



Supply Chains

This document is a printable version of the introductory guide on the [Supply Chains](#) topic page of the Targeting Natural Resource Corruption (TNRC) [Knowledge Hub](#). It outlines the impact of corruption along the forest, fishery, and wildlife supply chains and provides guidance and tools that can help conservation and natural resource management practitioners to strengthen their context-specific programming and related responses.

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Key takeaways

- » Global consumption puts ever-increasing pressure on natural resources, the people who live with and near them, and our planet’s very ability to sustain life. As a result, the ways that natural resources are harvested, transported, traded, and marketed—and the role of corruption in facilitating illegal and unsustainable trade in natural resources—are ever more critical issues.
- » The key anti-corruption approaches for supply chains usually focus on strengthening the rules (laws), boosting the accountability and transparency of government officials, and changing the norms of key demand actors (such as consumers).
- » Some of the private sector actors in natural resources serve as collaborators of illegal wildlife crime, but many others can be partners in fighting corruption.

1 Introduction

Well-managed use of fish, forest, and wildlife resources is key to the health of our planet and well-being. This principle, clearly reflected in Sustainable Development Goals [14](#) and [15](#) and [other global agreements](#), is also expressed in the fact that the harvest, consumption, and trade in many natural resources are strictly regulated, allowing for legal and sustainable use when those regulations are respected.

However, global demand for fish, forest, and wildlife products continues to grow, which incentivizes [illegal wildlife trade](#): commerce in fish, timber and forest products, wild animals, and plants and fungi that contravenes either domestic or international laws and regulations. This trade is [widely facilitated by corruption](#). In fact, corruption is the illegal wildlife trade’s “[critical enabler](#),” without corruption, much of the illegal wildlife trade would not be possible or profitable.

2 Manifestations of corruption along natural resource supply chains

[The supply chain concept](#) is a valuable tool for tracing a product from its source to final delivery to consumers and helps understand the actors and activities involved in the flow of natural resource-based products, information, and finances. Corruption takes [many forms](#) along natural resource supply chains, with some differences across sectors but similarities as well. This makes understanding both sector-specific and general corruption risks along supply chains very important.

Across the **steps of the supply chain**, [corruption can be present](#) at every stage. It can affect the national park or community forest, permitting officials, the police and judiciary, and customs officials in both exporting and importing countries. For example:

Access and planning	Sourcing	Processing	Transporting	Selling
Officials issue permits or zone areas to facilitate illegal access to the resource, in exchange for a personal benefit.	Poachers bribe guards to look the other way or help them locate animals.	Processors accept fraudulent documentation to commingle products, in exchange for payment or just because it is easier and takes less time.	Because of their involvement in illicit trade, high-level officials purposefully underinvest in customs enforcement.	Financial officials ignore due diligence requirements to allow their clients to launder profits from illegal wildlife trade.

Of course, **different commodities** and taxa will involve different trade patterns, and therefore **different corruption patterns**. The specific corruption risks at each stage might differ depending on the sector and product. For example, pangolin scales would be recognized as illegal at any point from the poaching to their sale, thus any trade is likely abetted by corruption. On the other hand, overfishing or illegal logging of otherwise legal species could appear very much legal for most of their supply chain and may involve only one corrupt activity, such as faking paperwork.



Inspectors may be [bribed to accept](#) mislabeled products or fraudulent catch documentation.

[Learn more](#)



Officials could abuse land use decisions for their benefit, or [sell access rights](#) to log or convert forests illicitly.

[Learn more](#)



Park rangers may be [bribed or forced](#) to provide information on wildlife movements, or even to take part in illegal hunts directly.

[Learn more](#)

At the same time, **some corruption risks are shared** across natural resources sectors. Political elites may aim to exploit their power and write regulations for their own or for their cronies' benefit. Crooked officials may prevent reform or enforcement in border regions, because of their connection to illicit cross-border trade. Similarly, corruption [in law enforcement](#) might mean that well-connected perpetrators of wildlife crimes face little consequence. Since most wildlife products end up with overseas customers, [fake export permits](#) and corruption of [ports and customs officials are ever-present risks](#), on both the exporting and importing side. And traders will often use [anonymous shell companies](#) to cover their tracks.

