

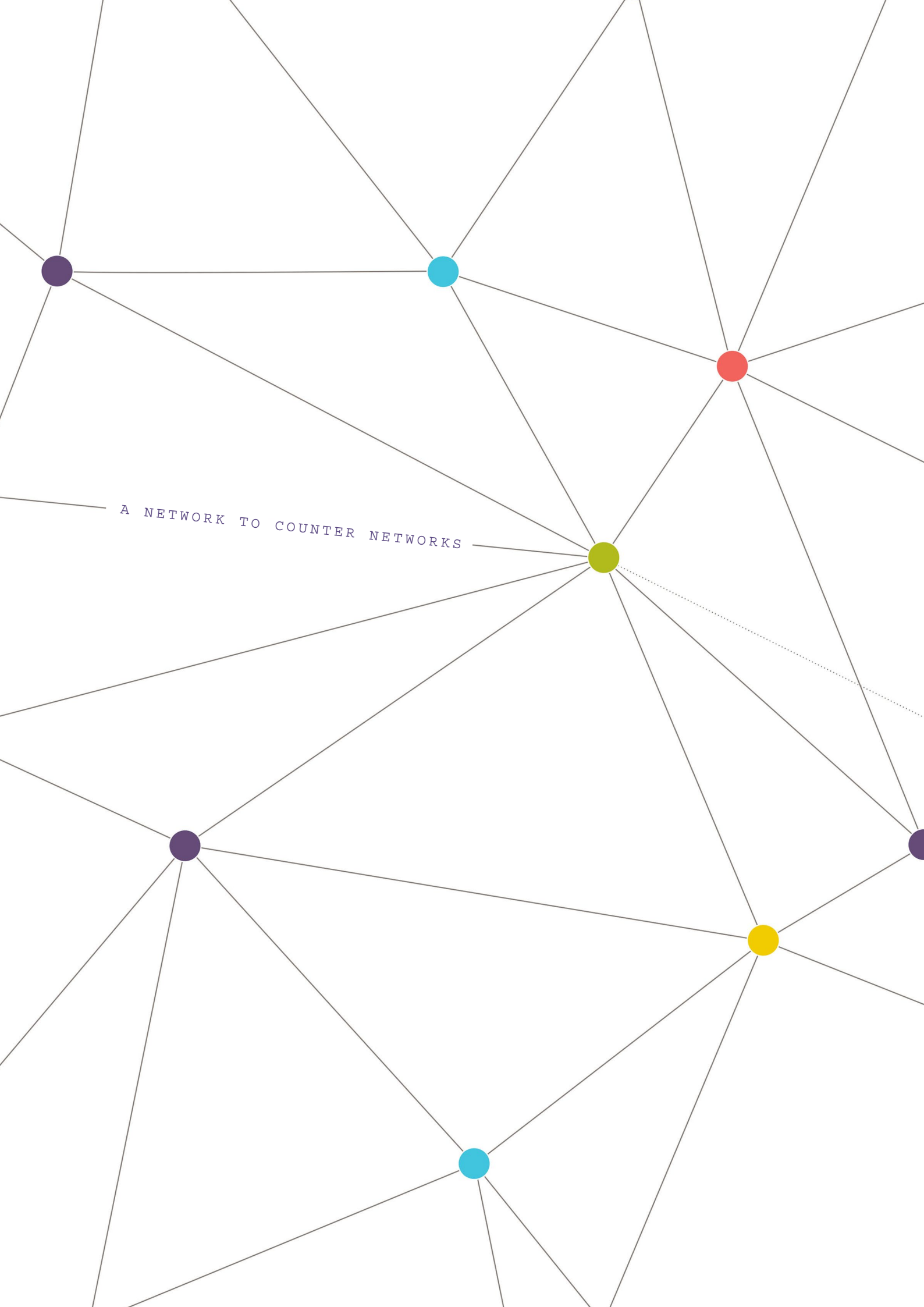
THE GLOBAL INITIATIVE
AGAINST TRANSNATIONAL
ORGANIZED CRIME

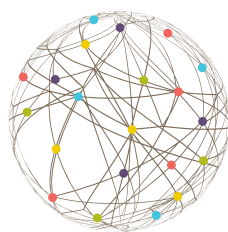


CONFERENCE REPORT

Dialogue on Organized Crime and Development

12–13 February 2019





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Contents

Introduction	1
Key theme 1 – The crime–development paradox: Understanding organized crime and development in a rapidly changing world	2
Key theme 2 – Development responses to illicit financial flows: Criminal subversion of the global financial system	4
Key theme 3 – Spectrums of state capture: Complicity of state actors creates an enabling environment for organized crime	7
Key theme 4 – Civil-society resilience to crime governance	9
Key theme 5 – Prioritizing action and catalyzing political will	11
Conclusion	12
Acknowledgements	12



Introduction

Our understanding of the complex and often paradoxical linkages between organized crime and development have come far since the 2015 adoption of the target 'to reduce all forms of organized crime' as part of the Sustainable Development Goals.

This target was a significant milestone in terms of recognizing organized crime as a spoiler to development. However discussions among policymakers, analysts and practitioners about the programmatic implications of this conclusion have not progressed at the same pace, nor with a consistent approach.

