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**Plenary III - Climate Governance:  
Ensuring a Collective Commitment**

**Panelists:**

David Bottomley	Dow Jones (Moderator)
Iruthisham Adam	Ambassador/Permanent Representative of the Maldives to the UN Offices at Geneva & WTO
Patrick Alley	Founder and Director, Global Witness
Manish Bapna	Managing Director, World Resource Institute
Andrew Wardell	Director, Forest and Governance Programme, Centre for Intentional Forestry Research
Daphne Whysham	Fellow and Board Member, Institute for Policy Studies

## Transcription

Emma Suwanarat, MC

And I'm going to hand the floor over straight away to our moderator, from Dow Jones, David Bottomley,

David Bottomley:

Thank you very much. And good afternoon and welcome to this 3<sup>rd</sup> Plenary Session of the conference....as we've just heard it's "Climate Governance: Ensuring a Collective Commitment". My name is David Bottomley from Dow Jones and the Wall Street Journal, and I'm the moderator for this session.

Now as we all know the issue of climate change has developed quickly in recent years, with a consensus generally having formed that it's a major issue which demands serious global attention. Billions of dollars are starting to flow to support climate change projects, which sounds potentially like a positive development, but there are increasing concerns about how that money is going to be spent, and in particular, whether there are sufficient checks and balances in place to ensure its used effectively, isn't misallocated, and isn't misappropriated. There are also concerns about some of the systems being put in place such as carbon offsets and the potential for abuse there. And with countries having their own political, social, and economic agendas, and many of the people involved in the process perhaps not seeing climate change as a priority, the question has to be asked whether collective commitment is a realistic proposition. It's a potential minefield but I'm pleased to say we have a very distinguished panel to guide us through that minefield. If I introduce the people on my left here, Patrick Alley is the Founder and Director of Global Witness which focuses on preventing conflict and corruption arising from the use of natural resources. Sitting next to him is Iruthisham Adam, she's ambassador of the Maldives to the United Nations Offices at Geneva and WTO with a distinguished track record in diplomacy. Dr. Andrew Wardell is the Director of the Forest and Governance Programme at the Centre of Forestry Research and has more than 30 years experience working on natural resource management issues. Daphne Whysham is a Fellow and Board Member of the Institute for Policy Studies, is founder and co-director of the Sustainable Energy and Economy Network, which is a project of IPS, and is also founder and co-host of Earth Beat Radio, which is syndicated on stations throughout the US. And then right at the end is Manish Bapna who is the Executive Vice-President and Managing Director of the World Resources Institute, and his main area of expertise is international development, with a particular focus on rural poverty and natural resources. So, welcome to the panel!

The way this session is going to be structured is that each of the panelists will give a short address outlining some of the concerns and issues which they have a particular expertise on. And then

following on from that there will be some discussion and debate, and there will also be an opportunity for all of you to put some questions to the panel. So if you do have something you would like to ask the panel, get those ready: I'll be calling on people a little later on in the session. Without further ado let's get underway. The first person I'd like to call on to address the session is Iruthisham Adam.

Iruthisham Adam:

Thank you. Thank you Mr. Chairman. It's a pleasure to be here in this very important meeting. Excuse my very bad cold. I'll try to just present myself. The Maldives is delighted to have been invited to speak on this panel on Climate Governance at this 14<sup>th</sup> Anti-Corruption Conference. I would like to thank the organizers Thai NACC, Transparency International Secretariat, Transparency Thailand, and the International Anti-Corruption Conference Council. Climate change is the greatest challenge facing mankind today. In the Maldives, one of the most vulnerable countries in the world, we know this better than most. The President of the Maldives, His Excellency Mr. Mohamed Nasheed, played a key role in the closed room negotiations which led to the adoption of the Copenhagen Accord. These negotiations revealed two issues which are interesting for this meeting. One: that states are willing to commit enormous sums of money to fight against climate change, if certain conditions are met. Two: that, broadly speaking, those conditions centre on two inter-linked points, namely governance and trust. Developed countries, unsurprisingly, are unwilling to turn the financial turfs for mitigation, adaptation, rate, and the rest without assurances that the money will be well-spent and will result in real improvements in climate system. Developing countries, for their part, want proof that international financial commitments made by developed countries are made in a sustainable manner. Governance and trust are therefore emerging as two of the key issues to be addressed at COP 16 in Cancun and thereafter.

Ladies and Gentlemen, to my mind, when one considers climate governance, one must address both the national and international levels. At national level, in order to be effective, and in order to build trust in the system, climate finance must be applied in a way which respects and promotes the full enjoyment of human rights. In particular, climate finance must be allocated in a way that promotes, rather than undermines, equity and, linked to this, in a manner consistent with the full enjoyment of participatory of procedural rights. The point here is that climate change responses such as adaptation projects, must be focused on those national groups most vulnerable to climate change, especially women, children, the elderly, people living in especially vulnerable areas, the disabled, and indigenous groups. If climate justice is to be achieved, finance and response measures must flow to those groups that it most need. It must promote equity, rather than perpetrate discrimination and marginalization. In order to achieve this, this adaptation and the climate change response measures must be planned in a rights-based manner. What is more, policies must be rolled out in a way that allows affected and most vulnerable population groups to participate fully in the process. In other words, in order to be effective, and in order to guard against corruption, national climate change policies must be implemented in a manner consistent with the full enjoyment of participatory or procedural rights, namely the right to information, right to participate in decision-making, and the right to access to justice. Without guarantees as such, there's a persistent risk that climate change finance

will exacerbate inequality rather than confront it, and that it will be allocated in a manner consistent with corruption and cronyism rather than in a manner consistent with justice and need. These themes formed a key part of the Maldives-led initiative in the UN Human Rights Council, to draw attention to the human rights implications of global warming. In resolutions, 7/3 and 10/4 and in the council debate on human rights and climate change in 2009 June, developed states, time and again, reiterated climate change responses, measures simply cannot be effective unless they are implemented in a manner consistent with good governance and full enjoyment of human rights.

Ladies and Gentlemen, climate governance is also vital at the international level. Without an agreement on governance, it will be impossible for states to reach a meaningful multi-lateral agreement on climate change, either at Cancun or at anywhere thereafter. The simple reason for this is at present there is almost zero trust between states on the issue of climate change. Developing states do not believe the global north is genuine in the commitment to finance, adaptation or mitigation policies. They therefore want procedures put in place that will hold developed countries to their pledges. Developing countries also want governance structures, though...through which they can hold industrialized nations accountable for their emission reduction commitments. For their part, developing...developed countries want assurances that their money will be used to fund adaptation projects which help the most vulnerable, or to fund mitigation projects which have demonstrable and measurable impact on emission levels. The main problem holding UN ...fables in negotiations is that there are no multi-lateral governance structures capable of dealing with these concerns and building trust within the system. Under the UN .factory system, as it is currently configured, all states are, in effect expected to close their eyes, take a joint leap of faith and sign a dotted line. This is not realistic – it will not work. This is not only unrealistic, it will not work. Without adequate governance structures, money will not flow to where it is needed, and where it is most needed to be applied. And it will be impossible to measure and verify the impact of interventions across mitigation and adaptation. This is, of course, rational: behind monitoring, reporting and verification or MRV, as we say in the UN xxx, is negotiations. The Maldives, as an acutely vulnerable country, strongly supports MRV, and wants a robust MRV packaged through which we can have trust, and that all emitting states are taking steps to mitigate, and are indeed receiving adequate adaptation support.

