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## 146th IPU Assembly Manama (11–15 March 2023)

### Panel discussion on climate oversight action

Monday, 13 March 2023, 11:30 – 13:00  
Grand Hall E (EWB)

#### Concept note

##### **Background**

Climate change presents a global, existential threat to humanity and to human prosperity and development. Without effective national and international adaptation and mitigation actions, human societies are in jeopardy, with poor and vulnerable populations experiencing the most immediate impacts first. In response, many governments are investing in national and international climate change mitigation and adaptation actions as a way to reduce climate-related risks. A proactive approach of this kind makes financial sense because such investment makes economic, social, and environmental systems less vulnerable and lowers the costs countries would otherwise have to pay in reparations if they took a more reactive approach. Addressing climate change as a matter of urgency is therefore even more critical in the current fiscal environment.

##### *The oversight and accountability framework on climate change*

Parliaments and legislators have a vital role to play in responding to climate change, including by debating and shaping national climate legislation, scrutinizing government action and performance to ensure that national and international commitments are fulfilled, and channelling the views and concerns of the people parliament represents to the executive.

Robust scrutiny and oversight of climate expenditure is a key component of parliament's role, helping to ensure that such expenditure is effective, targeted, transparent and efficient. There are many avenues available to parliamentarians to fulfil this role, including parliamentary and legislative debate, question time, interpellations, and committees. It is also important that climate change framework laws specify accountability for the implementation of the core obligations they contain.

Many parliaments worldwide are currently undertaking oversight and scrutiny of government climate action. Most of this work happens through parliamentary environment committees, some of which have a specific mandate to inquire into climate-related legislation, policy, and spending. Such dedicated committees exist in India, Ireland, the Philippines, South Africa, Uganda, and the United Kingdom, for instance. Public Accounts Committees, which undertake oversight and scrutiny of the budget, are also able to look into climate-related performance and expenditure.

Supreme Audit Institutions (SAIs) are another key mechanism for holding government to account on climate action. They conduct external audits of all public accounts and can carry out performance audits of government policies and programmes. SAIs are an important part of a nation's public accountability framework, since they provide assurance and information to parliament about the reliability of financial reports, the use of public resources, and government performance.

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A number of SAIs have completed audits of government climate change adaptation and mitigation action.<sup>1</sup> These targeted audits span a wide range of topics, from progress on big-picture adaptation and greenhouse gas emissions reduction measures, to specific environmental policy responses such as the transition to clean energy. A handful of examples of financial audits have also considered specific climate-related policies.<sup>2</sup> According to a survey by the International Organization of Supreme Audit Institutions (INTOSAI), climate adaptation is the most popular audit topic for SAIs in 2021–2023.<sup>3</sup>

The Sustainable Development Goals (SDGs) and the Paris Agreement – the first binding, universal agreement on combating climate change – must be a focus of parliamentary oversight and audit work on climate-related performance and expenditure. INTOSAI is already supporting SAIs in auditing national preparedness for implementation of the SDGs.

In developing countries, which are already feeling the effects of climate change, it is important for SAIs to address areas of risk and the effects of climate change. Meanwhile, in those countries that have pledged financial support to achieve the Paris Agreement goals, SAIs will need to focus on whether governments are meeting these funding targets. A study<sup>4</sup> by the INTOSAI Working Group on Environmental Auditing (WGEA) suggests that these targets are far from being met. In 2021, for instance, the National Audit Office of Finland audited the steering and effectiveness of the country's international climate finance, as provided for under the Paris Agreement, drawing mixed conclusions.<sup>5</sup>

Much of the climate-related oversight work being done by parliaments and SAIs involves reviewing or assessing the performance of climate legislation and policy. A lesser focus has been placed on ongoing, systemic, or government-wide scrutiny of climate-related expenditure. Yet oversight of this expenditure is vital to ensuring that funding is meeting the aim of mitigating and adapting to climate change.

## Objectives

Recognizing both the increasing urgency of climate mitigation and adaptation, and ongoing government investment in national and international climate action, this panel discussion aims to review how parliaments and SAIs are currently undertaking oversight of climate performance and expenditure. The panellists will discuss best practice, gaps in, and challenges to this oversight work, examining how climate performance and expenditure can be better and more holistically scrutinized by parliaments and SAIs. The session will also explore how parliaments and SAIs can better work together in this area.

The discussion will be guided by the following questions:

- *Performance oversight:* How can parliamentarians and SAIs advocate for enhanced parliamentary oversight of climate-related performance? Through what mechanisms could this oversight be undertaken?
- *Expenditure oversight:* How can parliaments and SAIs better incorporate scrutiny of climate-related expenditure (linked to the SDGs and the Paris Agreement) into their oversight work?

## Practical arrangements

This 90-minute session will be open to all delegates at the 146th IPU Assembly. The event will be conducted in English, French, Arabic and Spanish.

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<sup>1</sup> INTOSAI WGEA maintains a database of environmental audits undertaken by contributing SAIs, which includes a dedicated page for climate change audits. See: INTOSAI WGEA, "INTOSAI WGEA Audit Database": <https://www.environmental-auditing.org/audit-database/issue/>.

<sup>2</sup> Ibid.

<sup>3</sup> INTOSAI WGEA, *Environmental and climate audits on the rise – 10th INTOSAI WGEA survey on environmental auditing* (Helsinki, 2021): [https://www.environmental-auditing.org/media/117588/wgea-10th\\_intosai\\_wgea\\_survey\\_publication.pdf](https://www.environmental-auditing.org/media/117588/wgea-10th_intosai_wgea_survey_publication.pdf).

<sup>4</sup> Auditing Climate Finance: Research and Audit Criteria for Supreme Audit Institutions: [https://www.environmental-auditing.org/media/00vpaaya/wgea-wp3\\_climatefinance\\_2022.pdf](https://www.environmental-auditing.org/media/00vpaaya/wgea-wp3_climatefinance_2022.pdf)

<sup>5</sup> National Audit Office of Finland, *Finland's international climate finance – Steering and effectiveness* (Helsinki, 2021): <https://www.vtv.fi/app/uploads/2021/09/NAOF-Audit-6-2021-Finlands-international-climate-finance.pdf>, 5.