As the latest meeting in the Development Dialogue series of conferences, hosted by the UK Department for International Development (DFID) and the Global Initiative Against Transnational Organized Crime, showed, organized crime and its impact on development cannot be extracted from broader geopolitical trends or policy progressions. These include the role of financial institutions in facilitating crime and corruption; emerging threats through technology; and the role played by civil-society groups in holding state power to account.

The Development Dialogue has been convened regularly by the Global Initiative and several key donor partners since 2013. The initiative brings together leading development and research organizations working on the interconnections between development and organized crime, including international organizations, government departments and independent research institutions in closed-door meetings. The Development Dialogue provides an ongoing and regular opportunity for these institutions to share ideas, examine the lessons learned and good practices for responding to organized crime across the analysis, planning and programming cycle. It provides a trust-based platform that can complement and reinforce formal policy dialogues in the multilateral system.

The latest Development Dialogue (12–13 February 2019) focused on how organized crime is linked to conflict and state fragility, and how development interventions impact on organized crime. Sessions revolved around responses to illicit financial flows connected to organized crime, the complex and often paradoxical relationship between crime and development, civil society resilience to criminal governance, and forms of state capture by organized-crime groups.

The discussions, which involved over 80 expert participants, were wide-ranging and expansive, encompassing analysis of criminal dynamics and economies in contexts as diverse as India, Mozambique and Brazil, alongside consideration of the emerging role of technology not only in enabling criminal activity, but also supporting civil-society groups in investigating criminal and corrupt links and holding authorities to account. Some of the focus was high-level, on the actions that can be taken by major donors to restrict opportunities for impunity for criminal actors and capital flight (such as the role of global financial centres, including London, and the need for beneficial ownership). This took place in tandem with a discussion of the vital role played by communities, activists and other individuals who shoulder the risks of confronting organized crime in daily life. The dialogue looked at both the importance of top-down and bottom-up approaches to tackling organized crime.

Diverse as these discussions were, key synergies and messages came to the fore. Many participants underlined the increased global threat posed by organized crime, in particular the power of organized crime groups over states and institutions. Yet simultaneously, new opportunities are emerging for development actors to counter crime in their programming, and support investigation, accountability and the role of civil society.

This report serves as a record of some of the key themes of discussion and draws out the potential implications for development actors seeking to productively engage in development programming in these contexts, both to make existing development initiatives crime-sensitive, and to use development interventions to reduce the space for organized crime. The meeting was held under the Chatham House Rule, so comments cannot be attributed.

'Many participants underlined the increased global threat posed by organized crime, in particular the power of organized crime groups over states and institutions'



Key theme 1 – The crime–development paradox: Understanding organized crime and development in a rapidly changing world

Development is often seen as a panacea to criminality by providing legitimate means of commerce, livelihoods and routes to financial inclusion and prosperity. At the same time, however, it has become clear to development practitioners with a focus on organized crime – and specifically to participants in the Development Dialogue – that development efforts and economic growth can, in certain contexts, open up new avenues for organized crime to flourish.

The distortion or damage wreaked by organized-crime groups, such as increased violence, insecurity, corruption, diversion of funds allocated for development purposes and loss of investment in insecure regions, may subvert the gains of the original intervention.

This paradoxical relationship is seen particularly in economic and infrastructure-based development. States and regions with weak institutions, minimal capacity to regulate the private sector, large and regionally interdependent informal economies, and porous borders are highly vulnerable to the criminal exploitation of investments in infrastructure, transport, and the criminal capture of procurement, resource extraction and service-delivery projects. Without commensurate development of effective institutions (including judiciary and effective transparency mechanisms), corrupt and criminal actors may come to control certain facets of the state.

To address this threat, some development actors have taken steps to develop crime-sensitive approaches and political-economy analysis, which aim to pre-emptively understand and mitigate the negative criminal impact of development interventions. While practitioners may use such approaches and tools to avoid the risk of causing harm by opening up opportunities for organized crime, there are nevertheless challenges to putting this approach into action. Organized-crime sensitivity adds another set of considerations to development actors operating in challenging contexts, alongside conflict dynamics and political sensitivities, creating the challenge of balancing competing and sometimes contradictory obligations. Tackling organized crime in development settings can risk further marginalizing vulnerable populations who engage in illegal markets for subsistence and security, and destabilize political settlements between conflict actors.

