

**GLOBAL
INITIATIVE**

AGAINST TRANSNATIONAL
ORGANIZED CRIME

ANNUAL REPORT

2019



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2019



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DIRECTOR'S OVERVIEW

The Global Initiative Against Transnational Organized Crime (GI-TOC) is about to enter its eighth year of operation. During this time, we have continued to expand both the scope and reach of our activities. Our aim is to galvanize international, regional and local responses to organized crime, with a particular focus on developing more sophisticated ways of analyzing illicit markets and criminal organizations. The organization brings together players from diverse backgrounds, but with a common interest in countering criminal activity through better understanding the phenomenon and implementing activities that make a difference in communities where organized-criminal activities have profoundly detrimental impacts. Here, more than ever, our focus is on local civil society.

The year 2019 has been an exciting one for the GI-TOC, as our team and network continue to steadily grow, and we expand our reach into new geographic – and thematic – areas. A lot of effort has been put into fundraising this year to achieve financial stability for the GI-TOC. Several big, multi-year projects have been signed and we will cross the 10 million Swiss franc yearly income and expenditure mark in 2020. This reflects our ability to scale up the work we are doing to make a difference on the ground.

When the GI-TOC first started out, the goal was to become a truly global organization and I am proud to say that we are much closer to achieving this now. As this annual report shows, we now have a presence in – or conduct work in – almost all regions of the world, and this is likely to expand further in the coming years. Our partners are numerous and supportive, and provide us with not only resources, but also political backup, access and visibility, and we have a hugely committed board who are eager to provide constructive oversight. We have an impressive Network of Experts, who now number 429. Last but not least, we have an amazing team of 55 full- and part-time staff, senior fellows and senior advisors, whose continuous enthusiasm and hard work make the GI-TOC what it is today.

As you will read in the report, we have freshened up our corporate visual identity, creating a more simplified version of the original logo, with the particular objective of modernizing the typography and colour scheme used in our branding, and to reflect the serious nature of the work done by our organization. This design change is representative of a more general outlook: to renew and rethink our approaches in a sector that demands continuous experimentation and innovation.

We have covered an enormous amount of ground in the last year.

Our work in Libya and North Africa on the regional human-smuggling economy provides a gold standard of expertise and detail. We are expanding our reach into the Sahel. In Central America, we have documented the nature and extent of extortion, and are focusing on building a civil society response to this most destructive of crimes, whose perpetrators kill

and injure while distorting and retarding local economic development. Our work in southern and eastern Africa has received a significant boost with a major grant from the UK, and we are growing our network, building on our existing expertise and increasing our output. Our office in Cape Town is now fully operational and we are building a cohort of experts along the East African coast and urban centres in the region.

A highlight of 2019 was a regional engagement across the Western Balkans to present our report *Hotspots of Organized Crime in the Western Balkans*. The report was produced using information and insights from investigative journalists from the region. The report has been published in the regional languages as well as English, and was covered in the international and regional press. Our Civil Society Observatory for South Eastern Europe is working on several new outputs and we will continue to engage with the region's committed and courageous civil-society leaders who participate in our regional network.

We have significantly ramped up our efforts to empower local civil-society activities against organized crime and are set to launch a series of what we hope will be innovative contributions to the debate on organized crime and illicit markets in all these regions in 2020.

In 2019, we created and funded the Civil Society Resilience Fund Against Organized Crime (henceforth, Resilience Fund) to support community responses to organized crime. This was made possible through the generous support of the Government of Norway. The Fund provides financial and operational support to nurture and develop networks of community resilience against organized-criminal activities. In May 2019, the public launch of the Resilience Fund took place in the margins of the annual session of the UN Commission on Crime Prevention and Criminal Justice (CCPCJ) in Vienna, Austria. A dedicated advisory council has been convened to oversee the strategic direction, and administrative and financial policies of the Resilience Fund. The intention is that the Fund will become a multi-donor programme with additional funds sought to sustain it over time.

Committed to building large databases of new information to help prioritize the response to organized crime, we have completed two ambitious index projects, on which we will continue to build in the years ahead.

In September 2019, we launched the Organised Crime Index (beginning with the first iteration, which covers the African continent) in the margins of the 74th United Nations General Assembly in New York. It has taken a small team of staff two years to pull together, including an impressive data-collection effort, meetings across Africa and inputs from over 200 people. The Organised Crime Index is a multidimensional tool that looks at the scope and scale of criminal markets, the structure and degree of influence of criminal actors involved, and assesses the level of country resilience to counter organized crime. The Index was first established under the EU-funded ENACT (Enhancing Africa's Response to Organized Crime) programme looking at organized crime in Africa. We believe that the Index, and its future editions, which will extend the project's global coverage, may be key to changing the way in which communities and governments look at organized crime and responses to it.

We also launched the IUU Fishing Index in early 2019 in Geneva, Switzerland. The Fishing Index is a tool designed to provide a better understanding of illegal, unreported and unregulated (IUU) fishing worldwide. It has been designed to meet the need for a detailed analysis of fishery countries' vulnerability, exposure and response to IUU fishing. The depletion of fish stocks through IUU fishing threatens global food security, along with the livelihoods

of some 40 million people who are employed worldwide in capture fishing alone, plus millions more associated industries. Remarkably, since its publication in February 2019, it has been accessed around 10 000 times through the GI-TOC and the official IUU Fishing Index websites.

Our founding statements cite the importance of influencing multilateral organizations to adopt a more strategic and coherent response to organized crime.

Engagement with the UN has been taken forward in 2019 as we feed in constructively to the UNTOC Review Mechanism. Our office in Vienna, which opened in July 2018, serves as a platform to engage with the Review Mechanism process and meetings, while our Network of Experts and other offices across the world help to engage with the reviews at the country level. We are working in close coordination with the UN Office on Drugs and Crime (UNODC) in Austria and are undertaking a broader and multi-pronged strategy to help ensure meaningful civil-society engagement in the Review Mechanism. With a presence now in New York, Geneva and Vienna, we are much better placed to be able to engage with all parts of the UN System, by highlighting both the damaging impact of, and possible innovative responses to, organized crime.

These are only some examples of the efforts under way.

I want to thank our staff, the network, members of the board, and the multiple communities and individuals with whom we have engaged over the past year. Your enthusiasm for testing new things, confronting difficult issues, and going the extra mile in often difficult and challenging contexts is what makes the GI-TOC innovative and dynamic, placing the organization in a strong position to respond to perhaps one of the most protracted and difficult cross-sectoral challenges of our age.

There is a lot of work ahead of us. All of the investment by our partners that we have received over the years is a huge sign of their trust in us. Local civil society in particular remains a key component of the global response to organized crime, and we will continue to support, protect and nurture brave and committed local actors. We stand in awe of the work and courage of so many local people who have stood up to organized crime. As the year ends, we will be finalizing a project on local civil-society, media and political activists who have been assassinated at the hands of organized crime. It has been a sad and sobering exercise, but a necessary one. We want to bear witness to these people, some of whom we had the privilege to work with, and to honour their families.

Our aim is to continue to deliver reports and other outputs in the most innovative ways possible. We want to make a difference: through research and writing that set the compass of policy and opinion; in debates at global, regional and national level; and also, most fundamentally given our objectives, by making a difference to people on the ground – individual activists and community groups who are prepared to stand up to organized crime.

Mark Shaw

INTRODUCTION

The GI-TOC is an independent civil-society organization, headquartered in Geneva, Switzerland, with a globally dispersed secretariat and regional offices, a high-level advisory board, and a network of 500 experts, including prominent law enforcement, governance and development practitioners, who are all dedicated to seeking new and innovative strategies and responses to organized crime.

The organization 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 in New York in 2011/12. At these meetings, the founding members, 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 the creation of the Global Initiative Against Transnational Organized Crime, which provides a platform to promote greater debate and innovative approaches, which serve as the building blocks to an inclusive global strategy against organized crime.

The functions of the GI-TOC can be summarized as follows:

- a) To create the building blocks for a global strategy on transnational organized crime.
- b) To promote catalytic, cross-border processes that draw in new actors and that facilitate the reshaping of thinking, coordination and responses to transnational organized crime.
- c) To energize the global debate around transnational organized crime to promote the sustainable translation and embedding of new approaches into current multi-lateral, regional and national frameworks.
- d) To undertake research and develop new policy and programmatic options to contribute to informed strategy development at national, regional and international levels.

STRENGTHENING THE OPERATIONAL STRUCTURE OF A GROWING ORGANIZATION

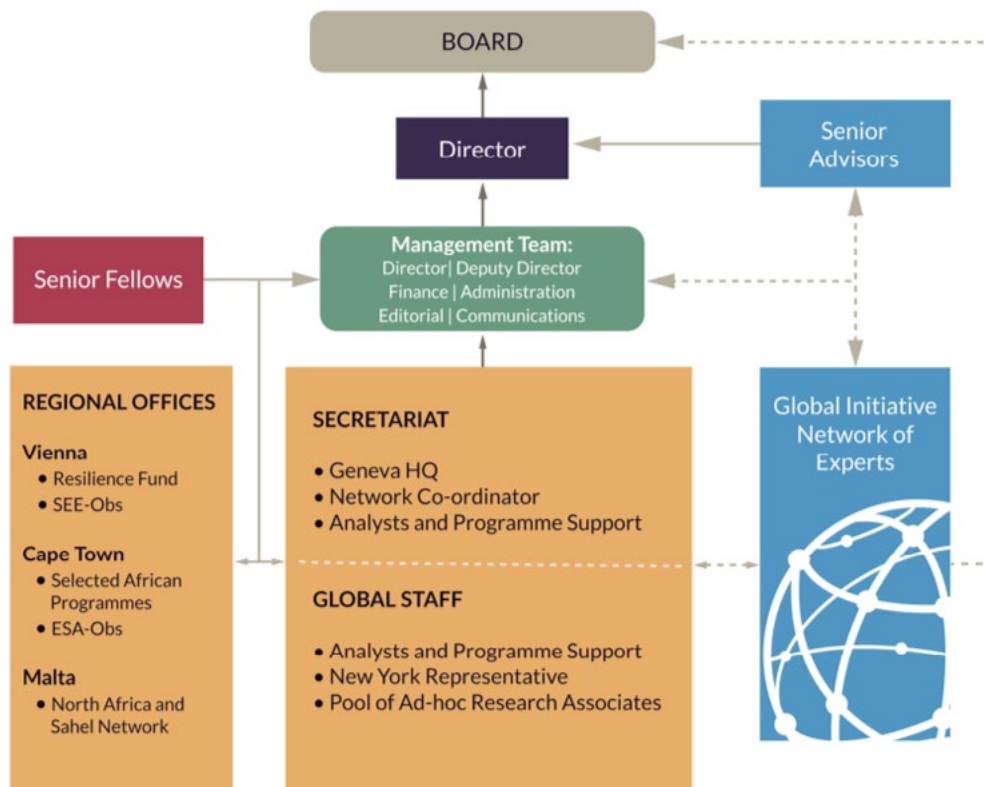
As the GI-TOC continues to grow, it is important to have a robust framework in place that can reduce day-to-day administration. An intra-office agreement has been established to govern the operational arrangements between the three GI-TOC legal entities, and which future GI-TOC offices can join via a simple amendment.

