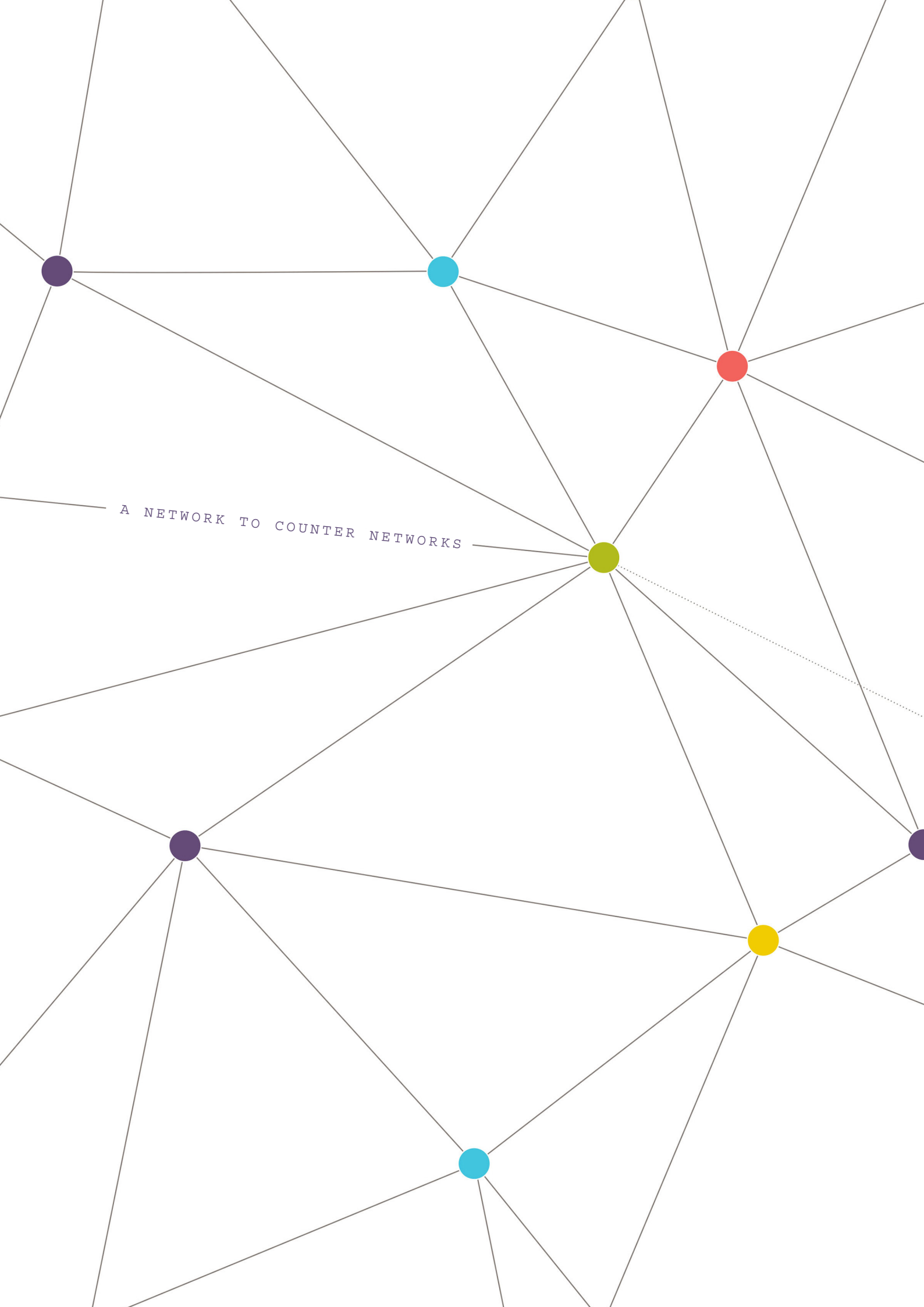


THE GLOBAL INITIATIVE
AGAINST TRANSNATIONAL
ORGANIZED CRIME

Improving Development Responses to Organized Crime



A Conference Report
July 2014



A NETWORK TO COUNTER NETWORKS



Improving Development Responses to Organized Crime

Part of the Global Initiative against Transnational Organized Crime
series on Governance, Development and State Fragility



Ministry of Foreign Affairs of the
Netherlands

July 2014



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About the Global Initiative against Transnational Organized Crime

The Global Initiative (www.globalinitiative.net) is a network of prominent law enforcement, governance and development practitioners who are dedicated to seeking new and innovative strategies and responses to organized crime.

Nature of the challenge

The problem of organized crime is not new, but the scope, scale and spread of the phenomena is now unprecedented. It affects all countries, developed, middle-income and developing, as well as states beset by political instability and conflict. The impacts can be diverse, but the common feature is that organized crime negatively affects the life chances of ordinary people: it undercuts key institutions, damages the environment, distorts or impedes economic growth and it fuels conflict.

While there is growing consensus as to the rapid evolution and detrimental impact of organized crime, there is much less agreement around what constitutes an effective response.

