#### It must be said!

Enfranchising the poor in global environmental governance

# Transparency on ice: GCF Board decision beggars belief

P ed J 2,2013

I interrupt my India bulletins for some important news about the Green Climate Fund (GCF). As I said in a <u>previous blog</u>, the GCF is an important climate fund that is currently being designed by the GCF Board. Some elements of this design were finalized at the recent meeting in Songdo, South Korea.

One outcome agreed at the Songdo meeting is highly commendable. The Board decided to consider at its first meeting in 2014 additional modalities that further enhance direct access, including through funding entities with a view to enhancing country ownership of projects and programs.

So far, so good. Enhanced direct access is a very important element that could allow in-country decision making on the use of funds, depending on how it is eventually defined by the GCF. Many Board members wanted it out, but India and the LDCs valiantly pushed back and ultimately won the day.

Another decision taken at Songdo by the Board, however, simply beggars belief. As mentioned in the previous blog, it has been a bit of a challenge to ensure that the GCF Board functions in a transparent manner. Early signs pointed at them being even more regressive than existing models of ensuring transparency, which

themselves are not stellar. Unfortunately, these early signs proved all too correct.

One issue was that of live webcasting of GCF Board meetings. This is a good way of ensuring that government and non-government stakeholders who cannot travel to the meetings are not only kept informed of what's going on in the Board meetings, but can also react in a timely manner.

At the last meeting in Berlin, there appeared to be consensus on the issue of webcasting. But the co-chairs asked that a technical feasibility study be carried out before taking a decision. It is not clear why such a study was needed – webcasting is fairly simple and standard practice these days, not some new-fangled technology.

It is also not clear whether a technical feasibility study was eventually carried out. There was, however, a section in a document for the Songdo session that discusses the merits and demerits of webcasting and provides options for the Board.

In this document, the cost of live webcasting, listed as US\$ 20- 30,000 per session, is put forward as an argument against. Where did these figures come from? As one civil society representative pointed out, the Adaptation Fund Board has been webcasting at the cost of US \$1,000-1,250 a day. The GCF, at least ten times the size of the Adaptation Fund, can definitely afford this much or a bit more. The returns in stakeholder goodwill and support alone will make this investment in transparency worthwhile.

Another disadvantage listed in the document is that webcasting *generally has an impact on the nature of the discussion*. The idea that webcasting will inhibit frank discussions simply does not bear out with experience in other comparable bodies. Assuming that at least some legitimised observers are physically present at each Board meeting, members will face to possibility that they will be held to account for what they actually say,

webcasting or no webcasting.

Let's also be clear — this is not any old private sector bank or financial institution Board we're talking about. This is a public fund, with a clear responsibility to a very wide range of stakeholders, right down to the grassroots. Decisions taken by this Board will have life-changing consequences for many people. The very least the Board can do is to take these decisions in a transparent way, so potential beneficiaries (or victims, as the case may be) can intervene in a timely fashion.

The document then goes on to present three possible options for the Board: live webcasting; on-demand webcasting (where a video recording is made available three weeks after the meeting); and no webcasting.

In the third option, the document proposes to publish transcripts of the meeting after a period of ten years, "as a means of providing transparency"!!!!! I do not need to highlight the extreme absurdity of this antediluvian idea, but believe it or not, this was the one recommended by the Australian and South African co-chairs!

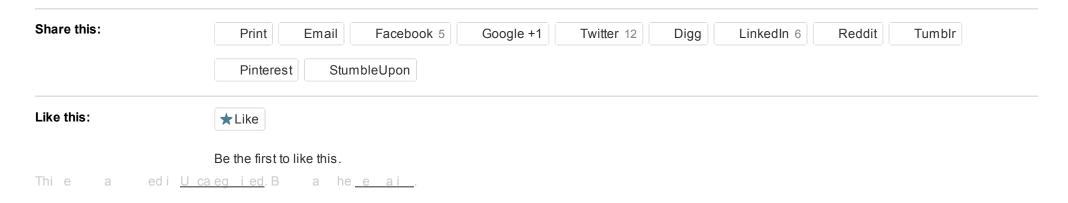
Interventions by Board members from the LDC Group, who pointed out that webcasting would be extremely useful for them as they cannot afford to fly around an army of experts to advice them, eventually led to the second option being agreed – that a video recording would be made publically available after three weeks.

