Natural Resource Governance: Findings & Recommendations from USAID/Colombia's Corruption & Criminality Analysis

June 4, 2021

LAC Environment Learning

— Agenda

- Welcome:
    - **Jessica Rosen,** Director, USAID/Colombia Environment Office
    - **Christy Johnson,** Senior Environment Advisor, LAC
- Presentation: TGNR team
    - **Natalia Muñoz Cassolis**, WWF-Colombia, Wildlife Trafficking Advisor
    - **Sandra Martinez**, Transparencia por Colombia, Program Director of Political System and State Initiatives
- Q&A with presenters

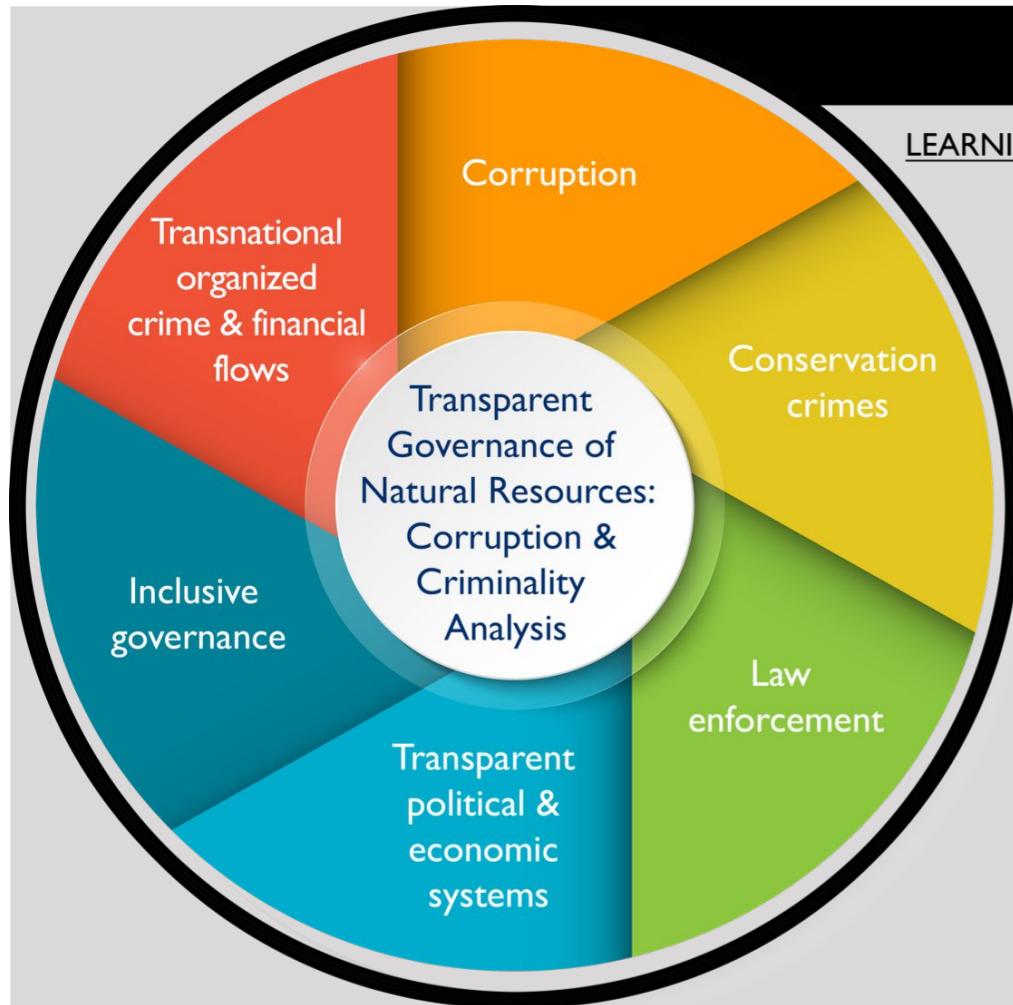LAC Environment
Learning Series Webinar

USAID
FROM THE AMERICAN PEOPLE

WELCOME

Jessica Rosen
Director, Office of Environment
USAID/Colombia

Value of cross-sectoral collaboration

Transparent Governance of Natural Resources: Corruption & Criminality Analysis

- Corruption
- Conservation crimes
- Law enforcement
- Transparent political & economic systems
- Inclusive governance
- Transnational organized crime & financial flows

