

Session 4

Mainstreaming Anti-Corruption into Climate Finance

Workshop on Corruption Risks and Anti-
Corruption Strategies in Climate Finance

Manila, Philippines

25 to 27 May 2015

Session objectives and outline

- Understand what anti-corruption mainstreaming is
- Identify challenges of mainstreaming anti-corruption into natural resource management and climate finance
- Group work to identify the existing measures in place in the Philippines on anti-corruption, as well as gaps and challenges

Getting serious about corruption...

We know enough about corruption. It's now time for action!



Thorsim
07/09



Action Plan!

- Draft TOR
- Make strategy
- Form Committee
- Get Consultants
- Do workshops
- Set up Anti-Corruption Ministry

What is mainstreaming?

- Integrating an anti-corruption perspective into all activities, projects, lines of work, and levels of an organization, sector or government policy
- Aim is to reduce corruption in order to achieve certain goals – such as mitigating impact of climate change

Rationale for mainstreaming anti-corruption into climate finance

- Corruption threatens:
 - Effectiveness of funds – does climate finance meet goals; spent for intended purposes
 - Efficiency in use of funds – best use of funds, value for money
 - Mobilization of new funds
 - Accountability of government – use of scarce public resources
- Corruption raises the costs of climate change, and exacerbates its effects
 - Distorts wise use of natural resources, fails to help the vulnerable, leads to poor quality and inappropriate projects

Challenges of mainstreaming in CF

- Mitigating climate change is a multi-sectoral and multi-organizational endeavour
 - Challenge to holistically mainstream anti-corruption across organizations, sectors, governance levels, projects, and actors – each with different structures, objectives, rules, etc.
- Challenge of larger governance problems – context matters
 - Risk of isolated islands of integrity that have little wider impact
- May have no effect
 - Shift corruption to other sectors/places, visible to less visible
- Costs vs. benefits of using resources to mainstream
 - Sustainability and lack of coherence, capacity and will

Requirements for effective mainstreaming

- Clearly defined goals against which performance is measured
- Creating /providing the capacities for staff to make informed decisions
- Ensuring staff commitment to conform to the requirements of the policy
- Analysis and monitoring. Learning from practice. Corruption is fluid!
- Oversight and follow up; evaluation