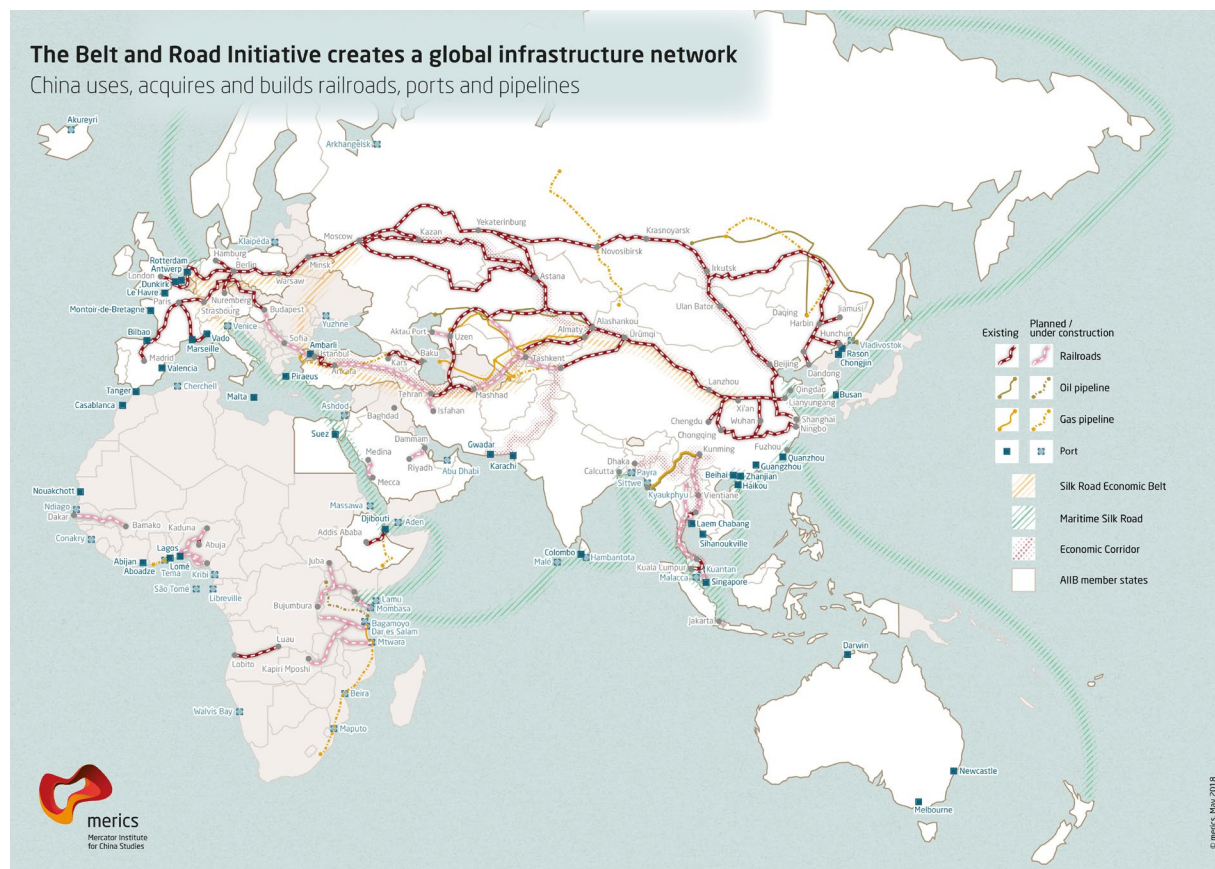
What emerged through the Development Dialogue discussions is that these considerations – of the risks of expanding organized crime through development and new infrastructure – are becoming increasingly linked to major geopolitical trends. Key among these is the emerging role of China as a major yet non-traditional donor country, and the impact of China's foreign policy on the global crime landscape.

China's Belt and Road Initiative (BRI), by any measure the largest infrastructure project the world has ever seen, aims to provide major infrastructure links across Asia, Africa, and Europe and all major ocean basins.

'Development efforts and economic growth can, in certain contexts, open up new avenues for organized crime to flourish'



Mapping the Chinese Belt and Road Initiative



Courtesy of the Mercator Institute for China Studies, Mapping the Belt and Road Initiative: This is where we stand, 7 June 2018, <https://www.mercis.org/en/bri-tracker/mapping-the-belt-and-road-initiative>

Presented as a development project for ‘the benefit of the world community’, China’s government has outlined the BRI as encompassing five major priorities: policy coordination, facilities connectivity, unimpeded trade, financial integration and ‘people-to-people bonds’ through academic and cultural exchanges. The BRI is central to increasing Chinese access to global markets and promoting Chinese influence abroad.¹

Observers have raised concerns, however, over the opportunities for organized-crime groups and corrupt elites to use the increased connectivity provided by the BRI for criminal gain. The new infrastructure may serve to connect disparate hubs of illegal activity, so that trafficking routes are able to flourish in parallel with legitimate trade. To take one example, the BRI is increasing connectivity between major drug-producing countries, such as Afghanistan, and their markets, providing new avenues of access for human-trafficking groups to China (a country identified by UNODC as a major destination for unregulated and exploitative labour). The BRI has also been linked to an increase in weapons trafficking to China from corrupt elites in Ukraine.²

Amid these widespread criminal risks, states involved in the BRI are faced with a dilemma: balancing infrastructure initiatives that are needed for genuine development drives (and the political pressures placed upon them to adhere to China’s vision) with the resultant increased vulnerability to organized crime, corruption and money laundering.³ With the growing role being played by non-traditional donors and direct bilateral agreements brokered between the developing South, the potential for influence by the traditional donors and development banks can become complex and restricted.

At the African Development Bank (AfDB), Chinese companies bid on approximately 70% of all infrastructure projects and some of these companies are already subject to sanctions due to past behaviour, such as unwillingness to adhere to compliance standards. The onus is on the AfDB's procurement process to safeguard the development investments of the bank's member states, and to leverage the desire of the Chinese government to positively project their soft power through infrastructure investments, to ensure that their national corporations are held to integrity compliance standards.⁴

The rapid development and distribution of new forms of communications technology are also transforming the global criminal landscape, connecting criminal actors in the virtual space – much as the development of new infrastructure enables physical links.

