

Actions for Promoting Transparent Natural Resource Governance in Colombia

An Overview



About the Project

Despite the important role of natural forests in sustaining biodiversity, regulating climate, and providing vital environmental services for millions of Colombians, deforestation and forest degradation represent one of the country's main environmental challenges. In many cases, this problem involves dynamics connected to the illegal use and exploitation of natural resources, where the expansion and sophistication of phenomena such as corruption and organized crime act as facilitators of illegal economic activities.

In order to better understand this problem, the “Transparent Governance of Natural Resources” (TGNR) project was created, financed by USAID and executed by WWF with three (3) organizations that contributed information and the methodology for the analysis. The objective of the TGNR was to generate clear and feasible recommendations to avoid and mitigate acts of corruption and organized crime that contribute to deforestation, forest degradation, and biodiversity loss in the Colombian Amazon and Pacific regions, as well as to promote transparency in the governance of natural resources. The TGNR project prioritized the four main causes of this problem (hereinafter referred to as “drivers”): illegal gold mining, timber trafficking, wildlife trafficking, and land grabbing.

Map 1. Geographic areas of analysis



Geographical references in this document and any material contained herein, do not imply, on the part of WWF, any opinion regarding the legal status of countries, territories or areas, or regarding the delineation of their borders or limits.

The research focused on the following factors: (i) understanding the role that corruption and organized crime play as facilitators of deforestation drivers; (ii) providing a comprehensive description of how these drivers operate in the Pacific and Amazon regions; and (iii) identifying weaknesses in the Colombian legal framework that may facilitate corrupt and criminal practices in these drivers. Understanding the drivers in the critical areas of the Amazon and the Pacific, where their presence has greater relevance and impact, made it possible to scale up the analysis and identify the most urgent actions to counteract corruption and organized crime associated with the drivers.

This executive summary presents the main topics addressed in the research project for the study of the drivers, the scope of the recommendations to counteract acts of corruption and its link with organized crime, as well as the relevance of addressing the prioritized actions. All the above is proposed in order to encourage the Colombian government and other key stakeholders such as civil society organizations, international cooperation agencies, and the private sector to consult the **Synthesis Document of the TGNR project**, which contains greater detail regarding the findings and proposed recommendations.

Key research findings¹

On corruption and organized crime in the management of and access to natural resources

The research demonstrated that corruption and organized crime do not act independently in the drivers analyzed. There is a symbiosis between the two phenomena that is exploited by both legal and illegal actors, which makes it possible, depending on their usefulness and timeliness, for each of these practices to become a method for the other.

Corruption facilitates criminal actors' access to power where they can influence decisions that may favor their criminal objectives and the development of their illegal activities by means of either the payment of bribes or undue favoritism. These are some of the most notorious benefits of corruption for organized crime, and to a large extent this has allowed the execution of the illegal activities associated with the four drivers of the study.

In other scenarios, it is organized crime that allows corrupt actors with political and economic power to benefit, since it is these criminal actors who provide illegal services (e.g., the use of violence such as extortion, threats, forced displacement and assassinations), which constitute an opportunity to achieve their objectives, whilst remaining out of sight of control, surveillance, and sanctioning agents. These joint actions guarantee the exploitation of institutional and social weaknesses while allowing both corrupt and criminal actors to have a high adaptive capacity for quickly reacting to the control measures adopted by the State.

1 The findings described here do not represent an institutional position of the funder nor the implementers and are solely and exclusively the results of a qualitative scientific research that is the product of the experience and knowledge of the organizations that led the development of this work, and that reflects the perceptions and understanding of the drivers by various institutional experts, non-governmental organizations, academia, and local stakeholders interviewed.

Opportunities to promote transparent governance of natural resources

TGNR analyzed the weaknesses and gaps in processes, procedures, legal provisions, institutional roles, information systems, and technological tools among other factors that enable the occurrence of corruption and organized crime in the four drivers.

