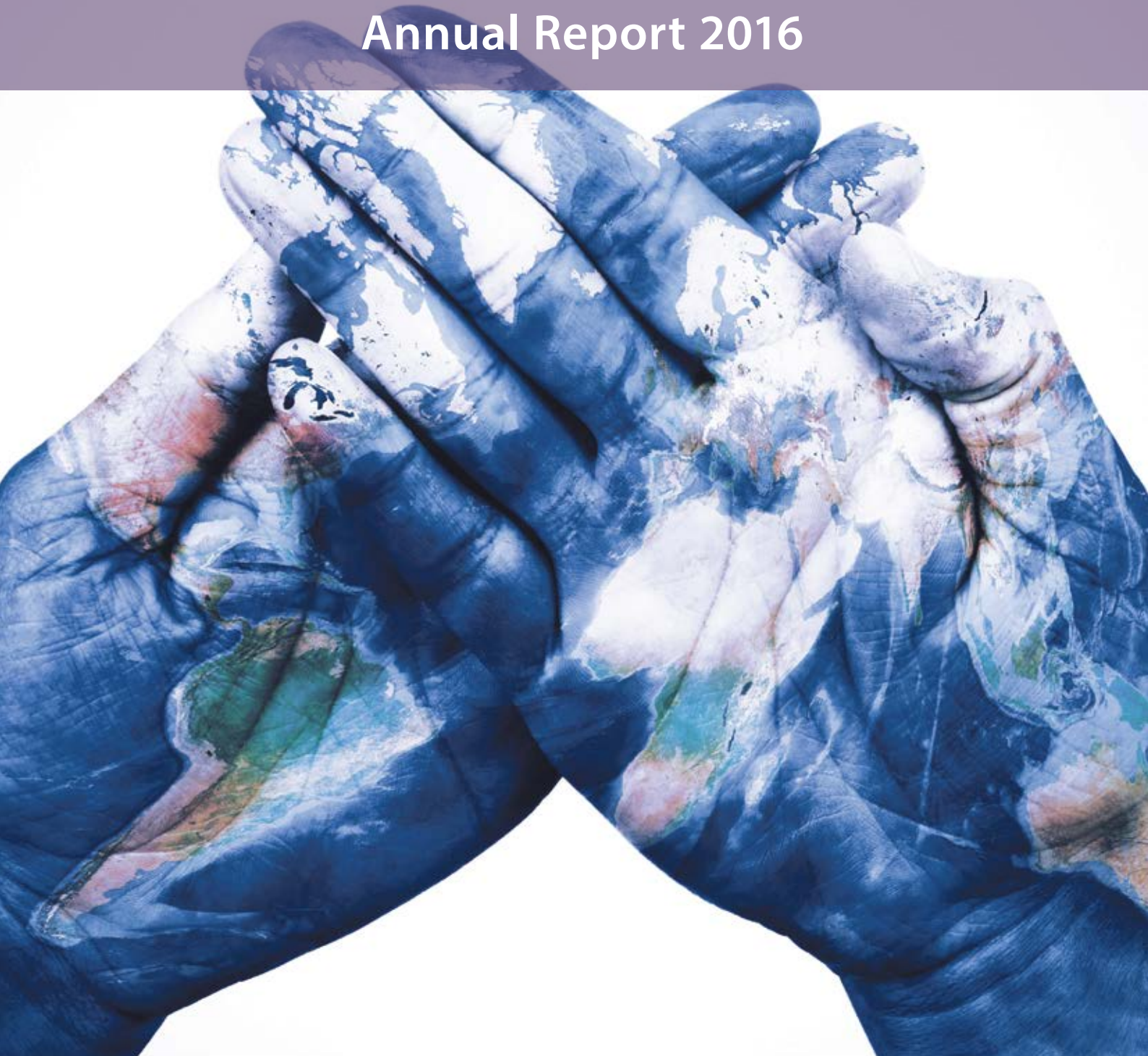
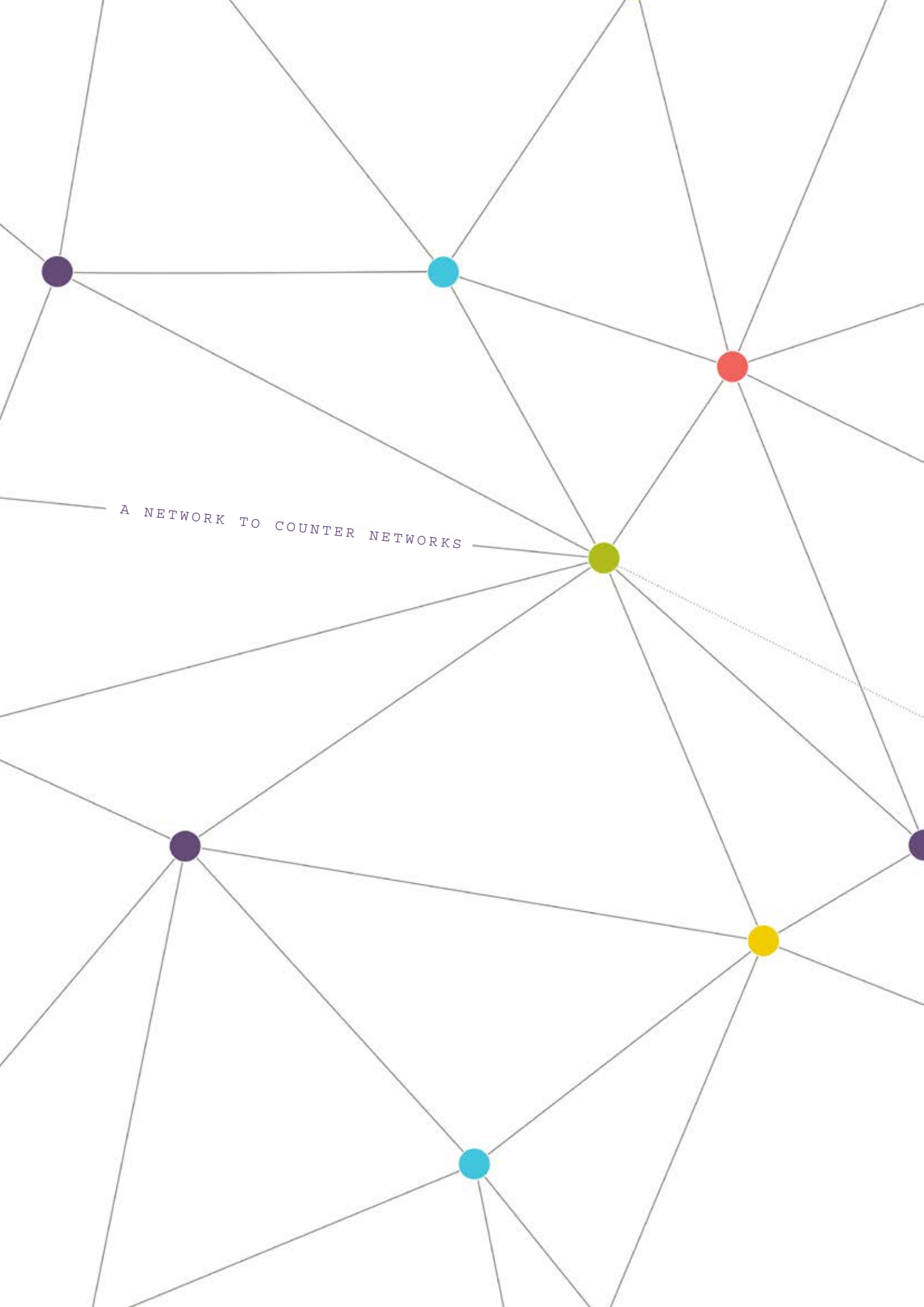


**THE GLOBAL INITIATIVE  
AGAINST TRANSNATIONAL  
ORGANIZED CRIME**

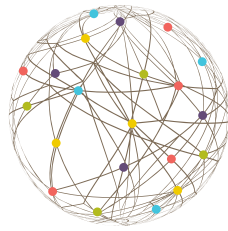
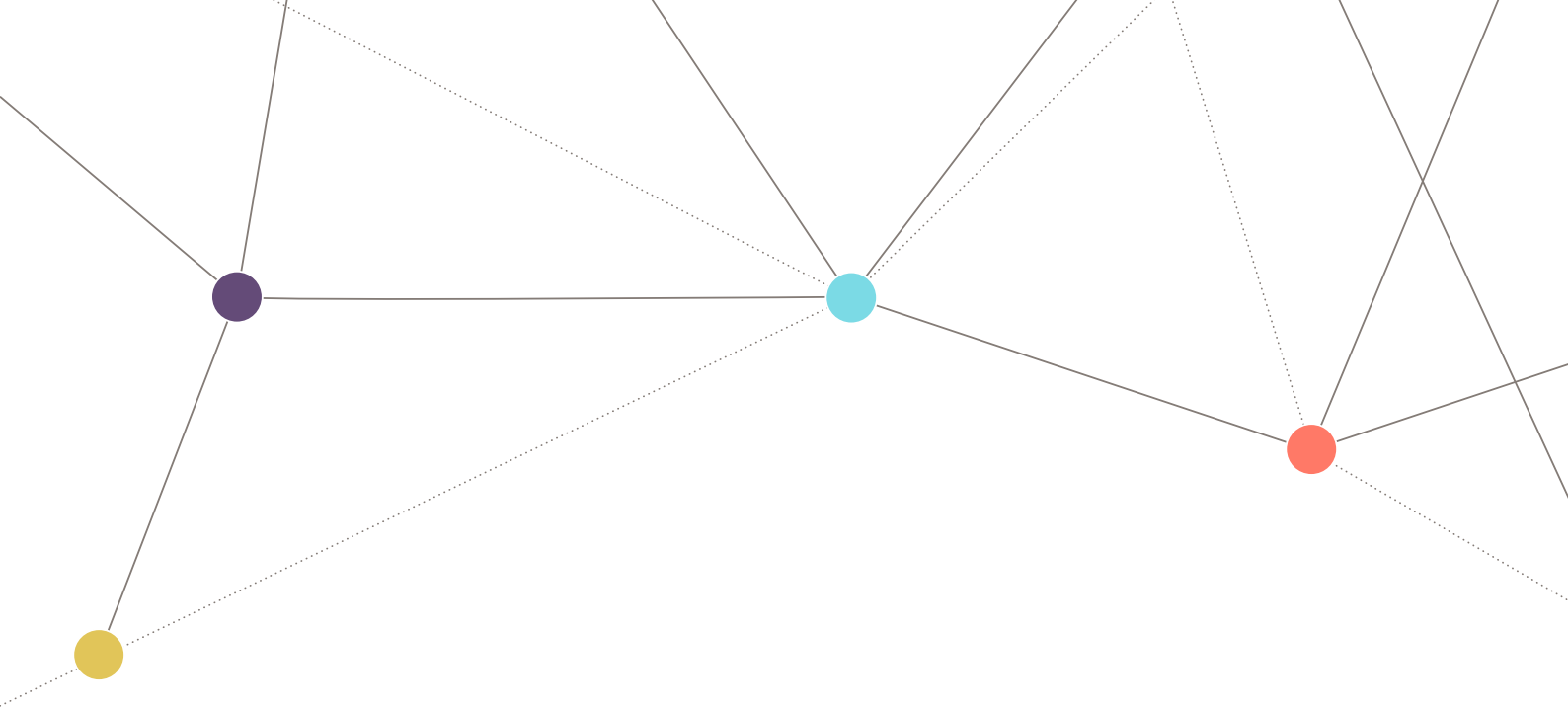
Global Initiative against Transnational Organized Crime  
**Annual Report 2016**



March 2017



A NETWORK TO COUNTER NETWORKS



# **Global Initiative against Transnational Organized Crime Annual Report 2016**

March 2017



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# Introduction

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We are pleased to share the Annual Report of the Global Initiative for 2016, which summarises the activities undertaken by the organisation, and attempts to highlight some of the achievements and impact that the Global Initiative could be said to have had over the past year.