However, we also believe that MRV on its own is not enough. Not only do we need each individual state to monitor, report on, and thus verify its mitigation or financial commitments, for example, through national reporting, we also need a transparent space, a forum in which all states can hold that individual country accountable for its actions or inactions, and can work with it to address shortcomings and improve performance. I think a forum like this helps building, and a forum based on these issues can actually submit proposals to Cancun so that we can actually address these issues in Cancun negotiations. Not only will this make the entire climate systems more transparent, robust, and effective, it will also, in our opinion, allow our time for a gradual improvement in trust between states and thus a gradual increase in ambition and commitment. For example, if China and India have a forum therein, they can discuss, verify and have faith in U.S. and European progress towards mitigation or financial commitments. Then they would in turn more likely in time to increase their own

levels of mitigation commitment. For this reason, the Maldives advocates the introduction of a peer review mechanism within the UN xxx framework similar to Universal Peer Review as practised in the UN Human Rights Council. Under this process, states would have the opportunity to regularly report to the international committee on their progress, and across all XXX building blocks. And all other states would have the opportunity to question and then make recommendations for improvement. I believe that this can be very helpful as we move forward from a very difficult climate change negotiations. Such a system would help build trust, would improve transparency and accountability and would, we think, create the conditions under which states would be willing, over time, to increase their levels of ambition, in concert with their international partners. Mr. Chairman, I will stop there and I will be happy to answer questions during the interactive debate. Thank you.

David Bottomley:

Thank you very much. Very interesting to hear a voice from the Maldives because of course the Maldives in particular have a vested interest in the whole issue of climate change, because if action isn't forthcoming, the Maldives may no longer exist in a hundred years time. So an interesting voice there for the debate.

I'll now call on Manish Bapna, Executive Vic-President and Managing Director of the World Resource Institute for his comments.

Manish Bapna:

Thank you, David, for the kind introduction. I'd like to focus my remarks on adaptation, building on a very thoughtful contribution from the ambassador, to focus specifically on the corruption and, more broadly, the governance risks associated with adaptation finance, but I'd like to start by saying a few words about adaptation. As many of you know, the planet has already warmed point 8 degrees Celsius in the past one hundred years. That's actual data, not projections. Most of the scientists are arguing that we're already beginning to witness the impacts of this warning. If we look at just this past year, we saw unprecedented forest fires in Russia; devastating floods in Pakistan: these are hugely catastrophic impacts. And the problem is that fossil fuel emissions, which are responsible for the majority of this global warming, are not just increasing but they're actually accelerating. The Intergovernmental Panel on Climate Change, which is a body of climate scientists convened by the UN every few years does a model of how global warming is likely to unfold. And few years ago, their worst case scenario, their pessimistic scenario, is proving to be actually more optimistic than reality today. So this is all quite troubling. We have to continue the fight; we have to make sure that we try to keep global warming below one and a half degrees Celsius. And we need to begin to think about what a world of 3 degrees or 4 degrees may look like: how do we plan for that world?

Coming to adaptation finance, even just as recently as two or three years ago, the amount of money that rich countries were willing to put on the table was 50 million dollars, 100 million dollars: it was incredibly miniscule. But in Copenhagen, there was a commitment made to provide 30 billion dollars, between the years 2010 and 2012, and up to 100 billion dollars annually, by the year 2020. And

about half of this funding was intended to go for adaptation. Just to put that amount in context: 100 billion dollars is comparable to overseas development assistance today, total. So the question here, the real kind of important question is: will this money be used well? Will it be effective? And I think one of the key challenges are the corruption but, more broadly, the governance risks that will exist in terms of how the adaptation funding is generated, how it will be managed, and how it will be spent. If we look at how it's being generated, over the past 12 months a number of countries have started to make their individual pledges of how they're actually going to help meet this 30-billion-dollar target. One of the key principles was that this money would be new and additional, that it would not divert money from other typical development assistance, that as more light has been shed...has been shown on where this money has been coming from, it is turning out that many developing countries are arguing that this money is indeed being diverted from traditional per dee ay (aid?). So instead of these pledges helping build trust, they're actually creating greater conflict between rich countries and developing countries. What is needed are much more robust transparency provisions to help ensure that commitments are being met, that additional money is actually being provided, and that these ingredients are essential if trust is really going to be built.

If we look at how money....adaptation money...is going to be managed, there's been a huge battle over the past two years about whether the money should be entrusted to multi-lateral and bi-lateral aid agencies like the World Bank: this is what the rich countries want; or whether national institutions in developing countries can access this funding directly. And this has really been a battle over who has control over the money. The rich countries have been arguing that national institutions in developing countries don't have adequate fiduciary controls; that they're not going to be able to spend the money effectively; that it's going to be leaked into this and that. This impasse has created a real fragmentation in adaptation funding, a real proliferation of adaptation funds, of adaptation procedures. And this, coupled with the need to disburse this adaptation money quickly, to actually spend the money quickly, is creating an environment that can be quite rife with corruption.

If we look now at where adaptation money is likely to be spent, some of the sectors that are likely to see a lot of the money include water, infrastructure, disaster relief: these are sectors which typically have been categorized by a high degree of corruption. What is quite interesting is that vested interests are likely to pull this money into adaptation projects that are large, that are very concrete-heavy: but this is oftentimes precisely the opposite of what is needed. Adaptation is quintessentially a global response: it oftentimes will mean small projects, flexible projects. If you look at Ho Chi Minh City in Vietnam, there is a real concern that sea level rise is going to create significant impacts on the city, and so until quite recently, the big proposal was to construct concrete seawalls to surround the city, with all the attendant corruption risks that such a massive civil works project would entail. But an independent study quite recently found out that there is a very different solution that could be much more effective: planting mangroves would be a solution that could be more effective, would be cheaper, and would be more sustainable. So what you're seeing here are some fairly basic questions around corruption, around good governance, in terms of how adaptation funding is going to be generated; whether the money is going to be new and additional; around whether national institutions

in developing countries have sufficient capacity to manage adaptation money effectively; whether the right choices for adaptation projects will be made, that truly benefit the most vulnerable; that those projects, when they're implemented, won't be susceptible to significant amounts of leakages.

So how do we respond to these questions? I just want to close with just a couple of observations on how we can move forward. I've been particularly impressed over the past couple of years with the new kind of ...nascent institutions that are being built, that are being constructed in developing countries to manage adaptation funding effectively. And I think the anti-corruption community and the environmental community need to come together to help make these institutions more effective. Examples include, in Bangladesh, the Climate Change Resilience Fund, which I believe the local TI Chapter in Bangladesh helped with; or the Philippines' National Survival Fund. These are exciting opportunities, but these are fragile institutions. We need to come together to make it more robust. These communities need to come together to think about how to improve the governance, the operations of these new institutions, how to make them more transparent, how to make them more inclusive. And, equally important, we need to invest in building local civil society in these countries, to be able to hold these institutions accountable, accountable ultimately to those people who are going to be on the frontlines of climate change. So with that, thank you very much.

