



U4-SDC Webinar Series on Climate Change and Corruption

We will begin shortly...

Presenters

Andreas Weber

SDC, Policy Adviser,
Governance and Anti-Corruption

André Wehrli

SDC, Sector Policy Adviser CDE

Gabriela Alberola

University of Amsterdam

Saul Mullard

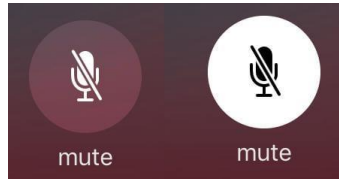
U4 Principal Adviser

Managing Corruption Risks in Multilateral Climate Funds

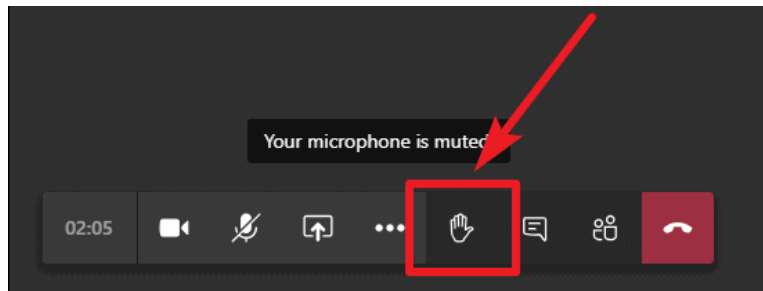
Thursday 24th September 2026, 1200-1330
CET

TEAMS Dos and Don'ts

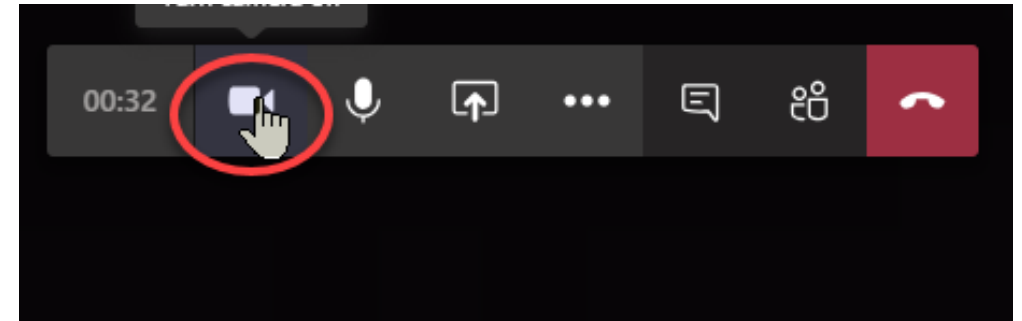
- Mute yourself when not speaking



- Use the “raise your hand” button to indicate the host that you want to speak or share your question on the chat



- Don't forget that you are visible (if you have your camera on).



How to ask for help

During session:

Contact **Priscilla Gonzalez** in the chat

Outside of Teams (only if no other options):

Send an email to priscilla.gonzalez@cmi.no

What if you get disconnected?

Click on the joining link
and the host will let you
rejoin

Opening: Why this series – what can you expect?

- Climate change is accelerating and has far-reaching and complex implications for almost all sectors. The sheer scale of financial resources involved (up to 9 trillion USD per year) make climate change an "interesting field" for corruption.
 - What & how ➔ 3 online sessions
 - 17.6.26: Understanding corruption risks in climate finance
 - 24.9.26: Corruption and multilateral climate funds
 - 4.11.26: Corruption risk management in locally led climate action
- ➔ *don't forget to register, more information [here](#)*

Previously in this webinar series...

