountability.

Central to this new global architecture is the Green Climate Fund (GCF), formally established during the 17th Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC) in Durban in 2011 (COP17) (Draft Decision CP.17). The GCF is based on a commitment of resources by developed countries in order to help developing countries take mitigation and/or adaptation measures to cope with environmental problems arising from climate change. The decision to create the Fund was originally made at the COP16 meeting in Cancun in December 2010. It built on the earlier political agreement reached amid the confusion and acrimony of COP15

in Copenhagen in 2009. During that conference, developed countries agreed to create an annual “fast start” fund of \$30 billion by 2012, rising to \$100 billion by 2020.

Hopes and expectations are very high that the GCF will be a mechanism for securing the level of action needed to protect the livelihoods of billions of people living in developing nations. The effectiveness of the GCF relies heavily on two main factors: the fidelity of the donors, which requires high levels of accountability in the Fund’s operation, and the wise use of funds by recipient countries. Both of these factors, in turn, presuppose the existence of ample opportunities for a large range of stakeholders to participate meaningfully in the process of decision making, not least so as to exercise a sufficient degree of independent oversight over the operations of the GCF.

Despite the risks of bad administrative practice and corruption inherent in this kind of complex multi-actor system, mechanisms to ensure that the financial resources will be spent wisely, appropriately, and accountably are conspicuously lacking. While purporting to establish an overarching global public administration of climate finance for the promotion of sustainable development, some of the key elements of good public administration are yet to be provided for in the GCF. This article focuses on one such element, freedom of information (or the right of access to information, as it is commonly known in some countries), which is well

established as a primary instrument for enhancing accountability and increasing the effectiveness of development projects (Nelson 2001).

However, the habitual form of freedom of information, which emphasizes a right to access national-level records, does not easily match the likely—and inevitably complicated—design of the GCF nor the myriad other international sources of climate finance. The complexity of the climate finance matrix—both vertically, due to the multi-level dimension of the system (international, regional, national, sub-national), and horizontally, as a result of the multi-sector and multi-directional dimensions of the system (with public and private contributors to the Fund, as well as public and private recipients and multiple links between the different actors involved)—raises fundamental questions about the efficacy of the current freedom of information regime as the means of achieving transparency and accountability in climate financing.

Consequently, this article aims to assess the multiple values and the multi-dimensional character of freedom of information, particularly as a part of environmental participatory governance. Additionally, the article will amplify the “transparency pressure points” in climate finance and in the GCF specifically, reflecting on the design of an effective transparency regime for adaptation and mitigation funding.

The question we seek to address is how best to establish an efficacious

transparency regime in order to enhance the integrity, accountability, and credibility of global climate finance decision making and implementation.

II. TRANSPARENCY IN INTERNATIONAL CLIMATE FINANCE: A SERIOUS GAP?

Addressing the adverse impacts of climate change requires unprecedented international cooperation and administration. Numerous sources of climate finance, such as the Adaptation Fund and the Climate Investment Funds (CIFs), have been established over the past two decades. As Liane Schalatek of the Heinrich Böll Foundation has noted, however, “[a]t present, the existing multitude of climate finance actors—bilateral and multilateral, via dedicated new funds and traditional development cooperation agencies and instruments—is confusing, cumbersome and costly” (2011). This complexity has been depicted as a tangled “spaghetti diagram” (Buchner et al. 2011). Furthermore, other funds have encountered some problems of governance and efficiency. For instance, members of the Bretton Woods Project (2011) have noted that “there are serious concerns” in the operations and performance of the CIFs.

More than “just another development fund,” the GCF must bring a new level of strategic coordination and coherence to bear on the financing of climate action. Good public administrative practice will be crucial, and the GCF’s Board, established in April

2012, has a leadership responsibility in this regard. Establishing credible democratic governance practices will be vital for the GCF, not only to build the confidence necessary to capitalize the new Fund, but also for the sustainability of global climate finance flows more generally. Commentators have lamented the fact that “[w]ith the lack of a single coherent framework or a single overarching institutional global fund or finance board supervising and coordinating all climate finance actors comes the absence of a unifying, generally accepted, and binding set of rules and principles codified in explicit criteria and indicators on what constitutes ‘good climate finance’” (Schalatek 2010).