2016 was an important year for the organisation, consolidating our continued rapid expansion and extension of reach. With the Sustainable Development Goals now approved, including a target dedicated to ending organized crime, it has never been more important that a more nuanced, creative and diverse response to be employed to counter the threat that organized crime represents to human security and the integrity of states. Our mandate – to work towards the building blocks of a global strategy to counter transnational crime – has become increasingly pertinent. We advance using both thematic and geographic approaches, undertaking catalytic research, analysing, supporting policy development and piloting innovative responses, and it has been rewarding to see this approach gain traction.

On some of the most pressing contemporary organized crime and illicit trade issues, the Global Initiative has come to the fore as a pre-eminent source of expertise. For example, as states and the multi-lateral system have struggled to understand and respond to the role of smugglers in Europe's 'migration crisis', the Global Initiative has provided the most up-to-date and far-reaching analysis, looking not only at the size of the market and its structure, but also the political economy behind the trade, and the potential threat that it can pose to stability and development for the countries along the main migration routes. We have been asked to provide policy advice and guidance to the combined EU Ambassadors of Africa and Europe, the EU Parliament, the United Nations, as well as to a number of individual donor states. Given the global nature of the challenge, this endeavour has drawn widely on the resources in the Global Initiative Network of Experts, truly showcasing the value of our approach.

Similarly, the Global Initiative has built on earlier work on strengthening response to organized environmental crime, and promoting a more integrated approach to the challenge. Continuing our work in Southern Africa on wildlife trafficking, the Global Initiative launched a much-heralded 2-part investigation into the criminal networks engaging in rhino horn trafficking. The report made important revelations about the role of foreign diplomats in facilitating the trade, but also raised early warning signals about the weaknesses of range states other than South Africa. The Global Initiative has now long advocated for analysis that shifts from reactive to proactive, in a manner that anticipates the 'balloon effect' of transnational crime. Here too we critically examined the default militarised responses that focus on rhino protection, to integrated approaches that promote investigations along the criminal chain, and, through our Environmental Security Observatory, engage with communities and provide incentives for them to disengage from the poaching economy.

This has been a year where the close inter-twining of criminal interests and politics have come to the fore. In contexts as diverse as Libya; South Africa, Colombia and Mexico, the damaging effects of symbiotic mafia governance have been starkly illustrated, with rising levels of violence, criminal assassinations, attacks on civil society and militia rule. Taking a human security approach, the Global Initiative has worked with partner organisations such as InSightCrime, an Americas Observatory, International IDEA and the Clingendael Institute to analyse specific country cases and developing tools that could promote stronger democratic governance for both fragile and stable states. The Development Dialogue, one of our flagship programmes, has become a leading policy forum in this area, especially following the publication of our 'framework tool' for analysing organized crime as a development concern.

Emphasising the political economy behind criminal behaviour and its impact has translated through to programme that re-examines the issue of Illicit Financial Flows (IFFs) that goes beyond the classic definition, to expand this into a multi-dimensional analysis of the impact of specific criminal economies. Through the development of a regional study for the OECD, "Illicit Financial Flows: Criminal Economies in West Africa", as well as a dynamic body of work that examines the impact of illicit financial flows in the supply chain of artisanal, small scale and illegally controlled



gold mining, the Global Initiative is pioneering new ways of thinking and supporting both the private sector and governments to develop more comprehensive responses.

The Global Initiative has grown both in size and scope. The Global Initiative Network now exceeds 200 people, and while more work is required here, it is increasingly geographically and substantively representative. We have appointed five new members to the Advisory Board, as well as convened a panel of senior advisors to provide guidance as our work continues to expand. Our Secretariat stands now at 12 people, coordinating the Network, overseeing and delivering on our programme portfolio. We have redesigned our website and our very popular Resource Library to more robustly respond to the increased demand for our work. Our social networks are well utilised, sharing information and building a community of practice around organized crime scholarship in three languages. We continue to convene and host seminars, panel discussions and conferences around the globe; during 2016, the Global Initiative organized and participated in over 50 events.

In the year to come, as a priority we will continue to grow the Network and improve its representation both geographically and thematically; we will be launching, with consortium partners the Institute for Security Studies and INTERPOL, 5 organized crime observatories in Africa, as well as a dashboard of indices that can measure scope, scale, impact and extent of vulnerability to organized crime. The Global Initiative is a dynamic and exciting place to be these days, and we look forward to continuing to consolidate, grow and add value to the work of our membership and the broader international community.

## Meeting the objectives of the 2015-17 Strategic Plan

When it was formed, the Global Initiative set out a series of strategic objectives, which included serving as a convener and catalyst for a global debate around organized crime, improving the evidence basis, supporting policy review and reform, and facilitating integrated, innovative multi-sectoral programmatic responses.

To meet these objectives as a fledgling organisation, has required us to also invest in some core operational activities in addition to our substantive and programmatic work (which are laid out in full in the next section). These were identified as priorities in the Global Initiative three-year strategic plan. Our specific objectives for 2016 therefore have been to:

- Raise the profile of the Global Initiative as a convening body.
- Increase the scope and awareness of the evidence basis through diverse, policy relevant research and analytical publications.
- Grow and diversify our core membership, the Global Initiative Network of Experts, in a way that maintains its quality, basis of trust and engagement.

In highlighting these here, we want to emphasise the value we bring as a global network organisation, driven by members, their expertise and commitment to promoting better global governance and equitable development.



# Meet the Global Initiative Board

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**Sarah F. Cliffe**

Sarah F. Cliffe is the Director and Senior Fellow, Centre on International Cooperation, New York University.



**Rodrigo Avila**

Rodrigo Avila is currently a second time Representative at the Salvadorian National Assembly, where he is one of the Vice-Presidents, and Rapporteur of the Public Security and Drug Enforcement Committee.



**Gwen Boniface**

Gwen Boniface served in Canadian policing for 30 years, including 8 as the Commissioner of the Ontario Provincial Police. She currently consults on policing and justice issues, internationally and domestically.



**Misha Glenny**

Misha Glenny is an award-winning investigative journalist, author and broadcaster and an associate professor at Columbia University's Harriman Institute.



**Marc Hofstetter**

Marc Hofstetter is the Deputy Executive Director of the Geneva-based Centre for Humanitarian Dialogue.



**Kristin Kvigne**

Kristin Kvigne is Police Commissioner and Head of the Police Department at the National Police Directorate of Norway.



**Moisés Naím**

Moisés Naím is a distinguished fellow at the Carnegie Endowment for International Peace, an internationally syndicated columnist and the author of more than ten books including *The End of Power and Illicit*.



**Mary Jane C. Ortega**

Mary Jane Ortega is currently a Special Advisor to the Y-PORT Center, City of Yokohama (2015-2017) as well as to CITYNET, a regional association of cities in the Asia Pacific region (2013-2017)



**Gladwell Otieno**

Gladwell Otieno is the founder and Executive Director of the Africa Centre for Open Governance (AfriCOG), and anti-corruption civil society organization based in Kenya and is the Vice Chairperson of the Board of Trustees of the African Leadership Centre.



**Jean-Luc Vez**

Jean-Luc Vez is the Managing Director, Security Policy and Security Affairs, at the World Economic Forum.





# Priority Programmes

## I. Global Strategy

The mandate of the Global Initiative, as established in our foundational documents, is to create ‘the building blocks of a global strategy to counter organized crime’. This is a goal that all of our thematic and geographically focussed work of course contribute to. However, there is also a work stream that specifically examines the role of key institutions, and of the existing response instruments in light of contemporary organized crime challenges, to assess to what extent they are fit for purpose, where gaps lie, and how overall our responses can be strengthened.

## Global Initiative Network of Experts

The Global Initiative Network of Experts is the core of our organisation, and what distinguishes the Global Initiative from similar bodies. The members of the Network initiate, lead and provide their input to all of the Global Initiative’s projects and programmes, supported by the Secretariat. New members are appointed semi-annually on a recommendation basis, vetted by a panel made up of Network and Secretariat staff.



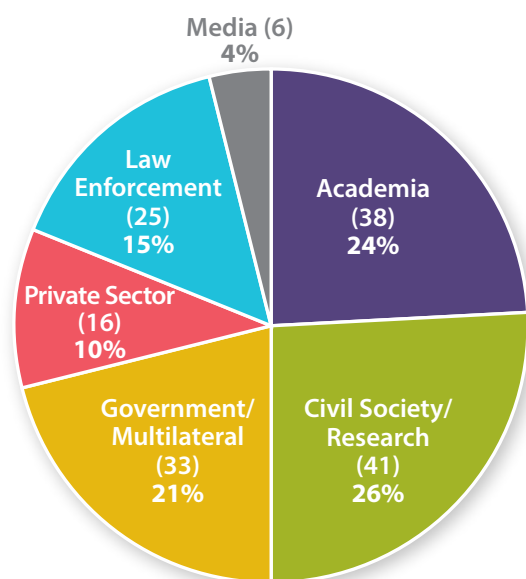
The initial membership of the Global Initiative consisted of the 27 “founding members” who participated in the first three meetings prior to the formal establishment of the Global Initiative in New York in 2012. Over the four-year period since 2012 the membership has expanded significantly from 27 to 182.

This growth has largely been due to current Global Initiative members referring new potential members to the Global Initiative for consideration. A small number contacted the Global Initiative directly with a request for membership, having seen and appreciated our work. There has been no planned recruitment drive for new members, as such, though in the year to come, a more concerted effort will be made to ensure balanced regional and gender representation.

