# UN-REDD
PROGRAMME

# Scope of Work: REDD+ and Anti-Corruption :
## 2011- 2012

UN-REDD PROGRAMME

UNDP Global thematic Programme on Anti-corruption for Development Effectiveness (PACDE)

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# Contents

# Introduction: Forest Governance

WORLDWIDE, illegal logging robs the public of about US$10 billion a year from state-owned forests. Underpayment of taxes by legal concession holders amounts to an additional US$5 billion.1 In fact, these figures are likely underestimate — given the clandestine nature of the illicit activity, the true cost of illegal logging is impossible to measure accurately. Apart from financial cost, illegal logging also significantly undermines the ability to manage forests sustainably.

The serious impacts of such illegal practices

- Put at risk the livelihoods of the poor and forest dependent populations who rely heavily on timber and non-timber forest products;
- Distort markets for timber and pose an obstacle to responsible forest operators attempting to practice Sustainable Forest Management;
- Lead to a leakage of resources (tax revenues in particular) that legitimately belong in the government treasury for possible use in protecting and improving the quality of the resource and other development activities;
- Directly threaten ecosystems, biodiversity and environmental services in protected areas and parks;
- Contributes substantially to greenhouse gas emission and increases negative effects of climate change; and,
- Reduce the intended beneficial impacts of projects to improve forest governance and law compliance.

The history of governance in the tropical forestry sector has been, in general, poor. This is not surprising, given the complex combination of factors causing deforestation and forest degradation and the susceptibility of forest resources to undue rent seeking. ITTO and FAO recently summarized five factors giving rise to a lack of forest law compliance: failings in the policy and legal frameworks, insufficient enforcement, a lack of information, corruption, and market distortions[1]. Up until recently, law enforcement has been the primary factor tackled, associated illegal logging and other forest crimes.

The broad definition of corruption used by Transparency International is 'the misuse of entrusted power for private gain', embracing both public and private corruption, and petty and grand corruption. Corruption includes bribery, the theft of public or private assets by employees, kickbacks in government contracts, and embezzlement of government funds. Corruption is found in rich and poor, developing and developed countries alike, albeit in different forms and magnitude. Besides its negative effects on the economy, it has a wide range of corrosive effects on societies. It undermines democracy and the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human security to flourish. UNDP views corruption as a governance deficit, a result of malfunctioning state institutions due to poor governance. It is important to acknowledge that corruption is also a political problem that affects (or is nurtured by) power relations. Understanding the political economy is essential in order to appreciate the potential resistance to anti-corruption reforms. Such resistance can come from either inside or outside the bureaucracy (or both).

UNDP has recognized the threat of corruption to human development since the early 1990s, when it developed some of the pioneer programmes to address and curb corruption. More recently, the December 2008 Anti-Corruption Practice Note sets out UNDP's approach to mainstreaming anti-corruption into

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[1] ITTO and FAO, 2010 http://www.fao.org/forestry/19488-1-0.pdf

development.  The Global Thematic Programme on Anti-Corruption for Development Effectiveness (PACDE) 2008-2011, has become an important vehicle for:

- providing advisory services to UNDP Country Offices and programming countries;

- raising global awareness and advocacy on anti-corruption;

- building synergies with the initiatives of relevant partners;

- synchronizing global and regional activities with emerging demands from the countries involved;

- producing knowledge products on anti-corruption to assist anti-corruption programming at the country level.

## Transparent, Equitable and Accountable Management of REDD+ Payments

The prospect of receiving REDD+ payments raises significant opportunities for countries - but also significant challenges.  REDD+ requires a highly regulated and technical system which is capable of implementing complex payment systems.  The key to a successful national REDD+ framework is to establish a national system that is transparent and fair.  People must have confidence in the predictability of the payment system if they are to transform the way they use forest resources.  At the same time, expectations must remain realistic, based on cost-abatement diagnostics.

Poorly managed REDD+ payments could have negative impacts on economic growth, poverty and inequality, governance, gender equality and empowerment.  It may also result in a failure to achieve emission abatement potential and the creation of offsets which lack environmental integrity.

Several studies have shown links between the quality of governance and the rate of deforestation in the world's main forest producing countries. Transparency International's Corruption Perception Index (CPI) shows higher levels of perceived corruption in those countries where illegal logging is most prevalent[2].

