

INTERNATIONAL ANTI-CORRUPTION CONFERENCE 2024

Vilnius, Lithuania

18-21 June 2024

SESSION REPORT

*Please know you may design the structure of this report to better suit the session.
It's important to capture the key outcomes and solutions proposed for the future.*

Session Title: In Debt to Nature: How Financing Election Campaigns Drives Environmental Destruction

Date: 19 June 2024

Time: 5:30 PM - 7:00 PM (GMT +3)

Report prepared by:

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Moderated by:

Micol Martini

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Panelists:

- Magaly Avila
Directora Gobernanza Ambiental
Proetica
- Beverly Besmanos
National Coordinator
Bantay Kita - Publish What You Pay Philippines
- Chelsea Dreher
Research and Anti-Corruption Specialist
International Foundation for Electoral Systems (IFES)
- Tim Steele
Chief of Field Support Section
UNODC

- Slobodan Milic
Senior Adviser
NDI
- Aled Williams
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Share the thematic focus of the session, its purpose and corruption risks?

The main focus of the session was on the extensive harms caused by the abuse of electoral and political finance. These include environmental destruction, but also human rights abuses and the undermining of democracy and political integrity. The session recognised these challenges are present across regime types and that they are symptoms of deeper structural problems plaguing political systems.

Summary of panelists' contributions & discussion points (please be as detailed as possible)

Slobodan Milic noted money in politics is a bloodline for political parties and is the difference between winning or losing elections. However, this money can become toxic. Extractive industries exert undue influence and there is a lack of transparency (with regard to money and crypto donations, corporate loans, media and advertising). There is also the question of the maturity of political parties: are they willing to make short term gains over longer term environmental sustainability? Political parties look to firms to generate jobs, and tend to prioritize this ahead of environmental impacts. Political parties are rational actors and we must ask why they would implement certain solutions or reforms. Why, for instance, would political parties implement transparent donation policies (e.g., public reporting, ethical guidelines, data on amounts) when there is no evidence this is connected to electoral success? Crucially, however, there is evidence from Ecuador that political parties that adopt a more participatory and open approach to their agenda setting do experience more support from the electorate. Overall, we must consider the incentives for political leaders and parties to adopt meaningful reforms, given they mostly act as rational actors.

Chelsea Dreher noted that when money flows during electoral cycles, it can be particularly difficult to track down the ultimate sources of donations. This makes it hard to spot conflicts of interest between businesses and politicians. Although many countries ban anonymous donations, a main challenge is that donors are skilled at hiding their identities, through family, employees, friends etc, so even requiring disclosure of donor names may not be sufficient to prevent and detect corruption. Companies are able to take advantage of political systems and extract favors down the line. This problem is not limited to certain regions of the world. Elections are now extremely expensive and politicians may feel they owe something, e.g., killing legislation, skewing issuance of licenses and permits for companies, or rigging tenders. This hurts democracy but also the environment (for instance, when parties look the other way at pollution of cronies). More transparency is needed. Improved regulations can focus on limiting anonymous donations, requiring corporate donors to share beneficial ownership information, and similar actions to promote transparency around who's funding campaigns.

Magaly Avila discussed how a coca farmer became a successful Peruvian governor and businessman, but took advantage of his position to capture land and unduly influence the oil

palm industry. He became governor in 2016 at a time when Proetica conducted an investigation. Titles were given to a protected forest in the Amazon, which was also a territory of indigenous peoples. The titles were given to fake farmers and this led to 11.000 ha being deforested. The governor changed the zones from a protected area to agricultural land. He created three companies dedicated to oil palm cultivation and benefited from the zoning changes. He was recently re-elected, but this is a person who has used their position to capture regulations and enrich himself. The impacts on indigenous peoples and their way of life, but also on the lost ecosystems, are immense. Although this is a local story, the financing is transnational. Big firms that buy oil palm support such harms, and there are direct consequences to the Amazon lands under pressure. The environmental defenders who challenge these practices via legal means often end up murdered.

Beverly Besmanos noted that in the 2016 election, the Philippine Center for Investigative Journalism estimated over USD 34 million campaign expenditures of the 51 senatorial candidates. 86% of these expenditures were supported by campaign finance contributions. The inaccessibility and lack of available public information on campaign financing have contributed to systemic corruption. Without information, mining-impacted communities continue to vote for politicians who are promoters of environmental destruction. At the subnational level, some small scale miners became politicians along the way, and some local politicians became mining financiers too. One article observed that the connection of local politics and mining in relation to decentralization will likely to continue in the future. Local politicians will play a key role in accessing mineral resource wealth. Concerns over elite capture and the re-concentration of control over mineral resources were identified.

