

# Sharing National Experiences in Strengthening Transparency, Accountability and Integrity for REDD+



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# UN-REDD PROGRAMME



The UN-REDD Programme is the United Nations collaborative initiative on Reducing Emissions from Deforestation and forest Degradation (REDD+) in developing countries. The Programme was launched in 2008 and builds on the convening role and technical expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP). The UN-REDD Programme supports nationally-led REDD+ processes and promotes the informed and meaningful involvement of all stakeholders, including Indigenous Peoples and other forest-dependent communities, in national and international REDD+ implementation.



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The UN-REDD Programme works closely with UNDP's Democratic Governance Group, whose work includes support to access to information and anti-corruption. The former stems from the fact that implementation of the rights to freedom of expression and to access information are prerequisites for ensuring the voice and participation necessary for a democratic society. Access to information and communication build on these internationally recognized rights and together encompass core principles of democratic governance such as participation, transparency and accountability. The latter derives from the fact that corruption undermines human development and democracy. It reduces access to public services by diverting public resources for private gain, and strikes at the heart of democracy by corroding the rule of law, democratic institutions and public trust in leaders. For the poor, women and minorities, corruption means even less access to social goods, jobs, justice or any fair and equal opportunity.

Sharing national experiences in strengthening transparency, accountability and integrity for REDD+”. 2013.  
UN-REDD Programme

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## Overview

Throughout 2012 and 2013 the UN-REDD Programme supported a number of its partner countries to assess corruption risks in REDD+ and build action plans to counter these risks. Bhutan, Bangladesh, the Democratic Republic of the Congo (DRC), Kenya, Nepal, Peru and the Philippines have undertaken, and in some instance completed, the first phases of such activities. Indonesia and Nigeria, in addition, through their participatory governance assessments, have made issues of transparency and integrity central to their governance endeavour. Findings and early lessons learned from four of these countries – DRC, Kenya, Nepal and the Philippines - are presented here.

Because this work was driven by its national state and non-state actors rather than following a set template, the scope and form of the assessments are different: they reflect national dynamics, concerns and priorities. Kenya's Ministry of Environment, Water and Natural resources, with strong engagement of the Ethics and Anti Corruption Commission, has assessed corruption risks through an Institutional Context Analysis that details the historical context of forest governance and integrity, relationships between different actors, and perceptions of new risks; the Nepal REDD Cell of the Ministry of Forest and Soil Conservation has opted to integrate issues of transparency, integrity and accountability in two studies, one analyzing drivers of deforestation and degradation (presented here), and the other examining options for REDD+ financing; the Philippines' Forest Management Bureau, through consultative exercises, has led an exercise of quantitatively prioritizing risks according to their likelihood and potential impact; DRC, a country that initiated its work on anti-corruption for REDD+ in 2009, is using the findings of corruption risk assessments to safeguard the operations of its National REDD+ Fund and Investment plan.

Yet despite these differences, the work in all four countries was guided by a participatory methodology characterized by numerous consultations with a diversity of stakeholders from government, anti-corruption bodies, civil society watchdog, project developers, local and Indigenous communities. Consensus-seeking exercises were combined with anonymous surveys to guarantee confidentiality. Most importantly, this work, undertaken at the request national REDD+ bodies, is country-led and country-owned.

# Kenya: Institutional Context Analysis to understand present and future corruption risks for REDD+<sup>1</sup>

## Background

Kenya is in the process of implementing its R-PP, which was approved in 2010. In 2012 and 2013 Kenya received, at its request, targeted support from the UN-REDD Programme to develop analytical studies on three inter-related issues to complement its R-PP, including how to concretely counter corruption risks in REDD+ through a Corruption Risk Assessment for REDD+ in Kenya. Problems of corruption in forest management are described as widespread in Kenya's past, and this view continues to influence existing perceptions and relationships between various different constituents. Historical problems of corruption have also been important in influencing governance reforms in the forestry sector.

This report was commissioned by the National REDD+ Coordination Office in the Ministry of Environment, Water and Natural Resources (MEW&NR) and the UN-REDD Programme, in collaboration with the U4 Anti-Corruption Resource Centre. It provides an analysis of how corruption may influence the ability of REDD+ activities in Kenya to reach successful economic, environmental and social outcomes and point to possible policy options.

## Methodology

Several methods of research have been used to develop this institutional and context analysis: literature review, including published and non-published media sources, over 30 interviews with key governmental and non-governmental stakeholders at the national level and in the Kwale County, an online perception survey filled anonymously by 40 stakeholders, and a data gathering workshop held in July 2013.

