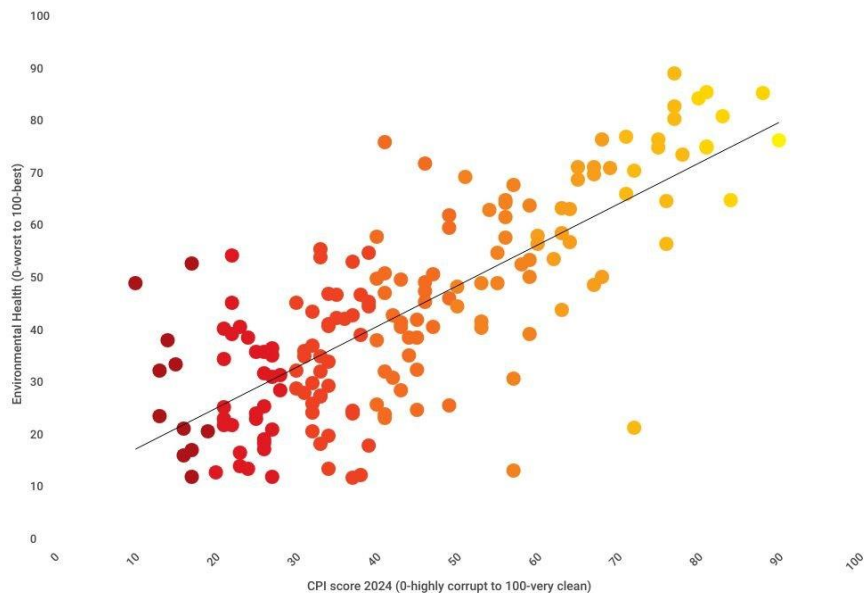


How corruption undermines global climate efforts

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Every year, corporations and governments [spend more than a trillion dollars on global climate finance](#), but this is [only a fraction](#) of what the UN estimates is needed to mitigate and adapt to the climate crisis. These funds however remain highly vulnerable to corruption, which drains resources meant to reduce emissions and protect communities impacted by climate change. Where corruption thrives, climate action often fails, and theft is only one of the reasons. Corruption obstructs effective climate policies and governance, harms the environment, and perpetuates harmful economic and business practices. While environmental protection is a multi-faceted phenomenon, it is hardly surprising that countries with a better CPI score tend to perform better at preserving healthy environments according to data from the [Environmental Performance Index](#) (see Figure 1).

Figure 1. Corruption and environmental health



Source: Block, S., Emerson, J. W., Esty, D. C., de Sherbinin, A., Wendling, Z. A., *et al.* (2024). [2024 Environmental Performance Index](#). New Haven, CT: Yale Center for Environmental Law & Policy.

Note: The graphic shows the correlation between Transparency International's Corruption Perception's Index and two subcomponents of the Environmental performance Index: Environmental Health (HLT) and mitigation actions (PCC).

Corruption and undue influence hinder climate action worldwide, affecting both the Global North and Global South in different but connected ways. In the Global North, where countries have historically contributed the most to climate change, powerful industries often use their political influence to block ambitious climate policies and shape global negotiations to their advantage. Fossil fuel companies, for instance, have used lobbying and misinformation to protect their interests, often at the expense of meaningful climate action. Meanwhile, weak governance and oversight in many countries receiving climate finance have led to the misappropriation of crucial funds meant to help countries transition to more sustainable economic models and to adapt

to the threats that climate change poses to them. These challenges highlight the need for systemic reforms that prioritise transparency, accountability, and fair representation in global climate governance.

Conflicts of interest are obstructing ambitious policies on climate

Undue influence and conflicts of interest have hindered effective climate action by making it harder to adopt ambitious policies and measures needed to address the crisis. For decades, diverse actors have relied on corrupt practices to undermine strong climate action and shape public opinion through misinformation. There is evidence that a small group of scientists, mostly funded by polluting industries, has worked to sow confusion in the public discourse [with the goal of keeping climate change off the political agenda](#). By spreading misleading information that contradicts the best available science, these actors have promoted climate scepticism and strategies that align with the interests of the fossil fuel industry rather than serve the common good.

