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Identifying Corruption Contact-Points: Fine-Tuning Priorities for REDD+ Governance in the Philippines

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This working paper is a draft in progress that is posted online to stimulate discussion and critical comment. The purpose is to mine reader's additional ideas and contributions for completion of a final document.

The views expressed herein are those of the authors and do not necessarily reflect the views of Ateneo de Manila University.

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I. Introduction

Corruption occurs in many forms that ultimately depend largely upon the context where it occurs. That is, the laws and regulations in place in a given state, as well as the degree by which these laws and regulations are implemented, determine the extent to which corruption may be discouraged, curtailed or prevented. Absent these, and where consideration for integrity, transparency, and accountability in the processes, as well as those who undertake them is lacking, the ability to arrest corruption can be compromised, and corruption itself becomes acceptable.¹

Although it is generally accepted that “corruption is a significant enabler of deforestation in developing countries,”² the extent to which various corrupt activities directly affect deforestation and forest degradation is difficult to accurately gauge. Bridging this knowledge gap using available data from the REDD+ readiness experiences in the Philippines could inform a more fine-tuned prioritization of actions to improve policy and governance in anticipation of full implementation of a national REDD+ program.

2. Assessing the impact of corruption on forests: A Framework from Meehan and Tacconi

Meehan and Tacconi note that there is still much uncertainty as to the relationship of corruption to deforestation and forest degradation. Their research cites studies that have stopped short of finding a statistically significant relationship, which suggests a more nuanced approach, may be necessary to understand corruption in its specific contexts.³ Their paper proposes a framework “grounded on the reality in which corruption manifests itself in practice, that integrates a more nuanced analysis of the impacts of corruption by considering two of its key manifestations: *according to the rule corruption* and *against the rule corruption*.”⁴ They tested their framework by discussing the relationship between corruption and deforestation in Indonesia.⁵

¹ Transparency International, *Keeping REDD+ Clean: A Step-by-Step Guide to Preventing Corruption* (2012) 5

² Bofin, P. et al (2011) 10, cited in UN-REDD Programme and the Ateneo School of Government, *Corruption Risk Assessment for REDD+ in the Philippines and Development of REDD+ Anti-Corruption Measures* (2011) 1

³ Meehan, F., and Tacconi, L., 2017. A framework to assess impacts of corruption on forests and prioritize responses, *Land Use Policy*. 60, p. 113-114

⁴ Ibid. citing Bardhan 1997, Shleifer and Vishny 1993, Smith et al 2003, Transparency International undated

⁵ The choice of Indonesia by Meehan and Tacconi is critical for this paper, not only because of the explanation provided regarding the historical level of deforestation coupled with the prevalence of corruption documented within the forest sector. Indonesia, like the Philippines, is a Southeast Asian developing country in the initial REDD+ readiness phase through pilot REDD+ projects. It stands to benefit from the approach, including addressing corruption, while also receiving performance-based compensation.

Determining whether corruption facilitates legal or illegal activities helps to establish the impact of the corruption exchange. Using this framework, *according to the rule corruption* and *against the rule corruption*,⁶ are used to refer to the services provided in the corruption exchange. “According to the rule, or non-collusive, corruption” allows for the delivery of public services or the implementation of legal public procedures. On the other hand, “against the rule, or collusive, corruption” permits the briber to receive public services not due to him or her, or the implementation of public procedures that are illegal.⁷

Applying the framework in the Indonesian context, Meehan and Tacconi focused on bureaucratic corruption, or corruption involving the implementation of laws and regulations.⁸ In particular, they unpacked the usual corrupt incidents that occurred in regulatory mechanisms in land use planning, licensing (awarding concessions and permits) and monitoring and enforcement.⁹ The type of corruption and its perceived impact then contributed to a determination of what could be prioritized in terms of policy response.