- **Climate finance is particularly vulnerable to corruption risks due to speed and scale or investments, complexity, focus on higher-risk governance jurisdictions**
- **Climate finance corruption risks go beyond the misuse of money**
Corruption should be understood as part of a broader system involving political influence, access to resources, land rights, institutions, and decision-making processes.
- **Traditional compliance and oversight measures are often insufficient in complex environments**
Understanding the political economy is essential. Strengthening civil society and local accountability mechanisms may help counterbalance these risks.
- **Growing pressure on climate finance can increase corruption risks**
As more funds are channelled directly through governments, particularly in fragile settings, ensuring transparency and accountability becomes more important.

Agenda

10 minutes	Welcome and opening remarks	André Wehrli, SDC
20 minutes	Framing the discussion: From fiduciary risk to the political economy of corruption	Saul Mullard, U4
20 minutes	Beyond compliance: Leveraging donor influence to rethink corruption in multilateral climate funds	Gabriela Alberola, University of Amsterdam
40 minutes	Moderated exchange: what is the problem and what can we do?	Moderated by Andreas Weber, SDC

- *No event recording – but information (slides & summary) will be made available and may eventually feed into further research.*

Framing the discussion:

From fiduciary risk to the political economy of corruption

Saul Mullard

U4

The Problem: Climate finance is scaling into high-risk governance environments

Climate finance is growing rapidly

ML climate finance has since risen to **US\$163 billion in 2025**, including **US\$103 billion to low- and middle-income economies**. (Joint MDB Report, 2026) [European Investment Bank](#)

By 2030 MDBs project **US\$170 billion annually in their own climate finance**, alongside ambitions to mobilise another **US\$130 billion annually in private finance**. (WB, 2024)

Some of the countries most in need of climate finance are simultaneously characterised by conditions that make its governance particularly difficult. (Nest and Mullard 2025)



Why these dynamics increase corruption risks

More money, faster disbursement

CRM becomes a compliance or tick-box exercise

More finance into high-risk governance contexts

high climate vulnerability overlaps with weak institutions, limited accountability and political capture

Standard CRM misses many political-economy drivers

Do not detect collusion, elite capture, political connections, informal influence, land manipulation or control over representation.

The corruption problem is often defined too narrowly

CRM commonly treats corruption as individual misconduct or opportunistic behaviour

Principal-Agent problem: weak processes and rules

- Corruption = monopoly + discretion – accountability
- (*Klitgaard formula*)

I have a chance to do something corrupt. I probably will not get caught, and if I do, I probably will not be punished.



Defining Corruption

Corruption is a mode of functioning of social relations of power, whether formally or informally constituted, through which actors convert political, economic, institutional or social advantage into privileged influence over decisions, people, and the distribution of resources, rights and risks, in ways that advance particular (often socially constituted) interests. These benefits may be material or non-material.

Why the difference?

If we conceptualise corruption this way, the central question for corruption risk management changes.

It is no longer only:

“Has someone broken the rules or misused the money?”

It becomes:

“How is power operating through this project, and through which relationships are particular actors able to shape its rules, benefits and consequences?”

20 years of evidence:

Monitoring assumes that those enforcing the rules are independent of corruption. (*Persson, Rothstein & Teorell, 2013*)

Controls can displace corruption rather than eliminate it.
(*Dávid-Barrett & Fazekas, 2020*)

Formal safeguards do not prevent elite capture.
(*Schoneveld et al., 2013*)

Fraud detection and formal participation are necessary but insufficient.
(*Dasgupta & Beard, 2007*)

Political and social relations are rarely considered

Political-economy risks are often marginal to formal risk management.

- institutional incentives to approve and disburse projects discouraged deeper examination of political relationships. (Yanguas & Hulme, 2015; Nest, Mullard & Wathne 2020)

Corruption is relational and can perform political functions.

- Social and political relationships may persist even when formal financial and administrative controls are functioning. (Marquette & Peiffer, 2018)

Where do political and economic incentives create corruption risks in climate finance?

