Good afternoon and thank you for being here.

As Thais Linhares-Juvenal has mentioned, I will focus my intervention on corruption risks and anti-corruption in REDD+.

As you've seen in the "Green Carbon, Black Trade" report, illegal logging is facilitated by corrupt actions. For example, bribery to obtain permits - a fixed price or a commission based on a percentage per truck or tone transported; or bribing a number of people along the entire chain to turn a blind eye on illegal activities.

☐ There are two key aspects to consider

1. REDD+ won't be effective if large scale illegal logging continues to grow and get more and more sophisticated in the way they organize : the gains made in emission reductions from REDD+ incentives being loss to illegal logging
2. REDD+ could reinforce corrupt practices with a larger influx of funds in financing forests

☐ It is important to understand that corruption risks in REDD+ are not limited to embezzlement of REDD+ revenues or fraud (deliberate misinformation) when reporting on MRV carbon, which would happen in phase 3.

Risks are also real right now in phase 1 with tenure allocation, design of strategies that can favor one group over another, deliberate construct of benefit distribution systems that will make embezzlement or informal taxes easier etc.

☐ Yet countries are already taking actions to prevent corruption risks in REDD+ :

- because of reputational risks
- because they are gaining an understanding that corruption could undermine the sustainability of the REDD+ mechanism by undermining its efficiency, effectiveness and equity
- because they have obligations under the UN Convention Against Corruption (UNCAC), which practically all REDD+ countries have signed or ratified, and some have national Anti-Corruption strategies, as well as a provision under the Cancun agreements to address and promote transparent forest governance structures as part of one of the 7 safeguards.

Four examples :

☐ **Indonesia's Participatory Governance Assessment**

- example of indicators : frequency with which local media broadcast information about the preparation and implementation of REDD+, to get a measure of access to information
- effectiveness and application of integrity and expertise requirement s when hiring and promoting staff working on REDD+ (to avoid cronyism and nepotism)
- effectiveness of coordination among the law enforcement apparatus in handling criminal cases related to forestry

☐ **Kenya's** upcoming institutional context analysis (or political economy analysis)

- examine the who's who of corruption to illuminate ten mixture of incentives and constraints and therefore the enabling environment for preventive anti corruption action for REDD.
- this is conducted not only by the government counterparts working on REDD+ but together with Kenya's anti corruption and ethics bureau, who is hiring a climate finance specialist to follow these issues

☐ **Philippines** examining each of the 6 components of its national redd strategy against an analysis of the current corruption context

☐ **DRC's** national coordination has an expert dedicated to AC for REDD+

- examining strategy and establishment of its national redd fund - what AC measures are needed there
- looking at all conflicting legislations (ex mining and forestry sector) and the loopholes they create
- starting to set up hotlines and complaints mechanism (phone line and online)to report fraud and abuses

These are just four examples, but there are more, from Viet Nam, Nigeria, Peru and other committed countries.

One common element of these actions is that they do not **solely target the forest sector**, but instead look at a wider range of governance elements for REDD+, including national REDD+ funds.

These examples also all focus on the **preventive** aspects, which obviously will have to be complemented by enforcement activities.

The data collected in monitoring systems that these countries are setting up can also be valuable intelligence for enforcement actions. UNDP's Office of Audits and Investigations and Interpol have a memorandum of understanding.

☐ In conclusion, although REDD+ may exacerbate existing corruption risks and bring about new risks, it also can bring **new opportunities** :
  1) The participatory way in which countries have started designing REDD+ strategies is a very important element for transparency and accountability.
  2) REDD+ revenues can be used to develop the capacity of enforcement systems.

To support REDD+ countries, the work of the UN-REDD Programme and Project LEAF can be mutually reinforcing.

Thank you.