Beyond the finalization of the design of the GCF and its operational practice, there is much work to be done on three main issues: country ownership, stakeholder engagement, and independent oversight (Dubosse and Calland 2011). These issues contain compelling questions of governance that mix the micro (narrow), such as fiduciary duties and financial management, with the macro (broad), such as how to determine priorities and distribute voice and vote. Transparency and access to information are pivotal to all three issues.

The emerging body of literature on the relationship between accountable, participatory governance and transparency suggests that transparency is a necessary, although not sufficient, element of accountable governance. Further, there is growing, if uneven, evidence of the positive

impact of greater transparency on accountability. Commissioned by the Transparency and Accountability Initiative on behalf of the Bellagio Initiative group of donors, who have invested substantially in global transparency work, the Institute for Development Studies’ synthesis report on the relationship between transparency and accountability concludes that, although much more academically robust work needs to be conducted, there is evidence that transparency initiatives have generated, under certain conditions, indicators of accountable governance. These indicators include “increased state or institutional responsiveness, lowering of corruption, building new democratic spaces for citizen engagement, empowering local voices, better budget utilization, and better delivery of services” (McGee and Gaventa 2010). The authors note that these changes were brought about through transparency and accountability initiatives that spanned “a wide range of strategies across the fields of service delivery, budgets, freedom of information, natural resources and aid” (McGee and Gaventa 2010).¹

Thus, we submit as the central thesis of this article that it is essential that the final governance design of the institution that is likely to emerge as the centerpiece of the global architecture

¹ Much of the IDS Study is to be republished in a special edition of *Development Policy Review*, including one paper that is a discussion not just of the evidence in support of the link between transparency and accountability, but the “theory of change” that underpins the link (Bentley and Calland 2013).

of climate finance—the GCF—set new standards in transparency, information disclosure, and respecting, protecting, and fulfilling a meaningful right of freedom of information.

Notwithstanding the increasing emphasis in contemporary international legal instruments, such as the Aarhus Convention, on the human rights character of freedom of information, the recognition of the functional value of freedom of information for the realization of the “right to environment” and “right to sustainable development” has thus far been largely ignored in the design and structural operation of the myriad climate finance instruments (Schalatek 2010).

Moreover, although the Cancun Agreement (COP16) mentions the necessity of providing for the participation of stakeholders, it does not enshrine the right of freedom of information. The COP17 decision establishing the GCF does state, however, that the Fund’s operations “will be subject to an information disclosure policy that will be developed by the Board”² and mandates that the GCF Board develop a set of governance guidelines that institutes a new transparency standard for climate finance. The GCF represents an opportunity to both clarify the system of, and simplify access to, climate finance information. One submission to the Transitional Committee, established by COP16 to prepare a

proposal on the design of the GCF for COP17, advances this case neatly:

... [T]he GCF should not replicate inadequate existing funds and financing instruments, but instead overcome them by operationalizing best practices as well as innovative approaches and thinking, especially with respect to transparency and accountability measures and the active participation in Fund decision-making by civil society, affected communities and particularly vulnerable groups such as women and Indigenous Peoples (Heinrich Böll Foundation 2011).

III. THE CLIMATE FINANCE “VALUE CHAIN” & THE TRANSPARENCY CHALLENGE

The climate finance “value chain” is fraught with complexity, uncertainty, and unresolved dilemmas. First, on the supply side, accompanying the overriding anxiety about whether the GCF can reach its ambitious financial targets, is the emerging problem of the proliferation of sources of climate finance at various levels (international, regional, national, and sub-national), as noted above. As many as 23 different public and private sources of climate finance have provided as much as \$97 billion of total annual climate funding (Buchner et al. 2011).

Second, while there is considerable doubt about how much finance is likely to come from private capital sources, there are serious concerns that the insertion of private finance will not

² GCF Draft Decision/CP.17, paragraph 67: http://unfccc.int/files/meetings/durban_nov_2011/decisions/application/pdf/cop17_gcf.pdf.

readily adhere to well-established principles of public finance governance. This is especially relevant with regard to the provision of information and adherence to the transparency standards of public finance institutions, which have largely improved in recent years (see section on international financial institution [IFI] transparency, below).

Third, there is uncertainty about the institutions that will handle climate funding globally. Will the GCF emerge as the primary climate finance institution—a fund of funds—merging some, or many, of the pre-existing institutional sources of climate finance? Or will the institutions work in parallel? In any case, it is highly likely that the GCF will channel funds through other multilateral bodies, IFIs, and regional development banks (such as the African Development Bank).

