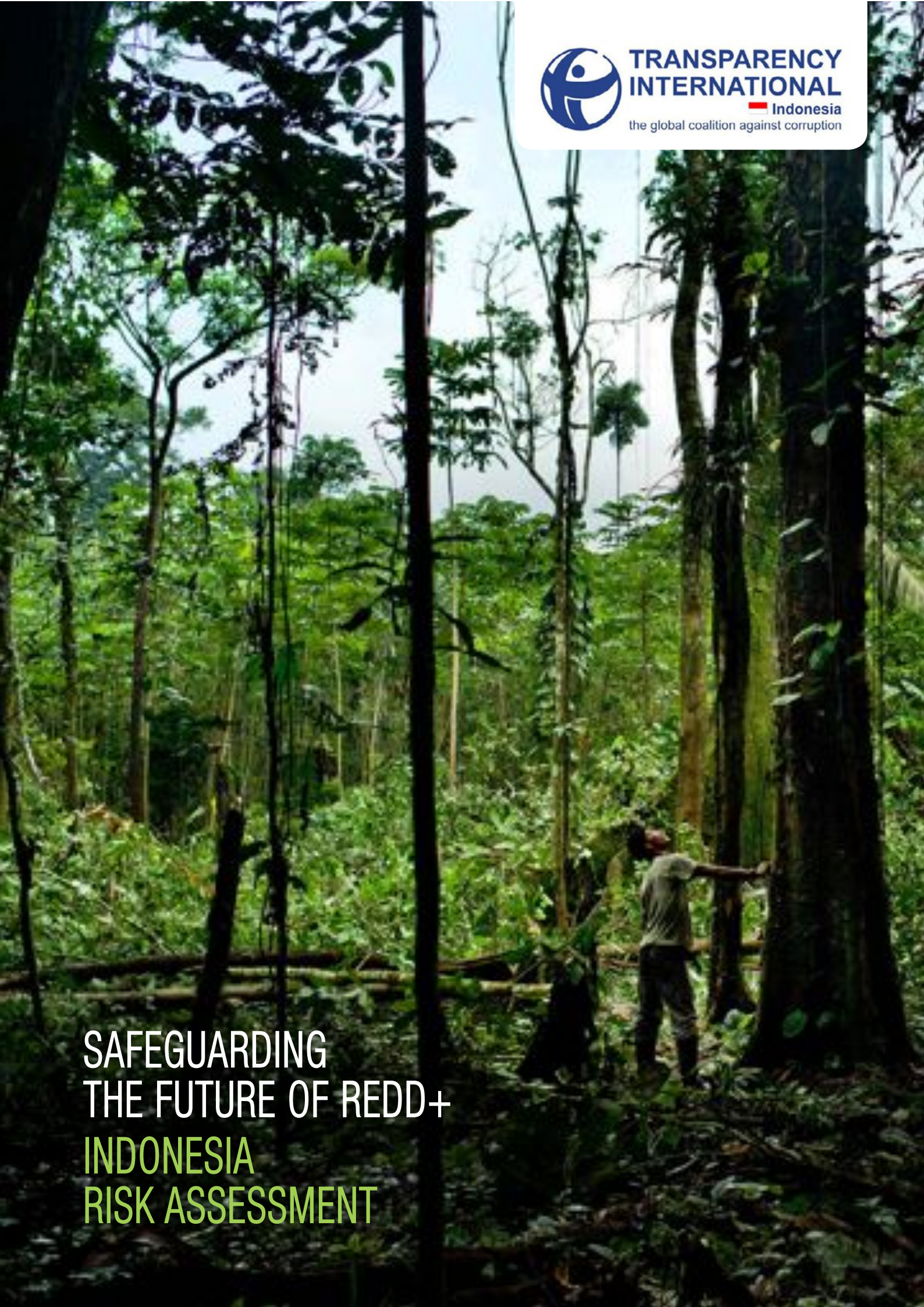

TRANSPARENCY INTERNATIONAL
Indonesia
the global coalition against corruption

SAFEGUARDING THE FUTURE OF REDD+

INDONESIA RISK ASSESSMENT

Transparency International is the global civil society organisation leading the fight against corruption. Through more than 90 chapters worldwide and an international secretariat in Berlin, we raise awareness of the damaging effects of corruption and work with partners in government, business and civil society to develop and implement effective measures to tackle it.

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INTRODUCTION

Our planet is warming at a faster rate than it ever has, as a result of a high concentration of heat-trapping gases in the atmosphere. The burning of fossil fuels is the number one cause of global warming. The second is deforestation. Trees absorb carbon dioxide and retain it for as long as they live. Cutting down trees means that carbon is released back into the atmosphere.

REDD+ (Reducing Emissions from Deforestation and Forest Degradation) is a UN-initiated scheme that aims to reduce the contribution that deforestation is making to climate change, essentially by paying tropical forest-rich countries not to cut down trees. There are two main ways in which this can happen. The first is fund-based - those who conserve forests receive money, as compensation for not exploiting them. The second is mechanism-based - the carbon that is stored in forests is represented by carbon credits which are sold on carbon markets. People or organisations that want to reduce their emissions impact can do so by purchasing REDD+ credits. The intention is that proceeds from these sales should further finance forest conservation, shared between national and local governments, investors and forest-dwelling communities.[1]

Indonesia presides over some 130 million hectares of forest, which amounts to 68 per cent of its land coverage - the third largest area of tropical rainforest in the world. Deforestation rates are extremely high, however, currently estimated at 1.17 million hectares per year.[2] This makes Indonesia a high priority country under REDD+.[3] Estimates show that lowering the deforestation rate by 5 per cent could generate REDD+ payments of US$ 765 million annually, and cutting it by 30 per cent could amount to US$ 4.5 billion each year.[4]

In 2009 Indonesia entered what is known as a 'REDD+-readiness' phase. International donors have so far provided approximately US$ 4.4 billion for the development of the policy, institutional and technical infrastructure necessary for a functioning REDD+ system.[5] In 2010 the national REDD+ Task Force was created by presidential decree, mandated with the completion of a national REDD+ strategy, and the establishment of a REDD+ agency, financing mechanisms, and carbon accounting institutions.[6] In September 2013 a subsequent decree was signed to establish the REDD+ Agency - to assist with planning, managing and monitoring REDD+ activities in Indonesia. Once the agency enters into operation a second phase of performance-based REDD+ funding from Norway will get underway. This will pave the way for the creation of a funding instrument for REDD+ in Indonesia (FREDDI).

As funding increases and readiness actions continue, the question remains as to whether sufficient care is being taken to insulate REDD+ against corruption. Indonesia scored a poor 32 on Transparency International's (TI) 2012 *Corruption Perceptions Index*, which ranks countries on a scale of 0 (highly corrupt) to 100 (very clean) according to how corrupt their public sector is perceived to be.[7] The country's forestry sector has a particularly poor reputation for illegal activities and corruption, with estimated annual loses of US$ 36 billion from the national economy through fraud, tax avoidance and embezzlement.[8] Given the potentially significant flows of money involved, these trends suggest significant threats to the success of REDD+ should effective anti-corruption safeguards not be built in now.

TI Indonesia (TII) is working to ensure that this happens. It is advocating for forestry-related agencies to adhere to high standards of transparency and accountability, and to enable civil society

to effectively monitor the integrity of REDD+ mechanisms. Under these conditions, TII believes that REDD+ payments will be far more likely to meet their intended objectives.

To guide its advocacy efforts, TII undertook a corruption risk assessment for REDD+. This was not an assessment of concrete corruption cases, but focussed on diagnosing risks so that they might be proactively addressed. To compliment existing work carried out by CIFOR and the UN REDD Programme,[9] the assessment focused on activities at the local level in the three provinces of Riau, Aceh and Papua. It embraced a participatory approach, providing opportunities for stakeholder input and engagement throughout.

This document sets out a summary of the main findings of this analysis. It first introduces the methodology, followed by a summary of the main findings of the analysis, and a series of conclusions and recommendations for reform.

METHODOLOGY

TII's research was guided by a methodology developed by TI and included in its manual *Keeping REDD+ clean: a step-by-step guide to preventing corruption*.[10] This provides a framework to identify and prioritise the corrupt practices that pose the greatest risk to REDD+ - practices that have the greatest impact and are the most likely to occur. Within this framework, corrupt practices are clustered under five key risk components: policy, legislation and regulations, financial and economic flows, application activities, reporting and monitoring, and enforcement (see Box 1 below). Finally, the manual helps users analyse existing anti-corruption instruments with a view to monitoring their implementation and assessing possible changes in prevention or enforcement patterns.