Using this, incidents of Against the Rule corruption were determined to have the highest direct impact on deforestation and forest degradation. In particular, incidents were reported wherein payments facilitated land use plans which re-zoned areas within forest estates to allow for alternative uses or re-classification of the forest type.¹⁰ By endorsing harvesting and land conversion where these would otherwise not be permitted, these corrupt activities unequivocally contributed to deforestation and forest degradation. Similarly, Against the Rule corruption in mechanisms for licensing enabled the issuance of concessions that did not match land-use plans, resulting in “more licenses being awarded, licenses awarded in areas that would not be available to development, such as conservation forests and licenses awarded in areas already being harvested, leading to overharvesting.”¹¹

⁶ Ibid. 114

⁷ Ibid. 114

⁸ Ibid.

⁹ Ibid 115

¹⁰ Ibid 116-117

¹¹ Ibid 119

Other connections were less direct. For example, in licensing, against the rule corruption occurred through the payment of bribes to facilitate preferential treatment in the allocation of concessions. While this “lowered the quality of the company (such as when a permit was given to a company that had previously performed poorly),” it was noted to have only a medium effect in terms of severity.¹² The impact of these payments for preferential treatment was seen to have an indirect contribution to deforestation and forest degradation, which could be lessened where “operational regulations are monitored and enforced appropriately.”¹³ Similarly, under monitoring and enforcement, using payments or political ties to bypass monitoring or compliance requirements was identified to have a direct contribution to deforestation and a potential indirect contribution to forest degradation.¹⁴ However, Meehan and Tacconi point out that these monitoring regulations need to be clarified, as not all were relevant to their operations or to forest cover.¹⁵

On the whole, Meehan and Tacconi’s framework “demonstrates how there are several key factors that need to be considered in order to say that any specific act of corruption contributes to deforestation or forest degradation.”¹⁶ Namely, the activity must not be legally allowed, or must constitute against the rule corruption.¹⁷ Secondly, the illegal activity must actually cause deforestation and forest degradation, instead of being a breach of administrative procedures.¹⁸

3. UN-REDD Corruption Risk Assessment for the Philippines

Mayo-Anda enumerated the following “existing and possible points of corruption problems,”¹⁹ in the Philippine forestry sector:

¹² Ibid 117

¹³ Ibid 119

¹⁴ Ibid 117

¹⁵ Ibid 120

¹⁶ Ibid 120

¹⁷ Ibid

¹⁸ Ibid

¹⁹ Mayo-Anda, G. 2011. *Tackling Corruption for Governing REDD in the Philippines*. U4 Issue No. 4:2011. U4 Anti- Corruption Resource Centre. Chr. Michelsen Institute. Bergen. <http://www.u4.no/publications/tackling-corruption-for-governing-redd-in-the-philippines/>

1. Bribery, favoritism and the manipulation of land classification documents carried out by public officials in the issuance of Community Based Forest Management Agreements and Community Stewardship Certificates;
2. Extortion and bribery by officers of the Department of Environment and Natural Resources (DENR), by the military and by police personnel, as part of transaction costs for activities related to the harvesting, transportation and sale of forest products and for the process of compliance with forestry guidelines or requirements;
3. Weak oversight of the forestry sector by the DENR due to corruption within the department that discourages effective forest management even in instances where there is demonstrable capacity in local government units and communities;
4. Current legal and institutional mechanisms provide only a weak accountability check on current and potential REDD+ schemes;
5. Court cases filed against DENR personnel alleged to have engaged in corruption are few and mostly involve mid-level rather than high ranking staff;
6. Rent seeking activities in natural resource management are widespread;
7. A complex network of individual participants that follow unwritten rules of secrecy and (mis) conduct; and
8. Human resources are not maximized due to the negative working environment in which individuals find themselves.

These corruption problems serve as obstacles²⁰ to effective implementation for REDD+. However, there are no efforts specifically targeting corruption in REDD+ implementation.

In 2011, the UN-REDD Programme²¹ engaged the Ateneo School of Government to conduct a Corruption Risk Assessment (CRA) for REDD+ in the Philippines and develop REDD+ Anti-Corruption Measures. Among the expected outputs of this engagement was a

²⁰ Anda, G. M., *Tackling Corruption for governing REDD in the Philippines*, U4 Issue, (May 2011) No. 4 11.

