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Date: 8 February 2013 16:19

Subject: Response from Norwegian Embassy on corruption involving Norwegian REDD funding in Tanzania.

To: "reddmonitor@gmail.com" <reddmonitor@gmail.com>

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Subject: Response from Norwegian Embassy on corruption involving Norwegian REDD funding in Tanzania.

Dear Mr. Lang

On 6 February 2013, REDD- Monitor wrote about corruption involving Norwegian REDD funding in Tanzania. We appreciate your focus on fighting corruption, which is also one of our priorities. Our response below seeks to correct factual errors in the article posted by REDD-Monitor.

- It is not correct that almost half of the funds disbursed to the MNRP was lost to corruption and mismanagement. It is important to separate what is actually misuse of funds and what some people think is not appropriate use of development aid, such as paying allowances for participation in workshops. Payment of allowances is legal and budgeted for in national budgets in Tanzania and many other countries. Payment of allowances may not always be "value for money" - but it is not illegal. The practice of payment of allowances is on the decline in Tanzania as in many other countries. All misused funds and funds not properly accounted for (about NOK 11 mill or USD 2 mill) were repaid by The Government of Tanzania to the Government of Norway.
- It is not correct that Norway stopped aid to Tanzania after the MNRP corruption case, only to the Ministry of Natural Resources and Tourism (MNRT) which was responsible for the MNRP program.
- It is not correct that some of the NOK 500 million committed to REDD projects in Tanzania were given to MNRT. These funds have been awarded to NGOs, universities and other institutions in Tanzania. All contracts are available on the website of the Norwegian Embassy in Dar es Salaam: www.norway.go.tz
- It is not correct that 1.3 million USD was reported missing in the audit by Ernst and Young of the Norwegian supported project. Norway supported two projects (in Tanzania, not including DRC and Kenya) and only one of them was a REDD project. The Embassy has been repaid NOK 514 380 (approximately USD 94 000) from WWF Norway for the CSO project and TZS 9 970 000 (approximately NOK 34 000 or USD 6 200) from WWF Tanzania for the REDD project. This includes both the full amounts that were deemed fraudulent by Ernst and Young as well as all other funds that WWF could not guarantee had been spent in accordance with the contract.
- It is not correct that the conflicts around the Pugu and Kazimzumbwi forest reserves were caused by WCST. The reason for the conflicts are many, among them the fact that the forest is within the border of Tanzania's largest city (Dar es Salaam) with a growing population and urbanization.
- It is not correct to refer to findings in an audit made by Baker Tilly DPG & co as the work is just initiated and a report does not yet exist.

Best regards,

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