The growth of cybercrime has signalled a fundamental shift in criminal dynamics: research, such as crime victimization surveys, indicates that, in many countries, becoming a victim of cybercrime and online fraud is more likely than any form of traditional crime. The ease with which criminal actors can conduct activities across borders makes offences notoriously difficult to prosecute, as law-enforcement agencies struggle to access information held elsewhere, especially in diplomatically unfavourable states. The need for international cooperation to allow prosecution of transnational cases is clear, but this again comes up against the rise of nationalist politics and the global disenchantment voiced by the very international systems and forums that make this cooperation possible. The balance of power has shifted to groups with the technical skills and ability to operate transnationally.

While organized-crime sensitivity in development programming has, in recent years, come to be a more mainstream consideration as part of broader political-economy analysis of developing contexts, it is clear that key trends are bringing criminal dynamics closer to the centre of the political arena.

While China's BRI and the rapid development of global online connectivity may seem to be unconnected trends, both are instances of where the development of new infrastructure will be central in shaping the face of modern organized crime. Proactively considering these new trends in the context of development programming is needed to counteract these major threats.

Key theme 2 – Development responses to illicit financial flows: Criminal subversion of the global financial system

Diversion of resources through illicit financial flows (IFFs) from developing countries and the enabling environment created by anonymous company structures, global financial centres and offshore jurisdictions have been widely described as among the major obstacles to global equality and development. It is a stark truth that the structures that enable the global flow of capital, and are thereby instrumental in facilitating economic growth, are also implicated in maintaining global elites and perpetuating kleptocracy.

Considering their importance in undermining global development, remarkably little is known about the global scale of illicit flows, and rates of recovery of stolen capital are remarkably low. In the UK, for example, a recent report by the Financial Action Task Force set out an overwhelmingly positive picture of the UK's robust response to financial crime, and the UK has also scored highly on other measures, such as Transparency International's Corruption Perceptions Index.⁵ Yet this picture stands in contrast to statements from UK law-enforcement leaders that it is 'extremely difficult to quantify' the scale of funds laundered through the UK annually, and that it may be as much as hundreds of billions.⁶ The UK, and specifically the London property market, is routinely identified as a major destination for global illicit capital.⁷ The £1 billion recovered since 2014 using the Proceeds of Crime Act



during investigations, and the £47 million repatriated on behalf of other states between 2014 and 2016 pales in comparison to these estimates.⁸ This disconnect between the scale and impunity of illicit flows, on the one side, and overall assessments, on the other, calls into question the accuracy of assessments and how this can guide well-informed policymaking. Anti-corruption campaign groups Global Witness, Transparency International UK and Corruption Watch released a joint statement in response to the FATF report, which calls for 'urgent government action' to resolve significant weaknesses in the UK's sanctions policy and anti-money-laundering regime.⁹

Measuring IFFs is complicated owing to a misalignment between the terminology used to define IFFs and the methodology used to measure their scale. Terminology encompasses a wide variety of illicit flows, while existing measures tend to be narrower and inherently give greater weight to IFFs linked to the classifications of commerce, as compared to those generated by crime and corruption. Treating IFFs as a single, indivisible phenomenon also clouds the different dynamics at play between commercial-based illicit flows and those originating from organized crime. While the measurements debate may seem to be peripheral to the issue of developing a policy response, the inability to fully understand the dynamics of IFFs, even in heavily-regulated economies such as the UK, and to disaggregate between flows that have very different origins has troubling implications for evidence-based policy.¹⁰

'Multiple grand-scale investigations have laid bare the role of the private sector in creating the kind of facilitating environment that allows illicit finance to thrive'

The responsibility for enabling (and thus suppressing) the vast scale of global IFFs has been placed squarely with global financial centres and states whose legal structures enable private-sector actors to move money anonymously while remaining within the legal confines of their jurisdiction.¹¹

Multiple grand-scale investigations have laid bare the role of the private sector in creating the kind of facilitating environment that allows illicit finance to thrive. The Panama and Paradise papers investigations illustrated the ubiquitous use of 'offshore' jurisdictions where sovereignty is commercialized for economic gain, and how the same methods of subterfuge and secrecy vehicles are used by elite, corrupt and criminal actors around the world. Mossack Fonseca, the law firm from where the Panama Papers were leaked, dealt with leading banks, accounting firms, trust companies and other law firms to effectively 'box tick' compliance.

The groundbreaking investigation of the so-called 'Russian laundromat' by journalists in 32 countries, coordinated by the Organized Crime and Corruption Reporting Project (OCCRP), into money laundering out of Russia similarly highlighted how the legitimate financial system was warped into laundering over US\$20.8 billion across the world. But four years after the story broke, the challenges of bringing those responsible to justice and to recover the money has been strongly hampered by lack of cooperation, jurisdiction and the presence of secrecy jurisdictions.¹² Similarly, the Danske Bank scandal – described as the 'world's biggest money-laundering scandal' – in which entities from former Soviet states moved around €200 billion through the bank's Estonian branch – embroiled some of the financial world's largest institutions, including Deutsche Bank, Bank of America and JP Morgan Chase.¹³

The abundant evidence for the world's leading (and respected) financial institutions acting in bad faith or with insufficient oversight inevitably draws the integrity of this system into question. Yet it is these same major private-sector institutions that are relied on by law-enforcement agencies to police the financial system effectively – by filing suspicious activity reports, working with authorities to highlight major players, and by following compliance procedures to prevent capital flight before it happens. In light of the systemic abuse of this system, which the repeated examples above indicate, this may seem to be misplaced trust.

