Resisting Transparency: Corruption, Legitimacy, and the Quality of Global Environmental Policies

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Transparency has developed into a strong international norm. It has been described as a cure for corruption and an important precondition for good governance, economic growth and effective environmental policies.1 Despite the formidable increase in attention to the principle of transparency in recent years, many governments continue to rule largely in secrecy. The resistance against greater government transparency seems to be strong. Given the benefits of transparency, and the considerable political capital spent on transparency reforms, we know surprisingly little about what causes governments to promote greater transparency. One reason for this is that the focus of most studies has been on what happens after transparency norms have gained ground in a country, i.e., on the impact of transparency, rather than on what promotes transparency in countries that have little of it.2

International organizations (IOs) are often expected to play an important role in persuading reluctant nation states to comply with international norms. A growing number of studies suggest that their success in promoting better government institutions is closely linked to whether or not international organizations embody these norms themselves in their dealings with member states.3 Thus the established view in the literature is that greater IO transparency leads to an increased endorsement of transparency in countries that interact with IOs. However, our knowledge of when and how these beneficial effects of IO transparency are likely to materialize remains limited.

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We suggest that one central and overlooked condition affecting the ability of international organizations to promote increased domestic transparency is the quality of IO decision-making processes. If IO decision-making processes are perceived as unfair, unpredictable and ineffective, transparent IO decision-making processes may be ineffective at best and counterproductive at worst. IO disclosure policies coupled with inadequate support for a well-governed internal system can result in greater misuse and corruption within the system and reduced public legitimacy. This may, in turn, lead to key domestic officials blaming transparency, rightly or wrongly, for lack of impartiality, fairness and effectiveness in IO decision-making. When the quality of IO decision-making processes is perceived to be low, officials involved in projects seeking finance from IOs cultivate an adversarial relationship with media and NGOs and develop a greater resistance towards transparency reforms. All of these developments, we argue, are detrimental to the endorsement of transparency among domestic officials and thereby to the long-term institutionalization of transparency.

We explore these propositions through analyzing the views of domestic officials involved in projects seeking financing from IOs in the environmental field. The article draws on interview and survey data from a sample of senior government officials in developing countries working with two of the most important international financial mechanisms designed to promote global reductions of greenhouse gases and ozone depleting substances: the Clean Development Mechanism and the Multilateral Fund for the Implementation of the Montreal Protocol.

With the analytical focus of this study being officials’ support for transparency, the aim of the article is to develop a model for understanding how domestic officials’ appraisal of transparency is shaped by interactions with IOs, and in particular, with international financial mechanisms managed by IOs. Although the importance of perceptions of transparency of key officials is frequently mentioned in the literature, there is little empirical research on how their understanding of transparent decision-making is shaped. Studies that analyze the expansion of transparency norms in a domestic context tend to narrowly focus on the diffusion of freedom of information laws. However, several studies show that access to information laws is ineffective in settings where political will is lacking, and meaningful only when supported by government officials in an administration. The effective implementation of transparency requires domestic officials to see the benefits of transparency. According to Neuman and Calland: “The notion of transparency is invariably far beyond the range of experience and mind-set of most public bureaucrats. Therefore, a fundamental mind shift is necessary, prefaced with political will for a change in approach.” By placing the focus on subgroups of officials’ understanding and evaluation of transpar-

ency, this study contributes to a more nuanced picture of how and when domes-
tic transparency increases, and allows us to move beyond conceptions of gov-
ernments and countries as homogenous entities.

The article proceeds as follows. First, we discuss how international organi-
izations influence domestic transparency, and in particular why poor quality
decision-making processes in IOs can foster resentment towards transparency
among government officials involved in projects seeking funds from interna-
tional financial mechanisms. Second, we outline our two cases, the Clean De-
velopment Mechanism and the Multilateral Fund for the Implementation of the
Montreal Protocol. Third, we present our study and the measurements used in
our interviews and surveys. Fourth, we show the results of our study and discuss
their implications for better understanding how international organizations
promote transparency.

How International Organizations Influence Domestic Transparency

Transparency is a multifaceted word, the meaning of which is at times miscon-
strued. Transparency is often conflated with accountability and press freedom
and therefore difficult to operationalize.8 We define transparency narrowly here
as the release of information that is relevant for evaluating institutions.9 The ex-
pansion of transparency is typically seen as part of a broader normative, social
and political process linked to both liberal values such as individual rights, ac-
countability and democratization, and neoliberal values such as privatization
and limited regulation.10 The uneven endorsement of the transparency norm
can be explained by the varying embeddedness of countries, organizations, and
actors in these global processes. However, we lack a deeper understanding of
how, when, and why transparency gains ground.