Policies to reduce greenhouse gas emissions have been rendered ineffective or sidetracked by the influence of polluting industries and businesses. Some of the world's most powerful industries, particularly fossil fuel companies and car manufacturers, [have lobbied policymakers and relied on conflicts of interest, revolving doors, regulatory capture and outright bribery, to obstruct climate governance all over the world](#). In fact, the 2022 report of the [Intergovernmental Panel on Climate Change \(IPCC\)](#) identified opposition from vested interests as one of the key barriers to establishing and implementing stringent climate policies.

The fossil fuel industry continues to exert undue influence on international climate negotiations, slowing global efforts to combat climate change. The absence of robust provisions around conflict of interest made it easier for their lobbyists to slip under the radar, participate in UN climate talks and [secure outcomes that benefited their industries and undermined efforts to address the climate crisis](#). At the 2023 UN climate change conference (COP28) in the United Arab Emirates (68), for example, a record number of fossil fuel lobbyists were present. This is [more than the total number of participants from](#) the 10 countries most affected by climate change, signalling again how the voices of those responsible for climate change outweigh those of environmental advocates and affected communities. Alarming, some of the world's largest oil and gas companies have used these global forums to [promote unproven and expensive technologies](#), divert attention and resources away from proven solutions and serve the interests of the fossil fuel lobby at the expense of global climate action.

Evidence shows that the damage caused by corruption to policies on climate may be long-lasting and difficult to reverse. Even if corruption is tackled in the short term, [legacies from the past may affect current climate change policy](#), especially a country's willingness to cooperate internationally. That is why ambitious climate policy demands a systemic and long-term commitment to anti-corruption. In short, in the absence of transparency and other lobbying regulation, it is easier for powerful interest groups to rely on corrupt practices to influence state policies in their favour.

Corruption stands in the way of effective climate action

Corruption [is associated with weaker environmental policies and lower capacity to protect the environment](#). [Bribery, fraud and kickbacks can play a crucial role in enabling the illegal exploitation of forests](#), wildlife, and fisheries, with corrupt local officials, police, border and customs officers, harbour authorities, licensing bodies, and regulators either ignoring violations or actively participating in these illegal activities. High-ranking government officials and political figures also often facilitate corruption involving illegal imports of valuable timber and wildlife. Environmental crime, which includes activities such as wildlife crime, illegal logging, illegal fishing, pollution crimes, and illegal mining, [is the fourth-largest organised crime activity, with annual losses to criminal networks estimated between €80 and €230 billion](#).

In Zambia (39), for instance, [corrupt networks involving senior government officials and politically exposed people from the former administration facilitated illicit trade](#). They issued permits for the illegal export of Mukula wood, a species of rosewood protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). This illicit trade is estimated to have generated approximately US\$7.5 million annually in bribes and informal fees. Moreover, the environmental crime was leveraged to influence democratic processes, including issuing Mukula permits in exchange for provincial votes and a US\$40,000 “donation” from a powerful Chinese trader to fund a presidential re-election campaign. In Vietnam (40), [bribes and kickbacks totalling an estimated US\\$13 million](#) were paid to high-level Vietnamese officials, as well as customs and border personnel. These illicit payments enabled a large quantity of resources stolen from Cambodia’s national parks to enter Vietnam’s timber market. The relationship between environmental crime and corruption is further exemplified by the results of the [Organized Crime Index](#), which shows that environmental crime is mostly a challenge in countries with CPI scores under 50.

