

## Tackling Corruption related to Environmental Crimes

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Corruption Working Group  
to the first resumed 12th Session of the UNCAC Implementation  
Review Group

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Environmental crime is the umbrella concept that covers a wide range of crimes that breach environmental legislation and cause significant harm to the environment. This concept covers wildlife trafficking, Illegal Unreported and Unregulated fishing (IUU fishing), illegal logging, illegal mining, and pollution crimes.

### The cost and impact of environmental crimes

The impacts of environmental crimes on society are varied and go beyond environmental destruction and biodiversity loss; environmental consequences that ought to be addressed with urgency, as the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) warns of the loss of one million species in the coming decade.<sup>1</sup> These crimes contribute to the global climate crisis and impact global health as they inherently reduce the already diminished space between wildlife and society, thus increasing the risks of zoonotic outbreaks. In this regard, the COVID-19 pandemic acts as a stark reminder of the fragile relationship between humankind and wildlife, and its impact on global health.<sup>2</sup>

Furthermore, environmental crimes entail serious long-term economic loss. Money laundering and fiscal evasion practices go hand-in-hand with environmental crime. They also

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<sup>1</sup> Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) (2019), "The Global Assessment Report on Biodiversity and Ecosystem Services", available at: [https://ipbes.net/sites/default/files/inline/files/ipbes\\_global\\_assessment\\_report\\_summary\\_for\\_policymakers.pdf](https://ipbes.net/sites/default/files/inline/files/ipbes_global_assessment_report_summary_for_policymakers.pdf).

<sup>2</sup> Christine K. Johnson, Peta L. Hitchens, Pranav S. Pandit, Julie Rushmore, Tierra Smiley Evans, Cristin C. W. Young and Megan M. Doyle (2020), "Global shifts in mammalian population trends reveal key predictors of virus spillover risk", Royal Society Publishing, available at: <https://royalsocietypublishing.org/doi/10.1098/rspb.2019.2736>.

severely impact local communities in which natural resources are stolen and the environment is damaged. The World Bank estimates that the yearly economic loss of wildlife trafficking, IUU fishing, and illegal logging tallies to USD 1-2 trillion.<sup>3</sup> This number does not include the damages to the environment caused by illegal mining and pollution crimes.

As well, there is a risk that the record sums of funding that States Parties are currently mobilizing<sup>4</sup> to respond to the climate crisis will be exploited by corrupt interests.<sup>5</sup>

Finally, environmental crimes pose a serious threat to human rights by threatening the right to clean water, to food, and fundamentally to life, and also by threatening the right to a healthy environment, upon which all other human rights depend.

### **Corruption as the common factor**

Environmental crimes and their broad-ranging consequences are complex and diverse in nature. Corruption enables environmental crimes, from obtaining and granting permits and concessions in the extractive industries and the renewable natural resource sectors (fisheries, forests and wildlife). These crimes are undertaken by organized criminal networks and are often transnational in nature. The networks involved rely on corruption at every step of the supply chain. Corruption taints all of the actors involved in safeguarding the environment, from park rangers, custom and permit-issuing officials, to the very courtrooms concerned with prosecuting these crimes.

### **Growing international recognition of the links between environmental crimes and corruption**

The strong links between environmental crimes and corruption are increasingly recognized on the international stage. Several resolutions of the UN General Assembly concerning Tackling Illicit Trafficking in Wildlife<sup>6</sup> explicitly note the need to address corruption facilitating

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<sup>3</sup> World Bank (2019), "Illegal logging, fishing and wildlife trade: the costs and how to combat it", available at: <https://pubdocs.worldbank.org/en/482771571323560234/WBGReport1017Digital.pdf>.

<sup>4</sup> See: European Commission (2021), "A European Green Deal", available at: [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>5</sup> See resources from Transparency International: [www.transparency.org/en/projects/climate-governance-integrity-programme](http://www.transparency.org/en/projects/climate-governance-integrity-programme), for example: Transparency International Bangladesh (2020), "Climate change investments in Bangladesh: leveraging dual-use characteristics as an anti-corruption tool", SOAS University of London, available at: <https://ace.soas.ac.uk/publication/climate-change-investments-in-bangladesh/>.