In 2018, we registered a regional office in Vienna, Austria, and established a project office in Valletta, Malta, for our EU-funded project on migration in Libya and the Sahel. Final preparations were made for the official registration of another regional office in Cape Town, South Africa, which was successfully registered as a non-profit NGO in the beginning of 2019.

Our Network of Experts also continues to grow, as you will see later in the report, with more female experts joining.



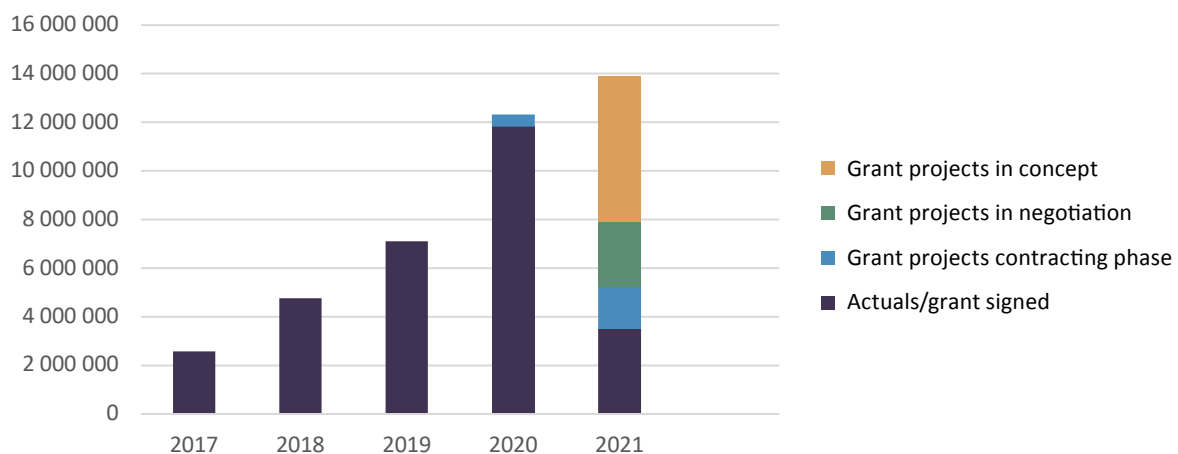
In March 2019, the entire core team of the Global Initiative, staff, consultants, senior advisors and senior fellows came together for a three-day retreat in Baden bei Wien, Austria, to discuss and brainstorm about the work and the future of the organization. Yearly retreats are very important, especially with such a dispersed secretariat. In addition to strategic discussions, there was also half a day of media and a full day of security training. Safety and security of anyone working with the GI-TOC are of the highest priority, so it is the management's duty to provide staff and consultants with proper training and to give them guidance on how to mitigate risks, particularly when travelling in the field.



Secretariat structure, 2019

Financial overview

Annual revenue to the GI-TOC



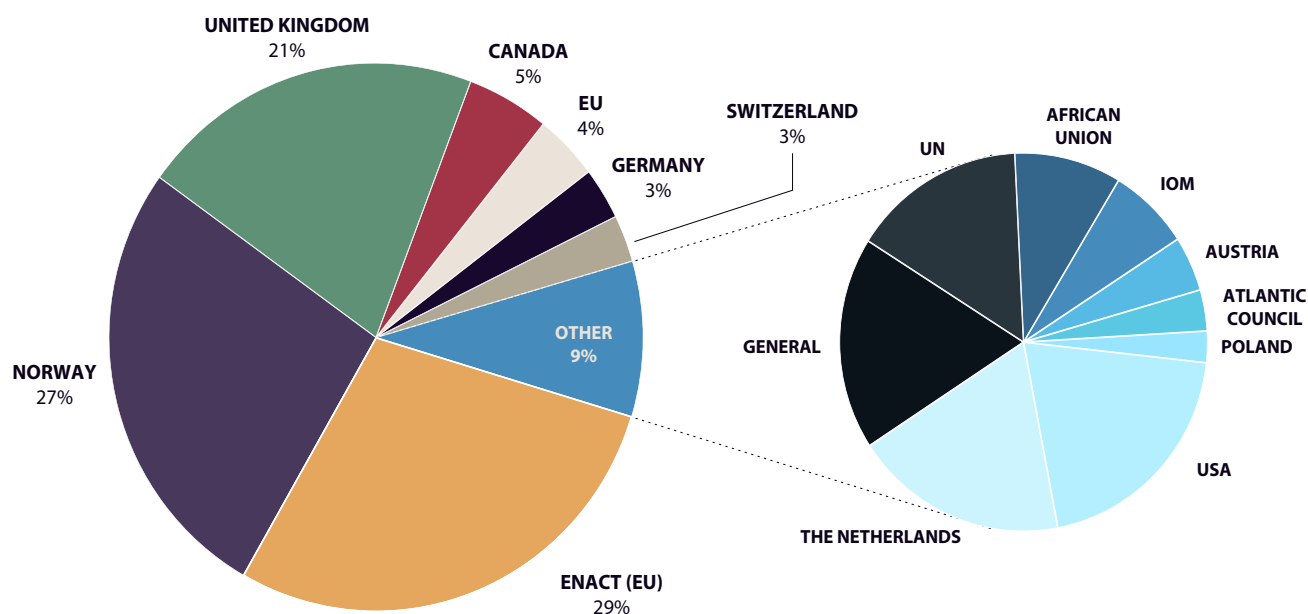
Income projection 2017-2021 in CHF

At the end of 2018, the consolidated financial picture across all of the GI-TOC entities shows an organization in a rapid state of growth. The then two GI-TOC offices, Geneva and Vienna, received a total

of CHF 4.77 million in income, an 86% increase on the previous year. We have expanded our donor base to six major donors, including substantial commitments from Germany, the UK and Canada.

Several new projects have been signed in the second half of 2019, many of them multi-year projects, which secures the GI-TOC's future. In 2020, we will

most likely exceed CHF 10 million in income, which is a huge step for the Global Initiative.

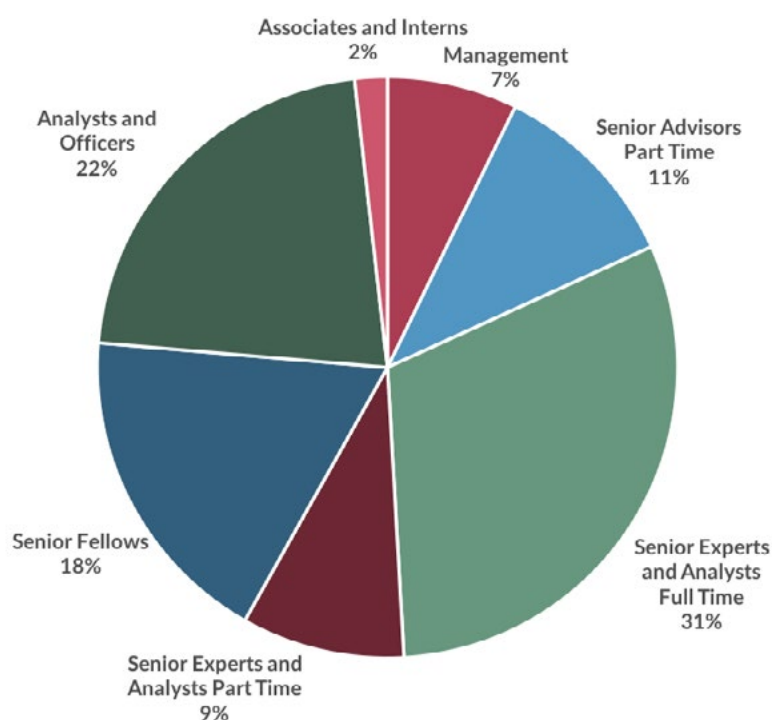


Distribution of grants received, 2019

GI-TOC team

Not only has the Global Initiative grown in terms of funding and projects, but it has also gained new staff members. As of December 2019, the GI-TOC consists of 55 full- and part-time staff

and affiliates, as you can see from the chart below. Gender among the team is well balanced, with 29 female and 26 male members.