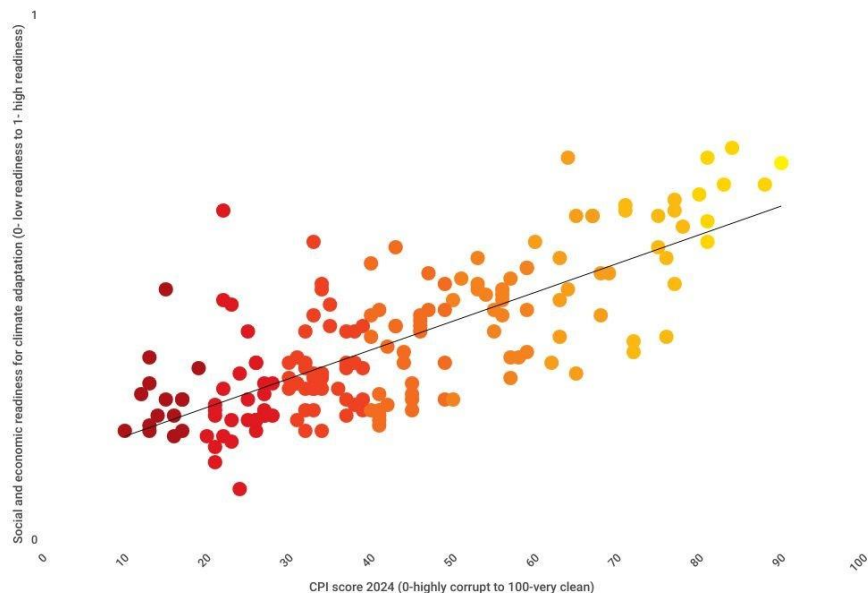
In addition to weakening the government’s capacity to protect the environment, corruption also threatens the impact and effectiveness of one of the most crucial tools to enhance and increase climate governance: climate funds. These funds are a cornerstone of global efforts to mitigate and adapt to climate change. They are vital to support countries most affected by global heating and some of the world’s most vulnerable communities. Unfortunately, countries with a low readiness to adapt to climate change and in need of these funds the most, often struggle to control corruption (see Figure 2). Between 2012 and 2021, the [top ten recipients of climate finance](#), scored under the CPI global average of 43.

[In Papua New Guinea](#) (31), for example, approximately US\$2 million in public funds have been misappropriated from the national Climate Change and Development Authority, a body funded from local taxes and international grants. After two whistleblowers alerted the police, the authority’s financial manager was arrested on charges of corruption. Similarly, [in Russia](#) (22), millions of dollars were misappropriated from a US\$7.8 million project funded by the Global Environment Facility and managed by the UN Development Programme (UNDP), which aimed to reduce emissions by strengthening energy efficiency standards. After seven whistleblowers raised

allegations of corruption, an internal audit revealed that the project failed to meet any of its emissions reduction targets.

Another concern is that the sectors requiring the most change – such as energy production and distribution – are particularly [vulnerable to corruption](#). According to the [Climate Policy Initiative](#), since around 40% of climate finance is directed towards the energy sector through initiatives like [Just Energy Transition Partnerships](#), the clean energy transition could be at risk if corrupt actors divert these funds for personal gain. Addressing governance challenges in these countries and in some of the most corruption-prone sectors by strengthening transparency and anti-corruption provisions in climate funds is essential to ensure that these resources achieve their intended goals and drive meaningful, equitable progress in the fight against climate change.

Figure 2. Corruption and readiness to adapt to climate change



Source: University of Notre Dame. *ND-GAIN Country Index*. Notre Dame Global Adaptation Initiative (ND-GAIN).

[Research by Transparency International](#) has [highlighted](#) the need for stronger anti-corruption [measures](#) in climate finance as corruption controls and transparency requirements are often [insufficient](#) and poorly coordinated. Climate-specific frameworks like the UN Framework Convention on Climate Change (UNFCCC) and its climate change conferences, Conference of the Parties (COP) operate independently from other mechanisms designed to address corruption at national and international levels, such as the UN Convention against Corruption (UNCAC). While article 13 of the Paris Agreement emphasises the importance of transparency in climate action, it remains vague in its phrasing of how this should be done in practice. As a result, mechanisms aimed at ensuring transparency and accountability in climate finance are still fragmented and largely voluntary, which creates fertile ground for corruption. There is thus a need for more integrated measures to protect these funds against corruption.

Corruption hinders the fight for climate justice

Climate change can disproportionately affect historically marginalised communities. These groups are [more vulnerable to climate change impacts](#) and find it [harder to adapt to extreme weather, heatwaves and pollution](#). [Research by Transparency International](#) shows that the diversion of funds to benefit a few rather than to protect the broader population often results in inadequate infrastructure, poor disaster preparedness and insufficient support for vulnerable communities. This is why [corruption can further harm already vulnerable groups who suffer from the negative effects of climate change](#) along with other forms of exclusion.

In Bangladesh (23), for example, [corruption within a climate adaptation project led to a cyclone shelter being built near the home of the government engineer](#) overseeing the project, rather than closer to the village it was meant to serve. During storms, locals were unable to reach the shelter, leaving them vulnerable to the dangers that this project intended to mitigate. Since [developing countries have adaptation needs 10 to 18 times greater than current funding levels](#), corruption in these projects can disproportionately harm those most vulnerable.