Fourth, there is uncertainty surrounding not only the criteria for deciding where climate finance should be allocated but also where the locus of power should be in the decision-making process: the controversial issue of “country ownership” (UNDP 2011; Bretton Woods Project 2011). Will civil society, and the full range of social stakeholders, have proper opportunity to be heard on policy choices and prioritization? The political economy of climate finance will impact the process. The question of who gets what, when, and how, will prove critically important (Calland and Dubosse 2011).

Fifth, there is uncertainty about how the funding will align with current

development objectives given the distinguishing features of climate finance compared with traditional aid and the assertion of the principle of “additionality” that funds are provided to supplement, not replace, expenditures by recipient states.

Each link of this climate finance value chain contains “transparency pressure points,” where information will be at a premium for those desiring to participate in the decision making, with the theoretical assumption that greater access to information will yield greater “political space” and thereby generate a shift in power relations that will enable weaker actors to have a more significant say in the decision-making process (Bentley and Calland 2012). In terms of transparency and the application of freedom of information, the question is a governance design one: what access to information regime should apply, and further, how should it be implemented? Before addressing this question, we must first explain the multi-dimensional character and value of freedom of information.

IV. FREEDOM OF INFORMATION: CONCEPTUAL PARAMETERS

Freedom of information, which constitutes a vital component of participatory governance and is an indispensable instrument for the success of policies aimed at dealing with environmental problems, is nevertheless a subtle and complex conceptual construction.

TRANSPARENCY & PARTICIPATORY GOVERNANCE

Participatory governance and freedom of information are interdependent and overlapping concepts with an established fundamental significance in the area of environmental justice. Participatory governance, which implies a larger opportunity for public participation in decision-making processes and implementation, is fundamentally based on the democratic idea that those who will be affected by a decision should have the right to participate and influence the decision (Kiss and Shelton 2007). Participatory governance is increasingly considered in academic discourse (Joas et al. 2008; Pierre and Peters 2000) and in practice as an effective tool for coping with environmental problems. The importance of public participation in environmental matters is also recognized by international instruments, particularly by Principle 10 in the 1992 Rio Declaration on Environment and Development and the Aarhus Convention on Access to Information, Public Participation in Decision-making, and Access to Justice in Environmental Matters adopted in 1998.³

The link between participation and freedom of information can be viewed in different ways. Freedom of information can be considered as the foundation of the right to participation insofar as citizens and

³ Entered into force on October 30, 2001, it has inspired regional instruments such as the Water Framework Directive. See Blanc-Gonnet Jonason 2011.

other stakeholders need information in order to participate in the decision-making process.⁴ But exercising the right of freedom of information by making requests for records constitutes participation in and of itself.⁵ However, participation is more than the right of access to information; it may also include the rights to be consulted and to intervene in the decision-making process. Equally, the freedom of information is more than a subordinate component of the right to participate; it has other functions and serves other objectives too.

The complexity of freedom of information—which renders the right theoretically intricate but also reflects its conceptual richness and diverse practicality—arises from four different factors:

1) THE MULTI-DIMENSIONAL CHARACTER OF FREEDOM OF INFORMATION

Freedom of information sits at the intersection between a collective and an individual right. The collective and social dimension means that this right can be considered a “collective right to receive any information whatsoever,”⁶ which is closely connected with the right of freedom of opinion and expression from which it is derived. The collective dimension of freedom of information also stems from its

⁴ For example see The Implementation Guide on the Aarhus Convention, p. 49.

⁵ See The Guidance on Public Participation in relation to the Water Framework Directive, 2002, p. 20.

⁶ See the case law of the Inter American Court on Human Rights: Compulsory Membership opinion, paragraph 31.

collective purpose: it serves the common good and is in service of a broader public interest. Similarly, the individual dimension of the right embraces two aspects. On one hand, freedom of information emphasizes the recognition of personal autonomy. Freedom of information is seen as intrinsically valuable, independent of the broader public goals that it may help to achieve. In this sense it constitutes a right relating to “human self-fulfilment, expression and action.”⁷ On the other hand, the right can have the satisfaction of the individual interest of the requester as its sole objective.

II) THE MULTI-FUNCTIONAL CHARACTER OF FREEDOM OF INFORMATION

Aside from the role it can play as an informational tool and participatory instrument, the right of freedom of information also has a preventative role: knowing that citizens have a legal right to request and receive public records, public servants and other information holders are more inclined to act in compliance with the law. This improves the integrity of governance and contributes to the enhancement of transparency and responsiveness of government. Additionally, a posteriori access to information strengthens accountability mechanisms (Franceschet 2001).