## Findings

In the 1990s and early 2000s irregular excisions of forests, mismanagement of state plantations as well as corruption in the then Forest Department escalated, leading to a loss of government credibility to manage forests responsibly. This culminated in the presidential moratorium on harvesting timber from state plantations. These developments influenced significant governance changes in the mid-2000s, with the enactment of new forest legislation and the establishment of a new semi-autonomous forest agency, Kenya Forest Service. The Forest Act 2005 provided among others, stakeholder participation in forest management. The nature of forestry governance continues to evolve through the emergence of the outsourcing of conservation of public forests to the private sector, the lifting of the moratorium for harvesting timber, the regularization of charcoal production, and through the process of devolution established in the Constitution.

**Addressing Corruption in the Forestry Sector:** Despite the improvement in integrity and accountability in the governance of public forests over the past decade, findings highlight a number of areas where corruption still manifests:

- The irregular excisions of public forests in Kenya have been effectively addressed through stronger institutional arrangements and legislation. There are however ongoing reported problems stemming from contested land rights and forced evictions of people from forests and further issues related to the authorization of infrastructure, commercial agriculture and extractive industries, mainly in community forest areas.

<sup>1</sup> The full report "A Corruption Risk Assessment for REDD+ in Kenya" is available here : <http://tinyurl.com/Kenya-REDD-CRA>



- The charcoal sector in Kenya has been undermined by systematic bribery by police and other officials for years. With the effort to regularize charcoal production and trade through the new Charcoal Rules (2009), further problems of accountability and fraud have been created, including among the new Charcoal Producer Associations. This poses a threat to government efforts to ensure charcoal production is sustainable.
- The lifting of the ban on timber harvesting from state plantations represents a positive development in Kenya that may help address timber supply shortfalls. There are however risks that the procedure for issuing licenses, setting prices, undertaking inventories and collecting revenue is undermined by conflicts of interests and frauds, and this may contribute to the marginalization of smaller enterprises.
- Decentralization of forest management in Kenya, which remains contested as it has only partially been implemented, has generated concern about new institutions representing the interests of forest communities. 'Community Forest Associations' in some places have been criticized as undemocratic, unrepresentative and also prone to elite capture and poor financial accountability.
- Some apprehension exists, although there is no clear consensus there, that the policy of outsourcing the management of some public forests to NGOs and CFAs is open to abuse due to insufficient transparency and community participation in decision-making.

Although it is difficult to quantify these various manifestations of corruption in Kenya's forestry sector, these challenges pose an obstacle to achieving the economic, environmental and social objectives of REDD+. As noted in the stakeholders discussions, there is a strong demand for several practical policies, i.e., the need for vastly improved transparency in various aspects of forest management; demand for strengthened accountability mechanisms at the national and county levels, including the prospect of reported instances of corruption leading to judicial follow-up; and a call for policies that deepen efforts to achieve accountable and effective decentralization.

**Perspectives on corruption risks of REDD+ activities:** While capturing observations on the potential corruption risks associated with REDD+ implementation at national and project level, the report notes positive views on how REDD+ may help improve forest governance. The latter includes the potential increase in revenues for the government, communities and others engaged in forest conservation, the increase in knowledge regarding deforestation and forest degradation and also the potential for REDD+ to contribute to wider civil society participation in the forestry sector. The risks identified are summarized under four themes:

1. Most concern is given to the system of managing REDD+ finance, including both REDD+ revenues and expenditure management. Clear policy is yet to be developed on how this will be approached by the government, but existing lack of transparency and poor accountability in the forestry sector – at the national, county and community level – raises the risk that REDD+ revenues could be vulnerable to embezzlement and mismanagement. Corruption in other initiatives for community driven development reported in Kenya highlights these potential risks for REDD+.
2. The implementation of Measuring, Reporting and Verification (MRV) of REDD+ activities, is vulnerable to conflicts of interests, which could lead to biased measurements and reporting of REDD+ performance results.
3. Potential risks exist that funding for REDD+ activities and land use planning will favor powerful interests and political elites, and that the right to free, prior, informed consent of those affected may not be effectively implemented in the absence of clear guidelines. In addition, the ongoing devolution process is meant to empower counties in resource management: although an opportunity for a democratically decentralized approach to REDD+, it also represents new corruption risks.

4. Concern about the integrity of NGOs that play a potentially conflicting role as both watch-dogs on corruption as well as implementers/benefactors of REDD+ activities and projects. NGOs can also lack transparency and play a powerful role in representing the interests of communities, which can be a source of abuse for increasing income or advancing political agendas. These risks are enhanced in community forests where the Kenya Forest Service has minimal management control. Thus the focus on corruption risks needs not be limited to government actors, but instead be broadened to include the non-governmental sector as well.

