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2nd Symposium on SUPRANATIONAL RESPONSES TO CORRUPTION

Integrity in Climate Finance & Action KNOWLEDGE REPORT

SANCTIONS BOARD | WORLD BANK GROUP World Bank • IFC • MIGA

LSE Grantham Research Institute on Climate Change and the Environment

Norges Bank Investment Management

Columbia Law School | COLUMBIA CLIMATE SCHOOL
SABIN CENTER FOR CLIMATE CHANGE LAW

Organizers

World Bank, Office of Suspension and Debarment; Sanctions Board Secretariat

Green Climate Fund, Independent Integrity Unit

Transparency International, Climate Governance Integrity Programme

Partner Organizations

Grantham Research Institute on Climate Change and the Environment, London School of Economics and Political Science

Norges Bank Investment Management

Sabin Center for Climate Change Law, Columbia University

U.S. Agency for International Development

Keynote Perspectives* by Rachel Kyte, Professor of Practice in Climate Policy, Blavatnik School of Government, University of Oxford

"Climate is everything and everything is climate." – Justin Worland, Time Magazine.

If climate is everything, then climate is everybody's. If climate is everybody's, it is nobody's. This maxim renders questions of accountability on climate action more complicated.

Despite the overwhelming evidence and repeated warnings from the scientific community, our current global political, economic, and financial systems are not equipped to effectively respond to the impacts of the climate crisis. The failure to implement policies that align with science points to another systemic problem – the climate crisis is taking place in a highly unequal world. The disparity in global emissions is staggering, as shown in the Carbon Majors Database, 80% of global emissions from 2016 through 2022 can be traced to just 57 corporate and state producing entities and the richest 1% of the population contribute as much to carbon emissions as the bottom two-thirds. This inequality fuels social and political tension and creates fertile ground for corruption, pointing to the increasing need for integrity guardrails in climate finance and action.

These guardrails are needed as we are in the midst of a renewable energy revolution. Renewable energy has transformative potential. It is revolutionary in its ability to democratize energy access through decentralization, digitalization, and redistribution. Whereas the global push toward renewable energy is facing strong resistance from entrenched interests in the fossil fuel industry, it continues to create new avenues for innovation and democratic engagement. This transformation presents challenges, but also significant opportunities for reshaping our relationship to energy and governance.

To effectively scale up finance and deliver a clean energy transition, strong integrity mechanisms need to be in place. These mechanisms can combat the increasing mistrust generated by practices of 'greenwashing' and 'greenhushing' in the climate finance ecosystem. Mistrust has also been exacerbated by geopolitical events, for example, as multiple developed countries shifted energy strategies following Russia's invasion of Ukraine. This shift has prompted many developing countries to look elsewhere for energy partnerships. In forums like the Africa Climate Summit, emerging markets have called for systemic changes to the international financial architecture and are increasingly seeking alternative sources of capital, particularly from the Middle East and China. This shift could reshape global climate finance, with new actors leading the conversation and potentially reducing the role of longstanding international financial institutions like the World Bank. To respond, supranational institutions – such as multilateral development banks – need to be better, bolder, and bigger.

Integrity guardrails also take on importance, given the largely voluntary and fragmented nature of climate action and finance to date. This is particularly the case in the voluntary carbon market, which has met considerable criticism in recent years. The voluntary carbon market is set up to be a purposeful market, seeking to accelerate the transition by speeding up the removal and reduction of emissions from the atmosphere. However, engagement with this market is completely voluntary, as are its regulatory bodies and standard setters. The nature of the market poses questions about which supranational institutions are best equipped to hold non-state actors to account for their voluntary actions.

Moreover, climate finance is increasingly fragmented, as emerging new actors, predominantly from the private sector, create their own climate finance sources, each operating under separate standards and regulations. The largely voluntary nature of climate finance, the fragmentation of climate finance providers, the non-consolidated nature of regulations, and the lack of political will to enact effective regulations leave the door open for increased corruption and integrity risks.

There is an urgent need to rethink the climate finance ecosystem. The knowledge generated in and from this Symposium can respond to this need. It can amplify the need to put in place the right guardrails in this period of vast climate investment activities and facilitate discussions to ensure that the institutions tasked with overseeing this transformation remain trustworthy.

**Adapted excerpt from the keynote speech delivered during the symposium on May 9, 2024.*

Remarks by Jamieson Smith, World Bank's Chief Suspension and Debarment Officer

The topic of this symposium could not be more critical. As the world grapples with the threat of climate change, multilateral institutions must ensure that the unprecedented amount of funds being mobilized toward climate action are used effectively and efficiently. Corruption, if left unchecked, has the potential to derail our collective efforts, diverting resources from those who need them most and eroding public trust in the institutions tasked with funding climate-related projects.

At the World Bank, we have long recognized the corrosive impact of corruption on development efforts. In 1995, under the leadership of then-President James Wolfensohn, the Bank took a pioneering and clear stand against corruption, acknowledging its role as a serious obstacle to socio-economic progress. This stance catalyzed the development of a systematic framework for addressing corruption in our operations, which has since evolved into a robust anti-corruption sanctions system. Our sanctions system is designed to protect the integrity of the Bank's funds by ensuring that allegations of fraud and corruption in the projects we finance are thoroughly investigated, fairly reviewed, and effectively resolved. When sufficient evidence of misconduct is found, the Bank takes decisive action to sanction the offending parties, typically by debarring them from participating in future Bank-funded projects. Crucially, the system also promotes the rehabilitation of sanctioned companies by encouraging them to adopt integrity compliance measures where appropriate.

Our sanctions system is also notable for its supranational reach. The Bank can investigate and sanction entities anywhere in our 189 member countries, irrespective of their nationality or the jurisdiction where the misconduct occurred. Agreements with other Multilateral Development Banks (MDBs) have further extended the reach of our sanctions system: in 2010, we joined forces with four other leading MDBs to establish a cross-debarment agreement, under which entities debarred by one MDB for longer than one year are automatically "cross-debarred" by the others. This collaboration has significantly amplified the reach and impact of our sanctions, in which can reduce integrity risks across projects funded by MDBs worldwide.

With our "Supranational Responses to Corruption" symposia series we invite experts, practitioners, and leaders in various fields to join us in the call to adapt and strengthen supranational anticorruption efforts. The challenges we face are enormous, but so too are the opportunities for innovation, collaboration, and progress. By sharing our knowledge, experiences, and ideas, we can develop new tools and partnerships to ensure integrity in international development and across topics.

Introduction by Dr. Alexandra Manea, Chairperson, Symposium Organizing Committee

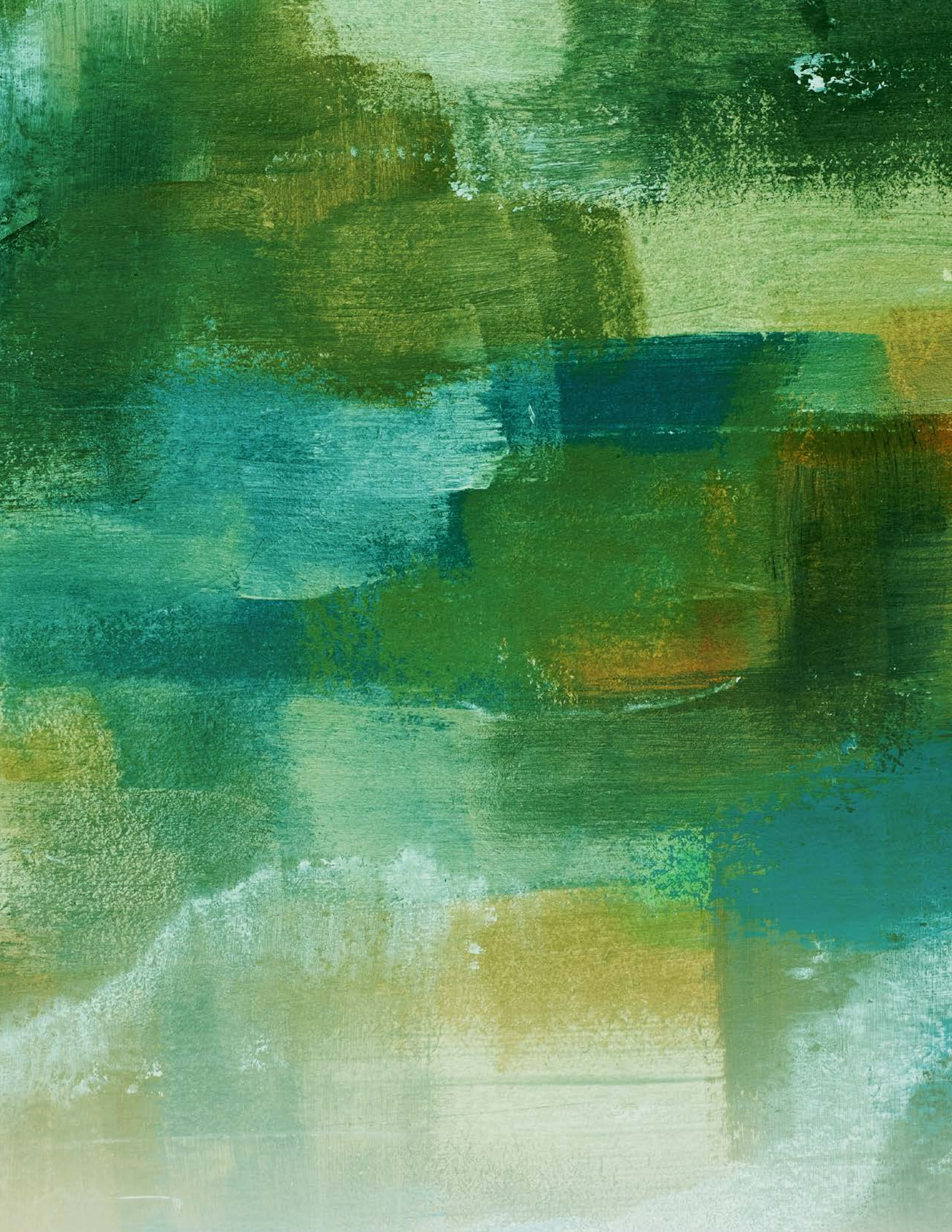
With the climate crisis at the top of global priorities, it is essential for the integrity community to reflect on its role in supporting the achievement of the global climate goals. For meaningful results, however, it is necessary to bridge the integrity sector expertise with that of experts from the climate domain. The Symposium marked a starting point for a continuous dialogue and knowledge exchange among practitioners and scholars with experience in climate action and in tackling integrity issues. The discussions underscored the critical role of supranational actors in addressing integrity risks in climate finance with a much-needed sense of urgency through collaborative efforts and robust integrity measures. This Knowledge Report is meant to provide a foundation to support the alignment of climate and integrity efforts at the supranational level.

With vast amounts of climate funding at stake, even a small percentage lost to corruption or fraud could have significant and irreversible consequences for successfully countering the adverse effects of climate change. This challenge puts in sharp focus the essential role of integrity safeguards in climate financing. Moreover, integrity risks in one country, institution, or project can have global repercussions. The transboundary nature of climate change, climate finance, and corruption networks reinforces the need for supranational responses and transnational coordination.