²¹ The UN-REDD Programme is a collaborative effort of the Food and Agriculture Organization of the United Nations, United Nations Development Programme and the United Nations Environment Programme. It supports nationally led REDD+ processes in over 60 countries, by providing support in the design and implementation of national REDD+ strategies and actions, technical capacity building and knowledge sharing (UN-REDD Programme, 2016).

prioritized list of corruption risks for REDD+ in the Philippines, with special focus on the PNRPS, as well as proposed measures to mitigate the risks that were identified as high priority.²²

The Philippines CRA employed a range of methods, including literature reviews, policy and institutional analyses, national and local-level stakeholders consultations, and a written survey instrument that was disseminated to REDD+ practitioners in government, civil society and local communities. Results derived from these informed the identification and prioritization of REDD+ corruption risks, and the proposed measures to address these. All results were likewise subjected to elaboration and validation at Focus Group Discussions and workshops.

The study recognized that while there was a long list of corruption risks generally associated with the forestry sector, not all of these would be applicable to REDD+ implementation. Even at present, there is limited documented evidence of REDD+-specific corruption in the country, apart from reports of carbon speculators or “carbon cowboys.” Nevertheless, the study recognized that “findings of irregularities in the government’s reforestation efforts and in the issuance of instruments and permits” for forest use could also be replicated once REDD+ implementation was fully underway.²³

As such, to map how the identified risks and proposed measures would be applicable to REDD+, these were categorized to align with the seven components of the PNRPS – 1) Policy, 2) Governance, 3) Resource Use, Allocation and Management, 4) Monitoring, Reporting and Verification, 5) Research and Development, 6) Capacity Building and Communication and 7) Sustainable Finance.²⁴ To aid prioritization of risks, each was graded using Transparency International’s criteria.²⁵ Perceived likelihood was scored on a qualitative five-point scale from Impossible to Highly Likely, and impact, similarly on a five-point scale from Nil to Catastrophic. The sum of the likelihood and impact scores indicated whether a risk was perceived to be high,

²² UN-REDD Programme and the Ateneo School of Government, *Corruption Risk Assessment for REDD+ in the Philippines and Development of REDD+ Anti-Corruption Measures* (2011) 4

²³ Ibid 8

²⁴ Ibid 12, citing Philippine National REDD+ Strategy Team, *Philippine National REDD+ Strategy* (2010)

²⁵ Ibid 14-15, citing Blundell A. and Harwell E., *Manual: An Analysis of Corruption in the Forestry Sector*, Transparency International (October 2009)

medium or low priority.²⁶ The high priority risks were assessed against the PNRPS components to further fine-tune their potential impacts.

Finally, to better identify measures to respond to these risks, they were grouped together according to the relevant dimensions used by the Integrity Development Review then implemented by the Office of the Ombudsman. These were: 1) Code of Conduct, 2) Performance Management (including Service Delivery), 3) Financial Management and 4) Procurement Management.²⁷

The table below summarizes the top seven risks considered high priority, unpacked according to their projected relevance under the PNRPS components:

Table 1. High Priority Risks and Included Activities.

<i>Identified Risks</i>	<i>Relevant PNRPS Components</i>
Code of Conduct	
<i>Politicians influence the issuance of permits to accommodate friends or as owners of businesses</i>	<i>Occurs across PNRPS components – includes irregularities in the issuance of resource-use and business permits, agreements and tenure instruments, land and boundary delineation and in obtaining FPIC from Indigenous Peoples communities and other social acceptability processes²⁸</i>
<i>Local Government Units allow illegal permits, contracts and plans</i>	<i>Occurs across PNRPS components – includes the enactment of ordinances and other local government issuances that contradict national policy, illegal issuance of resource use permits, particularly for mining, allowing activities that are not in accordance with land classification categories and lack of transparency in the crafting and approval of Comprehensive Land Use Plans</i>