Box 1
Key risk components

Policy, legislation and regulation: This refers to the overarching policies that govern how actors within the sector operate. REDD+ policy and regulation will be developed and will have a significant impact on forest carbon projects and national level REDD+. New legislation may also be introduced to address carbon trading schemes.

Financial and economic flows: REDD+ finance is intended to provide compensation to the state or landowner for potential lost revenue. It should also cover the costs of managing and maintaining the standing forest. The revenue chain relates to four main streams: the

funding provided up front for project or strategy development (from donors, NGOs or private actors), the revenue that should occur once proof of performance has been established, the fees and taxes paid on this revenue, and how funds from all three are used to benefit those currently relying on the forests for their livelihoods.

Application activities: In developing and implementing both a forest carbon project and a national level strategy, many decisions and activities must be undertaken, including for example the setting up of governance systems, procurement, the hiring of staff and the implementation of safeguards.

Performance monitoring and reporting: The reporting chain, with transparency as a mechanism of accountability and a fundamental component of good governance, should help ensure the operation of the other four activity areas mentioned here. Within both forest carbon projects and national REDD+ development, there will be some reporting on carbon sequestration at the international level as well as (if required) at the national level.

Enforcement: This process is fundamental to both good governance and the sound functioning of all other thematic areas. Robust enforcement relates not only to forestry or carbon based regulations but also wider labour and environmental regulations. It involves a large number of actors including forestry agencies, zoning boards, the police, customs, finance ministries, government auditors and the judiciary.

As a first step, TII set about adapting the methodology to the local context in each of the three locations – Riau, Aceh and Papua. Staff held consultation meetings with key stakeholders involved in REDD+ and anti-corruption (see Annex 1 for a list of stakeholders consulted), to familiarise them with the research process. This was important as it shaped the roll-out of the assessment in all three locations. In both Aceh and Papua, participants felt uncomfortable talking in detail about REDD+ given that the scheme is still under development. They were, however, able to identify and speak about areas of likely overlap with existing forestry sector challenges and therefore focused on this. Participants in Riau were prepared to have a more in-depth discussion on REDD+.

The methodology was further adapted in each of the provinces on the basis of the level of stakeholder engagement. Although intended as a multi-stakeholder effort, Papua was the only of the three provinces where TI experienced significant engagement from government and the private sector, reflecting perhaps strained relations between the private sector and civil society around land conflicts in Aceh and Riau and the struggle of the Riau administration with corruption allegations.[11]

The subsequent roll-out of the assessment once again varied by location. Riau carried out a number of in-depth expert interviews supported by wider stakeholder discussions, whilst Aceh and Papua held a series of focus group consultations. During these events, risk maps of potential corruption risks for REDD+ were drawn up by identifying together with these stakeholders key concerns for corruption in REDD+, then assessing and prioritising them. In Riau, the highest scoring risks were analysed in-depth in order to understand the underlying causes and possible solutions. These are explored in more detail in the next section. More general discussions around causes were held in Aceh and Papua.

This research is an important compliment to existing analysis in that it provides greater insights into local communities' levels of knowledge and understanding of REDD+, their opinions on the quality of stakeholder consultation and participation, and reflections on the likelihood that particular risks will occur based on previous experience within the forestry sector.

At this point it is important to note that the differences in scores across locations may be attributed in part to the relationship between central and local government. Unlike in Riau, in Aceh and Papua this relationship is unstable, leading participants to question whether centrally designed laws or policies will be effectively implemented locally. Civil society in these two provinces is also relatively weak, and awareness levels low, which might negatively affect REDD+'s insulation from corruption.

FINDINGS

OVERVIEW OF RISKS

Participants used a scale of 0-25 (25 representing the greatest risk) to score activities' risk severity. Risk severity was calculated by multiplying scores awarded for two criteria - the likelihood of a risk occurring (1 being rare and 5 almost certain) and the degree of impact of that risk should it occur (1 being no impact and 5 being irreparably undermined).[12] When a particular risk was not identified and discussed in one location it received a 'no score' (NS).

All activities raised as a concern during the assessment process are set out in Table 1 below. Under each component, the activities achieving the highest scores for that specific component (representing the highest risk) are highlighted and are then considered in greater detail in the text that follows.

Table 1
Risk severity by key risk component

COMPONENTS	SCORE (25 = GREATEST RISK)		
POLICY LEGISLATION AND REGULATION	RIAU	ACEH	PAPUA
Design and development of national REDD+ strategy: A REDD+ strategy is designed that is preferential to specific actors involved in REDD+ implementation.	**16**	**20**	**16**

Policy review and development: Review of existing laws, policies and regulations that impact REDD+ is also preferential to some stakeholders.	**12**	**16**	**20**
Land use planning and land allocation for REDD+: Determination of land area for REDD+ is influenced by elites and the ruling party at central and local levels.	**16**	**16**	**16**
Design of benefit sharing mechanism: Rightful landowners do not receive a fair proportion of the benefits due to inadequate consultation as a result of influence exerted by those with vested interests.	16	NS	20
FINANCIAL AND ECONOMIC FLOWS	**RIAU**	**ACEH**	**PAPUA**
Allocation of funds to ministries and agencies: Recipients of REDD+ funds engage in corrupt practices, so that funds are diverted at various levels for personal or professional gain.	16	20	NS
Redistribution of REDD+ revenues: Funds are allocated to favoured parties, bypassing those with less power.	**16**	**25**	**NS**
APPLICATION ACTIVITIES	**RIAU**	**ACEH**	**PAPUA**
Procurement of goods and services: The procurement process is manipulated so that favoured parties benefit.	**20**	**25**	**20**
Implementation of consultation process: The consultation process is held in a location that is not suitable or appropriate and specific groups are excluded.	12	20	NS
Establishment of new governance structures/ agencies: New governance structures or agencies are set up so as to benefit certain individuals or groups who might not be qualified for their role.	16	16	NS
Development of national reference emission levels and national carbon stock maps: The standard and quality of these is manipulated.	16	16	NS

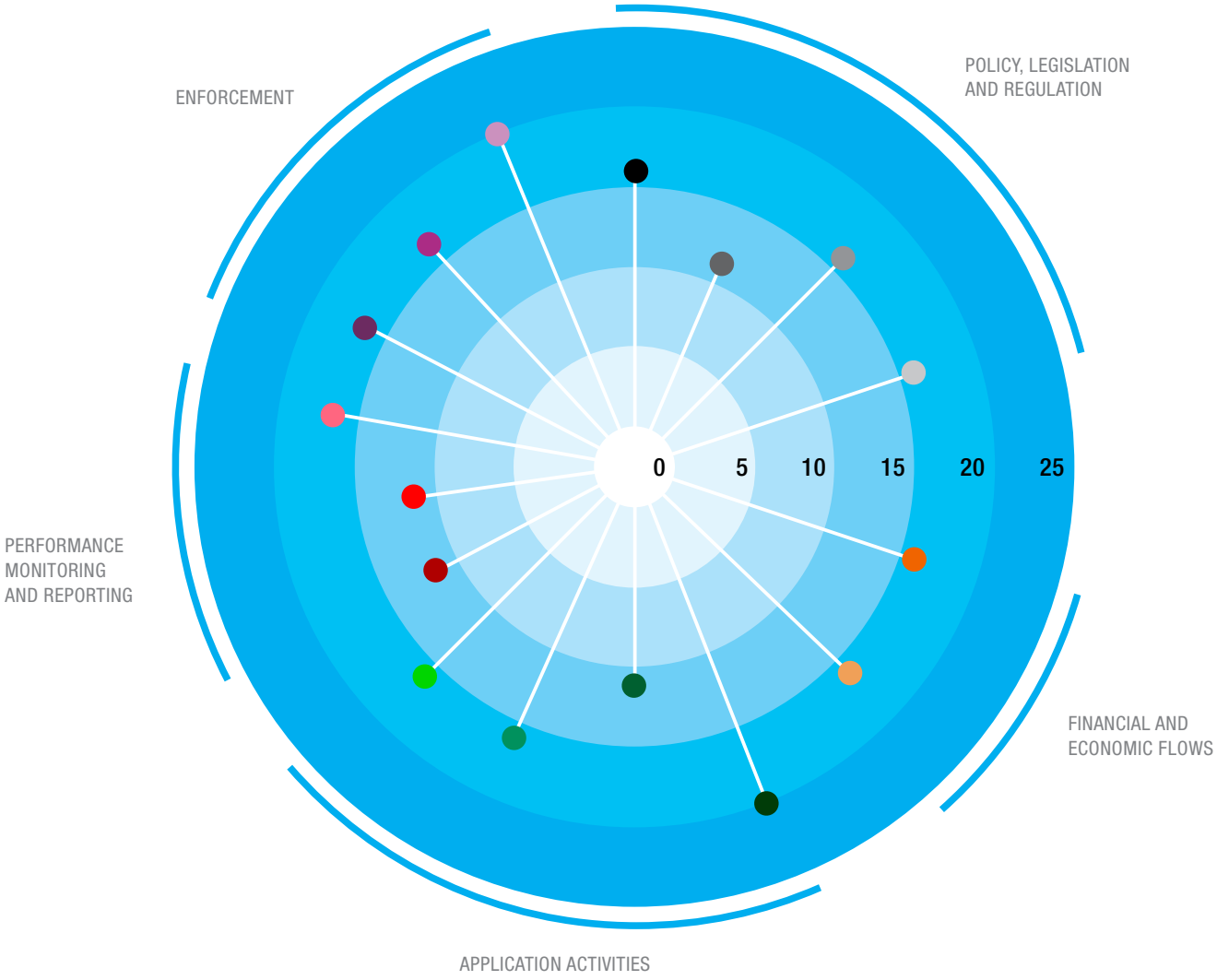
PERFORMANCE MONITORING AND REPORTING	RIAU	ACEH	PAPUA
Development of national reference emission level: Manipulation of data and information.	**12**	**25**	**25**
Verification: Verifications are awarded without grounds.	**12**	**20**	**NS**
Due diligence and monitoring activities: Monitoring and due diligence activities are not carried out correctly.	16	9	NS
ENFORCEMENT	**RIAU**	**ACEH**	**PAPUA**
Enforcement of national legislation: National legislation is not enforced or is taken advantage of by certain groups for their own benefit.	**16**	**25**	**20**
Prosecution: Prosecutions and issuance of indictments are not conducted properly.	**16**	**16**	**25**
Trial: Trials and sentencing are not carried out according to the law, resulting in the dismissal of cases, decisions in favour of certain defendants or the reduction of sentences.	20	16	NS

