

## Transparency needed in climate funds

A senior conservation expert has called on the government to be transparent with the flow of funding channeled toward programs tackling climate change.

The Nature Conservancy Indonesia's (TNC Indonesia) senior advisor for international forest carbon policy, Wahjudi Wardoyo, said many developing countries, including Indonesia, had underdeveloped mechanisms for the distribution of such funds.

"In the end, it will depend on whether the government is transparent enough to show how the money is used," he said at a discussion about a recently published report, entitled "Climate Finance Readiness: Lessons Learned in Developing Countries".

The report summarizes the lessons learned regarding the financing of climate change programs in Brazil, Costa Rica, Indonesia, Mexico and Peru.

Currently, multilateral agencies play a key role in managing climate resources channeled to developing countries. They help identify the targets prioritized by the developing countries before the money flows to the countries via the agencies, which will also manage the resources.

A string of recent climate negotiations, however, has introduced a new concept known as "direct-access", which would allow governments in those developing countries to manage the decision-making process of climate finance.

"The main thing is to determine how we can manage the decision-making process on climate finance by ourselves," said Wahjudi.

The new concept, however, could give rise to problems over how the money would be channeled, and whether the government had the capacity to be transparent and accountable.

In the report, several new definitions are introduced, including "climate finance readiness", which refers to a process at national and local levels through which countries can access and receive money from outside, allocate and decide where the money will be channeled to, as well as monitor and report the results of the use of the money.

Jorge Gastelumendi, a senior policy advisor with TNC and also the report's author, said that the thinking behind the report was to identify elements that could help governments around the world manage their climate change resources.

"It also aims to reflect how our governments are dealing with the issue and can, hopefully, have an impact on negotiations at the international level," said Gastelumendi.

At the global level, the Green Climate Fund is set to be a major channel for international financial flows toward climate change programs. Around US\$10 billion of financial assistance for climate change will be channeled every year, creating the challenge of how these flows can be managed by one single fund for the whole world.