A political-economy perspective on corruption risks in climate finance

1 Project must succeed



Political-economy condition

- Political pressure
- Investment lock-in
- Project desirability



How this can contribute to corruption

- Collusion
- Abuse of power
- Conflicts of interest
- Preferential treatment
- Suppression of scrutiny



Case prompt

- Lake Turkana

2 Control over resources



Political-economy condition

- Land
- Licences
- Concessions
- Contracts
- Compensation and benefits



How this can contribute to corruption

- Land grabbing
- Bribery
- Patronage
- Collusion
- Elite capture
- Trading influence for access



Case prompt

- Bio-CLIMA

3 Control over representation



Political-economy condition

- Who speaks?
- Who consents?
- Who is excluded?



How this can contribute to corruption

- Elite capture
- Conflicts of interest
- Bribery or inducements
- Manipulated consent
- Political interference
- Exclusion of dissenting groups



Case prompt

- Bio-CLIMA / Tanahu

4 Fragmented accountability



Political-economy condition

- MDB
- Fund
- Intermediary
- Government
- Developer



How this can contribute to corruption

- Responsibility shifting
- Hidden conflicts of interest
- Collusive relationships outside mandates
- Opacity
- Forum shopping
- Responsibility gaps



Case prompt

- Akiira

What would compliance see?



- ✓ Permit approved
- ✓ Consultation held
- ✓ Procurement completed
- ✓ Audit passed
- ✓ Partner certified compliance



What might it miss?



Power



Relationships



Incentives



Collusion



Influence

The key question is not only whether rules were followed, but **who had the power** to shape decisions and the distribution of benefits and risks.

Lake Turkana Wind Power, Kenya

Flagship renewable infrastructure and unlawful community land conversion

Evidence: unlawful land process plus EACC investigation

Project frame

310 MW wind farm in Marsabit County.
Backed by AfDB, EIB and European DFIs.
Promoted as low-cost green power and a Kenya Vision 2030 flagship.

Documented conflict

The Environment and Land Court found the setting apart of 150,000 acres irregular, unlawful and unconstitutional. The court declined to nullify the completed project. Affected pastoralist communities contested consultation, compensation and customary tenure recognition.

Incentive mechanism

Political prestige and sunk investment made the project difficult to challenge. Gargule shows how green energy and development narratives depoliticised pastoral land claims. EACC later reported suspected contractual fraud and money laundering involving public officers in transmission and payment arrangements.



Sources: Achiba 2019; Kenya Environment and Land Court 2021; EACC-related reporting, 2023.

What conventional CRM misses

The cases point to incentive structures that sit upstream of fraud detection and formal compliance.

Incentive	How it appears in climate finance	CRM blind spot
Political desirability	Flagship climate projects gain urgency and prestige	Scrutiny can look like obstruction
Financial lock-in	Large commitments make redesign costly	Safeguards lose leverage after approval
Institutional delivery pressure	Approval and disbursement reward completion	Consultation becomes documentation
Political economy of land	Titles, permits, contracts and representatives gain value	Local elites and state actors can capture recognition
Implication	Integrity screening should test whether the project changes the value of land, permits, contracts and community representation before finance hardens those incentives.	

Any questions for clarification?



