

Session 6

*Group Work on Corruption Risks
in Climate Finance*

Workshop on Corruption Risks and Anti-
Corruption Strategies in Climate Finance

Manila, Philippines

25 to 27 May 2015

Indonesia's Reforestation Fund

- Post-Suharto period reforms:
 - Fund placed under administrative authority of Ministry of Finance
 - Fund consolidated with national budget
 - Supreme Audit Board granted far-reaching authority to audit the Fund and other public financial assets
 - Corruption Eradication Commission created – successful prosecution of corruption cases involving senior officials
 - More equitable mechanism for sharing revenues from the Fund: 40% now distributed among local governments, 60% administered by national government

Corruption Risk Assessment - Diagnosis

- Exercise to identify factors that create risk for corruption
- Inform the design of interventions to reduce these risks
- Steps:
 - Identify an area with potential for specific type of corruption
 - Identify the actors involved, their motivation, and gain
 - How and why did the corruption occur? Identify key facilitating institutional weaknesses, events, and key actors
 - Assess the nature of the risk: What is the seriousness and extent of the problem? Repeatable? Systemic?
 - Mitigation measures: lay out theory of change and key assumptions to put solutions into place



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