

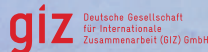
Methodological Tools for the Public Auditing of the Legal Export of Wild Flora and Fauna Species, with a Focus on the Prevention of Transnational Corruption

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September 2021



Implemented by:





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Printed in Brazil

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This publication and the study that preceded it had the support from the German Cooperation through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, in the context of regional project Strengthening External Control in the Environmental Field, implemented in an alliance with the Federal Court of Accounts (TCU) of Brazil and the Latin American and Caribbean Organization of Superior Audit Institutions (OLACEFS).

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* The results of the in-house consultancy carried out by María de los Ángeles Barrionuevo were essential for the development of this publication. For more information about this work, we invite you to consult the OLACEFS webinar on the occasion of World Wildlife Day, entitled “Prevention of Corruption: The Role of SAIs In Wildlife Trade”, organized and presented on March 3, 2021 by the Presidency of the GTCT, along with GIZ, which is available on OLACEFS’ YouTube channel at <https://www.youtube.com/watch?v=0vuBkm2CjFY> (video in Spanish).

Message of the Presidency of the GTCT

The entities that make up the OLACEFS Specialized Working Group on the Fight Against Transnational Corruption (GTCT) have enthusiastically taken on the task of defining tools to verify the correct execution of controls in legal processes for the commercialization of wild flora and fauna. This responsibility derives from the mission of the external control bodies regarding the care of public resources. Thus, the conservation and proper management of species in Latin America and the Caribbean constitute a fundamental axis for these organizations, even more so when strong links have been identified between transnational corruption and the commission of environmental crimes that may involve officials of public entities (Domínguez, 2021).¹

For this reason, the Working Group has obtained the support of the German Development Cooperation (GIZ), through the OLACEFS Project for Strengthening External Control, to carry out studies that will allow the de-

sign of instruments to combat illegal trade in species. A first result of this alliance has been the publication “Species trafficking as a paradigmatic case of transnational corruption: potential contributions of governmental external control.” Now, we are pleased to introduce this document, whose contents help to strengthen methodological aspects, thus enhancing the planning of environmental audits in the region.

We invite members of the international supreme audit community and external stakeholders to review and use the tools provided in this publication with the aim to protect the biodiversity of Latin America and the Caribbean and achieving the goals set out in the 2030 Agenda for Sustainable Development, SDG 14 and SDG 15.

Ing. Carlos Alberto Riofrío González
President of the GTCT

1. Available at https://www.olacefs.com/wp-content/uploads/2021/03/fauna_e_flora02mar2021SPN_web.pdf

Message from GIZ

Supreme Audit Institutions (SAIs), through their audits and mandates, can contribute to strengthening the transparency of public administration, making risks visible and creating strong and effective internal controls to help prevent corruption. Other key elements of the SAI's anti-corruption work include focusing audit actions and activities in areas of high corruption risk, redirecting or referring questions about alleged illegal/corrupt practices to relevant law enforcement agencies, cooperation with anti-corruption institutions, as well as involving civil society in government auditing and accountability processes.

The importance of SAIs was recognized by the United Nations General Assembly in Resolution A/69/228 (December 2014) to “promote efficiency, accountability, effectiveness and transparency in public administration, which is conducive to achieving the goals and national development priorities as well as internationally agreed goals.” In addition, the United Nations (UNGASS: 2021) has recognized the contribution of SAIs in the area of preventing and fighting corruption.

In this sense, and since its creation in 1963, the Latin American and Caribbean Organization of Supreme Audit Institutions (OLACEFS) promotes the exchange of knowledge among SAIs in the region, encourages technical cooperation among its members and with external actors, contributes to the development of innovative audit tools and methodologies, and encourages the execution of re-

gional initiatives to strengthen transparency and integrity both within SAIs and in the public sector.

Created in 2019, the OLACEFS Working Group Specialized in the Fight against Transnational Corruption (GTCT), under the leadership of the Office of the Comptroller General of the Republic of Ecuador, seeks to articulate, promote and consolidate existing and future initiatives for the prevention, detection and mitigation of impacts of corruption, as well as support its investigation and penalization.

The GTCT has received support from the German Cooperation, through the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH*, for the implementation -with OLACEFS- of the regional projects Strengthening External Control in the Environmental Area (2016-2021) and Strengthening External Control to Prevent and Fight Corruption (2021-2024). One of the first initiatives of this technical collaboration focuses on the issue of corruption associated with illicit trafficking in wild species, which is highly relevant in the region, given its harmful social, environmental and economic effects, with a focus on the role of SAIs in its prevention.

In a recent publication², resulting from a consultancy supported by the previously mentioned regional project with an environmental focus, the GTCT addressed the issue of corruption associated with the illicit trafficking of species, discussing international

2. “Species trafficking as a paradigmatic case of transnational corruption: possible contributions of governmental external control”; available at https://www.olacefs.com/wp-content/uploads/2021/03/fauna_e_flora02mar2021SPN_web.pdf

practices to combat this type of crime, the most relevant actors involved, the existing potential for contributions in the area by SAIs, as well as the importance of cooperation among institutions, at national and regional levels, to achieve significant results in the mitigation of these crimes.

This publication represents a step forward in the work of the GTCT, aimed at strengthening the capacities of SAIs in Latin America and the Caribbean in fighting corruption associated with the illicit trafficking of species. As a result of another consultancy supported by the project, a methodology was developed for planning audits on the subject, including the selection of species whose illegal trade aims to be investigated, the survey of regulations and legal and administrative processes involved in the commercialization of species, their vulnerability to corruption, and the mapping of relevant actors and their inter-connections. This methodology is described

in detail in the following pages, concluding with a case study on the application of the methodology to the analysis of the process of legal export of sharks in Ecuador.

We hope that this publication will help SAIs in carrying out external control actions, together with other SAIs and national or multilateral institutions, that contribute to discouraging corruption in these species trading processes, thus preserving biodiversity, the functioning of ecosystems, and the natural heritage of the countries in the region.

Erwin Alberto Ramírez Gutiérrez

Director of Regional Projects *Strengthening of External Control in the Environmental Area and Strengthening of External Control for Prevention and Effective Fight against Corruption*

Biosphere Program

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Brazil's Office



Preface

International trade, like any legal activity regulated by the relevant government institutions and governed by a set of technical and legal provisions, is part of the universe auditable by Supreme Audit Institutions (SAIs), given the intervention of a considerable number of specialized government agencies, as well as entities for the registration and control of operations carried out for these purposes.

Furthermore, with the growing importance that international trade has acquired as a tool for generating employment and economic development, the correct performance of the related authorities –and that can be evaluated through the action of governmental external control through the practice of different types of audits– represents a factor of utmost importance, given the possibilities that the exchange mechanisms are used for irregular purposes.

That is why the Specialized Working Group on the Fight against Transnational Corruption (GTCT) of the Latin American and Caribbean Organization of Supreme Audit Institutions (OLACEFS), aware of the importance of offering technical alternatives to SAIs to deal with this type of problem, provides to the auditing community and other stakeholders

the document **Methodological Tools for Public Auditing of the Legal Export of Wild Flora and Fauna Species, with a Focus on the Prevention of Transnational Corruption.**

This document systematizes the specialized consulting work presented on March 3, 2020 in a webinar organized by the GTCT, within the framework of the implementation of the regional Project for Strengthening External Control in the Environmental Area, with the support of the German Cooperation (through the *Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH*).

The document offers methodological elements to support SAIs in defining possible environmental audits with a focus on corruption prevention and inter-institutional coordination in the area of wildlife trade, constituting a relevant topic to add to the universe of possible objects of public auditing conceived as a complement to the guidelines set forth in the Environmental Guides and other technical documents³ developed by the Working Group on Environmental Auditing (WGEA) of the International Organization of Supreme Audit Institutions (INTOSAI), as well as by the Special Technical Commission for the Environment (COMTEMA) of OLACEFS.⁴

3. There is an important body of documents on environmental matters developed by the WGEA, which will be detailed in section V of this work; These texts, and the Spanish version of some of them, can be consulted at <https://www.environmental-auditing.org/publications/studies-guidelines/>. Likewise, it is recommended to consult GUID 5200, "Activities with an Environmental Perspective," available at <https://www.issai.org/wp-content/uploads/2019/08/GUID-5200-Activities-with-an-Environmental-Perspective.pdf> and GUID 5203 "Cooperation on Audits of International Environmental Accords," available at <https://www.issai.org/wp-content/uploads/2019/08/Guid-5203.pdf>.