Catalyzing a new approach

The Global Initiative was born from a series of high-level, off the record discussions between mainly (though not exclusively) law enforcement officials from both developed and developing countries, hosted by the International Peace Institute in New York in 2011-12. At these meetings, the founding members of the Global Initiative, many of whom stand at the front line of the fight against organized crime, illicit trafficking and trade, concluded that the problem and its impacts are not well analyzed; they are not systematically integrated into national plans or strategies; existing multilateral tools are not structured to facilitate a response and existing forms of cooperation tend to be bilateral, slow and restricted to a limited number of like-minded states.

The result was a decision to create a new initiative: the Global Initiative against Transnational Organized Crime, which would seek to provide a platform to promote greater debate and innovative approaches as the building blocks to an inclusive global strategy against organized crime.

Analysis, Strategies and Response

Launched formally in New York in September 2013, the Global Initiative comprises a network of close to 100 independent global and regional experts working on human rights, democracy, governance and development issues where organized crime has become increasingly pertinent.

The Global Initiative is an international civil society organization, has an office in Geneva, Switzerland, a core Secretariat and a high-level advisory board. Through a range of channels, the Global Initiative seeks to project the expertise of its Network members outwards and to make it available to a broader range of stakeholders. For more information please visit our website at www.globalinitiative.net or contact the Secretariat at: secretariat@globalinitiative.net.



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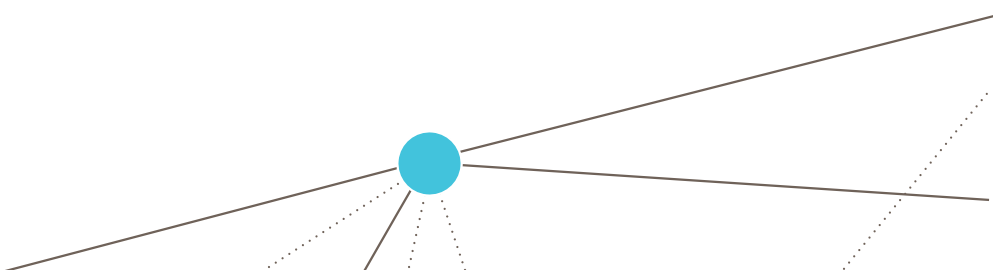


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Introduction

Over the past decade, there has been a growing realization that organized crime is a spoiler to development. This realization has been charted in a number of seminal reports: in 2005, the report of the Secretary-General “In Larger Freedom” highlighted the challenges of preventing the achievements of the Millennium Development Goals (MDGs) highlighted organized crime as one of the principle threats to peace and security in the 21st Century. In the same year, a UNODC report underscored the linkage between under-development and a crime prone environment.¹ The 2010 “Keeping the Promise” report of the Secretary-General recognized that in order to achieve the MDGs, there would need to be capacity to explicitly respond to organized crime. The World Development Report 2011 concluded that both conflict and organized crime have the same detrimental effect on development: Resulting in 20% less development performance. The “Action Agenda” of the Secretary-General in 2012 cited the need to respond better to organized crime as a priority to achieving a stable world.

While organized crime is not a new phenomenon, what is new is both its growth and reach, and the degree to which it threatens countries with the least capacity to respond. There are specific constituencies that are seeing a direct impact of organized crime on their ability to achieve their development objectives. For those working on environmental issues, for example, criminal flows are becoming a fairly significant problem. In areas like sustainable forestry, a substantial proportion of development assistance is being diverted through illegal logging. In addressing fisheries or marine ecosystems, addressing the problem of mass-scale illegal fishing has become more urgent than other research priorities. Globally, more citizens are killed through organized crime related violence in one year than have been killed in terrorist related incidents over the last two decades.

In many parts of the world, including in some vulnerable and fragile states, organized crime both exploits and exacerbates conditions that allow it to thrive. In many developing countries organized crime has undermined state institutions across sectors, including for example, in the areas of environment, health, welfare and education, and further weakens state capacity to ensure the rule of law and provide

security to citizens. The result is a vicious cycle: organized crime negatively impacts on the rule of law, human and economic development creating the conditions for further instability and distorted or weak governance.

Thus while it has become a commonly accepted doctrine that organized crime is a spoiler to peace and development, where the debate has evolved in recent years is to recognize that effective solutions to reducing organized crime and mitigating its impacts are not to be found without development approaches. A combination of the extent of the impact of organized crime, but also the acknowledgement that many of its causes relate to a wider set of governance, social, developmental and other factors, has highlighted incontrovertibly that a narrow security approach will not be effective in countering the problem. It has been proven now in a number of theatres, that investments concentrated on building the capacity of security institutions – police and customs units – cannot alone provide a sustainable solution. It has become imperative that the weight of the development community and their tools can be brought to bear.

While the issue may have been recognized to be of importance, the policy debate as to what this means in practical terms for development programming is now only getting underway. Within a broader context of the shifts in the development debate globally, including within the framework of the revision of the MDGs, there is now significant scope for further exploring the role of development actors in countering organized crime and building communities and state institutions that are resilient to its deleterious impacts. The development community needs to review its toolbox and align its responses in what is traditionally considered to be a security space.

This report is drawn from a seminar in April 2014, hosted by the Global Initiative against Transnational Organized Crime and the Ministry for Foreign Affairs of the Netherlands. The seminar brought together 50 experts from national governments, multi-lateral organizations, think tanks and NGOs working in the development sector. Governments represented were Austria, Germany, Mexico, The Netherlands, Norway, Sweden, Switzerland, the United Kingdom, the United States and the European Union.