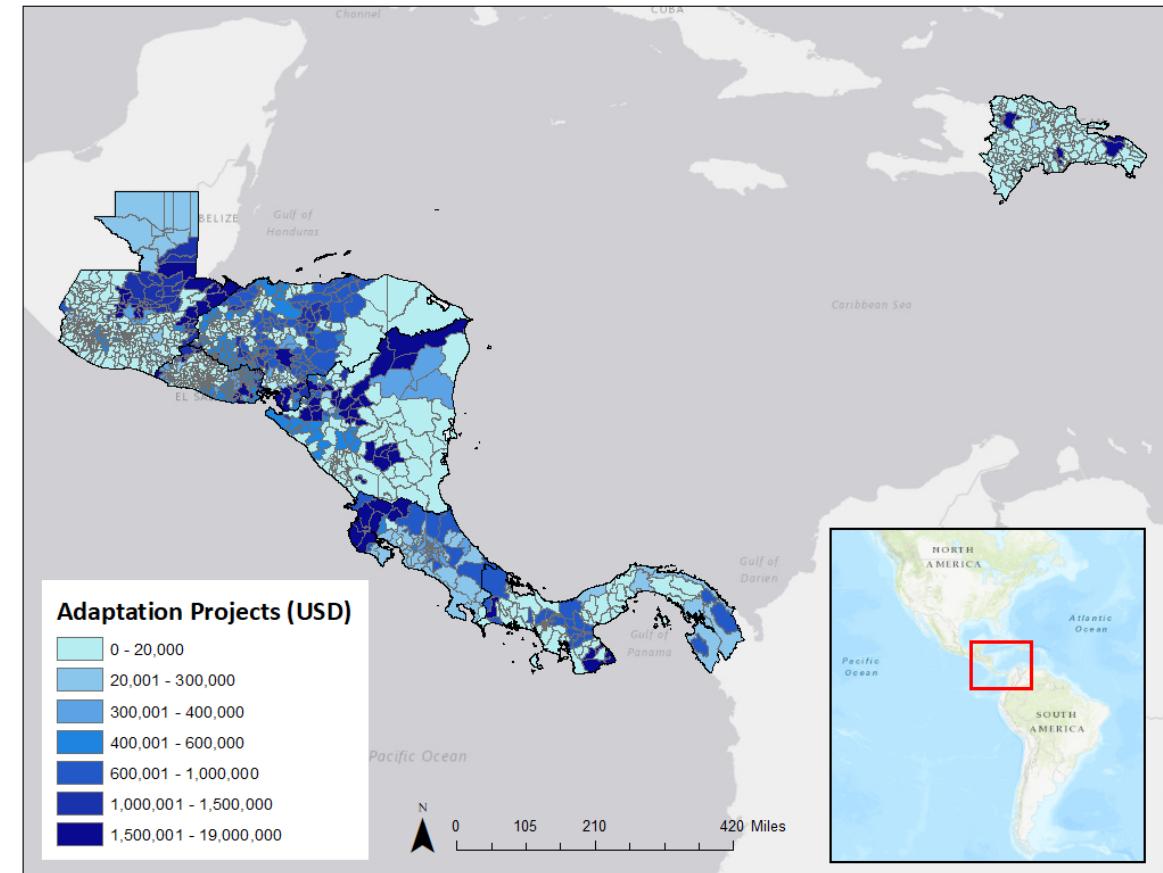
Social and political corruption risks along the climate-finance pipeline

Gabriela Alberola, University of Amsterdam

Political alignment and the distribution of climate finance

Research insights from Central America and the Caribbean

- Premise: International adaptation finance is intended to help *the most vulnerable areas* adapt to climate change
- Question: Does political alignment influence the **subnational** allocation of adaptation finance?
- The research:
 - Tracked the subnational distribution of adaptation finance (2007 – 2022)
 - 12 international climate funds (bilateral and multilateral)
 - > 1,000 municipalities in 6 Central American and Caribbean