According to these results, **two groups of recommendations** with different scopes were generated. The first of these responds to solving the main problems found **at the level of each driver**. On the other hand, the second group of recommendations adopts a cross-cutting approach which seeks to counteract deforestation and biodiversity loss in the country, recognizing corruption and organized crime as phenomena that have a direct impact on environmental deterioration.



Modification of existing regulations to improve their applicability and the creation of new legal provisions. These recommendations are aimed at limiting the actions of corrupt actors and organized crime that take advantage of legal weaknesses or loopholes for their illegal activities. Some examples include (i) to amend Article 46 of Law 1952 of 2019 (Single Disciplinary Code), (ii) to amend Article 323 of the Criminal Code to include environmental crimes as source activities for money laundering, or (iii) to promote updating Title XI of the Criminal Code.



Adjustments to processes and procedures (e.g., the registration of producers, issuance of permits for harvesting, transport, and marketing, etc.) in the gold, timber, and wildlife value chains, as well as those related to access to land to strengthen their steps or phases which are not fully compliant with the standards or guidelines set forth by the relevant authorities.



Strengthen of state institutions in charge of natural resource management and access to land, control and surveillance for their sustainable use, and the implementation of intelligence, investigation, and prosecution of environmental crimes. This group of recommendations includes actions such as: i) **improving the technical, operational and regulatory capacities** of public officials; ii) promoting coordination among state institutions to be more effective in coun-

The recommendations generated recognize the effort and progress of the National Government and other entities to solve the risks associated with these engines. Some of the recommendations recall those ideas, proposals or projects that have already been proposed or suggested and are urged for their adoption and execution.

teracting corruption and organized crime in the different stages of operation of the drivers; iii) **strengthening the links between the State and the private sector** for the joint development of sectoral anti-corruption plans, the adoption of transparency mechanisms, and the generation of opportunities for community actors in order to reduce their vulnerability to the actions of organized crime networks.



Strengthen alliances with foreign governments and international organizations. The criminal networks that drive illegal gold mining and wildlife and timber trafficking operate beyond the national sphere, which presents an opportunity to strengthen international cooperation mechanisms (e.g. binational agreements, regional pacts), as well as to promote the use of tools for information exchange and cooperation between countries.



Strengthening information systems and technological tools. Improving transparency in different processes would reduce, for example, the discretionary power of officials in the registration of information in technological platforms related to permits for the use, transportation, and commercialization of products in order to prevent laundering of illegal products.

Likewise, to facilitate decision making with complete and timely information, and to guarantee the exchange of information between environmental and administrative authorities, it is recommended that **existing information systems be linked** to allow for monitoring of gold, timber, and wildlife chains, as well as land access processes.



Improving transparency and access to public information is fundamental in the governance of natural resources, requiring actions to ensure that stakeholders have access to information, that timely and accurate accountability is promoted, and that access to participation mechanisms for social and institutional control is guaranteed.



Although deforestation has been recognized in the country in the environmental agenda, it is necessary to coordinate it with other challenges and priorities. This requires actions that **influence other relevant agendas**, such as, for example: organized crime, anti-corruption, social welfare and human rights, security, inclusive and sustainable economic growth, and the fight against drug trafficking, among others.



Strengthening local communities to reduce their exposure to being exploited by organized crime networks and provide them with the conditions to earn an income from the sustainable use of natural resources. Actions are proposed to strengthen the capacities of local communities to allow their participation in decision making and improve participation mechanisms. It is also

recommended to strengthen community governance and local state institutions in order to generate protection mechanisms for environmental leaders. Lastly, the **use of a tool to evaluate security risks** in the implementation of actions in the territories is proposed, aimed at mitigating not only the drivers of deforestation and biodiversity loss, but also threats and crimes against environmental advocates.

The proposed recommendations are intended to be used as tools for supporting decision making by the different relevant stakeholders in order to address the identified problems.

Relevance of addressing prioritized opportunities



Environmental Impacts. The detrimental effects of the four drivers on forests and their biodiversity are significant, impacting the connectivity of ecosystems, as well as their structure, quality, and functioning, and contributing to global climate change. While Colombia has ratified international treaties and developed national policies to tackle deforestation, climate change, and the protection of biodiversity, achieving their objectives may be hampered by corruption and organized crime which enable conditions that result in deforestation, forest degradation, and biodiversity loss.