The objective of the meeting was to serve as a platform to better understand and assess the way that organized crime is engaging with governance, democracy, statehood, human security and development, and by doing so, to understand organized crime increasingly as a challenge relevant to the development sector. By bringing together policymakers, practitioners and analysts dealing with the challenge of organized crime in a development context, the Global Initiative, in partnership with the Government of Norway, hopes to create a shared community of practice to identify and share best practices in utilising development responses to organized crime.

Under Chatham House rules, the participants shared their experience and insights through a series of presentations, case studies and discussion over two days, exploring the different ways that organized crime was impacting on their work as development practitioners, and trying to collectively identify new analytical tools, leverage points or positive approaches that have had some impact. The meeting was structured around six key questions, which experts discussed in an effort to draw together thinking and create a common understanding of how the issue of organized crime should be addressed from a development perspective:

1. What lessons have been learned from other prevailing issues, such as human security; fragility; terrorism, or others, which can be

applied to improving development approaches to organized crime?

2. How does changing our analytical frameworks help us to better understand organized crime and its impact on development objectives or improve our response?
3. How do we protect and isolate the democratic process from the infiltration of organized crime?
4. How should organized crime be promoted with the development community? As an issue for isolating, or mainstreaming?
5. What are the practical tools that the development community need to address organized crime more effectively?
6. How do we bring the need to engage development responses onto the political and policy agenda?

This report summarises the main discussion points and conclusions from the two-day meeting, and identifies the most critical issues moving forward. It is hoped that this report will catalyse and inform in-house discussions within development agencies and organizations and provide a conceptual backdrop for a debate on pertinent policy responses for development actors who seek to engage in effective responses to organized crime.

Learning lessons from related debates

What lessons have been learned from other prevailing issues, such as human security; fragility; terrorism, or others, which can be applied to improving development approaches to organized crime?

The idea that development policies are an important part of overall policies to counter organized crime is relatively recent. But the notion that development and security share a wider set of linkages is much older. Since the UN Secretary-General firmly asserted in 2004 the “inextricable link” between security, human rights and development, the concept is now well security in the rhetoric of international affairs.² Early debates came in the context of post-conflict

stabilization and peacebuilding, and recognized the need to create “capable states” able to provide “security, well-being and justice”, if vicious cycles of conflict, poverty and human vulnerability were to be brought to an end.³

States in Central America have become particularly strong advocates for the need to change the paradigm around organized crime, given the effects of spiralling violence and damage to the societal framework in a number of states. These societal impacts require recognition and must be addressed for a long-term and sustainable solution. In both plenary and breakout sessions those with experience in Latin America

emphasised the expansion of multi-dimensional crimes, and the ways in which criminal groups have become more organized to exploit national vulnerabilities and international networks. They concluded that the goal of the international community should arguably be to bolster those vulnerabilities at a structural, institutional and individual level, and this will require an equilibrium to be reached between security and development interventions under the framework of building the rule of law.

There has been a growing attention towards a more nuanced approach concerning actors involved in organized crime, particularly in a peacebuilding setting. This perception has partly developed from a better understanding of the dynamics of armed violence, the diversity of roles of territory bound armed groups and gangs, and the governance through hybrid political orders. However, even if the importance of organized crime in a peacebuilding contexts seems evident, addressing this issue in practice has proved challenging. The lack of expertise and clear definitions, as well as the call for a holistic approach to the complex nature of organized crime and its consequence have added little clarity around which to proceed.

The terminology around an “integrated approach” is becoming increasingly prevalent and all encompassing. However, there has been limited engagement in practice and security and development sectors largely remain unhappy bed-fellows. Development actors remain concerned about a subordination of development to security priorities⁴ caused in part by some early experimentation of an “integrated approach” used in Afghanistan, where development aid was both delivered by and held contingent upon military access. This has parallels to much earlier debates on the need to apply integrated approaches to post-conflict state building within the framework of fragile states. In this paradigm, the need to subsume development and humanitarian goals under a political umbrella were seen to compromise the neutrality of humanitarian assistance, and the growth of targeting of aid workers and the international development community is often attributed to these trends.

Participants felt that the perception of the “securitization of development” that has come to fruition in other areas where development has been mobilized to counter security threats, and this has been a key driver in the reluctance of development actors to engage with organized crime. This concern has been exacerbated by the “war on terror” and the “war on drugs” rhetoric that has permeated the lexicon of international cooperation in recent years. The development practitioners present expressed that they felt that there is often a dichotomy between security goals, which is target orientated and prioritises quick wins and external action, where development is a more incremental process of sustained engagement to build capacity and sustainable change in national partners and institutions.

Discussions were quick to highlight that while development approaches are essential, this is not to the exclusion of security actors or their interventions, which are equally important in an integrated approach. There are many complementarities, and the effort to engage development actors is to build a more effective cooperation so that both sets of instruments can be brought to bear in a mutually reinforcing way.

It was noted, for example, that the UK law enforcement community has the second largest overseas network in conflict and fragile environments. The work that this network does, working in border locations, building the capacity of customs institutions, Financial Intelligence Units (FIUs) and other work strengthens the integrity and economies of nations, which increases tax bases, builds confidence and encourages investment. This strikes at the heart of what makes governments vulnerable to organized crime.

One of the challenges of the integrated approach, however, and the closer alignment of development and security approaches is that development interventions are perceived as a Trojan horse for security action, which is a challenge to national security.