This study explores the role that the procedures and decision-making
qualities of international organizations play in promoting increased domestic
endorsement of transparency. International organizations put pressure on gov-
ernments by making aid, loans and sometimes membership conditional upon
good governance reform, but also use less tangible strategies such as the produc-
tion and use of rankings of government quality.11 Their effectiveness in promot-
ing norms is often explained by their own internal endorsement of the norms
that they promote.12 Consequently, it is often suggested that more transparency
in international organizations will enhance their effectiveness in promoting
transparency in member states.

9. For a discussion of definitions of transparency, see Bellver and Kaufmann 2005. Cf Florini’s
“regulation by revelation” as the third wave of environmental governance (Florini 1998) and
“governance-by-disclosure” (Gupta 2008).
10. See for example Bernstein 2002; Eckersley 2004; Gupta 2010; Newell 2008; and Van den Burg
and Mol 2008.
11. Bauhr and Nasiritousi 2009; Bearce and Bondanella 2007; Finnemore and Sikkink 1998; Kapur
and Naim 2005; and Sandholtz and Gray 2003.
While several studies highlight the importance of IO transparency for the promotion of the norm to member states, few studies attempt to understand how it matters. Some studies argue for the importance of international organizations leading with moral credibility. One of the few elaborate attempts to understand how, more precisely, IO transparency matters is Grigorescu's study showing how governments’ perceived cost of adopting access to information legislation is reduced when IOs make information on government performance publicly available anyway. These studies share the idea that greater IO transparency will promote greater domestic transparency.

This study proposes an alternative understanding of how IO transparency influences government support for transparency in domestic contexts. We contend that national officials who participate in IO settings not only learn about the particular norms that are actively promoted by IOs, but also from experiences with those norms as applied in international settings. Experience with the way IO transparency works may, in other words, influence perceptions of the merits and drawbacks of transparency. These experiences may also potentially increase domestic resistance to transparency reforms.

This points to the importance of understanding what conditions affect how transparency is perceived among domestic officials that interact with IOs. Building on recent advances in our understanding of what constitutes high-quality national government institutions, we define a potentially important condition as IO decision-making quality, i.e., its effectiveness, predictability, and impartiality. The reasons why poor quality decision-making can foster resentment towards transparency and publicity are explored below.

**Transparency May Increase Rather Than Reduce Corruption**

Transparency is typically seen as one of the most powerful measures against corruption and fraud. The strong belief in transparency as a tool against corruption is derived from a principal agent framework in which transparency increases the cost of corruption by reducing information asymmetries between “principals” and “agents.” In other words, transparency makes it more difficult to cheat the system, and get away with it.

However, while transparency may reduce corruption and fraud by contributing to detecting it, transparency may also increase corruption if it is coupled with inadequate support for a well-governed system. For transparency to work against corruption, simply detecting abuses will not suffice. A system also needs

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“principals” with the capacity and authority to act on the information received. In the absence of such a system, limited actions against reported critique and a very low risk of sanctions may pave the way for more fraud. Similarly, if corruption is seen as a collective action dilemma, where actors’ actions are based on expectations of what others do, corruption critically depends on how many others are perceived to be corrupt. Transparency may thus make the scale of the problem more visible, and encourage corruption. (If “everybody” is perceived to be corrupt in a given system, it may disincentivize honesty.)

Therefore, simply highlighting fraud without increasing the risk of being exposed to sanctions may increase rather than reduce the incentives of individuals to cheat the system. The quality of IO decision-making is hence of central importance for transparency to reduce corruption and fraud and maintain the integrity of institutions of global governance. Increased corruption can, in turn, lead to an adversarial relationship between media and government officials and reduce trust between the two, and thus work as an impediment to the endorsement and institutionalization of transparency.

**Transparency May Reduce Rather than Increase Legitimacy**

Transparency is often seen as key to enhancing the perceived legitimacy of international environmental policies. If systems are transparent, outside actors—whether NGOs, media, the general public or governments—are more likely to approve of the system as being “desirable, proper or appropriate.” Transparency can thereby reduce uncertainty or create a better understanding of decisions.