Building on a research journey we started in 2021 with a first Symposium that explored supranational mechanisms against corruption in general, this 2nd Symposium explored the potential of supranational integrity mechanisms to become an important tool for swiftly and efficiently managing integrity risks associated with climate finance.

This is particularly timely as the world has just set in December 2024 a new collective quantified goal on climate finance – by tripling the previous goal – under the Paris Agreement and the transition from negotiating the rules to implementation of climate action has started. Also, in the face of competing global priorities, strengthening the credibility of mobilizing climate funding – by incorporating integrity safeguards in climate spending – is more important than ever. If the world is to fulfil the commitments laid out in the climate change international agreements and consequent national strategies and instruments, it is crucial that integrity risks are considered and addressed.

We thank the co-organizers and partners for sharing this vision and we are eager to continue engaging – along with new partners – in pursuit of doing more, and doing better, to support the global climate goals through robust integrity measures, and further explore the potential of supranational remedies to effectively address integrity challenges in development.



Executive Summary

The 2nd Symposium on Supranational Responses to Corruption: Integrity in Climate Finance and Action, held on May 9-10, 2024, highlighted the intersection of two global challenges – **climate change and corruption**. Hosted by the World Bank, the Green Climate Fund, and Transparency International at the London School of Economics and Political Sciences with support from several academic and policy institutions, the Symposium underscored the **urgent need for robust integrity mechanisms to safeguard climate finance from corruption and other integrity failures.**

Climate finance, essential for executing mitigation and adaptation strategies and projects regarding climate change, **is projected to reach trillions of U.S. dollars by 2030**. However, the need to rapidly deploy these funds clashes with the call for transparency, accountability, and anti-corruption safeguards, aimed at reducing risks of misuse, greenwashing, and inefficiency. Corruption in this context undermines global climate objectives and disproportionately affects communities vulnerable to climate change.

While corruption and poor integrity practices are not unique to the climate space, the global scale, high value, and urgent nature of projects addressing the climate change crisis render these types of risks particularly acute and dangerous. Addressing these risks requires **robust and coordinated responses from supranational actors**, who have direct authority to implement effective anti-corruption measures even – or especially – when national authorities may be unable to do so.

This Knowledge Report ("**Report**") summarizes the 16 papers presented during the Symposium and the insights shared by the participants at the event. It underscores the **critical role of supranational actors** – specifically intergovernmental organizations, international aid agencies, corporations, and private donors – in mitigating integrity risks and ensuring accountability in climate finance. It examines both integrity risks and corruption risks in climate finance. While these are interrelated and sometimes used interchangeably, integrity risks are broader and extend to issues of lack of transparency and accountability in finance delivery.

> While corruption and poor integrity practices are not unique to the climate space, the global scale, high value, and urgent nature of projects addressing the climate change crisis render these types of risks particularly acute and dangerous.

Key Integrity Challenges in Climate Finance

The Symposium discussed the increasing complexity and fragmentation of climate finance, which amplifies risks of corruption and governance failures. Contributions from diverse public, private, and voluntary sectors create overlapping accountability gaps and vulnerabilities. Key challenges identified include **corruption in high-risk sectors** such as forestry, energy, construction, and mining, which are frequently plagued by fraud, bribery, and collusion, exacerbated by weak regulatory oversight. The **Voluntary Carbon Market** ("**VCM**") was also an object of concern for greenwashing, inflated emissions reductions, and financial misappropriation. Another risk involves **project-level failures**, with insufficient oversight during planning and implementation stages resulting in financial losses and missed climate targets.

Connected to these challenges, increasing litigation against misleading environmental and climate claims demonstrates the legal and reputational vulnerabilities faced by entities involved in climate finance. The Symposium identified systemic vulnerabilities contributing to these risks, which were categorized into three areas:

- **Integrity-Related Issues:** Weak ethical foundations, flawed contracting processes, and inadequate monitoring and financial management.
- **Accountability Gaps:** Insufficient stakeholder engagement, inadequate whistleblower protections, and ineffective judicial mechanisms.
- **Transparency Deficits:** Lack of disclosure regarding conflicts of interest, lobbying activities, and financial flows.

These weaknesses, present at institutional, national, and international levels, require a coordinated and integrated approach to restore trust in climate finance mechanisms.

Supranational Responses

The Report highlights the **critical role of supranational actors in addressing these challenges through collaborative efforts and robust anti-corruption measures**. These actors can establish universal integrity standards, foster cross-border collaboration, and provide technical assistance and capacity building. However, existing mechanisms often operate in silos and lack climate-specific considerations, hindering collective efforts to address corruption effectively. Supranational responses that were discussed in the context of the Symposium include:

1. **Strengthening International Coordination**

   Supranational frameworks, such as the United Nations Framework Convention on Climate Change, United Nations Convention Against Corruption, and United Nations Convention against Transnational Organized Crime, should align efforts to address the intersection of climate change, corruption, and organized crime. Also, incorporating integrity considerations into United Nations Intergovernmental Panel on Climate Change assessments can focus attention on high-risk sectors like renewable energy, deforestation, and waste management. Furthermore, it is important to bring together regional and global intergovernmental organizations, including international financial institutions and the European Union, to agree on a progressive and coordinated incorporation of integrity safeguards into climate policies and financial assistance to countries.

2. **Enhancing the Role of the UNFCCC COP**

   The UNFCCC Conference of the Parties should include integrity risks as a core agenda item and request the integration of anti-corruption measures into Nationally Determined Contributions and Biennial Transparency Reports.

3. **Integrating Oversight Mechanisms in Multilateral Development Banks**

   Multilateral Development Banks should strengthen collaboration between integrity management and accountability units, develop integrity due diligence frameworks for climate finance projects, and leverage external tools to enhance assessments.

4. **Improving Transparency in Beneficial Ownership**

   Supranational actors should promote the global adoption of beneficial ownership registries that can prevent illicit financial flows and enhance investor confidence and should require the disclosure of beneficial owners in all its transactions.

5. **Engaging the Private Sector**

   Private actors should adopt strong governance standards, whistleblowing mechanisms, and integrity-driven board oversight, as well as consider implementing or following the integrity exclusion mechanisms of other organizations.

6. **Involving Private Donors**

   Private donors should incorporate integrity safeguards into their grant making and contracting processes, including by performing integrity due diligence regarding their prospective grantees and by requesting the grantees to propose integrity safeguards in their funding requests.

7. **Safeguarding the Voluntary Carbon Market**

   Verification and certification in VCMs are vulnerable to integrity risks. Standardized project rating frameworks, national carbon registries, and improved VCM oversight mechanisms are vital to ensure accountability and reduce greenwashing.

8. **Recovering the Loss and Repairing the Damage**

   Mechanisms should be implemented for recovering climate funds lost due to corruption and related integrity failures and incorporating damage reparation principles into recovery processes and fund allocation.

Looking Ahead

The Symposium underscored that addressing integrity risks in climate finance is not just a financial and moral imperative but also an existential one. Without transparency, accountability, and recovery, the effectiveness of climate finance is undermined, jeopardizing the global transition to a low-carbon economy.

While funders have been primarily focused on mobilizing the quantity of climate finance, equal attention must be given to the quality of its execution. Ensuring that funds are employed as intended – without diversion or misuse – is vital not only for the achievement of climate objectives but also for the credibility of ongoing efforts to further increase climate funding. Governance failures and diversion of funds risk undermining future funding commitments and derailing progress at a time when urgency is paramount.

The Symposium marked a starting point for a key dialogue on how to align climate and anti-corruption frameworks to support the achievement of the global climate goals. The responses that supranational actors might be able to offer and that are outlined in this Report provide a roadmap for a high-integrity climate financing system, capable of meeting the urgency of the climate crisis while maintaining high standards of accountability. Further research and continued dialogue between stakeholders remain much needed to enhance collaborations and strategies for a creative, efficient, and coordinated evolution of integrity and anti-corruption policies in the climate domain.

Table of Contents

Purpose of this Symposium and this Report

The 2nd Symposium on Supranational Responses to Corruption on "Integrity in Climate Finance and Action" was held at the London School of Economics and Political Science on May 9-10, 2024. The Symposium built on the outcomes of the First Symposium on Supranational Responses to Corruption held in April 2022, which emphasized the need to advance supranational remedies against corruption more broadly. The focus of the 2nd Symposium was on advancing supranational responses to integrity risks specific to the climate domain.

The Symposium brought together practitioners and scholars across different fields, with diverse expertise both in climate action and in tackling integrity and corruption issues. The co-organizers invited contributions spanning a wide range of practice areas and sectors and ultimately selected 16 papers, which formed the basis for the Symposium's discussions. Most of the papers are publicly available on the event's website.

The Symposium emphasized two key points. First, climate change is a global and urgent problem. Second, the vast scale of finance involved in addressing this challenge demands greater attention to corruption risks. These considerations require swift collective action and effective cross-border responses.

This Report focuses primarily on integrity risks in climate finance, with an emphasis on the role of intergovernmental organizations, international aid agencies, corporations, and private donors (hereafter referred to as "**supranational actors**") in mitigating such risks. In the context of international climate finance, supranational responses are essential for tackling integrity risks that cannot be adequately addressed by national systems alone, especially when those systems may lack the capacity, resources, or political will to enforce anti-corruption measures.

This Report does not attempt to cover all actors involved in countering corruption. Effectively addressing integrity challenges relies primarily on national authorities and requires the active engagement of a broader range of stakeholders, including individual state governments, regulators, and civil society organizations ("**CSOs**"). While CSOs are not "supranational" actors and are therefore not directly represented in this Report, their contributions to the Symposium discussions were fundamental.

Part I explains why integrity in climate change action takes on great importance and merits dedicated attention. It then sets out key definitions used in this Report and highlights different types and drivers of integrity risks in climate finance. This Part concludes by outlining impacts of the failure to prevent integrity risks in climate finance.

Part II focuses on supranational responses to address integrity risks in climate finance. It examines existing responses, discusses how to improve them, and explores new opportunities for supranational actors to engage.

PART I

Understanding the Challenge

Why focus on climate finance?

While corruption and poor integrity practices are not unique to the climate space, the global, complex, and urgent nature of climate change amplifies these risks, making them particularly acute and dangerous. This justifies a dedicated focus on climate finance as a distinct field of study and action.

> As the world must mobilize trillions of U.S. dollars in the coming years, a percentage as low as even just 1% lost to corruption amounts to hundreds of millions potentially siphoned away from vulnerable communities in need of urgent assistance.

Addressing climate change necessitates systemic transformations across the energy, industry, transport, and building sectors, as well as food and financial systems (UNEP, 2022, as cited in Chan et al., 2023). These transformations require substantial investments. The Third Report of the Independent High-Level Expert Group on Climate Finance, presented at COP29 in December 2024, estimates that achieving climate targets will require an average annual investment of US$6.5 trillion by 2030 across advanced economies, China, and other emerging markets and developing countries. With the establishment of mechanisms like Just Energy Transition Partnerships and the Loss and Damage Finance Facility, climate finance is expected to grow significantly in the coming years (Nest, 2024). This expansion is accompanied by the proliferation of new actors and institutions across international networks. As the world must mobilize trillions of U.S. dollars in the coming years, a percentage as low as even just 1% lost to corruption amounts to hundreds of millions potentially siphoned away from vulnerable communities in need of urgent assistance.