Multilateral forums are important, as unilateral actions do not favour shared responsibility or international cooperation, both of which are essential in the fight against global threats. A global strategy is required that will recognise and address the changing nature of demand and supply, but that

will also prevent and reduce the costs to the social fabric and the rule of law. New developments and approaches should be analysed, not marginalised, and political commitments are required over technical considerations.

Participants noted that the efficacy of an integrated approach is affected by the way the challenge is originally cast. Organized crime is caught within the framework of law enforcement, justice and security. As one participant expressed it, “If you think about TOC responses, you immediately think about the rule of law,” but this characterisation vastly undermines the extent of the threat. Organized crime is an evolving, innovative network, which leverages on economic, social and political opportunities to integrate into institutions of the state and to crowd out legitimate activities in its wake. From a development perspective, organized crime may often be more about normative change than institutional change. Participants noted that a blanket casting of any actor involved in illicit trafficking and organized crime as “criminals” can have the same result, whereas a more nuanced understanding might allow the differentiation between those who perpetuate illicit trafficking and trade as livelihood strategies as opposed to criminal controllers. Furthermore, as contexts change, decriminalization of actors becomes an active, and often difficult, decision that creates new challenges for reconciliation and transitional justice.

A lesson learned from the global response to counter-terrorism, and its framing as a global security threat. Evaluations in recent months have concluded that the response was focused for too long on law enforcement, and by the time the spectrum of interventions were broadened to include interventions focused on countering the root causes of violent extremism, it was largely too late. The branding of perpetrators as “terrorists” closed options to engage with them, thereby further isolating the spoilers from any nascent peace processes and ensuring that they had no incentives to support peacebuilding. While laudable progress is now being made towards more mixed approaches, this is precarious and easily subject to setback by the dominant security discourse. A major attack could easily shift back to the “war on” rhetoric.

Counter terrorism emerged as a priority from one seminal event and the need to secure action, driven by a small number of powerful countries, outpaced strategic thinking and foundational analysis. The growing momentum to respond to organized crime has been more gradual, and this is positive in that it gives more time to discuss and for approaches to evolve. However, at the same time the response then lacks the impetus and financial support to catalyse real action, leading to a tendency for reports over tangible activity.

A challenge was raised on the issue of how to make a global strategy compelling. One lesson learned from the Counter-Terrorism action is that while there was a global strategy in place, it arguably had little meaningful impact in influencing bilateral donors in setting their priorities. Participants noted that the onus and momentum for the UN Counter Terrorism Strategy has now shifted from its initial home in the Security Council to the General Assembly, and that having the South in the driving seat has opened new strategic opportunities. Certain members of the group noted that they felt that at the global level, despite its increasing engagement, the UN Security Council is a blunt instrument to address a problem like transnational organized crime, as it too much a hostage of the interests of individual States. The response would be better lead by a specialised agency that could be less partisan, and more inclusive of civil society and other stakeholders. As with the counter-terrorism response, responding to organized crime needs a whole of community approach that frames the debate with development actors in a leading role, and for this, bottom up approaches that build linkages between national and regional approaches are better than top-down directives.

A key conclusion reached was that one of the characteristics that makes organized crime challenging to respond to is that its negative impacts are so broad reaching. The erosion of state institutions, the dampening of legal trade and the threats to human security through increased violence and health considerations make it a multi-faceted threat. Moreover it is innovative and adaptive, so there is an urgent need for better real time and localized understanding of threats on a continuous basis.

Changing analytical frameworks for development interventions

How does changing our analytical frameworks help us to better understand organized crime and its impact on development objectives or improve our response?

Presentations and discussions around possible frameworks to improve the understanding and engagement of development actors in countering organized crime quickly recognised that this is more an issue of nomenclature than capacity. There is no comprehensive analytical tool that uses development language to analyse organized crime, and as such, it is often dismissed as being “not relevant” as an issue. The use of the classic definition of organized crime perpetuates that impression. However, new conceptual and analytical tools are now being piloted that might assist.

Rethinking analytical tools to make the development case for addressing organized crime is a first imperative. It has been proven that organized crime can serve as a threat to human security at the same scale or greater than political violence, yet development actors still continue to consider it an issue outside of their scope. Some development practitioners have even argued that organized crime in some contexts is a social good, which brings development gains. Rethinking the analytical framework surrounding organized crime, and recognising the “crime trap” would reverse this mentality.

According to one analyst, there are four vectors by which a “crime trap” is created by criminal enterprise and the illicit economy:

1. Stealing the future: it is estimated that one trillion dollars is diverted into the illicit economy by organized crime. This siphoning of funds away from the legitimate economy and licit actors has considerable impact on the viability of sustainable markets and state institutions.
2. Junky economics: with growing illicit activity and the creation of protection economies, the illicit economy can crowd out the legitimate

economy. By flooding markets with illicit capital, by protectionism, price fixing and rent seeking, criminal groups push out genuine economic activity and distort markets.

