# Integrating transparency and accountability in two assessments : Nepal's experience
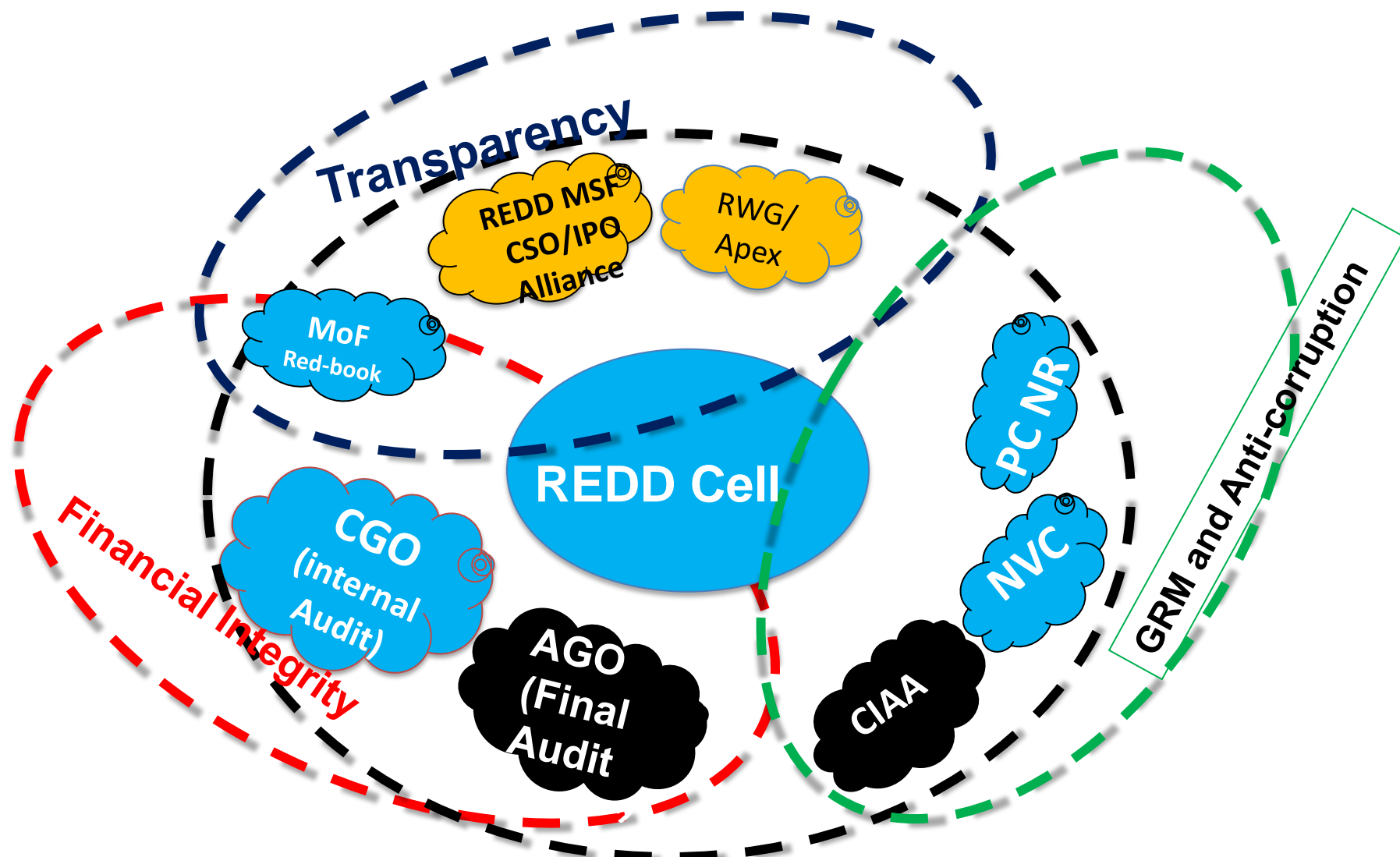
## UN-REDD Information and Knowledge Sharing Session