## Conclusions and Policy Implications

- While options on how REDD+ finance could be managed have been addressed in a complementary study<sup>2</sup>, it is important to highlight the need for the MEW&NR to work collaboratively to establish a clear policy on REDD+ benefit sharing mechanisms, which includes an appreciation of corruption risks. For benefits to reach the intended targets, mechanisms of administering these funds need to be set up to avoid elite capture, gender bias and possible embezzlement. This could include the promotion of direct cash transfers.
- Demand is strong for a comprehensive policy that ensures information sharing; specifically, developing an online platform referred to by some as a “REDD+ registry”, where information on projects, revenues and MRV can be made publically accessible. In this some information should be linked to the mapping of forests (already being undertaken by KFS), including information on land tenure. An effective platform may incorporate the ability of the public to contribute to its content.
- Community mapping of forests could enhance transparency, improve participation by communities in REDD+ activities and potentially strengthen the integrity of MRV. Existing pilot projects on community mapping should be considered for scaling up under REDD+ activities.
- Although it is recognized that the MEW&NR has proactively engaged a wide range of stakeholders in REDD+ preparation activities, there is still consensus among those well-informed on REDD+ that knowledge is lacking among rural communities and within other areas of government, including at the county level. Further efforts are necessary to communicate how REDD+ will be implemented and what responsibilities and risks are.
- The need to improve independent evaluation and oversight of REDD+ activities is recognized. This may be achieved through support to NGOs and media for undertaking analysis and investigative work, and/or through a robust Forest Monitoring system for REDD+ activities.
- There is interest in developing mechanisms for public reporting of corruption in REDD+ activities, although a risk exists that several efforts will be developed independently. Key stakeholders, including the MEW&NR, can work collaboratively to develop a strengthened and harmonized approach.
- The limited prospect of strong responses to reported corruption and human rights abuses in REDD+ activities is raised as an issue of concern. This suggests the need to explore a more dedicated taskforce and formal grievance and redress mechanism that can work on forest-related corruption, including REDD+. The Kenya Ethics and Anti Corruption Commission is considered an appropriate lead agency for this.
- A recommendation is for the development of a code of ethics for governmental and non-governmental implementers of REDD+ activities, which clearly sets out expectations on ethical standards and governance ideals, including on human rights, freedom of information and anti-corruption. The process of developing and agreeing on this code is also considered a beneficial activity that will reinforce trust and participation.

2 *Carbon rights and benefit-sharing for REDD+ in Kenya*, 2013. Ministry of Environment, Water & Natural Resources and UN-REDD Programme, [http://www.unredd.net/index.php?option=com\\_docman&task=doc\\_download&gid=11716&Itemid=53](http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=11716&Itemid=53)

- Finally, the success of REDD+ is dependent on regional co-ordination within East Africa and collaboration between law enforcement and anti-corruption agencies. A recommendation is therefore for Kenya to play an active role in establishing regional cooperation with government and non-government stakeholders in East Africa for REDD+. This could help integrate REDD+ into a Forest Law Enforcement Governance and Trade process.

For these specific policy ideas to succeed, there must be a synergy between anti-corruption and governance reforms in the forestry sector and REDD+ implementation, and that sustainable and equitable management of forests is a prerequisite for achieving REDD+ objectives and financial rewards.

While still facing some challenges, Kenya's forest governance has seen undeniable improvements. These should be continued and enhanced to counter and prevent new corruption risks and thus ensure an equitable, efficient and equitable REDD+. This requires developing the capacities of a number of stakeholders and information-holders, including the Ministry of Environment, Water and Natural Resources, Kenya Forest Service, the Ethics and Anti Corruption Commission, project developers, Community Forest & Charcoal Associations, local and indigenous communities and civil society watchdogs to prevent, detect and sanction corrupt practices in REDD+. In this, strengthening the collaborative capacities of state and non-state national partners on anti-corruption for REDD+, with an emphasis on institutional capacity and an enabling environment for collaboration underpinned by clear guidelines, transparency and access to information, will be key.



# The Philippines: Prioritizing corruption risks through participative methodologies<sup>3</sup>

## Background

The Philippine National REDD-Plus Strategy (here forth referred to as PNRPS) recognizes corruption as a major area of concern. The UN-REDD Programme has supported the Philippines through an initial national programme and a package of Targeted Support activities, including on anti-corruption and safeguards, at the request of the Department of Environment and Natural Resources. Under the anti-corruption component, the objective was to assess corruption risks through participatory methodologies and develop proposals that will ensure that the PNRPS incorporates effective measures to address REDD+ corruption risks that fully reflect national and international requirements.

## Methodology

The methodology used by the Ateneo School of Government is based on the UN-REDD Guidance on Conducting Corruption Risk Assessments and primarily relies on literature reviews and perceptions of a number of governmental and non-governmental stakeholders consulted. It relies on perception, as evidence-based indicators were not appropriate in all instances, given that REDD+ implementation has not started. The limitations of such methodology include potential concerns by interviewees to speak openly, and/or deliberate misinformation reflecting personal or institutional agendas. While the former can be mitigated through the anonymity of the online survey, the latter through triangulation of information from different sources

Data was gathered through a stocktaking exercise through literature review and key informant interviews, an anonymous online survey based on perception of over 50 stakeholders, and national (Manila) as well as regional workshops (Mindanao, Tacloban City, Davao City), including an inception and a final validation workshops.

