



The role of business in tackling illegal wildlife trade



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Given the vast dimensions of the multibillion-dollar illegal wildlife trade (IWT), it may be surprising that until recently, global efforts to tackle IWT came mainly from the conservation sector. This has typically consisted of numerous donor-funded efforts to catch poachers and raise public awareness of the plight of endangered species.

Valuable as those efforts are, they do little to impact the organised crime networks, corruption and illicit financial flows that allow the lucrative illegal trade in wildlife products to continue.

Now, triggered in part by recent high-profile conferences and initiatives targeting IWT, there is greater and growing awareness of the need to involve the private sector in efforts to combat the illegal trade.

Which industries are affected?

The transport and financial industries are the most clearly affected. Illegal products such as elephant ivory, rhino horn and timber are usually trafficked via commercial land, sea and air transport services, and financial transactions take place via regulated financial services providers and the global banking system.

However, other industries are involved too. e-commerce and social media sites can be exploited as illegal trading platforms, and logistics or warehousing companies can unwittingly facilitate the storage and shipping of illegal goods.

IWT as a risk management issue

Companies in these sectors are starting to perceive of IWT not just as a conservation issue, and therefore confined to corporate social responsibility departments, but in terms of the risks this illegal trade presents to their business. These risks are tightly intertwined with other risks, particularly corruption and security.

- Profits from wildlife crime that enter global financial markets are proceeds of crime, linked by default to other forms of financial crime such as money laundering and tax fraud. This leaves companies open to legal risks.
- Security is a major worry: if transport companies can be exploited through corruption or security loopholes to carry illegal wildlife products, what else might be stashed away in those dark lorries and containers?
- Reputational risks in this age of conscious consumerism are an additional, not insignificant category.

This shift in approach has started to trigger systemic and sustainable change in businesses worldwide.

Plus, it's the law

Private-sector efforts are being boosted by increasingly stronger laws and involvement of supervisory bodies. For example:

- The EU's 6th Anti Money Laundering Directive (6AMLD), which comes into effect in December 2020, makes environmental crimes a predicate offence to money laundering.
- The Financial Action Task Force (FATF) has announced that illegal wildlife trade is *"one of the priorities under the Chinese Presidency"* and has recently launched a project *"to develop good practices in tackling the financial flows linked to illegal wildlife trade. This project will analyse common supply chains and payment methods, as well as case studies from countries that have experience in investigating the financial flows from illegal wildlife trade. It will also consider the role of public-private partnerships and international cooperation in combating this crime."*

These changes in the regulatory landscape evidence the shift from perceiving IWT as a conservation issue to recognising it as a serious transnational organised crime, with implications for both law enforcement and business.

Multi-stakeholder initiatives – the solution?

Current multi-stakeholder initiatives aimed specifically at tackling industry-specific IWT risks, such as the United for Wildlife Transport and Financial Taskforces and the ROUTES Partnership led by wildlife trade monitoring network TRAFFIC, show great promise to create a virtuous circle of engagement and action. But they face some major hurdles.

Challenges include getting all relevant stakeholders around the table and building a strong business case for engagement that takes into account companies' specific risks and needs.

Companies want data

A basic but major identified need is for more reliable, targeted and actionable information and intelligence on IWT, to enable companies to take informed internal measures, co-develop industry guidelines and effect real systems change. This can best be achieved through mechanisms that allow all stakeholders to pool information and resources in pursuit of their common goals.

The chance to share and benefit from valuable intelligence that enables businesses to strengthen their resilience against IWT, along with other forms of trafficking and financial crime, represent a powerful argument for companies to engage in multi-stakeholder initiatives against IWT. Such an approach will also generate a sustainable and long-term engagement by the private sector.

The answer: Collective Action?

The challenges faced by multi-stakeholder initiatives focused on IWT echo some of the challenges addressed over the years by Collective Action initiatives focused on tackling shared corruption challenges.

This similarity, as well as the strong links between corruption and IWT, means that practitioners can benefit from lessons learned from anti-corruption Collective Action initiatives and do not need to reinvent the wheel.

Which is good, because there's still a long way to go and we'll need some fast wheels if we want to overtake the traffickers before any more endangered species go extinct.

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