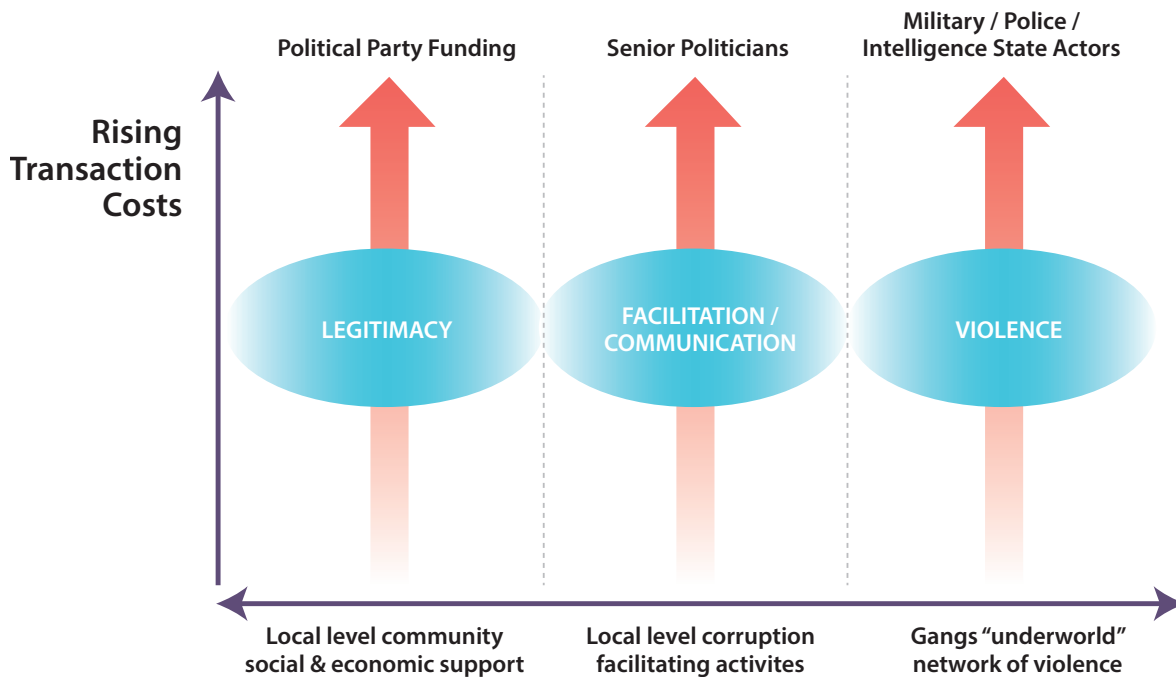
3. Capture of social capital: criminal groups, through the provision of social and economic goods, siphon social capital and reduce trust in the state. In a framework where criminals have greater legitimacy than the state, it becomes challenging to consolidate state institutions. Instead, it becomes necessary to identify mediators who can access social capital to bridge the divide between citizens and the state.
4. Criminalised governance: control of criminal rents creates political power, which in turn facilitates access to greater criminal rents. So it becomes a key strategy for criminal groups to seek to access and control political power.

Having recognised these dimensions of how organized crime impacts the development perspective, there are a number of tools that can be used to break the “crime trap”, many of which already exist in the development toolbox. First of all, a requirement is a better commodity market analysis – often an analytical framework already undertaken by the security sector and law enforcement. Applying this to the development context would permit a better understanding of key actors, spoilers, dynamic response strategies and focused deterrents.

A complementary presentation examined how protection economies have become a key element of all forms of illicit activity, and when the state is weak, protection can become a commodity in its own right that utilises three key elements to sustain its activity. Transactions around the elements are used by criminal actors to protect, facilitate and sustain criminal activity.

As a conceptual tool, it provides a better way to target development incentives that is targeted at increasing the transaction costs for criminal actors.





As shown in the diagram above, the three levers of the protection economy are (i) legitimacy; (ii) facilitation and corruption; and (iii) violence, and these can be employed upon a scale of rising cost and complexity. Recruiting people with the capacity for violence is the simplest way of creating a protection economy. An example is the militia gangs in southern Libya, which are taxing the movement of illicit goods through regulated payments to traverse the territory that they control. In the absence of payment, there is violence. However, violence is not always an indicator of the protection economy. In fact, when the protection economy is working well there should be no violence. Instead, what is required is a nuanced understanding of the actors involved, and this will range from gangs and underworld characters at the bottom of the spectrum, to military police and intelligence actors at the top.

As noted, in a more sophisticated protection economy, criminal groups use corruption and association with the state to facilitate and create impunity for their criminal acts. As a consequence, the “captured state” debate is considerably more complex than it appears, as the capacity of criminal groups to demonstrate evidence of their power networks and relationships to political leadership is

one means by which they retain and solidify control over protection economies. As a recent workshop on organized crime in Southern Africa, hosted by the Global Initiative against Transnational Organized Crime concluded, corruption is not just a means by which criminal groups undertake their illicit activity. It has become an end in itself.⁵

The final element of the protection economy, and arguably the one which has the greatest implications for development actors, is legitimacy: the way in which criminal groups use the deployment of social and economic goods, including, for example, social services, access to credit, even the provision of security and justice, to develop legitimacy and win loyalty at the community level. This is particularly prevalent in those communities that are underserved by the state. As the next section will demonstrate, this is critical for explaining some contexts of very high crime and violence have been perpetuated. The recognition of this phenomena also clearly indicates the need for development approaches that can provide viable and legitimate alternatives to those socio-economic goods provided by the criminal groups to instead be provided by the state.