Yet, it would be disingenuous to suggest that a breakdown in this public–private sector relationship stems solely from private interests. In many settings, enforcement authorities fail to act on issues highlighted by financial institutions, either through lack of capacity and coordination, or corruption.¹⁴ Building this relationship – one that should be based on accountability, transparency and reliance on action – between the entities on whom implementation relies and the authorities responsible for fighting financial crime is key.



In addition, the legal structures that enable the system of kleptocracy and corporate anonymity are the responsibility of states and can be rectified. For example, current moves within Parliament to publish registers for beneficial ownership of companies in British Overseas Territories (to match the UK's own register) were supported by participants at the Development Dialogue as a mechanism for greater transparency. Yet concerns over the efficacy of registers of beneficial ownership held in the UK, and the ability for companies to register with Companies House with minimal oversight of the veracity of the information provided, were also voiced. Corporate structures, such as Scottish Limited Partnerships or Limited Liability Partnerships, have been widely discussed elsewhere as key mechanisms for money laundering.¹⁵ There are key actions that the UK government could take to reduce the ease with which illicit money is disguised and transferred.

The potential impact for development of taking these steps towards transparency is enormous, particularly in reference to organized crime. As a recent study from Global Financial Integrity concluded, 'greater financial transparency has the potential to simultaneously curtail every transnational crime in every part of the world'.¹⁶ The damage done to development by bad-faith financial actors spans all forms of government spending in developing countries.¹⁷

'Civil-society actors, in particular investigative journalists, can play a critical and collaborative role in investigating and revealing cross-border crime, complicity and illicit financial flows'

Future steps to create a financial environment that restricts illicit flows may be guided by several lessons learned:

- Political will is critical to mobilizing an effective response – and lack thereof is by far the most prominent reason for IFFs continuing to thrive. Financial centres, in the countries where the funds are generated, through which they move, and in which they are eventually laundered will all have to take the steps required to restrict the use of anonymous corporate structures, to ensure the transparent publication of beneficial ownership records, and to investigate, prosecute and seize the diverted assets.
- Asset recovery becomes increasingly unlikely once funds have left the source country. Interventions in source countries worst affected by capital flight, and increased cooperation, channels and training between government regulators and the private sector, will therefore target the most productive area.
- In many states where outward IFFs drain state and private resources, both regulators and private institutions often lack the effective capacity to reduce the scale of capital flight, suggesting that there is space for capacity building and technical assistance.
- While public–private partnership is sometimes criticized as governments seeming to outsource their responsibilities to the private sector, a lack of collaboration leads to passive participation of private actors in facilitating illicit flows, as in the Panama Papers scandal.
- Civil-society actors, in particular investigative journalists, can play a critical and collaborative role in investigating and revealing cross-border crime, complicity and illicit financial flows.
- Developmental responses to IFFs could include research into understanding and influencing informal markets around the world, promoting inclusion in the formal financial sector and access to finance as a major factor in sustainable development. Policies and norms built to counter IFFs should be tailored so as not to exacerbate financial exclusion of members of often vulnerable communities. The need for longer-term perspectives with regard to seeing the tangible benefits of official development assistance materialize were emphasized.
- The UK, as a destination for IFFs, could accrue significant reputational and development gains if it were to show leadership, action and results on addressing IFFs being laundered or held domestically.



Key theme 3 – Spectrums of state capture: Complicity of state actors creates an enabling environment for organized crime

The subversion and capture of the apparatuses of the state – through corruption, bribery and intimidation – help create an environment of impunity, which enables organized-crime groups to flourish. Of concern, there are increasingly widespread reports from states around the world of governments, political parties and individuals in major institutions participating in illicit markets, and using the power wielded through the state for personal and criminal ends.

While this issue is by no means confined to developing nations, the development efforts of donors, NGOs and the international community are often subverted or made impossible due to widespread corruption, lack of accountability and organized-criminal activity enabled by the protection of the key actors in the state or its institutions.

In South Africa, for example, state capture currently dominates the news cycle and is the subject of several major public inquiries. Yet, in fact, state involvement in corrupt and criminal activity has a long and chequered history in South Africa, and can be broadly classified into three major eras:

- i. Under the apartheid regime, international sanctions prohibited sales of strategic goods and arms to South Africa. To counter this, a global covert network of nearly 50 countries was built. In complete secrecy, allies in corporations, banks, governments and intelligence agencies across the world helped illegally supply guns and move cash in one of history's biggest money-laundering schemes, which incorporated many of the permanent members of the UN Security Council.
- ii. After the country's democratization in 1994, the newly formed government saw a need to replenish arms stocks for peacekeeping forces, embarking on a series of deals with arms suppliers that were characterized by widespread corruption.¹⁸
- iii. More recently, the relationship between former president Jacob Zuma and the Gupta family has been central to the ongoing state capture scandal.¹⁹

Mozambique also plays a major role in the interlinked criminal economies that currently flourish in southern Africa. While Mozambique displays many of the same relationships between political actors, power-holders in strategic regions and infrastructure hubs and criminal markets seen elsewhere in the region, the situation is particularly acute, particularly in the country's northern region.