3 Anti-corruption approaches for supply chain integrity

The main anti-corruption responses for corruption in natural resource supply chains can be grouped into three types: rules-based, accountability-based, and norms-based approaches. Any approach will need to be adapted to context, and not all responses will be appropriate in all cases. Considerations should include the type of corrupt actions, what is facilitating and driving those actions, who is involved and what power they wield. Several options exist for doing this type of analysis to inform programming and reform agendas.

3.1 Changing and enforcing the rules

The first category of approaches focuses on rules, regulations, and policies. Negative acts and behaviors must actually be prohibited, which will require **closing any loopholes** or [special regimes](#) that might facilitate [illegal wildlife trade](#). Existing rules can be strengthened to be clearer and more uniform, and **discretion and exemptions should be minimized**. For example, permitting decisions should involve as little concentrated power and subjective decision-making as possible. [Stricter punishment of corruption and wildlife-related crimes may be warranted](#), but care should be taken to avoid punishing small-scale, frontline actors while criminal masterminds go free.

Capacity-building is an important subset of rules-focused approaches. Changing rules will not achieve much unless they are subsequently adequately enforced. People involved in enforcing rules and investigating rule-breaking (like rangers, forest service inspectors, port authorities, and so on) need to be adequately funded and trained. Technologies can help officials [verify the origin and identity of traded products](#) and ensure the [validity of documentation](#), making rules easier to follow (and harder to break). However, great care must be taken in the selection of partners and design of activities, in particular when [law enforcement](#) has corruption issues of its own.

Where government or policymakers are unable or unwilling to change or enforce rules, the [private sector can make useful reforms on its own](#). [Due diligence guidelines](#) help businesses minimize the risks of unwittingly aiding corruption crimes. [Voluntary standards](#) can [improve integrity in supply chains](#) and [motivate governments to take more action](#), although they can take a long time to be impactful. Of course, such efforts must [themselves be subject to monitoring and verification](#) to avoid “green-washing.”

3.2 Transparency and accountability

The second group of anti-corruption approaches focuses on making key activities along the supply chain more **transparent and increasing the ability of government and non-governmental organizations to watch over actors’ behavior**. [Traceability of supply chains](#)—systems to identify the flow of natural resource products from sourcing to final sale—is an important method for ensuring legality and deterring the mixing of licit and illicit goods in trade. However, most traceability systems have limitations, either because they do not extend all the way to the point of harvest, or because they are otherwise undermined by corruption. Transparency in [awarding permits](#) and [company ownership](#) of license holders and traders are therefore also necessary. Both can support [follow-the-money efforts](#) to prevent actors from profiting from illegal wildlife trade and corrupt actions.

Broader **open governance activities** that involve communities, civil society, [media](#), and academia are also important supply chain anti-corruption responses. For example, expert analysis of international trade data patterns may uncover [discrepancies indicative of illegal exports](#) or imports. More [public participation in natural resources management](#) helps to ensure that various interests are [represented and protected](#) (including those of women, racial, ethnic and other minorities or disadvantaged groups). Support for [whistleblowers](#) makes it easier and safer to report violations of rules or standards.

3.3 Social norms and behavior change

Finally, **norms-based approaches** aim to [change the attitudes and behaviors](#) that lead to demand for illegal wildlife products. [Some norms-based approaches focus directly on minimizing corruption](#), but most relate to the environmental concerns of final consumers of such products. The logic behind standards like [FairWild](#), for example, is that certifying products for meeting certain environmental and social criteria will encourage consumers to prefer sustainable products over less sustainable ones. Looking at nominally unrelated norms (such as [societal gender roles](#)) might also prove an effective entry point.

For efforts to change behaviors, it is also important to ensure that local communities have options for [sustainable livelihoods](#). For example, corrupt actors often try to recruit local community members into their business. In those cases, engaging those communities in [sustainable harvesting](#) has been a successful strategy.

Find [all resources on supply chains on the TNRC Knowledge Hub](#).

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