However, several recent studies suggest that the relationship between transparency and increased legitimacy is not as straightforward as often assumed. Citizens with an insight into how decisions are made can become disillusioned instead, and lessen their approval of decision-making processes and environmental institutions. This could be driven by distortion in the information received. Kolstad and Wiig warn that “the media may concoct false allegations to increase profits, or use information to get access to rents.” Decreased legitimacy could also be driven by (unmet) raised expectations about influence over the process, or simply because the public does not like what it sees.

Thus, the experience of national officials regarding whether transparency improves or damages the public’s perceptions of the work that they do could be another factor that influences their view of the merits of public insight and consequently their support for the transparency norm. If IO transparency leads to projects becoming the target of significant media criticism, it is conceivable that national officials involved in projects seeking funds from IOs feel that all

projects lose legitimacy in the eyes of the public—even “good” ones. This, in turn, may reduce support for transparency. Poor quality decision-making combined with transparency can create an adversarial relationship between officials and the media, simply because officials are more heavily critiqued in systems where the decision-making quality is perceived to be low. If this external critique, in turn, influences the decisions that IOs take on particular projects, it may further reinforce government officials’ adversarial relations with the media and NGOs, thus weakening support for transparency and ultimately its institutionalization.

Transparency Can Become the Culprit of Unsatisfactory Decision-Making

Although the merits of transparency are well known, recent studies have taken a more critical look at what transparency means in practice, revealing a number of costs and problems associated with its implementation. Rather than transparency being portrayed as a sure way to improve governance, these studies emphasize that transparency may not automatically provide the expected benefits. In fact, several studies point to the potential negative consequences of increased transparency for decision-making. For instance, the quality of decisions can suffer if transparency provides officials with an incentive to posture or pander, or if it increases transaction costs and leads to greater politicization. Jacobsson and Vifell reach a similar conclusion in their study of institutions within the EU, stating that “the more closed the forum, the more openness in discussion.” Thus transparency may inhibit good decision-making if officials are hindered from deliberating openly due to fears of citizens’ perceptions of their actions.

We therefore suggest that the benefits associated with transparency may, under certain conditions, not be forthcoming and that officials can come to blame transparency for poor quality decision-making. For instance, in the case of deciding which projects should be approved by an IO, it is possible that transparency either increases or decreases the (perceived) quality of decision-making. This is because interference from outside parties may either assist in providing relevant information on which the decisions are based, or it may disrupt impartial decision-making. The latter scenario is possible if transparency forces the international decision-making body to reject projects that are subject to massive criticism, even if they are no worse than projects that are approved. The (real or perceived) increase in unpredictability of decisions as a result of a transparent system could influence beliefs in the merits of transparency. Thus, our arguments about the importance of decision-making procedures are in line

with the central ideas of procedural justice theory, which suggest that not only outcomes, but also perceived fairness in the procedures leading to those outcomes, matters for evaluations of systems and policies.\textsuperscript{26} If domestic officials blame transparency for the decrease in fairness of the decision-making body’s decisions, reactions could be negative. The causal processes outlined in the preceding sections thus lead us to expect that fairness, predictability and effectiveness of IO decision-making can influence government officials’ experiences of, and support for, transparency reforms in a domestic context.

**Conditions for Good IO Decision-making: Carbon Markets and Ozone Funds**

Current international environmental financial mechanisms differ in impartiality and effectiveness. Some mechanisms seem to be much more conducive to fostering impartial decision-making processes and are consequently also less prone to being the object of controversies and critique. In our study, we select cases with substantial variations in perceptions of the fairness, predictability and effectiveness of IO decision-making processes. We focus here on two international financial mechanisms that are often placed on opposing ends of a spectrum when it comes to decision-making quality,\textsuperscript{27} while attracting attention for their innovative character and importance: the Clean Development Mechanism (CDM) and the Multilateral Fund for the Implementation of the Montreal Protocol (henceforth Multilateral Fund). These international financial mechanisms share some structural and organizational similarities. National officials in developing countries who approve and manage financial flows from these mechanisms are generally from the same set of countries, based in the Ministry of Environment or an equivalent department and working in the environmental field.