RIAU / RISK SCORE CARD

CORRUPTION RISK

LOW HIGH

0 5 10 15 20 25



ACTIVITIES

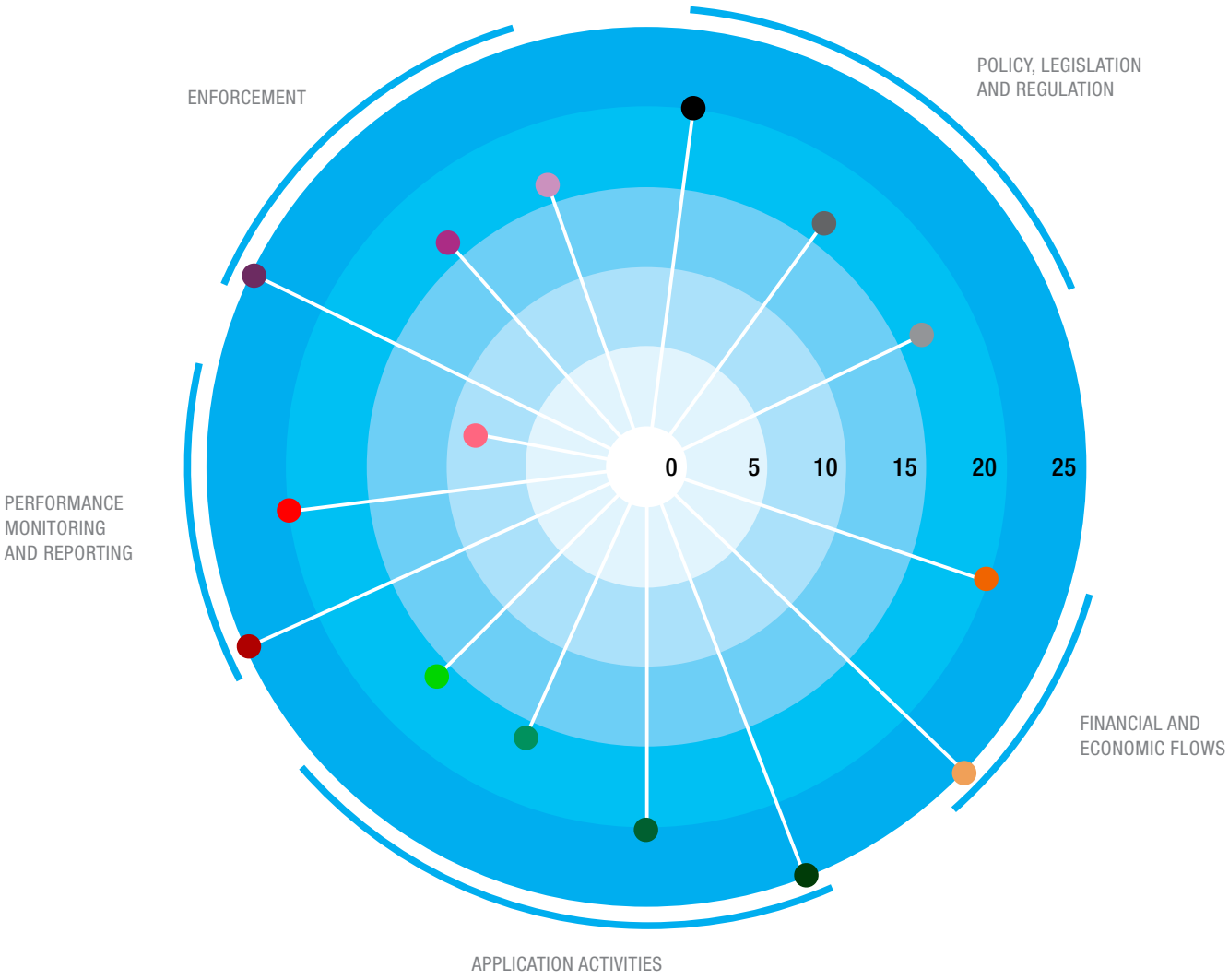
POLICY LEGISLATION AND REGULATION	●	DESIGN AND DEVELOPMENT OF NATIONAL REDD+ STRATEGY
	●	POLICY REVIEW AND DEVELOPMENT
	●	LAND USE PLANNING AND LAND ALLOCATION FOR REDD+
	●	DESIGN OF BENEFIT SHARING MECHANISM
FINANCIAL AND ECONOMIC FLOWS	●	ALLOCATION OF FUNDS TO MINISTRIES AND AGENCIES
	●	REDISTRIBUTION OF REDD+ REVENUES
APPLICATION ACTIVITIES	●	PROCUREMENT OF GOODS AND SERVICES
	●	IMPLEMENTATION OF CONSULTATION PROCESS
	●	ESTABLISHMENT OF NEW GOVERNANCE STRUCTURES/ AGENCIES
	●	DEVELOPMENT OF NATIONAL REFERENCE EMISSION LEVELS AND NATIONAL CARBON STOCK MAPS
PERFORMANCE MONITORING AND REPORTING	●	DEVELOPMENT OF NATIONAL REFERENCE EMISSION LEVEL
	●	VERIFICATION
	●	DUE DILIGENCE AND MONITORING ACTIVITIES
ENFORCEMENT	●	ENFORCEMENT OF NATIONAL LEGISLATION
	●	PROSECUTION
	●	TRIAL