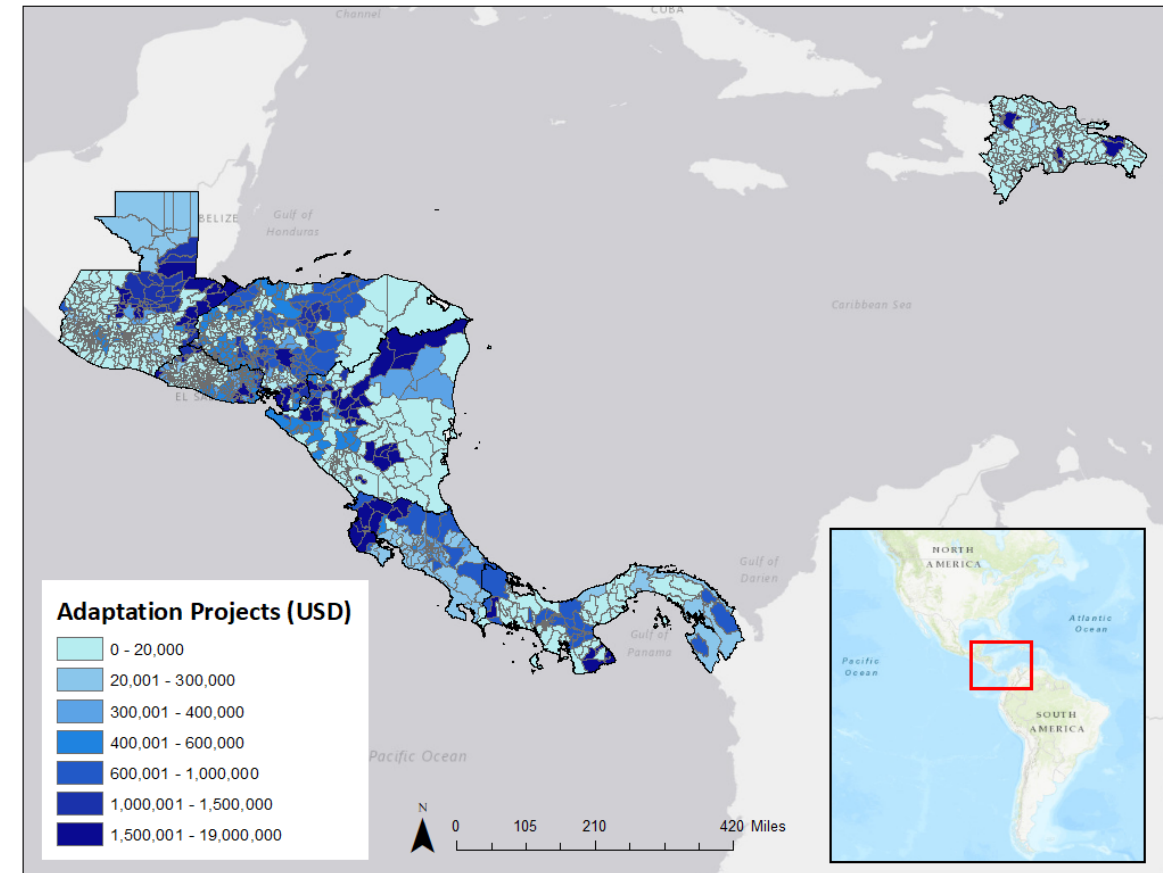


Political alignment and the distribution of climate finance

Research insights from Central America and the Caribbean

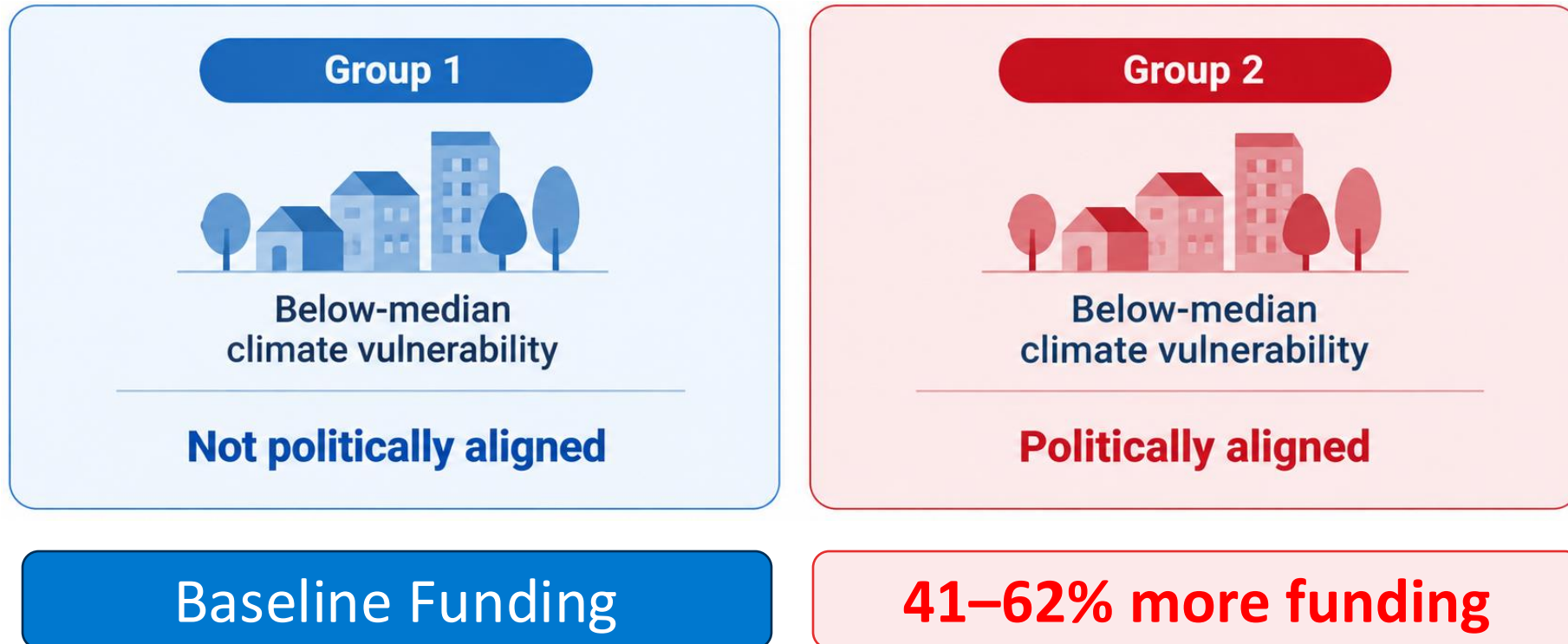
- Premise: International adaptation finance is intended to help *the most vulnerable areas* adapt to climate change
- Question: Does political alignment influence the **subnational** allocation of adaptation finance?

Finding:
Politically aligned municipalities
receive **~36% more funding**



Why does it matter?

Imagine two groups of municipalities



Takeaway: political bias can divert resources from areas of higher need to areas of lower need

Following climate finance through the pipeline

GCF and GEF as examples of multilateral climate funds

- The GCF and GEF provide financing to developing countries for climate-related activities
- Boards approve funding that then moves through multiple organizations and levels for disbursements and implementation all the way down to final beneficiaries



- Devolved implementation is important for country ownership and local agency

What happens as implementation moves downstream?

- Multiple layers of implementation create challenges for oversight and accountability
- Often, when audits take place in problematic cases, they find that formal fiduciary frameworks were in place, but weaknesses emerged in monitoring, oversight, and follow-up further down the implementation chain
- As implementation moves downstream, donors have less direct visibility into how decisions are actually made and how resources are allocated and used
- **KEY insight from research: these dynamics are not difficult for locals and CSOs to see**

Example: Barro Blanco hydro dam in Panama

- 2011 → CDM registration + financing by FMO, DEG and CABEL
- 2014 → Indigenous representatives file formal complaint
- 2015 → Independent panel finds FMO/DEG not fully compliant with their own standards
- 2016 → Project removed from CDM registry
- 2017 → Dam starts operating
- 2021 → FMO/DEG financing ends
- 2022 → Monitoring finds unresolved non-compliance + direct dialogue w/communities begins
- 2025 → Agreement with 4 affected Ngäbe communities + acknowledgement of significant harms + community program financed by FMO/DEG



What does following the money reveal?