These financial mechanisms are included within the *Kyoto Protocol to the United Nations Framework Convention on Climate Change*\textsuperscript{28} and the *Montreal Protocol on Substances that Deplete the Ozone Layer*,\textsuperscript{29} both of which are responsible for significant financial transfers between countries. The CDM, combined with the other market mechanisms in the Kyoto Protocol, is the first global market mechanism in international environmental law and the world’s largest carbon offset market.\textsuperscript{30} Its aim is to reduce global greenhouse gas emissions while aiding developing countries to achieve sustainable development. This is to be achieved by investing in emission-reducing projects in developing countries

\textsuperscript{26} Lind and Tyler 1988; and Thibaut and Walker 1975.
\textsuperscript{27} Kelly 2004; Magnoni 2009; and Streck and Lin 2008.
\textsuperscript{30} Streck 2004.
that would not have been implemented without the additional incentive offered by the CDM. These emission savings are then translated into Certified Emission Reductions (CERs, or carbon credits) that countries with emission reduction obligations under the Kyoto Protocol (so-called Annex 1 countries) can use as an alternative to domestic emission reductions. It is the responsibility of the CDM Executive Board, the United Nations body supervising the CDM, to decide on the eligibility of project applications. However, before the Executive Board can approve or reject these projects, a national government authority, the so-called Designated National Authority (DNA), has to approve projects and certify that they are in line with national sustainable development goals.31

The Multilateral Fund was established in 1990 with the objective of aiding developing countries to comply with their obligations to phase out the use of ozone-depleting substances (ODS) under the Montreal Protocol. The Multilateral Fund is administered by a number of implementing agencies, including the World Bank, the United Nations Development Program (UNDP), the United Nations Industrial Development Organization (UNIDO), and the United Nations Environmental Program (UNEP). The fund is managed by an Executive Committee, a body that for the 2012–2014 period oversees a budget of $450 million.32 The Executive Committee, similar to the Executive Board of the CDM, is responsible for developing criteria and guidelines for eligibility and for the approval of project applications. Before this board approves projects, proposals have generally been approved by National Focal Points.33

Although structurally rather similar, conditions for decision-making are much more complex in the CDM than in the Multilateral Fund. The fairness, effectiveness and predictability of CDM decision-making processes are more difficult to ensure. This can partly be explained by the controversial nature of the climate change policy arena and the problem of establishing the additionality of CDM projects, i.e., that they reduce emissions more than what would have been achieved otherwise. Perhaps because of the fact that no offsets are involved in the Multilateral Fund, i.e., industrialized countries are not entitled to emit more ODS as a result of the reductions that take place in developing countries, transparency works differently and has different effects in the CDM than in the Multilateral Fund.

The access to information within the CDM is comparatively good.34 Project developers must provide project design documents (PDDs) that are posted on the CDM website, containing information about the rationale for the project and stakeholder comments etc. However, despite the fact that the World Bank has lauded the CDM as a success,35 the CDM has increasingly become the object

of criticism for allegedly failing to live up to its objectives. For example, Wara and Victor find that “Experience with the CDM suggests that many CDM projects do not reflect real reductions in emissions.” Schneider calculates that about 40 percent of projects registered by July 2007 would have been implemented even in the absence of the CDM mechanism. Thus it does not appear that the transparency in the system has deterred project developers from applying for CDM money on a faulty basis. In contrast to the CDM, the Multilateral Fund has received less attention and the attention that it has received has been primarily positive.

While transparency has been successful in drawing attention to fraudulent CDM applications, the criticism against individual projects has increased the workload for the Executive Board. This means that not all of these critical reports are acted upon, although the Board has made efforts to improve project control. This indicates either that the critical media/NGO reports that do not lead to a rejection of the discussed project are incorrect or that the Executive Board responsible for decision-making is unable or chooses not to take action. If domestic officials perceive that the Executive Board relies on media or NGO comments to approve or reject projects due to its limited resources, it could affect domestic officials’ perception of the fairness of CDM decision-making processes.

Thus while the CDM provides greater access to information than the Multilateral Fund, this transparency is accompanied by a more problematic situation for IO decision-making. How does this affect national officials’ perceptions of transparency? Can the different systems influence the way in which the national officials working with them appraise the merits and drawbacks of transparency? These questions will be explored below.