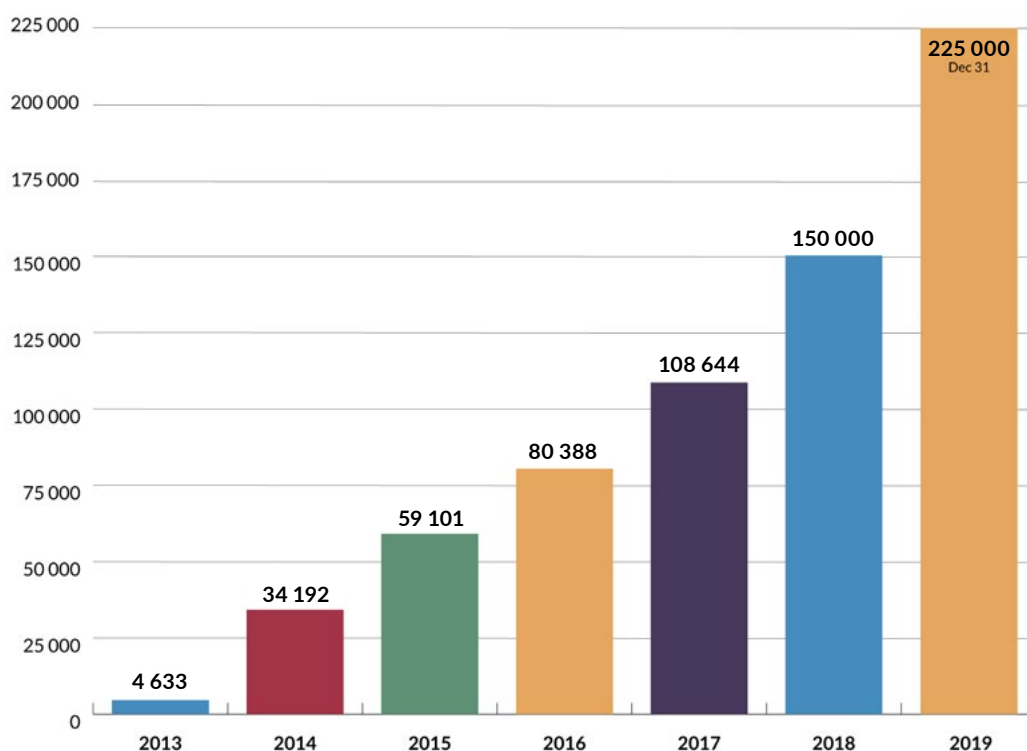
Outreach and media coverage

The Global Initiative is now extensively featured in the international media and national press in the countries where we are active. GI-TOC staff are increasingly frequently seen on the news, heard

on the radio, or quoted in the press, sharing their expertise on key contemporary issues. We have 7 600 Followers on Twitter, 10 000 Followers on Facebook and over 2 600 connections via LinkedIn.

Annual web hits rate

2013–2019*

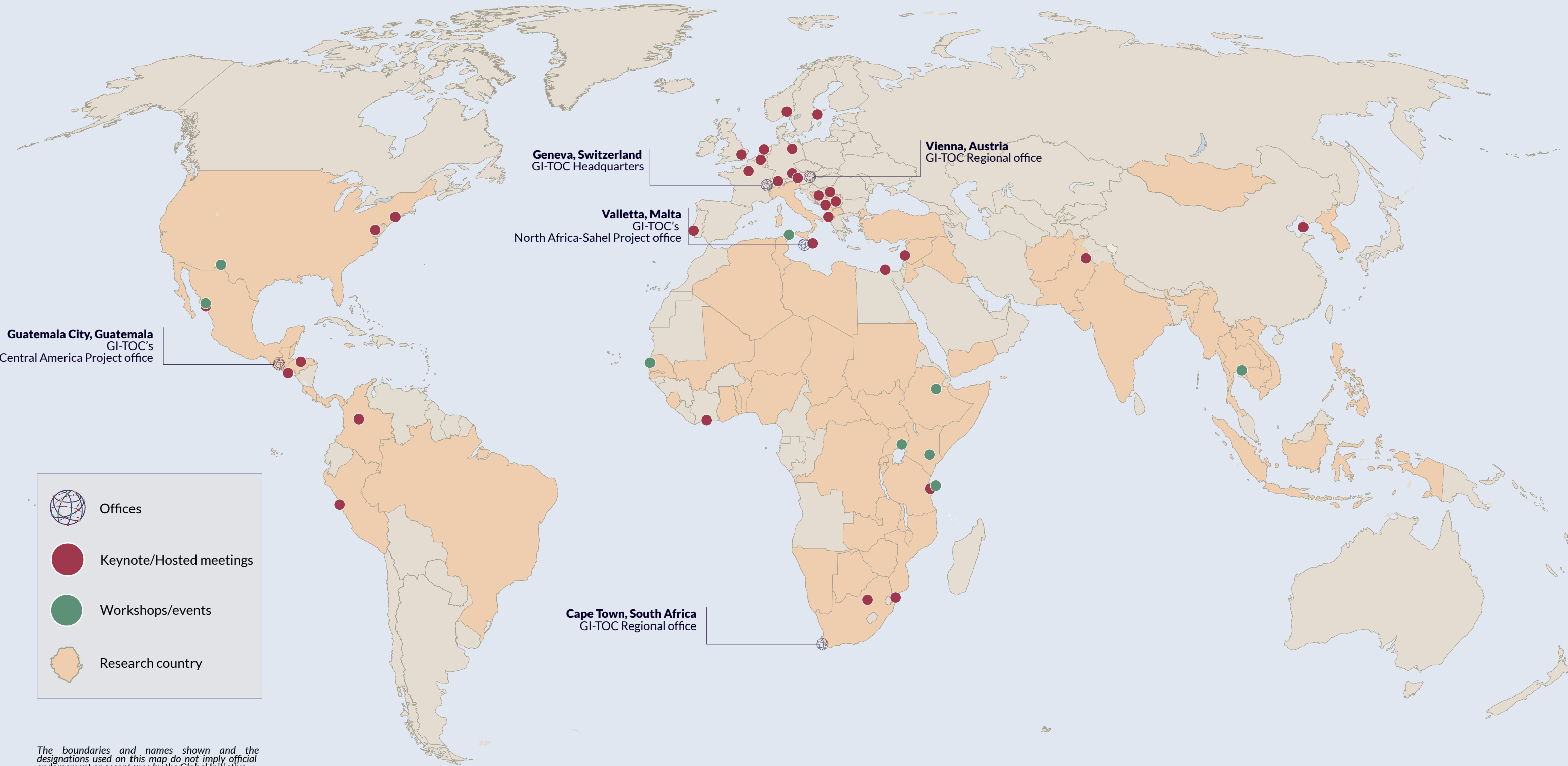


* Data: Google Analytics. The amount refers to the total number of sessions within the data range.

A session is the period of time a user is actively engaged with your website, app, etc. All usage data (screen views, events, e-commerce, etc) is associated with a session.

Where we work

2019

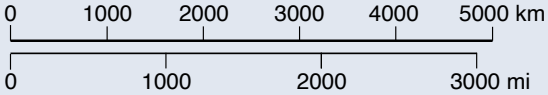


The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the Global Initiative.

Dotted line represents approximately the Line of Control in Jammu and Kashmir agreed upon by India and Pakistan. The final status of Jammu and Kashmir has not yet been agreed upon by the parties.

Final boundary between the Republic of the Sudan and the Republic of South Sudan has not yet been determined.

A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).



GLOBAL INITIATIVE NETWORK OF EXPERTS

The Global Initiative Network of Experts is central to the functioning of the organization. The concept behind the Network encapsulates one of the founding principles of the organization: to create a virtuous network of individual experts to mobilize opposition to and act against a web of global criminal actors. The members of the Network constitute the highest authority of the organization.

Strategic objectives for the Network

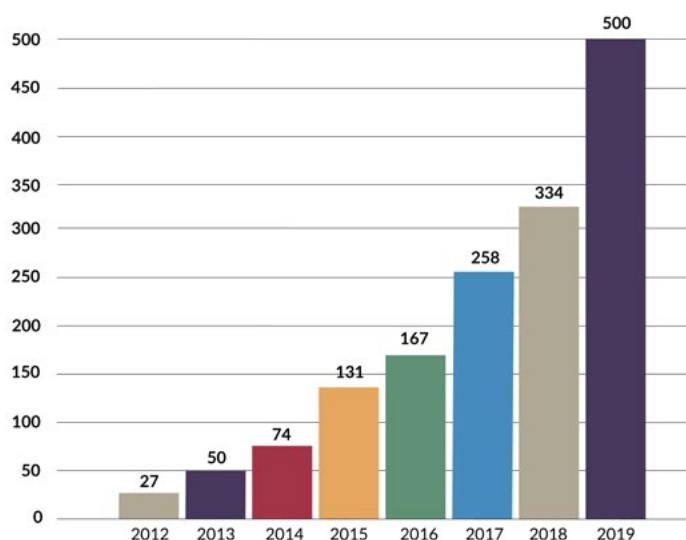
The Network continues to grow in 2019. The overall objective, as noted in the 2018–2020 strategy, is to develop and grow a diverse and professionally engaged Network committed to the objectives of the GI-TOC, and working to achieve them:

- The Network to consist of **500 members by 2020**, of whom at least a third shall be women, with our ultimate goal being to achieve gender parity in membership.
- The Network to provide a **balance of representation** between all regions and expertise.
- Network members **involved in all aspects of the GI-TOC's work**: research, policy development and advocacy, as well as project implementation.
- An **effective system of cross-Network communication** measured by the number of interchanges between members of the Network.

Size and growth of the Network

The size of the network has expanded greatly since the original 27 individuals to the current 500 members.

The GI-TOC strategy 2018–2020 foresees the Network will consist of 500 members by 2020, of which at least a third shall be women, with the ultimate goal being to achieve gender parity in membership.