²⁶ Ibid 15

²⁷ Ibid 16

²⁸ Ibid 27-28

	and Ancestral Domain Sustainable Development and Protection Plans ²⁹
Performance Management	
<i>Misuse of official resources</i>	<i>Occurs across PNRPS components – includes irregularities during fieldwork, such as misreporting travel days and use of office resources for personal purposes. Also includes the lack of resources available for per diems of personnel involved in verification and ensuring peoples participation.³⁰</i>
<i>Fraudulent Reporting</i>	<i>Relevant to Policy and Governance, Resource Allocation, Utilization and Management and MRV – includes submission of inflated and/or misrepresented accomplishment reports, falsifying documents, reports and assessments, using “ghost” projects and employees to divert funds, falsifying baselines for carbon and biodiversity, double reporting and avoidance of audits³¹</i>
Procurement Management	
<i>Overpricing</i>	<i>Occurs across PNRPS components – often involves supplies, equipment and infrastructure for reforestation and monitoring, as well as research contracts for consultants³²</i>
<i>Collusion in Bidding</i>	<i>Occurs across PNRPS components – often involves procurement of minor equipment and services without the required bidding process, preferential treatment of favored bidders, and other instances of non-observance of the law on Procurement.³³</i>
Financial Management	

²⁹ Ibid 28-29

³⁰ Ibid 30

³¹ Ibid 31

³² Ibid 33

³³ Ibid 35

Diversion of Funds	<i>Occurs across PNRPS components – includes diversion of funds for bribery of government officials and community leaders, payment of fixers to facilitate processing of permits and licenses, favoritism in the selection³⁴ of areas of work and inequitable distribution of benefits in the absence of formalized benefit sharing schemes.</i>
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Short, medium and long-term measures to address these risks were also developed. Short-term measures focused on research for establishing baselines and mapping corruption hotspots and evaluation of existing anti-corruption and REDD+ systems and mechanisms.³⁵ Capacity building for stakeholders and policy and institutional support for developing, monitoring and pilot-testing anti-corruption systems and tools were also identified. Prosecutory measures were also important in the short-term, particularly to maximize remedies available under the Office of the Environmental Ombudsman and the Rules of Procedure for Environmental Cases.³⁶

Medium term measures were preventive actions that involved institutional support for key government agencies, integration of anti-corruption standards in the eventual development of the Safeguards Information System (SIS) and REDD+ Registry, scaling up and enhancement of actions on the ground and identification of best practices for accountability in REDD+ implementation.³⁷ Finally, long-term measures focused on the institutionalization of REDD+ anti-corruption measures and practices and establishing incentive schemes for compliant projects.³⁸

The Philippines CRA was a comprehensive study that sensibly sought to attune its findings and recommendations to existing national documents, policies and mechanisms such as the PNRPS and Integrity Development Review. It likewise benefitted from the wide-ranging consultations and validation with stakeholders, which were conducted at a time when REDD+

³⁴ Ibid 36

³⁵ Ibid 38

³⁶ Ibid 39

³⁷ Ibid 40

³⁸ Ibid

readiness activities in the country were in full swing. Indeed, in 2011, there were high expectations for REDD+ as a way forward for the country's forestry sector, especially since the PNRPS had been a product of extensive collaboration between government, civil society and community participants.

In this early environment, the CRA rightly acknowledges the difficulty to identify risks based on a theoretical outlook of REDD+ implementation. Lessons from implementation of the Community-Based Forest Management and Protected Area Management programs and national reforestation efforts were indeed instructive, coupled with long experience with the inadequacies of the forestry sector, particularly in the areas of permitting, planning and law enforcement. But perhaps because of prospective nature of REDD+, the risks identified in the CRA can still be considered fairly general and applicable to the forest sector as a whole, despite the efforts to align these with the PNRPS components.