## Findings

The stocktaking exercise revealed that the Philippines has a relatively comprehensive legal framework, in terms of policies, laws, regulations, and programs, on corruption, with the exception of a full freedom of information law that remains to be passed. However, the application and enforcement of these is where the greatest difficulty lies.

A risk map was constructed based on the survey and analyses of eighteen risks identified following the first consultations. It was further refined during workshops to conclude with the following seven top risks, organized below according to different elements of the PNRPS.

- 1. Politicians influence the issuance of permits to accommodate friends or as owners of business:** The influence of politicians was seen as having community and environmental impacts which are generally large in scale. While there were gray areas in policy, the presence of politicians' influence was viewed as a result primarily of gaps in institutional capacity, rather than policy. If unchecked, this could affect the issuance of environmental clearances, resource use permits, as well as the conduct of inventories in non-indigenous areas.

<sup>3</sup> The report is available here: <http://tinyurl.com/Philippines-REDD-CRA>

2. **Local Government Units (LGUs) allow illegal permits, contracts and plans:** this corruption risk was said to take place when ordinances are passed, which contradict national laws and policies, when business permits are processed or issued, and when local councils endorse development projects (e.g. biodiesel investment) without the benefit of public hearings. It was likewise identified that local leaders, management bodies and council of elders may accept bribes and may be prone to this corruption risk. For instance, the issuance of small-scale mining permits for what are actually large-scale mining operations was identified as a concrete occurrence where LGUs have allowed illegal permits and contracts.
3. **Department of Environment and Natural Resources (DENR) and LGUs misuse official resources:** this risk to the possibility that DENR and LGU personnel using vehicles and equipment for unofficial purposes or inappropriate use of per diem during field activities. Given the importance of field visits and verification activities are critical to MRV, such risks could endanger MRV's effectiveness.
4. **A wide range of actors make fraudulent reports:** Such risk will emerge as a serious challenge with REDD-Plus implementation given the strict requirements of international MRV approaches and difficulties in detection. Fraudulent reporting could lead to the undervaluation of forest resources and personnel turning a blind eye to violations against the environment and community rights. Examples include submission of inaccurate or "inflated" accomplishment reports; conduct of "payroll padding", where "ghost employees" are presented as participating and providing services towards an activity but compensation is acquired by others; submission of false financial reports; deliberately erroneous monitoring, reporting and book-keeping; etc. In many instances, these practices are reported as compounded by a resistance to audits
5. **Overpricing in supplies, equipment and infrastructure through falsification of documents:** this was identified as a major corruption risk under Procurement Management, applicable to all PNRPS components. Overpricing is believed to involve supplies, equipment, and infrastructure specifically for reforestation and monitoring efforts and consultants and research contracts. Linked to the risk above, it was said to be achieved through the presentation of false documents that are represented to official and in order.
6. **Bidders and government officials collude during bidding process:** This risk is not only related to price fixing, but could in fact be a well-organized and well-planned effort by both the bidder and government officials to secure large government bids even if the acquisition or service in question is sub-par in terms of quality. Such risk could happen in activities ranging from rental of facilities and vehicles to preferential treatment of favored bidders.
7. **Diversion of funds:** Diversion of funds was singularly identified as the major corruption risk related to financial management. And it is of interest that diversion of funds is described as a "facilitator" of corrupt activities very similar to how bribery is viewed as the "currency" for committing corrupt acts. These risks relate more broadly to potential risks for REDD+ than existing corrupt practices in the forest sector. For instance, in the absence of formalized benefit sharing schemes, financial benefits/funds could be diverted away from community development needs or to areas and activities favoring certain parties only. As with others, there are laws in place that avoid the improper diversion of funds, although implementation and capacity related concerns remains.

## Conclusions And Policy Implications

Considering the corruption risks described above are interrelated, the policy measures address more than one risk at a time, proposing a holistic approach. For ease of implementation, the policy measures have been categorized into short-, medium- and long-term activities.

### Short Term

Preventive measures identified were mainly in the PRNPS elements of research, training and policy and institutional support. That is,

- *Research* activities: (a) establishing baselines and map corruption hotspots in REDD-Plus areas and the forestry sector and integrate it with the safeguard information system (SIS) and MRV registry; (b) monitoring anti-corruption efforts in the forestry sector based on their effectiveness and extracting best practices; and (c) evaluating system of rewards and punishment, with the recommendations to be presented to the National Multi-stakeholder REDD-Plus Council.
- *Training and capacity building* activities: (a) reviewing of training programs and development of training modules on REDD-Plus, PNRPS, safeguards, governance and corruption; (b) carrying out training needs assessment among government personnel involved in REDD-Plus implementation; (c) training members of the National Multi-stakeholder REDD-Plus Council and Provincial MRCs (PMRCs) who will be governing the implementation of REDD-Plus in the national and local levels, respectively; and (d) training of REDD-Plus practitioners, which would include governance bodies, DENR, local Ombudsman personnel, watchdogs, media and other REDD-Plus champions.
- *Policy and institutional support*: (a) Setting of anti-corruption clinics which can provide technical assistance to PMRCs and REDD-Plus practitioners who seek guidance in the development, assessment and monitoring of anti-corruption strategies; (b) Pilot testing innovative anti-corruption systems and social accountability tools, such as regular early warning dialogues between watchdogs and government authorities, backed by easy access to usable, relevant and timely information; and (c) Establishing an effective transparent system for data sharing and third party monitoring through the development of guidelines or protocols, training of trainers and organizing a community of national and local validators.