David Bottomley:

Manish, thank you very much. I'll now call on Patrick Alley, Founder and Director of Global Witness for his comments: Patrick.

Patrick Alley:

Thank you. I want to talk about forests and the necessity for the world to change the way we think about forests, because the sector needs reform, because of the climate benefits, in fact, the critical role of forests in mitigating climate change, and because of the role of corruption in that. And why have I got a picture of flying fortress bombers? Ahm...we don't want to bomb anyone, don't worry! I hope that's readable...I hope you'll indulge me...I want to read a passage of the famous anti-war novel "Catch 22" about the consummate entrepreneur, Milo Minderbinder. Milo contracted with the American military authorities to bomb the German-held highway bridge at Orvieto, and with the German military authorities to defend the highway bridge of Orvieto with anti-aircraft fire against his own attack. His fee for attacking the bridge for America was the total cost of the operation plus 6%; and his fee from Germany for defending the bridge was the same cost plus 6% , augmented by a merit bonus of a \$1,000 for every plane he shot down. The arrangements were fair to both sides. His planes were able to steal over in a sneak attack without alerting the German anti-aircraft gunners. And since Milo knew about the attack, he was able to alert the German anti-aircraft gunners in sufficient time for them to begin firing accurately the moment the planes came into view. Hopefully, this will make sense in a little while.

As I said, I want to talk about forests and climate and the threat posed by vested interests at this stage. This photograph is to exemplify the role, I think. This photo is of President Suharto's one million

hectare mega rice project in Indonesia: it's now, as you can see, a wasteland and it contributes to the 500 million tonnes of CO<sub>2</sub> emissions per year for Indonesia's deforested peatments. Deforestation...I don't know if anyone knows here so forgive me if you do know... is responsible for around 18% of global greenhouse gas emissions. That's greater than the entire global transport sector. The preservation of the world's forests is critical to mitigating the worst effects of climate change. And the drivers of deforestation are many, but amongst the greatest ones are industrial-scale logging and conversion of forests to plantations, agriculture, etc. And just to say if we don't halt deforestation, we cannot keep global temperature rises below the 2 degrees above the pre-industrial levels, that is sort of the barrier of where we are and catastrophic climate change. So you'd think this would create a seismic shift in thinking. Well, in part it has: related to the climate change talks, there's a mechanism called REDD, Reduced Emissions from Deforestation and Degradation, and this is a mechanism by which forested countries can receive compensation for preserving their forests. And I think, as a forest campaigner for the last 15 years, that REDD provides us... has provided us with one of the greatest opportunities to save the world's forest we've ever had, because suddenly, their way up the political agenda, and there are significant sums of money attached to that, insufficient but nevertheless significant. Aside of the governance issues related to the 36....35 or so billion dollars a year that is expected to flow, or the maximum that is expected to flow in terms of REDD-related fund, my concern is about how vested interests are corrupting the process. For example, the logging industry are still striving to expand their operations into intact natural forests, but they're also looking to get subsidized by climate funds through REDD to do it: very perverse. But they've managed this kind of thing before, and they may manage it again, because they do this under the banner of development, and so they get support of development agencies, like the bi-laterals and the multi-laterals such as the World Bank. Donors fund logging companies, amongst others, because they regard them as perhaps the best managers of the forests, because they think logging might be inevitable, and because there are related development benefits. But we don't believe any of these assumptions really hold any water.

According to an FAO report from 2005, public expenditure on forestry in that year—and that relates to things like trying to tackle corruption, illegal logging, improving the standards of logging companies etcetera—was 19 billion dollars, in 2005. Government revenues from forestry in that same year was 14.6 billion dollars. So, a discrepancy of 4.5 billion dollars in the wrong direction. And a report recently came out this year from the UNDP which said that in 2008, the externalized costs of forestry—i.e. the stuff the logging industry doesn't want to pay for, the social and environmental costs—was 42 billion dollars. So overall, roughly, this is no back of a cigarette packet. 46.5 billion dollars a year is what forestry costs to finance, nett cost, projected to rise to 256(?) billion dollars by 2050. So, in short, you and I, the taxpayers, via the multilateral and bilateral donors, have spent vast sums on law enforcement on tackling corruption, etcetera, trying to counter Milo Minderbinder's bombers in the form of the loggers, whilst these agencies....these same donor agencies....have directed those bombers to the target, and given them the wherewithal to do it.

The point I'm making is that in the last half century or so, all of the reform...well not all but a great many of the reforms related to improving the forest sector have failed to deliver. Deforestation still

carries on at an alarming rate, at an unsustainable rate. And one of the main reasons that this is relevant to this conference here is corruption. It's one of the most corrupt industries on the planet. This issue is at the core of tackling climate change, and personally, I do not believe that we can tackle the corruption in the existing system....that the paradigm is broken. So I think it's essential that we move away from this industrial paradigm and put in a system where the 1.6 billion people that depend in some degree or other on the world's forests have a major role in the reform and benefit directly from the funding that comes from it, and if they do play a full role with robust governance structures in place, then I think we stand a chance to protect the forests and in curbing corruption. It will be doable if we get a collective commitment from the main agencies concerned, the governments of forested countries, the donor nations. But if the REDD negotiations under the XXXX it is not clear at all we're going to get that commitment. So my message to those of you here, if you represent those agencies, or have some influence on those agencies, is to really raise this issue, because if we don't get this one right, we will not get a second chance. Thank you.

David Bottomley:

Patrick, thank you very much. And continuing with the forests theme, or at least the forest speaker, I'll call on Dr. Andrew Wardell to speak now. He is the Director of the Forests and Governance Programme at the Centre for International Forestry Research, Andrew.

Andrew Wardell:

Thank you very much. I'm going to start out by asking all of us a question: How can we be sure we have access to credible information with regard to climate change? And I hope in the six minutes that I have been allotted to give you a couple of examples which I can illustrate of where the lack of credible information, I think, is not helping any of us. But just as background, the Centre for International Forestry Research is one of 15 international policy research institute which forms part of the Consultant Group on International Agricultural Research. Our mandate is essentially to generate international public goods, drawing on a broad array of bio-physical, social, political, and historical scientists. And we follow an extremely rigorous internal and external peer review process for all of our publications.

I want to start out by also giving a little bit of the context, and I've highlighted what I think are six dominant forest-related trends globally, which I'll just go through very briefly, as the basis for them focusing on the exponential growth in published and/or online information which I think is the foundation for what I hope to talk about. But the context we're moving in is whether there is growing demand for primary goods, notably from the brick countries. There's growing investment in terms of commercial food, fodder and bio-fuel crops. There's increasing demand for REDD plus concessions, particularly in countries such as Indonesia, Brazil, and Peru. And most recently, in Nagoya, we've seen the international community sign up the enhance commitments to bring 17% of land areas under protected area management, and to restore 15% of degraded lands. And last but not least, we continue to see illegal logging and the trade of timber products as lucrative global businesses. But

what I want to focus on today is this whole question of the exponential growth in the amount of published and/or online information, and whether we can be sure that we actually do have access to credible information. I think all of us are aware that the global, regional, national, and very often, local debates on climate change, are ongoing. It's also clear that there are very wide differences of opinion on the opportunities, as Patrick has talked about, but also the challenges, as I'm sure Daphne and Manish will raise later, of the REDD mechanism.