4. Documents are available at <https://www.olacefs.com/medio-ambiente-comtema/>

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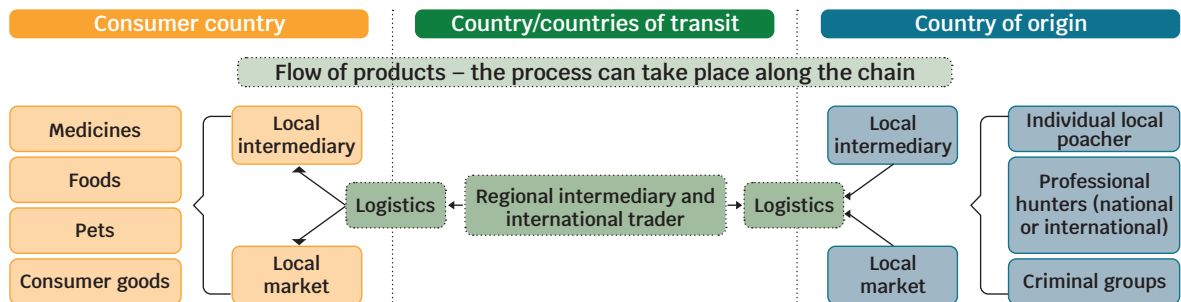


Introduction

The processes of globalization have opened new markets with high purchasing power in different Asian and Middle Eastern countries, which have joined the traditional spaces for the consumption of flora and fauna in Europe and North America. This scenario puts the conservation of species at risk and facilitates the occurrence of acts of corruption to ensure that the “good” is obtained. Species and derived products are used in different areas: food (shark fins, swallow nests, bear vesicles, turtle eggs, etc.), pharmaceutical industry (primates and other mammals

for experimentation), fashion industry (fine skins, reptile hides, bird feathers), decorative items (elephant tusks, rhinoceros horns, hawksbill products, hunting trophies) or pets (exotic birds, big cats, reptiles, apes) (Camis *et al.*, 2010), or through the exploitation of fine woods, cacti or orchids (Sinovas *et al.*, 2017), in the case of flora species marketed with higher profit margins.

WWF/Dalberg (2012, p. 11) summarize the value chain involved in the illicit trafficking of wildlife species and their parts:



This has resulted in an important incentive for all those countries located in the so-called “Global South”⁵ –including those of Latin America and the Caribbean– and which have attractive natural resources for such markets, to substantially increase the capture, production and commercialization of live specimens or their parts –fins, organs, feathers, skins, meat, etc.– or the extraction

and collection of forest and silvicultural products to satisfy demand.

This commercialization does not necessarily entail the existence or development of an institutional infrastructure for the management of these resources, the realization of scientific sustainability studies –which allow for orderly exploitation– or the application

5. Fernández, Lauxmann & Trevignani (2014, p. 614) characterize this dynamic in this way: “The value added by each of these activities and the forms of appropriation/retention of the same allow to identify: a) central activities –those that absorb the most of the profits produced within the chain; and b) peripheral activities –those that only appropriate a marginal portion of the benefit– and, as a result, to notice the unequal appropriation of benefits from the international exchange existing between them.”

of a precise legal framework by authorities with an optimal level of capacities. Rather, in a considerable number of cases, these types of operations turn into illicit trafficking on a transnational scale, and are integrated into the operation patterns of organized crime (UNODC, 2012). These activities result in a growing need to make use of bribery, kickbacks, extortion, smuggling and other forms of corruption, to avoid the control and oversight of the authorities, as well as to evade the sanctions to which offenders may be subject.

However, there is also the possibility that the exploitation and commercialization of a natural resource does not necessarily mean a serious impact on the stability or balance of ecosystems or even contribute to the extinction of a species. In the legislation of each country, there are provisions to allow the legal import and export of species and their derivatives, in a context of sustainable development, and with due attention to caring for the environment (Valencia, 2018).

In principle, thanks to the work of international organizations, Non-Governmental Organizations (NGOs), academic and scientific groups, together with the participation and commitment of governments, regulatory frameworks have been established –which are continually being updated– that would allow to set the basis for the rational use of natural resources.

These instruments are aimed at promoting that the use of biological resources translates into a real increase in the well-being of the different sectors and social groups that participate in the process, while protecting those species that are at risk of extinction, as well

as through information exchange and inter-state cooperation. It is relevant to highlight the important contribution that the Convention on Biological Diversity has for these purposes,⁶ regarding the adoption of a series of strategic objectives to conserve the species. The most relevant example of this approach is the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), an instrument that originated in 1973 and currently includes more than 180 member countries (Nadal, *et. al.*, 2013).

Thus, under the protection of the existence of a formally legal trade, transactions are generated for the sale of species and their parts that, in principle, would be under the protection of the regulations applicable to the defense of the environment. Specific technical problems, such as the incorrect tariff classification, or inaccuracy in the taxonomic identification of a specimen/by-product to be exported, can open up opportunities to circumvent regulations and obtain profits by placing species at risk on the international market.

However, it should be mentioned that the application of such a wide-ranging regulatory framework, the high volume of trade, the unusual levels of profit generated by some products and by-products, and the willingness of certain actors in the process to evade control measures, have resulted in the commission of irregular activities, through a growing exploitation of the weaknesses and shortcomings still present in governmental management.

In this sense, potential offenders have opportunities to take advantage of the so-called “legal loopholes,” in which the scope of the

6. More information available at <https://www.cbd.int/undb/media/factsheets/undb-factsheets-es-web.pdf>



regulations is not exhaustive or explicit; the gray areas, in which a wide level of discretion in the interpretation and application of the regulations is left to the government agent in charge, or the technical, economic, scientific, equipment and training limitations of the competent authorities in charge of enforcing the law.

Even more serious is the fact that other parts of the capture, production, import and export processes, such as the determination of quotas, the granting of licenses or the issuance of certificates of origin of a commodity, to name a few, remain vulnerable to the practice of corruption.

In such cases, government agents can receive anything from monetary offers to intimidation and threats from criminal organizations, so that they can guarantee that the goods are being traded legally. The result is the uncontrolled exit of species and derivative products into the market that generate additional pressures on the viability and conservation of certain biota that, due to their fragility, are placed at high risk.

It should not be forgotten that the impact on a species cannot be separated from the impact it has on the ecosystem to which it belongs. For example, the imbalance in trophic chains or pollinating agents can have exponential effects in terms of the disappearance of other associated species of wildlife (Cooney *et al.*, 2015), that is why the conservationist approach should not focus on particular cases, but rather assume an overall view.

In the same way, the protection of species and ecosystems is not necessarily a matter that is exhausted when reaching the border of national states. Due to the transnational nature of crimes against the environment, as well as the international commercialization – legal or not – of these goods, it is essential to recognize that the problem must be addressed in all its manifestations through cooperation, the exchange of information and shared vigilance of the nations that participate in the commercial process, as countries of origin, transit or destination (Reuter and Mosig, 2010). For this reason, this may constitute a topic of study of interest to OLACEFS.

Finally, it is also necessary to determine the way in which, from a bureaucratic perspective, the actors involved in the different processes and sub-processes interrelate: the collector, hunter, breeder or farmer, the producers of articles from the species or its parts, carriers, warehouses, the authorities in charge of issuing licenses, permits and corresponding commercial documentation, customs agencies, tax officials, scientific advisers, importing companies, distribution companies and the final consumer. In effect, the legal trade in species, unlike illegal trade, generates a chain of documentary evidence that links the actions to responsible officials and, consequently, can be subject to scrutiny by the institutions in charge of public auditing to determine the degree of compliance with their mandates.





Justification

There is a wide variety of reasons for the commercial use of wild flora and fauna species of the different countries of the world. For example, as environmental assets, they constitute an important part of the economic heritage of nations, so that the actions generated by their exploitation represent sources of employment and, consequently, of income, for the different actors that are part of the commercial chains, as well as sources of fiscal income for the States in the form of fees for issuing permits, and taxes on imports and economic activity. In this sense, it is worth highlighting the importance of ecotourism⁷ as a desirable alternative or model for the use of natural resources in a sustainable way and that, additionally, represents a considerable source of income for the countries that offer it. These assets and incomes are part of the public finances, and therefore they are subject to governmental control, internal and external.

On the other hand, the recurring situations of economic crisis, unemployment and marginalization, with their resulting impacts on the general welfare, represent an important incentive to resort to this type of activity – both in a clandestine and irregular manner, as well as complying with the guidelines and

requirements contemplated in the corresponding legal frameworks– in order to obtain income. High levels of profit, concentrated in the final stages of the commercialization chain, can lead to an overexploitation of these resources, with highly damaging and sometimes irreversible effects on the maintenance and conservation of ecosystems. Due to the fact that the income received by the direct producer of these goods tends to be low, the implementation of policies for the conservation and rational use of natural resources, as well as the granting of government incentives for the provision of environmental services, could operate as effective deterrents to involvement in trafficking networks if the profit margin they offer exceeds that of irregular operations.

Several nations have a considerable number of species of wild flora and fauna, which places them as *megadiverse countries*; to qualify as megadiverse, the country in question must have at least 5,000 endemic plant species and marine ecosystems (UN WCMC, 2020). In this case, there are seventeen states: in the Latin American and Caribbean region are Brazil, Colombia, Ecuador, Mexico, Peru and Venezuela while, in the rest of the world, there is Australia, China, the United

7. An in-depth study of the subject is constituted by the WGEA document "Impact of Tourism on Wildlife Conservation" available in English at https://www.environmental-auditing.org/media/2939/2013_wgea_wild-life_view.pdf

States of America, the Philippines, India, Indonesia, Madagascar, Malaysia, Papua New Guinea, Democratic Republic of the Congo and South Africa.