Aled Williams underlined that abuse of electoral finance occurs across geographies and regime types. Investigative journalism in Indonesia (Indonesia for Sale by the Gecko Project and Mongabay) shows how such abuses lead to deforestation at the provincial level. The triple nature crisis means major funding streams for nature based solutions to climate change, but countries also have ambitions to become upper middle income economies, largely driven by natural resource extraction. This is the case in Indonesia. At the beginning of the democratic period, elected district chiefs were given powers to lease land, leading to a surge in agribusiness and deforestation. The Gecko Project used stock exchange filings, permit databases and company deeds, to uncover a plan to establish shell firms in the names of a politician's relatives and associates, endowing them with licenses for thousands of hectares of land, and sell them on to large firms. Although a whistleblower came forward, the case was investigated but never prosecuted by the anti-corruption agency, the KPK. This is because it is easiest under Indonesian law to prosecute corruption when an individual is caught in the act of accepting a bribe, which did not happen. This case shows how electoral finance abuse incentivizes quid-pro-pro arrangements that result in immense social and environmental harms.

Maurice Nyambe related the story of the rosewood trade in Zambia. This is a sad story because although this species is protected under CITES the ban on its trade is currently being ignored. A 2019 study showed how its illicit harvesting and export was linked to high level politicians. A TI investigation in 2021 then showed that the trade was still rampant. There was concern because the proceeds of this illegal trade went to election campaigns, with an astronomical rise in the influence of money on elections. It is clear politicians are reluctant to stop using such funds because they need to fund their political activity. So, regulations for election campaign financing are needed. The impacts on ecosystems and communities are

clear, rosewood is being depleted and local communities' livelihoods are harmed. TI Zambia is focusing on advocacy efforts relating to this case going forwards.

Tim Steele began by relating the story of pastoral communities and their cattle being relocated in order to increase votes for politicians in some constituencies. When raising issues of corruption in relation to forestry, land and fisheries, fisheries is particularly difficult, with heavy pushback from government agencies. In East Africa but also other regions shady election financing is often viewed as a low hanging fruit in order to cover money shortages for political campaigns and activities. But we should recall that there is a global standard for transparent political financing via the UNCAC article 7.3. The question is how to support its implementation in various contexts and how to build further on this global standard.

Main outcomes of the session (include quotes/highlights and interesting questions from the floor)

A useful piece of advice for civil society and journalists was to reach out to losing candidates after elections to gain insights on the conduct of the elections, although their political positions also need to be taken into account. Protecting civil society and journalists is a priority when addressing these questions, and security funds can be made available for this purpose. Civic education for communities is also crucial, as is linking up networks and strengthening journalistic efforts with grassroots movements. Machine learning coupled with journalism can help predict cases of illegal logging, and pooling efforts can help triangulate different data. Working closely with indigenous communities, through the use of drones and GPS tools can help document deforestation, and triangulating information from journalism, indigenous peoples and public sources can result in high quality information.

Key recommendations for the future and concrete follow-up actions

1. Solutions must fit the context, and working with high quality data and in collaborative networks is important for forging collective solutions across contexts;
2. Careful consideration of political incentives is required when crafting and advocating reforms: we must ask why a politician or political party would adopt a proposed approach?
3. Stressing social, human rights, and environmental consequences of abuses is important, but we must also understand that political parties depend on firms for money and job creation. Money in politics is unlikely to disappear. This means we must further work on the business case for ethical and transparent electoral and political finance;
4. UNCAC Article 7.3 is important as a global standard, but it is not obligatory and the creation of minimum standards for electoral finance would help;
5. Political literacy and civic education campaigns are important for generating awareness among electorates of the issues at stake and how their electoral choices impact their lives and livelihoods.

What can be done to create opportunities for scaling up the solutions discussed in the session? And by whom?

1. Investment in increased research and evidence collection on the contestation and abuse of electoral and political finance reforms is needed in order to be better prepared for the inevitable backlashes and in order to better adapt to political realities and incentives in different contexts - this requires involvement of public donors, but also civil society, journalists, researchers.

2. Innovative approaches, such as an example from Brazil of AI being used to automate social media posts of parliamentary infringements on hospitality rules, need funding to be sustainable. This requires involvement of public donors, as well as civil society and grassroots movements.

Is there a specific call to action to key stakeholders, such as governments, businesses, funders, civil society, young people, journalists or any other stakeholder that should be noted? Please specify if relevant.

1. Continue to engage with and promote this discourse, connecting better research and evidence, with innovative practice and advocacy efforts;
 2. Pursue opportunities for a possible new resolution on political finance and/or environment at the UNCAC CoSP next year - this requires collaborative efforts across civil society, but crucially also cooperation with supportive governments in the Global North and South to sponsor any new resolutions;
 3. Continue to use the existing UNCAC Article 7.3 as a touchstone for monitoring implementation and advocating for further improvements.
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Rapporteur's name

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Date submitted

20 June 2024

Action! This report needs to be emailed to iacc-av@transparency.org within 24 hours of the session. If you wish to update the report, please do so by 21 July. Thank you.