



Position Paper

Climate finance governance in Maldives: Pressing issues

Introduction

Climate change is without a doubt one of the most serious issues facing the world today. Having acknowledged the seriousness of the issue, the global community has pledged to commit USD 100 billion annually by 2020 to fight against the disastrous effects of climate change.¹ The Maldives, a poster child country for the global climate movement, is one of the most vulnerable countries to the ill effects of climate change. On average lying just 1.5 meters above mean sea level, the Maldives is vulnerable to rising sea level and coastal flooding. In recent years the Maldives has received significant amount of funds, in the form of grants and loans from various international donors and organizations, to aid the country in its efforts to combat the negative effects of climate change.

Between 2011-2013 it is estimated that the Maldives spent USD 2.87 million from its national budget for various climate adaptation and mitigation activities.² A further USD 168.17 million is committed for various adaptation and mitigation activities through externally funded grants and loans for the period 2011-2017.³

The large amount of funds coming into the country for climate change mitigation and adaptation poses questions on the governance mechanisms established to safeguard climate funds for its intended purpose. How effective are the anti-corruption safeguards in the country in monitoring the use of climate funds? How inclusive and transparent is the decision making process of climate funds? How does the government approve and prioritize areas for climate change projects? Through Transparency Maldives' Climate Finance Integrity Program, it is hoped that these questions on transparency, accountability, integrity and inclusivity of climate funds would be addressed through advocacy and awareness-raising, and by engaging the public in the discourse.

1. Climate finance governance in the Maldives: Current situation

The climate finance governance assessment carried out by Transparency Maldives in 2013, highlighted the issues in

1 Climate Summit Pledges, Cifal Scotland, <<http://cifalscotland.org/index.php/headlines/274-climate-summit-pledges>>.

2 Assessment of Climate Finance Governance in the Maldives, 2013, Transparency Maldives

3 Ibid.

the governance of climate funds in the Maldives. One of the areas of concern noted is the lack of information collated and available on on-going climate change projects in the country. The limited available information on climate change projects is due to the fact there is no central database featuring all projects being carried out in the country along with their respective funding amounts and targeted locations.⁴ The lack of information places restrictions on civil society and the general public to monitor and track the amount of climate funds coming into the country and get a clear picture of how climate funds are being utilized. Despite the passage of the Right to Information Act in January 2014, the lack of proactive disclosure on the part of climate finance government stakeholders and the challenges citizens face in accessing information from relevant authorities due to procedural obstacles present in the process, information on climate change programs and projects remain inaccessible and closed for public scrutiny.

Another area of concern in climate finance governance is the lack of transparency in decision-making. While high level government bodies such as the Economic and Youth Council (EYC) set up by President Yameen in 2013 plays a central role in approving grants coming into the country, there is no information available on how decisions are made and whether they align with existing climate change policies in the country. Furthermore, whilst other prominent climate advisory bodies (such as the steering and technical committee under the Scaling up of Renewable Energy Program- SREP) have been set up under different funds as well, there is no publicly available information about the role and mandate of such bodies apart from hearsay and occasional coverage in the media. Making such information public would increase transparency and public trust, and rule out issues such as conflict of interest in decision-making. The criteria used in the selection of islands for climate change projects is also often vague, making room for political maneuvering and other vested interests to precede national priorities and vulnerability factors.

Issues of clarity and transparency of major trust funds set up to coordinate and facilitate funding of climate change projects is also an area for improvement. One such major trust fund is the Maldives Green Climate Fund (GCF) set up in 2013 and mandated to act as the main access point for climate finance in the Maldives. The GCF is designed to ideally pool funds from different areas such as renewable energy, waste management, and biodiversity; therefore, it is vital that the GCF holds high fiduciary standards and integrity mechanisms to deter corruption and misuse.⁵ However, there is limited information available on the current operational status of the GCF. In order to ensure transparency in the governance of the GCF and map accountability lines, it is vital to disclose information on important aspects of the GCF such as the managing board, activities being carried out, and amount of existing funds.

2. Role of civil society

Civil society can play a key role in monitoring climate finance and the effectiveness of climate change projects. Community based-organizations (CBOs) that work closely with communities can also act as a medium for information transfer and citizen voice. However, in the Maldives, there is limited space, capacity and accessibility for civil society to engage in monitoring climate finance and influence climate change policies of the government. CBOs, particularly those located far away from the capital Male', have limited knowledge of ongoing policies and plans of the climate change strategy of the country.⁶ As groups working closely with vulnerable communities in islands across the Maldives, and working on behalf of communities most vulnerable to climate change, it is important that they are given a opportunity to voice out community needs are reflected in national climate change policies. To achieve this, civil society groups such as CBOs and national level CSOs working on climate change issues should spread awareness, facilitate and advocate for community involvement in developing policy changes that would benefit communities.