The urgency of the need to deploy climate finance at scale and speed raises integrity risks. The "speed imperative" of rapid fund disbursement and project implementation often conflicts with the need for robust governance and accountability. Accelerated spending may lead to shortcuts in due diligence, vetting, and participatory mechanisms. Transparency and accountability frameworks remain fragmented and are often voluntary, creating opportunities for corruption and enabling other misconduct such as organized crime and environmental exploitation – ultimately harming the climate, as well as vulnerable communities.

This dynamic creates a self-reinforcing challenge: failures in addressing integrity risks undermine climate action, while the climate crisis exacerbates governance vulnerabilities. To scale the financing required for a low-emission, climate-resilient future, it is essential to address the tension between the urgency of climate solutions and the imperative to uphold good governance (Zinnbauer, 2024).

Bridging the expertise of integrity practitioners with that of climate finance stakeholders is critical. The evolving nature of climate finance modalities, coupled with insufficient accountability mechanisms, poses significant risks. Supranational actors must prioritize frameworks that balance the need for rapid climate action with the safeguarding of transparency, accountability, and integrity to ensure effective and equitable outcomes.

> Bridging the expertise of integrity practitioners with that of climate finance stakeholders is critical. The evolving nature of climate finance modalities, coupled with insufficient accountability mechanisms, poses significant risks.

Definitions

This Report adopts the following definitions:

Climate action	**Implementation of actions aimed at reducing emissions, enhancing sinks of greenhouse gases,** and **reducing the vulnerability of – and maintaining and increasing** the **resilience of – human and ecological systems to negative climate change impacts (adapted from** UNFCCC Standing Committee on Finance, **as cited in Ahmed et al., 2024)**
Climate finance	Local, national, or transnational financing — drawn from public, private and alternative sources of financing — that seeks to support climate action (adapted from UNFCCC, n.d.)
Corruption	Abuse of entrusted power for private gain (Transparency International, n.d.)
Integrity	Adherence to principles that uphold accountability and transparency and corruption prevention (adapted from Wilkins, 2024).
Supranational actors	Entities able to act against corruption and related integrity failures in situations where a state may lack capacity or willingness to actively do so (e.g., multilateral development banks; certain inter-governmental organizations; international aid agencies; corporations; and private donors) (World Bank, n.d.)
Supranational responses	Mechanisms, initiatives, or remedies implemented by supranational actors to address integrity risks and corruption (ibid.)

Whilst "integrity risks" and "corruption risks" in climate finance are interrelated and sometimes used interchangeably, integrity risks are broader in scope. They extend to issues of lack of transparency and accountability for the execution and delivery of finance. For example, the financial secrecy of private funders that "obscures the origin and destination of climate finance" (Nest and Mullard, 2024) is an integrity risk, but it does not necessarily constitute corrupt or illegal conduct. Integrity risks encompass a range of behaviors, including corrupt activities such as bribery, money laundering, tax fraud, and other breaches of criminal, regulatory, or civil law, but also refer to conduct that is unethical or lacking in transparency or accountability. It includes the risk of corruption converging with other crimes, such as organized or environmental crime, to the extent that it undermines progress on climate action.

Types of integrity risks

To effectively address integrity challenges in climate finance, it is essential to identify both existing and potential corruption risks. Key high-risk sectors receiving climate finance include energy, forestry, construction, ocean management, waste management, renewable energy, and mining. Many of these sectors are plagued by endemic corruption and organized crime (Gilfillan, 2024).

Deforestation, a critical driver of climate change, exemplifies how corruption can exacerbate environmental harm. In the timber and paper industries, a lack of traceability leads to mismanagement of forest reserves and exploitation of protected areas (Koens, 2024). For instance, in Brazil's Amazon Rainforest, powerful interests in the agriculture and timber industries have colluded with government officials responsible for forestry regulations to facilitate illegal logging (ibid.).

Transparency International's Climate and Corruption Case Atlas highlights a range of corruption risks prevalent in climate finance. As of March 2024, the most frequently observed risks include fraud, undue influence, undeclared conflicts of interest, collusion, and bribery (Transparency International, 2024). Additional risks, such as retaliation against whistleblowers, illegal gratuities, money laundering, environmental crimes, embezzlement, ignored corruption complaints, and nepotism, are also common.

While some behaviors fall short of legal thresholds for fraud or corruption, they nonetheless represent poor integrity practices (Chan et al., 2023). Addressing these risks requires looking beyond strictly illegal activities to encompass behaviors that undermine trust and transparency. **Table 1** provides a summary of approaches used in submitted papers to identify and categorize these risks.

By recognizing the breadth and complexity of integrity risks, climate finance stakeholders can adopt more comprehensive strategies to safeguard funds, promote accountability, and enhance the effectiveness of climate action.

Table 1. Summary of different approaches cited in submitted papers to identify integrity risks in climate finance.

Authors	Approaches to identifying integrity risks
Transparency International (2024)	Identifying where corruption has occurred and sorting by most to least common risks.
Chan et al. (2023)	Categorizing integrity risks based on the underlying behavior that threatens climate solutions (namely, misuse and diversion of financial flows; climate-washing; or abuse of process).
Bacarese et al. (2024); Koens (2024); in the case of voluntary carbon markets only, see Cherepanova (2024) and Cooksey (2024)	Identifying integrity risks based on the sector or type of climate project.
Nest and Mullard (2024)	Identifying integrity risks through the specific source of climate finance (private, public, or blended finance).
Bounfour (2024)	Identifying integrity risks according to phase of project implementation.
Ahmed et al. (2024); Mpahlo (2024)	Identifying risks based on their impact on vulnerable communities.

Given the focus of this Report on finance flows specific to climate action, this section draws attention to two key examples of where integrity risks may derail such efforts: (1) the voluntary carbon market; and (2) renewable energy or adaptation projects.[1]

NOTES

1. Several papers touched upon examples of integrity risks in climate action more broadly. Detailed discussion of these other risks has been excluded from the Report, to focus on risks pertinent to finance flows. For example, undue influence by private sector actors on public officials or conflicts of interest, may lead to the creation of policies or laws that benefit select groups rather than the public interest (Chan et al., 2023). Undue influence early in the policy development process can undermine the success of climate action in later implementation and enforcement stages. Nam rutrum tincidunt tristique.

1. Integrity risks in investing in the voluntary carbon market

Integrity risks in the voluntary carbon market ("**VCM**") emerged as a key theme of the Symposium. The first voluntary carbon offset project in 1989 took the form of support for reforestation and forest protection measures by an energy company in Guatemala. Carbon offsetting is now seen by some as a key vehicle for climate mitigation efforts, attracting significant climate funding (see **Box 1** and **Box 2**).

Box 1. The VCM and carbon offsetting in a nutshell

The VCM is a decentralized market where private actors voluntarily buy and sell carbon credits that represent removals or reductions of greenhouse gases in the atmosphere. Carbon offsetting allows emitting entities, companies, or individuals to 'offset' their carbon footprint by paying for the prevention or sequestration of the same amount of carbon dioxide (CO2) or other greenhouse gases elsewhere. As such, one metric ton of CO2 equivalent is typically worth one carbon credit. To receive certification, offset projects require the fulfilment of four environmental integrity features, namely (i) additionality (proof that the project would not have been implemented without an offsetting purpose), (ii) baseline scenarios (an estimate of emissions in the absence of the offset project), (iii) leakage (the degree to which emissions reduced by the offset project are counteracted by emissions caused directly or indirectly by the project), and (iv) durability (the degree of permanence of stored carbon).[2]

Between 2021 and 2023, Forest Ecosystems Marketplace has registered over 1,530 carbon offsetting projects in the VCM in 98 countries (Forest Ecosystems Market Place, 2022). These projects range from clean cookstoves to renewable energy to deforestation prevention. However, VCMs face integrity risks on both the demand and supply sides, largely due to the lack of common standards (Cherepanova, 2024). This undermines their effectiveness in reducing greenhouse gas emissions.

On the demand side, the VCM may suffer from misleading claims on the use of carbon credits from buyers, which can take the form of greenwashing (ibid). Emission reductions in voluntary offsetting projects can be inflated, creating accounting risks. For example, an investigative project for the Latin-American Centre for Journalistic Investigations found that an airline company was buying carbon credits from a project in the Colombian Amazon that allegedly had been counted twice (Bermúdez-Lievano, 2023, cited in Koens, 2024). The company now faces a class-action lawsuit challenging its carbon credit-based carbon-neutrality claim (Pierre-Louis, 2023, cited in Cherepanova, 2024).

On the supply side, offset projects may suffer from overestimation of carbon credits (i.e., emission reductions intended to be generated by an offset project). Determining whether an offset project is additional constitutes a challenge.

NOTES

2. For a more detailed discussion of these criteria see Haya, B. et al. (2023). Comprehensive Review of Carbon Quantification by Improved Forest Management Offset Protocols. Frontiers in Forests and Global Change. 6.

For example, a US-based environmental NGO and offset project developer has been criticized for using its already existing (thus non-additional) conservation projects to generate offsets (Elgin, 2020). There can also be a lack of accountability and transparency in the use of monetary benefits from the commercialization of carbon credits (e.g., failure to distribute benefits to host communities from carbon credits sale).[3]

Box 2. Why the VCM is important

"We need every tool available working at full speed to limit warming to 1.5°C. National climate plans fall far short of the action needed to limit global warming and meet the goals of the UN Paris Agreement. Governments and philanthropy cannot finance the transition at the speed and scale required. A high-integrity VCM is an important complementary tool to mobilize crucial, additional funds and channel them efficiently towards the most impactful, cost-effective climate mitigation activities globally at speed and scale. But the voluntary carbon market will only deliver on its promise if it is rooted in high integrity." – The Integrity Council for the Voluntary Carbon Market

The general lack of regulation and increased overall flow of finance to the VCM may also create opportunities for potential money laundering, as information on the amount of carbon credits sold and their destination is not necessarily transparent. Therefore, carbon credit sales could be used to conceal the origin or destination of illicit funds (Bacarese et al., 2024).

The interconnectedness of demand and supply risks amplifies these challenges. Cooksey (2024) details how Kariba, a US $100 million forest-protection project in Zimbabwe and the second-largest carbon offset project in the world, was put "on hold" when the project developer terminated its contract with the local implementor of the project (Elgin, 2023, cited in Cooksey, 2024). The climate benefits were exaggerated fivefold, and allegedly, the proceeds had allegedly been captured by two partners of the local implementor, leaving the community without the promised benefits. Multinational corporations outside of Zimbabwe had nonetheless already purchased credits from the project. There is a clear risk of misallocating funds due to the lack of transparency and accountability (Cooksey, 2024).

2. Integrity risks in financing renewable energy and adaptation projects

Integrity risks can emerge at various stages of renewable energy and adaptation projects, including procurement and implementation. In the procurement phase of a project, corruption risks include false statements about technical experience and collusive tendering (Bounfour, 2024; Nest and Mullard, 2024).

NOTES

3. The development of offset projects is predicated on the concept of "benefit-sharing,": the distribution of monetary benefits from the commercialization of carbon credits to host communities or the allocation of a share of these benefits to communities' development priorities.