ACEH / RISK SCORE CARD

CORRUPTION RISK

LOW HIGH

0 5 10 15 20 25



ACTIVITIES

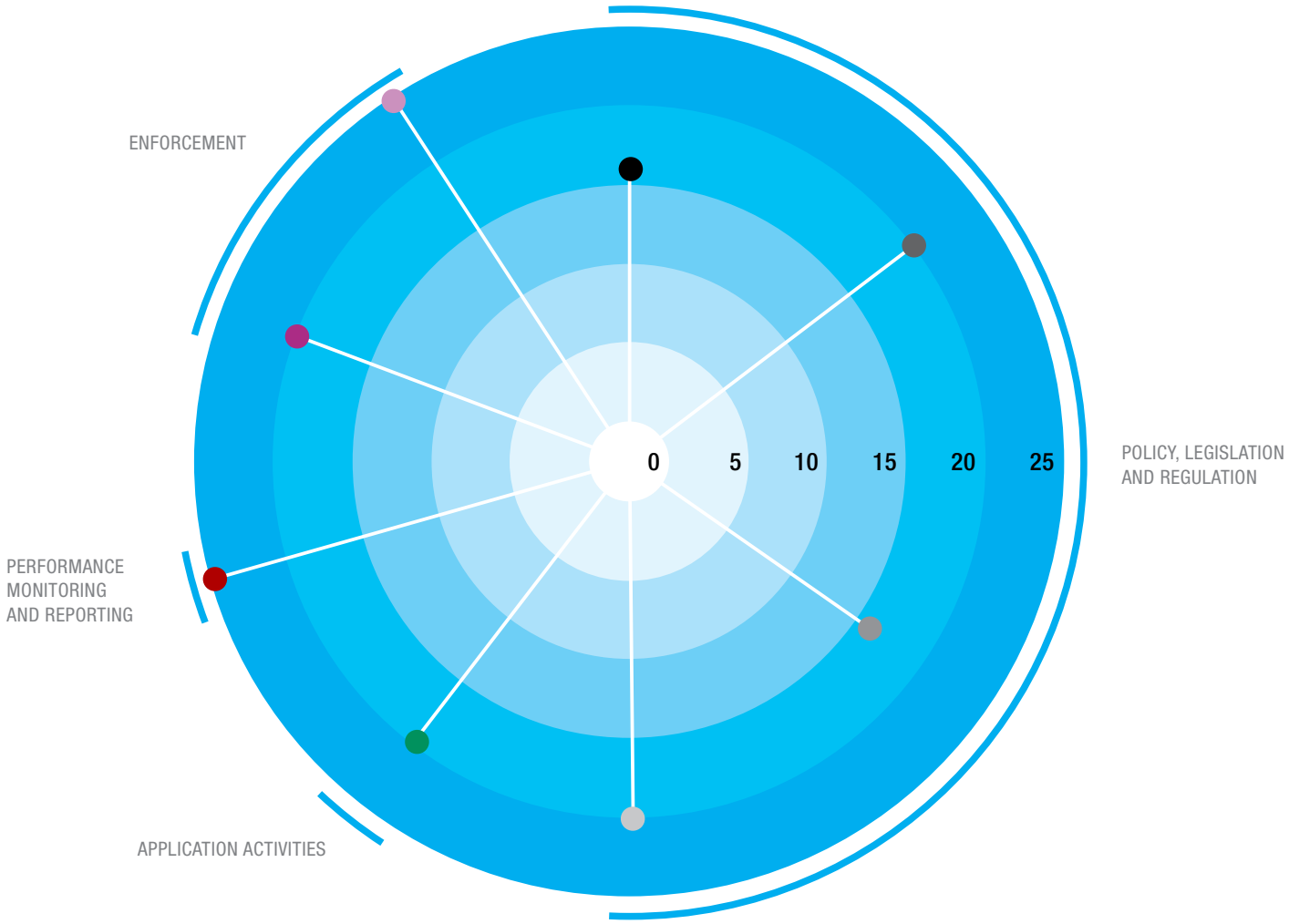
POLICY LEGISLATION AND REGULATION	●	DESIGN AND DEVELOPMENT OF NATIONAL REDD+ STRATEGY
	●	POLICY REVIEW AND DEVELOPMENT
	●	LAND USE PLANNING AND LAND ALLOCATION FOR REDD+
	NS	DESIGN OF BENEFIT SHARING MECHANISM
FINANCIAL AND ECONOMIC FLOWS	●	ALLOCATION OF FUNDS TO MINISTRIES AND AGENCIES
	●	REDISTRIBUTION OF REDD+ REVENUES
APPLICATION ACTIVITIES	●	PROCUREMENT OF GOODS AND SERVICES
	●	IMPLEMENTATION OF CONSULTATION PROCESS
	●	ESTABLISHMENT OF NEW GOVERNANCE STRUCTURES/ AGENCIES
	●	DEVELOPMENT OF NATIONAL REFERENCE EMISSION LEVELS AND NATIONAL CARBON STOCK MAPS
PERFORMANCE MONITORING AND REPORTING	●	DEVELOPMENT OF NATIONAL REFERENCE EMISSION LEVEL
	●	VERIFICATION
	●	DUE DILIGENCE AND MONITORING ACTIVITIES
ENFORCEMENT	●	ENFORCEMENT OF NATIONAL LEGISLATION
	●	PROSECUTION
	●	TRIAL

PAPUA / RISK SCORE CARD

CORRUPTION RISK

LOW HIGH

0 5 10 15 20 25



ACTIVITIES

POLICY LEGISLATION AND REGULATION	●	DESIGN AND DEVELOPMENT OF NATIONAL REDD+ STRATEGY
	●	POLICY REVIEW AND DEVELOPMENT
	●	LAND USE PLANNING AND LAND ALLOCATION FOR REDD+
	●	DESIGN OF BENEFIT SHARING MECHANISM
FINANCIAL AND ECONOMIC FLOWS	NS	ALLOCATION OF FUNDS TO MINISTRIES AND AGENCIES
	NS	REDISTRIBUTION OF REDD+ REVENUES
APPLICATION ACTIVITIES	●	PROCUREMENT OF GOODS AND SERVICES
	NS	IMPLEMENTATION OF CONSULTATION PROCESS
	NS	ESTABLISHMENT OF NEW GOVERNANCE STRUCTURES/ AGENCIES
	NS	DEVELOPMENT OF NATIONAL REFERENCE EMISSION LEVELS AND NATIONAL CARBON STOCK MAPS
PERFORMANCE MONITORING AND REPORTING	●	DEVELOPMENT OF NATIONAL REFERENCE EMISSION LEVEL
	NS	VERIFICATION
	NS	DUE DILIGENCE AND MONITORING ACTIVITIES
ENFORCEMENT	●	ENFORCEMENT OF NATIONAL LEGISLATION
	●	PROSECUTION
	NS	TRIAL

MOST SEVERE RISKS

The activities highlighted above as posing the greatest perceived risk to the effective implementation of REDD+ in Indonesia are explored in greater detail below.

POLICY, LEGISLATION AND REGULATION

Design and development of national REDD+ strategy

Overarching policies and regulations will need to be developed to govern how REDD+ actors and institutions operate. In Indonesia the REDD+ Task Force set up by Presidential Decree is responsible for developing the national REDD+ strategy in consultation with a broad range of stakeholders.

Risk: A REDD+ strategy would be designed that is preferential to specific actors involved in the forestry sector such as private sector entities with an interest in forested lands. Participants were concerned as to how this might affect the design of a benefit distribution system - that those in a position to influence that process might tailor it to serve their own interests, diverting resources from forest dwelling communities and thereby undermining the stated purpose of REDD+.

Severity of risk: Participants in all three locations rated this risk as being of high severity (with a total score of 15). The likelihood score was based on considerations of past challenges, not just for the forestry sector, but throughout all parliamentary decision-making processes, where it is believed that representatives can be driven by personal gain rather than public interests. This opinion is backed up by the results TI's 2013 *Global Corruption Barometer* in which 89 per cent of Indonesian respondents felt that parliament was either corrupt or very corrupt.[13]

The impact score was based on concerns that forest dwelling communities could lose access to the resources that they depend on, that social conflicts could escalate - both between communities and outsiders wishing access to land, and within communities themselves (which has at times been fatal[14]), and that real emission reductions would not be achieved due to a decrease in the incentives to achieve REDD+ goals.

Potential corrupt practices:

- Abuse of discretion/ cronyism based on personal contacts or patronage networks.
- Undue influence and bribery of officials to ignore information.
- State capture through the design of a national REDD+ strategy that is preferential to elites.

Further analysis in Riau looked behind this risk to try to identify its root causes. Particular focus was placed on traditional power relationships within Indonesian politics and society, where decision-makers might have to fund their patronage networks in order to retain their positions. Meanwhile civil society often lacks the information they need to detect, monitor or counter such practices.

Policy Review and Development

The forestry sector is governed by a number of rules – presidential regulations, presidential decrees, government regulations and ministerial regulations – that contradict one another, creating a system that is open to interpretation and thus abuse. A failure to clarify the status of forests under Law No. 41 of 1999, for example, has meant that all forests, including parcels of customary-owned land, has been treated as state-owned, depriving customary owners of their rights. Success in REDD+ will require that all relevant policies and regulations are reviewed and revised so as to clear up ambiguities and close loopholes.

Risk: Those people who have been benefiting from the status quo will block the required process of reform or ensure that it does not affect them. Confusion, contradiction and abuse would thus persist, perpetuating a situation of insecure land rights.