LEARNING INITATIVES, FRAMEWORKS, AND WORKING GROUPS

° Targeting Natural Resource Corruption Research & Learning Agendas

° LAC Environment Combating Conservation Crime Learning Agenda

° Environment & Natural Resource Management Framework

° Combating Wildlife Trafficking Learning Agenda

° Democracy, Human Rights, & Governance Learning Agenda

° Marine Conservation & Sustainable Fisheries Distant Water Fleets Research Agenda

° Interagency Working Group on Combating Wildlife Trafficking

° Thinking & Working Politically

Presenters: Transparent Governance of Natural Resources

Natalia Muñoz Cassolis,
WWF-Colombia, Wildlife
Trafficking Advisor

Sandra Martinez,
Transparencia por Colombia,
Program Director of Political
Systems & State Initiatives

Transparent Governance of Natural Resources (TGNR)

AWARD TYPE
Associate award with DDI Global **TNRC project**

GOAL
To address the resource corruption that hinders peacebuilding and contributes to deforestation, forest degradation, and biodiversity loss in Colombia.

LIFE OF ACTIVITY
June 2020 – May 2021

GEOGRAPHIC FOCUS
Colombian Amazon and Pacific regions

CONSORTIUM
WWF-Colombia, Colombian Foundation for Conservation & Sustainable Development, Transparency Colombia, InSight Crime

TGNR's Significance for WWF Goals

Global goals:

- Zero loss of natural habitats
- Zero extinction of species
- Halve footprint consumption and production

Theory of Change:

- Evolving
- What is impairing our goals from being successful?
- Corruption can be addressed by NGOs in their projects

Research Approach:
Integrated Analysis on Corruption & Organized Crime

- Shared elements:
  - Symbiosis between both phenomena
  - Dynamic and easy to adapt
  - Permanent relationship with other crimes
  - Related to illicit markets and practices
  - Certain practices are not criminally sanctioned
- Differentiating elements:
  - "Criminality" includes criminal enterprises, which utilize violence
- Challenge of integrated approach:
  - Traditionally analyzed separately
  - Invisible Powerful actors
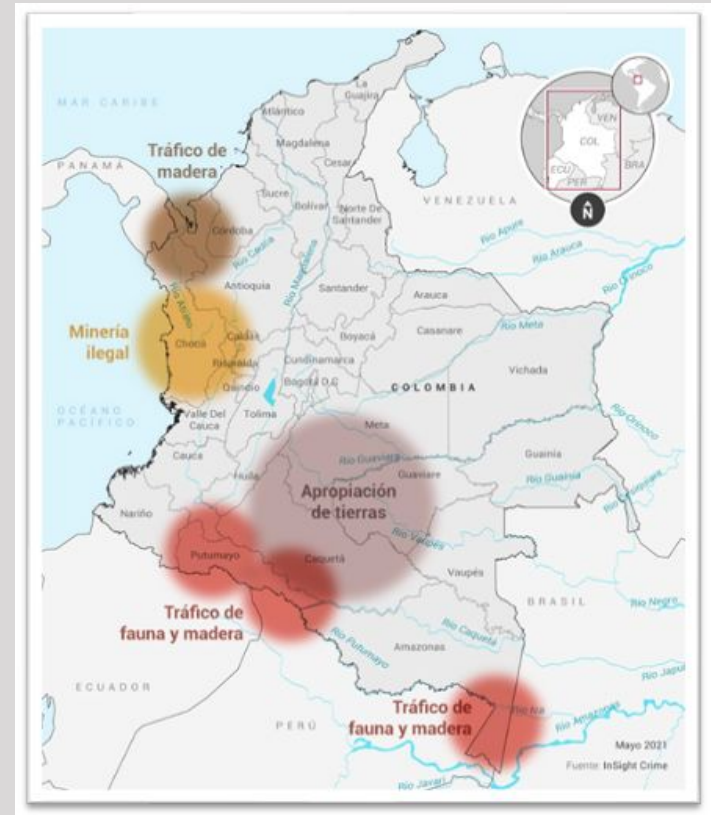 - Victims and consequences

Research Approach: Challenges

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- Research period: COVID restrictions due to lockdown.
- Adapt a methodology used for the analysis of corruption risks at public entities to the analysis of criminal economies.
- Development of definitions of corruption and criminality for the project.