In the implementation phase, corruption risks emerge in fraudulent reporting, bribery, and inadequate due diligence. Examples include South Korea's solar panel projects, where irregularities such as falsified documents and inflated costs resulted in a $450 million loss (Wilkins, 2024).

These projects may be funded by private or public sources, or a combination of the two, in "blended finance" arrangements. Approximately 44% of both public and private sources of funding are subject to integrity controls when they operate in countries with strong regulatory frameworks (Nest and Mullard, 2024). However, without adequate transparency or accountability, corruption controls or other legal mechanisms can still be abused (e.g., tax write-offs) and result in financial secrecy of private funding (ibid).

Nest and Mullard (2024) highlight at least two case studies where integrity risks have manifested in projects funded by private capital, or jointly with public finance. Case studies such as the Santa Rita Dam in Guatemala and the Four Major Rivers Restoration Project in South Korea illustrate how weak governance can result in collusion, mismanagement, and failure to obtain free, prior, and informed consent from affected communities.

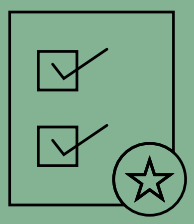
In climate finance, integrity includes the need to align allocations of funds with actual needs of communities, as climate change impacts are experienced at the local level (Ahmed et al., 2024). Undue influence and corruption can result in host governments, typically recipients of large-scale international climate finance, diverting resources away from local climate adaptation projects (e.g., flood protection infrastructure for rural vulnerable communities) towards other purposes, such as financing large-scale infrastructure projects (e.g., a new airport or highway) that benefit political elites and have limited or no adaptation benefits (Mphalo, 2024).

Corruption and poor integrity in the VCM and on the financing of specific projects, in turn, creates greenwashing to funders of such initiatives, exposing them to reputational and legal challenges. The rise in climate-washing litigation (i.e., cases that challenge inaccurate narratives regarding contributions to the transition to a low-carbon future) from a handful in 2017 to over 140 globally in 2023 (Setzer and Higham, 2024) underscores the importance of ensuring the quality of climate finance.

Key enabling factors for integrity risk in climate finance

Understanding the enabling factors for integrity risks in climate finance is essential for designing effective supranational responses. Transparency International's Climate and Corruption Case Atlas (2024) identifies three key categories of enabling factors: integrity-related, accountability-related, and transparency-related (see **Table 2**).

Table 2. Enabling factors commonly observed in climate finance (Transparency International, 2024)

 **Integrity-related factors**	• Weak organizational ethical foundation • Corruption risks are not a priority for senior leadership • Flawed contracting processes • Inadequate project monitoring • Poor financial management • Weak framework for managing conflicts of interest • Inadequate due diligence • Weak standards for data and data verification • Failures in anti-money laundering controls
 **Accountability-related factors**	• Inadequate stakeholder engagement • Inadequate whistleblowing framework • Ineffective investigation or judicial process • Weak penalties • Inadequate appeal mechanisms
 **Transparency-related factors**	• Lack of access to information • Inadequate transparency or disclosures around undue influence • Lack of disclosure on lobbying or conflicts of interest

These factors reflect underlying weaknesses in integrity control systems within institutions, as well as at the national and international levels.

Institution-level integrity risks in climate finance

Enabling factors such as weak internal systems and siloed operations within institutions exacerbate integrity risks. These risks span both public and private supranational actors involved in climate finance. Public finance sources include multilateral development finance institutions ("**DFIs**"), bilateral DFIs, multilateral climate funds, international aid agencies, and government budgets. Private sources include commercial banks, corporations, and donors.

For example, Cooksey (2024) identifies weak internal integrity systems in United Nations ("**UN**") agencies and other oversight bodies, while Nest and Mullard (2024) highlight limited transparency and weak regulatory frameworks in private finance, particularly challenges in tracing the beneficial owners of funds and offshore investments. This lack of clarity complicates efforts to identify who benefits from or bears the costs of climate finance.

Silos between accountability and integrity teams within institutions, such as Multilateral Development Banks ("**MDBs**"), further undermine oversight. As Bounfour (2024) notes, integrity units focus on investigating fraud and corruption but lack technical expertise in climate finance. In turn, accountability units address environmental harm but may not detect financial irregularities. This separation may result in incomplete investigations into cases involving financial and environmental misconduct, inadequate remedies, and inefficiencies, as well as duplication of efforts and resources. Strengthening cross-functionality between these units is crucial for effective oversight.

> Top recipients of climate-related development finance are often in high-risk environments for corruption.

National-level integrity risks in climate finance

Weak anti-corruption frameworks in both donor and recipient countries create vulnerabilities in climate finance systems. These include low anti-corruption performance, opaque contracting processes, and inadequate oversight mechanisms that enable corruption networks to persist (Wilkins, 2024); and insufficient investigatory and judicial systems that fail to hold actors accountable, risking the entrenchment of corruption as climate finance inflows increase (ibid).

However, there are ways to assess national-level integrity risks. Countries can be assessed using tools like the World Bank's Control of Corruption Index, Transparency International's Corruption Perceptions Index, and the Transparency in Governance Index. These tools enable the creation of an "integrity profile" for both donor and recipient countries.

Nest and Mullard (2024) found that top recipients of climate-related development finance are often in high-risk environments for corruption. Furthermore, a strong correlation exists between climate vulnerability and weaker integrity systems. Even donor countries with strong anti-corruption records face transparency and governance challenges, particularly in policymaking, financial management, and legal enforcement of climate measures (Wilkins, 2024).

International-level integrity risks in climate finance

At the international level, fragmented governance and lack of coordination among key actors exacerbate integrity risks. Intergovernmental organizations like the UN play a critical role in addressing integrity risks in climate finance, especially when these risks intersect with organized crime (Gilfillan, 2024). However, progress has been limited due to the fragmented approach of existing instruments, with anti-corruption and climate change frameworks often operating in isolation (ibid).

Key UN conventions addressing corruption, organized crime, and environmental crimes include the UN Convention against Corruption ("**UNCAC**") and the UN Convention against Transnational Organized Crime ("**UNTOC**"). In the climate governance sphere, the primary framework is the UN Framework Convention on Climate Change ("**UNFCCC**"), with the Conference of the Parties ("**COP**") to the UNFCCC serving as its central decision-making platform.

Structural limitations within the UNFCCC, particularly the consensus-based decision-making process at COP, hinder the adoption and enforcement of robust integrity measures (Minas, 2024). First, as a decentralized decision-making body, COP's effectiveness depends on achieving broad consensus among its members. Second, its reliance on consensus-based decision-making limits the adoption of ambitious integrity measures. Third, the UNFCCC lacks enforcement mechanisms, rendering COP decisions on integrity standards difficult to implement (ibid).

Participants at the Symposium highlighted growing fragmentation in climate finance and the urgent need for greater coordination among key actors engaged in integrity efforts. The growing diversity of funding sources – including private donors, voluntary markets, and supranational actors – compounds these challenges. In the VCM, for instance, third-party certifiers like Verra and Gold Standard operate independently, creating inconsistent standards for carbon credit accounting and additionality assessments.

Key impacts

The failure to address integrity risks in climate finance (hereafter referred to as "**integrity failures**") poses significant challenges to climate mitigation and adaptation efforts, creating barriers to financial flows and delaying or derailing the achievement of critical climate goals. These failures weaken the rule of law, undermine security and public health, and have far-reaching economic and social consequences, including facilitating transnational organized crime. This report focuses on how integrity failures impede progress on climate change mitigation, adaptation, and resilience.[4] Examples of these impacts, drawn from submitted papers and Symposium discussions, are highlighted below.

NOTES

4. Integrity risks can enable or be otherwise related to human rights abuses, including displacement of host communities and loss of livelihoods. Abuse of power in all its forms harms trust in public and private institutions, worsens existing inequalities, and impedes sustainable development. People may become afraid to engage in public debate, comment on climate projects, or discuss corruption in general, thus creating a corruption-perpetuating vicious circle (Koens, 2024).

Deforestation

Deforestation is a major driver of climate change, accounting for an estimated 12-20% of global greenhouse gas emissions (Gilfillan, 2024). A report published in November 2023 by the Financial Accountability and Corporate Transparency Coalition revealed that beneficiaries of environmental crimes in the Amazon, particularly through illegal mining-induced deforestation, exploit financial secrecy mechanisms in the U.S., including shell companies and real estate investments, to obscure money trails (Gonzalez et al., 2023).

Corruption also manifests in the illicit acquisition of licenses for REDD+ projects, which aim to reduce emissions from deforestation and forest degradation in developing countries. For instance, logging companies may bribe local officials to secure permits, enabling them to exceed legal logging limits set by offsetting projects. As a result, deforestation persists or even worsens despite the formal implementation of these projects.

The global impacts of deforestation are profound. Locally, it degrades ecosystems and causes biodiversity loss, as seen in critical regions like the Amazon rainforest. Globally, the Amazon's role in regulating carbon levels is vital. Accelerated deforestation due to corruption releases vast amounts of carbon dioxide into the atmosphere, exacerbating climate change on a planetary scale.

Moreover, companies financing deforestation-linked projects—while purchasing carbon credits from such initiatives—may face climate-washing accusations for overstating their environmental commitments. This highlights how localized corruption can escalate into a global environmental crisis, underscoring the urgent need for transparent and accountable climate finance systems. Delays in credible climate action affect populations worldwide, making integrity failures in climate finance an international concern.

Lack of progress in transitioning energy sectors

In addition to failed or flawed hydropower projects, the Climate and Corruption Atlas identifies a case where millions of dollars were misappropriated from a climate mitigation project in Russia. This project aimed to reduce emissions by aligning Russia's energy efficiency standards with those of the European Union (Transparency International, 2024). Jointly funded by the Global Environment Facility and the UN Development Program, the project faced irregularities such as private companies bidding on contracts while also participating in committees that approved them. This form of corruption led to the project's eventual failure.

Gilfillan (2024) highlights other cases where renewable energy projects fall short of their intended effectiveness. For example, wind farms constructed in locations with sub-optimal wind speeds and the falsification of environmental impact data—sometimes with government knowledge—to secure construction approvals for permits.

Such practices not only waste resources but also undermine public trust in renewable energy initiatives.[5]

> Integrity risks in one country, institution, or project can have global repercussions. The transboundary nature of climate change, climate finance, and corruption networks reinforces the need for supranational responses and transnational coordination.

Failure to adapt

Integrity and corruption failures also jeopardize the ability of vulnerable communities to adapt to the worsening impacts of climate change. Transparency International (2024) highlights a case in Bangladesh where corruption rendered a community shelter ineffective. Intended to protect fishing communities during cyclones, the shelter was built near a public official's house, on the opposite riverbank from where the community lived. During cyclones, crossing the river was too risky, leaving the community vulnerable.

A failure to implement robust climate adaptation measures—such as constructing infrastructure to protect against rising sea levels or establishing systems to manage water scarcity—can lead to increased climate-induced migration. Such failures exacerbate vulnerabilities and place additional pressures on global systems.

As these examples illustrate, integrity risks in one country, institution, or project can have global repercussions. The transboundary nature of climate change, climate finance, and corruption networks reinforces the need for supranational responses and transnational coordination. Part II explores existing measures and potential ways forward.