### Medium Term

The medium term measures are preventive in nature and focused on consolidating key institutions. They involve strengthening the National Multi-stakeholder REDD-Plus Council as the primary governing body for PNRPS implementation as well as anti-corruption enforcement bodies such as the Ombudsman and Integrity and Anti-Corruption Committee/Council under the DENR. Watchdogs and media groups focusing on anti-corruption are also included in these strengthening efforts. The recommended measures include:

- Human resource development planning with focus on institutions involved in REDD-Plus implementation, such as the National Multi-Stakeholder REDD Plus Council, DENR, NCIP and Climate Change Commission;
- Fully integrating anti-corruption into the Safeguards Information System (SIS) and REDD-Plus Registry which would entail the development of guidelines, protocols, and monitoring and evaluation systems;

- Scaling up the organization, training and support for local anti-corruption practitioners and champions;
- Enhancement of independent third party monitoring schemes or systems; and
- Developing best practices and innovative models for anti-corruption and social accountability for REDD-Plus implementation.

### Long Term

Similar to medium term measures, the long-term measures were preventive in nature. These shall focus on institutionalization of anti-corruption initiatives in the implementation of the PNRPS and REDD-Plus in the Philippines. Replication of successful efforts is also to be pursued. Such long-term measures involve promoting and integrating best anti-corruption practices and models in REDD-Plus implementation; and establishing award/incentive schemes for the most transparent REDD-Plus project.

Lessons learned through this process included: i) a noted difference in perception among different functions and gender on certain corruption risks. For example, over 50 % of women considered that the risk of “bribery to overlook fraudulent reporting” was either high or very high, while only 27% of men considered that risk as important; similarly, “fraudulent reporting” itself was deemed considerably higher by women (49%) than men (21%), and a similar pattern was observed for “manipulation of carbon and non carbon reporting” (women: 53%; men 12%). Similarly, while perceptions were generally aligned between different respondents from government, private sector, NGOs, indigenous peoples organizations, a few significant differences in perception emerged , such as the fact that 23% of government respondents deemed the risk of “diversion of funds” as high or very high, compared to 60% of civil society respondents ; ii) the importance of identifying and engaging champions in both government and non-government sectors, for instance, such as individuals or groups of stakeholders through which policy reform or implementation could effectively begin or be coursed through, would raise both the effectiveness and immediacy of response measures; iii) the importance of participatory processes and triangulating information; and iv) building on the framework and gains of a National REDD+ Strategy.

# Nepal: Examining the governance causes of drivers of deforestation and forest degradation<sup>4</sup>

## Background

Through its REDD+ readiness process, Nepal is developing the required policy, legal and institutional frameworks to enter into the REDD+ and the global forest carbon market. The development of a National REDD+ Strategy, led by the REDD - Forestry and Climate Change Cell (REDD Cell) within the Ministry of Forest and Soil Conservation (MoFSC), is one of the key preparatory works currently in progress. However, there are critical knowledge gaps in different aspects including how to establish result-focused policies and measures.

In October 2009, Nepal became a UN-REDD partner country. Since then, the UN-REDD Programme has provided support to Nepal in a number of ways, primarily through opportunities to exchange knowledge and lessons with other countries in the region. In 2012, the Government of Nepal formally requested Targeted Support from the UN-REDD Programme to help make progress in two key areas of REDD+ readiness – i) national level fund management arrangements; and ii) strategies for addressing drivers of deforestation and forest degradation which is presented below. Issues related to transparency, accountability and corruption were considered critical to these two studies.

## Methodology

This study, conducted by Forest Action, adopted a political economy perspective to analyze the drivers of deforestation and forest degradation (D&D) and gave emphasis to understanding the underlying political and socio-cultural causes beyond the proximate drivers. It deployed multiple methods for data collection, analysis and validation that include desk review and content analysis, expert consultations, interviews, field visits, interactions and focus group discussions, and regional and national validation workshops. The study followed an engaged and collaborative process of discussion, analysis and synthesis among the concerned actors and stakeholders.