Findings on the Drivers

- Wildlife trafficking and illegal timber operate similar to other countries (i.e., value chains):
  - Local communities
  - Middlemen
  - Transnational crimes

- Land grabbing
  - Protected areas that cannot be sold, transferred, or encumbered.
  - Agro-industrial crops, land speculation, illicit crops, and cattle ranching.

Findings on the Drivers

- Illegal gold mining is typically found in:

    - Regions controlled by illegal armed groups
    - Poor socio-economic conditions
    - Low state presence

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Findings on the Drivers

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Corruption enablers

- Lack of territorial control by the government.
- Political and economic elites.
- Lack of meritocracy.
- Poor socio-economic conditions help to normalize corruption.
- Strained judicial system + weak enforcement mechanisms = Impunity.
- Lack of transparency.

Cross-cutting Findings

Social and political factors

- Lack of political interest in environmental issues.
- Prevalence of actors: "The Invisible".
- Drug trafficking and armed conflict tend to overshadow the importance of addressing illegal practices of the drivers.

Institutional factors

- Poor institutional capacity for problem management and high discretion in decision-making.
- Weaknesses in the management of public information and opacity in its disclosure.
- Inefficient and poorly coordinated institutional systems to control and sanction.

Cross-cutting Recommendations

Improve institutional conditions to mitigate corruption risk

Redefine an environmental governance framework

Strengthen social and institutional capacities

Coordinate information systems for areas at risk or for deforested areas

Expand access and transparency of public environmental information in the country

Cross-cutting Recommendations

Strengthening anti-corruption capacities at public institutions

New mechanisms

- Anti-corruption plans related to deforestation.
- Promote integrity agreements amongst private companies.
- Promote concrete action at the National Moralization Commission.
- Develop joint research on the implications of corruption in deforestation.

Mechanisms to be strengthened

- Promote regulatory framework for whistleblowers.
- Identify the power structures supporting crimes.
- Sanction financiers of illegal activities.
- Strengthen Regional Moralization Commissions.

Mechanisms to be changed

- Amend the disciplinary code.
- Improve transparency in relevant procedures and services.
- Use an anti-corruption approach to address these drivers.
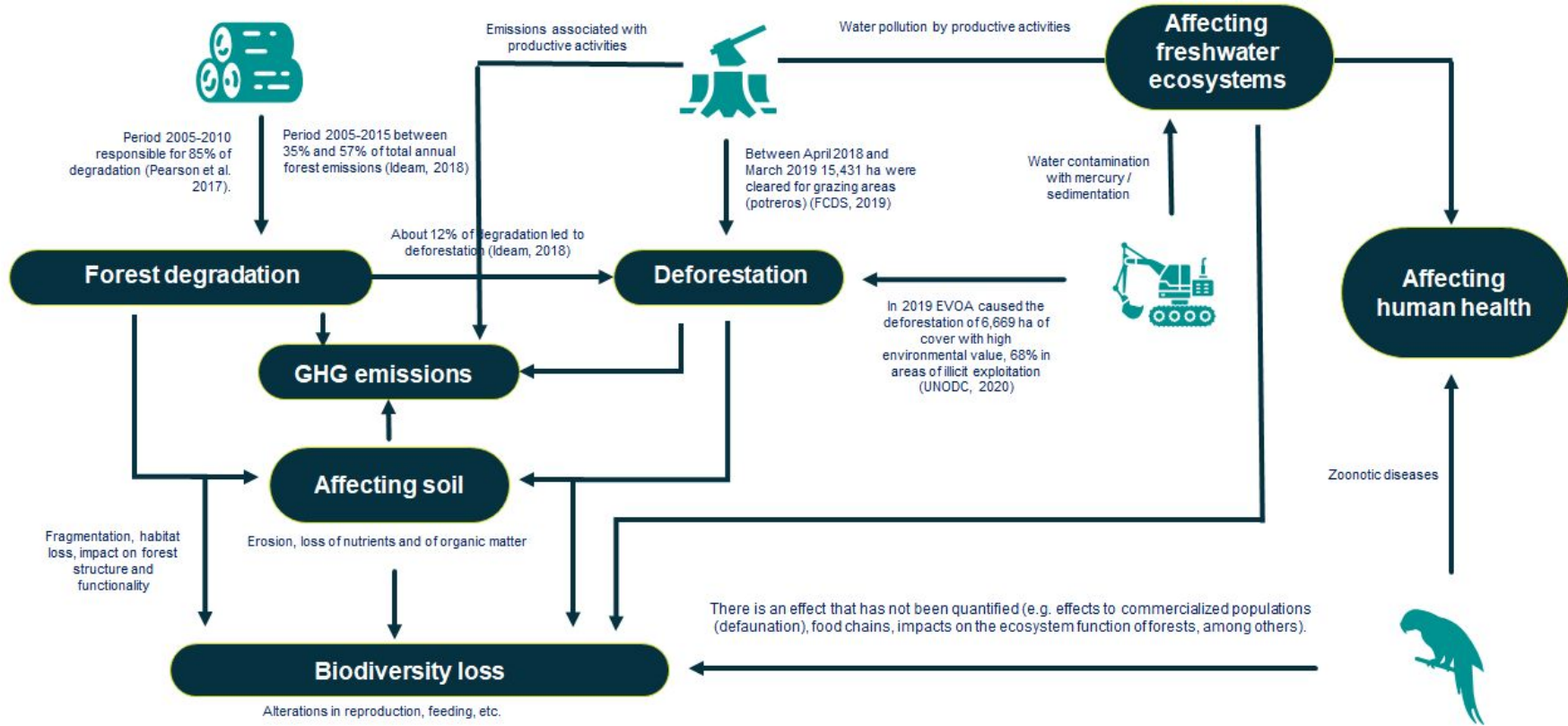
Challenges