Understanding the protection economy and its three elements is beneficial for a development approach to organized crime, as it can be used to illustrate all criminal activities in a fragile state context, thereby reducing some of the definitional challenges around organized crime alluded to in the previous section. Protection networks provide an entryway to better understanding criminal markets and network dynamics and is a mechanism closer to development language. Understanding the protection economy allows you to price certain transactions, and thus can serve as a mechanism to measure the progress of external interventions. The price of protection is an economic calculus

for criminal actors. Changing the incentives around the protection economy – increasing the costs by focusing on one specific element of the protection economy, will change the transaction cost for the criminal groups. A key function of the development actor, therefore, will be to change or shift the incentive structures around which criminal activities are taking place. For example, supporting independent journalism changes the transaction fee for corrupt governance. This kind of understanding supports the strategic placement of interventions, and can also provide quantitative indicators by which to measure progress.

Organized crime, governance and democracy

How do we protect and isolate the democratic process from the infiltration of organized crime?

The discussions emphasized that governance, particularly at the point of elections, have become very vulnerable to organized crime, and this is having impact both in the context of developing and developed states. This is a challenge with wide-ranging ramifications, not just on the legitimacy of democratic politics, but also on the capacity on states to provide justice and the rule of law. Where crime environments are characterised by high violence, the sheer volume of criminal violence and homicide can overwhelm the capacity of even the strongest states.

As noted early in the debate, infiltration into states and political processes has become a key goal for criminal groups, as they seek impunity for the criminal acts. They are not meeting the compact of electoral office in providing social goods for the citizenship, nor are they substantially trying to influence the legislative process. Instead, as the analysis on protection economies identified, the goal of criminal groups is to hollow out police and judicial institutions to facilitate their criminal businesses.

This is of particular concern in the context of fragile states, where organized crime take advantage of limited state capacity to control key trade nodes: ports, borders, major resource sources (mines, oil supplies)

which gives them unprecedented influence and capacity to influence or counter state consolidation in the long-term. A further development challenge is the impact that the alignment of crime and politics further hinders women and marginalized groups, as they are less likely to be elected or stand for office in a context where there are high security concerns.

There are some formal mechanisms that have been piloted which can serve to sever linkages between political processes and criminal influence. Mexico has implemented a number of legal reforms to prevent the “empty chair” approach to politics, where those who hold office do so without the desire to govern. International oversight over key institutions can also support the institutional change required – but only where sufficient capacity transfer is ensured to allow the mechanisms to be sustainable in the long term. However, as noted, organized crime does not only occur at the level of state institutions, but increasingly demonstrates unprecedented engagement at the community level, including through membership of crime and trafficking gangs. In this context, efforts to break down groups also has to address issues of social structures and identity.

Practitioners observed that criminal groups utilise a number of levers to create loyalty and legitimacy with local communities, including fear, recognition, influence, respect, impunity and dependence. Once they have achieved this, it is particularly challenging



for criminal justice responses to be effective: as the example of prison gangs in Latin America has shown, even incarceration served to reinforce rather than break down to potency of local criminal groups.

It was noted that this phenomena is most prevalent in states which have experienced poor decentralisation processes. This is not to judge decentralisation as a flawed political strategy, but it needs to be recognised that it carries inherent risks, as criminal infiltration is most likely when states have little capacity to control their remote areas or provide value to the citizenship in those regions.

A particularly complex challenge is that the relationships between crime and politics are often formed very early, possibly even in childhood, and are forged over years of association and trust. These are difficult (if not impossible) to disentangle. Criminal groups are also likely to gain traction with those communities and individuals who feel disenfranchised from their cultural and social institutions: e.g. the state, family, school. The criminal group becomes an alternate means of belonging. To reverse these trends will require a cultural change in the societal fabric that seeks to reject crime and the criminal environment.

Those practitioners with experience working with criminal gangs noted that interventions that focus at the group level rather than at the individual are

challenged to gain traction. The bond that links the individual to groups needs to be broken – thus you cannot hope to target demobilisation programmes at the group, it merely increases the legitimacy of the group and allows its entry into new markets. Instead demobilisation and reintegration needs to occur at the individual level, leveraging actors and community organizations who can provide alternative forms of societal value.

The African context mirrors the Latin American context to a certain extent, in that the affiliation and sense of identity comes from clan or ethnic structures, and these create the fundamental trust bonds upon which criminal networks are predicated. Criminal groups gain loyalty with local communities because they provide livelihoods in areas where opportunities in the legitimate economy are scarce or insufficient. Furthermore, within a context of corrupt and exploitative states operating largely with impunity and offering few social goods, there is little sense of loyalty, national identity or affiliation with the state. In this context, practitioners observed the need to create a sense of “moral compass” around illicit activities, particularly those focused around illegal and harmful commodities, and to sensitise communities to the negative implications. In this regard, fully understanding community perceptions, and operating at the level of local dynamics and political economies are more relevant than action taken at the state level.

Promoting development approaches to organized crime

How should organized crime be promoted with the development community? As an issue for isolating, or mainstreaming?

The dividing line between concepts and categories surrounding organized crime has become increasingly blurred, and complexities of nomenclature lead to challenges in defining the problem, and thus an appropriate response. The phenomena of organized crime is approached from many angles in local, national, regional and international legal instruments and practice.