A study was commissioned in 2009 by the Norwegian Royal Ministry of Foreign Affairs to review lessons for REDD from the experience of 13 Payment for Ecosystem Services (PES) approaches[3] (Bond, I. et al, 2009)1. The report concludes that while PES can indeed create incentives for reducing emissions from deforestation and degradation, their effectiveness depends on the national forest governance framework and can be greatly compromised under conditions of weak governance and accountability. It has also been suggested that the large influx of funds flowing through national REDD programmes could fuel rent-seeking activities and create new opportunities for forest sector corruption.

The impact on of corruption on indigenous peoples and other forest-dependent communities, whose engagement on REDD+ will be pivotal to its success, is likely to be exacerbated due to the remote areas they inhabit and their dependence on natural resources.[4]

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[2] See http://www.u4.no/helpdesk/helpdesk/query.cfm?id=227 for more details

[3] Bond, I. et al, 2009, Incentives to sustain forest ecosystem services: a review of lessons for REDD, Natural Resource Issues N°16, International Institute for Environment and Development (IIED) with CIFOR, http://www.iied.org/pubs/pdfs/13555IIED.pdf

[4] Impact of corruption on indigenous people, U4, see www.u4.no/helpdesk/helpdesk/query.cfm?id=245for more details

Annex 1 presents a more detailed list some of the corruption risks associated with REDD+ readiness and REDD+ implementation phases.

## UNDP Cross-Practice Collaboration

UNDP was one of the first organizations in the early 1990s to develop programmes to address and curb corruption. Since then, improving accountability, transparency, and integrity (ATI) has been a rapidly growing area of assistance and UNDP has been providing anti-corruption technical cooperation within its governance portfolio. UNDP's technical assistance has ranged from institution, legal and policy frameworks established to promote and enhance accountability, transparency and integrity;  public administration reform (PAR) for efficient, effective, responsive, and pro-poor public services; promoting and enforcing ATI in public service by developing policy frameworks and strategies for anti-corruption, supporting capacity development of public services in anti-corruption (e.g., training or information and communication technology solutions) and promoting civil society and media participation in corruption monitoring and oversight mechanisms.  The advent and ratifications of the United Nations Convention on Anti Corruption (UNCAC) [5]and other regional instruments[6] have increased demand for anti-corruption interventions and brought new opportunities for anti-corruption programming.

UNDP's anti corruption focus on capacity building towards preventive, rather than repressive, actions. Through its Global Thematic Programme on Anti-Corruption for Development Effectiveness (PACDE), UNDP is making a conscious effort to raise staff skills and knowledge about corruption across its operations

The anti-corruption service area of UNDP's Democratic Governance Group and the UN-REDD Programme [7] team of UNDP's Environment and Energy Group have initiated collaborative work on anti-corruption and REDD+.  This scope of work builds on activities being carried out including:

- Collaboration on the development of the UN-REDD Programme transparency and integrity criterion set out in the UN-REDD Programme "Risk Assessment Tool for Social Standards for REDD+" [8]

- Joint support of an expert workshop on monitoring governance safeguards in REDD+, organized by the UN-REDD Programme and Chatham House (London, 24-25 May), whose draft framework for governance monitoring includes corruption as one key element to take into consideration.

- Joint participation at the Transparency International (TI) Climate governance workshop (Berlin, 12-14 June) and TI/Inwent Climate Governance conference (Berlin, 15 June).

- Global advocacy and awareness on corruption issues related to REDD+ at events such as the 14th International Anti-corruption conference, including :
  - a workshop on REDD+ and corruption with GTZ at the IACC 14 (Novermber 2010)

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[5] Entered into force on14 December 2005

[6] Such as Inter-American Convention against Corruption and the different anti-corruption initiatives of the Organization of American States (OAS); the African Peer Review Mechanism under the New Partnership for Africa's Development (NEPAD); the Anti- Corruption Committee under the SADC Protocol against Corruption; anti-corruption initiatives carried out in the framework of the Asia-Pacific Economic Cooperation (APEC); and regional bodies established as per Financial Action Task Force (FATF) recommendations.

