

# Introduction to REDD+ Corruption Risks and Anti- Corruption Measures

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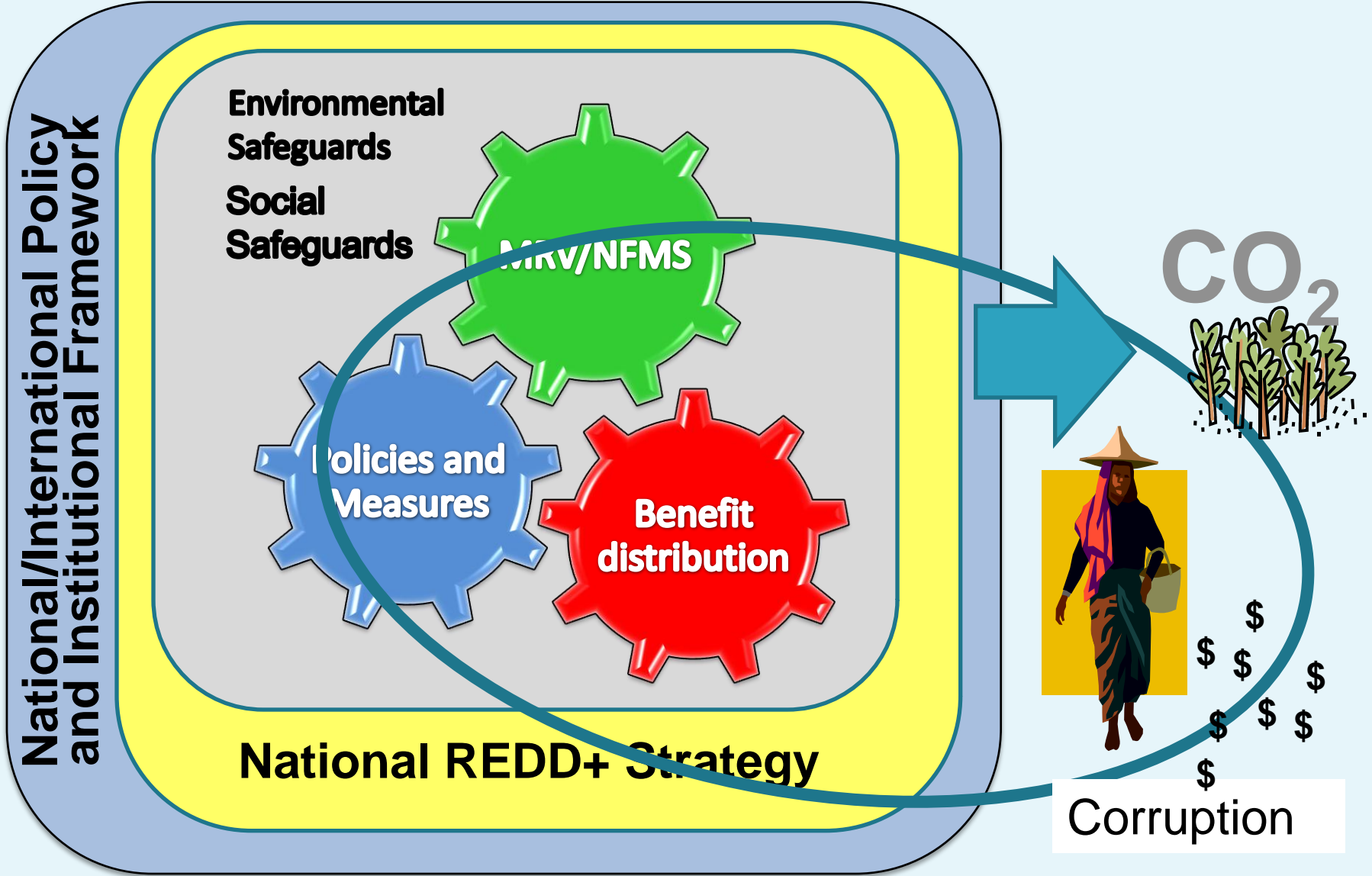
# Why?