Recent research from the Global Initiative has shown that illicit markets – ranging from wildlife poaching and drug trafficking to artisanal mining and human smuggling – have fostered corruption and undermined state legitimacy, provided livelihoods and local investment where the licit economy has not, and kept borders porous and the coastline unmonitored. Political figures, the ruling party and their elite criminal associates have openly benefited from both the licit and illicit extraction of natural resources, while the local community has often been punished for their involvement in informal illicit economies while also being denied the benefits of formal investment and economic growth. For example, groups of powerful families operating in the northern ports, such as Pemba, have negotiated preferential arrangements for their imports of goods, including exemptions from import duties. These arrangements (which facilitate the import of illegal goods) are supported by informal pacts with figures in the ruling party, FRELIMO, the proceeds of which then serve to bolster the party's position. Into this crucible of resentment,

'There are increasingly widespread reports from states around the world of governments, political parties and individuals in major institutions participating in illicit markets'



extremists have stepped. The growing insurgency in the volatile northern region is further supported by links to the illicit economy, suggesting the insurgent threat may be long-lasting.²⁰

Meanwhile, the emerging pattern in India is that the line between criminal and political actors is becoming blurred. While the ruling BJP party originally stood on a major platform of anti-corruption, this has now largely been subverted, reducing the democratic process often into a choice between scandal-affected candidates. Almost a third (32.3%) of all Indian politicians have criminal charges against them; statistically, candidates with criminal records are more successful in elections.²¹ While data on (and research into) the interrelationship between money, power and corruption in India is scarce, reports of systematic abuse of the state apparatus for criminal gain have become commonplace. One notable recent scam involved corrupt attempts to subvert the examination system for recruitment into the civil service, with candidates paying for better assessment scores. While 32 individual instances of murder have been connected to attempts to cover up the scandal, unofficial estimates total closer to 100.²²

Similar dynamics of grand-scale corruption are also evident in Brazil, as the recent revelations of the so-called 'carwash investigation' have revealed. The investigation covers money-laundering and corrupt actors at state-owned oil company Petrobras, where executives allegedly accepted bribes in exchange for awarding construction contracts at inflated prices, in a scandal that, reportedly, has moved more than US\$9 billion.²³ The evidence for state capture produced by the investigation has been ample, revealing a criminal hold over the political system that has transcended traditional political divides.

The causes of such a widespread breakdown in accountability are multiple, but an interesting parallel across all of the case studies presented was the importance of networks of patronage, clientelism and political decision-making based on personal relationships and transactions that underpinned the political system in each country. Personal and localized campaigns by candidates, which are based on economic self-interest rather than policy, create a give-and-take system with entrenched loyalties. This form of political engagement appears to be particularly vulnerable to kleptocracy, and provides the key linkage between the state, development and organized crime. As particularly illustrated by the South African example, modern trends of state capture can also often have a basis in historical impunity.

As these discussions from various parts of the world illustrate, corruption and state complicity serve as the lifeblood for organized crime, creating a toxic environment where corruption, crime and business coalesce. Openly acknowledging these links, and taking steps where possible – including at critical intervention points – can help to hold countries to account. Although there is clearly no easy solution to state capture, discussions offered the following key insights:

- Understanding the interlinkages between the state and organized crime is vital in forming an effective response. Developing effective tools for political economy analysis and guidance for states in building their resilience to criminal capture is an ongoing challenge.
- Building a bridge between analysis and programme design will be critical. While programme designers and policymakers may suffer from a surfeit of mainstreamed concerns, raising awareness, piloting and promoting crime-sensitive programming will be required. A recognition of the problem is likely to promote regulatory measures to be integrated into programme design, procurement and other resource transfer processes.
- Policymaking and norm-setting bodies were urged to develop and consider more clearly the country-level links between corrupt and illicit actors, and corrupt organizations, as well as differentiating between flows of criminal proceeds and IFFs more broadly.
- Policymakers were, however, warned to avoid the 'tyranny of metrics' – whereby in the search for quantifiable data, subjective assessments of the situation are left aside, which can cause development actors to lose important perspective. Moreover, the need to implement and act on the outcome of research, to ensure that it is properly used to affect programming, and not done as a token gesture, was emphasized.



- Political transitions can offer new opportunities for intervening in situations of state capture, when the balance of power might shift. However, each opportunity missed will further entrench clientelism, corruption and kleptocracy.
- Civilian oversight mechanisms can increase transparency and be used to build an evidence basis upon which to predicate public pressure or international intervention.

Key theme 4 – Civil-society resilience to crime governance

Discussions of the threats of state capture, the role of institutions in facilitating illicit financial flows and the struggles of development actors against inadvertently facilitating organized crime showed that, in many cases, it is civil society and non-state actors (i.e. investigative journalists, activists and community action groups) who have become critical protagonists in the fight against organized crime and protectors of the vulnerable in the absence of an effective state response.