Since the CRA was conducted in 2011, new developments in REDD+ in particular, and the forestry sector in general, could prove valuable in updating and fine-tuning the list of high priority risks. The 2013 report of the Philippine Commission on Audit found that the government's flagship reforestation effort, the National Greening Program, had failed to attain its objectives, due to "lack of efficient/effective implementation and monitoring mechanisms."³⁹ They pointed out the low survival rates of seedlings, delay in the delivery of seedlings and failure to complete various projects in accordance with schedules and targets⁴⁰ and made recommendations to address these gaps.

Other lessons may be gleaned from the various foreign-funded REDD+ readiness projects, which were implemented from 2011 to 2016. In particular, insights on measures to address corruption risks in REDD+ are reflected in the Draft REDD+ Safeguards Framework and Guidelines, which formed part of an effort to develop of a national Safeguards Framework and Guidelines, with support from the German government through Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. This document was prepared over a five-year

³⁹ Philippine Commission on Audit, *Audit Report on the Department of Environment and Natural Resources* (2013) x

⁴⁰ Ibid xi

period, and included numerous stakeholder consultations as well as field-testing of the Draft REDD+ Safeguards Framework and Guidelines in three REDD+ pilot sites.

Principle 2 Criteria 7 of the Draft REDD+ Safeguards Framework and Guidelines is devoted to detailing “efforts to reduce and eradicate government corruption in the implementation of REDD+ through transparent and accountable fund management.”⁴¹ Under this, outcomes include meeting conditions for project fund management through accurate accounting of project funds and regular performance and integrity audits, and ensuring diverse, resilient and long-term financing for REDD+ through working agreements with financing institutions.⁴²

4. Benefits Sharing, Corruption and REDD+ Finance

REDD+ draws upon incentivizing developing countries by reducing emission from deforestation and forest degradation as a means to keep standing forest levels intact. Such payment for performance through projects and putting in place a system of the regular measurement, reporting and verification (MRV) of greenhouse gas emissions from forests, as well as the establishment of social, environmental and governance safeguards.

As we’ve established, even as limited documented evidence of REDD+-specific corruption in the country exists apart from reports of “carbon cowboys,” a previous study by ASOG has shown that “findings of irregularities in the government’s reforestation efforts and in the issuance of instruments and permits,” could also be replicated in REDD+ implementation, once fully underway. Thus, early consideration of the manifestation of corruption as envisioned by Meehan and Tacconi could be valuable, even if the identification of acts constitute against the rule or according to the rule corruption is less straightforward, and hence makes this a challenge.

One of the most critical aspects of financing under REDD+ deals with benefit sharing, where the available benefits and incentives for REDD beneficiaries range from (1) cash payments, (2) livelihood strategies, (3) community services, (4) security of tenure, (5)

⁴¹ Draft Safeguards Framework and Guidelines (2016), 6

⁴² Ibid

management plans support, (6) capacity building, (7) forest protection, and (8) investment support. In the Philippines, cash payments may be made at either the household or community level. Livelihood strategies can range from fruit trees, plantation products, and other value-adding strategies, such as serving as processing units for Non-Timber Forest Products (NTFPs). Relevant basic community services refer to the establishment of health centers, basic and secondary education centers, and setting up potable water sources. Management plans support refers to assistance for the plan preparation of forest management units (FMUs) for REDD+ and even adaptation. Capacity building is specifically for improving knowledge and skills level of the FMU for the implementation of REDD+ activities. Forest protection addresses the provision of support in deputizing forest wardens or guards as part of a broad forest protection plan. Lastly, investment support may either be direct investment or extension support for identified actions in their management plans, including building up capital for future investment or market information systems.⁴³