Severity of risk: Participants in Aceh and Papua rated this risk as being of high severity (a total score of 15) whilst Riau rated it 'significant'. The likelihood score was again based on considerations of past challenges within the forestry sector, and the impact score on how REDD+ could cause negative impacts over and above existing ones. REDD+ offers yet another opportunity to make money from forests, meaning that those who have traditionally gamed the system so as to maximise their profit might be given further opportunities to do so, increasing pressure on forestry resources and customary land rights. Again, possible negative effects include a loss of livelihood for forest dwelling communities, the escalation of social conflicts, and a failure to sufficiently decrease emission reductions.

Potential corrupt practices:

- Abuse of discretion/ cronyism based on personal contacts or patronage networks.
- Undue influence and bribery of officials to ignore information.
- State capture through reforms to existing regulations that are preferential to elites.

Once again, entrenched systems of power imbalance were identified as the driving force behind this risk, with certain actors potentially colluding to manipulate the REDD+ process and civil society unaware of or unable to counter it.

Land use planning and land allocation for REDD+

Decisions as to where REDD+ activities can take place will have to balance the demand for forested land by different interest groups, including palm oil developers, timber producers, pulp and paper producers and farmers. For maximum emission reductions, it is likely that intact tropical forests and peat-lands would be prioritised.

Risk: The manipulation of data so as to exclude areas with high carbon value and/ or include degraded areas, hereby benefitting certain parties. Timber producers, for example, could receive REDD+ funds to conserve land that they have in fact already exploited, whilst shifting their operations to intact areas that fall outside the purview of REDD+.

Severity of risk: All three locations ranked this risk as 'high severity'. Participants discussed Indonesia's longstanding failure to demarcate forest boundaries and customary rights, the licensing

violations that that has entailed, and the impunity with which such violations are met, suggesting that it is significantly likely that this risk could occur under REDD+. Once again there was concern that civil unrest would be further increased and that investment in REDD+ would fail to bring about the desired carbon sequestration benefits.

Potential corrupt practices:

- Undue influence and bribery of officials to access information in land use planning and land allocation for REDD+.
- State capture through a failure to recognise the customary land tenure of indigenous people and forest dependent communities.
- Abuse of discretion/ cronyism to allocate land to a preferred group or patronage networks.
- Abuse of discretion in land use planning for forest conversion.

When discussing underlying causes, participants said that the equivocal status of forested land is in part due to the fact that Indonesia's forest institutions lack coordination. There is also no one institution with a clear mandate to enforce compliance with regulations, meaning that accountability is greatly reduced. These systemic weaknesses make the forestry sector highly vulnerable to abuse amid intense competition for land between a small group of powerful actors.

FINANCIAL AND ECONOMIC FLOWS

Redistribution of REDD+ revenues

Groups who seek to receive REDD+ funds include central government, local governments, communities and companies. Indonesia's REDD+ benefit-sharing mechanism should distribute those funds in a manner which is proportionate to stakeholders' rights and responsibilities.

Risk: Some of those involved in channelling or receiving REDD+ funds will engage in corrupt practices to distort the proportion of funds flowing to certain actors, or syphon them off for personal or professional gain. As a result, REDD+ money is insufficient to meet REDD+ objectives.

Severity of risk: Riau and Aceh ranked this risk as 'high severity' should it occur, whilst Papua did not identify it as a notable risk. When assessing the likelihood of the risk occurring, participants pointed to the traditional lack of transparency and accountability around profit-sharing mechanisms at central and regional levels, in particular in the oil and gas sectors. In terms of impact, they noted that if communities do not receive REDD+ funds that are sufficient to compensate lost revenues as a result of REDD+, or to reward their conservation efforts, local incentives to ensure the integrity of REDD+ will diminish, as will public trust in the scheme.

Potential corrupt practices:

- Fraud, with false data used to receive REDD+ funds or to receive a greater amount of funds than intended.
- Government authorities receiving bribery or kickback money to approve funding – often referred to as a 'facilitation payment'.

In this context participants drew attention to inter-ministerial wrangling over how REDD+ revenues should be channeled. One option would be through a new trust fund mechanism, and another would see REDD+ money channeled through existing government institutions. There was concern that vested interests within government would ensure that the policy was designed in a way that was

beneficial to those interests. This risk is heightened as a result of low levels of awareness of distribution mechanisms among the general public, making it much harder to hold decision-makers and institutions to account.

APPLICATION ACTIVITIES

Procurement of goods and services

REDD+ will require numerous procurement processes – from the purchasing of equipment and materials, to carbon accounting services, to the award of forest concessions and licenses.

Risk: The main concern raised by stakeholders was that bidding processes – rather than fair, open and transparent - would be manipulated to favour certain actors, or to facilitate the siphoning off of REDD+ funds.

Severity of the risk: Participants in all three locations ranked this risk as 'very high'. The vast majority of cases dealt with by Indonesia's Corruption Eradication Commission are related to contracting, which tends to be opaque and lacking in accountability across sectors. The impact score was based on common concerns about the effect that corruption in procurement would have on communities, the environment and public services, all the while further entrenching the position of elites in the sector. The effectiveness of REDD+ projects risks being greatly impeded through the acquisition of sub-standard goods or services. As a result deforestation rates could remain the same. Participants further noted that conflicts may arise within communities if there is pressure to award projects to certain actors over others. Corruption in procurement could of course also reduce national tax revenues, resulting in a loss to the public purse.

Potential corrupt practices:

- Collusion between bidding contractors and the contracting entity to manipulate the bidding process.
- Extortion through the demand of and payment of 'facilitation money'.
- Bribery to not accept a particular bid or to award a contract to a company that is not best suited for the job.

Participants pointed to an entrenched culture of rent seeking from procurement processes in Indonesia, aided by low levels of transparency and accountability. Access to information and public capacity to understand and make use of this information is very limited.

PERFORMANCE MONITORING AND REPORTING

Development of national/ regional Reference Emission Levels

Indonesia's National Planning Board (*Bappenas*) is responsible for developing the country's official Reference Emission Level. Sub-national reference levels are also under development. In Central Kalimantan province, for example, various institutions are inputting to this process, including Palangkaraya University, the Monitoring Reporting and Verification REDD+ Task Force, the Central Kalimantan Forestry Office, the Central Kalimantan Planning Board and some NGOs.

Risk: False information is used or data manipulated to influence reference emission levels and carbon stock maps, resulting in certain parities receiving greater benefits than deserved and the undermining of REDD+ emission reductions.

Risk severity: This risk was seen as being extremely high in both Aceh and Papua, with participants pointing in particular to weak baseline data on existing forest areas, uncertainty surrounding the status of forest land and numerous conflicts over land tenure, all of which create a situation of confusion that might allow fraud to go undetected. On the issue of impact, participants were concerned about the potential loss of productive land and further sparking of agrarian conflicts, as well as a loss of public confidence in REDD+.

Potential corrupt practices:

- Bribery and collusion in defining national or provincial Reference Emission Levels that are misleading or incorrect, for the benefit of certain groups.
- Fraud in the provision of inaccurate information.
- Bribery of consultants engaged in the process.

On root causes, participants pointed to the lack of clear, comprehensive and transparent guidelines. It was felt that in the absence of a standard formula for the calculation of reference levels and for the process by which data is collected, there is room for influence to be exerted on both calculation methods and the analysis of information.

Verification

Once REDD+ activities are underway, emissions reductions will have to be validated up-front, as well as after the activity has been completed.

Risk: The creation of unclear and confusing audit parameters will open these processes up to manipulation and complicate oversight. This could result in REDD+ finances being diverted to projects which do not in fact contribute to emissions reductions.

Risk severity: Participants in Aceh and Riau were particularly concerned about this issue. They felt that the manipulation of data and analysis has been common in the context of Environmental Impact Assessments – that the results were often not made publicly available and lacked scientific proof. In terms of impacts, they felt that forest areas which should be conserved might not be prioritised, and that community participation would be forfeited due to a lack of confidence in REDD+.

Potential corrupt practices:

- Bribery to falsify data and analysis for specific interests.
- Fraud to provide false information regarding verification results.

As with Reference Emission Levels, participants pointed to the absence of clear and transparent policies, standards and mechanisms to guide these processes and enable effective oversight. They noted the role of independent consultants in these processes, and the fact that their competence, integrity and independence is not always evidenced. In particular, access to information on these processes was considered lacking, as was the ability of stakeholders to understand and act on it.

ENFORCEMENT

Enforcement of national legislation

Enforcement involves a large number of actors including forestry agencies, the police, the Finance Ministry, government auditors and the judiciary.