## Findings

Nepal's deforestation dynamics are more diverse, complex, and location specific with little generalizable features. The diversity in drivers of D&D can partly be attributed to ecological and socio-cultural diversities in Nepal. Different factors are responsible in Mountain, Hills and Terai regions for D&D. For example, illegal logging, timber smuggling and encroachment are the most common factors in Terai; fuelwood collection and road construction have significantly affected the Hills; and logging and fuelwood collection are the key factors in the Mountain region. Similarly, problems with government-managed forests are different from those in community forests and other community-based forests. Likewise, while open access situation has induced D&D in some parts of Terai, weak governance of local forestry groups has resulted in over-harvesting in other cases. The prioritization of drivers was carried out based on relevant indicators that characterize the severity and extent of D&D.

Among the drivers of D&D, illegal logging stood first, followed by encroachment, road construction and fuel-wood consumption. These drivers do not solely lie within the forestry sector but also stem from the agriculture, energy and infrastructure sectors. Though many of these drivers first appear as economic and technological, most of them have common underlying political and governance related causes (see table below). These entail that poor governance, corruption and institutional issues pose challenges to the successful implementation of REDD+ in Nepal.

<sup>4</sup> Once finalized, the report will be available at : <http://tinyurl.com/Nepal-Drivers-of-D-D>



Policy, governance and tenure underlying causes of drivers of deforestation <sup>5</sup>				
	Illegal logging	Encroachment	Fuelwood collection	Roads
<b>Lack of deliberative and inclusive process</b>	Contested policies (both at national and local levels) result in weak ownership by stakeholders and conflicts between authorities and local communities as is the case in Terai forest management and Churia, protected areas	Confrontation between the state and Sukumbasis has turned forests into a war zone; there is little support from stakeholders at local level in maintaining forest integrity and too few consultation on land and land use policies	Fuelwood collectors cannot shape fuelwood related policies. As fuelwood collection in government forest is deemed illegal, collectors ignore sustainable practices	Roads outside the district development plan tend to ignore due process and undermines sustainability
<b>Poor transparency and corruption</b>	Corruption induces over harvesting to meet interests of all involved parties; officials often blind eye	Bribing influences distribution of land titles by the Land Commission officials, land mafia often encourages people to capture land and benefit from illegal transactions.	Brick factories, hotels and other commercial consumer of fuelwood bribe officials	Corruption encourages use of heavy machines instead of labour based approach, lack of information undermines monitoring and public scrutiny.
<b>Weak law enforcement</b>	Organised criminals make life threats to Department of Forestry (DFO) staff, whose capacity to respond is weak, political interference, weak judiciary system leads to impunity	Weak DFO capacity to monitor and evacuate illegal settlers, who are often backed by political parties	Weak DFO capacity to monitor and check unsustainable harvesting	Weak enforcement of Environmental Impact Assessment and other environmental standards

Several policies and measures have been taken to address D&D and create an environment conducive for conservation and sustainable management of forests. These include: i) formulation of policies, plans and programmes for broader national, sectoral and forestry development; ii) preparation of legal and regulatory frameworks; iii) design of institutional structures and mechanisms to ensure law enforcement, coordination among concerned agencies and monitoring of activities; and iv) development and implementation of anti-corruption measures, such as the establishment of the Commission for Investigation of Abuse of Authority (CIAA), the National Vigilance Centre (NVC), a Special Court and the criminalization of a number of financial misdeeds including bribing and embezzlement.

<sup>5</sup> In addition to policy, governance and tenure causes, the report also analyses economic, cultural (socio-political), demographic and technological causes. We emphasize the governance causes here as they are the focus of this publication.

However, most of these policies and measures have proved to be inadequate in addressing D&D especially in recent years. This is mainly due to: (a) a mismatch between causes and measures, and (b) poor implementation of the measures. In many cases, the government has appeared to respond with strengthening law enforcement; failing to inadequately appreciate the underlying causes of D&D. Furthermore, the policies and measures introduced to reduce D&D are often limited to the forestry sector, while challenges from broader economic and governance issues are difficult for the forest authority alone to address without cross-sectoral collaboration. For example, encroachment, road construction and fuel wood collection are closely linked with the agriculture, infrastructure and energy sectors respectively.

## Conclusions and Policy Implications

Poor governance, particularly rampant corruption, weak law enforcement and rent seeking behaviour induce the main identified driver, i.e. illegal logging. This is compounded by a prolonged political transition, weak state institutions and deeply rooted, vested economic interests. The fact that broader governance forces beyond the mere economic drivers are responsible for D&D implies that the national REDD+ strategy must consider multiple strategies beyond providing economic incentives. Therefore, expected REDD+ benefits must also incentivize initiatives for reforming policy, governance and forest tenure. The national REDD+ strategy must also consider addressing drivers beyond the forestry sector. For this, it will be important to identify the potential impacts of REDD+ initiatives on agriculture, energy and infrastructure. This will in turn help generate cross-sectoral coordination towards a more holistic approach to reduce emissions from forests.