Geneva, Switzerland
8 December 2013

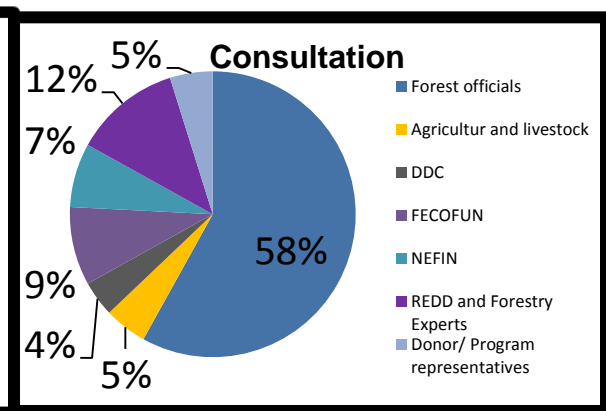# Transparency and Integrity: Institutional frameworks
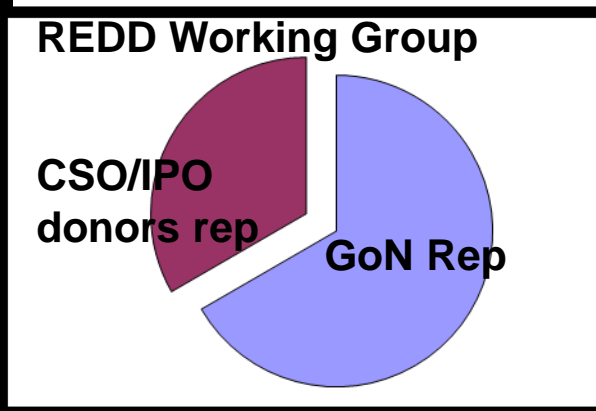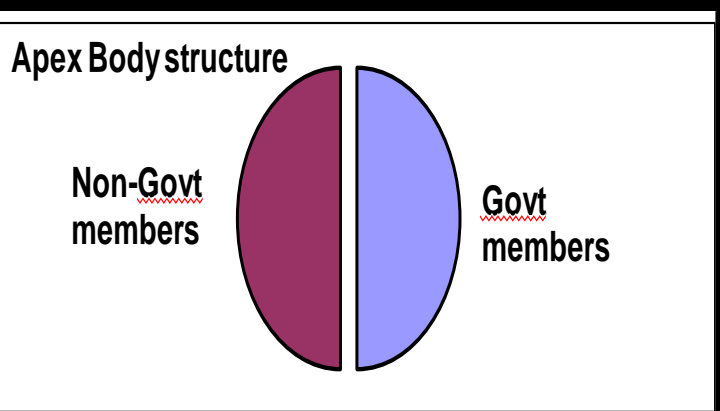
# REDD+ in Nepal :
# a multi-stakeholder led process


Group work to prioritize drivers of D/D in Western Nepal


Multi-stakeholder consultation meeting in Center

**Apex Body structure**

Non-Govt members

Govt members

**REDD Working Group**

CSO/IPO donors rep

GoN Rep

**Consultation**

- Forest officials
- Agricultur and livestock
- DDC
- FECOFUN
- NEFIN
- REDD and Forestry Experts
- Donor/ Program representatives

5%
12%
7%
9%
4%
5%
58%

# UN-REDD support in 2 critical components

**Policies and measures to address drivers of D&D**

**Financial architecture to realize results-based finance and incentive mechanisms**
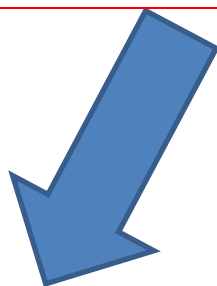
Both components are or can be largely affected by integrity issues

Failure to improve in governance practices (transparency, accountability and rule of law) accelerate deforestation and forest degradation
→ **Risks effectiveness for REDD+**

Risks related to miss –allocation and miss management of fund
→ **efficiency, effectiveness and equity risks for REDD+**