- Identify the stakeholders who must implement the recommendations.

- Determining feasibility.

- Identify which recommendations should be implemented first – enablers for other recommendations.

- Determine a pathway for advocacy.

Consequences of Inaction

Emissions associated with productive activities

Water pollution by productive activities

Affecting freshwater ecosystems

Period 2005-2010 responsible for 85% of degradation (Pearson et al. 2017).

Period 2005-2015 between 35% and 57% of total annual forest emissions (Ideam, 2018)

Between April 2018 and March 2019 15,431 ha were cleared for grazing areas (potreros) (FCDS, 2019)

Water contamination with mercury / sedimentation

About 12% of degradation led to deforestation (Ideam, 2018)

Forest degradation

Deforestation

In 2019 EVOA caused the deforestation of 6,669 ha of cover with high environmental value, 68% in areas of illicit exploitation (UNODC, 2020)

Affecting human health

GHG emissions

Affecting soil

Fragmentation, habitat loss, impact on forest structure and functionality

Erosion, loss of nutrients and of organic matter

Zoonotic diseases

There is an effect that has not been quantified (e.g. effects to commercialized populations (defaunation), food chains, impacts on the ecosystem function of forests, among others).

Biodiversity loss

Alterations in reproduction, feeding, etc.

Affecting access to community livelihoods and human well-being

Consequences of Inaction

Deforestación y Líderes Sociales asesinados en Colombia
insightcrime.org
Abril 2021

Human health and well-being:

- Zoonotic diseases
- Health effects (e.g., Mercury)
- Murder of social leaders
- Forced displacement
- Child prostitution and human trafficking
- Disintegration of the social fabric of local communities

Political implications

- Non-compliance with international agreements

Consequences of Inaction

Security:

- Illegal economies comparable to drug trafficking.
- Funding illegal armed groups (GAO), FARC dissidents (GAOR), and terrorist groups (ELN).
- Criminal networks with the capacity to weaken state institutions.
- Funding violations of fundamental rights and human rights.

Economic implications:

- Money no longer received by the State (taxes, tariffs, royalties).
- Money Laundering – "Criminal Dumping"
- Losses in GDP
- Environmental liabilities

Opportunities Looking Forward

- Connect results with new research initiatives or projects in LATAM.

- Promote working sessions with the Colombian government for the implementation of the recommendations.

- Coordinate environmental sector and international cooperation agencies/projects to better support government initiatives.

- Opportunity for the environmental sector to incorporate deforestation matters into other public agendas (e.g., human rights).

- Deepen quantitative analysis based on the analyzed value chains.

- Promote the environment sector's capacity to serve as an anti-corruption agent of change.

Questions

- What risk mitigation strategies were necessary to conduct research on corruption?

- What strategies did you use to communicate about corruption with different audiences, especially with the Government of Colombia?

- Who was the key audience of the project and how do you hope they will use the findings? How do you think findings will be used by other actors?

- What advice do you have for Conservation or NRM practitioners, Governance actors or USAID Missions about collaborating across sector?

Audience Q&A

THANK YOU

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