III) THE MULTI-RATIONALE CHARACTER OF FREEDOM OF INFORMATION

⁷ See The Aarhus Convention: An Implementation Guide, 2000, p. 29.

While the meta-rationale for providing citizens with a statutory right of freedom of information is common between the different regions and countries—the right of access derives from a deliberative, democratic principle, as well as enhancing respect for the rule of law—there are differences in the national objectives due to historic and political factors as well as socioeconomic context. For example, while the right of access as a source of information for the public is emphasized in the Swedish discourse (Blanc-Gonnet Jonason 2001), South Africa’s approach instead sees freedom of information as connected with its meta-quest for a more socially and economically just society (Calland and Tilley 2002).

IV) THE CHARACTER OF FREEDOM OF INFORMATION AS A FUNDAMENTAL HUMAN RIGHT

Freedom of information is thus a specific right, different from “liberties-rights” and “claims-rights.” It constitutes a “power right” according to at least one application of the classification drawn up by Hohfeld (Bentley and Calland 2012). In this paradigm, the right to information does not guarantee that the object of the right will materialize. Rather, this right changes the relationship between the parties by empowering the right-holder (the subject of the right) to demand information from the duty-bearer (generally the state) about how the right in question is being delivered. The right of freedom of information might thus be aptly regarded as an

“intermediate right”: a right with an instrumental value, established in order to assist the realization of other rights by means of the entitlement to request information, therefore “symbiotically connect[ing] all other rights” (McKinley 2003).

V. THE CURRENT LEGAL REGIME

The horizontal and vertical complexity of the GCF further complicates and deepens the transparency challenge. In this section, we aim to address some of the challenging transparency features of the GCF and to examine the adequacy of the coping mechanisms provided by the currently existing legal frameworks. However, one should keep in mind that fewer than half of countries, including some developing nations, currently have national norms guaranteeing freedom of information (Foi 2011). At the supranational level, the Aarhus Convention, adopted under the auspices of the UN Economic Commission for Europe (UNECE), also constitutes the only international binding legal instrument dealing specifically with the right of access to environmental information.

First, to account for the broad spectrum of information that is at stake for the operationalization of the GCF—including information concerning the financial flows, such as the origin, the beneficiary, and the employment of the grants—the definition of the information that should be subject to the right of access should not be limited to the information of environmental

character but should cover “climate information.” Indeed, as the example of environmental rights set down by the Aarhus Convention shows, “not all climate-related decisions fall within the scope of the convention” (Stanley-Jones 2011).

A second topic concerns the application of legal mechanisms directed toward information of a high “public interest” in the legal sense and, thereby, the inherent issue of the so-called “public interest test.” Several access to information legal regimes provide, or have been interpreted to provide, that the strong public interest in protecting public health, safety, and the environment may outweigh business interests in confidentiality.⁸

The Aarhus Convention contains this type of protective system for information of high public interest for all kinds of permissible grounds for non-disclosure. Regional and supranational courts have also recognized that access to information must be granted when the disclosure serves a public interest—even in the case where an important public or private interest may be harmed—so long as the public interest outweighs the harm to the protected interests.⁹

Such is the importance of information concerning the institutional arrangements and operationalization

⁸ See cases <http://right2info.org/information-of-high-public-interest/information-relevant-to-public-health-safety-or-the-environment>.

⁹ The Inter-American Court on Human Rights was the first regional court to recognize the public harm test in the groundbreaking Reyes case: *Claude Reyes et al. v. Chile*, Judgment of Sept. 19, 2006, paragraph 77.

of the Fund to its broad range of stakeholders that such information will likely pass the public interest test and thus be liable for disclosure, notwithstanding any otherwise legitimate grounds for non-disclosure.

The multi-level architecture of the GCF, combined with its global/multilateral/multidirectional features, poses further questions related to the diversity of the standards provided for at the different levels—both vertically and horizontally and between the instruments available at the same level.

A system such as the one instituted by the Aarhus Convention could be of interest as it aims to harmonize the rules on access to environmental information provided by the legal systems of the Contracting Parties to the Convention and to avoid the disparity of standards between the different levels in the frame of multi-level governance. Indeed, the term “public authorities,” to which the convention applies, covers not only national public authorities but it also encompasses “the institutions of any regional economic integration organization [...] which is a Party to this Convention” (Aarhus Convention 2001).