**ForestAction**
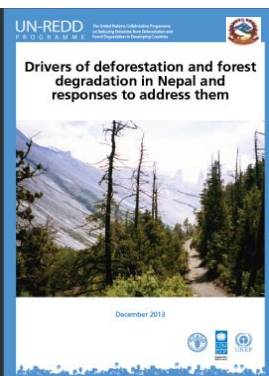
**Study : "Drivers of Deforestation and Forest Degradation and responses to address them in Nepal"**

**Study: "Assessment of the options for an effective, efficient and equitable fund management system for REDD+ finance in Nepal"**
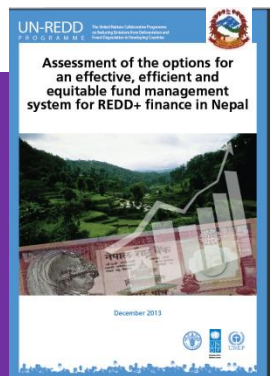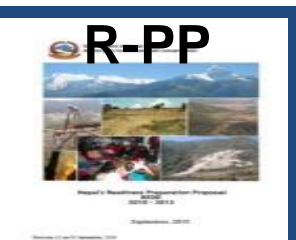
# Drivers of D&D

| **Subsistence** | **Market** | **Unregulated Development** |

**R-PP**

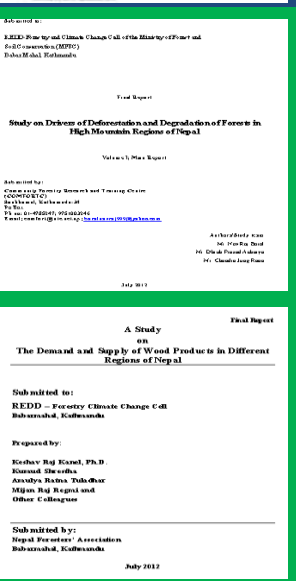**FCPF**

## Strategies (165 strategic options)

**GoN**

### Strategies (wood products demand and supply)

— Policy **consistency** (reduce frequency of changes, and consistency between sectors)

— **Transparency** in harvest volumes and pricing

— **Forest management** to enhance productivity in Tarai

— **Equity** in CFUGs and operational plans

— Reforms to **trade regulations**

— Promote **value addition** in Hills

— Intensive **tree planting** programme in Tarai

— Improved **information** and data collection
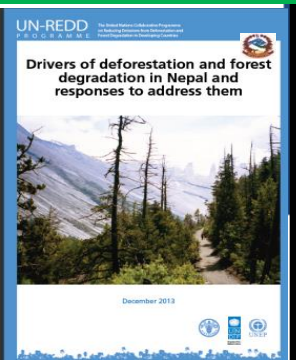
**UN-REDD**