Definitions and approaches also change over time, making it even more complicated to find a common understanding. From the perspective of practitioners and development professionals in the field, they may well be grappling with organized crime and illicit trafficking challenges, but not describe them as such. Furthermore, participants noted that there is a disconnect between the conceptual analysis and international rhetoric on organized crime, and the views and experiences of state officials, community leaders and/or victims of organized crime in a specific context.

Significant debate centred on who in fact needed to be in the room to take forward the concept of organized crime as a development challenge. Echoing the earlier point that security goals are usually seeking quick wins, an argument was made by one presenter that the development actors tend to have a much longer engagement with a state than those involved in security debates. This was fiercely rebutted by a number of the law enforcement community present at the meeting who argued that engagement in issues of security sector reform, building community policing capacity and strengthening intelligence networks are also a long-term and sustained partnership.

The ambiguity in terminology often confuses discussions instead of clarifying them, and the lack of consensus makes it difficult to gather momentum around the subject. Those dealing with practitioners noted that in their experience, using different wording can help give confidence to those dealing with addressing organized crime issues. Experience from the field shows that if security terminology “fighting criminal threats” is translated into a more positive lexicon about “transformation of context” or changing incentive structures, both practitioners themselves, but also stakeholders in the community, are more inclined to become engaged and to take ownership.

A further point was noted that for development practitioners to want to engage in the issue, then the focus of analysis needs to change from stopping the criminal flow (interdictions / seizures) to understanding the consequences of organized crime for society and its victims, and to build local resilience to these effects. Development actors should focus more on the impact of crime than on the flow itself.

In this regard, participants recognised that more and more frequently, particularly in the context of corrupt and/or failing states, building resilient communities and promoting civil society capacity is a key tenant of action against organized crime. Development actors are well practised in civil society engagement, and giving emphasis to work at the community level should enable development actors to bring a lot to the table.

Participants shared a variety of experiences to how the issue of organized crime can be addressed and promoted internally to development agencies. Given the broad negative reach of organized crime’s impacts, and its capacity to touch upon many different thematic areas: governance, rule of law, anti-corruption, economics and trade, development and security; most found that a “whole of government” approach was required. But the jury was out on whether to centralise expertise, functions, and particularly the responsibility for funding allocations, in a central committee / unit for TOC, or whether the issue should be mainstreamed across all portfolios. There was a strong sentiment that the gender mainstreaming approach should be avoided – where TOC becomes another formulaic box to check whilst preparing projects and programmes. As one participant said: “In my Ministry, if you are a priority issue you get funding; if you are mainstreamed, you are ‘away-streamed’...” Instead, it would be better to have strategic analysis that uses political and economic drivers to understand where crime is active in the programming environment, and find dedicated approaches to combat it. Overall, however, both the development donors and the development organizations felt broadly that there was a capacity gap in regards to organized crime within their institutions.

Other participants questioned the suitability of the multi-lateral institutions and mechanisms to respond to the challenges of organized crime, given the politicised frameworks and competing interests of states, but also due to the speed with which organized crime is evolving. The example of the drug policy debate, caught within the framework of criminal justice instruments, was seen to limit the ability of the multilateral organisations to capture and respond to more experimental policy approaches. It was also noted that security issues are so highly vested in national interests, that bilateral action is inevitable, and perhaps the more straightforward approach.

The debate further highlighted the question of political will, and where the locus of responsibility sits for addressing the issue of organized crime. With the issue so dispersed and cross-cutting a number of



thematic and geographic areas, it becomes unclear who argues for organized crime and where. Again the issue of debates around drug policy highlights this confusion: simultaneous processes ongoing in the Commission on Narcotic Drugs (CND), the UN Special Session on Drugs (UNGASS) and the discussions around the renewal of the MDG goals

are all advancing parallel policies and approaches, with no vehicle to coordinate and harmonize approaches. Furthermore, it is clear that across the board, organized crime policies would benefit from the opportunity to learn lessons across a broader range of debates and to benefit from best practices in other geographies.

Practical tools required by the development community to tackle organized crime

To make concrete progress in development interventions, the discussion has to move from policy to programming, and what is tangibly required to support an evolution of development programming in the field?

As organized crime is a new area of focus for the development community, it requires a focus to bring it to the fore in policy and programming. Those development agencies who have piloted organized crime approaches presented the following three lessons learned:

1. Creating the right space: as with any new approach, experimentation is crucial. Room needs to be created for innovation and piloting of approaches in different contexts, and then attempting to expand and replicate those are successful. Analyzing and learning lessons from these experiences is also critical to distilling the core issues that are fundamental to organized crime, as opposed to those that might be more context driven.
2. Context appropriate analysis: properly designed programmatic responses require analytical frameworks that are crime sensitive and provide dedicated focus to crime related dynamics. Effort to apply existing tools – such as conflict assessments – have proved ineffective, as they focused on grievances rather than motivations. Experience shows that a focus on key actors can be a strength, and identifying those are motivating people towards crime and violence, or could instead serve as change agents.
3. A menu of programming options: recognising there are different levels of intervention that

development actors can bring to bear, from community level to statutory and state level work. More explicit work needs to be done, however, to making the distinction between when programmes are working on crime, as to when they are working in a crime environment, and to recognising the theories of change behind the programmes being deployed in each case.