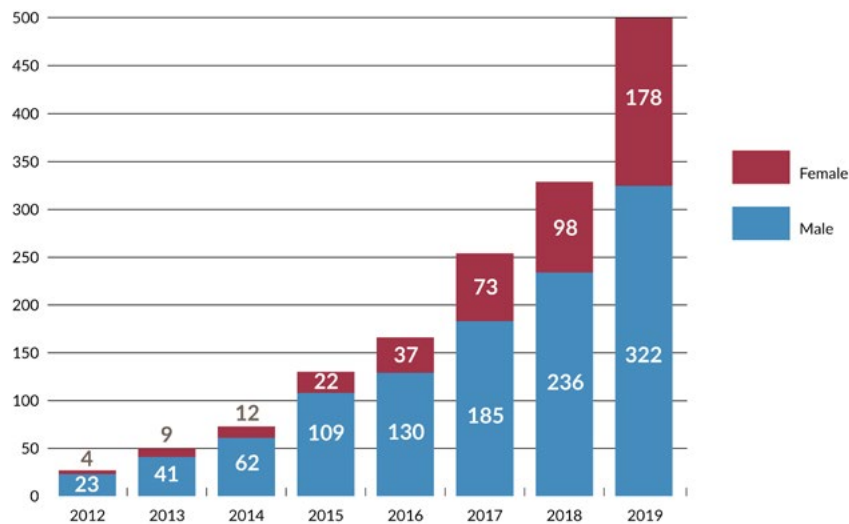


Gender balance

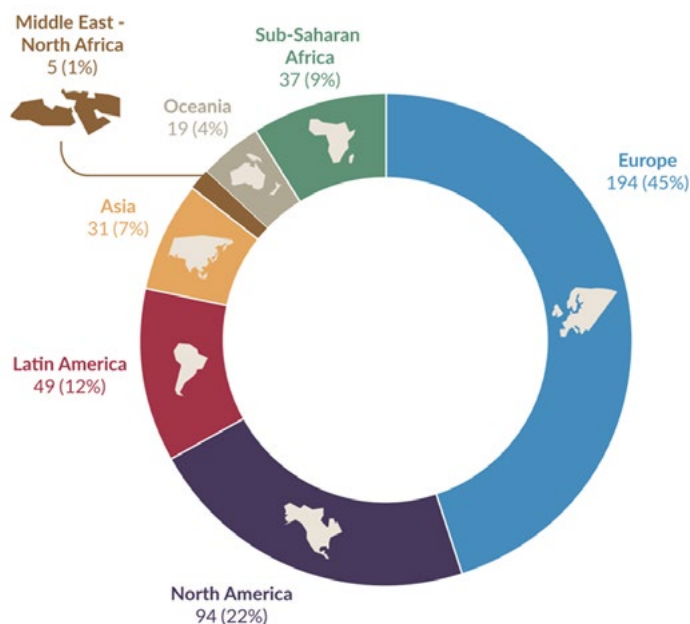
Gender balance of the GI-TOC membership remains a focus. Special efforts are currently being made to identify specifically women experts to join the Network.

Noticeably, in July 2019, 34 female experts joined the

Network, twice as many as the number of male experts who joined (17). As of December 2019, women comprise more than one-third of the Network.



Regional origins of the GI-TOC Network



The chart shows that the largest group of members come from Europe, followed by North America and Latin America.

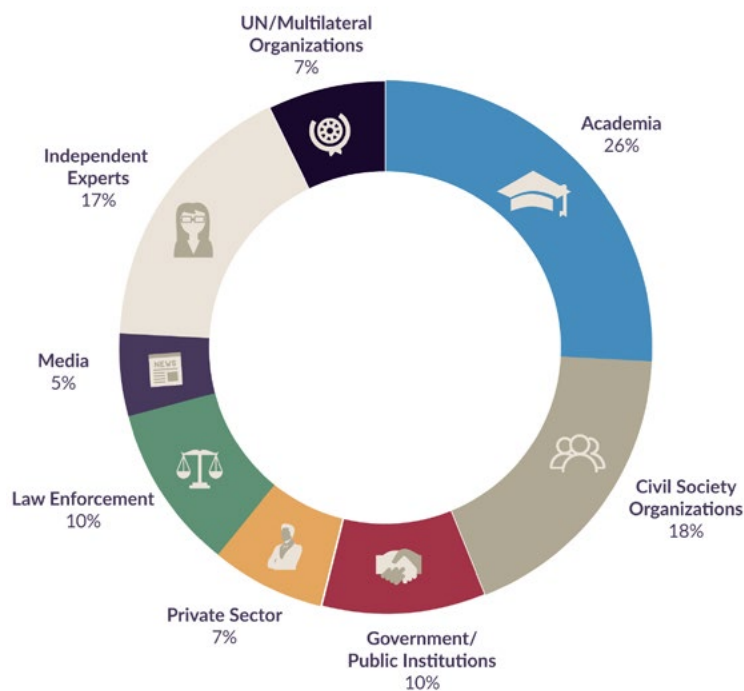
Membership growth by region has changed over the last three years: the strongest growth for GI-TOC membership between 2016 and 2019 is Latin America (from 13 to 69 members), followed by Europe (from 75 to 226 members), and North America (from 43 to 103 members).

The GI-TOC remains conscious of the fact that, as a global organization, we aim to achieve a reasonable balance between the numbers of members in different regions of the world.

Thematic areas of work

While determining a clear thematic area of work for some members of the Network is not always easy – and in fact represents the complexity of the environment and the cross- thematic expertise of the Network – the graph provides some idea of which fields of expertise members work in.

While the GI-TOC will continue to aim at increasing the number of law-enforcement and media experts among its members, it is encouraging to note that there have been increasing numbers from the private sector joining us in recent years.



Network activities

We introduced the following activities, communication and resource channels in 2019:

- GI-TOC Network biannual bulletins in English, Spanish and French, highlighting members' outstanding awards, projects, initiatives and publications on transnational organized crime issues, in various thematic areas of work and expertise, as well as across all regions.
- Network quarterly virtual group discussions based on the Network survey's results and preferences.
- Network communication package, which is available to all Network members who may wish to present the GI-TOC's work (and the Network) to their contacts or at conferences and events.
- Network approach and ethics statement, which outlines the importance of the Network to the functioning of the organization. Members commit themselves to acting in line with the highest ethical standards in their work to counter organized crime, promote cooperation at all levels, contribute to a positive and meaningful debate, and support the development of innovative solutions and responses to organized crime.

GLOBAL INITIATIVE'S CORPORATE VISUAL IDENTITY REFRESH

A new look for the GI-TOC

At the beginning of 2019, the communications team of the GI-TOC initiated a rebranding exercise in order to fulfil the growing need to positively project the organization. This phase was helpful in highlighting the limitations of the old design, identified by several designers, such as the complexity and legibility of the corporate logo, the outdated typography and the use of the full name of the organization itself. The GI-TOC was however keen to maintain a visual connection to its original brand, which has a high level of recognition among key constituencies. Following the refreshed logo, our publication designs were also updated.

One motive for the change was the desire for a logo that could both pair well with, and yet appear unique when placed next to logos of organizations such as the United Nations or INTERPOL. It has options for the organization's full name, as well as the acronym, and translates well across a variety of media, from business cards to pins to tote bags.

The GI-TOC logo refresh involved a simplified version of the original, with a particular focus on modernizing font and colour usage chosen to reflect the

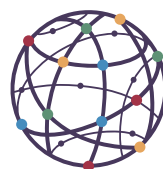
seriousness of the work undertaken by the organization. The logo analysis highlighted that the logo is too complex, with too much detail, and that its legibility was compromised. The font was deemed too geometric and bulky, looks outdated, and that the full name is too long, so a shortened form was considered appropriate. Feedback on the colour scheme was that the colours are too saturated and may compromise the seriousness of the brand.

GI-TOC VISUAL IDENTITY REFRESH

LOGO EVOLUTION



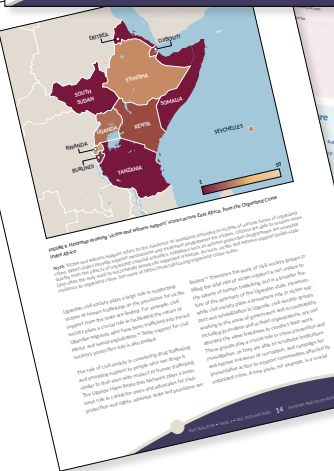
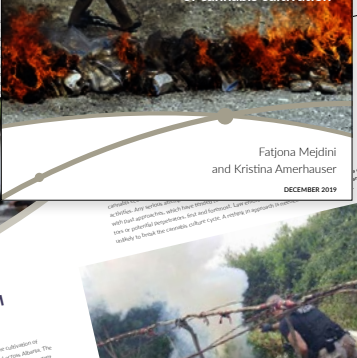
THE GLOBAL INITIATIVE
AGAINST TRANSNATIONAL
ORGANIZED CRIME



**GLOBAL
INITIATIVE**
AGAINST TRANSNATIONAL
ORGANIZED CRIME

Publications redesign

A fresh, innovative redesign of the publications was finalized in 2019.



WORKSTREAMS

The work of the GI-TOC continues to expand across a wide variety of areas. Our challenge remains to ensure that the organization presents a coherent and balanced programme of activities. Five substantive and overlapping workstreams, around which the presentation of the work of the GI-TOC is structured, have been introduced in 2018 as part of the Global Initiative's Strategy 2018–2020 (see <https://globalinitiative.net/global-initiative-strategy-in-60-seconds/>).

The workstreams represent strong areas of comparative advantage for the GI-TOC, with perspectives and approaches that are not offered elsewhere. They encompass all criminal markets – drugs, people, arms, environmental commodities, violence, and many more – and their impacts.

- **Environment:** The environment workstream includes a broad focus and a diversity of approaches to organized crime and the environment, analyzing and countering a wide range of illicit markets for environmental commodities.
- **Political economy:** Our approach aims to bring together the 'political' and 'economic' aspects of organized crime by considering the political dynamics that may facilitate and protect illicit markets. This workstream addresses the shadowy intersections between political, business and criminal elites.
- **Criminal governance:** This workstream analyzes the particular governance strategies that criminal groups use to (among other things) reduce risk, improve efficiency of their activities and capitalize on new opportunities.
- **People:** Our primary focus in this workstream is on areas of organized crime where people themselves are treated as commodities – in markets for human trafficking and smuggling, and kidnapping for ransom, for example.
- **Institutions:** Our focus in this workstream is on the legitimate institutions that seek to disrupt organized-crime groups and mitigate the damage they cause.