The majority of the “founding members” in 2012 were law enforcement experts. Of the twenty-seven founding members, seventeen (or 62%) were from law enforcement, four (or 15%) were from government/multilateral organisations, four (or 15%) came from civil society, and one (or 4%) came from the media and academia respectively. The predominance of law enforcement experts was probably due to the fact that the discussions during first meetings of the Global Initiative focused strongly on the challenges for police officials in tackling organized crime. Since then the composition of the Global Initiative has changed significantly with law enforcement now constituting only 30%, with a far greater spread of members from other backgrounds, reflecting the increasingly multi-sectoral approach to the issue.



## Occupational Distribution of Members October 2016

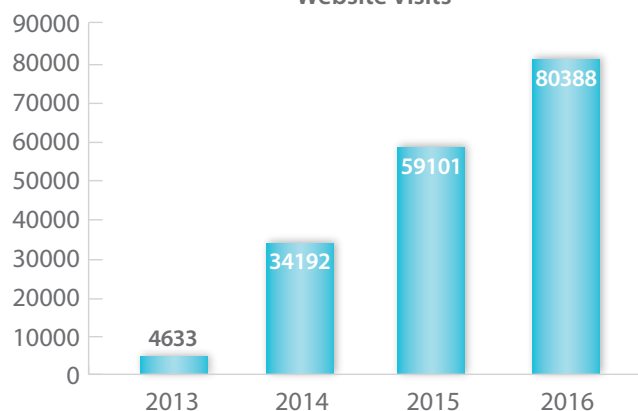


## Serving as a Knowledge Hub

The Global Initiative remains dedicated to serve as one place where multi-sectoral, global information on the various forms of organized crime is collated and shared. Throughout the year 2016 the Global Initiative has continued to be a knowledge hub for policy makers, practitioners, researchers and analysts, and has projected the expertise of the Global Initiative Network of Experts in various ways:

- The [Global Initiative website](#) has received a new design and receives between 8-10,000 hits per month, a significant increase from the year previous. The website was redesigned in 2016 to make it easier to access the wealth of content that we have developed in the last few years.
- The Global Initiative publishes blog articles on different global organized crime forms and developments on a weekly basis. The mailing list for monthly updates of the Global Initiative's activities and publications now exceeds 8000 individuals.
- Throughout 2016 the Global Initiative has expanded and redesigned its [online resource library](#). Now, it encompasses over 2000 documents in the library and achieved over 300,000 downloads. Overall, this makes the Global Initiative's resource library a crucial resource for analysts, policymakers and practitioners alike, providing reports, analyses and policy recommendations on numerous organized crime related issues and trends.
- The Global Initiative expanded its presence on social media. It now runs three twitter accounts, providing content in English ([@GI\\_TOC](#)), Spanish ([@GI\\_TOC\\_esp](#)) and also in French ([@GI\\_TOC\\_Fr](#)) with a total of over 4,850 followers. Our Twitter accounts are used to disseminate breaking news, as well as the Global Initiative's own blog posts and publications. The [Global Initiative Facebook page](#) has increased its followers to 8,700 and is also used to disseminate articles on a regular basis. The Global Initiative is also active on [LinkedIn](#) where we publish events and articles on a regular basis.

## Website Visits



In addition, the Global Initiative has organized a wide range of events such as conferences, seminars and webinars, as well as been quoted in the media on numerous occasions, and cited in the works of other analysts on relevant topics connected to transnational organized crime and global responses to it. Highlighted below are the Global Initiative's programmes and projects, including publications and events (both hosted and attended) organized according to our thematic focus areas.

## Organized Crime and Terror Nexus

This year, with rising threats from ISIS, Afghanistan's transition complicated by the increasingly well-resourced Taliban, violence mounting in the Boko Haram, Al-Shabaab and Sahel-based insurgencies, and a peace process underway with the FARC, the spotlight has been on terrorism, and effective measures to counter what is known as the 'nexus' between organized crime and terrorism.

In many theatres, these lines are becoming blurred, particularly in the cases of protracted sectarian or separatist conflicts, and the standard definitions used by policy makers to gauge responses are being challenged. Terrorists are benefitting from transnational organized crime in some regions, including from the trafficking of arms, persons, drugs, and artefacts and from the illicit trade in natural resources including gold and other precious metals and stones, minerals, wildlife, charcoal and oil, as well as from kidnapping for ransom and other crimes including extortion and bank robbery. Furthermore, terrorist groups benefiting from transnational organized crime may contribute to undermining affected States, specifically their security, stability, governance, social and economic development.

But the analysis tends to focus on operational links, which perhaps belies a more nuanced understanding of the importance and legitimacy that groups have within their communities of influence. The goal of the Global Initiative's recently launched Nexus project is to broaden and elucidate the granular association between organized crime and terrorism in specific contexts; to understand its implications and impact, and to move towards effective solutions to break down the Nexus and mitigate its most damaging harms.

### Highlights of Related Activities

- Global Initiative Director Mark Shaw gave the keynote address at The United Nations Interregional Crime and Justice Research Institute (UNICRI), in partnership with the Thailand Institute of Justice (TIJ) from 11-13 May 2016.
- Participating at the St George's House Consultation on "Stemming ISIS Financing: Current Policy Gaps and Urgently Needed Action", in Windsor, United Kingdom from 12 to 14 May 2016.
- Vice News published "[No, your drug use is not funding terrorism](#)" quoting from an interview with Tuesday Reitano, the Deputy Director of the Global Initiative. Published 20 September 2016.

## Addressing Impunity

Impunity and criminality are interdependent: where traffickers, criminal entrepreneurs and those who protect them do not face real punishment if caught, either due to government complicity or a lack of capacity, the population has similarly little incentive to oppose criminality or avoid engagement in criminal markets.

Where organized crime has managed to achieve a complicit arrangement with the highest levels of the state, the impact can be highly damaging: citizen disenfranchisement, under-development and political instability. This effect is prevalent in all regions of the world, the Americas, Africa, Asia and Europe. In a limited number of cases, criminality and governance have become synonymous. Regardless of the form or level of complicity, it has become increasingly clear that corruption and impunity are not issues that can be ignored, and attempting to programme in environments in these contexts is not a viable strategy for long-term governance and development.



The track record of rule of law and justice interventions to counter corruption and impunity have been mixed, and effective strategies to respond to these challenges remains largely elusive. High level targeting and prosecutions are not by themselves sufficient to prop up a weak justice sector and support it in a fight against organized crime. In order for actions taken to reduce impunity have a lasting effect, they must be coupled with measures to increase the exposure of criminals and other drivers of illicit activities and organized crime by making it more difficult to achieve impunity in the first place.

Identifying strategies to address impunity and increase exposure of criminal behaviour and complicity is a priority with which the Global Initiative and the membership of the Network are seized.

#### Highlights of Related Activities

- A workshop on corruption within the framework of the UN CCPCJ on 25 May 2016, Vienna, Austria.
- Participation in the Norad hosted "Corruption-busters", a closed-door forum of prosecutors and investigators addressing corruption and impunity globally, 28-29 May 2016.
- Participating in the 7<sup>th</sup> session of the Implementation Review Group of the United Nations Convention against Corruption in Vienna, Austria from 20 to 24 June 2016.

## Militarised Responses to Transnational Organized Crime

As part of our mandate to develop the building blocks of a global strategy to counter organized crime, exploring the tools in our toolbox, how they work, when they work, and where they should be sequenced in an integrated response is a priority. Policymakers are beginning to understand that any response needs to be multifaceted, dynamic and persistent, however they continue to search for an elusive silver bullet. Despite the growing diversity of our organized crime response toolbox, military solutions continue to be widely prioritised: from the war on drugs and the war on poaching, to the deployment of naval assets to prevent human smuggling. Perhaps it is the quick wins, the direct pursuit of criminals or the outright show of force that creates the impression that action is being taken. Nevertheless, these responses are not always the most suitable. Organized crime continues to plague society. Although we know much more about it, how it functions, who is involved and why it persists, we are still no closer to eradicating it.

In 2016, in partnership with the Royal United Services Institute (RUSI), the Global Initiative hosted four seminars on four different forms of organized crime: human smuggling, drug trafficking, wildlife trafficking and maritime piracy, and examined the use of militarised approaches and military assets across all of them. 20 independent experts contributed in this dynamic discussion series that attracted over 200 policymakers, private sector professionals and interested members of the research community. The Global Initiative and RUSI curated the results of the series, which will be published as an edited volume by Palgrave MacMillan in spring 2017.

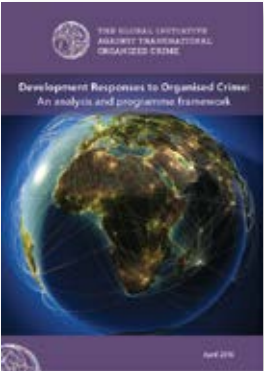
## II. Governance, Development and Fragility

### Development Dialogue

The Development Dialogue series which the Global Initiative facilitates with the leading development organisations has continued to consolidate itself as a relevant, meaningful, trust-based platform that can complement and reinforce formal policy dialogues ongoing in the multilateral system. The two meetings scheduled in 2016, in Washington DC in March and in Berlin in November, have been aligned to inform major debates within the UN, including the endorsement of the Sustainable Development Goals, the UNGASS 2016 Special Session, the High-Level Segment on Migration (HLM), among others. Bringing together experts and policy makers in a closed-door forum has allowed concerns to be aired, and possible approaches to be considered.



Over the three years that the Development Dialogue has run we have seen a significant shift from needing to still establish an evidence basis for organized crime as a development issue, to moving towards the implications for how responses should be crafted. Through building up trust with key actors, and broadening the scope of the partnership to different countries, organisations, and thematic experts, the Development Dialogue has become a credible vehicle by which to impact international development policy and programming around organized crime.



In our publication [Development Responses for Organized Crime: a planning and programming framework](#), published in April 2016, the Global Initiative provides a framework that provides a three-step exercise, which attempts to move beyond traditional approaches by offering:

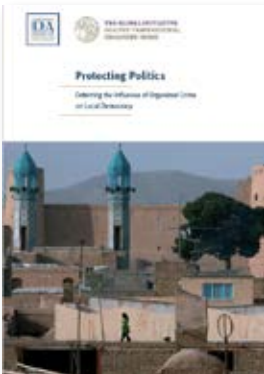
- A means for policy-focused analysis,
- A structure through which responses can be prioritised using the nature of the impact and harm caused as the primary lens of analysis, and,
- A set of programmatic responses that are sensitive to opportunities and entry points for engagement.

We are now working towards developing a ‘compendium’ of best practices and lessons-learned around the core development areas identified in the framework, which will be launched at the end of the year. This includes ways to build community resilience to organized crime, to isolate criminal markets and to counter impunity.

The approaches laid out in this report are being piloted in response to two organized crime challenges – one thematic, looking at human smuggling from the Horn of Africa; and one in a country context, examining how development responses could be applied to organized crime and the impact of illicit flows in Pakistan.