[7] See www.un-redd.org for more information

[8] Draft available at
http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=1931&Itemid=53

- o a report on "REDD+, corruption risks and anti-corruption opportunities", guided by a community of experts that include UNDP practitioners and organizations such as Global Witness, World Resources Institute, U4 and others

Anti-corruption and REDD+ awareness campaign to be launched on World Anti Corruption Day (9 December 2010) The scope of joint work on corruption and REDD+ is in line with UNDP's Global Thematic Programme on Anti-Corruption for Development Effectiveness (PACDE) - which highlights UNDP's Energy and Environment group as a partner for addressing climate change and corruption - and complements the UN-REDD Programme's note on "Supporting Effective and Inclusive National Governance Systems for REDD+".  It builds on experiences of the anti-corruption community of practice in sectors such as non-renewable natural resource, and highlights how UNDP can start to best assist countries in assessing corruption risks for REDD+ and develop appropriate anti-corruption interventions.

# Scope of work on anti-corruption and REDD+

The UN-REDD Strategy 2011-2015[9] sets out the following types of anti-corruption mainstreaming interventions that need to be undertaken:

- Reviewing existing national benefit distribution systems and adapting to suit country context, including fiduciary and management frameworks for national institutions to receive REDD+ performance-based payments and apply the funds towards national low-carbon, climate resilient development efforts

- Integrity of fiduciary systems for receiving and disbursement of funds, and transparency and accountability of all institutions engaged in a national REDD+ process

- Technical assistance to establish and strengthen oversight institutions and continued emphasis on capacity building for those institutions which deal with REDD+ payments

- Harmonization and coordination of anti-corruption initiatives at the country, regional and international levels.  For example, ensuring national REDD+ strategies are linked to any existing anti-corruption frameworks, such as national anti-corruption commissions.

In addition, UNDP can build on PACDE to support the following additional measures to address corruption risks in REDD+:

- Access to information,  inclusive participation and awareness raising

- Capacity-building and support for CSOs engaged in monitoring REDD+ activities.

Additional relevant UNDP anti-corruption interventions include:

- Training of the judiciary

- Promotion of integrity, honesty and responsibility among public officials; technical assistance to introduce codes of conduct and systems for preventing conflict of interest (UNCAC article 8)

- Increasing demand for anti-corruption efforts through civil society empowerment, efficient running of public institutions, role of media (capacity development for investigative journalism) (UNCAC article 10 on public reporting)

## 1. Integrity of fiduciary systems for receiving and disbursement of funds

REDD+ requires a highly regulated and technical system which is capable of implementing complex payment systems, and the fiduciary and management frameworks for national institutions to receive and disburse

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[9] http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=3226&Itemid=53, as presented to the Policy Board on 4 November 2010

REDD+ performance-based payments will often need to be strengthened. In addition operational systems and capacities for countries to leverage additional investment flows will need to be in place.

To that effect, the UN-REDD Programme can:

- Support transparency in procedures for payments

- Promote the introduction of transparent effective system of public procurement and public finance management for REDD+, including through "Know your customer" approaches; transparent budget systems and performance-oriented budgets; and strengthening the rights of parliamentarians in budget preparation and review processes [10]

- Develop fiduciary standards for REDD+ fund managements

## 2. National benefit distribution systems

Many REDD+ countries have experimented benefit distribution systems linked to the provision of environmental services. Others are already considering requirements specific to REDD+. For example the Government of Viet Nam has identified the design of a transparent and equitable benefit distribution system as one of the key components of its REDD+ strategies, and has received support from the UN-REDD Programme to establish principles to guide its elaboration.

Implementation of benefit distribution systems will be complex and failure to establish transparent systems will undermine confidence of forest resource users and risk preventing a transformation of how they use these resources.

The UN-REDD Programme therefore proposes to:

- In a small number of countries, review existing or developing benefit distribution system with a focus on corruption risks in several aspects, including attribution of carbon and/or land rights[11]; the impact assessment of laws[12] ( for example which laws are hard to comply with or difficult to understand for local stakeholders);  the shape and nature of benefits and resource allocations; the number of hierarchical levels at which revenues are managed[13]; and the existence or absence of recourse mechanisms when corrupt behaviour occurs.
- From these reviews, derive guidance to minimize corruption risks in REDD+ benefit distribution and corruption that can inform the development of BDS for REDD+

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[10] See Preventing Corruption: UNCAC Toolkit for Parliamentarians: Summary Version
A Joint Project by UNDP Oslo Governance Centre and the Global Organization of Parliamentarians Against Corruption (GOPAC) at http://www.gopacnetwork.org/Docs/UNCAC/UNCACToolkit3May2010Short_en.pdf

[11] A GTZ publication on "Preventing Corruption in Resource Allocation" (http://www.gtz.de/de/dokumente/en-corruption-and-resources.pdf) identifies some of the weak points where corruption can thrive within the land tenure system both at the national systemic level and at the local or implementation level.