Extreme weather events pose another challenge. The [sudden influx of funding for disaster relief and the need for governments to respond quickly to the aftermath of events](#) often mean that [transparency and anti-corruption are disregarded](#). Corrupt officials may see the post-disaster phase as an opportunity to embezzle funds or solicit bribes from affected communities who are desperately seeking humanitarian assistance or temporary housing. When corruption affects adaptation and disaster recovery initiatives, those who are already the most vulnerable are at special risk.

An example of how this can be prevented is Pakistan's (27) [Balochistan Climate Change Policy](#). This initiative establishes clear accountability mechanisms for decision-making, policy implementation, and resource allocation in emergency response and climate-related projects. The information is also made available to the public on a dedicated website.

Strengthening citizen participation through timely access to relevant information in line with the principles of free, prior and informed consent from those affected by climate initiatives is crucial. It enables communities impacted by the climate crisis to have a say in shaping solutions.

Corruption enables violence against climate activists

Climate activists worldwide face constant danger, with corruption being a significant part of the threat to their lives and work. According to [Global Witness](#), over 2,000 environmental defenders have been murdered globally since 2012. Almost all these killings took place in countries with CPI scores below 50. This is hardly surprising since the work these activists do often threatens big political or economic interests, which may turn them into targets for the patronage and clientelist networks benefitting from environmental crime or from the absence of environmental regulation. [Corruption also helps guarantee impunity](#) for perpetrators of violence who might rely on bribery,

kickbacks and other forms of corruption. Governments often [fail to document or investigate attacks and rarely address the underlying issues that lead to the violence](#).

In Brazil (34) in 2022, [indigenous expert Bruno Pereira and the British journalist Dom Phillips were killed as they were investigating instances of illegal fishing and mining on indigenous lands in Vale do Javari](#). This crime involved criminal gangs as well as regional politicians and public officials. It showed how such networks of corruption can easily become a threat to the safety of environmental activists, an obstacle when investigating such cases and bringing perpetrators to justice.

While the lives of environmental activists may be more at risk in countries with low CPI scores, there are some worrying trends in the Global North. These may weaken the ability of local and international activists to hold governments accountable and act as an outside safeguard against potential regulatory capture. [A 2023 investigation](#) by The Guardian revealed a growing trend in European countries to enact anti-protest laws aimed at intimidating those who seek to peacefully protest and raise awareness about the climate crisis. Some states seem more focused on preserving the fossil fuel-dependent economic and political order, all the while they claim to be tackling climate change on the global stage.

Transparency and integrity are essential to fighting corruption. If we want to ensure that climate action benefits the most vulnerable, addressing corruption is crucial. Making sure that as many impacted people as possible are involved in climate projects and weeding out undue influence is key to their success. Cracking down on corruption in climate-related projects could save substantial sums each year, which could then be reinvested in climate action.

What needs to be done now

- **Place integrity and anti-corruption at the centre of climate finance and action.** As this is still in the developing phase, it is important to seize the opportunity to design and implement specific regulation and standards. Anti-corruption should be an integral part of climate action and a means to improve quality and efficiency in order to achieve long-term climate resilience. Organisations and other stakeholders working on climate and anti-corruption need to better coordinate their efforts including through the UN Convention Against Corruption.
- Eliminate loopholes that enable **undue influence in the climate policy-making process, at national, regional and international levels.** Climate policies and finance allocation should be subject to the highest levels of transparency and inclusivity. Establishing mechanisms to detect and manage conflicts of interest (such as through declarations of interests and lobbying registers) is essential in global climate fora like UNFCCC and COP.
- **Strengthen participation in climate investments, particularly for those who are affected by the climate crisis and concerned with the response.** Climate

data needs to be reliable, open, accessible and disseminated in a timely way, in line with Free, Prior, and Informed Consent (FPIC). Accountability frameworks will help ensure communities are engaged throughout initiatives like the Just Energy Transition Partnerships, including the provision of effective oversight.

- **Enhance investigations, protections and sanctions, to combat corruption related to environmental crimes.** Access to justice needs to be improved, by reinforcing the role of oversight and enforcement bodies – including anti-corruption bodies. Local communities should be able to access grievance mechanisms, while ensuring those who speak out – such as climate, land and environmental defenders and whistleblowers – are protected.

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