Data and Measurements

Our propositions are explored using data from interviews and surveys conducted among senior officials and NGOs. The officials participating in the study represent the national bodies approving international transfers: the Designated National Authorities (DNA) of the CDM and the National Focal Points (NFP) of the Montreal Protocol. NGO interviews were carried out in order to assess the claims of officials regarding their commitment to transparency. The survey was web-based and distributed in English, Spanish and French. Given

39. For criticism about the implementing agencies (particularly the World Bank), see Greenpeace 1994.
41. The period of data gathering was between November 2009 and May 2010.
42. In addition to the 43 open-ended responses received to our survey, 23 NGO representatives and national officials were also interviewed.
the sensitivity of asking government officials about their perceptions of transparency, the survey achieved a reasonably high response rate (38 percent). Since respondents are limited in number (61), the survey analysis is explorative in nature.

The dependent variable in this study is endorsement of the norm of transparency. Since it is empirically difficult to measure values and norms, we use two alternative measures that in distinct ways speak to the underlying norm: perceptions of publicity and support for transparency. Perception of publicity is an index composed of perceptions of the extent to which participants believe that the media and NGOs are balanced, knowledgeable and refrain from misusing the information disclosed. Support for transparency is based on participants’ evaluations of the costs and benefits of transparency in their daily work. We maintain that both perceptions of the trustworthiness of empowered principals, such as media and NGOs, and evaluations of costs and benefits of transparency are related to, and expressions of, the endorsement of transparency as a normative principle.

Our key independent variable is an index measuring IO decision-making quality. It comprises measures of participants’ perceptions of the fairness, predictability and effectiveness of IO decision-making processes. The index is designed to capture essential aspects of what may influence officials’ perceptions of IO decision-making procedures, including perceptions of equal treatment that may guide perceptions of fairness.

Important alternative explanations for domestic officials’ endorsement of transparency were included as control variables in our analysis. One alternative explanation is the level of domestic socialization into transparency norms. In order to control for differences in domestic cultures of government transparency, we use the level of domestic transparency, as measured by the Bellver and Kaufmann index of economic and institutional transparency. Participants’ levels of international socialization, measured here by the number of years that they worked with international organizations, could also make them more inclined to evaluate transparency positively. We also control for the share of projects the country receives. Program beneficiaries may be more exposed to, and potentially more sensitive to, critique against the system.

It is important to note that these are cross-sectional data. It is possible, or even likely, that some independent variables are reciprocally affected by perceptions of transparency. However, to our knowledge, our survey is the first to systematically study how IO governing quality influences domestic officials’ endorsement of transparency. Starting with a cross-sectional study and moving on

43. See appendix B for a list of participating countries.
44. See appendix A for summary statistics and question wordings. Please note that scales have been reversed in the analysis, when needed, so that higher values consistently represent more support for transparency, higher quality in decision-making processes etc.
45. Esaiasson 2010; and Rothstein and Teorell 2008.
subsequently to other types of analysis and samples is in line with the typical progression of research programs.\textsuperscript{47} We look forward to future studies relying on other samples and modes of analysis, including panel, time series or experimental designs.

The Quality of IO Decision-making and Support for Transparency

We suggest that national officials’ experiences of IO decision-making processes can influence their support for transparency. IOs are typically believed to promote transparency because many IOs publish project information directly on the web, which substantially facilitates access to information. While there may well be positive effects of IO transparency, our interviewees voiced several reasons why this relationship may not always work as posited. As one interviewee noted, “The government officials remain afraid of transparency and officials dealing with the CDM are no different. They continue to try to work in non-transparent governance [. . .]. We have used the information from UNFCCC about particular CDM projects. The discussion was not particularly useful [. . .]. They refuse to respond, try to ignore the criticism.”\textsuperscript{48}

Interviewees also pointed to the importance of government officials’ mindsets in making transparency work, noting that requiring information to be put online will have limited value if it does not have meaningful content. As one interviewee noted, “The EIA report for this dam has never been accessible to the public nor was public participation included in the planning process. [. . .]. If a government or company states that a project has the approval of the public, where are the documents that can help prove whether this information is true or not?”\textsuperscript{49} Similarly, another interviewee pointed to the incompleteness, poor quality and “cut and paste” nature of the information put online, noting as well that “information about displacements and environmental factors is often left out.”\textsuperscript{50}

In other words, national officials will not necessarily adopt transparency beyond explicit IO requirements. The opposite effect—that officials may in fact increase their resistance to transparency as a result of their experiences with a poorly functioning IO system—was supported by a number of interviewees. When asked about reasons for resisting transparency, interviewees suggested that one of the most fundamental reasons for the negative response to transparency in the CDM may be that “the very concept upon which the CDM is built, additionality, is flawed.”\textsuperscript{51} Because the rules for project approval are controversial, decision makers in the CDM Executive Board have the difficult task of upholding good quality decision-making in the face of comments from a range