[12] Ibid

[13] See Design of a REDD+ Compliant Benefit Distribution System for Viet Nam, UN-REDD Programme, 2010

## 3. Technical assistance to establish and strengthen oversight institutions and continued emphasis on capacity building for institutions engaged in REDD+

To ensure a comprehensive support, technical assistance to anti corruption units and to promote transparency and accountability in all institutions engaged in the REDD+ process should be provided.

UNCAC article 6 and 13 calls for independence of anti-corruption bodies and transparency in their work, respectively. This often demands technical assistance strengthen these units. A growing number of countries have established centralized and specialized agencies explicitly entrusted with combating corruption. Such are the case of UN-REDD partner countries Indonesia (KPK), the Philippines (office of the Ombudsman), Ecuador (Anti-Corruption Commission of Ecuador), Tanzania (Prevention of Corruption Bureau), Zambia etc (see table in Annex 1). Ensuring national REDD+ strategies are linked to any existing anti-corruption frameworks, such as national anti-corruption commissions, will be a key element of this activity. In addition, and in order to strengthen these units and ensure their engagement on REDD+, the UN-REDD programme proposes to:

- o Specific training and awareness of public officials in institutions engaged in REDD+ on the problems of bribery and corruption in their particular fields of responsibility[14]; and specific training and awareness of REDD+ in anti corruption units when hosted in independent bodies

- o Develop technical studies to support decision making as to whether the anti-corruption body shall focus primarily on prevention, investigation or awareness-raising (or all three) of REDD+ and corruption issues, based on assessment of the successes and failures of other anti-corruption initiatives in the country and benefit distribution schemes (see section 1)

- o Support their interaction, coordination and collaboration with institutions engaged on REDD+, such as ministries of forestry, land use planning and finance[15], and with the highest level of government engaged on REDD+ to ensure coordination and political commitment and backing. [16]

These activities will build on existing UNDP supported activities that seek to support a pluralist constitution in the Anti corruption body, promote sufficient funding of anti-corruption (and REDD+) activities, and support to conduct system audits and exposure to corruption.

The comparative advantage of the UN-REDD programme here lies in its body of work on coordinating activities across sectors and governmental institutions.

## 4. Harmonization and coordination of REDD+ anti-corruption initiatives at the country, regional and international levels

Interventions against corruption need to be centered on comprehensive initiatives at the country level, which calls for an approach that views corruption in the   context of the wider political economy of public

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[14] As per PACDE's output 1.2 (National counterparts trained in anti-corruption)

[15] Ibid

[16] A U4 study noted that the lack of political commitment was "the most deadly of all [sins that undermine anti corruption commissions] is the lack of political commitment".  See http://www.u4.no/themes/aacc/accfailures.cfm

sector governance in each country[17]. As national and regional REDD+ strategies emerge, it will be particularly important to ensure that REDD+ anti-corruption activities are coordinated to avoid a leakage of corrupt activities from one forested land or country to another.

In line with Objective 4 of PACDE, towards this goal the UN-REDD programme proposes to:

- Identify and support entry points for anti-corruption activities into the design of national REDD+ action plans and regional initiatives

- Develop and disseminate regional knowledge products (AC diagnostic tools for REDD+, research on regional trends)

- Provide regional trainings for civil society

UNDP's comparative advantage in developing and implementing anti-corruption initiatives lies in its national ownership approach through national development frameworks and strategies. The UN-REDD Programme will draw on the capacity and expertise of REDD+ and governance teams in regional centres already active in Panama, Bangkok, Dakar and Pretoria.

## 5. Access to information

The right to information is a human right[18]; in addition, it is an important tool to increase transparency and thus combat corruption. The promotion and protection of both access to information itself and flows of information that exist between constituents government, parliament, community groups, civil society organizations and the private sector are of equal importance19. This access to information on REDD+ should include both active public disclosure of information (e.g. REDD+ applications, approvals, finance received and disbursed, land-use zoning processes and responsive measures where the public requests information.