Sustainable management of **forests** and **Protected Areas**

Long-term **food security** for small and marginal farmers

Environmentally-friendly **road** construction and maintenance

**Energy** access and efficiency

**Governance** reform

Strengthened **law enforcement**

**SESA/ ESMF And National REDD+ Strategy**

# illegal logging and control measures

Local Elites

Timber merchants

Forest authority

Society loose Person gain
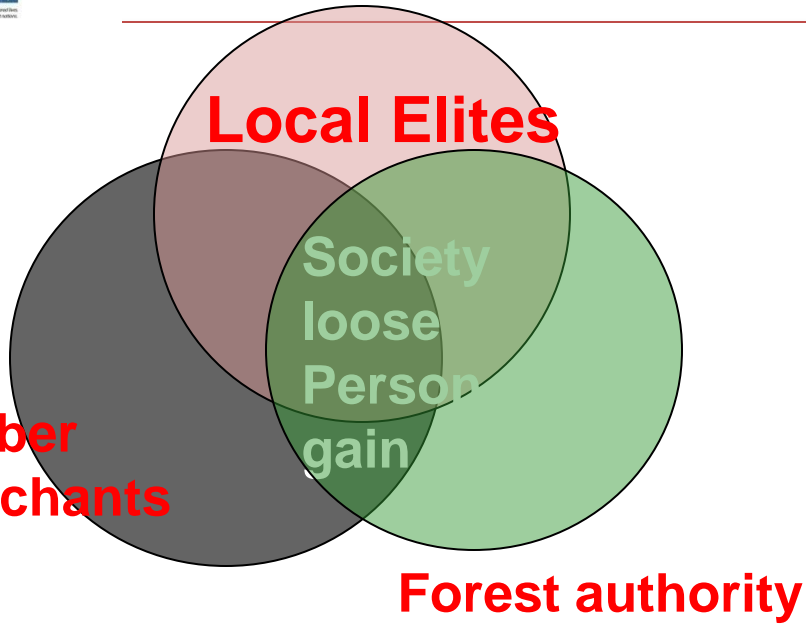
Key Reports against Corruption: PC for NR, High level commission in Forests, **NVC and CIAA**
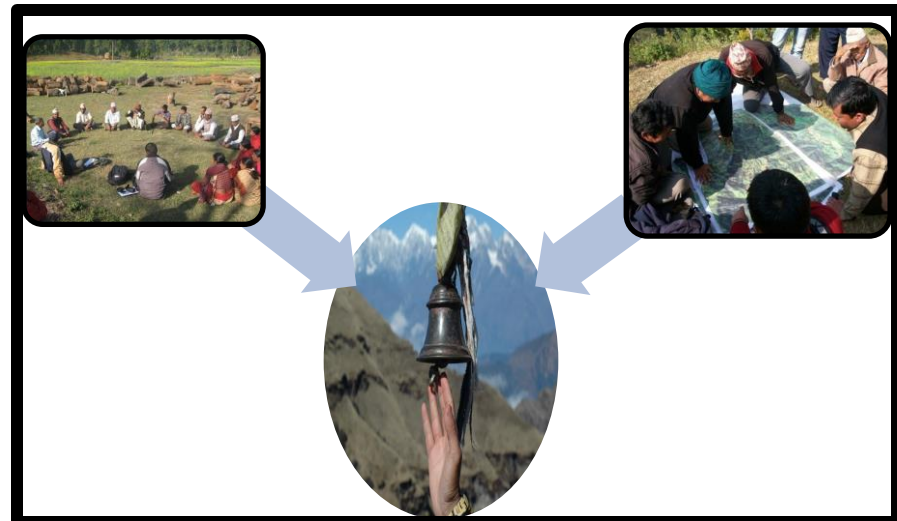
# Anti-corruption and GRM

## Corruption Risk Hierarchy

**Policy**

(Illegal contract, Forest land transfer to other use, Forests encroachment and settlement plan..etc)

**Accidental** (Equipment errors, scaling errors, human errors, loss of records

**Manipulative**

(Access to unauthorized person in timber valuation,, Avoid SOP of timber logging and sales, Weak supervision and record keeping, Record manipulation)