\textsuperscript{47} See Krosnick 2002.
\textsuperscript{48} Author interview with NGO representative, 28 April 2010.
\textsuperscript{49} Author interview with NGO representative 7 May 2010.
\textsuperscript{50} Author interview with NGO representative 26 April 2010.
\textsuperscript{51} Author interview with NGO representative 14 May 2010.
of sources. One former Executive Board official confirmed that the decision-making process can at times be vexing. According to him, “the issues are intricate” and it is sometimes “difficult to find consensus among the Board.” A number of interviewees expressed the view that if the system had been more effective, officials would be more open to sharing information and engaging in dialogues with the public and NGOs, since “there would be less need to hide information and most likely less criticism by the public and NGOs.”

These explanations move beyond the more obvious reasons to resist transparency, such as the risk of inviting criticism, to the importance of IO decision-making quality. Several officials expressed strong frustration with the decision-making process of the CDM Executive Board. The process was described as slow and cumbersome, and its impartiality was questioned. Some of our interviewees noted that conflict of interests also needed to be addressed. When asked about the need for reform, one DNA participant proposed applying “…more rigorously the aspects concerning the conflict of interest, especially in the projects of China, Brazil and India.” According to one CDM official, “the entire process takes too long, it is just unacceptable.” An official from one of the largest CDM countries said that the Executive Board “sometimes takes the wrong decisions.” Another official claimed that the Executive Board “sometimes takes decisions that are inconsistent with previous decisions.” Although some of these comments on the quality of IO decision-making were also found among Multilateral Fund participants, their criticism was more restrained. While some participants criticized the decision-making quality of the Executive Committee “because some voices are more heard than others,” and because it could be “a somewhat arbitrary instance when it comes to decision-making” others claimed that “We are very satisfied with the way the Multilateral Fund performs, as the Executive Committee members are chosen from the groups and there is a feedback through the networks to the individual countries.”

Problematic IO decision-making quality may also result in a more adversarial relationship with the media and NGOs, not least since the media tends to expose primarily problematic or negative stories. NGO involvement most certainly adds to the timeline, but possibly also to the unpredictability and partiality of the system. Many NGO representatives were of the opinion that public officials saw criticism as a threat, particularly when considerable funds from international investors were at stake. As suggested by one of our NGO interviewees working on CDM issues, “public officials have tried to see criticism as obstacles to free gifts to the nation and also against the national interest.”

52. Author interview with DNA official 19 April 2010.
53. Author interview with NGO representative 7 May 2010.
54. Author interview with DNA official 20 April 2010.
55. Author interview with DNA official 27 April 2010.
56. Author interview with DNA official 15 and 19 April 2010.
57. Author interview with NFP representative 2 December 2009.
58. Author interview with NFP representative 27 November 2009.
59. Author interview with NGO representative 28 April 2010.
illustrates the problem with publicity for officials who view project approval as an important source of income that risks being stopped by NGOs. The misalignment of motives of officials and NGOs can thus be a source of conflict and lead to a negative experience of transparency. This adversarial relationship seems to be less pronounced in the Multilateral Fund, as media and NGO attention has been less. One National Focal Point interviewee claimed, for example, “I have NOT observed a lot of media or NGO coverage in the Multilateral Fund and its Executive Committee; the coverage is scant.” Some members of the National Focal Points even called for more transparency, and urged the Executive Committee to “publish the Executive Committee decisions [and] to publish final project evaluation criteria.”

Our survey among officials explores these issues further. Can widespread frustration with the IO decision-making process translate into general frustrations with transparency? Table 1 shows the influence of participants’ perceptions of the quality of IO decision-making on perceptions of publicity and support for transparency.