NOTES

5. See the Johnston (2013), "The great Danes: successes and subtleties of corruption control in Denmark."

PART 2

Addressing the Challenge

The need for supranational responses

Supranational responses refer to institutions, frameworks, and mechanisms that can operate independently of the authority of individual nation-states, mandating anti-corruption actions. As discussed during the 1st Symposium in 2021, in response to evidence of some states' inability to effectively counter cross-border corruption, the international community has stepped in to develop anti-corruption mechanisms, including "supranational" ones.

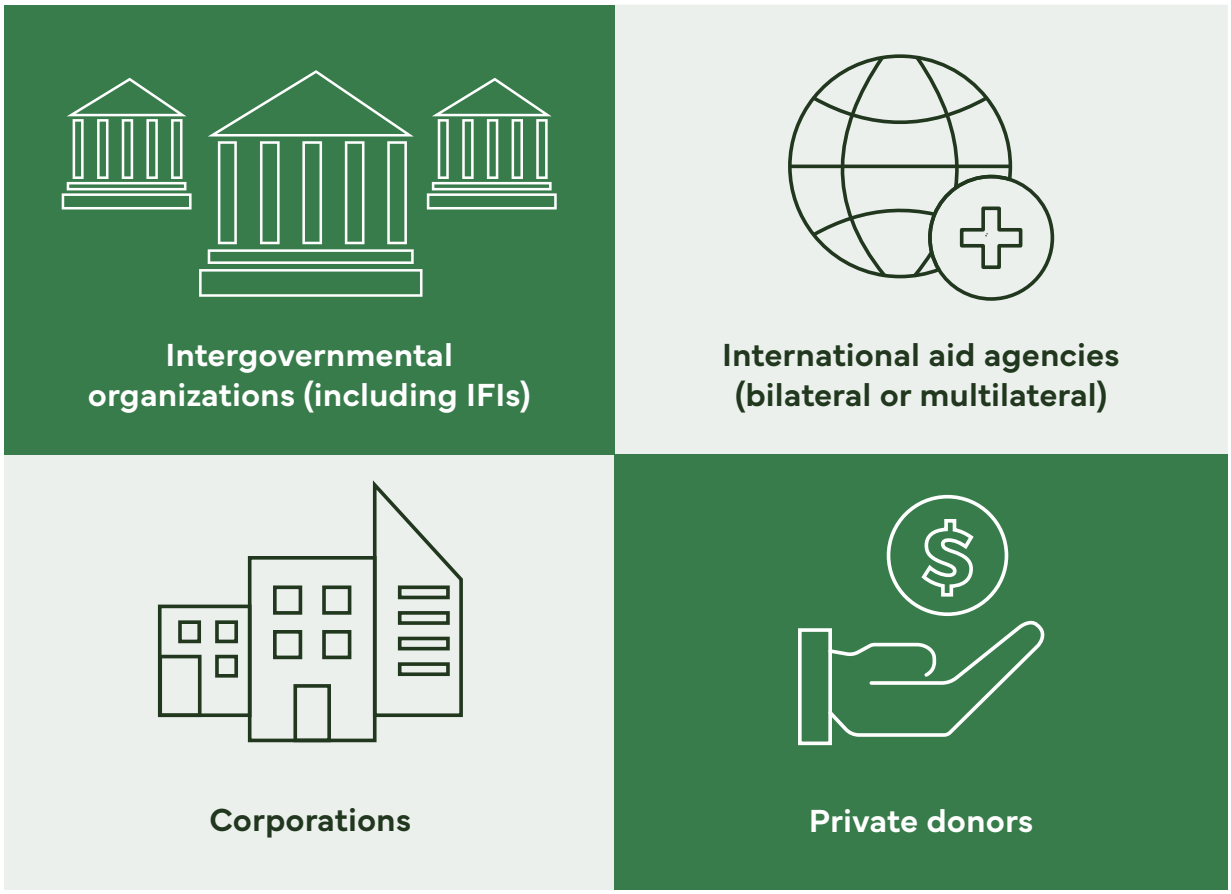
> Supranational remedies against corruption involve mechanisms, institutions, and legal instruments that operate above the level of individual nation-states to combat corruption, promote transparency, and enforce accountability.

A few examples include the integrity sanctions systems of certain MDBs, which protect their funds by blacklisting corrupt contractors; the European Union's (EU) public procurement directive mandating that member states adopt specific integrity measures; the European Public Prosecutor's Office, which prosecutes corruption offenses affecting EU funds; and the exclusion mechanism of Norway's sovereign wealth fund, which may divest from companies that engaged in corruption. Turning to the private sector, examples include multinational corporations that have implemented robust integrity compliance programs across their affiliates at national levels. A distinctive feature of these mechanisms is that they are able to tackle corruption in contexts or situations where a state is unable or unwilling to actively do so. In other words, these responses may be seen as "supranational" because their effectiveness does not depend on the immediate actions or inactions of a specific state.

> An additional advantage of supranational anti-corruption mechanisms is that they tend to be disconnected from the local, entrenched corrupt interests which often are the main obstacle to effective anti-corruption reform at the national levels.

This Report focuses on mechanisms that are – or can be – implemented by supranational actors to address integrity risks and corruption in climate finance (World Bank, n.d.). As defined during the 1st Symposium, these actors may include intergovernmental organizations, international aid agencies, corporations, and private donors (or a combination of any of these stakeholders). See **Figure 1**.

Figure 1. Key supranational actors involved in addressing integrity in climate finance.



These actors play a pivotal role in addressing challenges that transcend national borders, including by establishing universal standards and oversight mechanisms, and providing technical assistance and monitoring to strengthen the implementation of climate finance and action at the national level. In the context of international climate finance, supranational responses are essential for tackling integrity risks that cannot be adequately addressed by national systems alone, especially when those systems lack the capacity, resources, or political will to enforce anti-corruption measures.

Supranational actors have developed internal mechanisms to address integrity risks and corruption within their activities. However, these mechanisms are not always climate-specific or exclusively focused on climate-related issues. For supranational responses to be effective, Symposium discussions emphasized two critical aspects:

1. **Breaking Down Silos:** There is an urgent need to align and integrate existing initiatives addressing climate change with those tackling corruption. This includes better coordination of integrity management systems and accountability mechanisms within certain international finance institutions. Overcoming these silos will enhance the effectiveness of anti-corruption measures and ensure cohesive governance.
2. **Evolving to Meet Emerging Challenges:** Addressing integrity risks and ensuring credible climate action is a dynamic challenge. Climate finance must grow and adapt to meet evolving demands. Similarly, supranational responses must continuously innovate to deliver effective outcomes in a rapidly changing context.

Below is a summary of key guidance from submitted papers and Symposium discussions to address these two points. See **Figure 2**.

Figure 2. Key supranational responses to integrity risks in climate finance.

Coordinating UN instruments

Greater cooperation between UNCAC, UNTOC, and UNFCCC is essential for addressing integrity risks in climate finance. Recognizing the interconnectedness of corruption, organized crime, and climate change within these frameworks can advance a cohesive climate and anti-corruption agenda.

While each convention has established working groups and review mechanisms (see **Box 3**), these instruments currently operate in silos, limiting their potential for collaboration. Clearer mandates are needed to define the roles of UNCAC, UNTOC, and UNFCCC, along with their respective secretariats, in promoting coordinated efforts to combat corruption and organized crime that affect climate action (Gilfillan, 2024).

Secretariats and working groups could work together to advocate for incorporating corruption considerations into the Intergovernmental Panel on Climate Change[6] assessments, examining how corruption and related environmental crimes act as threat multipliers for climate change. Enhanced coordination across these conventions can also address integrity risks in high-priority sectors such as deforestation, land use, ocean management, waste management, renewable energy, carbon markets, and mining.

> Clearer mandates are needed to define the roles of UNCAC, UNTOC, and UNFCCC, along with their respective secretariats, in promoting coordinated efforts to combat corruption and organized crime that affect climate action.
>
> (Gilfillan, 2024)

Box 3. How UNCAC and UNTOC can better address climate finance integrity

The UNCAC is a universal, legally binding anti-corruption framework that addresses bribery, embezzlement, money laundering, conflicts of interest, and corruption in procurement. It also protects civil society and whistleblowers, making it highly relevant to combating corruption in climate action and finance. Key mechanisms include:

1. Asset Recovery Working Group: Assists in recovering proceeds from corruption that enable environmental crimes.
2. Working Group on Prevention: Shares best practices in implementing anti-corruption measures.
3. Expert Meeting on International Cooperation: Fosters global collaboration and knowledge exchange (Gilfillan, 2024).

UNCAC's Conference of States Parties has adopted resolutions addressing corruption linked to environmental crimes, climate change, and organized criminal groups.

NOTES

6. United Nations body for assessing the science related to climate change, referred to as the IPCC.

The UNTOC provides a framework for international cooperation to combat organized crime, including money laundering and environmental crimes. Relevant working groups include:

1. International Cooperation Working Group: Builds relationships among practitioners and central authorities.
2. Government Experts on Technical Assistance Working Group: Identifies and addresses technical assistance needs for state parties.

Both working groups promote dialogue on corruption and environmental crimes, making them critical to mitigating integrity risks that harm climate action.

Strengthening UNFCCC COP's role in climate finance integrity

The three main international agreements on climate change (the UNFCCC, the Kyoto Protocol, and the Paris Agreement), through their governing and subsidiary bodies, collectively referred to as COP, have a crucial role safeguarding the integrity of climate finance (Minas, 2024). COP's efforts to ensure climate finance integrity can be categorized into three main areas (ibid).

First, COP set requirements for both developed and developing Parties ("**Parties**") on the adoption of reporting and transparency frameworks. These frameworks require Parties to publicize information on climate finance provided and received. For example, under the Enhanced Transparency Framework ("**ETF**"), Parties to the Paris Agreement are required to submit Biennial Transparency Reports ("**BTRs**") every two years. The first submissions were due on December 31, 2024. While the ETF does not explicitly address corruption, it enhances transparency by requiring Parties to disclose information on financial, technological, and capacity-building support, thereby improving accountability in climate finance transactions.

Second, COP provides guidance to relevant financial entities to mobilize climate finance both directly and indirectly. Direct mechanisms include the Financial Mechanism operating entities and the Adaptation Fund. Indirect mechanisms occur via initiatives like the Climate Technology Centre and Network, the Clean Development Mechanism ("**CDM**"), and the Article 6.4 mechanism. While integrity and anti-corruption are not central to this guidance, the prohibition of conflicts of interest contributes to anti-corruption efforts.

Third, COP decisions have directly or indirectly established complaint and dispute mechanisms to address fraud and corruption concerns. Such mechanisms and arrangements include the enforcement branch within the Kyoto Protocol compliance committee, and the Paris Agreement Implementation and Compliance Committee. COP has, moreover, addressed fraud and corruption concerns through establishing specific safeguards within institutions like the GCF independent integrity unit and the CDM's project cycle.

Given its universal nature, COP is well-suited to tackle the fragmentation of climate finance sources (Minas, 2024). To manage the diversity of existing climate finance streams, COP is mandated to set a New Collective Quantified Goal for climate finance. COPs can streamline issues of corruption and integrity in the global climate agenda through:

i. providing guidance on how Nationally Determined Contributions' ("**NDCs**") can include statements on mitigation of integrity risks in climate finance;

ii. including integrity risks in the requirements for BTRs;

iii. making recommendations to improve the existing transparency framework of the Paris Agreement;

iv. including integrity risks as an item in COP agendas; and

v. facilitating dialogue on integrity risks as part of the finance flows objective under the Paris Agreement.