The findings of the 2013 assessment also identified the limited community consultations in the implementation of climate change activities across the country.⁷ Although in some cases donors make requirements to hold community consultations in different stages of project implementation, this is not fully achieved nor consistently practiced due to lack of information dissemination and public knowledge on the importance of such consultations, leading to low turnout.⁸ Furthermore donor requirements sometimes set limitations on the use of local expertise in the field and this has resulted in problems with the successful implementation of projects in the Maldives.⁹ For successful implementation of climate change projects in the Maldives, it is essential that local communities have a sense of ownership towards ongoing climate change programs and also to enhance their capacity to build resilience to climate change.

4 See above n 2.

5 Policy Brief on Maldives Green Climate Fund, (15th December 2013) Transparency Maldives.

6 CBO consultation on the role of civil society in influencing climate change policies (01st – 02nd June 2015) Transparency Maldives.

7 See above n 4, 2.

8 See above n 6.

9 Review of Climate Finance Governance in the Maldives 2015, Transparency Maldives

3. Recommendations

3.1 Government and oversight institutions

All government institutions involved in different stages of climate finance governance should ensure that high levels of transparency and accountability are maintained in decision-making bodies. In order to achieve this it is essential that climate change policies are formulated within wider consultations with civil society and relevant interest groups who would reflect the concerns of the general public. Information about climate change programs and activities should be publicly available along with funding details so that the public remains informed of how climate funds are being utilized at the ground level. This would increase public awareness on the issues that needs to be addressed in the context of climate change and also build trust in public institutions engaging in climate finance governance in the country.

It is essential that oversight bodies like the Anti-Corruption Commission be given the power to function independently in order to ensure that acts of corruption in climate finance are successfully investigated and further administrative arrangements that could lead to corruption are successfully detected in advance. The parliament, as the body representing the people of the Maldives should play a more active role in making other institutions engaging climate finance accountable and ensure that climate funds coming into the country is being governed in the most effective manner.

3.2 Civil society

Civil society should proactively engage in monitoring the flow and use of funds allocated for climate change activities. By actively seeking information from relevant institutions, for instance through the use of the Right to Information law; through consultations with local authorities and government departments; and by seeking information from donor websites, civil society can play an active role in making public institutions accountable for the way in which climate funds are being absorbed at community as well as national level in the Maldives. Civil society is also recommended to engage in different stages of the implementation of climate change programs at the community level, so that acts of corruption or misuse of funds are detected at an early stage and reported accordingly to oversight bodies such as the Anti-Corruption commission.

3.3 Donors

Major donors and other international organizations assisting the Maldives with climate finance should ensure that climate change funds are being governed in an effective manner and anti-corruption safeguards are in place in the use of climate funds. This can be achieved by closely working with government institutions to achieve coordinated results and by engaging and consulting with civil society. While foreign expertise is important to deal with the effects of climate change, donors should ensure that local expertise and capacity is developed for long term sustainability of climate change programs. Additionally it is recommended that donors ensure that projects implemented directly by donor agencies are incorporated and implemented within established national mechanisms for project implementation, monitoring and reporting.¹⁰ This would ensure that projects are not duplicated, and all parties working on climate change are operating within a consistent framework based on best practice.

4. Conclusion

The future of the Maldives and its fight against climate change is highly dependent on the financial assistance it receives from the global community. However, in order to win this fight it is essential that all actors involved in addressing climate change in the Maldives put forward a consolidated front to safeguard climate funds from corruption and misuse. Although some initiatives such as the Maldives Climate Change Policy Framework designed to align existing policies within a comprehensive can be observed as a step in the right direction, it must be noted that no major improvements were identified since the assessment of climate finance governance in 2013. In some areas, there has been regression in terms of climate finance transparency and accountability due to shifts in the governance structure of climate funds alongside the political reshuffling seen with the change in government. On a positive note, consultations with all stakeholders showed unanimity on the need for better governance of climate funds and need for collaboration between donors, the government and civil society.

¹⁰ See above n 7, 4, 2.