The internet-based information age ensures both rapid and global reach. But there are, in fact, few, if any, mechanisms in place to check the accuracy of information which is being disseminated. I'm sure all of you are aware of some of the assertions that were made about corruption with regard to IPCC scientists, the now infamous "Climate-gate", and perhaps less well-known "Amazon-gate" issues. And hence, we feel, the critical role of independent research institutes in providing accurate science-based policy advice, particularly in the context of the growing role of the media and the internet, and as I suggest, the misrepresentation of science, at the same time as we've seen the growth of open-access journals.

I want to focus on two examples, one of which reflects very much in relation to the vested interest groups that Patrick alluded to, corporate lobbying. Many of you may have seen the prolific writings of Alan Oxley who represents a group called World Growth Institute, and the International Trade Strategies group, and where a broad body of scientists feel that this particular individual and the organizations he represents, there is one fundamental misconception namely that two thirds of forest clearance is driven by low-income people in poor countries. There is ample scientific evidence which suggests this is not the case. And for those of you who may have followed this debate, very recently Professor Bill Lawrence, Tom Lovejoy and many other scientists signed up to an open letter about scientific credibility and the conservation of the tropical forest on the 25<sup>th</sup> of October, to draw attention to the significant distortions, misrepresentations, and misinterpretations of fact. And the fact that in terms of even the reply that this generated from Alan Oxley himself, World Growth Institute and International Trade Strategies continues to fail to comprehend, or is failing to convey accurately, the real and growing magnitude of the industrial drivers of deforestation as a threat to tropical forests. This is corporate lobbying.

,But on the other side, I want to give you one example of another extreme of the roles that are played by global networks,, of non-governmental organizations and the advocacy role they claim to play. And this relates to a press release that was announced by a global network representing Environmental Rights Action and the Chair of Friends of the Earth International, the Executive Director of a group called Indigenous Environmental Network, and the combined Director from Indonesia from the Waly and the Friends of the Earth. And the press release was called "Shell Bankrolls REDD Indigenous People and Environmentalists Denounced." This was a blatant example of a misrepresentation of the PT Riberria Consavasi Infonel Earth REDD Project in Cirean districts in central Kalimantan. And where, according to the press release, "Shell (I quote, unquote) is compounding its devastating impacts on Mother Earth and indigenous peoples by financing REDD which may result in the largest land grab of all time, and more genocide against indigenous peoples". Unquote. The problem is that

Shell has had nothing whatsoever to do with this project. But by trying to establish links through these global NGO advocacy networks to Shell's track record with regard to the Ogoni people in Nigeria, or Shell's ongoing oil exploration in Alaska, has little, if any, relevance whatsoever to this particular REDD project in Indonesia.

So, in terms of trying to pull this together, how do we beat the media in the climate street fight? And here I'm representing a recent letter that was published in the journal "Nature", literally last week, by somebody called Simon Lewis from Leeds University. And I want to make two points before I conclude of what we can do to try and ensure we increase our access to credible information, by recognizing, in the words of Steven Trudgel, that scientific evidence in itself does not have the answer for policy. It is always how the evidence is actually interpreted in different social contexts which actually matters. So there are challenges for scientists who are generating scientific, policy-based evidence and how this can be interpreted and used. But secondly, the growing recognition that the media increasingly dictate what most people want to know, or know, about contemporary scientific debates, and in which case, what recourse mechanisms do we have? And here I just put forth a few suggestions. One is in some countries, but not all, we have press complaint commissions, or similar media watchdogs, that we can draw on to draw attention to where there is misconception or misrepresentation. We can also use influential climate change blogs, such as Jo Rom's ClimateProgress.org. But I would also venture to suggest, in relation to CIFOR as one institute, and there are many others, might also represent another NWRI/ in WRI, that the scientists need to better read and engage with the media. But be careful. Do your own research and make sure that if you are engaging with the media that you have the sound knowledge of what the reporter's track record is, and, if necessary, seek advice from media lawyers. And lastly, I'll just draw attention to the sources of information for those of you who may be interested. Thank you very much.

David Bottomley:

Andrew, thank you very much. And last, but by no means least, I'll call on Daphne Whysham for her comments. Daphne is a Fellow and Board Member of the Institute for Policy Studies. Daphne, over to you.

Daphne Whysham:

Thank you very much. Can you hear me? Is it working?....I'm going to start with my conclusion, so that we can keep things simple. My conclusion is that carbon offsets, which I'll explain in a minute with this slide, are essentially an invitation to widespread fraud and corruption and should be eliminated, and that in the absence of their elimination, strong reforms are required. So, this slide essentially shows what I think is the best graphic representation of what cap-and-trade is, that's the two little sort of pollution stacks on the left-hand side, one of them is emitting more than it should, the other one is emitting less, and that's the theory behind cap-and-trade. When you have offsets, essentially what you're doing is you're continuing with business as usual, with the two polluters continuing to pollute.

And theoretically, you're capturing emissions from these offsets that are outside of the cap. Now, perhaps the most famous form of carbon offsets is this so-called Clean Development Mechanism, that was developed to provide offsets in the developing countries with finance provided from the developed countries.

Now, my talk is largely going to focus on carbon offsets, not cap-and-trade overall, because, as I've said, it's prone to corruption, it's prone to gaming and, furthermore, there are questions about whether carbon offsets actually represent any scientific integrity. In fact, one of the...I'm going to just quote from a couple of studies that have been conducted in my country, in the United States. The Federal Trade Commission investigated carbon credits and concluded that their intangibility means they have a greater potential for deception. The U.S. Government Accountability Office investigated carbon offsets, and found that their integrity is impossible to verify. Here's a quote from their report, "The use of carbon offsets in a cap-and-trade system can undermine the system's integrity, given that it is not possible to ensure that every credit represents a real, measurable and long-term reduction in emissions." So we have a problem whereby essentially what we've done is put in place cap-and-trade initially and then cap-and-trade with offsets, and the offsets are proving to be impossible to verify, not just within the confines of the United States, where of course we have agencies like the Environmental Protection Agency and others that could be tasked with the job of ensuring that these emissions are in fact offset, but when we enter into the global stage, and begin to engage in carbon offset trading globally, you can imagine the lack of verification, and measurability...it becomes staggering.

The other issue that's a problem with carbon offsets is, of course, is once you open the door to carbon offsets, you also open the door to carbon derivatives, and we've seen with the current economic crisis just how complex carbon derivatives are, how they can create all sorts of economic chaos, and very few anti-corruption agencies, whether it's Interpol or Europol, actually understand how to monitor these transactions, much less have the capacity to monitor them. Yet trillions of dollars in these less transparent, under-regulated derivatives of carbon offsets are potentially about to unfold.