The Philippines remains currently in its REDD+ readiness phase, notwithstanding the Philippines' strategy, at this time to have already completed such a phase. Nonetheless, given the myriad possible benefits and incentives available even at this stage, opportunities for the application of Meehan and Tacconi's framework for both according to the rule corruption and against the rule corruption may occur within what has been previously identified specific to its application in the Philippines forest sector. However, attributing such corruption within the ambit of REDD+ remains challenging or problematic, not only because the Philippine government has yet to officially adopt REDD+ as a national program, including not only the establishment of the National Multi-Stakeholder REDD+ Council (NMRC), but also the identification of the appropriate body that will oversee the management of the funding that may result from REDD+. This serves both a blessing and curse for the Philippines, specifically as it pertains to the REDD+ corruption. On the one hand, as long as the country is unable to declare its intention to fully pursue REDD+ as a national program to address greenhouse gas emission, it is not in any position to share in the pie of REDD+ funding, and eliminates the potential for such funding to be lost from corruption. Moreover, from the broader perspective of nationally determined

⁴³ This discussion of benefit-sharing in REDD+ was presented in the capacity building for initial REDD+ sites established in the Philippines where the authors served as resource persons.

commitments, the absence of any decision by the Philippines to pursue REDD+ prevents it from declaring the reduction of greenhouse gas emissions from its forest programs that fall within the eligible activities under REDD+. On the other hand, all entities that may stand to gain from the abovementioned numerous benefits and incentives from REDD+ benefit sharing are prevented from doing so, especially as so many developing countries are attempting to gain from the available REDD+ finance. However, the Philippines stands to lose more by not making this commitment, given the strides to establish REDD+ social, environmental and governance safeguards that it has taken.

Discussion of REDD+ finance has taken a look only at the cumulative amounts of funds that can developing countries as a whole may be able to access, including recommendations on how developing can best ensure their access to such funds, such as the need for transparency and accountability, as well as ensuring stakeholder participation or involvement and equitable distribution among those stakeholders (Amerasinghe, Thwaites, Larsen, and Ballesteros, 2016; Williams, 2013. Wolosin, Breitfaller, and Schaap, 2016). However, projections of potential loss resulting from processes likely to be affected by corruption have yet to be considered. Definitely, developing countries will assert that in the implementation of REDD+, they will ensure that such will not occur. Future research may be necessary to determine how realistically corruption may affect finance flows for REDD+, and ensuing discussion and negotiation will have to be held once country experiences will be shared, both for donor and recipient countries.

5. Analysis and Discussion

REDD+ in the Philippines has yet to move past the Readiness stage. The anticipated timeline proposed by the Philippine National REDD+ Strategy (PNRPS) envisioned this to cover a five to six year period, wherein the country could devote efforts to capacity building, communication, setting up of national level bodies and carbon accounting and establishment of pilot and demonstration sites.⁴⁴

However, progressing to scaling up and full implementation of REDD+ has been challenging. The National Multi-Stakeholder Management Council (NMRC), or the “primary

⁴⁴ Philippine National REDD+ Strategy Team, 2010, *Philippine National REDD+ Strategy* 4

implementation and coordination body on REDD+ in the Philippines,”⁴⁵ has yet to be constituted, and the interest of national government agencies in leading the efforts to establish this body has been generally lukewarm. Foreign-funded support for REDD+ readiness is likewise wrapping up, and future projects are as yet uncertain.

Because of this, and as already noted by the CRA, there are few documented experiences of corrupt incidents that pertain to REDD+ implementation specifically. This makes the task of prioritizing anti-corruption measures a challenging exercise. Furthermore, in the Philippine context, identifying whether acts constitute against the rule or according to the rule corruption is less straightforward. Aside from regulations on forest conservation, management and exploitation, the country has no dearth of anti-corruption legislation that potentially penalizes government employees for improper conflicts of interest, negligence, malversation, graft and a host of other activities and transactions that have been prescribed as unethical. A separate set of regulations pertains to practices in procurement. As such, the field for what constitutes Against the Rule corruption is significantly broadened, and violations of administrative regulations may yet have impacts on deforestation and forest degradation.

Given this, it may be more helpful to prioritize responses according to whether the corrupt activities contribute directly or indirectly to deforestation and forest degradation, based on the CRA’s identification of specific activities and the relevant PNRPS components (see Table 1 above). Classifying the top corruption risks identified in the CRA accordingly, the prioritization below is proposed.

