

### Long WORKSHOP REPORT FORM

**Number and title of workshop:** 3.3 Mutual accountability in climate policy

**Coordinator:** Clarisse Kehler Siebert, Stockholm Environment Institute

**Date and time** of workshop: 11 November 2010, 17.30-19.30

**Moderator:** Richard J.T. Klein, Stockholm Environment Institute

**Rapporteur):** Åsa Persson, Stockholm Environment Institute

#### **Panellists**

Ashok Khosla, International Union for Conservation of Nature (IUCN)  
Jacob Werksman, World Resources Institute (WRI)  
Izabela Ratajczak-Juszko, Royal Melbourne Institute of Technology (RMIT)

With an introductory presentation by the Moderator.

#### **Summary**

The workshop was introduced by raising the issue of a trust deficit between developed and developing countries in international climate negotiations, which is widely held as the key reason for lack of progress. What causes that lack of trust? How can trust be instilled between developed and developing countries? In particular, the concept of MRV – measuring, reporting and verifying – was introduced, with the debate and disagreements surrounding it. The Copenhagen summit (COP15) did not resolve exactly what is to be measured, by the different groupings of Parties respectively. It was noted that it is more difficult to subject adaptation to MRV than mitigation.

To illustrate the trust deficit and how concretely it is expressed in climate negotiations, a film of the ‘Bali breakthrough’ from the COP13 meeting was shown.

The three panellists were then invited to reflect on the concepts of trust, transparency and accountability, and specifically to respond to two broad questions:

1. In international climate policy, who are the key actors? Who mistrusts whom and why? Who is accountable to whom? What would improve trust among (all) actors?
2. Why are we talking about climate change and international climate change policy at an anti-corruption conference? Where in the climate change negotiations are the foremost needs for increased accountability and transparency, and are there potential sites for corruption?

The panellists were followed by a lively and highly interactive discussion with the workshop audience. The discussion touched upon five major themes, summarised below as outputs of the workshop.

## Summary of presentations

The moderator, **Richard J.T. Klein** (Stockholm Environment Institute), gave an introduction to the workshop by raising the issue of a trust deficit between developed and developing countries in international climate negotiations, which is widely held as the key reason for lack of progress. What causes that lack of trust? How can trust be restored between developed and developing countries? The MRV acronym – measuring, reporting and verifying – was introduced, with the debate and disagreements surrounding it. In brief, it broadly refers to both measurability of future mitigation actions on behalf of developing countries (which have so far not been subject to mitigation targets under the Kyoto Protocol) and measurability of support, including provision of new and additional finance, from developed countries. The Copenhagen summit (COP15) did not resolve exactly what is to be measured and reported to whom by whom. It was noted that it is more difficult to subject adaptation to MRV than mitigation, and that adaptation is at present not subject to an MRV framework.

To illustrate the trust deficit and how concretely it is expressed in climate negotiations, a film of the ‘Bali breakthrough’ from the COP13 meeting was shown. The three panellists were then invited to reflect on the concepts of trust, transparency and accountability, followed by a lively and highly interactive discussion with the workshop audience.

The first panelist, **Jacob Werksman** (World Resources Institute), called for articulating the theory of change related to the concepts of transparency, accountability and trust. Is it that *transparency* in reporting mitigation and adaptation actions as well as financial flows enables reciprocal *accountability* between Parties, which will lead to more *trust* in the design of and commitments to international cooperation? If so, the Bali roadmap – while establishing MRV – did not really ensure an essential first step of trust, namely mutual expectations of what is to be achieved. Realistically, trust may never be built. The gap between what needs to be done from a climate science point of view and what governments are willing to submit to is too big. Instead, governments must engage much more with their stakeholders, at the national and subnational levels. So far, most progress in the international negotiations has been reached on climate finance. In the Copenhagen Accord, it was agreed that 100 billion USD should be mobilized annually by 2020. Transparency on financial pledges by developed countries, specifically the commitment to the ‘fast-start finance’ package of 30 billion USD in the period 2010-2012, is in place, with websites reporting pledges. However, this transparent reporting in the near term is not delivering trust. Instead, there is now more suspicion whether funds are coming fast enough, whether they are double-counted, etc. In the long term we can possibly use transparency and accountability to build trust. We are now seeing a shift in the relationship between donors and recipients; reframing of climate finance away from aid and towards restitution. This is reflected in institutional design. There is more balance between developing and developed countries, for example in the representation on the UNFCCC Adaptation Fund board.

**Izabela Ratajczak-Juszko** (Royal Melbourne Institute of Technology) continued the discussion by highlighting different levels of trust: first, between developed and developing countries; second, between South-South due to different development and climate vulnerability profiles and economic interests; and third between developed countries, since only 37 of them should provide financial resources and not all to developed countries. Trust, and the lack thereof, is hence a complex phenomenon and not limited to one particular relationship.

**Ashok Khosla** (International Union for Conservation of Nature) then broadened the discussion by emphasising the impossibility of decoupling climate change from development. The CBD negotiations in Nagoya demonstrated what can be done with a little bit of trust. The problem of climate change is just so big that every country has decided that it is in their self

interest to do nothing about it. Neither North nor South are right in blaming the other side. We are in this together. The problem is that the Kyoto Protocol was designed primarily as a commercial treaty. Broadening the framing, the first thing to recognise is that population is part of the problem. Thus, the South should commit to measures for limiting population growth, not by restrictions but by improving life conditions. For example, if you empower girls by building schools for them, that will reduce the future cost of climate change. You simply cannot separate the issues of development and climate change, as developing countries often want to do. We need to recognise that climate change is a systemic problem. We also must recognise the planet's self-interest.