As can be seen, a considerable number of countries in Latin America –among which stand out those that share the environment of the Amazon, the largest region of tropical forest on the planet– have important resources of wildlife that can be placed on the international markets, which does not prevent non-megadiverse countries from having commercially important species, or from operating as countries of origin or transit for the export of species and their derivatives. For this reason, the issue of governmental external control regarding the legal export of these goods falls within the area of interest of all the SAIs of the nations that make up the region.

On the other hand, it is necessary to emphasize that the care of wildlife resources represents a transboundary and transgenerational public good. Its administration constitutes a commitment to not only sustainably address current needs, but also protect the interests and rights of future generations through the implementation of public policies, legal-regulatory frameworks and judicial systems appropriate for this purpose, in tune with the vision of sustainable development outlined in the Brundtland Report, 1987⁸ and the Rio Declaration on Environment and Development, 1992.⁹

In addition, environmental protection represents an international commitment, framed in compliance with the 2030 Agenda for Sustainable Development. It is worth highlighting Target 14.4 of Goal 14 “Underwater Life:”

... effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.¹⁰

As well as Target 15.5 of Goal 15 “Life of Terrestrial Ecosystems:”

Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species¹¹.

The export of endangered species continues to be a high-priority problem, and audits of government control mechanisms can make an important contribution to the detection of risk areas, processes of interaction between individuals and government bodies, and the definition of the relevant actors involved in the process. Public auditing thus constitutes a key element in the fight against corruption that may be generated in this activity, given its privileged position to investigate the ma-

8. Available at https://www.rumbosostenible.com/wp-content/uploads/2014/06/informe_brundtland.pdf

9. Available at <https://www.un.org/spanish/esa/sustdev/agenda21/riodeclaration.htm>

10. <https://www.un.org/sustainabledevelopment/es/oceans/>

11. <https://www.un.org/sustainabledevelopment/es/biodiversity/>

nagement of state institutions in the rational use of environmental assets, a relevant part of the national heritage.

Given the magnitude of the universe susceptible to being subject to governmental external control, as well as the limitation in terms of available resources and the capa-

cities of the audit staff in terms of technical knowledge in the matter to carry out these tasks, the definition of an adequate planning methodology to guide the efforts of the SAIs may mean a highly relevant contribution to systematize the efforts carried out and thus achieve a positive impact on the attention to environmental issues.





||| Basis for the preparation of the document

This instrument includes a series of methods that SAIs can use to address the legal export of wild flora and fauna species and their derivatives that present a level of risk in terms of the conservation of the region's ecosystems, and that could conceal acts of corruption at the internal or transnational level, in order to plan an audit on this issue.

For the preparation of this document, three consultancies developed in 2021 by María de los Ángeles Barrionuevo on the analysis of the mechanisms underlying the legal export of wild flora and fauna species will be used, focused on the selection of case studies, flow diagrams of operations and mapping of relevant actors or stakeholders, which together allow the determination of specific aspects in which SAIs have the capacity to intervene.

The proposed approach would be to offer methodological and analytical tools that allow SAIs to define, in the strategic planning stage of audits, the parts of the process subject to governmental external control that are most susceptible to acts of corruption.

The audit of these critical nodes –such as licensing, permit granting, review and verification activities or customs control and cle-

arance measures, to name a few– as well as the actions that the audited entities put into practice to resolve the observations resulting from governmental external control, can help to combat the deterioration of wild flora and fauna species at risk caused by formally legal exports.

This text synthesizes the concepts expressed by the author in three technical reports:

- “Consultancy to diagnose the susceptibility to corruption of processes for legal export of wildlife species: Selection of case study, species and country;”
- “Consultancy to diagnose the susceptibility to corruption of processes for legal export of wildlife species: Mapping of actors,” and
- “Consultancy to diagnose the susceptibility to corruption of processes for legal export of wildlife species: Case Study.”

The methodology proposed by Barrionuevo would then allow a rigorous selection of the objects to be audited, i.e., which species to start with, considering the risk factors in the legal commercialization processes. All this, with the aim of improving SAI reviews of existing controls in government management that facilitate this traffic.

This document addresses the definition of the audit object, the definition of processes, the mapping of actors, a summary of the practical case focused on the export of shark derivatives from the Republic of Ecuador and

the opinion of different governmental and non-governmental organizations on the subject, as well as some final considerations by way of conclusion.



IV Definition of the Audit Object

In integrating their annual audit programs, SAIs use different methodologies to determine the reviews to be carried out. Given that the potentially auditable universe brings together a very high number of actions and operations in which the different government agencies are involved, it is necessary to carry out a strategic planning process, based on appropriate methodologies and guidelines, so that the audits that the SAIs carry out include relevant issues in terms of finance, social impact, interest of legislators, and transcendence in public opinion and transnational relevance.

Each SAI independently determines the criteria to be observed in its planning process, taking into account elements such as institutional operational capacity –availability of qualified technical, financial and human resources; sources of information –which represent an important input to determine the viability of an audit; the results of internal control –which may show vulnerable areas; the background information and results of past audits –which show recurrences or unattended matters; the execution of diagnostics –through the analysis of the available data; the existence of risk factors –that prioritize attention and resources to

the most relevant or serious cases; or the media impact –which may affect public opinion and the interests of legislators, to name a few.

In the event that wild flora and fauna species become possible objects of audit, it is also possible to define guidelines that make it possible to outline the existence of risk issues, the availability of public information or government or private entities that can provide relevant data, or the existence of legal instruments or specific public policies oriented towards environmental protection.¹²

In this sense, it is evident that, of the set of species and their derivatives that are subject to commercialization processes, not all have the same hierarchy in terms of the economic importance of their exploitation, the degree of vulnerability that each particular species presents or the availability of information about possible acts of corruption at the national and transnational level in their commercialization –especially in the case of megadiverse countries. It is therefore necessary to establish some criteria that allow the SAI to determine if there are possible objects of governmental external control whose analysis is justified on a cost-benefit basis,

12. On this subject, it is suggested to consult the WGEA document “Environmental data: sources and options for Supreme Audit Institutions, available in English at https://www.environmental-auditing.org/media/2942/2013_wgea_environmental-data_view.pdf

in terms of the volume of trade or the costs that an audit would imply for the institution to carry out.

Barrionuevo (2021a) proposes a series of guidelines that may be applicable at this stage of the audit's strategic planning process, in order to delimit the universe of potential subjects of audit and their hierarchy, as well as support decision-making regarding conducting an investigation. These criteria can be divided into two themes: (1) the situation of the wildlife species in particular and (2) the existence of an effective regulatory and institutional framework aimed at the protection of said species and their derivatives.

Regarding the first group, the CITES classification is proposed for use in terms of the degree of risk of the species, by resorting to the three annexes of the Convention, which show the status of the species. Article II of CITES determines that:

1. Appendix I shall include all species threatened with extinction which are or may be affected by trade. Trade in specimens of these species must be subject to particularly strict regulation in order to not endanger their survival further and must only be authorized in exceptional circumstances.
2. Appendix II shall include: a) all species which, although currently not necessarily endangered, could become endangered unless trade in specimens of those species is subject to strict regulation in order to avoid use incompatible with their survival, and b)

those other species not affected by trade, which must also be subject to regulation in order to allow effective control of trade in the species referred to in subparagraph a) of this paragraph.

3. Appendix III shall include all species which any Party states are subject to regulation within its jurisdiction for the purpose of preventing or restricting exploitation, and which require the cooperation of other Parties in the control of trade.¹³

In this way, the SAI can determine, with the technical assistance of local CITES offices, national environmental authorities, NGOs or academic groups, which species are included in CITES appendices I, II and III. This, in order to effectively recognize the species that are traded within the legal framework. Similarly, verification of CITES compliance through a coordinated audit could serve as a baseline for SAIs for subsequent planning of control actions on the subject.

Additionally, the SAI can use the support of academic institutions, NGOs, information from the media or citizen complaints to determine the existence of possible areas of interest or open cases of commercialization –which, although formally legal, conceal illegal acts– that merit the practice of an audit by the authorities responsible in the process of buying and selling a species or its derivatives.

Regarding the regulatory and institutional framework criteria, Barrionuevo (2021a)

13. <https://cites.org/sites/default/files/esp/disc/CITES-Convention-SP.pdf>



takes up the tools for the analysis of crimes against wildlife and forests of the United Nations Office on Drugs and Crime (UNODC), which were developed by the organizations that make up the International Consortium on Combating Wildlife Crimes (ICWC), and which allow determining the degree to which each country has the necessary instruments for the protection of wildlife species, in order to select a case study among the countries of Latin America and the Caribbean.