ENVIRONMENT

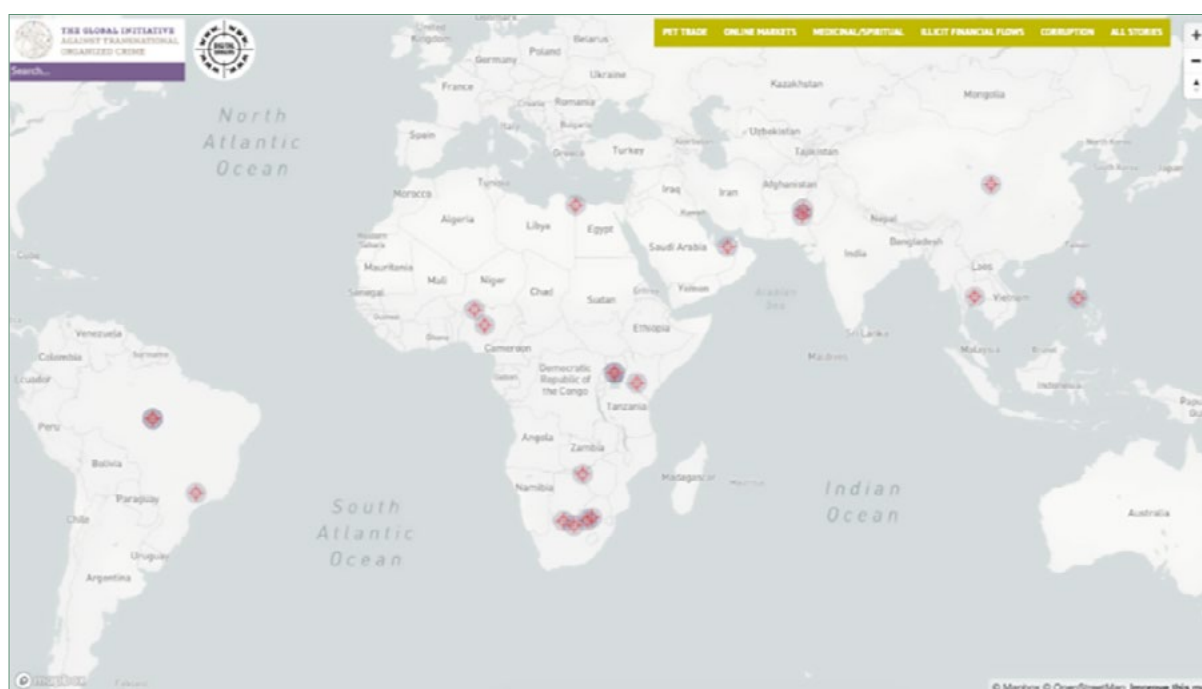
Analyzing and countering a wide range of illicit environmental commodity markets is a well-established part of the GI-TOC's research. This reflects a broader, growing recognition that organized crime is

a key threat to environmental sustainability, and that instances of environmental crime, such as illicit trade in wildlife, are no longer a niche conservation concern for environmentalists.

Digital Dangers: Illicit online wildlife trade

In 2019, work continued refining the Dynamic Data Discovery Engine, a unique software tool that uses natural-language learning and other approaches to find websites that host transactions or conversations related to the sales of illegal wildlife products. This tool has been designed with our partner, the Centre for the Analysis of Social Media (CASM), based in London. At present, the tool learns to identify and

record thousands of websites in iterative cascades related to the trade in specific wildlife commodities. The tool is able to find a large number of web pages on the surface web, which may be related to illegal activity, but with 'noise' from false-positives. In preparation for a new phase of applying the tool to finding and understanding online markets for illegally traded wildlife, engineering development work was done to



refine the tool's ability to refine its own search results, specifically to identify those that are most relevant and the most likely to host activity directly linked to illegal transactions. This lays the basis for a next phase of engineering work, which will commence towards the end of 2019. The ultimate end-users of this tool will be journalists, conservation NGOs and officials, and law-enforcement officials.

In partnership with investigative environmental journalist outfit Oxpeckers, the GI-TOC launched an interactive map, 'Exposing Environmental Crime'. This highlights feature, data-driven and investigative pieces for which we have provided reporting grants, mentoring or training, often with our partners the Thomson Reuters Foundation. The final articles written by journalists

awarded grants under the Digital Dangers project were also published, and added to the map. In 2019, the last of the print and web articles, TV and radio segments from this project were published. They were released in source and consumer markets in 12 countries in South America, Africa, the Middle East and Asia.

We also hosted the first-ever GI-TOC launching station podcast, 'Digital Dangers – Cyber Solutions?', which discusses the online trade in illegal wildlife and the roles tech and journalism can play in combating it. Under the Net and Networks project (see below), new technical development work has begun on the DDDE a view to putting the tool to use in disruption activities with partner organizations.

'Net and Networks': Anticipating and disrupting environmental crime in the globalized economy

With the support of the Norwegian government, a new programme will focus on the political economy and threat financed by environmental commodities in East Africa's Swahili coast and in the Golden Triangle of Asia.

The four main programme areas are:

1. Political economy and financial flows assessment and monitoring: mapping the illicit financial flows along the supply chain of key environmental commodities; identifying key actors; assessing the political economy in key infrastructure nodes.
2. Introducing friction: monitoring and publicizing data on key trafficking hubs; profiling key actors; reducing trust in vendors.
3. Disrupting marketplaces: reducing demand by behavioural change in target consumer groups; targeting market platforms, including online.
4. Building sustainable civil-society capacity: establishing a network of civil-society organizations that can serve as de facto or official oversight functions over criminal activities and corruption.

The Net and Networks project aims to follow a supply-chain approach to analyze and disrupt illicit markets in illicit commodities. The project targets two key regions, the Golden Triangle of Asia, and the Swahili coast and the Congo basin regions where these contemporary globalization challenges have combined in areas of particular environmental riches, ecological importance, and which hosting key drug-trafficking routes:

- I. Swahili coast and Congo basin (Kenya, Mozambique, Tanzania, DRC)
- II. Golden Triangle (Myanmar, Laos, Cambodia, Vietnam, Thailand)

These two regions suffer from acute security challenges. The trafficking in drugs and environmental commodities, and the illicit exploitation of natural resources are exacerbating fragility in communities here, diverting resources from the state, financing corruption and resourcing violent local actors. The project will deliver innovative pilot programming in two priority regions, and examine the interlinkages of criminal economies and illicit flows between the two regions.

Reducing mercury supply and availability in Indonesia, 2019–2020

In artisanal and small-scale gold mining (ASGM), mercury is often used to extract gold from mined ore, which can cause serious harm to people and the environment. This project, funded by the US State

Department, aims to assist Indonesia to reduce mercury supply and demand, as well as establish mercury storage facilities for seized mercury. The GI-TOC's role in the project is to map illicit mercury and gold supply

chains in Indonesia and map political economies, in order to help inform the design of responses. A kick-off workshop was held in Jakarta in July 2019 and

some preliminary scoping research was conducted. It is expected the report will be published early next year.

Quality over quantity: Responding to African illicit financial flows

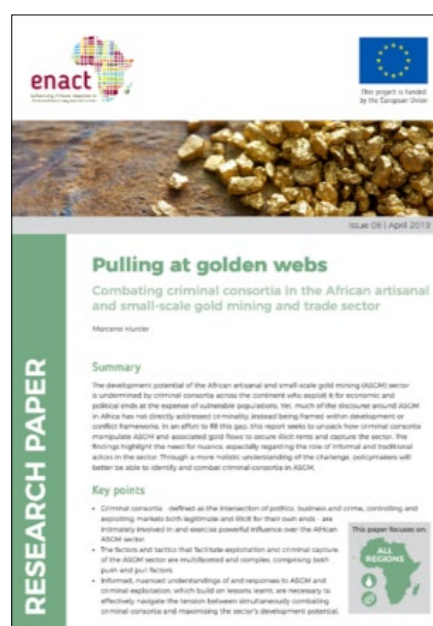
The research paper *African illicit financial flows: designing and prioritising responses* was published in November 2019. The report builds on previous research by GI-TOC on IFFs, specifically *Measures that Miss the Mark*:

Capturing Proceeds of Crime in Illicit Financial Flows Models and the OECD report authored by the GI-TOC *Illicit Financial Flows: The Economy of Illicit Trade in West Africa*.

Artisanal and small-scale gold mining (ASGM)

Barriers to Private Sector Engagement in the Artisanal and Small-Scale Gold Mining Sector (Nov 2018–Aug 2019) is forthcoming.

Although a critical livelihood option and economic catalyst for millions of people and countless communities around the world, ASGM activity is linked to a wide range of environmental and social harms. To capitalize on the immense development potential of the sector, the engagement of formal, private-sector actors, both in the gold supply chain and in providing the financing required to establish and up-scale good practices, is critical. However, to date, most private-sector actors (especially in the financial sector) have refrained from doing business directly with the ASGM sector. The predominant reason given is unacceptably high risks, both from a reputational and business perspective. The GI-TOC, together with Solidaridad, undertook wide-ranging research to better understand private-sector actors' perceptions of risk, the evidence base for such perceptions, and how they influence stakeholders' decisions to engage, or avoid engaging with ASGM. The report explores reputational and business risks cited by private-sector stakeholders, examines how some of these



