

Conflict of Interest in KPMG's Drafting Of Karnataka's Forest Plan And Coal India's Vision Plan, Activists Say

The consulting firm's involvement in multiple projects with competing interest groups raises red flags activists say

https://www.huffingtonpost.in/2018/11/03/kpmgs-drafting-of-karnataka-s-forest-plan-and-coal-india-s-vision-plan-is-a-conflict-of-interest-activists-say-a-23579500/?utm_hp_ref=in-homepage

4th November 2018

Rishika Pardikar Bengaluru, Karnataka —The [Karnataka](#) Forest department has asked KPMG, the global financial consultancy firm, to prepare its 'Vision Document 2030', a compendium intended to provide a sustainable governance strategy to manage forests and wildlife in the state of Karnataka.

KPMG's appointment, environmentalists say, raises important questions about the organisation's level of expertise as regards the management of forest resources and wildlife. The other red flag concerns questions of KPMG's potential conflict of interest — given that the consulting firm was [chosen to chalk out a 'Vision 2030' for Coal India](#) last year.

A recent [report](#) by Caravan magazine flagged concerns about the possible closeness between IAS and IPS officers in the central and state governments and KPMG, while [reports from South Africa](#) continue to raise questions about KPMG's practices.

Questionnaires emailed by HuffPost India to Rajiv Rajan, the Additional Principal Chief Conservator of Forests, and to KPMG, remained unanswered at the time of publication. We will update this story once they respond.

On 30th October, Rajiv Rajan, the Additional Principal Chief Conservator of Forests, sent an invite to stakeholders like environmentalists and wildlife conservationists working in the state to participate in a workshop that was to be held on 2nd November by KPMG in order to gather inputs for the vision document. The invite though, was quickly met with resistance from some of the aforementioned stakeholders who questioned KPMG's expertise regarding issues related to the conservation of forests and the protection of wildlife.



On Tue, 30 Oct 2018 at 13:59, APCCF PR <[REDACTED]> wrote:

Dear Sir/Madam,

Karnataka Forest department has been enshrined with the responsibility of Conservation, Management and Development of Forests and wildlife on sustainable basis in the state of Karnataka.

In this regard the Karnataka Forest department has decided to have a 'Vision Document' which would provide a governance strategy for management of Forests and wildlife of Karnataka for next 20 years in a sustainable manner. 'Vision Document' would interalia provide a way forward both in short and long terms.

In this endeavor, the department has decided to take the service from the agency, M/s KPMG to prepare a futuristic compendium. The Department, in collaboration with the agency, has organized a Workshop on the **2nd of November 2018 at 11.00 A.M at Aranya Bhavan, Malleswaram 18th Cross, Bengaluru** to invite necessary ideas and inputs across the sectors in preparation of this grandiose document.

Therefore, I would like to take this opportunity to invite you to participate in the workshop and confirmation of your participation is highly appreciated. **Also, provided along with this mail is a link to a questionnaire.** You are requested to please spare sometime out of your busy schedule to fill in your valuable responses and submit the same.

Link to the Questionnaire - [REDACTED]

Rishika Pardikar Excerpt of email from Karnataka forest department announcing the selection of KPMG as a consultant to prepare the forest department's vision document for the state. (Credit: Rishika Pardikar)

Rajan has not explained why a financial consultancy firm was chosen to drive such a vision rather than giving such responsibilities to serving officers of the forest department, ecologists and conservationists or, for that matter, a panel of all such persons. And while inputs from various stakeholders in the state like environmentalists and wildlife conservationists have been sought, questions still remain over the extent to which KPMG would have discretionary power over the final vision document.

Leo F. Saldanha, a full-time Coordinator at Environment Support Group, an organisation which works on environmental and social justice issues across India, was the first invitee to express concerns over the selection of KPMG.

"The choice of KPMG, or any other such agency that has a conflict of interest, is indefensible. While the TOR [Terms of Reference] for the appointment of KPMG has to be shared suo moto, going forward, the agency selected to assist in developing this document must have the competence," Saldanha said. "KPMG, by the questionnaire it has already circulated, has demonstrated that it is conducting this critical task in an imbecilic and ritual manner. In any case, its credibility is mired in various controversies globally."

Concerns of corporate collusion in drafting policies on forest management had come up earlier this year too when there were nationwide protests against the Draft National Forest Policy 2018 that envisaged a role for private companies in core forestry functions like afforestation, and reforestation.

In response to the invite sent by Ranjan, Saldanha wrote "As someone who has worked with several leading foresters over the decades, I never imagined a day would come when the task of developing a Vision Document for conserving Karnataka's forests, forest resources and protecting forest rights, would be outsourced by the Forest Department to an international corporation - KPMG."

In the continuing paragraphs, he elaborated stating "Even if the task has to be outsourced, there are several leading public funded institutions that should have been requested to take up the task. An alternative could be to trust serving officers of the Department to develop the policy - for it is their duty to work with people to develop such policies.

"If even they were not considered capable of this job, then retired officers of the Forest Department could have been entrusted with the task. None of these obvious choices seem to have been considered. Instead, it is KPMG which has been chosen to develop Karnataka's Forest and Forest Rights Protection and Wildlife Conservation 'Vision Document 2030'. And we are not even aware if there was a due process involved in selecting this agency for the task."

Replying to Saldanha's email, the APCCF said that the workshop has been cancelled owing to "administrative reasons" and that Saldanha's understanding of the matter was greatly appreciated.

Saldanha, along with Dr. Nitin Rai of the Ashoka Trust for Research in Ecology and Environment, Dr. Kshithij Urs and Diya Deb of Greenpeace India, Nayana Udayashankar of Equations, Santosh Martin former Hon. Wildlife Warden (Bellary), naturalist Sheshadri Ramaswamy and several others were not invited to the consultation, nevertheless went ahead to meet the APCCF in person and listed their concerns about the manner in which the vision document is being drafted. The APCCF noted the concerns and also stated that the same would be discussed with senior officials.

As of now, the date on which the workshop would be held has not been decided yet with Punati Sridhar, the Principal Chief Conservator of Forests (PCCF), Karnataka Forest Department, stating that the workshop will most likely be held sometime after 12th November.

Sridhar, the principal conservator, responded to *HuffPost India* soon after this piece was published.

"We don't have enough time to do consultations with all stakeholders. We needed some one to compile and give us the recommendations of the stakeholders. Final document will be made by us - the serving, retired officers and some external experts," Sridhar said. "So, we requested KEONIKS to provide [someone] and they have provided KPMG. KEONIKS has 4(g) exemption [as per The Karnataka Transparency In Public Procurements Act, 1999] and it saves us time and procedures regarding procurement."

[KEONIKS](#), or the Karnataka State Electronics Development Corporation, provides IT support to many state government departments.

"KPMG can't tinker with the content. We decide the content and they put it up in a draft document," Sridhar said, adding that the team in charge of formulating the vision plan would meet on November 5. "If KPMG is the real issue, we will have a relook about their appointment."

Vision document is too serious a matter that a private firm would be allowed to finalise. No chance at all. So conflict of interest will be taken care of," Sridhar concluded. "Fact is whether they have expertise in doing vision document. Hereafter I will personally monitor this job."

This story was updated on Nov 5 2018 to include the comments of Punati Sridhar, the Principal Chief Conservator of Forests (PCCF), Karnataka Forest Department.