Following the panellists' reflections, a lively discussion with the workshop participants focused on five broad themes.

## Main Outputs

**Need to define and problematize the notion of trust** – Participants recognised that there are several good reasons for the lack of trust between developed and developing Parties to the UNFCCC, including a series of broken promises on providing climate finance and development finance, extremely high stakes at play, and a fundamental lack of shared vision and expectations. However, the need to broaden the perspective on trust away from this one type of deficit was also emphasised. There are also trust deficits within the group of developing countries, due to different development and vulnerability profiles and economic interests, and within the group of developed countries, due to different legal as well as perceived responsibilities.

In addition, general lack of trust in institutions was mentioned as an issue. A further broadening is to understand climate policy not only as an international regime but also as a societal challenge, which makes public trust important. Public trust refers not only to trust in the regime but also in national leaders and delegations, and how well they represent individuals and groups. Public trust deficits also need to be reduced.

**Need to articulate theories of change with regards to transparency, accountability and trust** – In addition to a better understanding of the nature of the trust problem, participants called for a clarification of assumptions of how increased transparency on commitments and their fulfilment by Parties might lead to higher accountability – to other Parties but also to citizens and civil society – which would then enable stronger trust. For example, there is a concern about ‘new and additional funds’, namely that forthcoming funds will only be relabelled or recycled development aid. A problem was noted in that recent improvement in transparency on climate finance (see e.g. the websites <http://www.climatefundsupdate.org/> , <http://www.faststartfinance.org/> , <http://www.wri.org/publication/summary-of-developed-country-fast-start-climate-finance-pledges> ) has not in the short term led to higher trust from developing countries, but has raised more suspicion regarding accounting methodologies and hidden agendas of developed countries.

It was also argued that going for trust is futile and civil society should instead focus on accountability directly. However, it is important to distinguish between public trust in their national governments and in international institutions to perform a task and protect public interest, and trust between parties required for entering into an agreement associated with both costs and benefits. Research on common property and collective action shows that the latter is hard to hard to achieve with such a large, multi-actor problem as climate change.

**Towards mutual accountability between developed and developing countries** – It was proposed that mechanisms for ensuring mutual accountability need to be found, regarding commitments to provide new and additional finance by developed countries and commitments to use funds wisely and undertake domestic mitigation actions by developing countries. One of the key problems here is the 60-year-old legacy of development aid which still shapes institutions. The transition from this paradigm to climate finance as restitution has begun, but funding conditionalities still exist and priorities are still often not country-driven.

Importantly, there is also a conflict between the principles of accountability (of recipient towards donor) and decisions on spending being ‘country-driven’. If climate finance is seen as restitution or compensation, there is a less strong case for ensuring accountability on behalf of developing countries.

**Reframing climate change away from a zero-sum game to an opportunity for systemic reform** – It was argued that the lack of progress in climate negotiations is not as much due to lack of trust as to incompatible problem framings. As long as climate change is perceived as a zero-sum game and an issue of burden-sharing, there will be trust problems among actors. If it is seen as offering opportunities for investing in new energy systems, for example, benefits of taking action – both internationally and domestically – will be more apparent. It should further be seen as a systemic challenge, encompassing issues such as population and social

development, which will have great impact on future emissions. At the same time, expanding the agenda in this way involves risks of overburdening and slowing down international cooperation.

**The role of civil society in holding actors and institutions accountable** – While the discussion revealed the need for better understanding of key concepts of trust, accountability, transparency – and the relationship of these concepts – a number of concrete issues and areas for civil society action were identified. First, climate action generally needs more tools for visualisation in order to mobilise the public and civil society. We need to see images of achievements, targets and impacts. Second, there has so far been limited participation of civil society in major climate finance institutions (e.g., the World Bank Climate Investment Funds), which needs urgent change. Third, civil society should better exploit the transparency on data (e.g., CDM projects) that actually is available and hold decision-makers to account for policy promises, effects and outcomes. This also requires better identification and capacity-building of relevant constituencies. Finally, a particular arena for capacity-building for accountability is the direct access modality recently introduced with the UNFCCC Adaptation Fund, which represents an important break with the legacy of development aid. As developing country institutions can now directly access multilateral funds, national civil society should be supported in holding them accountable for using resources wisely. Watchdog functions are needed both at the international and national levels. At the same time as civil society has these important roles to play in climate governance, civil society itself needs to be critically scrutinised and held accountable for how well they represent members and constituencies.

#### **Recommendations, Follow-up Actions**

While the discussion revealed the need for better understanding of key concepts of trust, accountability, transparency – and the relationship of these concepts – a number of concrete issues and areas for civil society action were identified. Climate action generally needs more tools for visualisation; we need to see images of achievements, targets and impacts. There has so far been limited participation of civil society in major climate finance institutions (eg Climate Investment Funds), which needs urgent change. Civil society should also exploit the transparency on data on climate policy (eg CDM projects) that actually is available and hold decision-makers to account for results. This also requires better identification and capacity-building of relevant constituencies. A particular arena for capacity-building for accountability is the direct access modality recently introduced with the UNFCCC Adaptation Fund. As developing country institutions can now directly access multilateral funds, national civil society should be supported in holding them accountable for using resources wisely. Watchdog functions are needed both at the international and national levels.

#### **Highlights**

“Some people call the Copenhagen meeting as the first world summit on accountability, rather than climate change.”

“Why do we need trust? We should go directly for accountability.”

#### **Signed and date submitted**



29 November 2010