The absurdity does not end there. The Board meetings will be webcast live – but only to a room next door, for observers who have flown half-way across the world to attend. If you don't have the resources to do that, well then you will just have to wait three weeks to watch the webcast. And no, there is no particular reason why the three-week timeline was chosen, so don't try to make sense out if it.

The most disturbing aspect of this whole farce is that developed countries, those self-professed champions of transparency and good governance, kept quiet (with the laudable exception of Sweden) while the LDC group fought Australia to keep webcasting in. What kind of double standard is this? Shame!

Haven't you learnt your lesson with the Bretton Woods Institutions and the GEF? It is not worth the time and money to design another international financial institution that will be declared unfit for purpose 10-20 years down the line.

The GCF Board has prematurely ended its honeymoon with civil society with this ridiculous compromise. One can only hope it will soon realize just how valuable transparency and stakeholder goodwill is to the future performance and survival of the fund, and reverse this decision.



# 12 Responses to Transparency on ice: GCF Board decision beggars belief



To add insult to injury, this decision was taken on a day when civil society "active observers" (ie. with a right to participate in Board discussions) were refused any opportunity to speak by the chairs of the GCF Board, despite many key decisions being taken. The one tokenistic-in-the-extreme exception: a discussion on the Fund's logo!

Re



#### Meena Raman says:

J 4,2013 a 2:47

By not allowing the active CSO observers from speaking on many key decisions, the Co-chairs were adopting a very literal meaning of the word "observers" by reducing us to just actively observing and not speaking!

To make matters worse, when I was trying to help some developing country board members who had no technical advisers with them and discreetly approached them on very very sporadic occasions, especially given the fact that we were not muzzled from speaking, a secretariat staff member came to tell the CSO active observers not to approach Board members. This was most frustrating, when it was obvious to all that several developed country board members had a number of advisers with them.

So, not only were we not allowed to speak and give our views, we were not allowed to speak to others!

Why then be an active observer if just to shut up and be silent? What is the meaning of engaging civil society?

Meena Raman

("Active Observer" for southern CSOs at the Songdo Meeting)

Re



### Karen Orenstein says:

J 2.2013 a 8:03

The US has told us over and over again that it'll be some of the developing countries that will be problematic on transparency and civil society engagement. On the contrary! DRC, Zambia, India – they were our champions. Australia and the US were the problem, especially Australia!

Re



#### **Sébastien Duyck** says:

J 3, 2013 a 12:03

Thank you for highlighting these issues in this post.

The 3-weeks rule highlights the absence of technical obstacles and the willingness of countries to limit accountability of the GCF.

Developed countries highlight the hypocrisy of their positions.

Re



#### Liane Schalatek says:

J 3, 2013 a 4:0°

The webcasting decision in Songdo — which is phrased in a way to doom any attempt of eventual improvement by tying it to a statistic of the use of those three-week old recordings — is just one of the most egregious example of setting low standards on transparency, civil society and stakeholder participation and accountability by the GCF Board. The current co-chairs attitude that the GCF has to act like a 'corporate board' focused on decision-making is a large part of the reason for this. Stakeholder participation is seen not as a mandatory requirement of these Board meeting, but "as Board time allows" and then not all stakeholders are created equal. For example, this was on display when the private sector was selectively singled out for close consultation in the discourse in Songdo about a Private Sector Advisory Council. Australia, Switzerland, France and other

developed countries argued basically that good advise on private sector matters can and should only come from private sector representatives and did not want to include any civil society representatives in such an advisory council. That in the version for such a Private Sector Advisory Council agreed to in Songdo "up to two civil society representatives" are included (which then will be outnumbered by up to eight private sector reps and four Board members) — as in the webcasting debate — is due to the efforts of developing countries like Zambia and DRC who argued that the inclusion of civil society in that Council is their constituencies best hope to get more focus on small and medium-size enterprises that work for local communities in to the discourse.