Building Block I

- **Diagnosis** of corrupt practices and risks in sectors

Building Block II

- **Priority setting**, selection, and design of mitigating measures

Building Block III

- **Implementation** of anti-corruption measures

Building Block IV

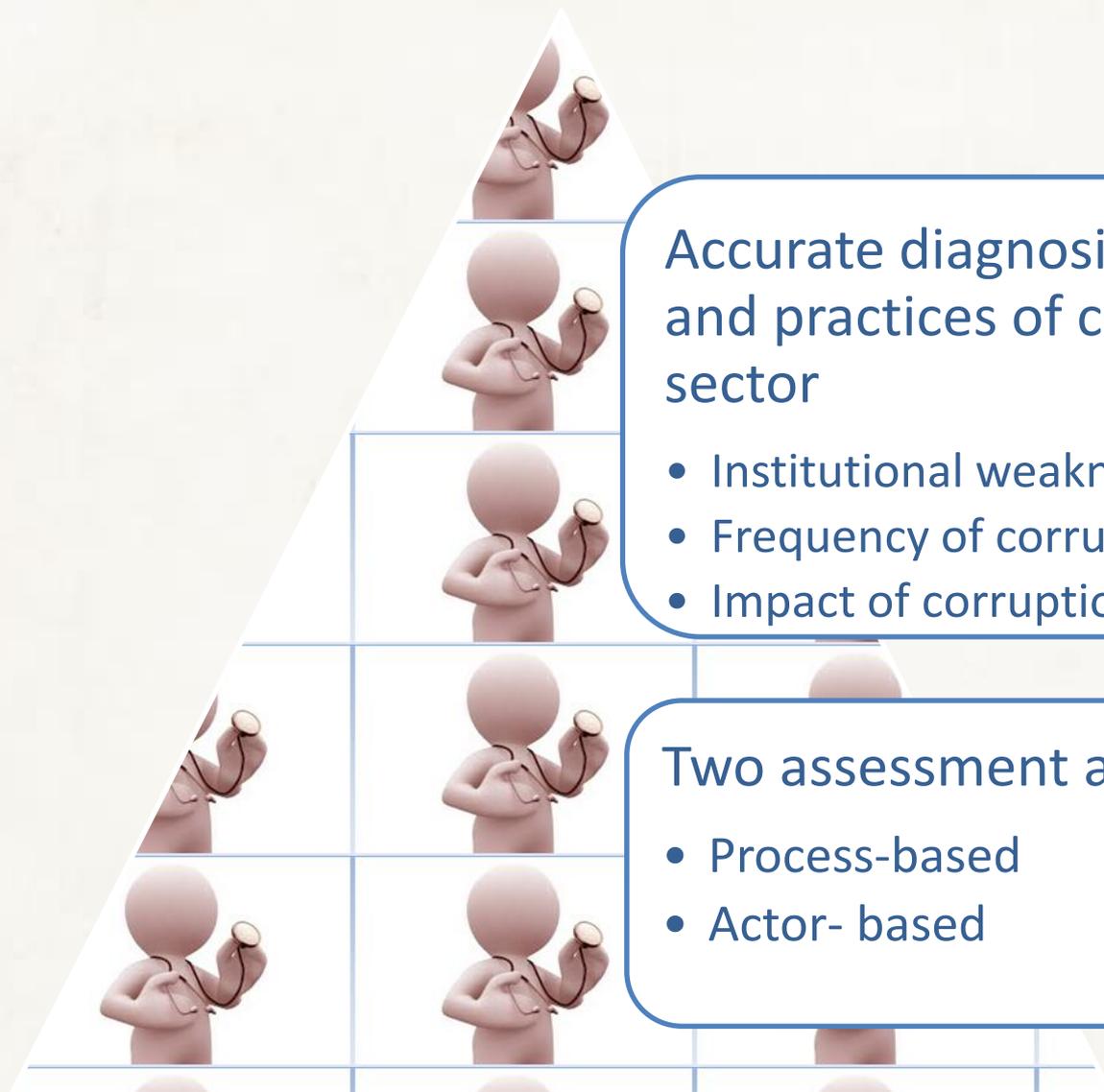
- **Monitoring and Evaluation (M&E)**

Block I: Diagnosis

- Sector specific risks and vulnerabilities
- **Country context**
- Problems **outside the sector**



Building block I: Diagnosis



Accurate diagnosis of risks, drivers and practices of corruption in the sector

- Institutional weaknesses
- Frequency of corrupt practices
- Impact of corruption in the sector

Two assessment approaches:

- Process-based
- Actor-based

Building block I: Diagnosis

- Relevant processes and areas (i.e. \$ flows)
- Practices of corruption those processes are vulnerable to
- Considers actors
- Impact on the outcome

Process-based



- Map relevant actors
- Analyse relations
- Risks and occurrence of corruption in relations among them
- Impact on the outcome