# DRC: Embedding Anti Corruption Safeguards in its National REDD+ Fund

## Context

DRC has engaged on anti corruption for REDD+ since 2010. Activities started with collaborations on an initial study supported by Norad and UNDP and conducted by Price WaterHouse Cooper<sup>6</sup>, as well as a study commissioned by the World Bank on the Political economy of REDD+ in RDC. A full time consultant was hired at the National Coordination in 2012 to map corruption risks in REDD+, based on consultations, individual interviews and an anonymous online survey. This work informed the integration of transparency and accountability elements in the DRC's Framework REDD+ Strategy, which was launched during the UNFCCC Conference of the Parties in Doha in December 2012. The strategy identified governance as one of the seven priority investments for REDD+ and one of its four enabling pillars. The results expected under this pillar are i) transparency and quality control through robust monitoring systems; ii) inclusiveness in stakeholder engagement, iii) accountability of various stakeholders via recourse and sanction mechanisms that are accessible to all; and iv) an enabling framework including among other a clear legal framework and predictability in financing. The REDD+ registry and the National Forest Monitoring System<sup>7</sup> were also launched that year and can serve as tools to promote transparency. In 2013, as the country focused on the establishment of a National REDD+ Fund, a number of measures supporting anti-corruption were integrated in the Fund's Operational Manual.<sup>8</sup> In addition, DRC's REDD+ standards contain principles related to financial integrity and access to information.

In parallel, a number of efforts are undertaken by civil society actors. Notably, the Moabi DRC tool<sup>9</sup>, an online platform to track information spatially, is based on a collaborative mapping system that uses crowd-sourcing to find and update information related to projects and build a community of users to share, edit, and discuss issues that could affect the sustainability of critical ecosystems, including REDD+ projects.

## Findings

The participatory mapping of corruption risks in REDD+ in RDC pointed to a prioritization of risks: 1) bribery when attributing land-use rights, combined with acceptance of false documents 2) trafficking in influence related to illegal logging 3) opacity in benefit-sharing mechanism 4) fraud in MRV and 5) overall pressure exerted onto the judicial system through different means.

As a practical application of anti-corruption measures, DRC has integrated preventive, detective and some corrective measures in the Operational Manual of its REDD+ Fund, considered a pivotal instrument to mobilize and combine various sources of funding (public and private, national and international) to reach national REDD+ Objectives as defined by the National REDD+ Strategy. The main bodies of the Fund referred to below are the Steering Committee, the Technical Committee, the Executive Secretariat and the Administrative Agent (see Text box).

6 <http://www.redd-monitor.org/wordpress/wp-content/uploads/2012/01/NORAD-PwC-Implementing-REDD-in-DRC-Corruption-risks-NORAD-Final-Version-E.pdf>

7 <http://www.rdc-snsf.org/>

8 <http://mptf.undp.org/factsheet/fund/3CD00>

9 <http://www.moabi.org/>

**Preventive measures include:**

- To guarantee independence in the assessment of REDD+ proposal, a double-blind process will be used to contract two independent consultants from a pre-selected pool of experts. To minimize the risk of undue influence, the identity of these individuals will not be disclosed to the Technical Committee or the Steering Committee; in addition, a selected consultant will not know the identity of the second selected consultant is. Further work is planned to establish rules about the relative weight of each assessment criteria when considered by the Steering Committee.
- The Technical Committee includes a broad representation of stakeholders, including civil society expert, two experts provided by the donors, and two independent experts recruited through a competitive process. This mitigates the risk of collusion and undue influence in decision-making.
- Members of the Technical Committee are under an obligation to declare conflicts of interest, and to withdraw from deliberations on proposals where there is a possible conflict of interest. In addition, members of the Steering Committee will sign “Integrity Pacts” to mitigate the risk of abuse of influence and conflicts of interests.
- Donors can choose to link disbursement to the Administrative Agent to specific benchmarks, to mitigate the risks of embezzlement
- A financial micro-evaluation of implementing entities is undertaken by a third party, based on which the Steering Committee makes a decision to provide or limit access to entities.

**Detection measures include:**

- Implementing entities and the Executive Secretariat have an obligation to inform the Steering Committee and Administrative Agent when misuse is suspected, based on monitoring and evaluation (M&E) procedures. Note M&E measures are adapted to the implementation modality.
- A complaints mechanism is set up. In this, any person with a grievance can report it to the Executive Secretariat via a number of mediums (phone, fax, email, mail, meetings etc), who communicates information back to the complainant, informs the Steering Committee, and determines eligibility before a response is decided upon (direct response, dialogue, referring to another mechanism, or non-eligibility)
- In the Standard Agreements between the donor and the Administrative Agent, the DRC Ministry of Finance and Implementing Entities have an obligation to investigate in case of a suspected misuse of funds.