### Protecting Politics

In September 2016, the Global Initiative published two reports jointly with the International Institute for Democracy and Electoral Assistance (International IDEA): [Protecting Politics: Detering the Influence of Organized Crime on Public Service Delivery](#), and [Protecting Politics: Detering the Influence of Organized Crime on Local Democracy](#). Both reports are part of a series looking at organized crime and democracy, and add insights through analysing case studies including from Afghanistan, Niger, Somalia and Colombia.



Local democracy encompasses formal and informal institutions at the subnational level that respond to citizens’ needs. At the centre of local democratic practice, are open governments, which provide people with space for participation, promote deliberation and focus on public interests. But local state fragility undermines people’s capacity to experience democracy within their communities. Organized crime increasingly exploits these weaknesses in order to protect its illicit businesses, as political corruption is an ideal avenue preferred by organized criminals. This report looks at the interlinkages between organized crime networks and political actors at the local level. It also analyses some policy responses that have—intentionally and unintentionally—affected those relations, paying special attention to decentralisation policies. Three case studies from Afghanistan, Colombia and Niger illustrate how illicit networks relate to local levels of government and decentralisation processes. The cases also describe some state policy responses that have created or closed opportunities for organized crime to engage in political corruption at the local level.





Service delivery sits at the foundation of the citizen-state relationship, and is therefore implicit in this social contract as the state promises both freedom from fear and freedom from want. It is therefore essential in state-building as a measure of government capacity and legitimacy. Situations of state weakness due to lack of authority, capacity or legitimacy, competing forms of governance, such as organized crime groups, can emerge to provide these services. This report builds on an introduction to the concepts of service delivery and organized crime by examining the motives and possibilities of organized crime to act as a service provider. Entry points for organized crime to take on this are discussed in terms of state capacity and legitimacy to provide various public goods, highlighting that the relationship between organized crime and the state is not passive nor one directional. The report then illustrates the role of state

formation and political transition in creating space for organized groups to capture service delivery, and provides the characteristics of the capture of different types of services. This is concluded with case studies from Afghanistan, Somalia and Colombia.

### Highlights of Related Activities

- Launch of the “Protecting Politics” series in Geneva, with the Kofi Annan Foundation, 4<sup>th</sup> October.
- Participation at the Annual Regional Security Dialogue “New Risks – New Approaches to Collective Security? Southern African perspectives on the political economy of conflicts, interventions and sustainable peace”, held in Maputo, Mozambique from 25 to 27 October 2016.
- Having collected together a database on assassinations related to local democracy and organized crime in one specific country, we have identified a core policy area requiring further analysis and programmatic responses. The analysis led to the publication of an article in African Affairs, [“The Commercialisation of Assassination: ‘Hits’ and Contract Killings in South Africa 2000-2015”](#)

### Safer Cities

Never has the issue of understanding and responding better to urban security been more acute. More than 50% of the world’s population currently lives in an urban environment, and urban populations are predicted to grow by a rate of 1.5-2% per year. Crime and victimisation surveys across 80 countries and cities highlight the pervasiveness of insecurity and injustice amongst diverse and disaggregated population groups. A 2013 survey of hundreds of thousands of respondents conducted by the [www.worldwewant.org](http://www.worldwewant.org) as part of the establishment of the Sustainable Development Goals (SDGs) placed “protection against crime and violence” among their top priorities.

Wide-scale urbanisation, pressure on resources, and the growing presence of networked organized crime groups, suggests that South African and African cities more generally will face considerable security challenges in future. Neglect of organized crime’s potential to overwhelm urban environments carries high risks: Cape Town, which now has some of South Africa’s highest rates of murder and drug-related crime, is a case in point. The city witnessed 2,580 murders in 2013, a rate of just over 7 per day, of which 12% were gang-related; the latter percentage represented an increase of 86% over 2012. Criminal practices have escalated and accumulated, making the Western Cape area a hub for illicit activity.

The Global Initiative is working to develop catalytic research, tools and to provide opportunities for policy alignment around promoting innovative strategies and responses to the role played by organized crime in urban insecurity.



## Highlights of Related Activities

- The Global Initiative against Transnational Organized Crime joined the UN-HABITAT and the Geneva Peacebuilding Platform's conference on "Reviewing the State of Safety in World Cities: Safer Cities +20" on 6-8 July 2016 in Geneva.
- Global Initiative's work was presented in the technical working group meeting on *Safety and Peacebuilding: Integrated approaches in non-conventional conflict settings*; part of the cross-cutting expert meetings on safer cities in the new urban agenda leading up to HABITAT III.
- Co-authored by the Global Initiative's Director Mark Shaw, SouthAfrica.info's article [Debunking the myth of violent crime in SA features insights from our work on the nexus of transnational organized crime and violence](#). Published 22 July 2016.
- Times Live quoting Director Mark Shaw in its article [Krejcir's 'hit man' in brazen escape](#). Published 9 March 2016.

## Criminal Economies in West Africa

The Global Initiative was commissioned by the OECD to develop a report, to be published in December 2016, "*Illicit Financial Flows: The Economy of Illicit Trade in West Africa*", to examine the threats for citizens and states. It focusses on the West Africa because – given the region's open borders, natural resources and high levels of fragility – this region is particularly susceptible to criminal economies. It proposes a framework that offers an opportunity for policymakers (national governments, regional actors and international partners) to prioritise their policy interventions, address the enabling environment and mitigate the impact on the most vulnerable.

The report goes beyond traditional efforts to measure illicit financial flows (focusing solely on financial losses) towards a qualitative understanding of how these activities affect governance, the economy, development and human security. The analysis shows that criminal and illicit economies and resulting financial flows can have a potent negative impact, eroding the capacity of states and individuals to achieve basic social and economic development objectives over the long-term.

Drawing on collaboration between the OECD, the African Development Bank (AfDB), the Inter-Governmental Action Group against money laundering in West Africa (GIABA), the New Partnership for Africa's Development (NEPAD) and the World Bank, the report focuses on five in-depth case studies: human smuggling from West Africa to Europe, drug trafficking in and through West Africa, counterfeit goods in Ghana, artisanal small-scale gold mining in Liberia and Ghana, and financing of terrorism in the Sahel.



In addition, the Global Initiative convened a two-day seminar in Dakar, Senegal, on 19-20 April 2016 and was sponsored by the Rosa Luxemburg Foundation and included a commemorative event to pay tribute to Stephen Ellis, one of the foremost scholars of illicit economies in Africa.

Under the overall theme of "linkages between organized crime, governance, and terrorism" the seminar aimed at providing in-depth analyses and better-informed perspectives on the relationships between organized crime, governance, and terrorism, the nature and impact of their interaction, as well as at identifying trends and likely future developments. In addition, it

sought to develop a better understanding of the ramifications of natural resource extraction and the illicit flow of funds, and how these impact on the state, on conflict, on terrorism, and on geo-political game plans that are at play.

The Global Initiative will be editing a volume of essays from this series, which will be published by Hurst Publishers, London in 2017.



## Highlights of Related Activities

- Financial Nigeria interviewing Director Mark Shaw and Head-of-the-Secretariat Tuesday Reitano in [West Africa's informal sector obscures criminal economies](#). Published 5 February 2016.

## Building Peace: Geneva Peace Week 2016

The Global Initiative was one of the partners of the Geneva Peacebuilding Platform and hosted two events of the main programme during the [Geneva Peace Week](#) from 7-11 November 2016; “Building peace: Dealing with criminal agendas and illicit flows in peace processes” and “Building Peace and Managing Borders in the Sahel Maghreb” which also served as publication launch.

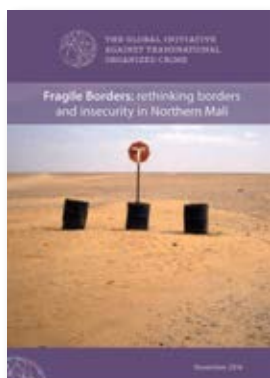
The Geneva Peace Week is a collective action initiative and serves as a collection of synchronised meetings on different topics related to promotion of peace during one week, maximising synergies between different organisations in Geneva and focused on the cross-cutting nature of peace. The Global Initiative contributed by highlighting the negative impacts organized crime has on peacebuilding processes and the need to come up with new strategies.

### Building Peace and Managing Borders in the Sahel Maghreb

Questions of stability and security in the greater Sahara are increasingly focused on the capacity to manage borders and border communities that sit astride the Sahel Maghreb.

Northern Mali, Northern Niger, Southern Libya and parts of Southern Algeria have become a zone of instability, largely removed from the purview and discussions of the central state, where competing militias and illicit trafficking thrive. The reverberations of this fragile zone has transatlantic implications, as drugs, arms, migrants and violent extremist ideologies transit and intersect, steadily broadening the zone of fragility.

Responses from the international community to these challenges have focused largely on strengthening and securitising borders on the one hand and targeting development incentives to those border communities. Yet neither of these strategies either in isolation or in tandem have proven effective, and central state consolidation remains a steadily receding objective.



One of the Global Initiative's events for the Geneva Peace Week launched a new report on 11 November 2016. The Global Initiative is searching for new strategies which are needed to engage with and redefine security governance for border communities. Based upon the work of practitioners actively engaged in the region, the launch event opened a discussion on alternative techniques around participatory border management, creating sustainable livelihood and development strategies for trafficking communities, and building viable models for inclusive and sustainable hybrid governance on fragile borders.

This report, [Fragile Borders: rethinking borders and insecurity in Northern Mali](#), which raises questions regarding part of the solution to this crisis of insecurity, namely border management: how can the management of Mali's borders in the three northern regions (Timbuktu, Gao and Kidal) be re-established or improved? Which border management options are available, and which organisational model should be adopted? Since the 2012 crisis, border management has emerged as a key issue linking two areas – security and development – which have not necessarily been tackled together beforehand.



## Dealing with criminal agendas and illicit flows in peace processes

On 8 November 2016, the Global Initiative co-hosted a Geneva Peace Week event with the Geneva Peacebuilding Platform on criminal agendas and illicit flows in peace processes. There is an increasing recognition amongst the peacebuilding that in a growing number of conflict and protracted violence scenarios, in order to achieve a negotiated agreement and promote the consolidation of peace, negotiation and engagement with organized crime will be necessary. The risks of not doing so are being demonstrated in contexts such as Libya, Mali, Central African Republic and the DRC. The relationship of violent economies and organized crime is often stressed but rarely systematically assessed in all its facets and implications. Then in practical terms, how this can effectively be achieved remains an open challenge, and thus is often put aside.