Since the World Bank will play a significant role during the formative three years of the GCF by serving as its interim trustee, the question of the transparency and accountability of actors such as IFIs is in and of itself germane. In recent times, the World Bank, along with other IFIs, has adopted a framework for public

access to information in the form of the “World Bank Policy on Access to Information.”¹⁰ It is possible, though unlikely, that in designing the GCF’s information policy, the Board of the GCF will simply adopt the World Bank’s information disclosure policy or a variant thereof. While most of the commentators who have examined the new World Bank disclosure regime regard it as a substantial improvement¹¹—and, compared with other IFIs, the most progressive system—the transparency framework suffers from some weaknesses. For example, the framework is criticized for both having established a weaker disclosure regime concerning the corporate sector (Nelson 2003) and having too broad a definition of the deliberative process exemption (Global Transparency Initiative 2009).

The multi-sector dimension of the climate finance system raises the question of the inclusion of the private sector in the scope of the rules on freedom of information. Such a horizontal extension of the scope of the right of freedom of information can be supported with two mutually reinforcing, interdependent arguments. The first set of arguments concerns the necessity to take into account the

¹⁰ This supersedes the World Bank Policy on Disclosure of Information and takes effect on July 1, 2010.

¹¹ See for example, “World Bank Transparency Review” <http://www.bicusa.org/en/Issue.47.aspx>; “Knowledge is Power” http://www.huffingtonpost.com/rebecca-harris/knowledge-is-power-transp_b_851020.html; and “World Bank Safeguards & Independent Scrutiny at Risk?” <http://www.brettonwoodsproject.org/art-567954>

profound structural transformation that has occurred in the organization of the state during the last two decades, where substantial public functions have been transferred to private organizations. Recognizing this shift, a number of national laws, as well as the Aarhus Convention, have extended access rights to non-state-held information. Nevertheless, these legal frameworks are attached to the traditional vertical conception of freedom of information. This conception inexorably links the right of access to any information related to the public sphere and is, therefore, not fully adequate to handle the transparency challenges posed by the international climate finance system.

The second panoply of arguments is based on the “interdependency approach,” in which the right of freedom of information is fundamental for the accomplishment of other rights, especially economic and social rights (Jagwanth 2002). Such an approach can be found in the South African legal system, which provides a right of access to information held by the private sector—regardless of the activities undertaken by the different bodies—where access to the information is “required for the protection or exercise of a right.”

This emphasis on the instrumental value of freedom of information could be particularly useful in the context of the GCF system, where the requested information will invariably be considered as required in order to exercise or protect the right to a

clean environment and sustainable development.

VI. WHAT LEGAL REGIME CAN AND SHOULD APPLY?

The current regime—characterized by a diversity of national standards and the lack of a global framework—does not fit the intricate set of transparency challenges raised by climate finance governance and the emerging new international climate finance architecture.

There are two broad answers to the question of how best to ensure transparency and accountability in climate finance and in the operation of the GCF specifically. The first is a “statutory” approach and the second is a “voluntary” one.

THE NEED FOR A SPECIAL SET OF RULES FOR TRANSPARENCY TO COPE WITH MULTIPLE COMPLEXITIES

By “statutory” we do not necessarily mean “by law,” but we do mean “by rule.” One approach to the governance of climate finance would be for UNFCCC to agree upon a set of rules that would govern climate finance. This solution could be dovetailed with a set of rules dedicated to the GCF. To remedy the existing weaknesses of the current legal framework, which risk impeding participatory decision making and undermining the potentially positive outcomes that are expected from the GCF, the right of access in the environmental field must be reinforced as a minimum set

of norms, values, and standards on the following basis:

- Adopting a framework specifically dedicated to the right of access to environmental information that provides favorable rules, by:
- Enshrining an extensive and broad definition of environmental or climate information
- Enshrining an “obligation to disclose” that would be premised on “a presumption of openness”
- Providing a public interest override for information relevant to sustainable development
- Extending the scope of freedom of information to include information held by private bodies under certain circumstances, such as where public access is in the public interest and/or necessary for the exercise or protection of a right

Furthermore, the legal instruments dealing with freedom of information in environmental matters, particularly at the regional and international levels, should take into account the right’s diverse dimensions and facets. This could give the right of freedom of information more weight, rendering it more powerful and legitimate in the eyes both of the governments and the governed.