Integrating anti-corruption assessments into NDCs and national climate strategies from the outset can ensure a comprehensive approach to climate planning (Gilfillan, 2024).

The upcoming Global Stocktake under the Paris Agreement, concluding in 2028, presents a critical opportunity to address corruption risks. Supporting CSOs in publishing shadow reports on Party compliance can identify gaps in addressing corruption and environmental crimes as barriers to effective climate action. Supranational actors can also propose capacity-building initiatives, policy development, and implementation assistance to address these gaps.

UNFCCC could also deepen its engagement with the GCF, which has raised corruption issues at COP. The GCF's established integrity standards provide a strong model for other climate financing mechanisms. By promoting these standards and fostering greater collaboration, COP can bolster the integrity of global climate finance systems (Gilfillan, 2024).

Integration between integrity management and accountability mechanisms by MDBs

MDBs employ integrity management and accountability mechanisms to oversee development finance, including in the climate space. While these systems have distinct roles, their separation limits MDBs' effectiveness in detecting, investigating, and addressing corruption and integrity risks in climate finance (Bacarese et al., 2024). Integrity management systems focus on investigating and sanctioning financial misconduct, such as fraud and corruption, ensuring resources are used for their intended purposes.

In turn, accountability mechanisms review and address violations of social and environmental safeguards but lack enforcement power, offering only recommendations. Despite their distinct functions, these mechanisms have interdependent mandates, as corruption often intertwines with environmental crimes, collectively undermining climate finance outcomes (Bacarese et al., 2024). **Box 4** provides examples of integrity management systems in supranational actors.

Box 4. Examples of integrity management systems in supranational actors

The World Bank Group's ("**WBG**") Sanctions System is an example of an integrity management mechanism. It is a quasi-judicial mechanism addressing corruption, fraud, and other sanctionable practices by firms and individuals involved in WBG-financed operations. It comprises an independent investigative body (Integrity Vice Presidency), a first-tier decision-maker (a Chief Suspension and Debarment Officer), and an external Sanctions Board for appeals. Sanctions against firms and individuals include debarment (blacklisting) for a certain period, conditional non-debarment, and financial restitution. Notably, these sanctions can be imposed independently of any authorities related to the relevant jurisdictions where the misconduct occurred, or the sanctioned firm or individual is located.

The GCF's Independent Integrity Unit ("**IIU**") is another example of an integrity management system within a supranational institution. The IIU Operates independently of the GCF Secretariat. It focuses on proactive prevention, investigation, and capacity building to mitigate integrity risks. It promotes a zero-tolerance culture for prohibited practices[7] and engages CSOs to manage integrity risks.[8]

However, within MDBs, the separation of integrity management systems and accountability mechanisms may potentially undermine the effectiveness of MDBs' contributions to climate finance and their ability to detect, investigate, and address corruption and integrity risks in climate finance (Bacarese et al., 2024). Whereas these two mechanisms have traditionally had distinct functions shaped by different designs, they have inherently interdependent mandates. MDBs can strengthen collaboration between integrity management and accountability mechanisms by adopting strategies summarized in **Table 3**.

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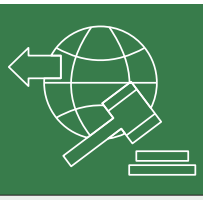
7. See Green Climate Fund Independent Integrity Unit. 2021. Enhancing Integrity to Avoid Maladaptation. [Thematic Brief].
8. See Green Climate Fund Independent Integrity Unit. 2022. Civil Society Partnership: Integrity in Climate Action. [Thematic Brief].

Table 3. Strategies for integration between integrity management and accountability mechanisms in MDBs (Bounfour, 2024).

Memorandum of Understanding (MoU)	Formal framework to define principles of cooperation, facilitate case referrals, and allocate cases effectively
Staff organization	Rotating staff between integrity and accountability departments to share expertise and foster collaboration
Joint initiatives	Establishing joint working groups or oversight offices to conduct collaborative investigations and share lessons learned (e.g., existing joint integrity and accountability unit in Germany's International Climate Initiative).

Collaboration could also be improved among different units that currently work on climate and anti-corruption issues in silos. This might involve creating multidisciplinary teams, sharing knowledge and best practices, and developing common indicators and methodologies. There may also be opportunities for MDBs to reconsider what can be defined as a sanctionable practice in the context of climate finance. Bacarese et al. (2024) provides some specific innovative actions, which the WBG might consider exploring in relation to its Sanctions System. These are summarized in **Table 4**.

Table 4. Potential reforms to the WBG Sanctions System (created from Bacarese et al., 2024).

 **Pre-sanctions phase**	 **Post-sanctions phase**
• adapt risk matrix to include climate-specific considerations in line with the WBG's Scorecard • develop key performance indicators which could include climate-relevant factors • deploy a specific climate finance flag in its Case Management System and other data analytics tools. • engage with diverse stakeholders • develop a more proactive approach to its investigative functions	• add specific climate considerations to the comments of the reviews of the Integrity Compliance Office • create an internal cross-departmental working group on integrity in climate finance

Integrity management systems within MDBs could also build on external instruments, including Transparency International's Corruption Perceptions Index and the Black and Gray List by the Financial Action Task Force ("**FATF**"), to assess risks. Zhang and Zheng (2024) propose the development of an Integrity Due Diligence ("**IDD**") Framework on Climate Financing to this effect. The IDD Framework could introduce key pillars for identifying and managing non-compliance issues in climate finance projects, including (i) evaluation of external integrity risks, (ii) development of "know your customer" procedures, (iii) assessment of a counterparty's integrity program, (iv) development of compliance screening systems, (v) identification of types of integrity flags, (vi) implementation of mitigants for integrity risks through legal clauses, and (vii) ongoing monitoring. This Framework could help streamline climate into existing anti-corruption approaches, reinforce MDBs' commitment to maintaining high integrity standards, strengthen the role of MDBs as knowledge providers and advisors, and promote good business practices among stakeholders (Zhang and Zheng, 2024).

Some participants at the Symposium further suggested that MDBs could work with CSOs to jointly identify and investigate integrity risks in climate finance. CSOs can play a crucial role in enhancing transparency, particularly through building networks with journalists and audit agencies to put pressure on entities to disclose data (Ahmed et al., 2024). Glencorse and Jarvis (2024) outline how CSOs can help oversee project delivery and climate impact, provide input into how resources should be best deployed in their countries, and independently track and verify donor commitments against transferred funds. However, to effectively leverage the role of CSOs in ensuring integrity, supranational actors need to support them with funding and resources. It is also crucial that there is a safe and enabling environment for independent CSOs to operate and carry out their work on these issues freely and without fear of reprisals.

Leveraging international task forces and tracing beneficial ownership globally

IFIs have undertaken cooperative efforts to harmonize guidelines on sanctions, treatment of corporate groups, settlements, and business integrity compliance programs (Bounfour, 2024). While many of these efforts were not initially intended to address climate change, they are relevant to anti-corruption efforts and currently represent a missed opportunity to address these joint agendas. For example, the International Financial Institution Anti-Corruption Task Force ("**IFI Task Force**") was designed to combat corruption in the activities and operations of member IFIs (Zhang and Zheng, 2024). Member IFIs include the African Development Bank Group, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank Group, International Monetary Fund, Inter-American Development Bank Group, and the WBG. The IFI Task Force has been operational since 2006. Although it is designed to address integrity issues more generally, integrity risks in climate finance can be prioritized, if member IFIs express an interest in doing so.

Similarly, the FATF has created global standards for the collection and disclosure of beneficial ownership. Beneficial ownership registries are directories that list the ultimate natural owners of assets (Caldera, 2024). The absence of transparency in asset ownership particularly facilitates money laundering and other types of illicit financial flows.

As with the IFI Task Force and FATF, these registries were not necessarily first designed for climate finance purposes, but they are highly relevant to supranational efforts to enhance integrity in climate finance. By requesting the disclosure of the real owners of relevant assets and improving transparency, they can prevent the diversion of climate finance and increase investor confidence (ibid). At the time of writing, 149 countries have committed to the implementation of beneficial ownership registries (ibid).

Several international actors have mechanisms in place to advocate for the implementation of beneficial ownership registries as a tool to combat corruption. Mechanisms include: the WBG and UN Office on Drugs and Crime's ("**UNODC**") Stolen Asset Recovery Initiative ("**StAR**") and the IMF Anti-Money Laundering and Combating the Financing of Terrorism Strategy ("**AML/CFT Strategy**"). Established in 2007, the StAR Initiative provides technical assistance to over 35 countries in developing appropriate legal and institutional frameworks to recover stolen assets. In developing and maintaining this initiative, the WBG and UNODC work with various other stakeholders, including the Organization for Economic Co-operation and Development and Transparency International.

These actors can elevate the relevance of climate finance in the use of such registries and encourage the acceleration and quality of their implementation. Open Ownership published a commentary shortly after the Symposium that highlighted how beneficial ownership information can best support climate action. For example, agencies involved in licensing for critical minerals and other renewable energy projects can use beneficial ownership information to detect risks of ownership concentration, conflicts of interest, and the deliberate avoidance of applicant criteria (Open Ownership, 2024). They also highlighted the need to separate beneficial ownership of corporate vehicles (e.g., investment funds) from that of assets (e.g., carbon credits). Supranational actors, particularly those providing financial assistance to governments, should consider requesting that receiving states implement mandatory beneficial ownership registries as a condition to funding.

Proactive integrity management across private corporations and donors

Private corporations and donors generally have existing integrity compliance systems that can be better utilized to address integrity risks in climate finance. This includes holistic risk assessments, due diligence requirements, internal controls, continuous monitoring and reporting, implementing or enhancing whistleblowing mechanisms, and setting a strong high-integrity agenda from top leadership (Bacarese et al., 2024).

In this context, investors have a key role to play. They can undertake holistic and structural due diligence approaches to oversee integrity risks in portfolio companies, recognizing the scale of externalities stemming from these risks, such as the loss of public trust in climate projects. Asset managers can also create and use methodologies that not only assess the decarbonization efforts of corporations but also their governance. For example, Norges Bank Investment Management ("**NBIM**") has incorporated risk-based and thematic engagements to ascertain the highest incidences and impacts of corruption across their investment portfolios. It seeks to ensure that the companies most exposed to this type of risk have set up compliance processes and adequately incorporated them in their business processes and are led by boards with high standards of good governance capable of overseeing integrity risks.

While funders often prioritize the mobilization of large-scale climate finance, equal emphasis must be placed on ensuring the effective use and governance of these funds. High-quality climate finance entails robust safeguards to prevent diversion, misuse, and corruption. Without such measures, scandals and governance failures can erode public trust, weaken the case for future funding commitments, and jeopardize the progress of climate action.

