

Public-private partnerships against illegal wildlife trade

Illegal wildlife trade (IWT) is in the global spotlight thanks to its alleged role in triggering the coronavirus pandemic. It is sparking vivid debate among communities of experts not just in conservation, but in business, finance, technology, anti-corruption forces and law.

One such debate is taking place in the ranks of litigation service providers and economic crime experts of The International Academy of Financial Crime Litigators and IWT specialists at the Basel Institute on Governance.

This short series presents their different expert perspectives on topics crucial to combating IWT.

In this edition, Juhani Grossmann, IWT Team Leader at the Basel Institute on Governance and Bruce Zagaris, Partner at Berliner Corcoran & Rowe, and Fellow of the International Academy of Financial Crime Litigators, explore public-private partnerships against illegal wildlife trade.

What role can public-private partnerships play in the fight against illegal wildlife trade?

How? Which industries? And what are the benefits for the parties?

White elephant or panacea? PPPs and their role in wildlife protection



Juhani Grossmann
IWT Team Leader, Basel Institute on Governance

Public-private partnerships have tremendous potential in areas where government might not have sufficient resources or know-how to implement an otherwise valuable project. Classic examples are large infrastructure undertakings, where government sees the need for its development, but is not able to commit the

required funds. The common risks associated with PPPs are that businesses aren't able to recoup the funds invested and cut costs to the point where services provided are no longer sustainable. Too frequently, we find huge PPP infrastructure projects abandoned.

In the case of the illegal wildlife trade (IWT), some PPP challenges are not unique. They include:

- difficulties in adequately reflecting both the government and the private partners' interests in contractual language, including predicting long-term trends accurately;
- the ability to provide proper oversight over contracts once signed;
- unforeseen consequences.

Can conservation be a business?

The most visible IWT-specific PPPs relate to the commercial utilisation of wildlife resources through tourism. This frequently includes wildlife park management on behalf of the government by private entities, both non- and for-profit. Their sustainability is a challenge even in good times, with the biggest entity, African Parks, relying for 86% of their needed resources on grant donations. PPPs also frequently provide vital services beyond the protection of wildlife and habitats for human communities surrounding protected areas, including employment opportunities, loan programs, educational and health initiatives, veterinary services, and conflict prevention and mitigation.

As with all PPPs, there are pluses and minuses. On the negative side, less scrupulous for-profit operations struggle with their stated conservation objectives or even function as a cover for poaching. On the positive side, some for-profit consultancies are offering strategic advice to countries on how to manage their parks and maximise profits, while ensuring conservation goals are met.

No tourists, no protection?

In light of covid-19 and the almost complete stop of international tourist arrivals, the financial calculations underpinning the wildlife park management PPPs are crumbling. New revenue streams are actively being considered for both public and private park management. These include conservation bonds or the sale of commodities that might be co-located with protected wildlife, such as sand and non-protected plant species.

As these options are being considered, parks that are important from a conservation perspective, but had previously represented an insignificant contribution to tourism revenue streams, might become more financially viable. Unfortunately, the track record of extractive enterprises operating within and near protected

areas or fragile landscapes has largely been unsatisfactory, including the facilitation and enabling of serious wildlife crime.

Any such utilisation will thus have to be preceded by the herculean tasks of:

- strict and well-considered regulation;
- a strengthening of government and civil oversight;
- bolstering of internal and external anti-corruption defences.

Covid-19 supercharges reputational risk

An additional area where cooperation between the private and the public sector has proven exceptionally fruitful is United for Wildlife, a coalition of transport and financial firms who are determined to prevent traffickers from accessing their networks, without which they are unable to ply their trade. The members work actively with government (especially law enforcement agencies) to report wrongdoings.

We at the Basel Institute on Governance have been fortunate to be actively engaged in the process through operating the information-sharing system and see first hand the positive impact that such cooperation can have. While the partnerships are not overtly commercial in nature, members are certainly conscious of the legal and financial risk of IWT. The recent association of IWT with zoonotic diseases and thus covid-19 has caused the reputational risks for companies found to be facilitating the illegal wildlife trade to skyrocket.

Change is already happening

Even before covid-19, transport firms have been excellent at collaborating through United for Wildlife with local law enforcement agencies to provide valuable information on illegal goods that pass through their logistical networks. Heathrow Airport, itself a PPP through operator BAA Limited, has been utilising data parsed from government seizures to develop an AI-driven baggage screening system for illicit wildlife products. Financial institutions, on the other hand, are increasingly sensitised towards transactions related to IWT and developing sophisticated models to identify and report those to financial intelligence units and other regulatory bodies. The dismantling of the notorious Kromah trafficking network in East Africa was strongly supported by collaboration between law enforcement and financial institutions.