A Threat to National Security. The drivers can also put national security at risk, since the illegal exploitation of natural resources and illegal access to land are lucrative businesses with high revenues, comparable to those of drug trafficking, which are used to finance organized armed groups (GAO and GAOR). These groups exercise territorial control in certain regions of the country, preventing the effective presence of the State, as well as financing international criminal networks that have sufficient resources and economic power to weaken State institutions through corruption². For this reason, to build peace, it is therefore necessary that environmental protection and sustainable management of natural resources be a cross-cutting issue in the actions implemented in the current post-agreement stage.

2 U.S. Department of State. (2021). Foreign Terrorist Organizations; National Security Council - NSC. (2020). Minutes of January 17, 2020; Matthew, Richard; McDonald Bryan. (2004). Networks of Threats and Vulnerability: Lessons from Environmental Security Research. ECSP Report. Issue 10; Office of the Attorney General (2020). Results on the streets and in the territories. Strategic Direction 2020 - 2024.



Economic Impacts. There are also economic impacts that have not yet been properly assessed. The first of these is related to the loss of profits that these drivers imply for the State's coffers, since the illegal economies prevent the nation from receiving considerable taxes, tariffs, and royalties. A good portion of the illegal income generated by these drivers is pumped back into the national economy through money laundering (using mechanisms such as “criminal dumping”³), which undermines the stability of the country's legal economy and generates price distortions in goods and services. Another economic aspect that tends to be overlooked is that related to environmental liabilities due to the damage caused by the drivers to natural ecosystems (deforestation, degradation, water and air pollution, soil compaction, etc.), including their effects on climate change.



Social and Human Welfare impacts. Among the *human health* impacts of environmental crimes related to the study drivers are the link between wildlife trafficking and serious zoonotic diseases and the detrimental effects of mercury use in gold mining. In terms of *social impacts*, environmental crimes perpetrated by organized crime networks may be associated with: (i) the murder of environmental leaders; (ii) forced displacement; (iii) child prostitution and human trafficking in areas with a high presence of criminal networks (e.g. Triple Border Colombia, Peru and Brazil) (Proética, 2020); (iv) forced labor for the exploitation or extraction of natural resources (e.g. gold and timber)⁴; and (v) the decomposition of the social fabric of local communities.

Conclusions

The results of the project provide key information for the understanding of environmental issues and their link to the complex phenomena of corruption and organized crime in Colombia. The research also brings to the fore the importance of the role the environmental sector plays in addressing these two phenomena, as well as the need for government responses to be adopted to prevent and mitigate the drivers of deforestation. Moreover, it emphasizes how biodiversity loss ought to be approached in a holistic and coordinated manner with actors at different levels (e.g., national, regional, and local) and sectors (e.g., civil society, private sector, media) in order to ensure transparent and effective governance systems, which are essential to counteract the effects on the natural and social capital of our country. Without this consideration, any effort made will be in vain.

3 This phenomenon consists of illegal money obtained from the sale of gold or illegal timber, or from wildlife trafficking, being used to purchase merchandise abroad (e.g. jewelry in Panama, tennis shoes or t-shirts in China) that are subsequently imported into Colombia. These products are then sold in the country at below-market prices, which affects legal entrepreneurs whose prices are no longer competitive.

4 Organización Internacional del Trabajo (2018), Hidrón & Koepke (2014).



The U.S. Agency for International Development (USAID)

is the government agency responsible for administering and implementing U.S. government economic and humanitarian assistance. In Colombia, USAID supports government and civil society efforts to promote a more stable, peaceful, and prosperous country.



WWF Colombia has been present for around 30 years in the country with programs for conservation, resource management, social governance, public policy influence on priority environmental issues and public awareness to generate more responsible consumption practices and lifestyles to reduce our ecological footprint.

Organizations that contributed information and methodologies for the analysis: Corporación Transparencia por Colombia, InSight Crime y Fundación para la Conservación y el Desarrollo Sostenible.

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