To encourage strong board governance, corporations and donors could encourage initiatives that train boards of directors on their legal and ethical duties to tackle climate and integrity risks. In their composition, boards can also include at least one member with the ability to conduct rigorous oversight on climate-related integrity risks. This can be a member with a background in ethics and compliance, risk, or internal audit processes. To face evolving challenges, board members should commit to continuous education and self-actualization on emerging topics, including but not limited to climate-related issues.

Also, corporations and donors could consider (i) implementing integrity mechanisms drawing on NBIM's system of exclusion of companies from its investment universe due to integrity failures (see **Box 5** below) or the WBG's sanctions system (see **Box 4** above), or (ii) considering the public lists of excluded contractors by these institutions in their due diligence efforts regarding business partners or grantees.

> To encourage strong board governance, corporations and donors could encourage initiatives that train boards of directors on their legal and ethical duties to tackle climate and integrity risks. In their composition, boards can also include at least one member with the ability to conduct rigorous oversight on climate-related integrity risks.

Box 5. NBIM exclusion mechanism

NBIM manages the Norwegian Government Pension Fund Global, which established a Council on Ethics as an independent body that makes recommendations to NBIM to either exclude companies from its investments or place them under observation. The Council's assessments are based on ethical guidelines determined by the Norwegian Ministry of Finance. The guidelines contain conduct-based exclusion criteria regarding gross corruption and other serious financial crimes. The guidelines are forward-looking and apply to unacceptable conditions that are ongoing or may occur in the future. They are not meant to be a mechanism to punish companies for past actions. All the Council's recommendations and NBIM's decisions are made public.

Streamlining participatory processes and stakeholder engagement

As mentioned in Part I, there is a perception that having robust governance in climate finance creates a trade-off for the speed of its implementation (Zografos and Robbins, 2020, cited in Zinnbauer, 2024). However, speed and integrity are not mutually exclusive and can co-exist, and in so doing, reinforce each other (Zinnbauer, 2024). If carefully designed, strong public participation can help reduce the risk of conflict and protracted litigation down the line, thus avoiding further delays in the transition. Climate litigation against corporations and financial institutions has increased in recent years, as communities seek to align the flow of finance to projects that are aligned with climate action and social justice (Setzer and Higham, 2024).

Zinnbauer (2024) suggests three ways to balance speed with integrity:

- Frontloading integrity measures by providing upfront transparency, upfront screening, pre-approval, participatory mechanisms at high strategy level, and early local involvement.
- Streamlining the execution and implementation phase by introducing one-stop shops and more coordination, reducing some red tape, introducing time-bound performance indicators and entitlements, digitizing processes, and adding more capacity.
- Establishing a credible deterrence and ex-post sanctioning mechanism, with receipt and record keeping requirements or a robust audit infrastructure involving professional audit institutions as well as investigative journalist and civil society watchdogs.

Supranational actors can play a key role in facilitating necessary conversations between climate, integrity, and anti-corruption practitioners, to collate knowledge on feasible acceleration measures. Zinnbauer (2024) indicates potential areas of opportunity – See **Table 5**. They could also facilitate the creation of effective country climate finance platforms that act both as public spaces to verify funds received at the national level and a way to determine how those funds are allocated and spent. These platforms can act as a type of integrity safeguard, leading to inclusive in-country dialogues (Glencorse and Jarvis, 2024). To build such platforms, supranational actors can learn from similar initiatives, for example, in the health sector, and work collaboratively with accountability CSOs.

Table 5. Mapping acceleration measures against integrity opportunities and risks (created from Zinnbauer, 2024)

 Acceleration measure	 Integrity opportunities	 Integrity risks
Pooled pre-approval of planned and future projects in a specific zone	• CSOs can pool representation and inputs • Early-stage engagement	• Loss of context-specific concerns and on-ground stakeholder inputs • Higher participation threshold due to centralized hearings
Default prioritizing of green projects		• Overriding potential legitimate interests
Resources: administrative capacity scale-up	• Remove corruption-prone administrative bottlenecks • Robust integrity training for new generation of officials	• Rushed hiring, onboarding, and administrative expansion might impair conflict of interest screening or management and operational oversight
More public process transparency	• Improved monitoring and performance accountability	• Data deluge and symbolic transparency
One-stop shop or integrated agency permitting	• Less hold-up and chokepoints	• Less accountability checkpoints
Pre-clearance of private vendors for rapid procurement		• Collusion lock-in, if done poorly

Supranational actors providing climate finance should also increase efforts to build lasting relationships with local organizations and communities in which their funded projects are situated. Given the trend to localize funding shared by bilateral funding and philanthropies, the most effective safeguarding will come in the form of project buy-in and oversight at the local level. Long-term relationships can help eliminate slow consultation processes in subsequent projects. Research suggests that "green accountability" (i.e., local ownership and engagement of impacted stakeholders regarding where and how climate finance is directed and used) could save more than $100 billion per year that is currently lost to corruption or ineffective climate action initiatives (Systemiq, 2023, cited in Glencorse and Jarvis, 2024).

Loss recovery and reparations for integrity failures

The Symposium agreed that recovering the losses and repairing the damage caused by integrity failures are essential for climate finance effectiveness. In the face of unlimited needs for climate funding and scarce resources, the regime for loss recovery needs to evolve across the spectrum of supranational actors. Areas of evolution include:

- Removing the punitive character of loss recovery and focusing on the damage reparation function.
- Incorporating damage reparation principles into the recovery process and funds allocation:
  - In the calculation process, discerning the costs of repairing the damage (which can be different than the cost of the damage itself or the funder).
  - Shifting the paradigm from viewing governments as victims of corruption to considering the directly affected communities as victims and therefore beneficiaries of reparations
- Enhancing the positive role of MDBs' sanctions systems as facilitators of loss recovery and damage reparation.
- Developing non-punitive loss recovery systems across public and private organizations, including private donors.
- Using proxies when the quantum of losses or reparations are difficult to measure. In the case of funding providers (i.e., MDBs, philanthropies, etc.), contractual arrangements may include a "remedial clause" requiring the ultimate receiver to pay a specific amount (i.e., a percentage of the contract's value) in case of integrity failure or an obligation to repair the harm directly.[9]

Olaya (2020) argues that reparations are necessary in cases of corruption because they (i) go hand in hand with deterrence, (ii) communicate the importance of public good, (iii) complete the administration of justice, and (iv) generate trust between citizens and institutions, and the use of reparation funds in the affected community enhances the effectiveness of climate funding.

NOTES

9. See A. Manea, J. Smith. A tailored approach to anti-corruption sanctions in the international development context: Financial remedies by the multilateral development banks. Routledge, 2021.

More dialogue and research are needed on ways to ensure effective reparations are facilitated by supranational actors.

Safeguarding VCM

Private corporations are particularly important in providing innovative sources of funding through the VCM, but the lack of common standards and accountability has thus far posed risks and barriers. There have been some efforts by independent organizations to tackle this issue on the supply-side – see **Box 6** below for an example of such initiative. On the demand side, in the European Union, a decisive move has been made to tackle misleading environmental claims by banning terms such as "climate neutral" or "climate positive" that rely on offsetting by 2026 (Cherepanova, 2024).

However, multiple participants at the Symposium emphasized the need for more collective action from supranational actors to address integrity risks in VCMs. They remain largely unregulated (Chan et al., 2023). There may be benefits to adopting integrity mechanisms akin to those in financial markets, such as bond markets, to efficiently assess investment risk and project quality (Cherepanova, 2024). For example, rating frameworks could help market participants to assess environmental investment quality more comprehensively. Project-level ratings could complement standards like the Core Carbon Principles, to drive investment towards the highest-quality credits, and build a stronger correlation between price and quality (ibid). Establishing national carbon registries, trading platforms, and settlement systems is vital to improving VCM infrastructure. Many countries have existing accountability mechanisms (e.g., environmental and social risk management frameworks or impact assessments), which could also better incorporate the increased use of VCMs by supranational actors. This may be an efficient way to help standardize approaches and ensure that relevant stakeholders are consulted, and that nature is also safeguarded with a climate lens. Supranational actors, like MDBs, can play a significant role in supporting this enhancement of institutional and financial infrastructure transparency by also opening dialogue with UN entities to develop common frameworks and facilitate implementation.

Box 6. The Integrity Council for the Voluntary Carbon Market

The Integrity Council for the Voluntary Carbon Market ("**ICVCM**") was launched under the UK's COP26 Presidency to oversee and govern the voluntary carbon market. Its goal is to enhance ambition and integrity by assessing carbon credit certifiers and their methodologies against its Core Carbon Principles ("**CCP**") and assessment framework. Only carbon credits issued by CCP-eligible programs under eligible methodologies can receive a CCP label. The ICVCM has also established a self-led forum to empower indigenous peoples and local communities to participate meaningfully in carbon markets.

Looking Ahead

This Symposium emphasized the global and urgent nature of both climate change and corruption, underscoring the importance of a multi-stakeholder approach to prevent and manage integrity risks in climate finance. Supranational responses are crucial for addressing the transboundary nature of corruption in climate finance, particularly in areas where national actors may lack capacity to combat risks effectively. Integrity risks can arise at various levels – project, institution, national, or international. These risks undermine climate mitigation and adaptation efforts, harming the entire world and disproportionately impacting vulnerable communities.

In addressing integrity risks, a key challenge is balancing the required speed and quantity of climate finance, with the quality and high integrity of its execution and delivery. It was observed at the Symposium that to date, funders have understandably been more fixated on raising the quantity of climate finance, but ensuring quality via integrity management and accountability mechanisms is equally essential. Crucially, this Symposium highlighted ways to navigate the way forward. This includes ensuring better cooperation and alignment between key international instruments and legal frameworks (e.g., UNCAC, UNTOC, UNFCCC, and COP), increased collaboration across integrity and accountability mechanisms and departments within IFIs, and proactive engagement and holistic due diligence from private corporations and donors to trace funds. There are also areas where existing frameworks may be adapted to face evolving challenges – such as in regulating the VCM or around developing reparations for victims of integrity failures – in the context of climate action.

The Symposium marked a starting point for increased dialogue between key supranational actors to advance this important climate and anti-corruption agenda. This Report serves as a foundation to break down silos between integrity and climate practitioners.