<sup>6</sup> Resolutions A/69/L.80; A/RES/71/326 and A/RES/73/343, as well as the latest UNGA IWT resolution that will be adopted in September, <https://www.undocs.org/en/A/75/L.116>.

Illegal Wildlife Trade (IWT). CITES Resolution Conf 17.6<sup>7</sup> also specifically addresses corruption in IWT. The UNCAC Conference of the States Parties (CoSP) in Resolution 8/12<sup>8</sup> acknowledged the significant interlinkages among corruption, environmental destruction and the exploitation of natural resources. While the Political Declaration of the recent UN GA Special Session against Corruption<sup>9</sup> failed to make the explicit link to environmental crimes, Member States vowed to “strengthen our responses to any existing, growing and potential links [between corruption and other forms of crime], and disrupt them, recognizing that corruption can often be an enabler of other transnational crimes and illicit financial flows.”<sup>10</sup> Member States also reaffirmed their commitment to the 2030 Agenda for Sustainable Development, of which SDG 16 on strong and corruption-free institutions is increasingly being recognized as key to achieving other goals, such as SDG 14 on life below water and SDG 15 on life on land.<sup>11</sup>

International fora beyond the UNCAC are also addressing the linkages among corruption, climate, and the environment. At the regional level, the EU’s Action Plan against Wildlife Trafficking<sup>12</sup> includes tackling corruption as an inherent part of its strategy. The EU also requires companies in the extractive and logging industries to report on their payments to governments.<sup>13</sup> Similarly to the Aarhus Convention in Europe, the recently adopted Escazú Agreement<sup>14</sup> obliges signatory states in Latin America and the Caribbean to recognize, promote and protect the rights of environmental defenders and guarantee the participation of the public in decision-making processes that (may) have a significant impact on the environment.<sup>15</sup> Moreover, the UN Human Rights Council has repeatedly recognized the human right to a healthy environment<sup>16</sup> and more than 155 States have now recognized this right in their constitutions or as part of international agreements. The Financial Action Task

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<sup>7</sup> CITES: Conf 17.6 Prohibiting, preventing, detecting and countering corruption, which facilitates activities conducted in violation of the Convention, [https://cites.org/sites/default/files/document/E-Res-17-06\\_0.pdf](https://cites.org/sites/default/files/document/E-Res-17-06_0.pdf).

<sup>8</sup> UNCAC CoSP Resolution 8/2, <https://www.unodc.org/unodc/en/corruption/COSP/session8-resolutions.html>.

<sup>9</sup> UN General Assembly: Political Declaration adopted at the Special Session against Corruption, A/S-32/2/Add.1, June 2021, <https://undocs.org/A/S-32/2/ADD.1>.

<sup>10</sup> UN General Assembly, UNGASS Political Declaration, para 70.

<sup>11</sup> Ibid, p.2.

<sup>12</sup> EU Commission: EU Action Plan against Wildlife Trafficking, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016DC0087&from=EN>.

<sup>13</sup> EU (2013), Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, *OJ L 182*, 29.6.2013, p. 19–76, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013L0034&from=EN>.

EU (2014), Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, *OJ L 390*, 31.12.2004, p. 38–57, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004L0109&from=EN>.

<sup>14</sup> CEPAL: Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean, [https://repositorio.cepal.org/bitstream/handle/11362/43583/1/S1800428\\_en.pdf](https://repositorio.cepal.org/bitstream/handle/11362/43583/1/S1800428_en.pdf).

<sup>15</sup> Escazú Agreement, Art.7, Art.9.

<sup>16</sup> UN Human Rights Council, 2021, A/HRC/46/L.6/Rev.1.

Force has also recognized through its work since 2019 the linkages between money laundering and environmental crimes.

Nonetheless, many corruption cases related to the environment and the climate still go unnoticed and unpunished.<sup>17</sup>

Therefore, we urge States Parties to comply with their obligations including under UN General Assembly Resolutions, including the UNGASS 2021, as well as under the UNCAC and CITES, and to put in place effective legal frameworks to effectively prevent, investigate and prosecute corruption related to the environment, including cases of exploitation and destruction of renewable natural resources.