As after previous GCF Board meetings, I will publish — probably next week — a comprehensive summary report of the decisions of the 4th GCF Board meeting at <a href="http://www.boell.org">http://www.boell.org</a>.

Re



## Andrea Rodríguez says:

J 4,2013 a 4:22

Very disappointing decision by the GCF particularly given the lack of arguments to make such decision. Civil society asked in a number of letters sent to board members and the secretariat, the need for live web-casting particularly to provide an space for the participation of civil society members from the South, as many southern organizations lack resources to attend these meetings. The Secretariat has also decided to limit the number of accredited people to 3 per organization to attend GCF meetings, undermining the participation of members from large networks. To make things even worse, the decision to allow web-casting three weeks after the meeting will be revised in the future; by using statistics the board will see if viewers are actually using this service! if viewers don't increase in numbers then, who knows, the board might consider removing this service all together!

Re



Seeing the absurdity of not allowing active observers to speak, and other possible (remote location) observers to even observe, the GCF board – its regressive members US & Australia at least – have again shown their chameleon characters. This raises doubt about the credibility of the GCF board to deal with such huge & critically needed public funds.

Re



#### **Sven Harmeling** says:

J 5,2013 a 7:09 a

It is indeed embarrassing what happened last week. The preparatory paper by the Secretariat on the webcasting issue did not match what one would expect from a decent analysis of the issues. Webcasting has become common practice in all UNFCCC bodies, and no one provided evidence that this alters the discussion atmosphere in the negative way. I have been sitting in numerous Adaptation Fund Board meetings which were webcasted during the last years, and not once I had the impression, that the issue of webcast made a difference. It is also a shame that those developed countries who claim to be generally supportive with vulnerable countries (incl. Germany) have not spoken up in support of LDCs. Regarding costs: the Adaptation Fund NGO Network last week made a conference in Bonn and webcasted with zero extra costs. If we manage this, the GCF should also be able to do this.

Re



### Titilope Akosa says:

J 5,2013 a 7:17 a

Reading through the absurd decisons taken by the GCF board and its implications for CSOs participation clearly reveals that the GCF is not intrested in an all inclusive process. As civil society actors we must be proactive in dealing with these issues not

only in terms of protesting but in also planing strategic responses to the determined plan to exclude the peoples voices and concerns. It is high time they are reminded that the GCF is not set up for their private interets but to address the crital issues of climate change whose impacts are already affecting millions of people all over the world. These regressive desions are not needed at at this time when more than ever urgent actions are needed to stop dangerous climate change.

A process which excludes and or limit the participation of critical statekeholders is not acceptable at all and this must be made clear at all times.

Re



#### **Alice Harrison** says:

5, 2013 a 9:10 a

"We can't underestimate the importance of being at the cutting edge of transparency."

"We need to hear other voices, not just those of state actors."

"We have to be accountable to our taxpayers."

"Webcasting is crucial for transparency and inclusiveness."

"We must be receptive to the world of ideas."

At the GCF's Board meeting in March, developed and developing country opinion appeared to coalesce around the importance of transparency – for the sake of legitimate and accountable decision-making, needs-driven, effective spending, and independent oversight. Three months on and some of the very same voices were either altered or silent. What happened?

Decisions taken in Songdo undercut the precedent set by other climate funds, rendering transparency delayed, cumbersome or costly. Legitimacy loses out to exclusivity, and the 'world of ideas' remains untapped. As we look to the next meeting in September, far greater assurances are needed that the fund will achieve its stated aim to, "operate in a transparent and accountable manner guided by efficiency and effectiveness."

Re



## Anju Sharma says:

J 5, 2013 a 1:23

Thank you for all your considered comments. They show how strongly civil society feels about the GCF decision. Please keep them coming – we intend to send them to all the GCF Board Members on Monday morning (8 July). Thanks.

Re

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