Risk: National legislation would not be enforced and those who act contrary to it are not held accountable. A lack of enforcement would mean that a variety of actors have little incentive to abide by REDD+ laws and standards, thereby undermining its effectiveness.

Risk severity: This risk was seen as particularly severe in all three locations. The likelihood score was very much influenced by experience with existing forestry regulations. Administrative violations reportedly go unpunished frequently - operators who violate the law avoid fines and keep their licences and there are no internal sanctions against government officers who act illegally or corruptly. Participants noted that the legal provisions in place to guarantee accountability also lack teeth. For example the 2008 Law 37 establishes the Ombudsman as a public policy watchdog, yet he lacks the capacity to enforce his recommendations. In this way an agency or office can simply refuse to provide requested information. A failure to enforce or punish contributes to a culture of impunity, faciliating and encouraging repeated offences. Participants repeatedly stressed the fact that in Indonesia policies may seem strong on paper but are weak in practice.

Potential corrupt practices:

- Bribery, cronyism, abuse of discretion to avoid enforcement.
- Extortion to prevent investigation and sanctions.

It was once again felt that patronage networks conspire to limit enforcement - certain groups who might face losses or gains as a result of REDD+ will call in favours or manipulate due process. Corruption might be further facilitated by the fact that laws are overlapping and responsibility for enforcement is spread out across institutions and actors, resulting in confused mandates. Again, a lack of clear or comprehensive data in the public domain hinders effective monitoring.

Prosecution and trial

Holding actors to account for wrongdoing in Indonesia involves the police force, the Attorney General's Office and the judiciary. Wrongdoing could result in fines or imprisonment.

Risk: The prosecution is influenced to prevent the issuance of criminal charges or to make a less severe indictment. Prosecutions and trials would not be conducted properly and those responsible for abusing REDD+ would not receive punishment. In an environment of impunity, there would be no disincentive to avoid wrongdoing, thereby leaving REDD+ open to further abuse.

Risk severity: Both prosecution and trial were considered to be high severity risk areas. Participants pointed to the establishment of the Corruption Eradication Commission as an indication that the current legal system is failing to bring perpetrators to justice. They also pointed to many cases of forestry crime where high-level actors have avoided prosecution, whereas field operatives might be punished. A failure to issue charges against those who commit corruption leads to

increased incidences of corruption and a situation where people no longer respect the rule of law as they see it open to being bought.

Potential corrupt practices:

- Bribery, cronyism and the abuse of discretion to exploit legal loopholes.
- Collusion with law enforcement agencies to falsify records, ignore certain prosecutions and pursue false ones, or reduce sanctions.

Participants believed that the current system in Indonesia is one in which the judiciary, police and prosecution lack either capacity or integrity, and where payments aimed at personal gain are commonplace. Recruitment and promotion policies are reportedly weak and vulnerable to manipulation and bribery.

INSTRUMENTS TO ADDRESS CORRUPTION RISKS

Participants in Riau considered in greater detail existing instruments that could in theory contribute to reducing corruption risks in REDD+, assessing their potential effectiveness. The instruments that they identified can be divided into three broad categories: (1) Sectoral laws, policies and regulations which contain provisions which, if enforced, should reduce opportunities for corruption, (2) Externally proposed processes which have been specifically designed to reduce illegality in the forestry sector and (3) Specific national laws, strategies and action plans directed towards corruption prevention.

In the first category, participants identified the Forestry Law, the Spatial Planning Law, the Environmental Protection and Management Law, the Geospatial Law and the Basic Agrarian Law. Despite some of these containing strong provisions that, if implemented and enforced would reduce opportunities for corruption, stakeholders also pointed to weaknesses which reduce the effectiveness of these laws. In the case of the Forestry Law, for example, it is reportedly commonplace for administrative violations to pass by unpunished, leading to a situation where there is no deterrent effect and provisions are consistently ignored. The Organic Forestry Law, Mining Law and Foreign Investment Law were found to contradict and override the provisions of the Basic Agrarian Law, which should provide protection to customary land owners. This was highlighted as one example where the passing of conflicting laws, policies or regulations dilutes anti-corruption provisions. Participants believed that the effectiveness of the Spatial Planning Law, Geospatial Law and Environmental Protection and Management Law was compromised by the fact that they lack adequate implementing legislation. The Environmental Protection and Management Law also fails to specify adequate sanctions in the event of breaches. Many of these laws will continue to have relevance for REDD+ and as such these loopholes should be addressed.

In the second category, participants discussed measures that have been introduced to encourage accountability in forest management, such as mandatory certification schemes like the Timber Legality Verification System and Sustainable Production Forest Management system. Civil society monitoring of these schemes is, however, challenged due to a failure to make the necessary information available in a full and timely manner.

In the third category, the 2008 Law No. 14 on Freedom of Public Information was discussed, which was introduced to encourage transparency and to guarantee the right of citizens to become involved in public policy plans, programmes, and decision-making processes. Although progress has been

made at the national level, participants noted that information at the provincial level remains harder to access.

Participants also identified the 2009 Law No. 25 relating to public services and the 2008 Law No. 37 relating to the Ombudsman, which aim to help improve efforts to prevent administrative malpractice, discrimination, collusion, corruption and nepotism. However, as with the information law, enforcement remains a challenge.

In the same category, participants further referenced the 1999 Law No. 31 on corruption eradication and the 2002 Law No. 30 on the Corruption Eradication Commission, whose objective it is to improve the effectiveness and efficiency of corruption eradication. They noted the government's adoption of the UN Convention Against Corruption, whose purpose it is to a) Improve and strengthen measures to prevent and fight corruption more efficiently and effectively, b) Promote, facilitate and support international cooperation and technical assistance in the prevention and the fight against corruption, including asset recovery, and c) Ensure accountability and proper management of public affairs and public property. These objectives have also been incorporated into Indonesia's new Anti-Corruption Strategy. There were no particular effectiveness gaps raised here, although participants did note the important role that civil society and the media played as a counterbalance to those who sought to undermine the authority of the Corruption Eradication Commission.

CONCLUSIONS

Five key areas of concern emerged from this process and should be addressed in order for REDD+ to develop in a way that avoids corruption risks, achieves significant emissions reductions and contributes to local development. These issues are summarised below. Recommendations for how they may be addressed are outlined in the next section.

One significant factor underlying many of the risks identified during the research process is the issue of **power relations** in Indonesia, both between distinctive groupings – government, the private sector and civil society - and within groupings, such as between national and regional level governments. Historically, powerful companies and individuals have been able to capitalise on their level of influence to ensure that policies are formulated in their interest, or to manoeuver their way around policies which are disadvantageous to them. Forests offer a rich source of revenue in Indonesia, and the political situation is such that significant financial resources are required to secure election and re-election.

Related to this first factor, there have been and continue to be significant **inequalities in engagement** between the different stakeholder groups. Broad-based participation is not always adequately provided for in policy processes, leading to a failure on the part of government to carry out or ensure broad, transparent and comprehensive consultations on issues which affect forest dwelling communities. Even when this space is made available, however, there are limitations on the part of civil society which prevent people from participating sufficiently. Disenchanted by previous experiences - where their input was not solicited or simply ignored - citizens can be reluctant to enter into consultation processes. At times they are also simply unaware of the

possibilities for engagement or indeed the importance of engaging. This was particularly evidenced in Aceh and Papua, where engagement was seen as being necessary only once REDD+ was in place, not before. Civil society also reportedly suffers from a lack of coordination. Small organisations sometimes act alone, thus facing the risk of being co-opted by corrupt actors. Working together with other like-minded organisations would strengthen their voice and impact.

Additional challenges relate to **information and knowledge asymmetries** between elites (policy makers, government officials and Members of Parliament) and communities. Despite the passing of the 2008 Law on Transparency of Public Information, weaknesses in transparency persist. There are a number of reasons for this. First, data is either simply not available or conflicting – which raises suspicion that overlapping regulations are allowed to persist so that loopholes can be exploited. Another obstacle to the effective implementation of the law is the absence of internal oversight systems within related government institutions. For example, in Riau a public information committee has not yet been established at the provincial level, meaning that the law cannot be effectively enacted. There are also no independent observers on hand to monitor local governments in the preparation of strategies and action plans – another hurdle to the law's implementation.

Capacity challenges also exist for those seeking to make use of public information. To take the media as one example, although laws exist that support press freedom, in practice journalists lack investigative capacity and are often connected to specific interest groups which compromise their independence. Civil society often lacks the capacity to process complex information and is therefore inhibited from engaging meaningfully in REDD+ developments.