To achieve this, effective legislation is a key element in any strategy to promote access to information. The UN-REDD Programme will

- Support the legislative and administrative frameworks to enable public to access the information about REDD+. This can for example supporting the extension of Freedom of Information laws to REDD+.
- Raise awareness on rights to official information, by supporting and facilitating initiatives that sensitize government officials on the importance of making official information available and by working with CSOs to promote civic education on rights and entitlements under official information legislation.
- Strengthen mechanisms to communicate information to remote or vulnerable groups, guided by principles of timeliness, availability and accessibility of information in formats that are adapted to national and local contexts and existing work on engagement of local stakeholders in REDD+.

The UN-REDD Programme's guidelines on engagement of indigenous peoples and other forest-dependent communities already delineates some of the principles for effective communications with local REDD+

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[17] UN AC toolkit

[18] Article 19 of both the UN Declaration on Human Rights and the International Covenant on Civil and Political Rights

[19] http://www.undp.org/oslocentre/docs03/access_to_information_practice_note.pdf

stakeholders. In line with the commitments contained in their respective and harmonized Disclosure Policies[20], UNDP and the UN-REDD Programme have an important role as a supplier of information.

## 6. Capacity-building and support for CSOs engaged in monitoring REDD+ activities and other anti corruption activities for REDD+.

Engagement of civil society, starting with awareness-raising and capacity building, allows addressing the demand side of oversight, transparency and accountability. UNCAC article 5 calls upon State Parties to develop and implement effective, coordinated anti-corruption policies that promote the participation of civil society, and a U4 study highlights that "Anti-corruption initiatives should [therefore] seek broad stakeholder engagement in formulating specific initiatives and in monitoring the effectiveness of their implementation"[21] To achieve this goal, the UN-REDD Programme will build on PACDE's activities seeking to ensure that key partners in civil society engaged in REDD+ processes participate in preventing and curbing corruption. These activities can be articulated around 3 elements:

- Awareness raising and access to information through targeted information campaigns and capacity development for investigative journalism;

- Inclusive participation : Capacity building for CSO engagement in oversight and monitoring of REDD+ activities

- Involvement in policy making : increasing civil society and media participation in policy formulation and international representation

The capacity of these groups should be supported specifically in countries where other oversight (governmental, parliamentary) is weak.

Specifically the UN-REDD Programme, in collaboration with partners, will:

o Undertake a capacity and gap mapping of NGOs activities on anti-corruption and forest areas in each REDD+ country and what type of assistance might be required for REDD+ (preliminary information may be found in Annex 2);

o Support citizens' oversight bodies that are involved in social audits and budget tracking;

o Support civil society networks to mobilize the population for zero tolerance against corruption in REDD+ through the distribution of materials, with a focus on the specific tools that can be used to report instances of corruption;

o Promote support to regional civil society networks engaged on anti-corruption and REDD+

## 7. Additional activities

As activities and country demands develop, relevant UNDP anti-corruption interventions can progressively include:

- Training of parliamentarians and national and local government authorities in preventive anti-corruption measures in forestry, land tenure, etc.

- Training of the judiciary and access to justice

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[20] UNDP Disclosure policy : http://www.undp.org/cso/pdf/pubinf_dispol.pdf ; UN-REDD Disclosure policy :

[21] http://www.u4.no/helpdesk/helpdesk/query.cfm?id=227

- Promotion of integrity, honesty and responsibility among public officials and technical assistance to introduce codes of conduct and systems for preventing conflict of interest;

- Increasing demand for anti-corruption efforts through civil society empowerment, efficient running of public institutions, role of media (capacity development for investigative journalism) (UNCAC article 10 on public reporting)

# Strategy for delivery

The UN-REDD Programme will build this scope of work on activities undertaken in REDD+ countries that include, through its national and global programmes, such as:

- Institutional coordination

- Piloting of the Risk Assessment tool

- Multi-stakeholder country-led governance assessments

- Engagement of stakeholders

- Improving awareness and knowledge

The table presented in Annex 1 highlights the opportunities for awareness raising and capacity development activities in selected pilot and partner UN-REDD countries. The support and expertise in country offices and regional centres[22], actively being enhanced through Output 1.1 of PACDE, can include capacity building on corruption risks in REDD+ as to further will increase the provision of effective technical support to national partners in the implementation of anti- corruption initiatives.