Our survey results support the findings from our interviews. Models 1 and 2 document the relationship between officials’ perceptions of the decision-making quality of IOs and their perceptions of publicity. They show that officials who perceive IO decision-making quality to be high also have a positive view of publicity. Conversely, the more participants believe that IO decision-making is ineffective, unfair, and unpredictable, the more likely they are to also perceive that media and NGOs are biased, do not understand the issue at hand, and misuse the information made available by the international organization. Reduced confidence in the media and NGOs as trustworthy principals can thus adversely affect support for transparency and disclosure. These results are notable, since perceptions of shortcomings in IO decision-making processes do not make these officials agree with critical media and NGOs, as might be expected. Instead, despite recognizing large and obvious shortcomings in the IO decision-making process, NGOs and media are seen as adversaries. Thus, low-quality IO decision-making fosters conflict rather than cooperation between media and officials with a stake in the projects. One reason for this may be that media and NGO involvement and critique of the system is seen as threatening to the legitimacy of the work that they do. These results are robust to alternative explanations (Model 2), including the level of national (domestic) transparency and international socialization (years working with IOs), and material benefits from the programs (share of projects).

Models 3 and 4 take the analysis one step further, as they use an alternative and more direct measure of support for transparency: perceptions of the merits of transparency. Interestingly enough, our survey records a high variation in responses here, despite the fact that the directness of the measure could potentially bias the responses towards stronger support for transparency, given the

60. Author interview with NFP representative 17 March 2010.
61. Author interview with NFP representative 9 March 2010.
normative desirability of such responses. In other words, it may be easier to express distrust for media and NGOs than to express the view that the costs of transparency outweigh its benefits. Despite the difficulties involved in asking officials about their support for transparency, these models show that perceptions of the effectiveness, fairness and predictability of IO decision-making processes significantly associated with perceptions of the merits of transparency. Better procedure does influence participants, such that the fewer problems participants perceive in IO decision-making, the more convinced they are of the benefits of transparency. Model 4 shows that the results are also robust compared to alternative explanations for supporting transparency.

Moreover, it is not the controversial and complex conditions for implementing certain global environmental policies that explains these results. While the controversial nature of the CDM issue-area is likely to impact on the quality of the decision-making process, the relationship between perceptions of IO decision-making processes and support for transparency also holds if the analysis is conducted only on Multilateral Fund participants (coefficient for Perception of Publicity is .410** and on Merits of Transparency .687**, controlling for alternative explanations). However, the number of participants is even more

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Note: The table shows OLS regressions for the influence of quality of IO decision-making on two dependent variables: (a) perceptions of publicity (models 1 and 2) and (b) the merits of transparency (models 3 and 4). Question wordings are found in Appendix A. Standard errors are given in parentheses.

*<sup>p < .10</sup>, **<sup>p < .05</sup>, ***<sup>p < .01</sup>.
limited here and results should, again, be interpreted with caution. Overall, Multilateral Fund participants were more satisfied with the quality of decision-making, most likely reflecting the fact that conditions for fair and effective decision-making are generally better in the Multilateral Fund.

Thus, our analysis suggests that experience with IO decision-systems can influence support for the norms that guide them; the greater shortcomings participants perceive in IO decision-making processes, the less convinced they are of the benefits of transparency. A few caveats should be mentioned here. First, the results apply to a set of officials who work within particular bureaucratic structures. Second, as this study’s samples are small and the data are cross-sectional, results should be interpreted with caution. Nevertheless, taken together, the results of both the survey and the interviews are significant, insofar as they suggest a link between negative experiences with IO decision-making processes and a negative view of the merits of transparency.

Conclusion

The frequently acclaimed benefits of transparency stem from the idea that transparency reduces corruption, enhances legitimacy, and improves decision-making.\(^62\) However, such accounts tend to underestimate the importance of a central decision-making body that is impartial enough to implement rules in a fair, efficient and predictable manner. Through a study of senior national officials in developing countries involved in the management of financial flows in the environmental field—the Clean Development Mechanism and the Multilateral Fund for the Implementation of the Montreal Protocol—we suggest that perceptions of poor IO decision-making processes can reduce officials’ support for transparency. Officials cultivate an adversarial relationship with media and NGOs and become more critical of the benefits of transparency, which is not conducive to the endorsement and institutionalization of transparency.

Our study thereby challenges the growing number of studies that posit a positive link between greater transparency in international organizations and domestic transparency\(^63\) and contributes to specifying how and under what conditions this link is likely to materialize. Not only coercion and incentives, but also officials’ experience with and understanding of IO decision-systems are potentially important for their support of transparency. We suggest that negative experiences with the workings of transparency in IO decision-making processes can work against greater support for transparency, and thereby domestic transparency reforms.