Failures in enforcement has emerged as a significant concern for REDD+ in Indonesia. This applies both to the enforcement of legislation and throughout legal processes – sustained by an ingrained culture of bribe-paying, bribe-taking and favours for special treatment, and enabled by opacity and the absence of adequate accountability mechanisms to hold wrong-doers to account. This has created a culture of impunity where the corrupt are seen to escape completely or relatively unscathed. In TI's 2013 *Global Corruption Barometer* 89% of respondents believed the judiciary to be corrupt or extremely corrupt. The figure for the police was as high as 91%.[15]

Finally, **insufficient sanctions** exist to effectively prevent and combat corruption. Indonesian society is so accustomed to corruption that it tends to be permissive of it, which in turn further weakens the deterrent effect. In some cases, candidates with a proven lack of integrity continue to be democratically appointed to and re-elected to high offices. Some NGOs and media representatives have begun to speak out about this, as is the case with Indonesia Corruption Watch, who is leading a charge against candidates running for parliament who are thought to endanger the existence of the Corruption Eradication Commission.[16] Despite this, rather than taking up an important role in fighting corruption, a number of social and religious institutions have been co-opted by corrupt actors to help improve their image and justify their corrupt behaviour.

RECOMMENDATIONS

The findings set out in this report reinforce the recommendations expressed in TI Indonesia's 2011 *Forestry Governance Integrity* report, many of which remain valid – in particular those relating to the required audit of existing permits and the need to clarify land rights. Building on these, the following recommendations are aimed at ensuring that integrity is built into REDD+ from this early stage. Some are REDD+-specific and others refer to areas where wider reform is needed to support REDD+ implementation.

For government:

- Minimising political corruption will be crucial to the success of REDD+ in Indonesia. Government and parliament should work together to ensure that anti- corruption safeguards are incorporated into laws pertaining to elections, political parties and parliament.

- Indonesia's on-going bureaucratic reform agenda must be completed and effectively implemented. REDD+ will be easily undermined by a corrupt and unconsolidated bureaucracy.
- Across the law enforcement sphere, recruitment and promotion policies need to be strengthened to ensure that personnel are qualified for their position and conform to the highest standards of integrity. The President should, for example, appoint people of utmost integrity and credibility to the positions of Chief of the Attorney General's Office and the National Chief of Police, both of whom are under his direct authority. Establishing zero tolerance for corruption at these upper echelons will enable both offices to function more independently, increasing the chances that they will play an important role in preventing and combating corruption.

- Specifically relating to REDD+, lessons need to be learned from previous failures in the forestry sector to enforce laws and punish crimes, such as the improper issuance of licenses. If the same actors and institutions who are failing to enforce these laws (such as the Ministry of Forestry and the State Minister for the Environment) are also mandated to enforce REDD+ requirements, greater efforts need to be expended to ensure that their actions are insulated against outside influence, and that they are independent and accountable in the exercise of their functions.

- Greater efforts must be made to prevent power imbalances and competition for resources from undermining the achievement of REDD+ objectives – both internal governmental relationships and those between government, the private sector and civil society. A Government Regulation should be prepared to address the issue of non-taxable state revenue from REDD+, so that it is clear which ministries or agencies will receive which type of funds. Otherwise inter-ministerial power struggles over resources could undermine effective spending..

- Inequalities in engagement must be addressed by ensuring better access to decision-making processes. Recognising that the REDD+ Task Force has already taken steps in this direction in its open and extensive consultations around the REDD+ strategy, the future REDD+ Agency, the Ministry of Forestry and all other REDD+-relevant ministries must ensure that they too provide for meaningful civil society consultation and participation. All relevant information must be easily accessible and tailored to the target audience, and consultations should allow ample time for preparation and input. Discussions relating to a

REDD+ benefit distribution mechanism and auditing processes in particular must be made transparent, accountable and inclusive

- Attention needs to be given to closing the gap in terms of information and knowledge asymmetries. Full disclosure should be required at all levels to help translate law into practice, facilitating a culture of transparency and data exchange both within and between agencies, and with the wider public. Publicly available information should include: (1) Data on monitoring, land use and concession activities that can be used for independent verification; (2) The accumulation and distribution of net income from REDD+; (3) Documentation showing compliance with processes of Free, Prior and Informed Consent and with socio-economic and environmental standards; (4) The verification and validation of reports, report audits, claims, information on all violations of policies and practices, corrective decisions on verification results and the measures taken; (5) Guidelines and protocols for civil society monitoring and (6) Information on forest audits such as those used to revise the provincial spatial plan. This will involve concerted efforts from a variety of actors including the Ministry of Forestry, State Ministry for the Environment, Ministry of Finance, National Planning Board, Ministry of Home Affairs, Ministry of Energy and Mineral Resources and future institutions such as the REDD+ Agency and Fund for REDD in Indonesia (FREDDI).

- Beyond disclosure, the quality of public information and forums for discussing it are also crucial considerations. In the development of Reference Emission Levels, for example, systems should be in place to ensure that information produced can be scientifically verified, and space should be created for the public to debate methodologies under discussion. Any revisions made as a result of reviews or objections should also be made visible. This data should be managed by independent agencies that are not subject to conflicts of interest. If data manipulation is detected, swift action must be taken to hold perpetrators to account.

- To instil a culture of zero tolerance for corruption throughout society, strong leadership must be demonstrated at national, provincial and district levels in upholding best practices in transparency, accountability and integrity in all REDD+-related policies and procedures.

For Transparency International and other civil society actors in Indonesia:

- In order to narrow information and knowledge divides, civil society and the media need to play a more active role in REDD+, including (1) Deepening their engagement with and monitoring of REDD+ policy processes, licensing, procurement, management and financing. Here active engagement of the media (both mainstream and social media) will be critical, and (2) Pushing for increased political space and leverage – particularly for marginalised people – to contribute more freely and effectively to negotiations between government and the private sector on critical issues such as land tenure and benefit sharing.

- Citizens must demand increased transparency and accountability from law enforcement actors, and monitor enforcement activities. Broad-based societal demand for stiffer and fairer sanctions for wrong-doers is needed to lend momentum to the required reforms. TII's *Corruption Verdict Justice Index*[17] can help the public better understand how they can play a more active role in this.

- Public awareness of REDD+ must be significantly strengthened - through community hearings, trainings and workshops, and media events. Particular focus should be placed on educating people about how to gain access to, understand and use REDD+-relevant information. They need to understand how to organise themselves and advocate for transparency and accountability in natural resource management. This will require a civil

society network that monitors and responds to each and every policy that is issued. TII and its partner organisations can play an important role in establishing and facilitating such a network. TII also hopes to mobilise civil society to test public information access performance in key REDD+ related public agencies. At the central level key ministries would be the State Ministry for Environment and the Ministry of Forestry, and at the provincial level the Forestry Offices in Aceh, Central Kalimantan, Central Sulawesi, Riau and Papua.

- Civil society should equally be aware of anti-corruption activities that could impact on REDD+ development and implementation. Government and private sector commitments to anti-corruption must be closely monitored and remedial actions demanded for any deviation. Key documents and processes include the government's National Strategy on Corruption Prevention and Eradication and the Action Plan under the Open Government Partnership, as both identify the need for action to combat corruption in the forestry sector. Political will cannot be assumed as given - close monitoring will help ensure that promises are kept.

- Public service integrity can be strengthened if civil society provide incentives for those seeking to improve their performance – including monitoring, recognising and rewarding positive action. Similarly TI Indonesia and its partners should engage constructively with the private sector in promoting forest integrity and lending visibility to good practice.

- TI Indonesia and its civil society partners should expand the *Keeping REDD+ Clean* manual so as to focus on best practices to prevent, reduce and manage corruption risks in REDD+.

For the private sector:

- Private sector actors should develop and implement policies that demonstrate a commitment to anti-corruption and good governance. Increased openness and efforts to communicate with affected communities would foster local trust and cooperation, bolster a company's reputation and increase the likelihood that REDD+ projects are effective and sustainable.

- Policies and practices aimed at anti-bribery and anti-facilitation payments need urgent attention. The benefits for companies are clear – through provisions such as open tender processes they can profit from operating on a level playing field and foregoing the costs associated with bribery and kickbacks.

For donors and international actors:

- Donors such as the Norwegian Agency for Development Cooperation (NORAD) and international REDD+ actors such as UN-REDD, the Forest Carbon Partnership Facility and the Forest Investment Programme play a significant role in influencing and determining the dynamics of REDD+ implementation in Indonesia. Their focus on the more technical side of REDD+ must be complemented with increased support for the rebalancing of power relations within the country. International actors should prioritise efforts to help civil society and community-based organisations increase their political bargaining power. More attention should also be paid on the part of donors more broadly to strengthening transparency and integrity in Indonesia's public sector.