The UN-REDD Programme will identify REDD + and corruption entry points in existing UNDP Programmes such as access to justice, e-governance, and local governance activities in UN-REDD pilot and partner countries . Activities will also seek to ensure collaboration with non-governmental and inter-governmental partners, such as World Resources Institute, Global Witness, GTZ, Transparency International and U4, as well as in-country initiatives as listed in Annex 1. They will seek to be complementary to the approaches of institutions of the UN systems such as those of the World Bank and UNODC.

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[22] See for example "Institutional arrangements to combat corruption – A comparative study " produced by UNDP Bangkok regional centre

## Additional Resources being sought

| Activity | 9 countries over 2 years | Technical and advisory services | Source |
|---|---|---|---|
| Reviews of existing and developing national benefit distribution systems | | | |
| Technical assistance to establish and strengthen oversight and REDD+ institutions | | | |
| Harmonization and coordination of REDD+ anti-corruption initiatives at the country, regional and international levels. | | Note : Objective 4 of PACDE | |
| Access to information | | | |
| Capacity-building and support for CSOs engaged in monitoring | | | |

| | | |
|---|---|---|
| REDD+ activities. | | |
| Improving awareness and knowledge | | |
| Total | | |

# Annex 1: Summary of Potential corruption risks associated with REDD+

| | Actors Involved | | | Corruption Threat | Corrupt Practice | Anti-Corruption measure/s |
|---|---|---|---|---|---|---|
| | National | Provincial | Local | | | |
| **REGULATORY (establishing the rules)** | | | | | | |
| Design of national REDD+ framework generally | Parliamentarians, political elites, international and national logging companies, industrial scale agribusiness (palm oil, sugarcane, soy, jatropha), multinational corporations, project developers, military | | | State capture allowing undue influence to affect design of REDD+ strategy<br><br>Political corruption<br><br>Grand corruption | Undue influence by political elite, logging companies, agribusiness, etc to prepare a weak national REDD+ framework, or to prepare a framework that will benefit powerful interests | Corruption risk assessment, followed by a detailed and through analysis of proposed framework, possibly under an economic and social impact assessment<br><br>Multi-stakeholders consultations at all stages of development of national REDD+ framework (including national strategy, legislation and regulations) |
| Preparation of initial land use plans for REDD+ (spatial planning) | Ministry/ Department of Planning<br><br>Ministry/ Department of Forestry | Governors and provincial level land use planners | Local government planners | State capture, political corruption, grand corruption influencing REDD+ land use plans, resulting in failure to respect rights of indigenous peoples and other forest-dependent communities | Undue influence or bribes to exclude high value timber concessions from REDD+, while pressing for other areas which have already been degraded (selectively logged) to be included in REDD+ land use plans. | Establish objective criteria to guide land use planning decisions (e.g. 'at risk' factors to identify forests to be covered, soil suitability, carbon sequestration potential, biodiversity values).<br><br>All decision making rules and individual decisions to be made publicly available in an accessible format. |

135 This Table is Annex E of UNDP's publication "Staying on Track : Tackling Corruption Risks in Climate Change" and is adapted from Transparency International's manual analysing corruption in the forestry sector: see Blundell, AG. and Harwell, EE. (2009) Manual: An analysis of corruption in the forestry sector, Transparency International and Natural Capital Advisors, LLC, at p 20 (Table 6), and pp 38 – 47 (Appendix 3) which contains a generic map of corrupt practices in the forestry sector, available at http://www.illegal-logging.
  info/uploads/Forestsectorcorruptiontoolsnov09FINAL.pdf