The capacity of criminal groups to target and capture those very agents of the state that are earmarked to prevent and prosecute their operations has become one of the principal challenges of countering organized crime, particularly in developing contexts. Civil society often faces daily risks of intimidation, violence, legal action and hostility in the course of their work from both organized-crime groups and state actors. For example, according to monitoring from Reporters Without Borders, over 30 journalists worldwide have been murdered by organized-crime groups since the start of 2017.²⁴ Innovative approaches from development actors are needed to support a robust civil society in crime-affected contexts and to allow activists, journalists and community leaders to conduct their work safely.

In Mexico, where weak institutions and authorities that lack the capacity to protect their citizens abound, civil society has filled the void of governance and taken action against criminal governance. To take one example of the groups that the Global Initiative is currently working with as part of the Global Initiative's Resilience programme, Las Buscadoras is a group of mothers bereaved by the battles between drug cartels, who are dedicated to finding Mexico's 'missing'. The volume of people disappearing in Sinaloa had overwhelmed the capacity of the state, leaving this vital role to a community-led initiative. So far, Las Buscadoras have recovered the bodies of over 200 missing people. Their story has catalyzed the creation of similar groups all over Mexico. The Global Initiative began by documenting and researching these inspiring examples of community responses to organized crime. However, it soon became clear that documentation was merely a first step, and subsequently the project has sought to be proactive in supporting the groups and their communities, giving them a platform and a voice, and connecting community leaders. It is these communities and the people most affected by the violence of organized crime who should be central to the international policy agenda.²⁵

The Global Initiative's Resilience work in the Philippines and Tanzania has revealed the difficulties and dangers that activists and other civil-society groups face when confronted by hostile state forces. President Duterte's war on drugs has, by official estimates, killed over 5 000 people, with unofficial estimates as high as 20 000. While drug users themselves live in fear of persecution from the authorities, for civil society it has become increasingly impossible to hold open dialogues on drug use and violence without state officials requesting sensitive information on participants. Criticism of the state's approach to drugs also brings major risks.

Similarly, in Tanzania the Magufuli regime has, in its efforts to 'tackle' the drug problem in a punitive and militarized way, decimated support facilities for victims of drug abuse and services for users. Replacing these services counter to the state's punitive aims is a political and personal risk for the activists involved.



Civil-society groups are stepping into the void of social support for drug users, which these regimes' actions have created. For example, in Tanzania the Global Initiative is working with women-led campaign groups who are putting political pressure on authorities to open access to health services to women who use drugs, as well as directly providing those services. In the Philippines, community groups are working to provide support for families of drug users, including providing healthcare, and financial support, and help reduce the impact of stigmatization and promote inclusion.

Journalism is a field that is particularly under threat from global changes, and also from organized crime specifically. Financial pressures have come from the rise of online media platforms and the subsequent collapse of steady advertising revenues, to restrictions placed on free speech, investigations and meaningful debate. For journalists reporting on organized-crime groups, the threat is often a very personal one, involving intimidation, blackmail and physical violence. While the future may seem bleak for this prominent pillar of any civil society, there are opportunities for journalist platforms to evolve and rebound. While investigative journalism as a business model in the traditional sense might now no longer be viable, non-profit ventures, like OCCRP, may provide the blueprint for a new approach for organizations that rely on donations and external funding.

Encouraging donors, development actors and foundations to see journalism as a necessary public good, rather than as an industry, may boost historically low levels of investment in journalism from donor countries. Similarly, while the transition to online platforms may have disrupted the traditional monopoly that media organizations hold over the news narrative, and 'fake news' has attacked the credibility of these platforms and their ability to deliver reliable and credible information and analysis, new grassroots investigative and fact-checking technologies hold great potential for creating and underpinning new forms of news-making. Examples of pioneering forms of collaborative, crowd-sourced and hybrid investigative journalism, such as Bellingcat, Oxpeckers and OCCRP, may provide a model for journalism that is citizen- and civil-society-led.

Meanwhile, databases of leaked documents and data, new ways of visualizing such data, and machine learning programs may all help investigators in their work. Crime and corruption observatories can create relevant local datasets which can then be built upon to mobilize political pressure and provide an evidence basis. Assassination Witness, a project of the Global Initiative and the University of Cape Town tracked assassinations in South Africa, and noted a significant trend in political party assassinations developing in one province – and the data fed into the new national security strategy developed by the new government following the fall of the Zuma regime.²⁶ Tools of this kind open up a wealth of possibilities for storytelling and mapping out the relationship between money and power, and can help provide information prior to regime change. Fledgling investigative and analytical organizations urgently need support across a wide range of areas – financial, legal, safety and administrative. There are reasons to be optimistic about the future of analysis, investigative research and journalism in a new and radically different form, designed to hold governments to account and to reveal the abuses of power.

It is abundantly clear in all the examples discussed above that additional support is desperately needed. Civil-society actors can hold states to account, support victims and fill roles that the public sector is unable or unwilling to fulfil, but this is often done at great personal cost and risk.

