

## Opening Remarks

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### **Corruption Risks and Anti-Corruption Strategies in Climate Financing – Good Governance towards Integrity, Transparency and Accountability in Achieving Objectives in Climate Mitigation and Adaptation Asian Development Bank 25 May 2015**

Good morning, and on behalf of the Asian Development Bank, a very warm welcome to you all to this high-level event to discuss the important role of good governance towards achieving the world's very important and critical objectives in climate mitigation and adaptation.

I would like to take this opportunity to thank the Hon. Thomas Ossovski, Ambassador of the Federal Republic of Germany to the Philippines, the Hon. Melchor Carandang, Overall Deputy Ombudsman of the Philippines, Philippines, and the Hon. Neten Zangmo, chairperson, Anti-Corruption Commission of Bhutan for gracing us with their presence at this event.

I also want to thank our partners, the U4 Anticorruption Resource Center, GIZ and the Philippines' Office of the Ombudsman for their significant contributions to this event, and the training workshop on Corruption Risks and Anticorruption Risks and Strategies in Climate Financing. A warm welcome to Mr. Bernd-Markus Liss, Principal Advisor Climate Program and Focal Point Anticorruption, Detusche Gessellschaft fur Internatioanle Zusammenarbeit or GIZ Philippines and the Pacific, and Ms. Kendra Dupuy, U4's natural resource management advisor for their leadership in the event.

Many of you may be aware that we have been partnering with GIZ and the Office of the Ombudsman for a long time in the Philippine Development Forum Working Group on Anticorruption and many of you may have participated in the series of events that ADB hosted at the occasion of the Office of the Ombudsman's 25th anniversary in 2013. We are particularly grateful to GIZ for taking the lead in pulling together the very impressive program, including the range of eminent speakers in today's high level forum.

On behalf of ADB's governance thematic group, we also welcome our new partner U4. We are impressed by the depth of U4's understanding of corruption risks and mitigation measures in various contexts and thank them for their willingness to make this tremendous knowledge accessible to ADB and our partners. We look forward to future partnerships together.

For those that don't know me, I am Clare Wee, and I am the Head of ADB's Office and Anticorruption and Integrity. The mandate of our office is to respond to allegations of corruption and other integrity violations on ADB projects and staff. Our mandate is also to take proactive steps to assist the ADB in ensuring that corruption and other integrity violations do not prevent the ADB from delivering good projects to the intended beneficiaries.

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As we all know, corruption and governance remain the top challenges for Asia. For these and other reasons, such as the eroding ethical standards, and lack of accountable and incorruptible leadership in many Asian countries, our part of the world remains home to two-thirds of the world's poor. Asia is also where high levels of energy poverty prevails.

There are \$4.2 billion people living in this part of the world, with \$615 million of them with no access to basic electricity services, and \$1.8 billion still depend on burning traditional biomass for energy. Many of our main cities are amongst are also among the world's most polluted and we lose "green space" at an alarming rate. The recent Ayala Triangle that will soon become more shopping and restaurant space is a sad recent example.

Given these immense challenges, over recent years, like many other development partners around the world, ADB has refocused its attention and lending to support numerous Clean Energy Programs and Initiatives including the Carbon Market Program, the Cities Development Initiative for Asia, the Clean Air Initiative for Asian Cities, the Energy for All Initiative, the Energy Efficiency Initiative, the Sustainable Transport Initiative and so on.

So will the efforts of ADB and global partners make a difference? When we look back twenty years or even fifty years from now, will we see success, failure of something in between? Well, perhaps the dire outcomes of failure to address climate issues may provide the necessary impetus for the needed governance changes.

So why is this area of financing vulnerable to corruption? What's different about it? When it comes to climate financing, here is what Transparency International has to say, "where huge amounts of money flow through new and untested financial markets and mechanisms, there is always a risk of corruption. For example, the Green Climate Fund is likely to channel \$10.2 billion to developing member countries of ADB in the coming years.

Some estimate total climate change investments in mitigation efforts alone at almost US\$700 billion by 2020. Public investments of no less than US\$250 billion per annum will eventually flow through new, relatively uncoordinated and untested channels. In addition, pressure already exists to "fast track" solutions, further enhancing the risk of corruption".

Unfortunately, no political system in any country is immune from corruption. Corruption is incipient in every society and must be continuously purged. Sadly, we see too few examples of accountable and transparent leadership in Asia and the Pacific. And ladies and gentlemen, history has shown that without ethical and absolutely incorruptible leadership, and good governance, it will be difficult to progress the goals we have set ourselves in addressing climate change. Corruption undermines the very vision of sustainable societies, and allows powerful individuals to profit at the expense of the planet and whole societies. I am reminded of an article I read this weekend which highlighted that authorities had traced some millions of Philippines' wealth to an Australian model living in Sydney. Unfortunately, too many other examples exist around Asia.

I paint a grim picture, but I think it is an accurate picture of the challenges that lie ahead.

Ladies and gentlemen, in the area of climate financing, we can't afford to fail. The very survival of our planet and future generations demand and depend on it. They depend on our collective action, and our refusal to remain apathetic to anything less than fully transparent, accountable and incorruptible governance.

With the risks and challenges I have just outlined, I applaud the work of all the partners present here today, as well as many others, not present here today, for their leadership and debate on this complex, and uncertain area of high-stakes high-money financing. I look forward to hearing about the consistent efforts of Bhutan's Anti-Corruption Commission to maintain Bhutan's high reputation for clean government.

This event is a sterling example of what can be achieved through open partnership and collaboration. Unless we work together to keep up the demand for individual and collective accountability and incorruptibility, I fear too much is at risk. Not only do we risk widening the social and poverty gap, weakened governments, but we risk the very survival of our planet and societies.

So ladies and gentlemen, it is huge challenge and journey you have begun, as demonstrated by your presence here today. I of course know that many of you have been working to raise the standards of governance within your own spheres of influence for a very long time, and for that we all applaud you.

At ADB, we say, "iACT" to fight corruption to represent our individual pledges to remain accountable and incorruptible. You all ACT to fight corruption. You are all corruption fighters! Keep up the good work, the good fight, and I wish you all a very successful High Level Event and Panel Discussion.