Lessons learned from the debates around integrated approaches and programming in conflict and fragile states environment have shown that often new financing mechanisms will need to be considered. Flexible financing, funding pools for collective and shared financing can be instrumental in promoting a dedicated and swift response. Because TOC interventions span the divide between conflict, to peacebuilding, to institution building, as well as often being feature in “pure” development contexts, a funding framework dedicated to TOC specific interventions might be required. This architecture should be developed together with security actors, and focus specifically on providing financing for integrated strategic approaches.

Given the transnational nature of the threat, more mechanisms will be needed to plan, programme and finance across borders, on a regional, sub-regional or cross-border basis. These are challenging to manage, and there are a number of pros and cons in regards to whether local management or centrally managed programmes are more advantageous. Financing to multilateral systems is also an option, though the challenges of applying multilateral approaches in regards to organized crime have already been noted.

In this regard, a discussion on whether aid should be held conditional to progress in certain key areas such as crime and corruption was discussed. Different approaches have been used in different contexts: the example of Afghanistan was used, where aid conditionality has largely not been used, though a recent victory was demonstrated where aid was used to leverage the country's ratification and implementation of key anti-money laundering protocols.

Participants noted that a number of existing tools can be adapted to address the causes and consequences of organized crime. Experiences with amnesties, transitional justice, plea bargains, peace zones, as well as DDR, security sector reform, violence reduction, community cohesion or human rights programmes can be brought to bear on peacebuilding and development in the context of organized crime. As always, these tools are sensitive and require consideration and customisation to local situations and specificities. While they may serve as incentives to disengage from illicit activities for insurgents that fund their insurgency through

criminal activities, participants warned, however, that experience shows that organized crime actors try to legitimise their illicit activities, and therefore tools such as amnesties or political accommodation should be used with caution: they can be an effective means for opening space for negotiation, and for bringing groups into central state processes, but they can also be counterproductive in giving criminal groups a hitherto unsought political dimension and significant influence in new governance structures.

Measuring impact of development programmes on TOC has been a challenge that has prevented some states effectively engaging with the issue. Without a clear understanding of the theories of change behind TOC interventions has hindered engagement with the issue both at the strategic and programmatic level. Those responsible for programme development are unsure of the correct levels to intervene: regional, national, or community level, and which kinds of programmes will have the desired impact.

Next steps: catalyzing a development approach to organized crime

How do we bring the need to engage development responses onto the political and policy agenda?

As a whole, the development community still lacks the rigorous framework around which to understand, analyse and respond to organized crime. Sensitisation of organized crime and its impacts is still required for practitioners active in the development domain, as well as in related debates on conflict and fragility, human rights, health and the environment. The issue is not well understood nor mainstreamed. Development actors already feel overwhelmed with the plethora of issues that have been piled onto their agenda, and it was clear from the discussions that there is quite a spectrum of experience with addressing the issue of organized crime. Some states are more ready to tackle the issue than others.

The opportunity presented by the Post-2015 Sustainable Development Goal agenda, as a

universal development agenda, was highlighted as a key opportunity to sensitise development actors to organised crime and ensure that it is built into the development lexicon. Recognising that development actors don't feel that they have the tools to apply the debate, or measure the impact on their work, provide concrete inputs that could be used in measuring the impact of crime on the Sustainable Development Goals. Some preliminary work has been done, but a systematic effort to provide targets and indicators that are crime sensitive would be a great step forward.

A number of tools remain outstanding. Of particular emphasis by the participants in the meeting was a better set of analytical tools that would map key actors, the political economy and the protection economy in both fragile and more stable state environments. There is universal recognition that the analytical frameworks on which development



programming is predicated is not accounting for the impact or actions of criminal groups. A dedicated tool for the assessment of criminal political economies and protection economies would better serve effective strategic planning and programme design. Strategic alignment with security actors can be founded on a shared analytical process.

The group determined the following six key recommendations:

1. Leverage the Post-2015 process to raise awareness and provide technical tools to the development community, including definitions, goals, targets and indicators of success.
2. Improve analytical frameworks and create analytical tools for use by development actors in understanding organized crime.
3. The goal of development programming should be to change incentive structures: use key actor analysis to identify both spoilers and potential change agents.
4. Development programming should focus on the impact of organized crime, and less on the criminal flows: identify the theory of change and target programmes related to reducing violence and breaking down the social capital of criminal groups.

5. Continued sensitisation of development actors in different domains – human rights, peace and security, humanitarian action and development – on organized crime continues to be a requirement.
6. Improving strategic alignment with security actors is required. This dialogue process may be a means through which to facilitate this cooperation. Shared analytical and simulation exercises based around specific country cases have been positive in this regard.

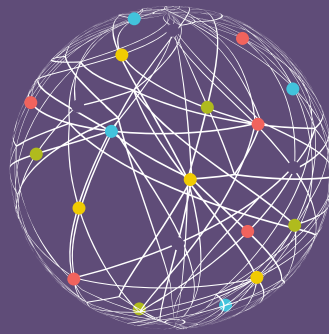
The group agreed on the value of the Global Initiative in facilitating multi-sectoral debate, and expressed appreciation for this meeting. A continued dialogue around strengthening development approaches to organized crime is necessary and welcome, and the group proposed that another meeting of a widened group, including some key security actors, would be a positive next step.

The group could also be beneficial for identifying and disseminating best practices in responding to organized crime and criminal networks. In the long run, the group hoped to be able to create, review and pilot some priority tools for general use.

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(Endnotes)

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