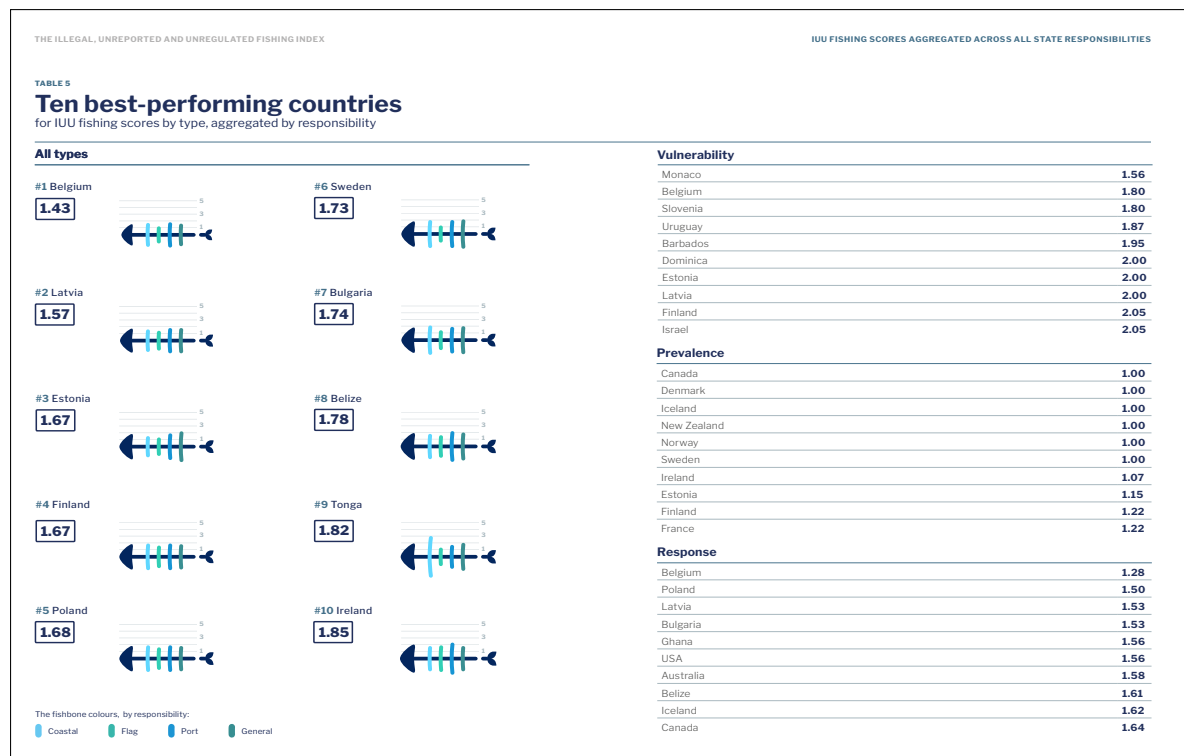
can be overcome, and identifies how private-sector engagement with ASGM can be enhanced in the future.

Work included hosting a roundtable at the GI-TOC HQ in Geneva in November 2018 and conducting interviews with over 50 individuals from the private sector, multilateral institutions, civil society and government.

IUU Fishing Index

The IUU Fishing Index, a collaborative project produced together with Poseidon Aquatic Resource Management, has been designed to meet the need for a detailed analysis of fishery countries' vulnerability, exposure and responses to IUU fishing. IUU fishing is a major threat to ocean ecosystems worldwide, undermining efforts to sustainably manage global fisheries and effectively conserve ocean biodiversity.

The Index measures IUU fishing in 152 countries for 2018. It scores countries on a 1 to 5 scale across more than 40 indicators, relating to vulnerability (risks), prevalence (incidents) and government response to IUU fishing. The Index was launched in February 2019 and has so far been accessed over 10 000 times from the websites.





POLITICAL ECONOMY

This workstream addresses the shadowy intersections between political, business and criminal elites. The GI-TOC has been an active proponent of political-economy-based analysis of organized crime since its inception. Recognizing that both the form and impact of organized crime are often a function of the environment in which it develops, including the capacity, reach and behaviour of the state, the economy and legitimate institutions, our work in all our thematic areas aims to analyze the nature of organized crime and illicit markets through a political-economy lens. In so doing, we aim to support effective, nuanced and contextualized counter-crime efforts.

Our work also views responses to organized crime in this way, in asking how change can be effected

through leveraging political and economic opportunities. Our approach further aims to bring together the 'political' and 'economic' aspects of organized crime by considering the political dynamics that may facilitate and protect illicit markets.

Our focus on understanding the political economy of organized crime is often closely linked to the development of drug-trafficking economies in particular, given their value in the hierarchy of illicit commodities. While many other organizations focus on the issue of drugs, our analytical ambit embraces the wider governance implications of the trade, most notably the development of protection economies and the degree to which profits from trafficking are used for political party funding.

ENACT

ENACT (Enhancing Africa's response to transnational organised crime) is a project funded by the European Union, and delivered by a consortium that includes the GI-TOC, the Institute for Security Studies and INTERPOL. The project delivers cutting-edge research, policy engagement and capacity building across Africa, through five regional organized-crime observatories. It aims to redirect the focus of the international and regional communities away from a singularly criminal-justice-based response to organized crime towards a comprehensive array of policies that mitigate impact, build local resilience and change incentives for market participants.



ENACT is a three-year programme, and supports the Africa-EU Strategic Partnership and the Joint Africa-EU Strategy and Roadmap 2014–2017. Through the programme's flagship activities, namely the creation of a network of Regional Organized Crime Observatories (ROCOs) and the development of the Organized Crime Index, ENACT endeavours to shed light on the impact of organized crime by monitoring, analyzing, reporting and measuring illicit markets, and building networks throughout the continent to combat organized crime in a unified way.

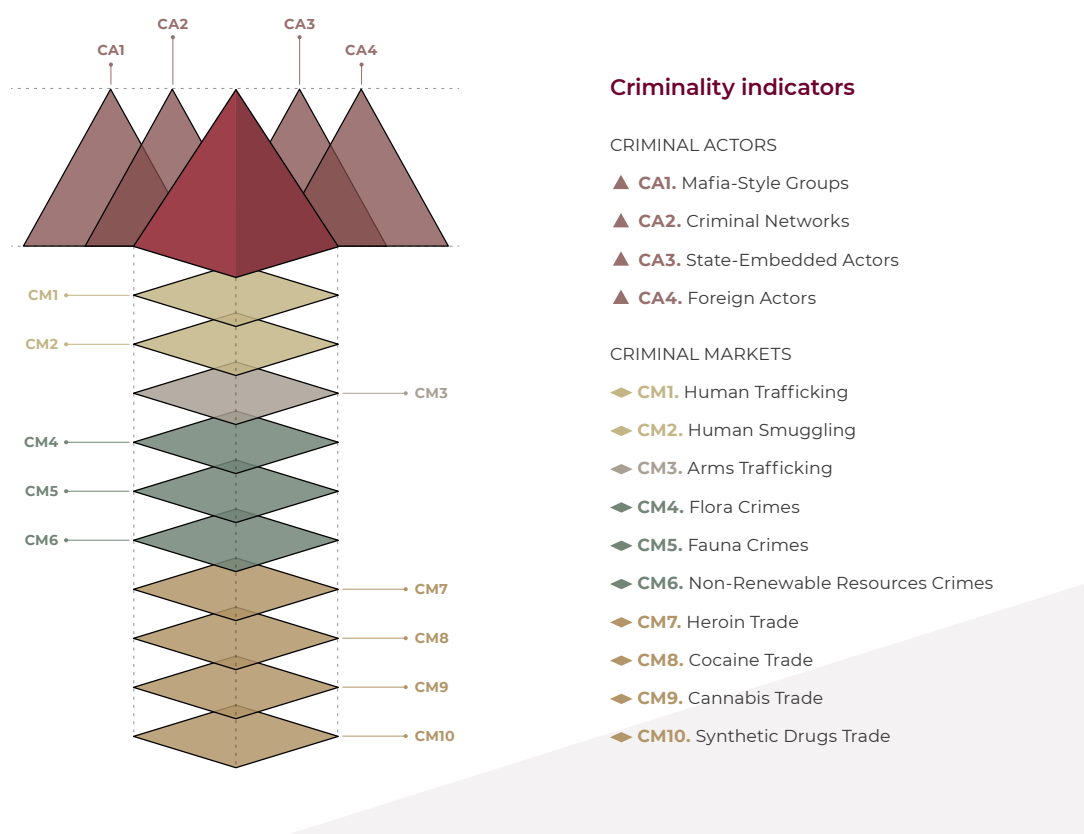
In 2017, the GI-TOC began developing the **Organised Crime Index**, a tool that measures the scope, scale and value of 10 criminal markets, the structure and influence of four criminal actor typologies, and the effectiveness of 12 resilience indicators to organized crime in each country in Africa for 2018. The Organised Crime Index, with its website (ocindex.net) and report, was launched on



24 September 2019 on the margins of the UNGA in New York.

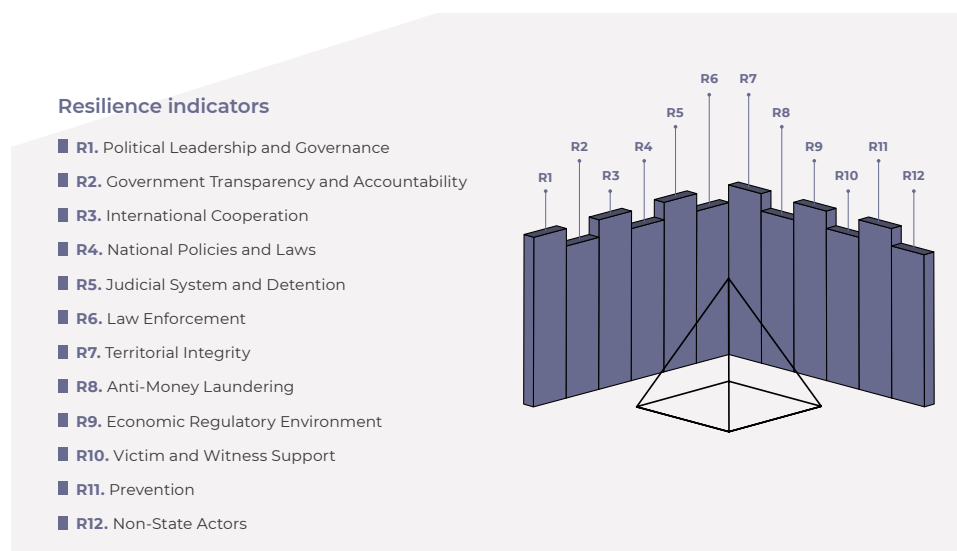
The Index covers 54 African countries plus 11 global comparison countries. The tool assigns each country two scores: a **criminality score** and a **resilience score**. The criminality score is a combined average score of 10 criminal markets and 4 criminal actor types. The 10 criminal markets range from human trafficking, human smuggling, arms trafficking, flora crimes,

fauna crimes, and non-renewable resources crimes, to the heroin trade, cocaine trade, cannabis trade and synthetic-drugs trade. The four criminal actor types include mafia-style groups, criminal networks, state-embedded actors and foreign criminal actors. For criminality, each country is assigned a score on a scale of 1 to 10, where 1 signifies the best possible scenario, in which a criminal market or actor group is non-existent, and 10 the worst case, in which no aspect of society is untouched.