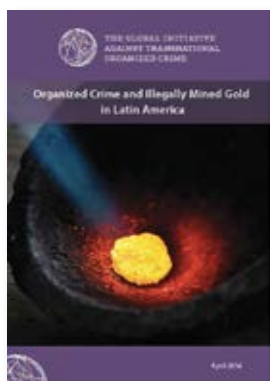
This session, targeted at peace mediators, peacebuilders and practitioners in the field, intended to highlight means by which to analyse and understand the political economy of conflict to account for illicit flows, and to develop strategies and responses that can be applied to those actors resourced by them to reduce violence, relinquish criminal industries and contribute towards sustainable peace.

## III. Illicit Financial Flows

Illicit financial flows (IFFs), defined as “money illegally earned, transferred or used”, are increasingly understood as a threat to sustainable development and one of the greatest contemporary global development challenges. They undercut economic growth and legitimate trade, depriving governments of financial resources they might otherwise invest in public goods such as health, education or infrastructure. As they present a significant threat to security, stability and development in many regions of the world, IFFs have increasingly featured on the agenda of leading political initiatives like the G8 and G20.

IFFs carry a high price, as they are increasingly concomitant with the illicit arms trade, drug trafficking and the commodities that resource conflict. IFFs are particularly prevalent and damaging in the context of weak, developing and fragile states, where they tend to exploit and exacerbate weaknesses in state institutions, undermine governance and empower those who operate outside of the law. Globally, states with weak institutions run the greatest risk of the onset or recurrence of conflict, and of extreme levels of criminal violence.

## Organized Crime and Illegally Mined Gold in Latin America



The research report [Organized Crime and Illegally Mined Gold in Latin America](#) (also available in Spanish: [El Crimen Organizado y la Minería Ilegal de Oro en América Latina](#)) concluded that illegally mined gold is now more important to organized crime in some countries of Latin America than narcotics:

- In Peru and Colombia – the largest cocaine producers in the world – the value of illegal gold exports now exceeds the value of cocaine exports.
- Illegal mining is the easiest and most profitable way to launder money in the history of Colombian drug trafficking.

The report also highlights critical gaps in regulation and enforcement and proposes a number of recommendations. The report was launched in Geneva on

6 April 2016. The report has garnered extensive media attention, and has proven to have resonated in a number of policy circles, especially in conjunction with discussions around the possible demobilisation of the FARC and the resultant impact on cocaine flows and criminal control in the Americas. Global Initiative staff briefed state officials in Colombia, Peru and Mexico, as well as US-SOUTHCOM, and the private sector.

The report was used as supporting evidence for the Government of Peru, who have made combatting artisanal gold mining a political priority in light of the environmental degradation it has triggered in the Amazon basin.

## Highlights of Related Activities

- A workshop on corruption within the framework of the UN CCPCJ on 25 May 2016.
- Participating in the 7<sup>th</sup> session of the Implementation Review Group of the United Nations Convention against Corruption in Vienna, Austria from 20 to 24 June 2016.
- Presentation of key findings of the Global Initiative report “Organized Crime and Illegally Mined Gold in Latin America” at the United States Southern Commander’s Forum Illegal Gold Mining in the Americas in Miami, United States on 13 September 2016.
- The Guardian reported of Global Initiative research on Latin American organized crime and human rights abuses connected to it. The article “[Illegal gold mining drives human rights abuses in Latin America, claims study](#)” was published 7 April 2016.
- Insight Crime summarised a Global Initiative report on organized crime and gold mining in Latin America in their article “[How LatAm Failed to Halt Rise of Illegal Gold Mining](#)”. Published 8 April 2016.
- Insight Crime referenced work by the Global Initiative in “[LatAm Eco-Traffickers Thrive Off High Profits and Low Risks](#)”. Published 23 March 2016.
- Press TV covered the Global Initiative’s work on South America and illicit gold mining in “[Peru declares emergency over illegal mining-related mercury pollution](#)”. Published 24 May 2016.
- Peru Reports highlighted research outcomes of the Global Initiative’s work on illicit mining and its environmental impact in [Illegal mining destroying pristine national park in Peru’s Amazon](#). Published 11 August 2016.
- The Guardian quoting insights from the Global Initiative’s work on environmental crimes and illicit financial flows in their article [Illegal mines and local mafia take shine off Latin American gold](#). Published 16 August 2016.
- InsightCrime referencing the Global Initiative’s report “Organized Crime and Illegally Mined Gold in Latin America” in their article [Peru Minister Says Eroded Enforcement Boosts Insecurity](#). Published 23 August 2016.
- Mogabay published an article entitled [Deforestation from illegal gold mining spreads to Northern Peru](#) which is based on this year’s Global Initiative research. Published 7 July 2016.
- InsightCrime highlighted the Global Initiative’s research on wildlife trafficking in Latin America in their blog post [Colombia investigation Reveals Workings of Wildlife Traffickers](#). Published 13 July 2016.
- Think Progress published an article entitled [Thanks to Illegal Mining, Colombia Has More Displaced People than Any Other Country, Except Syria](#), highlighted Global Initiative research of illegal mining and illicit financial flows. Published 28 July 2016.
- EcoAméricas quoted Global Initiative research on Latin American organized crime and illicit gold mining in their article “[Criminal organizations become key driver of environmental damage](#)” in their monthly report (Vol.18 – No.9). Published July 2016.



## GIFF – Illicit Financial Flows from Gold



The Global Initiative and Estelle Levin Ltd are undertaking a GIZ funded project to provide greater insight into the issue of criminal infiltration and illicit financial flows in artisanal and small-scale gold mining (ASGM): [The Gold and Illicit Financial Flows \(GIFF\) Project](#). The project aims to develop solutions that will improve efforts to formalise the ASGM sector globally by (1) raising awareness and understanding, (2) creating a network of stakeholders, and (3) providing stakeholders and decision makers with tools to identify, map, and address IFFs in their gold supply chains.

On 4 February 2016 GIFF was launched with a closed-door roundtable and a launch meeting in Washington DC. The GIFF Project was very well received. Participants actively engaged in discussions and expressed high levels of interest in the topic and the Project aims. As one noted, the “conflict minerals elite” was gathered.

Participants communicated that the GIFF Project correctly:

- Identifies a crossroads of many key and emerging issues;
- Recognises the pressure on companies to source responsibly;
- Raises IFFs as a key impediment to achieving stability and sustainable development; and
- Responds to governments from around the world who are asking for more information and assistance in combatting IFFs and formalising ASGM.

On 13 May 2016, the GIFF Project held an International Dialogue on links between artisanal and small-scale gold mining (ASGM) and illicit financial flows (IFFs) in Paris, France. The event furthered the GIFF Project’s work to raise awareness of IFFs linked to ASGM, increase knowledge on the topic and strengthen responses.

Fifty individuals representing industry, governments, civil society, multilateral institutions, and international organisations attended. The event included presentations by panellists, sidebar conversations, a large-group discussion, and question and answer sessions throughout. The primary objectives were to:

- Build awareness of IFFs and the role of criminal networks in gold supply chains;
- Build understanding of the extent and ways in which IFFs impede ASGM formalisation;
- Provide a platform to present practices and strategies for restricting IFFs in gold supply chains and develop strategies and initiatives to implement going forward;
- Solicit inputs for tools and strategies to identify and combat IFFs, in particular to facilitate ASGM formalisation.

### Highlights of Related Activities

- “International strategy to combat illicit trafficking in precious metals” hosted by UNICRI in Cape Town, 8 to 9 March 2016.
- The Global Initiative hosted a side event on “Addressing Illegal Mining as a New Form of Transnational Organized Crime” during the 25<sup>th</sup> session of the UN Commission on Crime Prevention and Criminal Justice (CCPCJ) in Vienna during 23 to 27 May 2016.



## Illicit Trade and Development



A joint publication with Black Market Watch which was commissioned by the Swedish Ministry of Foreign Affairs, entitled [Illicit Trade: Undermining Development](#), was published in December 2015.

This report highlights the impact of organized crime on development, recognising that illicit trade ought to be recognised as one of the priorities in the combat against transnational organized crime because its different forms constitute the greatest sources of income for criminal groups. Nonetheless, major challenges remain in this combat: data, multiple actors sharing responsibility, long-term and indirect impact and the sheer scale of the problem create challenges for policy-makers and law enforcement alike – setting aside that there are over 180 definitions of “organized crime” which makes finding the perfect definition for “illicit trade” a challenge by itself.

Whilst this paper takes a look at the broader problem of illicit trade, it focuses especially on the “illicit trade in goods that displace normally legal products” as this remains one of the most underrated and least prioritised organized crime areas despite massive economic turnover and societal impact.

A subsequent report of the Global Initiative, [Illegal file sharing and streaming: An ecosystem perspective](#), discussed the role of cyber enabled file sharing technology on the value and integrity of the media and intellectual property. This report gave innovative solutions that put the onus on operating systems to block illegal file sharing, prompting significant debate within the tech sector.

### Highlights of Related Activities

- Participation at the OECD Task Force on Countering Illicit Trade, in Paris from 18 to 19 March.
- A briefing of the Swedish Foreign Ministry and other Ministries on the Global Initiative report “Illicit Trade: Undermining Development” in Stockholm, Sweden on 8 June 2016.
- Panel discussion including the Director General of the Swedish Patent and Registrations Office in Visby, Sweden on 6 July 2016.
- TorrentFreak referred to the Global Initiative’s joint work with Black Market Watch on cybercrime in their article [Report: Operating Systems Should Actively Block Pirated Downloads](#). Published 3 August 2016.
- Computing referencing the Global Initiative’s work on cybercrime in [Software piracy should be banned at the operating system level – report](#). Published 4 August 2016.
- German media agent Golem quoted the Global Initiative in its article [Urheberlobby will Sperren auf Betriebssystemebene](#). Published 4 August 2016.
- Techworm published an article referring to the Global Initiative’s work on cybercrime in their online article [Anti-piracy group wants all Operating Systems to block pirated downloads](#). Published 5 August 2016.
- The NZ Herald quotes an approach to combat cybercrime proactively in its article [Illegal downloading might come to a surprising end](#). Published 4 August 2016.

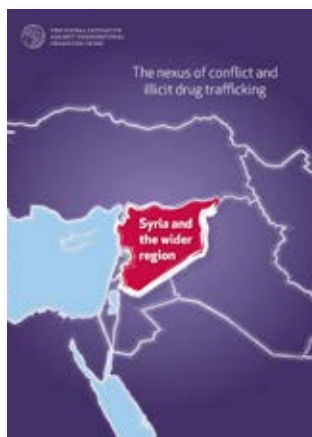


## IV. Drug trafficking and Drug Policy

Drug policy has had a prominent role in the global agenda in the past year, as discussions crystallised around the UN General Assembly Special Session on Drugs (UNGASS). As in recent years, discussions around drug policy are polarizing, with experiments around legalization moving forward in a number of countries and some US States, whilst at the same time, a number of new states, including the Philippines and Argentina, moving forward with an increasingly hard line approach to the “War on Drugs”. The UNGASS itself took a largely neutral stance, preventing the agenda from significantly or productively advancing. Without a universal policy, lexicon or open forum in place in which this issue can be debated multi-laterally, and without a systematic measure for capturing either the experiences and lessons learned from the different approaches, or for responding to potentially egregious human rights implications, the role of civil society to monitor and speak up is critical.