The implication that we draw from this analysis is not that transparency is disagreeable in global environmental politics. Transparency clearly brings benefits to decision-making processes. Rather, this study points to the importance of improving the conditions for more predictable, effective and fair decision-

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\(^{62}\) Islam 2006; Kaufmann et al. 2002; and Stiglitz 2002.

\(^{63}\) Florini 1999; Grigorescu 2002; Grigorescu 2003; and Woods 2000.
making processes within IOs. Without this, transparency of IO decision-making may increase rather than decrease corruption, by making it apparent that corrupt acts go largely unpunished. Furthermore, it may promote negative attention from media and NGOs, thus reducing the legitimacy of the work of officials involved in these decision-systems. Officials may also, rightly or wrongly, blame transparency for slow, unfair and unpredictable decision-making.

As global environmental politics is moving away from more traditional modes of decision-making, and regulation and control are deemphasized, the rationale for increasing transparency may often be to avoid regulation rather than to improve central decision-making procedures. However, this is done with an inadequate understanding of the importance of central decision-making procedures for the long-term influence of these policies on important global norms. In order to understand the environmental impact of global environmental institutions, more attention should be paid to the indirect effects of these institutions. The endorsement of norms such as transparency is of central importance to the opportunities and constraints that we face in dealing with current and future environmental challenges.

Appendix A

Summary Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for transparency(^a)</td>
<td>56</td>
<td>5.16</td>
<td>1.83</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>IO decision-making quality index(^b)</td>
<td>59</td>
<td>3.65</td>
<td>1.66</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Perception of publicity index(^c)</td>
<td>56</td>
<td>3.88</td>
<td>1.48</td>
<td>1.33</td>
<td>6.67</td>
</tr>
<tr>
<td>Economic and institutional transparency(^d)</td>
<td>61</td>
<td>-.22</td>
<td>.71</td>
<td>-.83</td>
<td>2.38</td>
</tr>
<tr>
<td>Share of projects</td>
<td>61</td>
<td>1.75</td>
<td>5.7</td>
<td>0</td>
<td>38.84</td>
</tr>
<tr>
<td>Years working with IOs</td>
<td>60</td>
<td>3.15</td>
<td>1.77</td>
<td>1</td>
<td>8</td>
</tr>
</tbody>
</table>

\(^a\) “Thinking only about the specific areas of your daily work, would you say that the costs or the benefits of public access to information are most important?” Scale: 1 (benefits outweigh costs)–7 (costs outweighs benefits).

\(^b\) “Thinking about the Executive Board’s/Committee’s decision-making, how often would you say that (a) “it takes a long time for the Executive Board/Committee to decide which projects should receive funding”, (b) “the decisions of the Executive Board/Committee are unpredictable”, (c) “the Executive Board/Committee treats some applications unfairly”? Scale: 1 (hardly ever)–7 (almost always), alpha=0.83.

\(^c\) (a) “Please indicate whether you feel that media and NGOs reporting on the CDM/Multilateral Fund, in general, are balanced or biased.” Scale: 1 (balanced)–7 (biased). (b) “Please indicate whether you feel that the journalists and NGOs reporting on the CDM/Multilateral Fund, in general, understand or do not understand the CDM/Multilateral Fund.” Scale: 1 (understand)–7 (do not understand). (c) “The Executive Board/Committee makes information on specific projects publicly available. Please indicate how often you feel that the information made available is misused by media/NGOs.” Scale: 1 (hardly ever)–7 (almost always), alpha=0.85.

\(^d\) Economic and institutional transparency index, Bellver & Kaufmann 2005.

64. Mol 2010.
Appendix B

List of Participating Countries

Argentina  
Benin  
Brazil  
Burkina Faso  
Burundi  
Cambodia  
Chile  
China  
Colombia  
Congo, Republic (Kinshasa)  
Costa Rica  
Dominican Republic  
Ecuador  
Egypt  
El Salvador  
Fiji  
Gambia  
Ghana  
Guatemala  
Honduras  
India  
Indonesia  
Iran  
Israel  
Kenya

Lebanon  
Malawi  
Mali  
Mauritius  
Mexico  
Mongolia  
Morocco  
Mozambique  
Namibia  
Nepal  
Nicaragua  
Niger  
Nigeria  
Pakistan  
Papua New Guinea  
Rwanda  
Senegal  
Sierra Leone  
Sudan  
Uganda  
United Arab Emirates  
Uruguay  
Uzbekistan  
Venezuela

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