The proposed criteria are (1) if the country is megadiverse; (2) if it is an active member of CITES; (3) whether an administrative, scientific or other authority has been designated to facilitate the implementation of CITES at the national level; (4) if there are national strategies or specific public policies to reduce the trafficking of illicit species; (5) if there is information on the species selected to be used by officials linked

to the control of the crime; (6) if the country has signed bilateral or multilateral agreements –such as the Lima Declaration on Illegal Trade in Wildlife– to combat transnational crimes of this nature; (7) if there is a link with illegal marketing networks for these products; (8) if there are reports of organized crime active in the trafficking of species –for example, in the media–, and (9) if there are technical assistance and aid programs to combat this crime, such as regional or field offices of the International Criminal Police Organization (INTERPOL), UNODC or the International Union for Conservation of Nature (IUCN).

These criteria can be used by an SAI to identify the complexity of the regulatory and institutional framework applicable to the audit to be performed, as well as to know the possibilities of having the necessary support or advice to carry out the investigation.



Jakob Owens - unsplash



PHOTO: Kevin Bessat - Unsplash

V Definition of processes and sub-processes

Once a wildlife species of interest has been selected, it is necessary to analyze the processes that its commercialization follows to determine those critical points or nodes in which the intervention of State agents or institutions is vulnerable to the incidence of corrupt practices and, therefore, susceptible to governmental external control through different types of audits: compliance, performance, coordinated, or even forensic, in the event of the presumption of any illicit act, in accordance with the applicable regulations for each control entity.

Both private and governmental actors interact in a production and commercialization process; those who wish to carry out economic activity must adhere to the existing regulations, undergo reviews and verification visits, process permits and licenses, obtain the official documentation necessary for the collection, transport, transformation and sale of articles of trade in the national market, or the necessary permits to place the products on the international market.

These are complex processes and sub-processes in which the authorities must apply the regulatory and legal frameworks that exist at the national level and adhere to the provisions of treaties, conventions and agreements in the international sphere to which their countries are party. The intervention of

the different authorities, in principle, would guarantee that the processes operate in a normal way, with the generation of a complete administrative file that allows follow-up on each case, as well as the necessary inspections to verify compliance with the applicable provisions.

However, it is precisely in the actions of government agencies where it is possible to identify weaknesses in terms of the possibility that, by omission, lack of technical knowledge and specialized training, or even malice, errors or omissions may be committed that undermine the effectiveness of the action of the instruments aimed at the protection of wildlife species at risk, and which may be seriously affected as a result of their overexploitation. Barrionuevo (2021a) identifies the following among these types of actions:

... Government institutions and public officials or persons who hold public office may be involved in the illicit trafficking of wild flora and fauna species and in this way, directly or indirectly, collaborate with traffickers. The most frequent cases of association are related to the breach of their duties or the abuse of power in the exercise of a position, the inadequate custody of documents, the issuance of fraudulent certifications and permits, the failure to carry out controls or seizures, the prevarication by action or omission that generates a notorious lack of justice or sanc-

tions for those who are involved in the crime or bribery by omitting or not carrying out controls or reviews that were under their responsibility. These problems are aggravated by a lack of information and training for officials, a lack of experience that does not allow them to adequately follow up the process, as well as the overload of work they may have and which limits the accuracy in the fulfillment of their functions. (p. 2).

These elements constitute critical nodes in which SAIs can concentrate their investigative efforts since they are included in their framework of attributions and contribute, if corrected, to create a regulatory structure and administrative *praxis* that are more resilient to the onslaught of corruption.

It is now time to define how to identify these nodes in the legal commercialization of wildlife species. The steps required to export, for example, raw timber products, such as ornamental products or finished furniture, will not be the same as those required to place live animals abroad for scientific purposes; the marketing channels, the procedures and permits required, the conditions of collection and transport and compliance with the legal framework of the country where the importer/distributor or the final buyer resides, among other factors, may be very different. It is therefore necessary to divide a process into its respective sub-processes, in order to identify how the actors involved are interrelated and thus define a critical path covering all the relevant stages, which will provide greater clarity with

respect to the intervention of governmental external control.

Following Barrionuevo's exposition (2021c), in the case of wild flora and fauna species and their derived products, it is feasible to propose, in general terms, four sub-processes in which it will be possible to detect a series of critical nodes: (1) extraction authorization, (2) extraction, (3) export authorization and (4) export. Obviously, these sub-processes can be broken down, depending on the type of operations in question and the characteristics of the exported goods in question; the proposal tries to represent the minimum stages that need to be analyzed.

The table below includes the description of the sub-processes and critical nodes that could be subject to a review by SAIs.

Since the administrative processes and the legal and regulatory requirements may vary from country to country, the characteristics of the process for the commercialization of these goods must be determined; identify the relevant authorities and learn their substantive processes to determine the critical nodes to concentrate on in the audit work and, with this, optimize the use of resources and increase the impact that their findings will have in corrective and preventative terms.

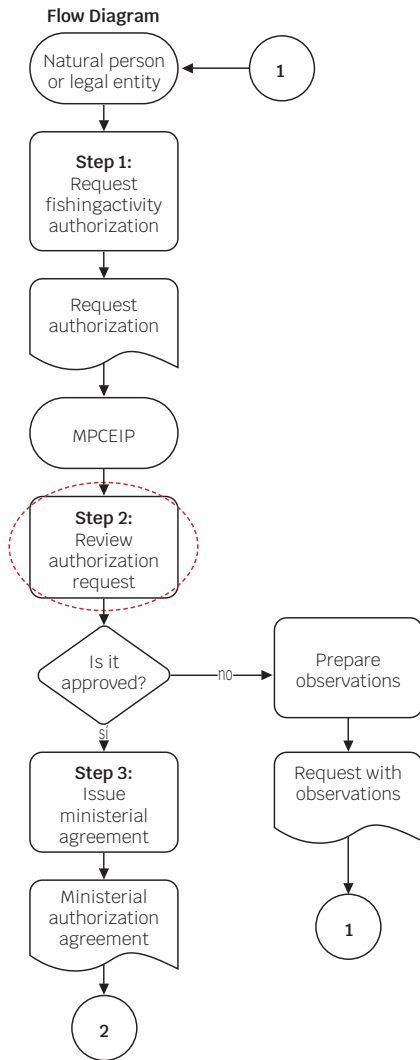
The elaboration of flow charts allows a clear visualization of the processes and of those responsible for each stage, as can be seen in the following diagram, generated by Barrionuevo (2021c), for the investigation on the export of shark fins from Ecuador:



Process for Legal Export of Wildlife Species

Sub-process	Description	Critical nodes
1. Extraction authorization	Processing of the authorization, legal accreditation or the necessary permits for a natural person or legal entity, in order for them to carry out certain extractive/productive actions.	<ul style="list-style-type: none"> • Procedures for obtaining permits and licenses • ID of the legal representative • Processes to review documentation or address observations
2. Extraction	Obtaining biological resources by authorized individuals or legal entities, through the capture, hunting or fishing of specimens and the obtaining of their by-products, the felling of timber resources or the collection of certain species of wild flora	<ul style="list-style-type: none"> • Control and monitoring of extractive processes • Provisions to prevent evasion of controls • Existence of institutional coordination protocols between the different authorities involved in the accreditation and monitoring processes • Detection of apocryphal documentation or that falsifies the volumes of the obtained resource • Taxonomic classification of products
3: Export authorization	Processing of documentation for the export of species, which implies obtaining certificates of origin, application of phytosanitary and zoosanitary standards, the allocation of export quotas, the issuance of import and export authorization of the species included in any of the appendices of the CITES.	<ul style="list-style-type: none"> • Processes to obtain the necessary documentation of the items to be traded • Specialized advice regarding the identification of the species for the issuance of CITES permits • Tariff classification of species or their derived products • Feasibility and cost of carrying out legal procedures as an incentive for corrupt practices to evade controls
4: Export	Exit of the final products through a customs agency, which involves elements such as invoices, declaration of origin, nature, composition, volume and destination of the cargo, corresponding tariff treatment, storage and reviews, both in the fiscal area and in the control area, where merchandise destined for export is concentrated.	<ul style="list-style-type: none"> • Presentation and validation of the documentation necessary for export by the customs authorities • Carrying out inspections • Accreditation of rules of origin for merchandise • Tariff classification • International coordination with customs authorities of transit and import countries • Comparison of declared export and import volumes

Sub-process 1: Authorization to develop the fishing activity



Graphic symbol	Meaning
	Party Responsible for the Process
	Decision
	Process
	Document
	Connector
	Flow Line



VI Mapping of relevant actors

The fight against transnational corruption is not the task of a single organization, since the multiple facets that the problem presents require an international and multidisciplinary approach, in order to juxtapose, in a coordinated and institutional way, the efforts of different actors - both state and private - to help control this phenomenon.

In this sense, public auditing can play a very important role in these processes, but it is necessary to recognize that its action is limited to a very precise area and has a specific scope: the practice of audits. Hence, an articulated fight against corruption requires the establishment of synergies with other stakeholders, in order to enhance the impact of the review work conducted by SAIs.