## Anti-corruption measures

National Level → National Vigilance Center → CIAA → Special Court

Regional Level → Regional Admin Office → CIAA → Special Court

District Level → CDO Offices → CIAA → Special Court
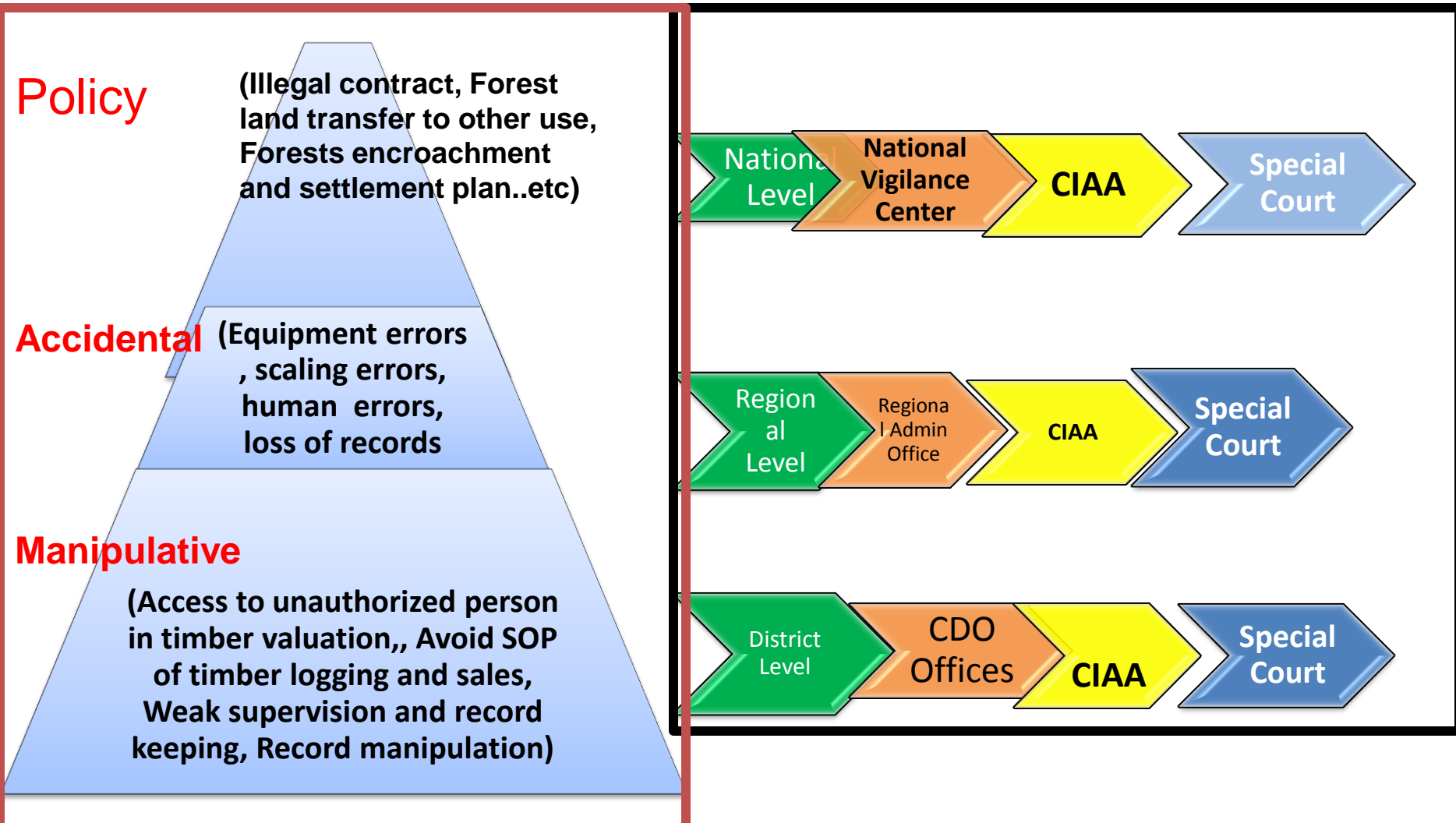
# Key consideration from D&D study

1. Degradation is extensive and enabled by both negligence and manipulation;

2. Policy level corruption is more prevalent in deforestation compared to degradation;

3. Information disclosure/reporting system against illegal acts is weak but crucial for follow-up legal action;

# Challenges and Opportunities

- Performance of Forestry sector to reduce corruption risk is improving but still room for further improvement in FLEGT;

- Institutional framework and actors to address governance issues do exist. But, capacities and collaborations needs strengthened **including outside of Forest institutions;**

- National and local institutional contexts are central elements, but **strong CSO networks** needs to be established and capacitate to detect and **expose the corruption risks that are responsible in causing D/D**

# Call for action

- De-linking of forest officials from timber sales is crucial to reduce corruption risk due to conflict of interest. Therefore, Forest Product sales authority Bill (already drafted by MoFSC) needs to be endorsed and implemented ASAP;

- Take full advantage of multi-stakeholder process to reduce financial risks and reduce potential conflicts in REDD+ benefit sharing;

- There is a need of establishing good information disclosure network to help anti-corruption entities to detect, prevent and suppress the illegal activities. The *flexible* support to enhance awareness and capacity of local stakeholders would be very helpful in this regard;

# Thank you

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