ANNEX 1 – RESEARCH PARTICIPANTS

Aceh

Civil society organisations

1. Aceh Green Institute
2. ACCe'S
3. Balai Syuro
4. CIRUS
5. CI – Indonesia Aceh Program
6. CAPE Institute
7. FFI Aceh Program
8. FONA (Jaringan Forum Hutan Aceh)
9. Forum LSM Aceh
10. FORA
11. Green Journalist
12. GASAK Bireun
13. GERAK Aceh
14. IKAPALA
15. Jaring Kuala
16. JKMA Aceh
17. KUALA
18. KONTRAS Aceh
19. Orphan care
20. PENA
21. Pengayoman
22. PUGAR
23. SULOH
24. NGO HAM
25. Sahabat Ulu Masen
26. Serikat Mukim Pidie
27. Serikat Mukim Pidie Jaya
28. Serikat Mukim Aceh Besar
29. Serikat Mukim Aceh Jaya
30. Serikat Mukim Aceh Barat
31. SILVA
32. WALHI-Aceh
33. WWF Indonesia- Aceh Program
34. YAB
35. YPA
36. YEL PAneco
37. YRBI
38. YLI
39. UNO Itam

Academic institutions

40. FH Unsyiah
41. ACCI UNsyiah
42. BEM STI – Kehutanan Pante Kulu
43. Mahasiswa Poros Leuser
44. Ikatan Mahasiswa Pidie
45. Ikatan Mahasiswa Master Teknik
46. Ikatan Mahasiswa Aceh Barat
47. Ikatan Mahasiswa Aceh Besar
48. Ikatan Mahasiswa Aceh Jaya

Media

49. The Atjeh Post
50. Aceh Link.com
51. RRI Banda Aceh
52. Harian Waspada
53. Media Serambi

Riau

Civil society organisations

1. AKAR
2. AMAN Riau
3. FITRA Riau
4. FKKM
5. FKPMR
6. Greenpeace
7. GPSEA
8. Hakiki
9. Isec
21. RWWG
22. Scale Up
23. Siklus
24. STR
25. UNRI
26. WWF
27. Walhi Riau

Media

28. Berita Terkini

10. Jikalahari
11. JMGR
12. Kabut Riau
13. KBH Riau
14. Laksana Samudera
15. LAMR
16. LBH Pekanbaru
17. PASA
18. Perkumpulan Elang
19. Riau Mandiri
20. Rumah Pohon
29. Tribun
30. RTC
31. Antara
32. Media Indonesia
33. Riau Pos
34. Tribun Pekanbaru

Papua

Government

1. BKSDA Papua (Papua Natural Resource Coordination Body)
2. Badan Pengelolaan Sumber Daya Alam dan Lingkungan Hidup Provinsi Papua
3. Badan Perencanaan Pembangunan Daerah (BAPPEDA) Kabupaten Jayapura
4. Badan Pengawasan Daerah Prop Papua
5. Balai Besar KSDA Papua
6. BPKH Wilayah X Papua
7. BP2HP Wilayah XVII
8. BP-DAS Membramo
9. Badan Pemeriksa Keuangan (BPK) Papua
10. Dinas Kehutanan dan Konservasi Prop. Papua (Forestry Service Unit in Provincial Level)
11. Dinas Kehutanan Kabupaten Jayapura
12. Dinas Perkebunan Kabupaten Jayapura (Plantation Service Unit in Jayapura District)
13. Dinas Perkebunan dan Peternakan Papua (Plantation and livestock service unit in Provincial Level)
14. Dinas PU Kab. Jayapura (Puclic Works Service Unit in Jayapura District)
15. Dinas Pendapatan Daerah Provinsi Papua
16. Kejaksaan Tinggi (*Provincial Supreme Court*)
17. Kepolisian Daerah (Polda) Papua
18. Papua REDD Task Force
19. Koperasi TNI AD

Business

20. APHI (Indonesia Forest Concession Association)
21. Korindo Group
22. PT Wapoga

Lembaga Donor

23. USAID IFACS Papua Utara

Civil society (NGOs, CSOs, dan Masy Adat)

24. Conservation International (CI) Indonesia Program Mamberamo
25. Forum DAS
26. Foker LSM Papua
27. ICS Papua
28. Indonesian Working Group on Forest Financing (IWGFF)
29. Papua Democratic and Research Intitte (PDRI Papua)
30. Pt PPMA
31. Yadupa
32. YALI
33. YPMD
34. WWF Indonesia Region Papuion International (a
35. Dewan Persekutuan Masyarakat Adat Nimboran
36. Dewan Adat Suku Sentani
37. Dewan Persekutuan Masyarakat Adat Keerom (DPMA-Keerom)
38. Lembaga Masyarakat Adat Unurum Uguay
39. Lembaga Masyarakat Adat Sarmi

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[1] It should be noted that REDD+ is not gaining universal support, with some parties voicing outright rejection of REDD+ (Lang, 2012) and others voicing significant concerns. (The Rainforest Foundation, 2012)

[2] See Indonesia's page on The REDD Desk, available at: http://www.theredddesk.org/countries/indonesia.

[3] Calculations have shown that the country's forestry sector contributes 61 per cent of its total carbon emissions. Although the country is not obliged to reduce its emissions under international law, in 2009 President Susilo Bambang Yudhoyono pledged to cut them by 26 per cent by 2020, or by 41 per cent with the help of other countries. The forestry sector has also been included as a priority area in the country's Climate Change Sectoral Roadmap. An estimated US$ 630 million per year will be required to achieve its targets. See BAPPENAS (2009), ICCSR Synthesis Report, available at: http://adaptasi.dnpi.go.id/filedata/20100407031237.Synthesis%20Roadmap%20Dec091.pdf (accessed 31 July 2013), p. 42.

[4] Barr, C. Ahmad Dermawan, Herry Purnomo dan Heru Komarudin (2010) in *REDD Readiness: Financial Governance and Lessons Learnt from Reforestation Fund (DR) in Indonesi*a. CIFOR Info Brief. Available at:

http://www.cifor.org/publications/pdf_files/Infobrief/020-infobrief-I.pdf (accessed 31 July 2013).

[5] At the time of writing, UN-REDD and the World Bank's Forest Carbon Partnership Facility have provided US$ 9.2 million in funding, supported by a number of bilateral initiatives. Australia has committed more than US$ 100 million, Germany US$ 92.6 million and Norway US$ 1 billion. Only US $ 30 million of committed Norweigan funding has been provided in up-front support and disbursed through the UNDP Trust Fund. A substantial part of this pledge is in the form of performance-based payments – the cost of actually running REDD+ rather than the costs associated with getting ready for it.

[6] This decree has since been changed as the task has taken significantly more time to complete than originally intended. Previously this REDD Task Force was regulated by Presidential Decree 25/2011 but subsequently changed under Decree 5/2013

[7] Transparency International (2012), *Corruption Perceptions Index* (CPI), Berlin, Germany. Available at: http://cpi.transparency.org/cpi2012/results/ (accessed January 17 2013).

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[10] Transparency International (2012)a, Keeping REDD+ Clean; A step-by-step guide to preventing corruption., Berlin, Germany available at http://www.transparency.org/whatwedo/pub/keeping_redd_clean (accessed January 17th 2013)

[11] Although centrally the government has expressed its ambition to focus on addressing corruption challenges in REDD+, the reality on the ground suggests that complications are afoot.

[12] See Transparency International 2012a, pp. 60-64 for further details.

[13] http://www.transparency.org/gcb2013/country/?country=indonesia

[14] Indeed statistics from AMAN, the National Human Rights Commission and the Consortium for Agrarian Reform (KPA) show a steady increase in the number of agrarian conflicts in recent years. For example the KPA noted that throughout 2011, there were 163 agrarian conflicts that occurred in Indonesia, an increase from 106 cases the year before. Aman reported at least 530 land conflicts in indigenous lands in 2012.

[15] Transparency International (2013), Global Corruption Barometer, available at: http://www.transparency.org/gcb2013/country/?country=indonesia (accessed 11 August 2013).

[16] http://www.tribunnews.com/nasional/2010/12/20/inilah-10-kepala-daerah-terjerat-korup-yang-terpilih-lagi

[17] http://www.transparency.org/hackathon/ps/corruption_cerdict_justice_index_cvji

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