**Functions of the different bodies of DRC's National REDD+ Fund**

- The Steering Committee, presided by the Ministry of Finance, holds the policy, decision-making and supervisory functions of the Fund.
- The Technical Committee led by the Ministry of Environment, Nature Conservation and Tourism, guarantees quality control and the respect of REDD+ criteria. It assesses strategic orientations and REDD+ program proposal and submits advice and recommendations to the Steering Committee via the Executive secretariat
- The Executive Secretariat is the national manager of the Fund for the Steering Committee. It ensures the respect of the rules in the Operational manual and coordination between the two bodies above, and is the focal point with the Administrative Agent
- The Administrative Agent is currently, as an interim measure, UNDP's Multi Partner Trust Fund Office.

**Corrective measures** are also put in place when corruption is detected. These include Programme suspension, as well as a specific clause in agreements related to reimbursement that offers the possibility of direct recourse for the donor.

## Policy Implications and Recommendations

DRC's efforts to assess corruption risks, embed governance measures in its national REDD+ framework strategy and concretely apply measures to counter these risks are encouraging. Recommendations to further these efforts include:

- Support civil society's efforts in accessing information through awareness about existing transparency portals (including the National Forest Monitoring System), combined with a monitoring the usage of the NFMS as a transparency tool, and ensuring its linkage with the Moabi platform
- Ensure the applications of the measures initiated in the Fund's Operational Manual through specifications in the Fund's internal rules and regulations of the Executive Secretariat. This includes for example i) specifics about the broad and scope of declarations of conflicts of interests as well as sanctions and the cancellation of decisions taken in case of non-compliance; ii) details concerning criteria to assess the legitimacy of complaint, and how this impacts decisions and project implementation; and iii) access to information about project implementation, which could inform the revision of the REDD+ registry.
- Prioritize anti-corruption capacity development activities for different actors as planned in the DRC Investment plan, including enhancement of collaborative capacities that involve the judiciary.



## Early Lessons Learned & Conclusion

The experiences described above are new ones; yet they are rich in early lessons learned.

First, the need for enhanced access to detailed information has come across in all countries supported by the UN-REDD Programme. This is not only important for transparency and accountability, but also for stakeholders' full and effective participation. The decisions on which information is needed where and by whom should be discussed at national and local levels through consultation exercises that takes into account information needs and means.

Second, collaborative capacities already fostered in the assessment stage pave the way for joint action to mitigate risks. The countries experiences described above have in common that several national actors were mobilized to partake in the assessment phases: in DRC, the Ministry of Environment and the Ministry of Finance are the major actors for the leadership and operations of the national REDD+ Fund, and its anti corruption safeguards rules ; in the Philippines and Nepal, national local academic partners were involved and can continue to advise anti-corruption efforts; in Kenya, the analysis was characterized by robust collaboration of the Ministry of Environment and the Ethics and Anti-Corruption Commission. These partnerships can be further fostered, and individual, institutional but also collaborative capacities developed, when acting upon the recommendations.

Third, the need to triangulate information has shown particularly strong when examining such governance issues. Corruption is sensitive, interpreted differently by different stakeholders, and not always straightforwardly discussed; in addition, responses provided in interviews can be used to serve a person or an organization's interest and agenda. In the Philippines and Kenya examples, shifts in prioritizing risks occurred during the consultation workshops pointed to the necessity of relying on various data sources collected with multiple methodologies.

Fourth, perception of corruption in the forest sector and of potential corruption risks in REDD+ differ among functions and gender. This difference is not systematic – yet clear gaps in perception have appeared when assessments are disaggregated by gender. This is exemplified above in the Philippines and in Kenya cases, as well as in a Latin American region survey ran in early 2013. This is not a surprise, as it reflects differentiated roles of women and men and different experiences of corruption; yet it underlines the need to ensure that anti-corruption efforts take into account these differences and address the underlying structural and systemic issues.

Finally, the frameworks and gains of both a country's REDD+ readiness process and its national anti-corruption strategy and/or institutional framework offer unique opportunity to curb REDD+ corruption risks. In the Philippines, the multi-sectoral working groups established to initially implement activities under the REDD-plus Readiness Phase can form building blocks to pursue governance strategies that would give attention to corruption risks. In Kenya, the Constitution and draft Forest Bill can serve as powerful bases to entrench access to information in REDD+. In DRC, the establishment of the National REDD+ Fund and the Investment plans are timely opportunities to design and apply transparency and accountability measures. Nepal's REDD+ strategy will be informed by the integration of transparency and accountability criteria in the assessments that were conducted.

This work is not without challenges: understanding corruption risks often means uncovering power imbalances, a lack of access to information, weak governance issues, as well as, very often, a lack of capacity to prevent, detect and redress issues. Yet, the countries whose experiences are showcased above stand committed to addressing these issues, strong from their existing commitment in national legislations, in the United Nations Convention Against Corruption and the UNFCCC REDD+ safeguards, as well as their realization of the efficiency, effectiveness and equity benefits of addressing these issues. They also have strengths to build upon, be they positive momentum towards transparency within government agencies, national anti-corruption actors to partner with, and an engaged civil society.

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