However, it is necessary to determine who may have an identifiable interest or legal powers to contribute concrete elements in this process; therefore, it is necessary to identify the stakeholders and the type of interaction that SAIs can engage in with them.

For these purposes, Barrionuevo (2021b) proposes a methodology to classify the actors involved, determine their level of centrality and protagonism in the different identified sub-processes and establish the relationships that link them to each other. This methodology involves five steps: (1) Definition of the Overall Objective; (2) Recog-

... nition and Classification of Actors; (3) Identification of Critical Nodes and Definition of Objectives; (4) Generation of a Control-Contribution Map; and (5) Representation of the Relationships between Actors.

Step 1: Definition of the Overall Objective consists of defining a plausible object to be audited registered in the process for legal export of wildlife species. It is recommended to follow the indications proposed in Section IV of this Guide, making use of CITES information regarding the status of endemic species in each nation and that provided by the media, academia, citizen complaints, international organizations and NGOs.

In **Step 2: Recognition and Classification of Actors**, the SAI will define, through the analysis of the existing information, the applicable legal framework and the attributions of different public agencies related to the process to be audited, and corresponding to the geographical, political and administrative context of each country. The following actors will be identified who, according to Barrionuevo (2021c),

... have information, resources or experience to contribute in the prevention, control and monitoring of the activity... have, in the exercise of their duties, the responsibility and capacity to implement actions, as well as regulate and generate norms to intervene in the administrative and legal processes linked to the control of corruption (p. 6).

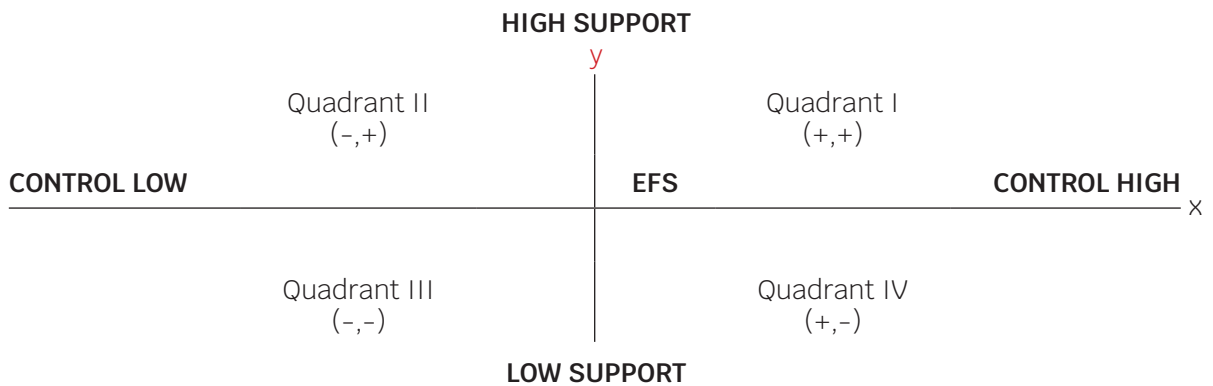
Once the relevant actors have been determined, they will be classified into three groups: i) Public Institutions –SAIs, ministries, decentralized or deconcentrated bodies, national institutes, and customs, military, and police authorities; ii) International and Intergovernmental Organizations and NGOs – of all types, sizes and scope; and iii) Private Sector –academic and research groups, artisan or industrial producers, marketers, and media.

Step 3: Identification of Critical Nodes and Definition of Goals is based on breaking the main process down into the sub-processes that compose it and the definition of the critical nodes that are likely to be affected by corruption, as stated in Section V of this Guide.

To do so, a specific objective will be assigned for each identified sub-process in order to identify the actions that are included in the legal mandate of each SAI - conducting

audits, evaluating public policies, reviewing the applicable internal control mechanisms, proposals for the improvement of performance, inter-institutional coordination actions, etc.– and that can effectively contribute to strengthening prevention and control actions by the different actors involved.

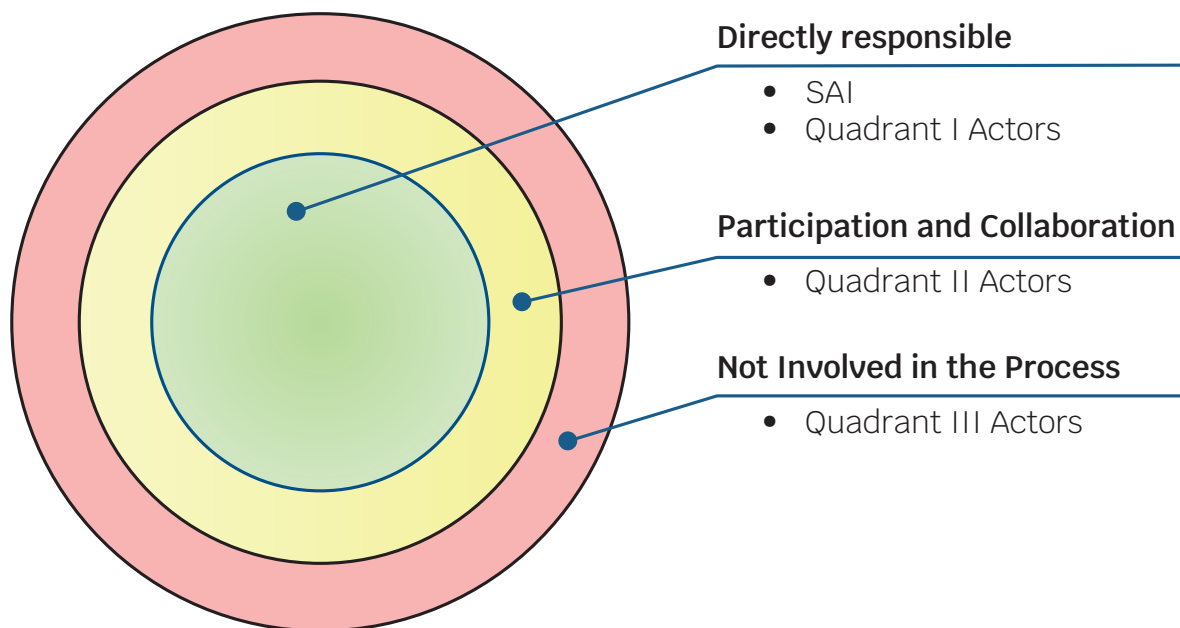
In **Step 4: Generation of a Control-Contribution Map**, once the actors and institutions have been classified and the critical nodes have been identified by sub-process, it will be possible to visualize what control and support capacity they can offer to the activities of prevention and control of acts of corruption in legal exports of wildlife species. Barriónuevo (2021b) proposes that the different actors are placed in the four quadrants formed by a Cartesian plane in which the abscissa axis (x) represents the level of control –high or low– and the ordinate axis (y) the level of support –equally high or low.



The use of this resource will make it possible to locate those directly responsible –and their degree of incidence– in each sub-process, as well as the actors and institutions that can provide direct or indirect support. In *Quadrant I*, will be placed the actors with competencies and legal powers for the prevention and control of corruption; it is on these actors that SAIs (which are always located in said Quadrant) should focus their review efforts on verification and evaluation of compliance with their administrative functions. In *Quadrant II*, will be placed the actors with the potential to support prevention and control actions carried out by SAIs, usually international organizations and NGOs, through the exchange of information, training of officials, contribution of economic resources for investigations or strengthening of monito-

ring systems. In *Quadrant III*, public or private actors will be assigned that, although they have a more relative or tangential interest in the different sub-processes, may eventually provide some kind of support; and, finally, *Quadrant IV* could contain government actors with no major link to the process, which is not frequent.

Finally, **Step 5: Representation of the Relationships between the Actors** implies the graphic representation of the relationships between the actors involved in each sub-process, as well as their degree of centrality in terms of responsibility for controlling acts of corruption, following the classification based on the four Quadrants of the previous step and using, this time, a concentric circle graphic.