Actor-based



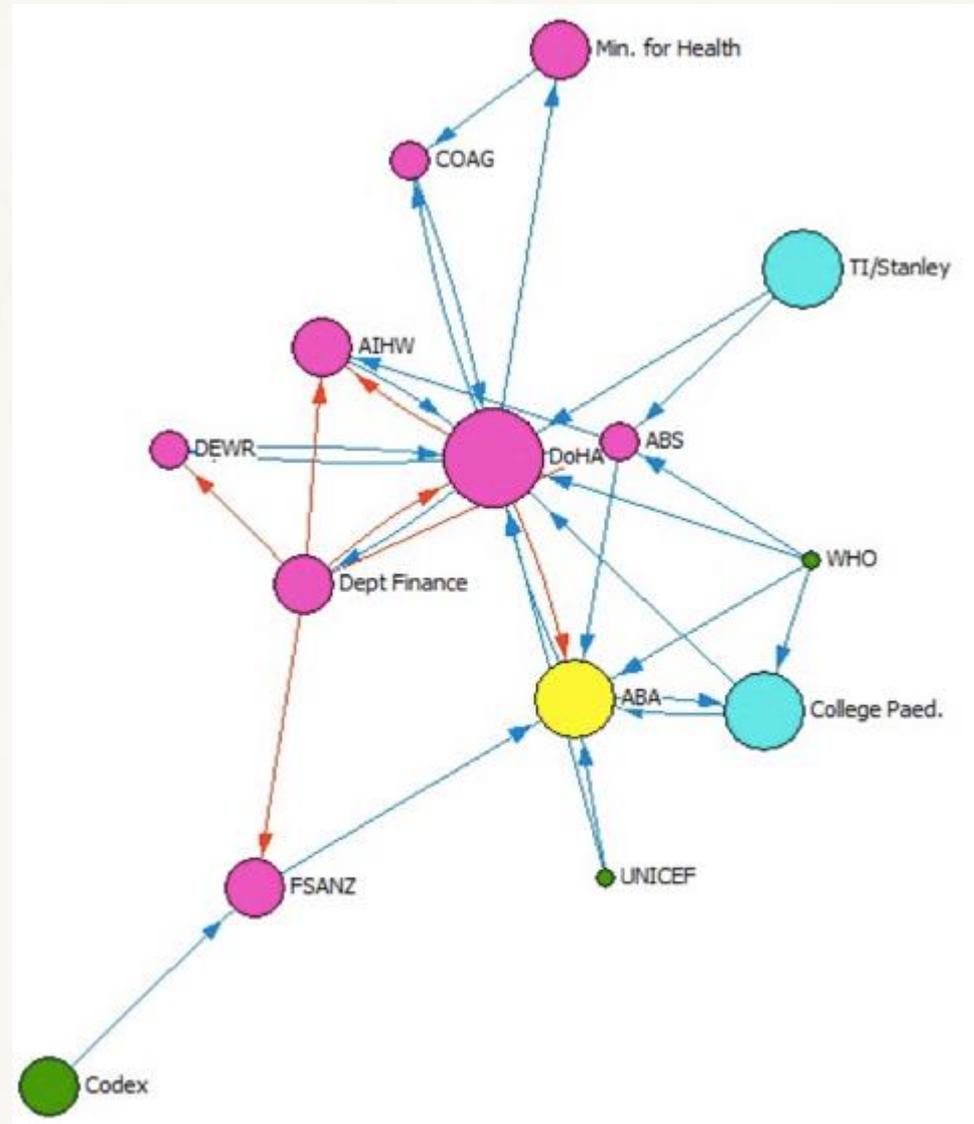
Building block I: Diagnosis

Who is influential?

What are the relationships between actors?

How do they exercise influence?

What is the level of support of each actor for this issue?

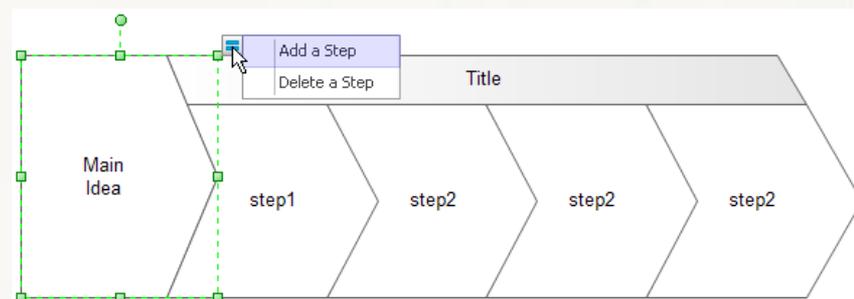


Source: Thow (2013)

Building block I: Diagnosis

Value Chain Analysis

- Identifies corruption risks in different steps of a program cycle or service delivery chain
- Management and policy tool



Vulnerability assessments

- Risks of corrupt practices in a given sector or subsector
- Analyses laws, rules, procedures and gathers information through interviews and focus groups
- Pays insufficient attention to stakeholders

Block II: Prioritization & Mitigation

- **Priorities**
 - Impact/relevance, Frequency & Feasibility
 - Understand **causes**
 - **Transparency, accountability, integrity**

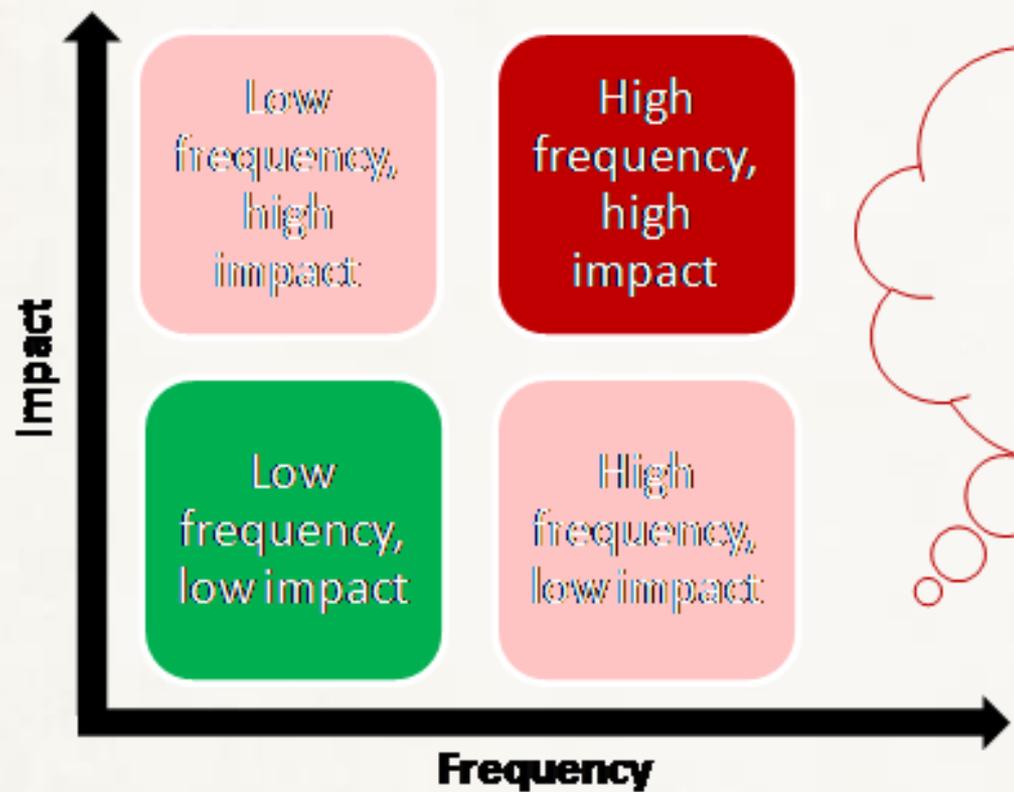


Building block II: Priorities

Impact or relevance

Frequency

Feasibility



Potential Allies and/or Windows of political opportunity?