Into this breach, the Global Initiative seeks to contribute to the evolution process of innovation, lesson learning and more strategic approaches by studying the impact of drug trafficking both at the level of emerging global trends, as well as at the local level and its interaction with community dynamics in key zones of fragility. The Global Initiative also seeks to identify and explore the linkages between drugs trafficking and other forms of crime, and to propose alternative responses for debate. It is clear that drug trafficking remains an evolving and pernicious threat, which is undermining governance and human security and resources violent criminal groups. Study, dialogue and debate remain imperative.

### The nexus of conflict and drug trafficking



This Global Initiative investigation, [The Nexus of conflict and drug trafficking: Syria and the wider region](#), shows that Captagon has become the conflict drug of choice – not only in directly financing the ever-deteriorating war in Syria but also slowly fuelling the appetite for conflict: Evidence suggests that ISIS is also not only involved in Captagon trafficking but also in prescription drug trafficking and abuse (tramadol). Both Captagon and tramadol are used by ISIS fighters to suppress feelings of pain, induce feelings of euphoria and thereby increase levels of violence.

In addition, migration and displacement feed into another vicious cycle. As drug trafficking sprawls, so does the potential for increased abuse and addiction by Syrian nationals both within the country and among the refugee populations. Further evidence suggests the increasing vulnerabilities and mental health issues of the displaced population, leading to spiking levels of drug abuse.

This new Global Initiative report, launched on 1<sup>st</sup> of November, is a timely piece of analysis based on field research in six countries. It examines the dimensions of regional drug trafficking and highlights the troubling consequences for the possible resolution of the Syria conflict and the region’s long-term stability. It will be followed by a similar study on Lebanon in 2017.

### East Africa Commission on Drugs

Together with the Kofi Annan Foundation (KAF), the Global Initiative worked on a RUSI requested project on drug trafficking in East Africa and its impacts on governance, security and development as part of the Cocaine Route Monitoring and Support (CORMS) project.

Over the past decade the significant increase of heroin trafficking as well as methamphetamine traffic through East Africa has become known. Transit countries have been affected negatively both in terms of higher drug consumption but also regarding considerable risks to the peace, security and economic well-being of these countries.



To increase the available data collection and knowledge about drug trafficking in Eastern Africa, the Global Initiative reviewed the main trends in drug trafficking in the region, conducted field visits for a deeper assessment and produced an in-depth literature review of the main trends in the illicit trade of not only heroin and cocaine but also methamphetamine-like substances throughout the region. The Global Initiative's work included an identification of the actors in the region already actively involved in assessing and responding to the illicit drug trade as well as identifying potential partners and entry points for establishing a WACD equivalent for Eastern Africa.

### Highlights of Related Activities

- Vice News covered Global Initiative work on drug trafficking in their article "[No, your drug use is not funding terrorism](#)" on 20 September 2016.
- A presentation ("[A new agenda for policing: understanding the heroin trade in Eastern Africa](#)") by Margarita Dimova at the European Consortium for Political Research (ECPR) Conference at the University of Glasgow used Global Initiative research and images, in turn used by the Global Initiative's Director in 2014.

## Potential Impacts of Changing Drug Policy for Organized Crime

In the run-up to the 2016 Special Session of the United Nations General Assembly on the World Drug Problem (UNGASS) discussion centered on the concept of "harm reduction" and how it is interpreted. While this may not have led to fundamental change in the overall drug control framework itself, it has and will continue to stretch the boundaries of the possible within the current international drug control regime.

This programme attempts to provide a sober assessment of whether current programmes around what is generally termed "harm reduction" are in fact working. It then considers the possibility of widening the scope of the harm reduction concept to the drugs supply chain in its entirety, and to organized crime itself and considers the policy implications of doing so. Just as in the case of the drug use debate, this does not mean a softer approach on organized crime, but only that a wider set of policy alternatives beyond a narrow law enforcement are required if we are to succeed.



Mark Shaw, Director of the Global Initiative, has been appointed as a Fellow at the LSE Ideas Drug Policy Programme. In an article written for their UNGASS special edition, he argues that dangers of widening the space for health policy approaches to consumption strategies are associated with a return to traditional law enforcement practices further down the supply chain – perhaps a concession to "hard liners". Evidence demonstrates that a broader set of harms from the growth of criminal networks and violence in certain states are only exacerbated by hardline criminal justice and militarised responses.

The issue of drug decriminalisation and legalisation remains highly contentious, including amongst members of the Network. As political momentum focuses post-UNGASS 2016 and the implementation of the Sustainable Development Goals, there is a potentially unprecedented

opportunity to push this debate further, and the Global Initiative is seeking ways to effectively engage on this issue.

- International Drug Policy Consortium quoting Director Mark Shaw in [Outflanking the war on drugs?](#) Published 2 March 2016.
- Seminar on [Peace with the FARC – ushering in a new chapter in Colombia's history of crime and violence?](#) co-hosted with InSight Crime, an Americas organized crime observatory, and the Geneva Peacebuilding Platform, this well-attended seminar debated the impact of a possible peace agreement with the FARC on regional drug trafficking routes, Colombia's domestic criminal economies and the stability and life experiences of the people of Colombia, 1 September 2016.

## V. Environmental Crime

The Global Initiative recognises that to successfully counter organized environment crime will require a multi-faceted approach that looks not only brings to bear the normative and criminal justice approaches, but that will also address the organized and illicit networks that underpin environmental trafficking, the extensive corruption that enables illicit flows, and which also look at the socio-economic conditions that give illicit trade in environmental products a local legitimacy.

Addressing environmental crime is a priority for the Global Initiative, which we realise through a range of dedicated projects:

- **Environmental Crime Law:** through a range of methods, including a partnership with the World Wildlife Fund (WWF) to strengthen the international and national legal frameworks to counter transnational organized environmental crimes. This also includes ongoing efforts to launch, jointly with Legal Atlas, a global compendium of environmental crime law as part of a specialized, customized, interactive, legal analysis tool.
- **Spotlight Africa:** A project that looks specifically at the trafficking of environmental resources from Africa and its impact on the continent, including a focus on the iconic species and the connection to conflict and stability.
- **Environmental Security Observatory (ESO)** hosted in partnership with the University of Cape Town, which examines the pathways to address community involvement in environmental crime.

The Global Initiative has undertaken a range of catalytic research projects, as well as regularly convening seminars and discussions, drawing up on our expert network to broaden the knowledge basis and catalyse new responses. We are increasingly shifting into the delivery of tools and pilot programmes that would support donors to engage in the environmental sector in innovative ways.

### Rhino Poaching in Southern Africa



In July, the Global Initiative launched two connected research reports on rhino horn trafficking in Southern Africa; [Tipping Point: Transnational organized crime and the 'war' on poaching](#) and [Beyond Borders: Crime, conservation and criminal networks in the illicit rhino horn trade](#), respectively. Both reports have been authored by the Global Initiative's Senior Researcher Julian Rademeyer. Drawing on extensive interviews with officials in government, conservation and law enforcement agencies in Southern Africa, Asia and Europe, this two-part report by the Global Initiative

Against Transnational Organized Crime examines law enforcement responses to international rhino horn trafficking syndicates and investigates legal loopholes and institutional lapses that allow the illicit trade to fester.

The reports expose:

- The links between hunters from eastern Europe and sham rhino hunts used as a means of obtaining rhino horn for Asian criminal networks;



- The involvement of a convicted Vietnamese rhino horn smuggler and “diamond magnate” in a South African game farm where rhinos and tigers are hunted and bred for export to Vietnam;
- The involvement of Zimbabwe’s feared Central Intelligence Organisation in rhino poaching;
- Institutional lapses and corruption in Mozambique that have allowed Chinese rhino horn smugglers to escape the net;
- Dodgy diplomats who abuse their diplomatic privilege to smuggle rhino horn;
- The resurgent role of North Korea’s diplomatic missions in the illicit rhino horn trade.

The reports have received intense global media coverage and triggered calls for an investigation into linkages between a self-confessed rhino horn smuggler and South Africa’s Minister of State after an Al Jazeera Investigates documentary on “[The Poachers Pipelines](#)”, aired during November 2016.

### Highlights of Related Activities

- Part 1 of the report was launched in Pretoria at the Royal Norwegian Embassy on 11 July 2016, and part 2 was launched together with the WWF and the Geneva Environment Platform in Geneva on 13 July 2016. Both events brought together numerous expert participants.
- On 25 September 2016, the Global Initiative hosted a side events at CITES CoP17 entitled “Untouchable? Criminal Networks. Traffickers and the Trade in Rhino Horn”, where the Global Initiative was proud to have on the panel Dr. Lyle Pienaar, a senior South African intelligence analyst from the South African state security agency, who specialises in issues of national security and transnational crime. Dr. Pienaar presented a strategic overview of new efforts in South Africa to combat rhino horn poaching and trafficking.
- An environmental law training seminar for EU prosecutors and judges, organized by the Academy of European Law in Trier, Germany from 24 to 26 February 2016.
- A seminar on wildlife crime, hosted by the Law Faculty of Hong Kong and supported by the ADM Capital Foundation on 19 March 2016.
- A lecture on “Combating International Wildlife Crime” organized by the Hong Kong branch of the Royal Geographical Society on 21 March 2016.
- An environmental law training seminar for EU prosecutors and judges, organized by the Academy of European Law in Madrid, Spain from 20 to 22 April 2016.
- An event on Illegal Wildlife Trade and Corruption, organized by the Foreign and Commonwealth Office and the Department of Environment, Food and Rural Affairs in London on 10 May 2016.
- Professor Louise Shelley, the director of the Terrorism, Transnational Crime and Corruption Centre (TraCCC) and Global Initiative Network of Experts member, presented a paper on convergence of the illicit trade in rhino horn with other illicit markets. The event was held together with the Environmental Security Observatory at the University of Cape Town on 26 May 2016.
- African Arguments featured an article by the Global Initiative’s senior researcher Julian Rademeyer in [The role of the “secret police” in Zimbabwe’s deepening poaching crisis](#). Published 4 August 2016.
- South African newspaper “The Citizen” quoted Global Initiative research insights in [“Make or break for rhino”](#). Published 29 March.
- Traffic published [“UN Crime Congress raises stakes in fight against wildlife crime”](#) summarising insights from the Global Initiative’s participation of the UN Crime Congress in Doha. Published 16 April.