So, I just wanted to give several examples of the ways in which carbon offsets are already resulting in corruption. One is that, of course, it's easy to cheat, with carbon offsets. You can claim credit for things that were already underway. In fact, some studies suggest that over three fourths of the dams that were already under construction, managed to qualify under the Clean Development Mechanism for carbon offset credits, thereby opening that hole in the cap that you see in the slide, and resulting in an increase in overall greenhouse gas emissions, as a result of these fake credits.

We're also seeing with carbon offsets that there is a perverse incentive to actually increase your emissions and to roll back existing laws, because polluters profit with carbon offsets. I'll give you two examples. One is...one that's grabbed headlines recently...which is the HFC deals that have been moving forward. HFCs are hydrofluorocarbons. They are both potent global warming gasses and ozone destroyers, and they're created when you destroy HCFCs which are hydro...err.....anyway HCFCs...there's a good reason why there's an acronym for that one! One deal involving the

destruction of HFCs netted almost a billion dollars in profits to a Chinese company. Of course, what this does is it sends a signal to the producers of HCFCs and HFCs to create more of this very chemical, thereby getting vast profits when you destroy that chemical, and you gain credits under the carbon offset regime. Another example—and this is one that actually is moving forward in collaboration with the World Bank—it involves Nigeria. In Nigeria, gas flaring is illegal...it's against the law: there have been a series of laws that have been passed to phase out gas flaring. However, the World Bank's Global Gas Flare Reduction Partnership is in the process of generating carbon offset credits for ending gas flaring. Now, imagine what signals that sends to oil companies globally. It essentially says, "Continue to violate the law, and eventually you'll profit from legalized bribery for obeying the law."

We're also seeing conflicts of interest at every level, with so much money changing hands. And I would suggest that the conflict of interest in overseeing carbon offsets reaches to the highest levels, to the CDM executive board, and down to the level of NGOs that are engaged in some of these carbon offset schemes.

So, what's to be done? Again, I'll return to my conclusion, which is that I believe carbon offsets, have proven to be not only impossible to verify, but are prone to corruption, that they are unfixable. And this is a conclusion that certainly is not held by me alone: it's held by lawyers at the Environmental Protection Agency in the United States, as well as by NASA's top climate scientist, James Hansen. But barring the elimination of carbon offsets, here are some suggestions on how we could reform them. First of all, we need stronger regulation of derivatives markets, and over-the-counter trades. Currently, there is some regulation of derivatives in the EU and the US, but it's not consistent and it's certainly not global. Secondly, we need strong whistleblower protections at all levels where climate finance is taking place. We do have some whistleblower laws in place at the World Bank, however, they're not strong enough. We do need these sorts of whistleblower protections at all of the MDBs, as well as the bilateral lending agencies that are continuing to engage...that are engaging in carbon offset trading. Fourth, there needs to be full transparency around revenue accruing to NGOs, as well as government officials and other national actors from carbon trading and carbon offset markets, in order to avoid conflict of interest, sort of a "publish what you pay" for carbon offsets. Fifth, there needs to be full, free prior informed consent for indigenous peoples and respect for human rights when it comes to carbon offsets. We are seeing examples in Papua New Guinea and elsewhere, where people have actually died as a result of forests being grabbed from them, and their resisting being resettled. Sixth, we need strong enforcement of land tenure policies, and guidelines around corruption of those policies, before we move forward with any sort of carbon offset markets. And finally I would suggest that we should not be looking at forests as yet another commodity in the carbon markets, because unfortunately they are not a permanent storage sink for carbon, certainly they are also vulnerable to going up in flames, or down as a result of pests, as climate change worsens.

Do I...How much time do I have? I think I have gone over my time! I have some other suggestions for alternative revenue streams to deal with clean energy and adaptation finance, but I will leave that for the comment section. Thank you very much.

David Bottomley:

Daphne, thank you very much. I think the wide range of issues and views put forward by the panel, to some extent indicates how undeveloped the whole idea of climate governance really is. One of the issues which I wanted to pick up on: Manish, you referenced the 30 billion dollar spending commitment between 2010 and 2012, and I guess to some extent, that's being seen as a good thing. But I wonder whether, bearing in mind that the checks and balances to ensure that the money is going to be spent effectively, and isn't going to be subject to corruption, the fact that such a huge amount of money has been committed, before those checks and balances are in place, basically means that it's a naive approach....that those countries that are committed to spend so much money in such a short period of time are misguided in doing so.

Manish Bapna:

The 30 billion is what has been pledged. We have already seen over this past year commitments made by different countries about how they will reach that 30 billion. There is a big debate right now, as you referenced, about how to ensure that money is spent well. But there's also a big debate about whose money that actually is. Is—particularly for adaptation—is this money that is seen as development assistance, where donors have a real responsibility to make sure fiduciary controls are in place? Or is this is seen as compensation, that a lot of developing countries would argue you are creating a harm to my country, so that you should give me the money and we will take responsibility for how it should be managed. I think that, broadly speaking, the amount of money committed is still a very small fraction of what is needed, that we do need to invest in building the institutions, particularly institutions in developing countries, to manage that money effectively. I think the crux here is can those institutions be seen as legitimate by both donor countries as well as the recipient countries. I think that means, how do you put in place adequate governance structures? How do you put in place appropriate decision-making responsibilities? How do you put in place appropriate safeguards to make sure those institutions can manage the money effectively?

David Bottomley:

But shouldn't those discussions, debates, the establishment of those checks and balances...shouldn't all of that have happened before the money was pledged, to be spent by 2012, that's two years away. So the money is already potentially sloshing around the system, and yet we're still talking about putting in the checks and balances to make sure that the money is spent effectively. Shouldn't the checks and balances have been put in place before the money starts to flow?

Manish Bapna:

There is absolutely a need to build those institutions as quickly as possible, to build the safeguards of these institutions as quickly as possible. But urgency of climate change, and I think that's one of the things that's particularly unique here, is the nature of climate change: there's a very small window we

have, to begin to drive down emissions, to begin to shift to a low-carbon economy. There's a very small window we have to build the resilience that's needed to be able to withstand the climate impacts. If we have the luxury, what you're proposing would be nice. But we don't have that luxury. We need to build the institutions today. And we need the channel the money today.

Andrew Wardell:

Just two additional comments with regards to financing: to put the 30 billion which Manish...in perspective. If I'm not mistaken the emissions trading scheme..err...market is currently something of the order of 70 to 80 billion dollars a year, so it's more than doubled what is being pledged in terms of the public financing. That market is established. In terms of the safeguards, to give you an example of the Letter of Intent that was signed by the Government of Indonesia and the Government of Norway, where the Norwegian taxpayers have pledged 1 billion dollars: that 1 billion dollar pledge will translate in terms of transfers to the Government of Indonesia to support their REDD.../readiness programmes, over a period of perhaps the next 3 to 4 years. Much of that work will be in terms of putting in place those checks and balances. We heard this morning at one of the workshops that the UN REDD Board has just approved, for example, a new grant to the Government of Papua New Guinea, but that is conditional, if I remember Tim Clair's comments, on 16 conditions being met before any of that financing will actually be disbursed.