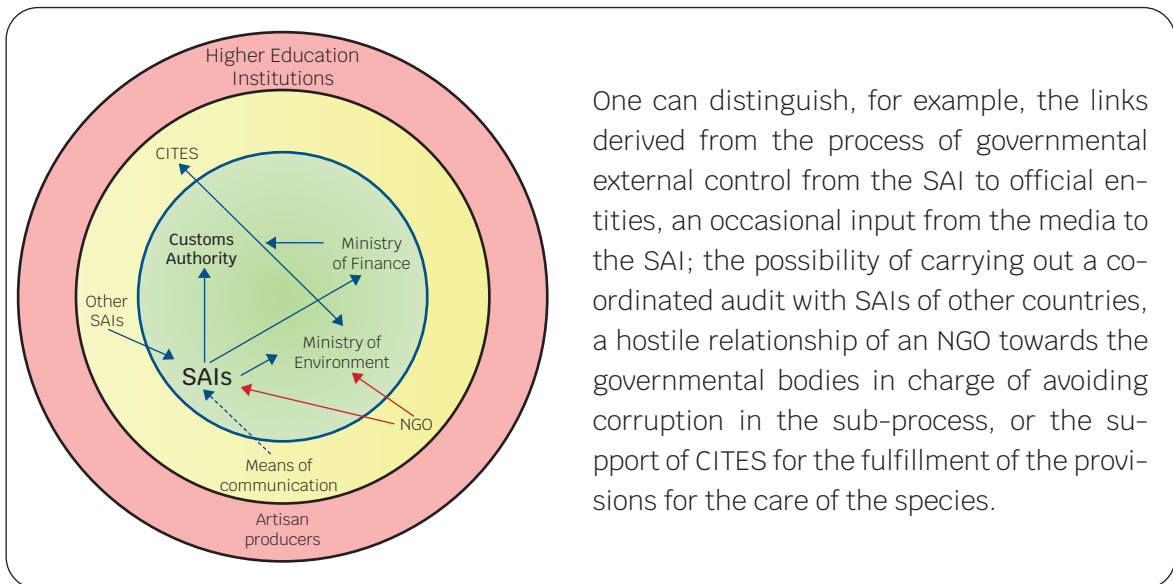
Once the actors of each sub-process have been included in their respective places on the graph, the relationships

between them are represented using the following symbols, adapted by Barriovenue (2021c):

Symbol	Type	Description
—————	Continuous line	Close ties (exchange of information, frequency of contact, coincidence of interests, coordination, mutual trust) and cooperative alliances.
-----	Dotted Line	Weak or informal ties
—————	Red line	Tensions in ties, conflicting interests, conflictive relationships
—————>	Arrow	Direction of ties

It should be mentioned that since the actors that are in the outer circle do not participate in the sub-process, it is not necessary to graph their relationship to the other actors.

A simplified example of the graphical representation of the relationships between actors that have the objective of controlling acts of corruption related to the sub-process of wildlife species export could be as follows:



One can distinguish, for example, the links derived from the process of governmental external control from the SAI to official entities, an occasional input from the media to the SAI; the possibility of carrying out a coordinated audit with SAIs of other countries, a hostile relationship of an NGO towards the governmental bodies in charge of avoiding corruption in the sub-process, or the support of CITES for the fulfillment of the provisions for the care of the species.



Barrionuevo (2021b) concludes with the reminder that this type of exercise makes it possible to illustrate the state of a constellation of relationships at a given time and in a given space; the assessments regarding the role played by the different actors and their way of relating can be modified depending on the existence of a level of subjectivity on the part of the person carrying out the analysis, or on the availability of more precise information, which allows for a greater degree of accuracy in the assessment.

Additionally, it must be taken into account that SAIs, by themselves, do not have the capacity to contain the phenomenon of corruption or limit it in an absolute way; the use of graphic resources makes it possible to show the considerable number of actors involved, as well as the way in which they interact.

Finally, this type of exercise offers a clearer visualization of the levels of responsibility, and the identification of key actors that SAIs must take into account in the development of their audits. On the other hand, the generation of knowledge derived from the privileged position occupied by those in charge of governmental external control to know how these processes operate in depth can serve as an important input in terms of advice to

the other participating entities; the inter-institutional exchange of information –with due attention to the provisions on confidentiality– represents an important tool to advance in the abatement of irregular practices that affect the environment.

As texts of interest, complementary to the elements proposed here, it is recommended that the following technical documents developed by the WGEA be reviewed, among others: “Addressing Fraud and Corruption Issues when Auditing Environmental and Natural Resource Management: Guidance for Supreme Audit Institutions”¹⁴; “Auditing Biodiversity: Guidance for Supreme Audit Institutions”¹⁵; as well as its 2019 update in English¹⁶; “Environmental Accounting: Current Status and Options for SAIs”¹⁷; “Evolution and Trends in Environmental Auditing”¹⁸; “Cooperation between Supreme Audit Institutions: Tips and Examples for Cooperative Audits”¹⁹; “Environmental Audit and Regularity Auditing”²⁰; “Guidance on Conducting Audits of Activities with an Environmental Perspective”²¹; “Auditing International Environmental Agreements”²²; “Forms of Collaboration of SAIs in Auditing International Agreements on the Environment”²³; and “Auditing Forests: Guidance for Supreme Audit Institutions”²⁴.

14. Available in English at https://www.environmental-auditing.org/media/2945/2013_wgea_fraudcorruption_view.pdf

15. https://www.environmental-auditing.org/media/2916/spa07pu_auditing_biodiversity.pdf

16. https://www.environmental-auditing.org/media/113694/24a-wgea_biodiversity_corbel_18-sep-2019.pdf

17. https://www.environmental-auditing.org/media/2919/2010_wgea_environmental_accounting_spanish.pdf

18. https://www.environmental-auditing.org/media/2907/spa07pu_evolution_and_trends.pdf

19. https://www.environmental-auditing.org/media/2913/spa07pu_cooperation_sais.pdf

20. https://www.environmental-auditing.org/media/2895/spa04pu_guideenvauditreg.pdf

21. https://www.environmental-auditing.org/media/2883/spa01pu_guideaudactivenvperspect.pdf

22. https://www.environmental-auditing.org/media/2886/spa01pu_studyaudinterenvaccord.pdf

23. https://www.environmental-auditing.org/media/2874/spa98pu_studycoopintenvaccord.pdf

24. https://www.environmental-auditing.org/media/2932/2010_wgea_auditing_forests_spanish.pdf



VII Practical example: the commercialization of the Ecuadorian shark

The theoretical and methodological elements raised by Barrionuevo (2021c) regarding the impact of corruption in the processes for legal export of wildlife species are derived from her research on the problems surrounding the exploitation and trade of shark fins in the survival of different species of shark that live both in the 12 nautical miles of the territorial sea and in the 200 of the Exclusive Economic Zone of the Republic of Ecuador.

The shark, despite being a central part of the food chain that maintains the stability and conservation of marine ecosystems, has become a mere commodity, a good to satisfy the needs of essentially foreign markets. Although the meat and cartilage of this organism have a certain economic value, shark fins represent millions of dollars in trade when they are placed in Asian markets, the main consumers of these goods. For this reason, sharks have become the target of intense fishing activity, in order to obtain a considerable profit margin, mainly in the final part of the commercial cycle.

The lucrative nature of this trade still makes it possible to ignore, among those who fish this species, the cruelty and destructiveness of this work, symbolized by the “finning” procedure, through which sharks are caught to

cut off their appendages and return them mutilated to the sea, where they invariably die of exsanguination and suffocation. Dispatching a shipment of 100,000 fins presupposes, for example, the sacrifice of 25,000 specimens. Such practices are not sustainable and put a considerable number of shark species at risk.

The country has a broad institutional apparatus and a broad legal framework for the protection of its environmental assets. Articles 10 and 71 of the Constitution of the Republic of Ecuador recognize nature as a subject of rights; likewise, the applicable law –Regulation of the Organic Code on the Environment– in line with the commitments assumed within the scope of CITES, represent considerable efforts to prevent the irregular exploitation of different shark species. Additionally, the Comprehensive Organic Criminal Code provides penalties of deprivation of liberty of 1 to 3 years for the capture, transport or commercialization of protected species. Although the Organic Law for the Development of Aquaculture and Fisheries and Executive Decree No. 486 determine the prohibition of directed fishing of ten shark species; they contemplate the possibility that, in the event that specimens are caught

incidentally in the course of fishing for other species, it is legal to give a commercial use to the species or their derivatives, provided that the requirement to report these catches to the inspectors is met.

The Ministry of the Environment and Water, the Ministry of Production, Foreign Trade, Investment and Fisheries (MPCEIP), and the National Customs Service of Ecuador, contribute, in their respective areas of responsibility, to control the use of this natural resource; meanwhile, the Ecuadorian Navy supervises the process of leaving the ports and can carry out periodic and random inspections of fishing vessels on the high seas. There are also public policies and programs such as the National Action Plan for the Conservation of Sharks, the Program to Improve the Competitiveness of the Aquaculture and Fisheries Sector and the Shark Action Program.

However, the national and international press, as well as different NGOs, continue to denounce cases in which it is evident that there is an overexploitation of the resource as a result of different practices for its sale abroad, not only by local fishermen and traders on an artisanal or industrial scale –and who, in principle, have the permits and licenses to carry out these types of activities, issued by the responsible authorities– but by fleets from other countries that operate in Ecuadorian waters, and that have developed different practices to evade the inspection and control actions of the authorities.

The enormous discrepancy between the volumes of fins located in warehouses in the national territory or in importing countries,

and those reported to the authorities as a result of incidental fishing of shark in Ecuador, makes it possible to deduce the existence of deficiencies or failures in the activities of control, attributable from the limitation of material and human resources to carry out the actions required by the regulations, to the possibility of alleged acts of corruption.

Based on the proposed methodology, Barriónuevo (2021c) divides the process for the export of sharks and their parts into five sub-processes, which in turn allow the detection of different critical nodes that could be affected by corruption and, therefore, become the object of public auditing.