- The Environmental Investigation Agency (EIA) reported from the Global Initiative and WWF's presentation at the UN Crime Congress in Doha and the Global Initiative's report "Tightening the Net: Towards a Global Legal Framework on Transnational Organized Environmental Crime" in its article on the [UN Crime Congress 2015: Legal frameworks adequate or failing?](#). Published 16 April 2016.
- National Geographic referred to the Global Initiative in its article "[South Africa just lifted its ban on the rhino horn trade](#)". Published 23 May 2016.
- The Atlantic quoted the Global Initiative in [The Rhino-Horn Trade Returns to South Africa](#). Published 24 May 2016.
- BBC World referred to the work of the Global Initiative in the well-read article [East Asian networks 'smuggle ivory across Africa'](#). Published 7 July 2016.
- The "Africa News Agency" expected outcomes and insights from the two-part report on criminal networks involved in rhino poaching in the article [New report to expose rhino poaching criminal networks](#). Published 11 July 2016.
- The Straits Times covered our work on Southern African rhino poaching in their article [Buying time for rhinos in 'The Kruger Republic'](#) which was authored by a member of the diverse Global Initiative Network of Experts. Published 11 July 2016.
- South Korean news agent Yonhap News AG covered [N. Korean diplomats engaged in illegal rhino horns trading: report](#) and cited the Global Initiative's research. Published 12 July 2016.
- The Washington Post added to the international coverage of the Global Initiative's research on environmental crime and wildlife trafficking with their article [Poacher's paradise: The terrifying underworld behind rhino horn trade](#). Published 12 July 2016.
- The Daily Maverick covered the first rhino research report (Tipping Point: Transnational organized crime and the 'war' on rhino poaching) in [Horns of a Dilemma: Mozambique poaching enriching North Korea's leadership](#). Published 12 July 2016.
- The Telegraph added to the international coverage of the Global Initiative's double report on rhino poaching in [North Korean diplomats linked to lucrative rhino horn trade in Africa](#). Published 13 July 2016.
- The Los Angeles Times featured insights from the Global Initiative's rhino poaching double publication in [Some of the people who are supposed to be saving rhinos are helping them die out](#). Published 13 July 2016.
- The Swiss TV programme SRF Tagesschau covered the Global Initiative's Geneva launch of the report Beyond Borders: Crime, conservation and criminal networks in the illicit rhino horn trade, including interviews with the author, the Global Initiative senior researcher Julian Rademeyer in "[Wertvolle Nashörner](#)". Broadcasted 13 July 2016.
- The Guardian referred to [North Korean diplomats implicated in illegal rhino horn trade – report](#). Published 15 July 2016.
- Hawaii Public Radio referred to the Global Initiative's work in [New Report Highlights Role of Asian Diplomats in Rhino Extinction Crisis](#). Published 15 July 2016.
- The Times highlighted Global Initiative research insights in [North Korea envoys smuggled rhino horn from Africa](#). Published 16 July 2016.
- In [Wildlife Crime: Convincing Communities?](#) the Global Initiative's senior advisor John M. Sellar shares our insights on various aspects of wildlife crime for Annamiticus. Published 20 July 2016.



## VI. Human Trafficking and Migrant Smuggling

Human trafficking and human smuggling are interrelated issues that have been very prominent in the past year. But while there are many excellent organisations active in the fight against human trafficking, the knowledge and responses to human smuggling are significantly less developed. The Global Initiative endeavors to add value where it can in facilitating debate between diverse stakeholders, providing relevant contributions to the research basis, building linkages to other crimes, and attempting to mobilise political will towards a more effective global response.

### Migration

In a period when global migration levels have never been higher, understanding the role of human smugglers has become a growing priority, and one which there is a dearth of current evidence. Criminal actors have profited significantly in recent years, with human smuggling into the EU alone estimated to be worth in the region of €6 billion per year in 2015. The Global Initiative has worked extensively to map the political economy of the smuggling markets, understand the actors – including smugglers themselves, migrants and the states from which they herald and transit – their motivations and interests, in an effort to seek out better responses to the challenge. Security first strategies based around the criminalisation of migration and of smuggling, plus border control, have proven not only poorly effective but also damaging – they exacerbate the criminality and violence associated with the industry.

In February 2016, the Global Initiative then published the complete conference report, entitled [Trails of Insecurity – Illicit Migration as a Source of Threat Financing and Criminal Resourcing in Africa](#). Expert participants have suggested that the logic which would motivate terrorist groups such as the Islamic State in Syria and the Levant (ISIS, the Islamic State or Daesh), al-Shabaab or Al-Qaeda in the Islamic Maghreb (AQIM) to use the same networks and mechanisms to generate and move illicit money as more conventional criminal networks is compelling. Not only do these groups exhibit the necessary high level of organisation but migration-induced human smuggling currently has also no competition of similar economic value.

Regional dynamics differ, however, depending on common migration routes and local power holders. The report concludes that migration remains a complex problem, and smuggling networks are notoriously difficult and still not well understood. Three points are policy recommendations worthwhile considering:

- Strengthening the evidence basis
- Redressing criminality and criminalisation
- Tackling the root causes to move towards sustainable, regional solutions

On 30 August 2016, the Global Initiative co-hosted an event on “Migration in focus: adding African voices” together with the Institute for Security Studies in Pretoria, South Africa. This seminar explored migration policy from an African point of view. It unpacked the findings of cutting edge research across the continent based on interviews with migrants and smugglers.



In September 2016, the Global Initiative published a policy brief on migration, titled [Understanding and Responding to the Role of Human Smugglers in Migration](#) as an input to the High Level Segment on Large Scale Migration (HLM2016).

A lack of nuance in examining and responded to what are generally termed “human smugglers”, “facilitators”, “traffickers”, “organized crime”, the distinctions between them, and their role in facilitating large scale migration is undercutting the response to illegal migration. This brief, which is part of the Global Initiative’s work on smuggling into the EU, argues for a more structures understanding of the spectrum of the smuggling industry, and the importance of drawing a distinction between smuggling and trafficking, and makes a range of policy recommendations to increase the successes of targeted responses by both governments, the UN Security Council and the wider migration management platform.

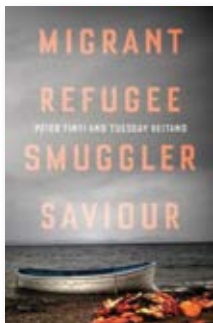


In December 2016, the Global Initiative released a research series on “Human smuggling from Africa to Europe” jointly with the Institute for Security Studies, and funded by the Hanns Seidel Foundation. Four papers and policy briefs focus on the smuggling dynamics behind Europe’s migration crisis, how smugglers operate, what drew them into the trade, and how they are responding to international community efforts to end illicit migration. The pamphlet [Beyond Anecdotes: Getting to the heart of human smuggling](#) summarises them; [Breathing Space: The Impact of the EU-Turkey deal on irregular migration](#) focuses on the \$6 billion agreement reached between the EU and Turkey on migration. [At the edge: Trends and routes of North African clandestine migrants](#) highlights the case of Algerians, Tunisians and Moroccans and how and why they choose to migrate across the Mediterranean. [The Niger-Libya corridor: Smugglers’ perspectives](#) draws from interviews with local communities and smugglers themselves. [The Khartoum Process: A sustainable response to human smuggling and trafficking?](#) poses the question of the potential success or failure of the Khartoum process in achieving desired outcomes or, instead, posing a risk to better governance and development of the Horn of Africa.

The research series was launched in a Geneva event on 08 December 2016. The entire event is available to watch as a video.

The Global Initiative also received a grant by the government of the UK through the Department for International Development (DFID) and the Ministry of Foreign Affairs of Norway to research “Framing Development Responses to Human Smuggling through the Horn of Africa”, which will be published as two separate reports in 2017.

Global Initiative Director, Mark Shaw, wrote a guest article for the UNICRI magazine, [Smuggling networks to Europe: a spectrum from organized to disorganized crime](#) which laid out an analytical framework for better understanding the migrant smuggling industry.



Two Global Initiative staff, Tuesday Reitano and Peter Tinti, wrote the widely praised *Migrant, Refugee, Smuggler, Saviour*, a measured attempt, born of years of research and reporting in the field, to better understand how people-smuggling networks function, the ways in which they have evolved, and their long term impact on both migration and global organised crime. Published by Hurst, the book has been reviewed by the Financial Times, Foreign Policy and both authors have been interviewed by CNN’s Amanpour and the BBC.

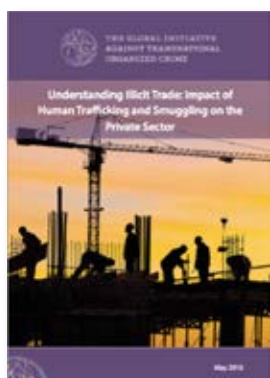
### Highlights of Related Activities

- The Global Initiative co-chaired a seminar at the Academy of European Law (ERA) entitled “Countering Migrant Smuggling: towards a more comprehensive approach”, from 9-10 June 2016, in Trier, Germany.
- The Global Initiative participated in the OECD Integrity Forum, speaking on a panel on “Exploiting Tragedy: Corruption and the Refugee Crisis”, April 19th 2016.
- Refugees Deeply, a specialised news site, published an article entitled, [Further Criminalising People Smuggling Won’t Work](#), 2 October 2016.
- A feature blog post by Global Initiative’s Head of the Secretariat Tuesday Reitano for the London School of Economics and Political Science on [Niger’s incentives for cracking down on migrant smuggling](#). Published 13 January 2016.
- The Regional Mixed Migration Secretariat referencing Global Initiative research and publications in their blogpost [Smuggling of migrants and refugees: a multi-million dollar industry](#). Published 27 January 2016.



- The Guardian referred to the Global Initiative's research output in "[Alleged people-smuggling kingpin is extradited to Italy](#)". Published 8 June 2016.
- The Washington Post featured our work on human trafficking and human smuggling from the Middle East and North Africa into Europe in its article [EU seeks talks with Cairo as migrants depart Egyptian coast](#). Published 18 June 2016.
- U.S. News referred to the Global Initiative in "[Migrant and refugees are piling up at muddy camp near the closed Greece-Macedonia border as European officials say a well-trodden route through the Balkans is no longer available](#)". Published 10 March 2016.
- U.S. News published the article "[As the EU tries to send thousands of migrants back to Turkey and close the Balkans route many use, concern is mounting that people desperate to find sanctuary or jobs in Europe are already using smugglers to find other paths in](#)" referring to the Global Initiative and its comprehensive work on migrant smuggling. Published 10 March.
- IRIN News highlighting an upcoming Global Initiative event in Pretoria on [Migration in focus: Adding African Voices](#). Published 26 August 2016.
- AllAfrica Global Media published an article titled "[Egypt: 'Harrassment' of Darfur Refugees in Egypt](#)", referring to Global Initiative research on migration and migrant smuggling routes from Africa to Europe. Published 9 September 2016.