David Bottomley:

Patrick, you had a comment?

Patrick Alley:

Yes..... I think in relation to the vast revenue flows that either are or will flow...and I refer to 35 billion dollars a year..I think the estimates are between 17 and 35 billion dollars a year, will flow into tropical forested countries under the financing mechanisms....These countries are amongst the most corrupt on the planet, and a lot of that corruption already relates the forest sector. That doesn't mean we shouldn't be doing this, but it does underline how critical it is to get these government systems in place. And I take what you said, that we don't have the luxury of time, but also you can do harm by putting money in where it's not ready. When we first started getting involved in the REDD negotiations at the UNFCCC and the related institutions, there was a real—certainly under the UN Climate Change Talks—a real lack of awareness about these issues. A lot of the negotiators think, “Oh forests, nice little number of carbon here, we can work it out,” not realizing any of the complexity of forests. And that's the real danger. A lot of what civil society has been doing has been trying to get these government issues on the table, and the negotiations are ongoing, but we don't know where we've got, but we don't know how good the safeguards will be, but they are critical.

David Bottomley:

Bearing in mind, the endemic corruption in the forestry industry, if the money starts to flow without the checks and balances in place, even if the checks and balances *are* in place, the level of expertise in

corruption, in that industry is such that the players involved will see this as an extra payday, that they will have access to vast amounts of money, which should be used to deal with climate change, but they know how to work the system to get the money into their pockets.

Patrick Alley:

That's completely right. I thought to myself a while back that with this kind of money going in, every organized criminal worth his salt is going to get a share of the act. Interpol have said, and I can't remember exactly what was said, but I paraphrase, but basically REDD could well be un-monitorable. And from our own experience in looking into natural resources conflicts and corruption, we recently reported a British company to the U.K. police for a carbon deal they was negotiating in Liberia, and I can't say too much about it because I'm a potential witness in the case, but suffice to say that a guy with no experience in this sector was trying to get a hold of 400,000 hectares, a fifth of Liberia's forests. His methods....well, we reported to the police...you can work it out for ourselves...so it's a really challenging arena.

David Bottomley:

I'm going to open the session up to the floor now. So if you have any questions you would like to put to the panel – if you could line up behind one of the three microphones, that would be good. Whilst people who want to put a question are lining up, Iru, you have a comment you would like to make.

Iruthisham Adam:

Thank you. I also would like to just add to that. On the climate change negotiations, we were talking about the negotiations. Well I think in Copenhagen, it came to a point there was so much expectations and the countries were already facing severe disruption from climate change. The impacts were real, and I think people were suffering – we are talking day-to-day about the rights of the people, the most vulnerable people in the world. And I think it was very real when we were discussing climate change negotiations. The leaders gathered and something has to be done. There was a need for trust to be built, and I think the commitment of 30 billion...well, we have to say that was short compared to what the real climate change impacts were on countries. So, a hundred billion per year up to 2020, that was the...committed in Copenhagen. That was still not enough comparing to the devastation, but there was specifically a need to build trust and I think having a commitment on the ground, having the commitment of finance, was an indication that we were moving forward.

I think we have to recognize that, of course, we do believe there has to be specific mechanisms by which we ensure that corruption does not happen. Usually there are various mechanisms within the international committee, but as we recognize today, the UNFCCC does not have such a multilateral architecture to manage the funds, make the funds accountable and transparent. I think there is a need for the international community to develop and discuss that there has to be an oversight body within the international committee that oversees the funds. And also there is going to be a lot of funds that need to come in order to address the severe challenges. So I think the point is how we get the

resources: 100 billion per year up to the year 2020 is still not enough, I mean comparing to the severe damages, what is happening around the world.

I would like to just pick up on some of the points just very briefly. I think that as we look at the world today, science there is enough evidence that shows that climate change is happening and real consequences are seen in various regions, various countries from developed to developing countries. There's enough evidence, but credibility....there has to be a balance, credibility needs to be addressed. How the information that is sought is credible. At the same time I think we should not give in to the doubters that, you know, science can be just played around, that we should just focus, you know, on research. Things are happening on the ground and we need survival of the people right now.

David Bottomley:

Thanks. Let's hear from the floor. I see a gentleman standing there in a white shirt.

1<sup>st</sup> Questioner:

Thank you....My name is Johan Libert, from Monash University, Melbourne, Australia, and I'm in the School of Journalism and Australian Studies, and it concerns me – I've got a comment first and then a question and I'll start with the comment – it concerns me a bit when I see headlines, like “how do we beat the media in the climate street fight?” I do not think, obviously, that the media is the enemy here: it is the partner. It's perhaps helpful to also understand that the reporting of a climate change has caused enormous upheaval, almost like an identity crisis, within the journalistic fraternity around the globe. Because one of the...as you would know, one of the basic values of quality journalism is to think critically and report critically. And although perhaps too much space was given to climate deniers in the last few years, you need to have this understanding of how media and journalism works. It also concerns me sometimes, when journalism are clumped under the umbrella of the media. I think it's much more helpful to, perhaps, look and work with individual journalists rather than the big blob of media as such.

I would suggest that one good way forward, instead of seeing the media as the enemy, is to actually help individual journalists with the verification of the stuff that is being put out there, because in today's absolutely overheated media landscape, time is of the absolute essence, and verification is the one of the first victims to go. So rather than seeing media as the enemy and journalism as the enemy, I would suggest to work with it. And one of the ways to work with the media and journalists is to also help them in terms of freedom of information and right to access laws and systems, because when you get access to the raw, un-spun and non-sanitized data, that's where you can start doing proper verification and analysis.

That was my comment and you're more than happy to talk on that if you want. But my question was that what is happening, I think, which concerns me greatly is that we're seeing a breakdown of trust between vast swathes of the global public and the leaders due to this current climate change gridlock

that we're in at the moment. Just a few years ago, we had vast piece of the public supporting the negotiations. I'm now afraid that this support is waning quickly, and it concerns me greatly, and what can be done?

David Bottomley:

Daphne, you're involved in the media, for example. How can people have their faith in the system restored? Is their faith needing to be restored?

Daphne Whysham:

Well, I mean, one of the things that I do, in addition to my fulltime job, is host a radio show that is now aired on 52 radio stations in the U.S. and Canada on the climate crisis. It's a tough issue to break down into comprehensible information, because climate change is a very technical subject, and clearly when we're talking about issues like carbon offsets and corruption and cap-and-trade and so on, I mean, it's almost enough to put a lot of people to sleep. So the key issue, I think, is first of all we need to move beyond this crisis mentality. We need to get to information that is essentially widely distributed, that's making sense of how energy policy can be reformed, how green jobs can be provided to people. But, you know, in terms of the Climate-gate issue, my concern around that particular issue is that, what ended up happening is that scientists who aren't comfortable defending science in the public sphere were forced to engage in this sort of political dialogue, and, of course, *after* the fact it was proven that there was no factual basis for this investigation, and yet the damage had been done. So I do believe that journalists do have a responsibility to ensure that they aren't just playing along with some sort of agenda that's being driven largely by the oil and gas and coal industries.