The *first sub-process* refers to the procedures to obtain authorization to carry out fishing activities. The MPCEIP receives the application, reviews the documentation, and issues a ministerial authorization agreement, or else makes observations to be addressed by the applicant. The critical nodes to observe are the obtaining of the certificate and the due accreditation of the legal party responsible.

The *second sub-process* covers the extraction of hydrobiological resources: it begins with the authorization to set sail –granted to fishermen who have the corresponding permits– by the Ecuadorian Navy through the port captain’s office, and provides for the carrying out of inspections of both fishing and gear manifested as official documentation, through inspection personnel of the Navy or of the MPCEIP itself, and who must report any irregularity. The critical nodes are the control and monitoring actions, the de-

tection of practices of evasion of said controls and the inter-institutional coordination processes, which can hinder the oversight and control tasks if they are not carried out properly.

The *third sub-process* corresponds to the report of incidental fishing of sharks; since the commercial use of shark is only allowed if it was caught while fishing for other species, the fisherman must notify the MCPEIC inspectors to obtain a monitoring certificate, which includes the species of the specimen and the volume landed, as well as the corresponding mobilization guide, so that these products can be sold. The critical nodes identified are the detection of disguised fishing, the control of the fishing landing, and the inspection of the product.

The *fourth sub-process* covers obtaining authorizations for export; the fisherman processes the necessary certificates; in the case of species included in any of the CITES appendices, including the applicable criteria of the scientific authority, the corresponding authorization must be obtained through the MPCEIP. Likewise, the Certificate of Legal Origin for Fishery Products and the export authorization are required. As critical nodes, the possibility was detected that the excess of procedures operates as an incentive to seek clandestine or fraudulent means to be able to commercialize the fishery product abroad, as well as the technical difficulties involved in the identifica-

tion and tariff classification of species derivatives at risk.

The *fifth sub-process*, with which the main process closes, refers to the export of the species. The exporter issues a Customs Export Declaration, which includes a description of the merchandise, details of who consigns the load, destination, quantities and weight; to this is added the invoice and the documentation of the shipment. The merchandise is checked through documents or physically by Ecuadorian Customs, where, if the requirements are satisfied, it will grant the exit authorization. Obviously, critical nodes refer to the oversight and control of customs personnel, including inspections and the issuance of the corresponding documentation; it is also necessary to determine the level of international cooperation available since the customs authorities of the importing country continue the process and can provide information that allows the follow up of shipments across national borders.

The application of the rest of the methodology suggested by Barrionuevo (2021b) regarding the identification of the relevant actors, the definition of their roles and the characterization of their interactions in each sub-process, will allow a systematic approach to the subject of the audit, which will allow focusing the effort of the public auditing on those aspects that may have a greater impact on the possibility of committing acts of corruption in the process.





VIII Opinions of specialized organizations

Different organizations, both in the public and private spheres, represent potential strategic supports for governmental external control efforts. The technical experience they have accumulated over time, as well as the networks they have established with international organizations, groups of academics and researchers and civil society actors, as well as the prestige they enjoy among different sectors, makes them valid interlocutors and sources of information relevant to SAIs, which sometimes do not have the qualified staff necessary to undertake, autonomously, the analysis of environmental conservation and care issues.

This section summarizes the responses of two organizations interested in the commercialization of wildlife species, the *Wildlife Conservation Society Andes-Amazon & Orinoco* (WCS) Regional Program and the *MarViva Foundation* (MarViva), to different questions about the actions they develop on the matter in the Latin American and Caribbean region.

What should SAIs and the international community do to work collaboratively to prevent corruption in the trafficking of marine species?

WCS: We work to address wildlife trafficking in origin, transit and consumer countries, focusing on Asia, Africa and Latin America, with a permanent presence in the Amazon through national programs in Colombia, Ecuador, Peru, Brazil and Bolivia, to improve the understanding of the dynamics of wildlife trafficking, strengthen the capacity of the actors involved in control and investigation, offer support for the development of policies, facilitate national and international cooperation, and carry out preventative actions with civil society to reduce illegal demand, among others.

MarViva: There must be a real regional diagnosis that allows analyzing the causes of corrupt acts, as well as the magnitude of the diversion of resources, the management of legal species and the identification and assessment of all the actors involved in this chain. It is essential to carry out an evaluation on the types, patterns and impacts of corruption nodes, which facilitates the exchange of information between SAIs at the regional level and has a joint perspective of the problem. It is essential to share and analyze information transnationally, and to identify fraudulent documentation across borders. The Central American Integration System (SICA), the Central

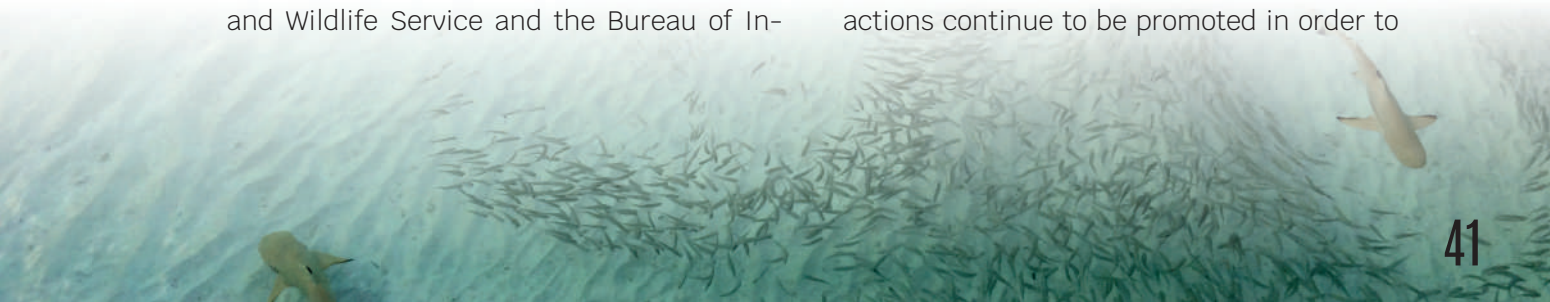
American Commission for Environment and Development, the Pacific Alliance and the Mesoamerican Strategy for Environmental Sustainability (EMSA) can serve as the basis for SAIs to train staff on corruption issues and improve the knowledge and ethics of the officials, as well as generating greater coordination between the fisheries and customs authorities. Financial investigation is essential to follow up on resources and detect the actors in the corruption chain who are profiting from it. To achieve this, the security and traceability of financial information systems and their electronic records must be protected, verified and preferably automated. Corruption also thrives because of the lack of opportunities in rural communities. Illegal activity links communities through improper payments to facilitate the illegal capture of marine fauna, so strategies must be created that strengthen the social fabric of these marginalized communities and generate income opportunities through projects and investments that make marine life conservation cost-effective. SAIs should create community alliances to increase the spectrum of control mechanisms and outsource their work to make it more effective.

Does your institution have ongoing projects to combat wildlife and/or marine trafficking?

WCS: WCS currently executes several federally funded projects from the United States government through its offices of the Fish and Wildlife Service and the Bureau of In-

ternational Narcotics and Law Enforcement Affairs (INL), as well as the British and European Union Governments. Currently, with the INL, we have implemented two projects at the Latin American level: (1) to improve the legislative and regulatory frameworks related to wildlife, train the authorities of the judicial sector and the forces of civil order in order to prevent, investigate and take legal action against poaching and illegal trafficking, as well as improve cooperation in countries in order to detect, investigate and prosecute criminal organizations involved in wildlife trafficking, and (2) strengthen the investigative and law enforcement capacities of authorities to improve synergies between government agencies to combat international and cross-border wildlife trafficking in Peru and Ecuador, with an emphasis on marine wildlife, by improving cross-border cooperation and information sharing to investigate illegal wildlife trade networks, as well as strengthening anti-corruption efforts within relevant government agencies and improving accountability for illegal wildlife trade in Peru and Ecuador.

MarViva: Currently, there is an ongoing follow up of the proper implementation of the CITES Convention by national authorities. Recently, MarViva challenged, through contentious-administrative actions, the granting of export permits for wildlife species of fishery interest included in the CITES Appendix II, since the authority granting these permits is legally disqualified from doing so. Legal actions continue to be promoted in order to



ensure the effective exercise of the right to public participation in this matter, as well as the prevalence of scientific evidence as a guiding criterion for decision-making on international trade in species protected by the CITES. Likewise, the ratification of the AMERP is sought to provide the competent authorities with the mechanisms and protocols that allow them to act if events of illegal fishing occur in cold storage, means of transport and confinement of vessels, as well as to standardize the inspection requirements and information at ports of landing regarding fishery catches. We seek to require minimum information requirements in the labeling of fishery products to ensure transparency for the consumer, informed decision-making and the conservation of fishery resources.

Is there a project led by your institution in the fight against wildlife and/or marine trafficking in which the Supreme Audit Institutions could collaborate?