1. Corruption can undermine equity, effectiveness, efficiency → sustainability of the REDD+ mechanism

- Large influxes of financial resources → increase fiduciary risks
- Impede the positive development impacts sought by REDD+
- Sideline forest-dependent communities from partaking and benefiting from REDD+

2. Stipulations of the Cancun Agreements on safeguards, and countries' requirements under the UN Convention Against Corruption and other regional agreements

# Conceptual model of REDD+






# Nine cell risk matrix

	Phase 1 (developing national strategy)	Phase 2 (implementing strategy, policies and measures, pilots)	Phase 3 (Results-based payments)
Policies and measures			
MRV & M			
BDS			

1. Existing risks that lead to a lack of effectiveness
2. Existing risks that can be enhanced by REDD+
3. New risks brought about by REDD+



# What Risks in Phase 1 ?

## Policies & Measures

- Bribery or undue influence to define “forest” in such a way as to include or exclude areas under the control of those with influence/power
- Collusion to favour certain types of REDD+ activities that favour one sector
- Undue influence to determine who is eligible to conduct REDD+ activities
- Undue influence to create fraudulent licenses, land titles or Carbon rights
- Inaccurate information to deliberately limit effective engagement and decision-making power of certain stakeholders
- Fraud to weaken the system of information for environment and social safeguards
- Fraud to avoid the recognition of informal and customary tenure rights
- Lack of transparency allowing cronyism in the appointment of new staff to conduct the readiness process

## MRV & M

- Identification of roles in such a way as to allow future manipulation of data
- Identification of “national circumstances” to favour those with influence/power and/or marginalize others
- Artificially inflating the reference level/reference emission level
- Auditing parameters for verification made deliberately unclear

## BDS

- Intentionally weak designs to favor obscure movements of funds
- Definition of beneficiaries to favour those with influence/power and/or exclude the poor and marginalized
- Undue influence to link Carbon rights to state ownership excluding informal or customary tenure
- Bribery to register Carbon rights over particular parcels of land



# What Risks in Phase 2?

(Implementation of policies and measures and national strategy)

## Policies & Measure

- Undue influence and bribery to ignore breaches of REDD+ regulations
- Collusion, extortion, bribery or cronyism in the procurement of goods and services
- Bribery, cronyism, abuse of discretion, and/or collusion to overlook poor enforcement
- Corruption of the judiciary system
- Corruption that results in REDD+ safeguards not being adhered to

## MRV&M

- Manipulation of data to favour certain stakeholders in demonstration activities
- MRV actors over-estimate the amount of avoided emissions in demonstration activities



# What risks in phase 3

(Results based actions)

- **Policies and measures**

- Undue influence and bribery to ignore breaches of REDD+ regulations
- Fraud in reporting information on social and information safeguards

- **MRV &M**

- Manipulation of data to favour certain stakeholders
- MRV actors over-estimate the amount of avoided emission
- Undue influence or pressure to overlook due diligence in verification

- **BDS**

- Embezzlement of REDD+ revenues
- Fraud related to the distribution of benefits from REDD+ revenues
- Laundering of money and other assets through the purchase and sale of Carbon rights



# Countering risks

## What can be built on

- Participatory design of REDD+ mechanism, with documented decision- making based on publicly available data
- Access to land registration
- Applying existing instruments
  - FOI laws / constitutional rights to access to official records, transactions, decisions, research data ..
  - Whistleblower protection
- Existing enforcement activities in forest sector
- Public officers performance management systems
- Public finance management systems
- Engagement of anti -corruption bodies

## What needs to be fostered/ created

- REDD+ registries
- Benefit distribution systems with few layers
- Automated transparency portals (who receives what) in 'citizen language
- Third party auditing / verification
- Grievance/recourse mechanism (hotlines)
- Monitoring tools
- Public expenditure tracking
- Citizen budget monitoring
- REDD+ "codes of conduct" and project standards
- International collaboration for transnational crimes





# Who does what ?

- **National REDD+ teams**
  - Build transparent and accountable systems and time-bound policies
  - Report on corruption/anti-corruption as part of safeguards information systems
- **Anti-corruption practitioners :**
  - Help design policies and measures to anticipate corruption risks
  - Awareness campaigns on REDD+ from a transparency angle
  - Promote access to information on decisions and processes
- **CSOs /IPs**
  - Demand transparency “of information on forest inventories, carbon baselines, success criteria ,project goals” (TAN)
  - Monitor financial flows and distribution of benefits, impacts on biodiversity, participation and institutional performance etc.
  - Support recourse mechanism, provide legal aid
- ↪ **Capacity building**
- ↪ **Document and disseminate lessons learned and good practice**
- ↪ **Transnational cooperation**



# Challenges

- There are inherent challenges in forest governance and upfront costs needed to address them
- REDD+ needs to happen within a broader enabling governance environment
- Collusion of political and business (e.g. logging, agri-business, mining) should not be underestimated
- Timing is tight and governance reform takes time, which means that innovative solutions are needed
- Capacity exists, but needs to be tapped into
- Sustained political will and buy-in are necessary
- ...



And yet...

**Addressing corruption risks from the onset  
will help create and maintain trust and  
confidence among local actors and  
donors/investors**



Thank you!

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