David Bottomley:

Thanks, Daphne. So...Oh..sorry! Brief comment.

Andrew Wardell:

Just a brief comment....The quote, "How to Beat the Media in the Climate Street Fight" is the title of a paper. It was published in the journal "Nature" by Dr. Simon Lewis, based on his own experience of working with the media, so the source of that information is there. I *did* try in my presentation to actually say that scientists need to better read and engage with the media. It was not a question of treating the media as the enemy: we need to engage with the media. But the main purpose of my presentation was to highlight that there is much information which is being reproduced, particularly with the internet, with no mechanism in place to actually ensure that what is being presented as information is in any way accurate.

David Bottomley:

Patrick. You've got a brief comment on this?

Patrick Alley:

Yes, very briefly. On the point about the gulf between people and their leaders, I think one of the problems in the climate debate is the chronic lack of political leadership that we have all had. I don't have an immediate answer to that. Climate change is a long-term problem; most democratic politicians are in office for 4 or 5 years. Doing anything meaningful is political suicide. So we need to revise the system, like go to the kind of wartime political coalition, perhaps, and they can agree that on climate change they are not going to score points off each other.

David Bottomley:

Thank you. The gentleman there in the jacket.

2<sup>nd</sup> Questioner:

Gareth Sweeney, Transparency International. I would like to just ask the panel very quickly, what two key messages could the IACC carry forward to COP 16 in relation to climate governance? Thank you.

David Bottomley:

Ok. We'll come back to that one right at the end of our session in fact. What we're already thinking about are the key things we want to convey. Let's have a question over there. The gentleman at the microphone in the jacket.

3<sup>rd</sup> Questioner:

Thank you. I'm Laurent Gabi Wambo, a citizen from Cameroon, and I'm here on the behalf of the Global Youth Anti-Corruption Network, working with the World Bank Institute in Washington.

When you were doing your exposé today, you talked about the serious issue concerning the transparency towards indigenous people that should have clear information. And this statement brings to mind one of the questions that was raised by one of our young colleagues from Ghana, with whom you were blogging this morning, who was exposing a situation that population are going through in Ghana these days about the REDD projects. Some indigenous people are being advised not to grow their cocoa again in Ghana because there are projects of reforestation in the country. The young guy is now asking questions to know if REDD is against development of indigenous people or what does indigenous people gain from the projects? The second half of the question is to know if the fight against climate change goes against the interests of population development? Thank you.

David Bottoley:

Thank you. I will take one more question...the gentleman there.

4<sup>th</sup> Questioner:

Thank you, Chair. My name is Farook Sukhan, I'm the President of the Bangladesh Enterprise Institute, an independent think tank. I also happen to sit on 2 international commissions on migration and development.

My question first to the distinguished ambassador from the Maldives is, do you not feel that we should be giving more importance and attention to the issue of migration induced by climate change? Maldives itself is clearly top of the list of countries that may see substantial part of their of that population having to physically move out of the Maldives. My second question is to Daphne: if not carbon trading then what? How do we compensate countries like the Maldives and Bangladesh, where we will see a substantial impact of climate change on the movement of people?

David Bottomley:

Thank you. Daphne, your attempt to persuade us to do away with carbon offsets was very bold. So what's the replacement?

Daphne Whysham:

Well, actually I was hoping to get to that at the end of my talk, but I had gone over, so thank you for asking that question. One of the issues that we're working on at the Institute for Policy Studies is alternative revenue streams to address climate adaptation, mitigation needs. One we feel shows a lot of promise is the financial transactions tax. And a tax of 0.005% on financial transactions could generate roughly 33 billion dollars a year. Obviously if it was more, it could generate on the order of trillions. We have the support of French President Nicolas Sarkozy. He's made a vow to press for a financial transactions tax agreement during his term as the G-20 chair in 2011. There are also several other sources of revenue on the table: One is a bunker tax, which could generate from 25-37 billion dollars a year on bunker fuels. Another is an aviation levy, which could generate between 8-10 billion dollars a year. And of course both of those taxes and levies would have a secondary goal of also focusing on putting a price on the pollution, and therefore reducing overall greenhouse gas emissions. Shifting of fossil fuel subsidies is another issue that's been on the G-20 agenda. Unfortunately it hasn't gone as far as it could. However, that could generate...just in the U.S. alone we spend roughly 25 billion dollars a year in fossil fuel subsidies. If those subsidies were instead shifted towards, for example, a global feed-in tariff for renewable energy, as has been proposed by Tariq Banuri at UNEP (Yuu=nep). His proposal is to generate 100 billion dollars a year for 10 years to drive down the price of renewables and essentially, make the entire planet powered by renewable energy. I think it's a bold and ambitious agenda, but if we can spend 100 billion dollars a year in the U.S. on a war in Iraq, certainly we can spend 100 billion dollars a year as a globe to get to a 100% renewables.

And then finally I would just say that there are strong energy efficiency policies that even the World Bank's own – and I'm going to forget the acronym – EIB—what does that stand for?—is pushing for which is essentially to implement much stronger energy efficiency policies. Internationally, this would be a way of saving money for countries while also achieving global climate goals. Thank you for asking that question.

David Bottomley:

Iru, would you like to deal with the question about the Maldives?

Iruthisham Adam:

Thank you, distinguished colleague from Bangladesh, for asking that. That is very true, that countries like Maldives....I mean not many points of our country are above 2 meters above sea level. So if any climate change impact could actually wipe out our hard-earned achievements, our development, and not only that, just wash away everything we have achieved. There's no way to hide. This how drastic is it, and I think people should understand the severe impact on our countries. Bangladesh frequently has such climate change impact disasters. It's very good to hear such questions from think-tanks. I think there is importance when you address this climate-induced migration. We had looked at this when we were proposing the resolution at the Human Rights Council, the obligations of the international community to address the rights of people, right to their life, right to their water, right to their very survival, basic necessities. These are important elements. And I think for us, we are looking at climate-induced – in a sense that we need to have awareness from civil society, from the people. Grassroots should lead these concerns and address it, and I think should bring it to the Cancun negotiations, pressure the governments to address this issue. These are important migration, which is an important element on climate change...climate-induced migration aspects need to be addressed. Yesterday, from 10am to 11am, I think, Mexico hosted such an important conference, and ee are hoping to see the outcome.

I'd also like to touch very briefly on the indigenous question..the question raised about indigenous....Most vulnerable people, the children, women, disabled people, special needs, and indigenous people, are vulnerable groups in the communities. These communities or people need to bring these issues to such forums as these, so that there is a consensus-building among the international community, that these are addressed in Cancun within the negotiation corridors, and into the text of Cancun. Thank you.

David Bottomley:

Manish, difficult questions are going to have to be asked. One of them may be: where should the priorities lie in terms of climate governance? Should it be saving the world? Or should it be indigenous people, who are trying to make a living? How much of a challenge is that? Where do you draw the line?

