

It must be said!

Enfranchising the poor in global environmental governance

A fig leaf for climate finance

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Important additions to the global environmental governance architecture are afoot. The Green Climate Fund (GCF), launched in Durban in 2011 and expected to become a key channel for climate-related finance for developing countries in future, is currently under construction. A 24-member Board is working on the Rules of Procedure, which, it is expected, will be agreed at the next GCF Board meeting in Berlin in March this year.

Here's how important the GCF is: if developed countries keep their word, a significant portion of the US\$ 100 billion promised annually by 2020 could flow through this fund, particularly funds for adaptation. That could rival the World Bank, currently one of the biggest players in the development arena with an annual throughput of about US\$ 30 billion. (The total global aid budget in 2011 was US\$ 134 billion.)

The GCF Rules of Procedure will determine how transparent and inclusive the functioning of the Board will be in future. Those of you familiar with the track record of existing international financial institutions will know how critical this issue can be. It is therefore a matter of considerable concern that the [current draft of the](#)

[Board's Rules of Procedure](#) duplicate, or in some cases are more regressive than, existing procedures for stakeholder participation in these other institutions.

Stakeholder participation in the GCF is essentially divided up into two elements. The first, to be dealt with under the Rules of Procedure, relates to the functioning of the GCF Board itself and addresses opportunities for stakeholders to participate in Board discussions. The second element, which will be dealt with under the GCF 'Business Model', relates to stakeholder participation in the implementation of activities funded by the GCF (including, hopefully, decision-making on fund disbursement and monitoring of results).

Ideally, the discussion on both should take place together, to get a clearer picture of how civil society can play a strong and meaningful role in ensuring that the GCF succeeds in its mission. Although the GCF Board is also discussing the second element under the Fund's Business Model right now, however, that process is currently lagging behind the discussions on Rules of Procedure.

Back to the draft Rules of Procedure then. No formal consultation with stakeholders took place before formulating the segments relating to observer participation. Instead, they are a replication of procedures under existing institutions such as the World Bank's Climate Investment Fund, without taking on board the considerable [criticism of these processes](#).

Accordingly, two civil society representatives, one each from developing and developed countries (and two private sector representatives) will be invited to participate as 'Active Observers'. This much was already agreed in the Governing Instrument of the GCF in Durban in 2011.

The term 'Active Observers' may sound very dynamic, but in fact it hides a multitude of sins. 'Fig leaves' may

be a more appropriate term. How exactly are these two Active Observers, who will serve a two-year term, expected to capture and process literally a world of information and channel it to the Board? The burden of the Observer from developing countries will be heavier, considering that all of the projects of the GCF will be carried out in developing countries. But civil society in developing countries already lacks adequate capacity and resources, compared even to civil society from developed countries. The provision of an air ticket to Board meetings and other funds that ‘may’ be provided are unlikely to cut the mustard.

It is simply not enough for the GCF to engage with a thin stratum of global civil society (mostly from the developed world, I might add), when it hopes to make an impact at the local level. Ways have to be found to seek and gather input from the local communities and individuals in developing countries whose lives will be affected by projects funded by the GCF.

It is also preferably that the civil society representatives not have to depend on decisions by the Board each time for funding, if they are to play an independent watchdog role. A decision in the Rules of Procedure to set aside a portion of funds for stakeholder engagement could be the way ahead – this would provide resources for (vertical) stakeholder engagement, and also a degree of independence.

According to the draft Rules, the Board ‘retains the option’ of inviting other civil society organizations as observers in addition to the Active Observers. The definition of who will qualify as an observer is currently narrow as it only includes those “actively involved in programme and project implementation on the ground in developing countries, including international as well as national and community-based organizations.” This leaves out a number of other stakeholders who may wish to participate and can contribute, such as think tanks.

Moreover, that draft states that civil society organizations will have to apply for accreditation once again for the GCF, even if they are already accredited by the UN Framework Convention on Climate Change (UNFCCC). Surely UNFCCC accreditation should suffice, given that the GCF is a fund created by the UNFCCC? Why add a whole other level of bureaucracy and exclusion?

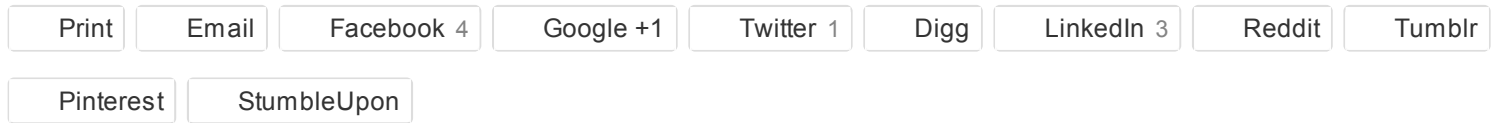
Finally, there is no mention of either webcasting the Board meetings, or ensuring that documents are freely available on the web. Both are now standard procedure for Boards of recent institutions related to the UNFCCC, such as the Adaptation Fund and the Clean Development Mechanism Board, so their omission in the draft Rules is regressive. Hopefully this is just an oversight that will be corrected before the Rules are finalized.

The draft Rules state that a review of the “selection process of active observers involving all stakeholders will be undertaken after a trial period of three years”. We know from recent history that it is very difficult to change such processes once they are entrenched. We are only at the draft stage, so there is time yet.

A much better approach, which could save the GCF Board a lot of grief later on, would be to go back to drawing board before the Rules are finalized, consult with the stakeholders to hear their experiences with other similar processes, and design a meaningful engagement with civil society that will not only result in much better results on the ground, but also win the GCF a lot of goodwill and support.

Further analysis of the problems with existing models of stakeholder participation and options for the climate funds can be found in my paper on [Renegotiating the role of civil society in the governance of climate finance](#).

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