Climate Change Finance Accountability
Building Bridges to Sustainable and Equitable World

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Government Budgets & Climate Change

New funds mobilized globally for climate change response could be upwards of hundreds of billions of dollars per year.

Funds flowing into countries will come from international and domestic public and private sources.
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Whatever the finance source, national and subnational governments will manage most of their climate change response through their domestic budget systems.
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To ensure that climate change financial resources are used efficiently and effectively, there must be:

1. Strong public finance accountability systems
2. Strong climate change finance “accountability ecosystems”
Three Pillars of Budget Accountability

Pillar 1: Transparency

Public access to comprehensive, timely, and useful information on all climate-related revenues and expenditures is essential.
The Open Budget Index (OBI) 2017

- The average OBI score of the 115 countries surveyed in 2017 is 42 out of 100, suggesting that the global state of transparency is limited.
Three Pillars of Budget Accountability

Pillar 2: Participation
Governments need to provide formal and informal spaces for the public to influence and monitor budget processes
Examples of participation mechanisms

• **Philippines**: Budget Partnership Agreements have the potential to strengthen the ability of individual agencies to negotiate their climate change budget demands with the central budget agency through partnerships with CSOs.

• **South Korea**: Waste Reporting Center has saved the government an average of US$1 billion a year over the last 16 years.

• **Canada**: For the fiscal year 2017 budget, pre-Budget Consultations resulted in more than a million interactions between citizens and their government.
Three Pillars of Budget Accountability

Pillar 3: Strong formal oversight

Legislatures and supreme audit institutions must have the authority, independence, and capacity to fulfill their formal mandates to ensure that public funds are collected and spent as intended.
The “Accountability Ecosystem”
Budgets as bridges

Decisions about how public resources are raised and spent are at the heart of democratic practice and the ability of societies to tackle inequality...

Budgets are therefore the first place to look for ways to strengthen the interaction between governments and citizens
Recommendations

Systematic reform of the public finance system requires stakeholders to work together to ensure that information is available; that efficient, equitable, and responsive decisions are made; and that those decisions are effectively implemented.
What country executives should do

• Provide comprehensive – detailed program and project level – data in useable and accessible formats
• Provide meaningful spaces for public participation with an emphasis on engaging women, particularly those who are poor, and other marginalized groups
• Support local governments in formulating budget submissions that are gender and climate change responsive
• Invest in capacity building for local governments and MDAs to do effective consultations with their communities, including women and marginalized groups
What oversight institutions should do

• Legislatures, supreme audit institutions, and other oversight agencies must be strengthened to ensure decisions made in the budget process are implemented.

• Oversight institutions should also expand the number and improve the inclusiveness of existing participatory mechanisms to encourage more meaningful public participation in the budget process.
What civil society should do

• Engage in budget processes at all levels
• Connect with other CSOs that have budget analysis and advocacy capacity to learn and strengthen your voice
• Do awareness raising with women and other marginalized groups on the impacts of climate change on their lives
• Join with journalists to publicize the connection between climate change, women’s lives and what is happening in the budget relative to both
• Seek allies in government and in oversight institutions
What international organizations should do

• Build the capacity of civil society, particularly those working with women, to engage in budget processes
• Broker relationships between accountability actors – CSOs, journalists, parliamentarians, auditors, and government officials – that lead to better gender- and climate-responsive budget decisions and implementation and accountability
• Produce research on good practice and develop tools and models that CSOs, media, and state actors can use to strengthen accountability for the use of climate change funds
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