WCS: With the financial support of the European Union, WCS leads a regional initiative, in collaboration with WWF, called the “Alliance for Wildlife and Forests.” The success of this initiative depends on the active and permanent participation of multiple actors from civil society, public sector entities and the private sector. The participation of SAIs in the region, and especially the GTCT, can play a key role in strengthening the capacities of states to effectively combat wildlife trafficking.

Comment on the importance, verification and improvement of internal controls in the legal processes of commercialization of marine life.

WCS: The participation of State entities is essential. The administrative, regulatory and control institutions, as well as law enforcement agencies and justice operators, participate actively in the projects led by WCS. However, work must still be done at the executive branch level so that there is greater attention and support, especially financial, to the different entities that are currently joining the efforts to combat wildlife trafficking. The participation of public officials in illegal activities must be detected, investigated and sanctioned in order to dismantle possible organized networks that promote or facilitate wildlife trafficking from state institutions. In this sense, SAIs have the task and responsibility of reviewing, auditing and investigating possible weaknesses in the public management systems of entities related to wildlife management or directly with activities for the prevention and control of crimes against nature, including wildlife trafficking, for the purpose of correcting and strengthening them.

MarViva: Cooperative work between environmental and fiscal institutions, together with police and surveillance activity at border controls, generates a network of information on the origin of the species traded. However, the effectiveness of these control protocols lies in the commercialization tra-

ceability system that they manage to consolidate. Many challenges remain regarding the management of corruption in the legal trafficking of species: many countries do not have an informative label that guarantees the consumer that the product comes from a legal and sustainable commercialization chain. There is an urgent need for coordination between the control of species trafficking and their commercialization to gua-

rantee the effective protection of marine life from illegal fishing activities. It is essential that, in each domestic legislation, species trafficking and corruption related to marine life are classified as punishable behavior, and that the judicial system ensures that those responsible are brought to justice; the training of prosecutors and judges can be effective in facilitating the analysis of evidence and the execution of sentences.



FOTO: Nariman Mesharraf - Unsplash



IX Conclusions

The link between issues of corruption and deterioration of the environment has become a concern with greater presence among public opinion and government programs and policies; a greater incidence of alternative communication media, the greater availability of information, and the incidence of international organizations, citizen groups and NGOs, has placed this complex problem on the public agenda of different countries. In this sense, a greater sensitivity of SAIs to environmental issues, as well as a greater scientific and technical preparation of their auditors, will translate into a presence with greater impact for these institutions.

It is reasonable to assume that practically all the countries of the Latin American region have faced, or are facing, different processes of environment impact derived from human activity; in the most extreme cases, the existence of certain species is seriously threatened. The disappearance of a species has a multiplier effect in terms of destabilizing the balance in an ecosystem, so that current losses guarantee, in some way, future ones. It is therefore a priority, as an act of responsibility in the face of current needs and the interests of future generations, to reverse these processes through greater vigilance and establish conditions for sustainable development, especially in terms of

closing the opportunities exploited by committing corrupt actions. The SAIs, must act in a coordinated manner with those bodies and public and private organizations, national and abroad, with an interest in the subject, as well as with elements to assist in the integration of a coordinated strategy to attack this problem.

The elements provided in this text, as well as the analysis of Barrionuevo's research documents that constitutes its basis, offer the user the necessary elements to be able to replicate, in their scope of action, and with respect to a theme specific to their geographical space, the steps followed to determine the object, scope and relational environment of an audit, whose nature –compliance, financial, performance, coordinated, forensic– will correspond to the type of approach that is intended to be given to the process: preventative, in order to detect weaknesses and correct them in a timely manner, or corrective, if it is necessary to determine responsibilities.

Over time, SAIs in the region have accumulated growing experience in the field of environmental audits, however, in spite of their relevance, there are still important areas of opportunity in terms of the integration of specialized areas on the topic. Hence the importance of establishing institutional

links with different groups and organizations that can offer important inputs, information and training to auditing bodies. Public auditing is called upon to play a key role in the process of reducing the corruption that endangers the survival of wild flora and fauna species. In order to meet this expectation, it

is necessary to capitalize and transform the results of academic research into applicable instruments; hence the GTCT reiterates its commitment to make proposals, such as the one contained in this document, available to the Latin American and Caribbean auditing community.



List of Acronyms

CBD	Convention on Biological Diversity
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COMTEMA	Comisión Técnica Especial de Medio Ambiente de la OLACEFS (OLACEFS Special Technical Commission on the Environment)
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH</i>
GTCT	Grupo de Trabajo de la OLACEFS Especializado en la Lucha contra la Corrupción Transnacional (OLACEFS Specialized Working Group in the Fight against Transnational Corruption)
ICCWC	International Consortium on Combating Wildlife Crime
INL	Bureau of International Narcotics and Law Enforcement Affairs
INTERPOL	International Criminal Police Organization
INTOSAI	International Association of Supreme Auditing Institutions
MPCEIP	Ministerio de Producción, Comercio Exterior, Inversiones y Pesca del Ecuador (Ministry of Production, Foreign Trade, Investments and Fisheries of Ecuador)
OLACEFS	Organización Latinoamericana y del Caribe de Entidades Fiscalizadoras Superiores (Organization of Latin American and Caribbean Supreme Audit Institutions)
NGOs	Non-Governmental Organizations
ONU	United Nations
IUCN	International Union for Conservation of Nature
SAI	Supreme Audit Institution
UNODC	United Nations Office on Drugs and Crime
WCS	Wildlife Conservation Society
WGEA	Working Group on Environmental Auditing
WWF	World Wide Fund for Nature

Glossary

2030 Agenda

Global action plan for people, planet and prosperity, based on seventeen Sustainable Development Goals, which aims to ensure sustainable social and economic progress worldwide and strengthen universal peace within a broader concept of freedom.

Biodiversity

Variability of living organisms from all sources, including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; includes diversity within species, between species and of ecosystems.

Bonded warehouse

A place administered by private individuals under concession from the customs authority for private individuals to provide the handling, storage and custody services for merchandise.

Compliance audit

Independent evaluation to determine if a matter complies with the applicable authorities identified as criteria evaluating whether the activities, financial operations and information comply, in all material respects, with the authorities governing the audited entity.

Coordinated audit

Form of collaboration between SAIs to exercise control over issues of an international or regional nature that are of interest to the countries involved.

Environmental asset

An element incorporated into the assets of an entity for the purpose of being used on a lasting basis in its activity, the main purpose of which is to minimize environmental impact and protect and improve the environment, including the reduction or elimination of future pollution from the entity's operations.

Environmental audit

Review of environmental assets and liabilities, compliance with legislation and conventions –both international and domestic– as well as measures instituted by the audited entity to promote economy, efficiency and effectiveness.

Fiscal precinct

Physical places where the customs authorities indistinctly carry out the functions of handling, storage, custody, loading and unloading of foreign trade merchandise, inspection, as well as customs clearance of the same.



Glosario

Forensic audit

Audit methodology that involves a rigorous and detailed review of processes, facts and evidence, in order to document the existence of an alleged irregular act.

Governmental external control

Process by which the authority monitors the use of public resources to evaluate and review the actions of the government considering their veracity, rationality and adherence to the law; review of the efficient and effective functioning of the planning, organization and execution of the public administration.

Performance audit

Objective and reliable review of whether public policies are operating under the principles of effectiveness, efficiency and economy.

Phyto and zoosanitary standards

Measures to ensure the safety of food products intended for human consumption and to prevent the spread of pests or diseases among animal and plant species.

Rules of origin

Criteria necessary to determine the national origin of a product; their importance is explained by the fact that the duties and restrictions applied to imports may vary according to the origin of the imported products.

Species trafficking

Legal and illegal trade in wild animal species and/or their derived products. Illegal wildlife trafficking encompasses the sale, smuggling, capture or collection of endangered animals, protected wildlife (fauna and flora, subject to quotas and regulated by legal permits), poaching, their derivatives or products, in contravention of national and international laws and treaties.

Tariff classification

Assignment of a numerical code of a recognized nomenclature to the merchandise, so that each and every one of them can be classified under some tariff heading, with its corresponding import and export tariff.

Transnational corruption

The offering of an undue pecuniary or other undue advantage to a foreign public official, for his or her benefit or for the benefit of a third party, so that this agent acts or refrains from acting in the performance of official duties, with a view to obtaining or preserving a market in international trade.



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Presidency of the Specialized Working Group in the Fight against Transnational Corruption

Contraloría General del Estado de la República del Ecuador

Entity responsible for the contents of this publication

Working Group Specialized in the Fight against Transnational Corruption

Graphics project, cover, layout, and revision

Project Strengthening External Control in the Environmental Field. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH



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The Specialized Working Group in the Fight against Transnational Corruption (GTCT) has the objective of promoting the interchange of timely information between the region's Superior Audit Institutions (SAI) to improve the performance of their investigation and government audit processes which contribute to the fight against transnational corruption, as well as the interchange of experiences and best practices in this area.

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