## Annex 1: Summary of potential corruption risks associated with REDD+

| | Actors Involved | | | Corruption Threat | Corrupt Practice | Anti-Corruption measure/s |
|---|---|---|---|---|---|---|
| | National | Provincial | Local | | | |
| Land and natural resource tenure | Parliament, political elite, departments of planning and forestry | | | State capture and political corruption resulting in a failure to recognise customary land tenure | Undue influence or bribery to resulting in failure to recognise competing rights of customary land tenure, so that 'political elites' can trump customary claims and capture REDD revenues | Capacity building for land administration sector. Assistance to NGOs who often assist customary communities with land registration process. |
| Allocation of carbon rights | Parliament, political elites, powerful logging companies, project developers | | | State capture, political corruption or grand corruption resulting in an inequitable allocation of carbon rights under legal REDD+ framework | Undue influence to link carbon rights to State owner land titles or logging concessions, thus excluding customary communities from control of carbon resources (and possibly REDD revenues) | Close analysis through multi-stakeholder consultations of proposed carbon rights allocation rules |
| Setting reference levels / emission reference levels | Ministry/ department of Forestry  Political elites  Powerful logging or agribusiness companies | | | State capture, political corruption, grand corruption resulting in an over estimation of national reference levels  Collusion | Undue influence to artificially inflate baseline so that excess can be 'skimmed' by corrupt officials at a later date; or to set timeline and national circumstances | Clear guidance on establishing baselines to be given by SBSTA, with third party verification of nominated baseline |
| Design of benefit distribution systems (BDS) | Ministry of Forestry, Ministry of Finance, Political elites | Political elites | Political elites | State capture, favouritism, nepotism, cronyism resulting in weak design of financial management system | Undue influence on BDS which influences who receives REDD+ revenues and benefits | Improvement of public financial management  Public financial reporting, multi-stakeholder body to oversee design and implementation of BDS |

# Annex 1: Summary of potential corruption risks associated with REDD+

| | Actors Involved | | | Corruption Threat | Corrupt Practice | Anti-Corruption measure/s |
|---|---|---|---|---|---|---|
| | National | Provincial | Local | | | |
| **IMPLEMENTATION OF REDD+** | | | | | | |
| Land administration | | Land administration officials | Land administration officials | Bribery by multinational corporations, project developers | Bribery of land administration officials to overlook competing customary claims to land title, or to create fraudulent land titles | Capacity building and transparency in land administration sector<br><br>Recourse mechanisms |
| Spot rezoning of land to permit (or exclude) REDD+ activities in specific areas | | Logging operators<br><br>Carbon brokers | Local level public officials, logging operators, carbon brokers | Bribery | Bribery of public sector officials to change the zoning of an area to allow or exclude REDD+ | Public notification and call for public submissions for all rezoning applications and rezoning decisions |
| Carbon rights | | Planning officials<br><br>Project developers | Local level planning officials | Bribery by corrupt actors of public officials resulting in the loss of carbon rights for indigenous peoples and other forest-dependent communities | Bribery to overlooks competing claims to carbon rights or to fraudulently create or register carbon rights | Capacity building for land administration sector<br><br>All applications to register carbon rights and decision to register rights to be made publicly available<br><br>Recourse mechanisms |
| Carbon measurement risks | | Public sector officials in forestry sector | Local level public sector officials | Petty bribery by project developer or at sub-national level | Public sector officials over-estimating the amount of carbon emission reductions or carbon sequestered | C-MRV procedures |

# Annex 2: Potential partners (to be completed)

| Region | UN-REDD Pilot Country | Institutional REDD arrangements | UNDP anti - corruption activities | Existence of an anti corruption commission | Potential partners AC/REDD programmes |
|---|---|---|---|---|---|
| Africa | DRC | REDD National committee active ; Climate-REDD civil society group established | UNDP's US$390 million governance programme includes component on efforts to combat corruption in public administration | | • Access Initiative |
| | Zambia | | UNDP supporting anti corruption assessment<br><br>Civil society monitoring of services and budgets | Yes | • Access Initiative |
| | Tanzania | | UNDP's Strengthening the National Anti Corruption Strategy and Action plan: (NACSAP II) (link) | Yes | • Access Initiative |
| Asia Pacific | Indonesia | | INTACT (Integrity in Action) | | • TI Forest integrity programme/PAC project for REDD (NORAD-funded) 2010-2013<br>• Access Initiative |
| | Papua New Guinea | | INTACT | | • TI's PAC-REDD |
| | Viet Nam | | INTACT | | • TI's PAC-REDD<br>• Access Initiative |
| Latin America and the Caribbean | Bolivia | | Civil society monitoring of services and budgets of local governments | | |
| | Panama | | | | |
| | Paraguay | REDD Working group<br><br>Active engagement of Indigenous peoples' networks | | | • Access Initiative |