## Human Trafficking



Drawn from the widely successful series of webinars hosted by the Global Initiative and Babson College in 2014-15, the report [Understanding Illicit Trade: Impact of Human Trafficking and Smuggling on the Private Sector](#) highlights emerging human trafficking challenges and identifies promising anti-trafficking initiatives specifically from the private sector.

The report finds that the private sector needs to play a stronger role in ensuring ethical and fair practices, and to contribute its unique knowledge and expertise to help in the fight against human trafficking. Overall, the private sector is an increasingly important actor in enabling as well as in combating the different aspects of human trafficking.

Each chapter of the report covers one of five key areas of human trafficking:

- **Migrant workers in the USA** and their vulnerability to labour exploitation
- **Online sexual exploitation of children** and recent technological developments in detecting this form of crime
- **Human trafficking in football**, particularly in the area of recruitment of young athletes
- **Labour exploitation and the construction industry**, using the example of the kafala system in the Gulf countries to highlight flawed national regulation putting migrant works at risk of being trafficked and exploited
- **Responding to the global black market in illicit organs** and the intrinsic role the private sector has played in enabling this illicit business

A second report of the second webinar series on “The private sector countering human trafficking: Supply chain management, labour standards and human trafficking” is expected in Spring/Summer 2017. In addition, after the great success of the previous webinar series and the first follow-up report, a further webinar series was launched in winter 2016, entitled “New technologies, Innovation and Entrepreneurship Tackling Human Trafficking” which now serves as one of the corner stones of the [Responsible & Ethical Private Sector Coalition against Trafficking \(RESPECT Initiative\)](#), which is a collaboration between the Global Initiative, the International Organisation on Migration (IOM), and Babson College’s Initiative on Human Trafficking and Modern Slavery.

#### Highlights of Related Activities

- The Global Initiative was invited to speak at the meeting of the EU Network of National Rapporteurs or Equivalent Mechanisms on Trafficking in Human Beings, which took place in Brussels on the 19 and 20 May 2016.
- The Global Initiative gave a keynote speech at an SWP-GIZ co-hosted event on “Migration and Human Trafficking: Examining the Gender Dimension” 9 March, 2016 in Berlin.
- The Global Initiative was asked to present our work to the NREM meeting of all EU Ambassadors on human trafficking, co-chaired by the European Trafficking Coordinator and the Dutch Rapporteur. The meeting was entitled “The role of financial institutions in addressing trafficking in human beings”, on 19th May 2016.

## VII. Maritime Piracy



The report, [The Economics of Piracy in South East Asia](#) authored by Karsten von Hoesslin for the Global Initiative against Transnational Organized Crime, argues that South East Asian piracy, and in particular its Indonesian variety, presents a constant and considerable challenge, not only to the shipping industry, but also to the integrity and rule of law of the states in the region. It is a force deeply rooted in the history and geography of the region, and is highly adaptive to changing economic realities.

This report seeks to put South East Asian piracy in its historical context, to study the rise in piracy in South East Asia during the last five years, and to examine in detail the business model that has driven it. This then offers a forward looking analysis of what the future holds, and how piracy of this type may best be contained by law enforcement and international organisations.

#### Highlights of Related Activities

- The New York Times published an article titled “[Southeast Asia Replaces Africa as the World’s Hotbed of Piracy](#)”, using this year’s Global Initiative report on maritime piracy in Southeast Asia. Published 17 September 2016.

## Donors and Partnerships

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The Global Initiative would like to take this opportunity to express its warmest thanks to all partners and donors who are generously supporting our numerous activities in all facets of transnational organized crime.

In particular, the Global Initiative would like to thank the Governments Switzerland, from which we received core funding and which has warmly welcomed us back in the Geneva headquarters.

In addition, the Global Initiative would like to acknowledge the organisations and donors who supported and collaborated in specific projects throughout 2016:

- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Estelle Levin Ltd.
- European Union (EU)
- German Marshall Fund of the United States
- Hanns Seidel Foundation (HSF)
- Institute for Security Studies (ISS)
- International IDEA
- International Institute for Strategic Studies (IISS)
- International Peace Institute
- Kofi Annan Foundation (KAF)
- Legal Atlas
- London School of Economics (LSE)
- Ministry of Foreign Affairs, Kingdom of Norway
- Ministry of Foreign Affairs, Switzerland
- OECD
- RHIPTO – Norwegian Center for Global Analysis
- Rosa Luxemburg Foundation
- Royal United Services Institute (RUSI)
- Stiftung für Wissenschaft and Politik (SWP)
- Techfugees Initiative
- The Hague Institute for Global Justice
- UK Department of International Development (DFID)
- University of Cape Town
- Verité
- West Africa Commission on Drugs
- World Wildlife Fund (WWF)





## ***Report of the statutory auditors on the limited statutory examination to the General Meeting of The Global Initiative against Transnational Organized Crime Geneva***

As statutory auditors, we have examined the financial statements of The Global Initiative against Transnational Organized Crime, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2016.

These financial statements are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of association personnel and analytical procedures as well as detailed tests of association documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

PricewaterhouseCoopers SA



Philippe Tzaud  
Audit expert  
Auditor in charge



Jonathan Dadoun  
Audit expert

Genève, 9 February 2017

Enclosure:

- Financial statements (balance sheet, income statement and notes)

*PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, case postale, CH-1211 Genève 2, Switzerland  
Téléphone: +41 58 792 91 00, Téléfax: +41 58 792 91 10, [www.pwc.ch](http://www.pwc.ch)*

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# The Global Initiative against Transnational Organized Crime, Geneva

## Balance Sheet as of 31st December 2016 compared to 2015

(in Swiss Francs)

	2016	2015
<b>ASSETS</b>		
<b>Current assets</b>		
Bank at sight	24'010	129'851
Grants receivables	118'391	35'244
Other current receivables	0	405
Accrued income	0	73'553
Transitory expenses	5'467	30'091
<b>Current assets</b>	<b>147'868</b>	<b>269'144</b>
<b>Fixed assets</b>		
Fixed assets	1'367	2'155
<b>Fixed assets</b>	<b>1'367</b>	<b>2'155</b>
<b>Total Assets</b>	<b>149'235</b>	<b>271'299</b>
<b>LIABILITIES</b>		
<b>Short-term liabilities</b>		
Bank at sight	21	0
Vendors payables	39'392	170'967
Transitory expenses	119'552	55'000
Deferred income	50'420	102'220
<b>Short-term liabilities</b>	<b>209'385</b>	<b>328'187</b>
<b>Association own funds</b>		
Balance brought forward	-56'888	304'890
Lack of income over expenditures	-3'262	-361'778
<b>Total association own funds</b>	<b>-60'150</b>	<b>-56'888</b>
<b>Total Liabilities</b>	<b>149'235</b>	<b>271'299</b>





# The Global Initiative against Transnational Organized Crime, Geneva

Statement of Income and Expenses for the fiscal year ending 31st December 2016  
compared to the fiscal year 2015  
(in Swiss Francs)

	2016	2015
<b>INCOME</b>		
Project grants received	1'344'291	1'124'517
Income received in advance	-50'420	-76'345
Donations in kind	138'651	77'625
<b>Total Revenues</b>	<b>1'432'522</b>	<b>1'125'797</b>
<b>PROJECT EXPENSES</b>		
Project consultant costs	-680'644	-565'775
Project consultant costs in kind	-42'578	0
Project related travel expenses	-220'906	-484'962
Website - Publications and pamphlets	-15'866	-42'257
Project related Salaries and social charges	-120'683	-121'906
Project related professional services	-95'273	-39'862
<b>Total Project Costs</b>	<b>-1'175'950</b>	<b>-1'254'762</b>
<b>Net contribution to overheads</b>	<b>256'572</b>	<b>-128'965</b>
<b>OVERHEAD COSTS</b>		
Rental and maintenance	-12'887	-9'018
Rent in kind	-95'994	-77'625
Administration costs	-61'787	-64'378
VAT not recoverable	-61'559	-52'646
Amortization	-788	-591
<b>Total Overhead Costs</b>	<b>-233'015</b>	<b>-204'258</b>
<b>Earnings before financial result</b>	<b>23'557</b>	<b>-333'223</b>
<b>Financial result</b>		
Bank interests received	0	0
Exchange gain & losses	-17'723	-22'087
Bank fees	-7'072	-6'468
<b>Total financial results and expenses</b>	<b>-24'795</b>	<b>-28'555</b>
<b>Operation from previous period</b>		
Operating revenue from previous period	1'720	0
Operating charge from previous period	-3'744	0
<b>Total financial results and expenses</b>	<b>-2'024</b>	<b>0</b>
<b>Lack of income over expenditures</b>	<b>-3'262</b>	<b>-361'778</b>



# The Global Initiative against Transnational Organized Crime, Geneva

Notes to the financial statements as of 31st December 2016  
(in Swiss Francs)

## Association domicile

Avenue de la Paix 7bis

## Scope of the association

Promote cross-border and catalytic processes that attract new players and facilitate remodeling of reflection, coordination and responses to transnational organized crime; invigorate the global debate around transnational organized crime in order to promote sustainable translation and implementation of new approaches within a multilateral framework, regional and national levels; undertake research and develop new policy options to help inform a strategic development at national, regional and international levels; create the basic materials of a global strategy on organized transnational crime.

## Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO, effective since 1 January 2013).

## Revenue recognition

Since 2015, revenues are recognised on the basis of donor specific contracts using the percentage of completion method and related accruals have been booked in the balance sheet.

## Expenditure recognition

Expenses are recognized in the financial statements on an accrual basis.

## Declaration of full-time equivalents

The association has less than 10 staff

## Lease commitment not considered in the financials

None at end of the period.

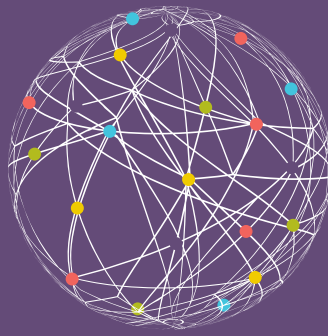
## Exchange Rate

Devises	31 décembre 2016
AUD	0.7463
CAD	0.7648
EUR	1.0866
GBP	1.2658
NOK for 100	11.9588
PKR for 100	0.9842
SEK for 100	11.3474
USD	1.0309
ZAR	0.0760

## Contract liabilities towards GIATOC

The Swiss Confederation has agreed to pay the rent on behalf of GIATOC until 30 April 2018. The corresponding amount for the remaining period is equal to CHF 124,667.





THE GLOBAL INITIATIVE  
AGAINST TRANSNATIONAL  
ORGANIZED CRIME

[www.globalinitiative.net](http://www.globalinitiative.net)



A NETWORK TO COUNTER NETWORKS