At a minimum, the legal instruments dealing with this right should underline the following interconnected and partly overlapping aspects:

- Access to information’s intrinsic, illuminating value in relation to

the state of the environment and climate change

- The participatory value, which ensures the stakeholders are in a position to participate in an informed manner
- The empowerment potential, namely its value as an indispensable leverage right for the realization of other rights, not least of which is the right to sustainable development
- The role of access to information in fostering the efficiency, effectiveness, and accountability of public authorities and private entities involved in the design or implementation of environmental policy, especially in those policies related to climate adaptation or mitigation funding

Additionally, we submit that it would be appropriate to create the position of Information Commissioner, or Ombud, for the GCF in order to oversee the information access/transparency regime, provide for appeals against refusals to disclose information, and guide the Trustee of the GCF (and all other relevant institutions) in their approach to public disclosure of information.¹²

VOLUNTARY MULTI-STAKEHOLDER PROCESS

At the international level, the progress of initiatives, such as the Extractive

¹² There is a growing literature on the importance of having viable enforcement processes to enable appeals against denials of access to information to a specialist, inexpensive, speedy, and accessible adjudicatory or advisory body. See, for example, Neuman 2009.

Industries Transparency Initiative (EITI), have shed light on the benefits of bringing the key stakeholders from government, business, and civil society together in a carefully facilitated process of dialogue and standard-setting (Calland and Koechlin 2009). In the transparency realm, a small cluster of transparency multi-stakeholder initiatives (MSIs) have provided a good source of information about how a voluntary, sectoral approach to information disclosure might support freedom of information. Nearly 10 years after its inception, the value of the EITI—both in terms of information disclosure and in changing conduct and setting new standards—is becoming more widely accepted. Two new initiatives have followed hard on the heels of EITI and, incorporating some of the lessons of EITI, have been able to accomplish a lot during their respective pilot phases. The Medicines Transparency Alliance (MeTA) leverages access to information about the medicines value chain to enable poor people to obtain affordable and safe medicine. The Construction Sector Transparency Initiative (CoST) increases information disclosure of infrastructure projects to protect the integrity of public investments.

The experience of other international voluntary initiatives already considered in the context of access modalities (UNDP and ODI 2011), such as the Global Alliance for Vaccines and Immunisation (GAVI) and the Global Fund to Fight AIDS, Tuberculosis and Malaria (The Global Fund), may also be valuable as models for transparency

and accountability. One assessment of the impact of multi-stakeholder groups in the seven countries that comprised CoST's pilot phase concluded that “there is sufficient evidence to show that, properly marshalled and supported by a strong, well-functioning MSG [multi-stakeholder group], the disclosed information may be processed in ways that enable swift consensus on new standards of conduct and procedures in the performance of publicly-funded construction projects” (Calland and Hawkins 2012).

Given the complexities and international dimension of climate finance, it may be that a similar initiative could benefit the climate finance governance architecture:

[A]n effective transparency MSI can create a new social contract about not just the rules for transparency but the accountability of the range of state and non-state actors...in some cases a voluntary, sectoral approach, based on a carefully constructed multi-stakeholder process, can make the link between the information disclosure (the transparency ‘means’) and the socioeconomic change (the accountability ‘ends’) more quickly, more efficiently, and more persuasively than a statutory system (Calland 2011).

Hence, there is a sound prima facie case for establishing a multi-stakeholder initiative, or set of initiatives, that could help mediate some of the governance issues that will need to be resolved if the GCF is to be effective.

Thus, we envision a “Climate Finance Transparency Initiative” (CFTI). This could be organized on a regional basis—with maximum elasticity for the design of the climate finance MSI or with a global initiative to set overall goals, standards, and principles—but with local implementation.

VIII. CONCLUSION

Climate change presents humanity with a sustainable development challenge of intense scale, complexity, and interdependence. There is a grave danger that secrecy will prevail as a result of the intricate and tangled web of legal and institutional arrangements for funding climate action. There is a need for an open, inclusive, and participatory approach to decision making in the allocation and distribution of international climate finance. The sustainability of the supply of climate finance will depend upon high levels of transparency and accountability. Access to information is fundamental. The question is how best to guarantee it.

In order to respond to all the “transparency pressure points” identified in this paper, it would be necessary to have all three elements suggested: the international transparency standard, the GCF’s disclosure policy, and the voluntary transparency regime. Thereby, the good public administration of global climate finance can be enhanced so as to increase its legitimacy and its prospects for both raising the necessary

funds and delivering the transformative development change that is needed.

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