The resilience score is made up of 12 resilience indicators to organized crime, covering four broad areas: leadership and governance; criminal justice and security; economic and financial resilience; and

civil society and social protection. Each indicator is assigned a score between 1 and 10, where in contrast to the criminality score, 1 is the worst possible scenario and 10 the best.



Index development comprised three broad phases of data collection, expert scoring, verification and review, along two parallel streams: country scoring and thematic scoring. In total, 139 country and thematic experts contributed to the final scores.

In June 2019, four geographic expert meetings took place to serve as a final review of country scores and to ensure accuracy, relevance and timeliness with realistic contexts. Each meeting covered a different region in Africa: Pretoria for Southern Africa, Nairobi for East Africa, Senegal for West and Central Africa, and Malta for North Africa, with 43 experts in attendance.

From July 2019, the Index team reviewed all inputs, developed and analyzed the final scores for each country, and began writing the findings in the Index report. The analysis revealed trends and outliers on the African continent, and this information provides the basis for the report.

In the final quarter of 2019, the research team began to update African scores and expand the Index to a global scale in order to roll out the next iteration of the tool.

The GI-TOC's research projects on foreign organized crime in Africa are ongoing. Several consultants are looking into activities of foreign groups,

including the Lebanese in West Africa, Chinese actors, Serbian organized crime and Italian organized crime. Fieldwork for a report on cultural property trafficking in West and North Africa was conducted in Nigeria and Mali.

Several publications have been published under ENACT in 2019:

'Trafficking in persons in conflict contexts: What is a realistic response from Africa?': Drawing on field research conducted by the GI-TOC on trafficking in persons in four protracted conflicts in Africa, Central African Republic, Libya, Nigeria and Somalia, this policy brief explores what constitutes realistic and effective responses to trafficking in persons in conflict contexts in Africa. It argues that counter-trafficking efforts should be part of broader work to enhance community resilience to organized crime and to address long-standing needs, while responses that rely on the state, or approach the issue through a criminal lens, should be treated with caution. This policy brief critically analyzes the recent upsurge of research conducted into the phenomenon of trafficking in persons in conflict contexts, identifying weaknesses in approaches that rely predominantly on the criminalization of trafficking practices, and points towards the need for a more nuanced understanding of how conflict affects trafficking.

The policy brief 'Hiding in plain sight: Heroin's stealthy takeover of South Africa' received substantial local and international coverage in print, radio and television. At the same time, research began for a substantial research report that updates and deepens the research already conducted for 'Heroin coast', a report that was published in 2018. To this end, fieldwork was conducted directly by GI-TOC staff in Cape Town, Durban and the province of Mpumalanga, and five independent consultants were hired to compile fieldwork-based research reports on specific themes in Kenya, Mozambique, Uganda, Zambia and Johannesburg. Empirical research was also undertaken to measure drug prices in South Africa and Tanzania, and another research team has spent several months collecting sensitive data from the criminal-justice system in Cape Town.

'Quality over quantity: Responding to African illicit financial flows': This policy brief builds on previous research by the GI-TOC on illicit financial flows ('Measures that miss the mark: Capturing proceeds of crime in illicit financial flows models') and an OECD report authored by the GI-TOC, 'African illicit financial flows: Designing and prioritising responses'.

'Cross-regional study of criminal consortia in the African artisanal and small-scale gold mining (ASGM) sector': Running from April 2018 to April 2019, this project aimed to map criminal consortia and political economies linked to the African ASGM sector and related gold trade. It estimates the scale of illicit activity and the direction of gold flows. Field interviews took place in Chad, Niger, South Africa, Sudan and Zimbabwe, in addition to comprehensive desk research. The final products were a cross-regional study titled 'Pulling at golden webs: Combating criminal consortia in the African artisanal and small-scale gold mining and trade sector' and a case study on South Africa, 'Uncovered: The dark world of the Zama Zamas'. Case studies were also written for Sudan and Zimbabwe.

A continental research report was developed and published on the subject of drugs in Africa titled 'The evolution of illicit drug markets and drug policy in Africa'. This report analyzes the fracturing consensus around drug policy on the continent, and proposes policy revision measures in the consideration of enabling the adoption and effective implementation of drug policy reform.

Civil Society Observatory for South Eastern Europe

The Civil Society Observatory to Counter Organized Crime in South Eastern Europe, which was launched in July 2018, continues its work to monitor and counter organized crime in the Western Balkans. In addition to high levels of drug and arms trafficking, current trends also point to a surge in human-smuggling activities and the growing significance of cybercrime in the region. The region's capitals are increasingly being used as money-laundering centres.

In March 2019 the civil society network met for the first time in Vienna. Today, the network comprises over 20 experts from all six Western Balkan countries.

A detailed report was published in May, investigating local hotspots for criminal activity and aims to uncover the interconnectedness of the illicit activities and organized-criminal groups that operate in



the region. Rather than focusing on illicit markets or countries, the hotspots report looks at places of interest, with the aim of identifying patterns of organized crime in the region to raise awareness and reduce vulnerability. It also puts the hotspots of organized crime within a wider ecosystem of crime that permeates the Western Balkans. The report shows that political elites often provide a protective umbrella for criminal groups and their activities, while criminal groups, in turn, help the political elites to enrich themselves. The hotspots report was translated into the local languages and presented during a regional tour in all six Western Balkans countries.

During phase II of the Civil Society Observatory, which started in July 2019, the Observatory

continues its activities with the regional network and focuses on building more effective networks between universities in the region. The Observatory is currently compiling an independent anti-corruption review of the region, looking at the current situation in each of the Western Balkans⁶ and using the 2018/19 anti-corruption pledges as examples to measure their commitments. In addition to regular policy briefs on current topics, the publication of a regional report is envisioned, focusing on the importance and impact of organized-criminal groups from the Western Balkans on a global level. The topics of the first four policy briefs are: cannabis cultivation in Albania, cigarette smuggling in Kosovo, inter-mafia wars in Serbia and Montenegro, and migration in Bosnia and Herzegovina.

Civil Society Observatory of Illicit Economies in Eastern and Southern Africa

This project presents a set of interconnected activities that aim to overhaul our knowledge of illicit economies in Southern and East Africa, stimulate greater and more effective engagement by civil-society actors with illicit flows, and provide a platform for domestic and transnational engagement between civil society and governments.

These activities are undertaken by a regional civil society observatory of organized crime analysts and advocates that span the region with hubs in two locations – South Africa and Kenya. The observatory will provide four key functions:

1. A platform for engagement with states, including regular briefing of state departments, and bringing civil society together with law enforcement and other state actors for dialogue and negotiating joint approaches.
2. Political economy analysis that identifies the

most important flows, actors and cases, and evaluates their drivers and impacts.

3. An innovative data capacity tool that captures longitudinal data on a range of pricing, payment and money flows, and other metrics related to the illicit economy.
4. The active promotion of public dialogue about the 'hidden economy' by publicizing information and developing a dialogue with civil society that supports local advocacy.

Three editions of the Risk Bulletin were published in 2019, covering a wide variety of organized crime and illicit trade trends from around the region. These have had impressive dissemination among law-enforcement actors in South Africa, and with civil society, journalists and diplomatic staff in East and Southern Africa.

Organized crime and violence in Jamaica

Since its transition to independence in the 1940s, Jamaica has been plagued by high, and escalating, levels of violence and crime. The country's geostrategic position between the world's primary source

of cocaine and heroin in the south and the biggest consumer market, the United States, makes it, along with the Dominican Republic, Haiti and the Bahamas, a major drug transit country. Jamaica is

therefore an important but under-studied example of how the nexus between illicit flows and violence develop and manifest, and offers considerable value to policymakers and practitioners seeking to address these dynamics and their impacts.

The goal of our policy-orientated research in Jamaica is to examine the historical and current links between organized crime, illicit economies and violence in the country. The report will examine the evolution of organized crime in the context of social, political and economic trends in Jamaica and the wider region, and, in doing so, will seek to understand how and why criminality and violence are linked in the Jamaican communities.

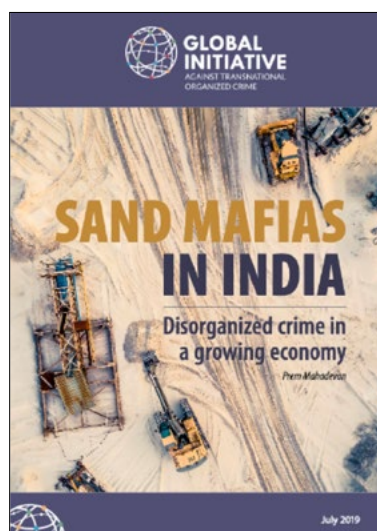
A bipartisan 'national summit on crime', which was launched on 16 October 2019, offers a credible and timely opportunity and momentum to promote an

evidence-based approach. Although this dialogue has committed to building a new national strategy and plan, based upon a review of the evidence, recommendations and best practice, there is an acknowledged gap in the ability to ensure that the link between data, analysis, policymaking and impact evaluation can be made, such that national prioritization and resources can be directed to where they can effect the most positive change. Proposals for citizen security interventions have been presented to the crime and violence prevention summit, many of which have been operationalized in varying degrees through the government's Plan Secure Jamaica. This project offers an opportunity to provide alternatives for consideration by applying global lessons learned.

Sand mafias in India

India has seen a tripling of demand for sand from 2000 to 2017, creating a market worth over US\$2 billion. The country has the third-largest construction industry in the world, following those of China and the United States, accounting for 9% of its two-trillion-dollar economy and employing more than 35 million people. Given the dizzying rate of India's construction boom, guesstimates indicate a massive shortage of licitly mined sand.