Table 2. Prioritization of identified Philippine corruption risks

Identified Risk	Against/According to the Rule	Impact on Deforestation and Forest Degradation	Possible Prioritization
Code of Conduct			
<i>Politicians influence the</i>	Against the Rule	Impact varies on a case-to-	Medium –

⁴⁵ Ibid 30

Identified Risk	Against/According to the Rule	Impact on Deforestation and Forest Degradation	Possible Prioritization
<i>issuance of permits to accommodate friends or as owners of businesses</i>	corruption – RA 6713 ⁴⁶ , RA 3019 ⁴⁷	case basis, depending the permits being issued and the operations of the business for which these are issued.	Resource use permits may result in forest conversion, and political influence may be used to avoid monitoring requirements and sidestep enforcement.
<i>Local Government Units allow illegal permits, contracts and plans</i>	Against the Rule corruption – RA 6713, RA 3019	Impact varies on a case-to-case basis, depending the permits being issued, and implementation of contracts or plans.	Medium to High -- Resource use permits may result in forest conversion, especially if stakeholder consultation, environmental impact assessment and FPIC required by laws is not faithfully complied with.
Performance Management			
<i>Misuse of official resources</i>	Against the Rule corruption	Indirect Impact. The listed activities constitute	Low to Medium -- Irregularities

⁴⁶ Code of Conduct and Ethical Standards for Public Officials and Employees of 1999

⁴⁷ Anti-Graft and Corrupt Practices Act of 1960

Identified Risk	Against/According to the Rule	Impact on Deforestation and Forest Degradation	Possible Prioritization
		breaches of administrative regulations, although at crucial points in forest management mechanisms.	during fieldwork of government agencies and lack of available resources may result in the delay or non-implementation of forest monitoring activities and enforcement operations. These irregularities often go unreported and unaddressed.
<i>Fraudulent Reporting</i>		Indirect Impact. This will most likely affect the calculation and receipt of performance based compensation, though misrepresentation in reports and falsified baselines could affect the prioritization of which REDD+ sites to develop, and thereby lead to leakage and displacement of emissions to other areas.	Medium – There are as yet no guidelines on MRV for REDD+ that could potentially address these issues.
Procurement Management			
<i>Overpricing</i>	Against the Rule	Indirect Impact, though the	Low -- Compliance

Identified Risk	Against/According to the Rule	Impact on Deforestation and Forest Degradation	Possible Prioritization
	corruption – RA 9184 ⁴⁸	procurement of overpriced materials for reforestation efforts may delay or compromise the efficiency of forest restoration efforts.	with safeguards in the Procurement Act is regularly monitored by the Commission on Audit.
<i>Collusion in Bidding</i>	Against the Rule corruption – RA 9184	Indirect Impact. Procurement without bidding and preferential treatment of bidders is more a breach of administrative regulations.	Low – Compliance with safeguards in the Procurement Act is regularly monitored by the Commission on Audit.
Financial Management			
<i>Diversion of Funds</i>	Against the Rule corruption – RA 3019	Direct Impact, if the bribery is for the purpose of avoiding forest law enforcement. Indirect impact with regard to payment of fixers to facilitate issuance of permits and licenses, as these could have been issued regardless, albeit less conveniently. Direct impact with regard to	Medium to High – Mechanisms for reporting and penalizing bribery are available at the DENR-Internal Audit Service, Civil Service Commission and Office of the Ombudsman. There are currently no policies that

⁴⁸ Government Procurement Reform Act of 2003

Identified Risk	Against/According to the Rule	Impact on Deforestation and Forest Degradation	Possible Prioritization
		<p>favoritism in selection of sites, especially if this results in leakage or displacement of emissions to other areas. Indirect impact with regard to inequitable benefit sharing, as this pertains to results based compensation that has already been realized from emissions reductions.</p>	<p>govern benefit sharing for the results based compensation that may result from REDD+ implementation.</p>

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