- **What is opaque from the donor perspective may be very visible to actors on the ground**
- **Key mismatches in understandings of what counts as corruption**
 - Local actors know who was selected/excluded, which relationships matter, how political alignment affects access, or who repeatedly benefits from contracts and resources
 - Social and political dynamics don't always map onto what donors' categorize as corruption
- **Key mismatches in assignment of responsibility**
 - As finance moves through multiple institutions, it can become unclear who is responsible for identifying and addressing socially and politically embedded risks and their consequences on the ground
- **Decentralized implementation is not the problem**
 - Country ownership, local agency, domestic institutions, and capacity building are important
 - Challenge: Combine decentralized implementation with deeper political-economy analysis and stronger accountability

Where may we go from here?

- Develop a more socially & politically informed approach to anti-corruption
 - Incorporate political-economy analysis alongside fiduciary approaches to understand how power and relationships facilitate corruption
- Pay more attention to outcomes, independently evaluated, not only procedures
- Bring locally grounded knowledge into anti-corruption systems
 - Draw *systematically* on local staff, CSOs, activists, communities, practitioners and intermediaries who often see dynamics that are much harder to observe upstream
- Strengthen meaningful participation and FPIC
- Invest in research and better use of existing, historical data
- And finally, for all of us working in climate finance:
 - What do you see from where you sit? What could be done differently?

Any questions for clarification?



Moderated exchange

Andreas Weber, SDC

Group Discussion

- What are your experiences with the different forms of corruption around climate finance?
- What are the greatest blind spots / bottlenecks?
- How can the different involved stakeholders address these shortcomings?

Instructions

- You will be sent to a teams group, moderated by U4/SDC
- Open Google Slides (link in Chat) (Group 1, page 3-5, Group 2, page 6-8)

12' - Identify corruption risks that compliance systems may miss

- each group collects / discusses concrete cases from group members of corruption risks in multilateral climate finance
- add sticky notes on the board

12' - What could be done differently? each group discusses practical measures that could be used to address the underlying political-economy factors? Specify who has the ability to act.

Reflection and plenary discussion

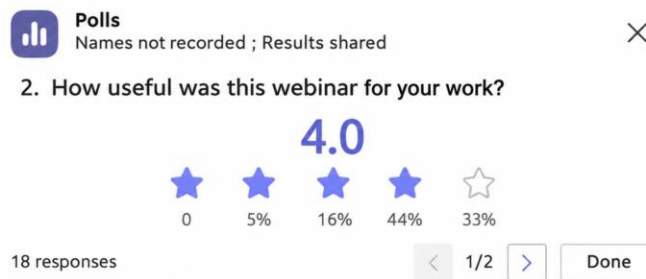
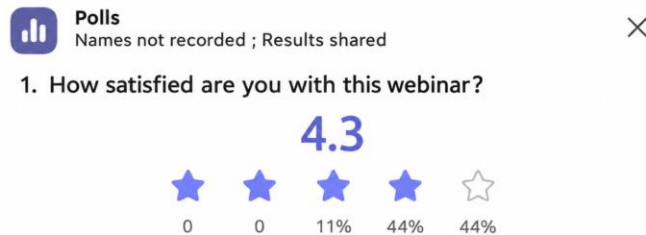
Gabriela Alberola & Saul Mullard

Key points from today

- Climate finance risks go beyond compliance (use a political-economy perspective!)
- Need for strengthening climate-finance accountability through evidence, local knowledge, and analysis
- Ground reality is key. And people on the ground do now. ==> link info on the ground with board members.
- Be aware of "power concentrations" (eg NDA) --> try to support / guide them
- Transparency adds value (eg if information is accessible, where projects are, how decisions are taken etc).

Wrapping-up

- Don't forget to sign-up to the forthcoming webinar in this series (link in chat)
 - *Webinar 3: Corruption risk management in locally led climate action (12:00 CET, 4th November 2026)*
- More material is available (see QR codes on final slide)
- Please tell us what you thought of this webinar (Teams poll pop-up)



Thank you for your attention!



SDC Network **Climate, DRR & Environment**