Development of an action strategy

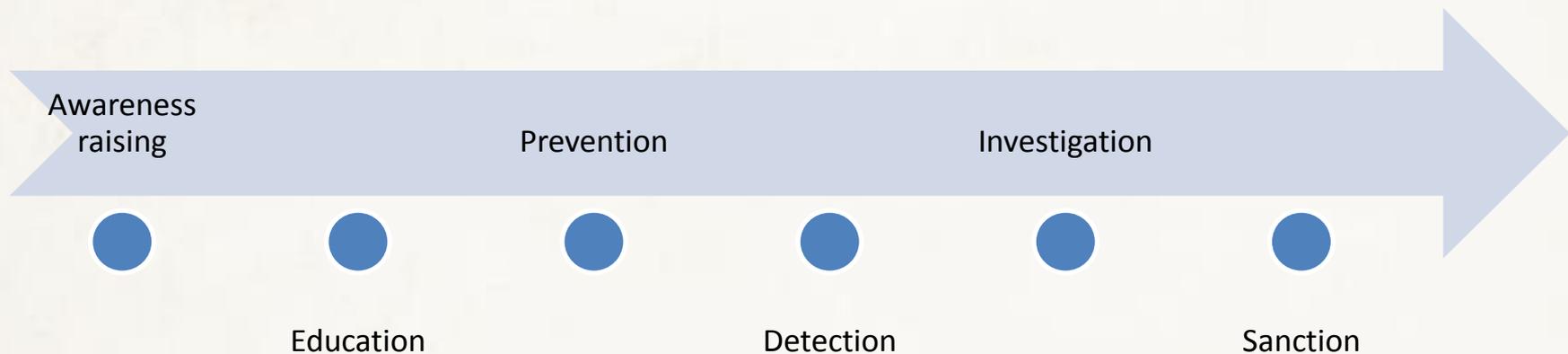
Pros &
cons of
each AC
approach

Menu of
AC
initiatives

Principles

- Transparency
- Participation
- Accountability
- Integrity

Building block II: Priorities



Complementary measures

- Build on what is already in place and create synergies



Building block II: Priorities

Government

- Individuals / institutions within the sector
- Individuals / institutions outside the sector
- Synergies and cooperation

Private sector

- Private firms
- Private sector initiatives
- Need to be part of the solution

Civil society

- CSOs, grass-roots, citizens
- Avoid cooptation and respect independence

Donors

- Donor coordination architecture & joint responses
- Sector level coordination
- Other related governance initiatives
- Avoid mixed messages and incentives



Role of different stakeholders

Block III: Implementa tion

- Daily routines
- Capacities
- Resources



Building block III: Implementation

Responsibilities

- Clear responsibilities for concrete actions and results
- Clear lines of accountability

Resources

- Time
- Sufficient technical and financial resources
- Indication of political will
- Routine planning and budgeting

Involve the top

- Lead by example



Building block III: Implementation

Communication

- Convey the costs of corruption and the purpose, commitments, and actions of anti-corruption
- Communicate progress and positive results
- Show that change is possible

Coordination

- All levels of the sector
- Links and synergies between measures
- Coherence
- Avoid mixed messages

Information

- Collect, publish and use information
- Facilitates monitoring



Block IV: M&E

- Performance indicators
- Impact indicators
- Integration into routine M&E systems



Difficult to obtain data - measure the existence and implementation of governance rules and regulations

Diagnostic tools may provide data for a baseline

M&E indicators related to AC should be included:

- Within the routine M&E of the sector
- At the beginning of a project or program

Keep in mind:

- Identify milestones
- Internal and external communication of results
- Clear roles and responsibilities
- AC measures at the M&E level



Conclusion

Integrating anti-corruption builds on and ***reinforces*** existing approaches.

Sector goals and ***improving outcomes*** are the key objectives.

Anti-corruption approaches have to ***be adapted to sector characteristics and specific sector contexts*** in different countries.

Different ***stakeholders play different roles*** to form strong anti-corruption alliances.

Integrating anti-corruption is not about donors' money but ***about making governments and services accountable to citizens.***



CMI CHR.
MICHELSEN
INSTITUTE