Manish Bapna:

Well, I would probably take exception with the question that you're trying to juxtapose two things that actually must be done together. Clearly, tackling climate change will only work if it is done in a way that is aligned with, that is, in support of people, and particularly vulnerable people. So, I would argue that right now the system we have today is one that perpetuates poverty. It is one that oftentimes disadvantages those that are most vulnerable. And what climate change, or response to climate

change, creates is an opportunity for us to rethink the entire economic system. Think about the scale of change that is required. We need to shift the power sector, from that is premised upon fossil fuels to one that is fully renewable. We need to shift the transport sector, from one that is based on liquid fuels, to probably one that is generated through electricity. We need to shift agriculture. We need to change forests from being a carbon source to a carbon sink. These actually create tremendous opportunities, if done right, to rethink the entire governance structure in ways that can actually address poverty as well as deal with climate change.

David Bottomley:

Thank you. I think we've got time for a couple more questions. The woman there has been waiting there for quite some time. Would you like to go ahead?

5<sup>th</sup> Questioner:

Karen Christianson, from Publish What You Fund, which is the global campaign for the transparency of aid. A comment and then a question. Firstly, for somebody that is relatively new to this agenda, this has been fascinating and thank you. What strikes me as poignantly around the climate finance challenges, how familiar the concerns, challenges, fears that are being expressed here around both.....for somebody coming from an aid background....both in terms of the volume of expenditure, as well as the issues around the quality and nature, the impact of those expenditures. So I guess the comment is a plea to learn from development assistance's failures, as well as our attempts, struggles, partial successes in trying to address some of these challenges. Because it strikes me that we're talking a different language, but there's great similarity in the expiration of the problems being talked about. Specifically, then, an issue that keeps reoccurring, and I think this is both in relation to volumes and quality of climate finances, this pressing need to get a common format for information capture on financing, between aid and climate finance, or development assistance and climate finance, because otherwise we're not going to be able to tell if it's additional. But also because otherwise we wouldn't be able to coordinate funds, that sometimes trying to achieve *practically* an operation that is something similar, i.e. growth, but a pattern and a distribution of growth that has an impact on poverty as you were just saying....all that they are actually quite divergent and tradeoffs need to be made, but if we don't have a common format for information reporting, what we know from donors is that they will double count those volumes, that they will report them to different mechanisms twice, that, we as a sector are not, well...as various sectors are never going to be able to have those really important discussions about: Is this the right way to be using the money? Should it be going somewhere else? And we're struggling with that in aid, so this is a plea to how do we, what do we do to sort this challenge out *now*, before it is too late?

David Bottomley:

Thank you. Gentleman there....

Man: [Speaks in French: English interpretation]

My name is Robert Monsutete ,Vice-Director of the Laboratory of Professional Ethics. One of the speakers mentioned that we need to reach an agreement, we need to exploit rationally the forest resources, especially tropical forests. Unfortunately, as he said, it is in those countries that we find the highest rate of corruption...those countries, those specific countries with tropical forests....So these countries need to receive some type of compensation because if they have to undergo re-structuration, this costs money. So, what do we need to implement? What do you consider useful to solve the problem? We need to compensate the local population for accepting to change things. So what mechanism could we implement in those countries? Can you tell us a few? Thanks.

David Bottomley:

Thank you. I think we are, broadly speaking, out of time, so I've got to move this on to get some conclusions out of you all. The session is "Climate Governance: Ensuring a Collective Commitment". So if I could just go along the panel and ask each of you for the one or two points that you would like to put forward as recommendations or suggestions to ensure that there *is* a collective commitment in climate governance terms. Manish, if I could start with you.

Manish Bapna:

I would leave with just reiterating one major message that I think should emerge from this conference, and that is the importance of building robust climate institutions in developing countries. I think putting in place legitimate institutions that have sufficient transparency, that are sufficiently inclusive, that are accountable to its people, will be an absolutely crucial precondition to making sure that this money is spent well, that we avoid the problems that one of the speakers mentioned, that has actually challenged us in the development world. And that there is unique ability here to bring what this group, the anti-corruption community, can bring to the table, along with those of us in the environmental community, to help in creating the right types of institutions to manage this precious money effectively. Thank you.

David Bottomley:

Manish, thank you. We'll jst go along the line...Daphne.

Daphne Whysham:

Well, if I can't get the elimination of carbon offsets, which is my number one priority, I would encourage strong whistleblower protections at all levels where climate finance is being handled and full transparency of revenue at all levels as well.

David Bottomley:

Andrew.

Andrew Wardell:

Yes, my final comment would be that I think we have a wonderful opportunity to actually ensure that we *could* see transformations in the way tropical forests are managed and governed in the broad

interests of a broad array of stakeholders, including forest-dependent communities and indigenous peoples. But to do that, to echo Manish's remarks, I think we need rigorous institutions and safeguards in place to ensure the processes that will govern how funds are transferred are consultative, transparent; and to ensure that the money is going to be used more effectively. Then I think the historical record is the last question raised in relation to official development assistance. We can see a paradigm shift.

David Bottomley:

Thank you. Iru, your closing comments.

Iruthisham Adam:

Thank you. I think as it has been underlined, there is a need for national and multilateral institutions to legalize who are accountable. And I think this is one foregone conclusion out here today, very effective, accountable transparent institutions, multilaterally, under the UNFCCC COP would be ideal, but I think institutions like Transparency, who can make governments and other stakeholders accountable. How the money is spent? Where the money goes? And then make it public to the people, because it touches on the people. This is what we are spending the money for. And I would also like to emphasize the important role of civil society, that people from the grassroots should lead these discussions. Climate change means people, so it's the face of people, and we should take that forward. I think there is a need for people to address the urgency of funds to be managed, funds to be distributed, make it accountable, and transparent. We need...my third point is on monitoring, reporting, and verification. It is crucial, we need transparency in MRV, which would be the instrument... crucial, and which will define confidence, trust and accountability in this multilateral climate change negotiations.

David Bottomley:

Iru, thank you very much. Patrick, your closing comments, please.

Patrick Alley:

Thank you....Just two really. One of my pet subjects of the day, forests. I think that the current system is broken. We should stop tinkering with it. We should create a new one. And I think that goes in some way to answering the last questioner, in the sense of where the money should go, and how the people should be compensated: local people in the forests have not benefitted very well from the industrial system. On a greater level, I think that our political leaders should exercise a global responsibility on climate change, beyond the vested interests of their own countries. And when I say their own countries, we're really talking about the business aspects of their own countries, not the people, because if they put their countries above the global responsibility, they're betraying the people not only of their own country, but in other countries. And I think *that* betrayal is one of the basic precepts of poor governance.

David Bottomley:

Patrick, thank you very much. I'd like to thank all the panelists for their valuable contributions to the conference and thank you to everyone who asked a question. And that concludes the third plenary session of the conference. Thank you very much.

Voranai Vanijaka

Thank you again to all the panelists. Actually Thailand right now is suffering from its worst flooding in over 60 years. Over 100 people have died and no doubt climate change is a factor in this disaster.

**Disclaimer:**

These documents are verbatim taken from live audio recordings during the 14th IACC. We have tried to be as accurate as possible, and apologise should there be any errors in the transcription.