Based on the insights made in the submissions and in discussions that took place during the Symposium, some recommendations emerged in terms of key actions that supranational actors can take to address integrity risks in climate finance effectively:

1. **Strengthen Cooperation Between International Instruments**
   - Integrate Climate and Anti-Corruption Frameworks: Facilitate collaboration between UNFCCC, UNCAC, and UNTOC by formalizing mandates that recognize the intersection of corruption, organized crime, and climate change.
   - Coordination among Intergovernmental Organizations: bring together regional and global intergovernmental organizations, including IFIs and the European Union, to agree on a coordinated incorporation of integrity safeguards into climate policies and financial assistance to countries.
   - Incorporate Integrity into IPCC Assessments: Advocate for the inclusion of corruption and environmental crimes as threat multipliers in IPCC reports, linking them to climate vulnerabilities.
   - Enhance Sectoral Coordination: Focus on high-risk sectors like deforestation, mining, renewable energy, and waste management to develop targeted anti-corruption strategies.
2. **Expand and Adapt the Role of UNFCCC COP in Climate Finance Integrity**
   - Mainstream Integrity Risks in COP Agendas: Ensure integrity risks are a regular item for discussion, tied to the transparency and accountability objectives of the Paris Agreement.
   - Enhance Reporting Requirements: Include integrity risk mitigation strategies in Biennial Transparency Reports and Nationally Determined Contributions (NDCs).
   - Collaborate with the Green Climate Fund (GCF): Promote the GCF's integrity standards as a model for other mechanisms, emphasizing transparency and accountability.
3. **Integrate Integrity Management and Accountability Mechanisms Within MDBs**
   - Foster Cross-Functional Collaboration: Establish joint oversight offices and working groups within MDBs to comprehensively address cases involving fraud, corruption, and environmental harm.
   - Adopt an Integrity Due Diligence Framework: Develop a framework incorporating risk assessment, compliance screening, ongoing monitoring, and mitigation measures tailored to climate finance projects.
   - Refine Sanctions Systems: Incorporate climate-specific considerations into MDB sanctions systems, such as risk-based key performance indicators and pre- and post-sanction reviews.
4. **Enhance Transparency Through Beneficial Ownership Disclosure**
   - Mandatory Beneficial Ownership Registries: Condition financing upon recipients implementing registries as tools to prevent illicit financial flows and improve investor confidence.
   - Engage Licensing Authorities: Ensure registries are tailored to help detect risks such as ownership concentration, conflicts of interest, and evasion of applicant criteria in renewable energy and critical mineral projects.

5. **Proactively Engage Private Corporations and Donors**
   - Set High Governance Standards: Encourage board-level oversight of climate-related integrity risks and train directors on legal and ethical responsibilities in this area.
   - Incorporate Integrity into Investment Decisions: Asset managers should assess not just decarbonization efforts but also governance practices to minimize corruption risks in portfolios.
   - Ensure Quality Alongside Quantity in Climate Finance: High-quality climate finance entails robust safeguards to prevent diversion, misuse, and corruption.
   - Leverage Whistleblowing Mechanisms: Strengthen internal controls, reporting channels, and monitoring systems to detect and prevent misconduct.
6. **Develop Reparations Mechanisms for Integrity Failures**
   - Enhance the Recovery Role of MDBs' Sanctions Systems: The robust integrity sanctions systems of many MDBs can be used to facilitate loss recovery and damage reparation in situations relating to their climate financing activities, with an enhanced view on incorporating damage reparation principles into the recovery process and fund allocation.
   - Implement Non-Punitive Recovery Mechanisms Across Public and Private Organizations: Develop an administrative or contractual mechanism to directly hold fund recipients accountable for integrity failures.
   - Use of Alternative Loss Quantification: Use proxies when the quantum of losses or reparations is difficult to measure.
7. **Safeguard the Voluntary Carbon Market (VCM)**
   - Standardize VCM Integrity Measures: Develop project-level rating frameworks and national carbon registries to improve accountability and drive investment toward high-quality credits.
   - Incorporate Climate Safeguards into Accountability Mechanisms: Use existing environmental and social risk frameworks to oversee VCM projects more effectively.
   - Empower the Integrity Council for the Voluntary Carbon Market (ICVCM): Strengthen the ICVCM's role in ensuring transparency and empowering local communities to participate meaningfully in carbon markets.

The recommendations outlined above emphasize a multi-stakeholder integrated approach to managing integrity risks in climate finance. By breaking down silos between climate and anti-corruption practitioners, enhancing cooperation across supranational actors, and building stronger local partnerships, these steps can ensure that climate finance achieves its intended objectives with transparency, accountability, and inclusivity.

Supranational actors must prioritize collaboration, innovation, and adaptability as they navigate the evolving challenges of climate finance governance. By implementing these next steps, they can lead the way in fostering a more sustainable, equitable, and corruption-free climate finance ecosystem.

List of Abbreviations

AML/CFT	Anti-Money Laundering and Combating the Financing of Terrorism
BTR	Biennial Transparency Reports
CCP	Core Carbon Principles
CDM	Clean Development Mechanism
COP	Conference of the Parties
CSO	Civil society organizations
DFI	Development finance institutions
EMDC	Emerging markets and developing countries
ETF	Enhanced Transparency Framework
FATF	Financial Action Task Force
GCF	Green Climate Fund
ICVCM	Integrity Council for the Voluntary Carbon Market
IDD	Integrity Due Diligence
IIU	Independent Integrity Unit of the Green Climate Fund
IMF	International Monetary Fund
MDB	Multilateral development bank
NDC	Nationally Determined Contributions
REDD+	Reducing emissions from deforestation and forest degradation in developing countries
StAR	UN Office on Drugs and Crime's Stolen Asset Recovery Initiative
UN	United Nations
UNCAC	United Nations Convention against Corruption
UNFCCC	United Nations Framework Convention on Climate Change
UNODC	UN Office on Drugs and Crime
UNTOC	United Nations Convention Against Transnational Organized Crime
VCM	Voluntary carbon market
WBG	World Bank Group

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Any other resources mentioned by Symposium participants are hyperlinked in-text.

2nd Symposium on Supranational Responses to Corruption

Integrity in Climate Finance & Action (May 9-10, 2024)

Opening session

- Welcoming remarks: **Dr. Alexandra Manea**, OSD, World Bank & Symposium Organizing Committee
- Keynote address: **Rachel Kyte**, Dean Emerita, The Fletcher School, Tufts University; Professor of Practice in Climate Policy, Blavatni School of Government, University of Oxford; former WBG Vice President & Special Envoy for Climate Change
- Opening remarks:
  - **Veerle Heyvaert**, Associate Dean of Law School, London School of Economics
  - **Jamieson Smith**, Chief Suspension and Debarment Officer, World Bank
  - **Michael Burger**, Executive Director, Sabin Center for Climate Change Law, Columbia University
  - **Tim Smith**, Lead Investment Stewardship Manager – Climate Change, Norges Bank Investment Management
  - **Gillian Caldwell**, Chief Climate Officer and Deputy Assistant Administrator, USAID [virtual remarks]
  - **Ketakandriana Rafitoson**, Vice-Chair, Transparency International [virtual remarks]

Session 1. Linkages between integrity and climate risks

- Chair: **Dr. Matthew Stephenson**, Professor of Law, Harvard University Law School
- **Tiffanie Chan**, Policy Analyst, Grantham Research Institute on Climate Change and the Environment – The Corruption and integrity risks in climate solutions: an emerging global challenge
- **Brice Böhmer**, Climate and Environment Lead, Transparency International – The Climate and Corruption Atlas
- **Dr. Michael Nest**, Climate governance in a fast-changing world: evolving patterns and contestation around finance
- **Dr. Dieter Zinnbauer**, Research Fellow, Copenhagen Business School – Doing integrity: fast – how to reconcile the measured pace of accountability with the speed imperative of the energy transition
- **Anna Koens**, Impact Manager, Journalismfund Europe – Earth Investigations Programme – The climate crisis and corruption: a narrative that leads to action

Session 2. The role of multinational frameworks in addressing integrity risks in climate matters

- Chair: **Felipe Rocha dos Santos**. Counsel, SBS, World Bank
- **Dr. Stephen Minas**, Professor, Peking University School of Transnational Law – The Contribution of the UNFCCC COP to a supranational anti-corruption ecosystem
- **Corinna Gilfillan**, Senior Analyst, UNCAC Coalition – Promoting linkages between corruption, organized crime, and climate fora
- **Sasha Caldera**, Campaign Manager, Publish What You Pay Canada – Supranational use of world-class beneficial ownership registries
- **Dr. Juanita Olaya**, Chair of the UNCAC Coalition's Working Group on Victims of Corruption – Recovering the losses caused by corruption

Session 3. How international financial institutions can mitigate integrity risks in climate finance

- Chair: **Chris Basiurski**, Deputy Head at UK's Government Joint Anti-Corruption Units, Chair of the OECD Working Group on Bribery
- **Alan Bacarese**, Director of Investigations, Strategy, and Operations, Integrity Vice Presidency, World Bank – Combating corruption and integrity risks in World Bank Group's climate solutions
- **Albert Lihalakha**, Deputy Head, Independent Integrity Unit, Green Climate Fund
- **Sârra-Tilila Bounfour**, Founder, STB Integrity – Bridging the gap: integrity and accountability for climate finance
- **Huawei Zhang**, Senior Compliance Officer, New Development Bank – Integrity due diligence framework on climate financing: proposed actions for multilateral development banks

Session 4. Integrity risks in carbon offset markets

- Chair: **Cristine Geers**, Senior Innovation Advisor, USAID
- **Andreas Gunst**, Partner, DLA Piper – What is the carbon market and how does it work?
- **Dr. Brian Cooksey**, Centre for Strategic Litigation – Integrity risks in carbon finance in Sub-Saharan Africa: is the voluntary carbon market salvageable?
- **Vera Cherepanova**, CEO, Studio Etica – Balancing act: integrity and innovation in voluntary carbon markets
- **Markus Pohlmann**, Senior Counsel, Legal Vice Presidency (Environment & International Law), World Bank – Carbon offset market integrity requires strong legal and regulatory frameworks
- **Lorna Ritchie**, Director for Public Affairs, Integrity Council for the Voluntary Carbon Market

Session 5. The perspective of the private sector in addressing integrity risks in climate solutions

- Chair: **Dr. Carmen Nuzzo**, Executive Director – Transition Pathway Initiative Center, LSE
- **Matthew Genasci**, Senior Investment Stewardship Manager, Norges Bank Invest Management
- **Karina Litvack**, Non-Executive Director Terna SpA; Co-Founder, Climate Governance Initiative
- **Alex Cooper**, Associate, Hausfeld
- **Katherine Wilkins**, PhD Fellow, Hertie School of Governance – Harnessing business inclusion across borders to promote integrity

Session 6. Social accountability in climate solutions

- Chair: **Besinati Mpepo**, Co-director, Social Development Direct
- **Kulsum Ahmed**, Advisor, Partnership for Transparency – The role of CSOs to ensure integrity in climate finance
- **Michael Jarvis**, Executive Director, Trust, Accountability, and Inclusion (TAI) Collaborative – Civil society oversight and social accountability in climate finance and action
- **Nyasha Mpahlo**, Executive Director, Green Governance Zimbabwe – Civil society in climate finance and action
- **Ann-Sofie Jespersen**, Senior Social Development Specialist, Global Partnership for Social Accountability, World Bank

Closing session: brainstorming & next steps

Organizing Committee

- Chairperson Dr. Alexandra Manea, OSD, World Bank
- Felipe Rocha dos Santos, SBS, World Bank
- Brice Böhmer, Climate Lead, Transparency International
- Albert Lihalakha, IIU, Green Climate Fund

Partners

London School of Economics - Grantham Research Institute on Climate Change and the Environment
Dr. Joana Setzer, Assistant Professorial Research Fellow

Columbia University - Sabin Center for Climate Change Law
Michael Burger, Executive Director

Norges Bank Investment Management
Matthew Genasci, Senior Investment Stewardship Manager, Corporate Governance

United States Agency for International Development (USAID) – Anti-Corruption Center
Cristine Geers, Senior Innovation Advisor

Advisor

Dr. Matthew Stephenson, Harvard University Law School

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The Supranational Responses to Corruption symposia series will continue with a third symposium in 2026. If you are interested to partner or learn more details, please send an email to integritysymposium@worldbank.org.