Thankfully, this collaboration has not suffered as a result of pandemic-related travel and meeting restrictions. Rather, the partners have quickly embraced the opportunities that technology provides and continue to collaborate actively to disrupt and dismantle criminal networks putting wildlife- and human-communities at risk.

How a coordinated, multidisciplinary response to illegal wildlife trade is both possible and essential



Bruce Zagaris

Partner, Berliner Corcoran & Rowe, and Fellow of the International Academy of Financial Crime Litigators

Non-commercial public-private partnerships can play important roles in combating illegal wildlife trade (IWT). Through these types of collaborations, the financial industry can help to spot and prevent suspicious transactions involving the illicit trade and help with tracing, freezing and forfeiting assets, as well as helping investigate and prosecute the traffickers. The transport industry can help spot and prevent the transportation of illicit cargo. When there is evidence that there is suspicious cargo already being transported, they can alert authorities. They can also provide intelligence to law enforcement about suspicious trends.

Many global financial and transport firms are already doing this as part of their commitments to stopping IWT as members of the United for Wildlife Financial and Transport Taskforces, a form of public-private partnership under The Royal Foundation of the Duke and Duchess of Cambridge. New technologies are critical to achieving effective solutions to conservation challenges, from location-tracking to information-sharing. United for Wildlife is already piloting and incubating some of these.

Plugging gaps in enforcement

Another important role that public-private partnerships are playing is helping with enforcement, including criminal investigation, prosecution, and forfeiture. While Article VIII of the Convention on International Trade in Endangered Species (CITES) requires signatories to penalize violations and to seize and return items to the country of origin, implementation is weak. CITES lacks its own police force or enforcement officials. Both source and demand countries have been found wanting in their IWT enforcement efforts. The former typically lack capacity and the latter political will. It remains to be seen whether COVID-19 will have lasting change on these two challenges.

This means that when they try to cope with illegal wildlife trade, most domestic law enforcement regimes have directed their efforts at low-level criminal activity, involving individuals acting in isolation rather than targeting the complex and organized criminal enterprises.

When they trace smaller, lower-level crime, a reactive law enforcement system may be sufficient. Investigators wait for reports of crime to occur and then they contact the prosecutor. However, to address more complex, pervasive, and organized criminal activity, the law enforcement community must act proactively. Park rangers, environmental, and other key officials (tax and customs authorities, Financial Intelligence Units, and so forth) must actively engage with investigators and prosecutors to discover who is engaged in IWT, how they are doing it, and where the offenders are sending the proceeds of their crime.

A network to defeat a network

A coordinated, multidisciplinary response addressing the many features of illegal wildlife trade will require strong political will. It will require high-level officials to support a shift in policy, priorities, and resources towards those who can prevent corruption from derailing their efforts.

And it will require strong public-private collaboration involving private companies, NGOs, trade associations, the media, governments, and international organizations. All these must collaborate more actively in combating IWT to preserve not just wildlife but – as the covid-19 outbreak has demonstrated – the human species. Together they can develop an international network against illegal wildlife trade that is much more effective than the current formal international law. International networks benefit all participating parties because networks are informal, enabling them to efficiently achieve results.

Another benefit for the private sector is reputational. Allocating resources to combating IWT helps polish the brand of the companies participating in the initiative.

To the extent that national governments participate, their capacity to stop or limit IWT improves. In turn, the ability to sustain their wildlife enables them to preserve their natural resources and attract the high-end tourism on which their economies to a large extent depend.



Basel Institute on Governance

The Basel Institute on Governance is an independent, non-profit organisation working around the world to strengthen governance and counter corruption and other financial crimes. Headquartered in Basel, Switzerland since 2003, it is an Associated Institute of the University of Basel and has offices and field experts across Latin America and Africa. Some 80+ staff members work with public, private and academic partners worldwide on cross-cutting issues in the areas of asset recovery, public governance, public financial management, anti-corruption Collective Action and compliance.

The Basel Institute's IWT programme focuses this collective expertise in countering financial crime on the world's fourth largest illegal trade – wildlife trafficking. A specialist intelligence team operates the Information Sharing System at the core of the United for Wildlife Financial and Transport Taskforces, tying in with the work of IWT-focused financial investigation specialists, analysts and field researchers in the world's wildlife trafficking hotspots.

www.baselgovernance.org



The International Academy of Financial Crime Litigators

The International Academy of Financial Crime Litigators (The Academy) is a union of established academic and litigation professionals who are involved with all sides of economic crime cases. Their shared mission is to spark lively debate about relevant experiences and research findings, and to serve as a catalyst for enriching legal theories and litigation practices.

Founded in 2018 in collaboration with the Basel Institute on Governance: The Academy, where theory meets practice.

www.financialcrimelitigators.org