The Civil Society Resilience Fund Against Organized Crime, a new venture by the Global Initiative with initial support from the government of Norway, but which is seeking multi-donor support, aims to take a dynamic new approach to development funding to counter organized crime.²⁷ The fund will target primarily grassroots community actors – including activists, journalists and community leaders – who promote safety in communities affected by organized crime, raise awareness and change attitudes. It will act as an 'incubator', providing financial and capacity support. By targeting grassroots actors, the fund aims to create the maximum tangible impact in communities affected by organized crime.

'Innovative approaches from development actors are needed to support a robust civil society in crime-affected contexts'



Key theme 5: Prioritizing action and catalyzing political will

The spread, impacts and forms of organized crime in the modern world are unprecedented, causing harm to governance, development and human security. Yet effectively measuring organized crime, itself a debated and nebulous concept, has long proven difficult. A lack of effective metrics has real-world effects on development programming, the political value accorded to an issue and the efficacy of the response.

The fact that Target 16.4 of the Sustainable Development Goals (SDGs), which pledges to reduce illicit financial flows, illicit arms trade and 'all forms of organized crime' has no measure of 'organized crime' as a concept has been seen as a cause for concern. As the UN and its member states continually evaluate progress on this wide-ranging agenda, an objective valuation of progress on Target 16.4 will prove elusive.²⁸ Among the competing demands on governance and development actors striving to achieve the broad tenets of SDG 16, this creates the risk that organized crime will fall off the agenda. With the impacts seen around the world on governance, security, conflict resolution, the environment and the world economy, this would be a major and costly mistake. There is also a challenge around measuring a transnational problem against indicators that are primarily country-focused.

The Organized Crime Index, which is being developed by the Global Initiative, aims to catalyze attention to the growing threat presented by transnational crime, gauge its impact on states and allow key actors to develop strategies to effectively counter the phenomenon on the local, national and international levels. Initially set to cover organized crime within the African context, the Organized Crime Index is being developed under a flexible framework for global replication.

'Yet effectively measuring organized crime, itself a debated and nebulous concept, has long proven difficult'

Comprising two separate metrics – 'criminality' and 'state resilience' – the tool intends to provide a multidimensional assessment of the scope and scale of organized crime, as well as the capacity of states to respond effectively to the threat. Under 'criminality', 10 criminal markets will be evaluated, including whether a state is a source, transit or destination for a particular commodity, and the impacts of these factors on the state. Types of criminal organizations are also considered. 'State resilience' looks at 10 country building blocks, ranging from political leadership and governance to judicial capacity and territorial integrity. The two metrics incorporate wide-ranging new datasets and expert assessment, and will be subjected to a rigorous evaluation and peer-review process.

The Organized Crime Index is expected to be published for the first time in 2019 and will be presented as a flagship annual report and a web-based platform of interactive tools and comparative data, which will also be accessible to analysts to explore and download. The goal of the Index is to provide the longitudinal basis for understanding the evolution of organized crime, to analyze trends and to shift towards a causal understanding of which kinds of programmatic initiatives build state resilience and reduce criminality.

The fact that the Organized Crime Index ranks states, both by the scope and scale of their criminal market, as well as their efforts towards responding to organized crime, is likely to be catalytic in starting global, regional and national conversations about responding to transnational criminal supply chains, criminal actors and their impact.



Conclusion

This iteration of the Development Dialogue brought together a wide range of participants from diverse backgrounds, including research institutions and NGOs, international organizations, government departments and the private sector. It allowed for a frank and open discussion of the major conceptual and practical challenges facing those wanting to counter organized crime in a development context.

The face of global crime is changing at an unprecedented rate. The spread, forms and impact of organized crime are being felt around the world, with long-lasting harms for global governance, stability, economic growth, social justice and the environment. Countering this threat is a major challenge for development actors, not least because of the widespread issues of state capture by criminal interests, and governance itself becoming a form of organized crime.

The development of infrastructure and a focus on development in a purely economic sense can serve to increase this threat. Accountable institutions, proactive private-sector entities and civil society are needed to keep organized crime at bay. Yet new organized-crime threats are becoming central to some of the major geopolitical issues of today, such as the approach China takes on the world stage and the implications this has on opportunities for organized crime, or the emergence of new forms of technology. The complicity of the global financial system in perpetuating injustice and inequality by allowing corrupt elites and criminal actors to accumulate wealth with impunity is the principal question that the international community must address.

Fresh thinking is emerging on how to counter the multifaceted and ever-changing threat of organized crime. New ways of measuring organized crime and its impacts, such as the Global Initiative's Organized Crime Index, can support the international community in focusing efforts to counter organized crime by providing a holistic and reliable evidence base that can be used to compare organized-crime threats from country to country. Approaches to investigative journalism that harness the power of new technology can help hold criminal power brokers to account. New ways of providing development funding, which support those fighting organized crime in communities that are most acutely affected, may help counter some of the harms of state capture. As SDG 16, which contains the target to counter organized crime, comes up for discussion at this year's High-Level Political Forum, these same innovative ideas about how best to implement this goal must be central to the discussion.

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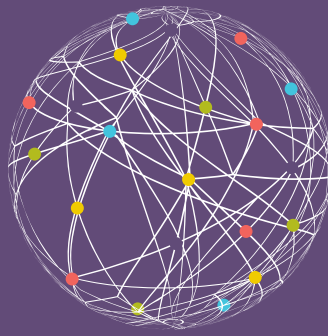
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Notes

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