### **Steps towards tackling corruption linked to environmental crimes**

In particular, States Parties should take targeted actions to prevent, detect and address corruption linked to the environment and climate:

- **Reform and implement legal frameworks to ensure full transparency in the award of all government contracts, permits and concessions** – most importantly those related to major infrastructure projects, extraction of natural resources and wildlife, management and movement of waste, award and trading of carbon emission credits, and climate project funds. This includes proactively publishing online full contracts and all documents related to the award of these contracts or licenses, information on all legal entities involved (including their direct and ultimate owners), as well as the release of all relevant supporting documentation and payments from or to the public sector;
- **Ensure that company registries and beneficial ownership registries are freely searchable and accessible online**, thereby enabling all national and international stakeholders as the general public to access information on direct and ultimate owners of all domestic legal entities and all foreign entities participating in the agreements mentioned above;
- Ensure that **integrity and anti-corruption bodies** (including those established in line with UNCAC Articles 6 and 36) **have a clear mandate, the capacity and the resources needed to effectively tackle corruption linked to the environment and climate**;
- Establish **strong protection and reward mechanisms for whistleblowers** from the public and private sector in law and practice, as well as secure and anonymous

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<sup>17</sup> UN Environment Programme (2019), “Dramatic growth in laws to protect environment, but widespread failure to enforce, finds report”, Press release, available at: <https://www.unep.org/news-and-stories/press-release/dramatic-growth-laws-protect-environment-widespread-failure-enforce>.

reporting channels to provide safe mechanisms to report crimes, corruption and other wrongdoing linked to the environment;<sup>18</sup>

- **Recognize** through high-level political statements and supportive actions **the essential role played by whistleblowers and environmental human rights defenders** relating to the protection of the environment;
- **Safeguard the role of civil society and the media** in reporting on and uncovering corruption that facilitates environmental crimes and take measures to protect them from attacks and retaliation;
- **Identify and assess possible corruption risks linked to the enabling of environmental crimes** and take action to address these corruption risks (for examples within bodies awarding contracts and concessions, oversight bodies monitoring compliance with environmental protection laws, customs, port authorities, etc.);
- Publish **self-assessment checklists and full country reports of the UNCAC implementation review**, and in the context of the review **process identify possible weaknesses** in the anti-corruption framework **that may link to environmental crimes**, and include those issues in the recommendations for improvement;
- Ensure that **high-risk public officials are included in asset declaration requirements** (subject to independent verification and proportionate sanctions in case of non-compliance), and that information from these declarations is also subject to public scrutiny;
- Establish **effective mechanisms to prevent and detect money-laundering** and effectively prosecute those who commit crimes of corruption as they relate to climate and environmental crimes (UNCAC Articles 23 and 60);<sup>19</sup>
- **Strengthen international cooperation for investigating transnational environmental crimes and the financial flows** linked to the proceeds of those crimes;
- **Institute designated law enforcement authorities to conduct parallel financial investigations** “alongside, or in the context of, a (traditional) criminal investigation into money laundering, terrorist financing and/or predicate offence(s).”, in line with FATF Recommendation 30.<sup>20</sup>
- Strengthen (or introduce) legal frameworks to **require private and state-owned companies to meaningfully consult and collaborate with local communities** and take into consideration their views before initiating projects that will affect the

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<sup>18</sup> See: Targeting Natural Resource Corruption (TNRC) Program paper on whistleblowers and forest, fisheries and wildlife corruption, <https://c402277.ssl.cf1.rackcdn.com/publications/1434/files/original/Topic-Brief-Whistleblower-Protection-An-Essential-Tool-for-Addressing-Corruption-that-Threatens-the-Worlds-Forests-Fisheries-and-Wildlife.pdf?1613138179>.

<sup>19</sup> See: Transparency International (2015), “Addressing Corruption in an Era of Climate Change”, Submission to the 6th UNCAC CoSP, available at: <https://uncaccoalition.org/files/TI-Climate-change.pdf>.

<sup>20</sup> Financial Action Task Force (FATF), Recommendation 30, available at: <https://cfatf-gafic.org/index.php/documents/fatf-40r/396-fatf-recommendation-30-responsibilities-of-law-enforcement-and-investigative-authorities>.

environment upon which they depend; and establish grievance mechanisms to enable reporting of corruption;

- **Grant independent non-governmental organizations standing to represent the public interest** in administrative processes and in court in cases linked to environmental crimes;
- **Develop effective asset recovery mechanisms for corruption cases involving major harm to the environment and climate** that include reparations for damages.

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