Illicit sand mining in India is a result of rural economic distress and urban prosperity. The GI-TOC published a report on the subject in July 2019. The paper looks at patterns of sand mining in India and the impact that it may have on governance, security, the environment and the growth of entrenched criminal networks. The conclusions suggest that civil administration is retreating before a mafia-like nexus of political, business and bureaucratic interests, which connive to flout judicial orders. The secondary and tertiary effects of such activity bode ill for societal stability, even though a certain amount of (tenuous and often exploitative) employment is generated by illicit sand mining. The paper also highlights a policy conundrum: can India, which,



paradoxically, combines widespread economic backwardness with sky-high consumer aspirations, find a model of environmentally sustainable development? Or is it doomed to exacerbate the harshness of already abysmal living standards experienced by its rural population (who make up two-thirds of its population) to satisfy the needs of its urban middle class?

The report drew the attention of the BBC World Service, which invited the author for an interview (aired on 9 September 2019).

South African Gang Monitor

The South African Gang Monitor researches the evolution and dynamics of gangs in Johannesburg, Nelson Mandela Bay and Cape Town. In each city, comprehensive fieldwork and state engagements have been conducted. The project also maps gang territory and density in Cape Town.

A photo exhibition on Cape Town gangs and resilience was on display at the Development Dialogue in London in February, at the German Crime Prevention Day in Berlin in May, at the German Federal Ministry of Economic Cooperation and Development in Bonn in June and at the Geneva Drug Policy Week in July. It was also displayed at the GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) headquarters in Eschborn in September. See <https://spark.adobe.com/page/Vdok5lJrQFCny/>



Monitoring organized crime in the Maghreb-Sahel

In 2019, the Malta-based GI-TOC team conducting research in North Africa and the Sahel carried out a project on organized crime in Mali, Niger, Chad, Darfur, southern Algeria and southern Libya with support from the Norwegian Ministry for Foreign Affairs. The research was published in a report titled: 'After the storm – Organized crime across the Sahel-Sahara following upheaval in Libya and Mali' in November.

Drug policy

In 2019, numerous research reports and studies have been published on the topic of drug policy:

A research report was published that examines the contextual politics and impacts of the 'war on drugs' being implemented by the Philippines, titled 'A militarized political weapon: The Philippines' war on drugs'. This paper examines the approach of President Duterte's militarized drug control policy and its relationship to organized structures of state violence and human-rights abuses. It analyzes in particular the role of the Philippines' National Police as a contributing agent in the escalation and perpetuation of the violence and abuse.



A Southeast Asia-focused research report was produced that examines the role of civil society organizations (CSOs) as stabilizing features in the construction of community-focused resilience programming. Titled 'The resilience of illicit drug markets and civil society responses in Southeast Asia', the paper looks at the role of Southeast Asian-based CSOs as contributing agents in the management of individual and community-centred harm caused by regional and domestic prohibition-focused drug policy measures.

Work started on three additional papers on the Philippines, including 'Political violence and the illicit economies of Mindanao: Consequences for peace and resilience'; and, 'Drug war policy in Central Luzon Province, Philippines'. Both of these reports examine impacts of the national war on drugs, and analyze the ineffectiveness of a hyper prohibition-based drug policy focus. The third report is an inventory of resilience-focused CSOs in the Greater Manila and Cebu regions of the Philippines, listing their activities and impact. The approach of this report was to place a particular emphasis on the identification of non-traditional and/or community-emergent CSO groups and other informal domestic actors.

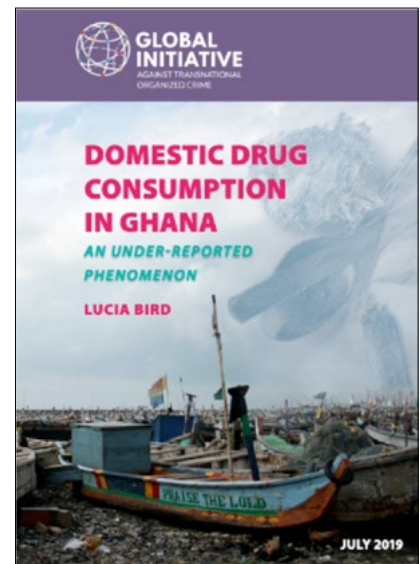
Fieldwork was commissioned in five countries for a regional study to update the analysis included in our report on the Southern and East African heroin market, 'Heroin coast: A political economy along Africa's eastern seaboard'. This new report does not yet have an official title, but will describe and typologize 18 urban centres across the region



according to their political-economic conditions. It provides detailed histories and current snapshots of the development of local drug markets, and their effect on police corruption and urban development, and describes how drug traffickers take advantage of, and adapt to, developing infrastructure and urban growth. The report sites the analysis of criminal networks and drug markets within the context of debates about urbanization in Africa, in a region which has been undergoing one of the fastest urban transitions in the world.

Domestic drug consumption in Ghana: An under-reported phenomenon

Drawing on extensive field research conducted in 2017, this report explores how Ghana's growingly pivotal role in the international drugs-trafficking trade has impacted the domestic drug consumption markets, placing the people who use drugs, rather than the networks that move them, at the centre of the analysis. This report responds to the current apathy of the Ghanaian state and society in general towards the increasing prevalence of drug use in the country. It draws on field and secondary research, tracking drug-consumption patterns and exploring the characteristics of the population of people who use drugs, as well their treatment by society, to propose a set of recommendations for reducing the harms and risks that drug users currently face.



Drug trafficking and organized crime in Guinea-Bissau

The GI-TOC has been commissioned by the UN System in Guinea-Bissau (UNIOGBIS, UNODC and UNDP) to prepare a report on drug trafficking and organized crime, including policy recommendations. The report will feed into a report of the Secretary-General to the Security Council and may be published as a stand-alone UN product. It aims to define

how the UN designs its technical assistance and approach in the country going forward. The report uses qualitative and quantitative analysis, as well as critical incident analysis, to understand the scope, scale and impact of the drug-trafficking problem in Guinea-Bissau.



CRIMINAL GOVERNANCE

The broad concept of 'criminal governance' may be understood as a system in which criminal actors seek to control both geographic space and the people who live there. Criminal governance often exists when the state has withdrawn or is weak, or where government institutions have become compromised through corruption.

Criminal governance can also be understood, however, as the internal governance systems that exist within criminal organizations. Whether the organization has a rigid hierarchical structure or is composed of looser networks, or how resources are distributed, and how the activities of members are controlled are all matters of internal (criminal) governance. Organized-crime groups adopt particular

governance strategies to (among other things) reduce risk, improve efficiency of their activities and capitalize on new opportunities. Under this interpretation, criminal governance is a cross-cutting aspect of GI-TOC's research into the dynamics and structure of all criminal markets, and an essential part of forming nuanced and targeted responses to organized crime.

Our work in this area focuses on the means by which criminal organizations seek to exert influence to 'govern' and control people and the markets where they are active. These include targeted assassination and extortion, which is quite literally a 'tax' levied for protection.

Faces of Assassination

Assassinations are a growing phenomenon throughout the world in the 21st century; assassinations are used to influence politics, distort the economy, and instil fear to exert criminal control. The Faces of Assassination website and book will be the outcome of years bearing witness to the huge detrimental impact these murders have in societies where organized crime has permeated political and economic structures. By raising the profile of these cases, we hope to draw attention to the violence used to create fear in and silence entire communities, to increase our understanding of how the



global criminal complex operates, and to expose its links to corrupt businesses and governments. A book and website detailing profiles of 50 assassination victims across the world will be launched in early 2020. The profiles have been chosen by country, gender, motive of assassination, and professional backgrounds of the victims, including journalists, law-enforcement officials, community leaders, and

political and environmental activists. The individual cases are selected from 35 to 40 countries and reveal multiple criminal motives for assassination, including defence of indigenous land rights from industrial encroachment, refusals to accept bribes from government officials to perpetuate corruption and feared exposure of sand mafia activities.

Assassination Witness South Africa

The Assassination Witness project began in March 2017. The project records assassinations and their impact on South African society, economy and democracy. Work on the political economy of assassinations linked to organized crime in

South Africa has been key to shaping the GI-TOC's wider work and data collection on the subject. The Assassination Witness project has continued to record criminal hits in South Africa.

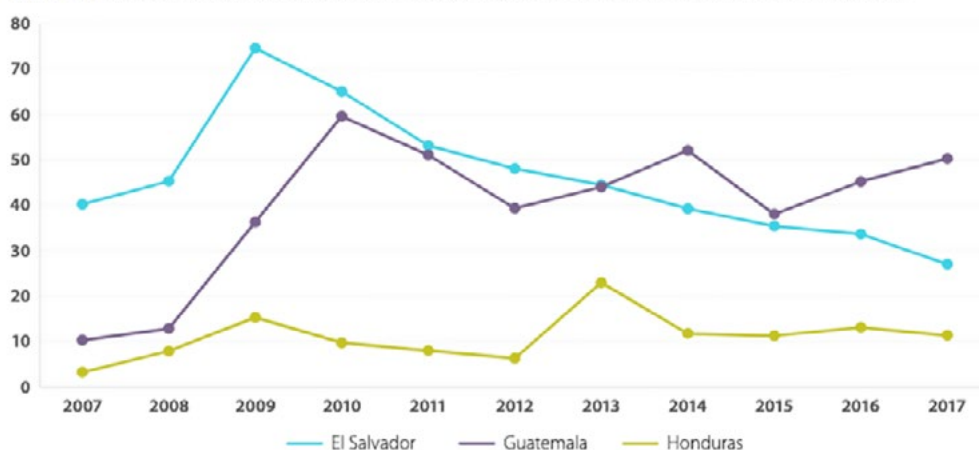
CAD-Extortion

A Canadian-funded project in Central America, carried out in partnership with InSight Crime, is currently finalizing its second phase focusing on network development in the region. The publication and dissemination of the report 'A criminal culture: Extortion in Central America', which was presented in Guatemala, El Salvador, Honduras, Costa Rica and Panama, was an opportunity to gather officials, stakeholders, specialists and academics with a common goal: to counteract extortion. A total of 145 people participated in an open discussion about the

problem and its effects, and state and community responses to extortion. From these interactions, a network of experts was created with the objective of sharing information, best practices and experiences to build coalitions and interventions against extortion, enabling victims of this crime to become resilient. As of November 2019, we have 70 network members and counting.

Webinars and meetings in the region have been organized to share information and exchange experiences on actions against extortion in Central America.

Figure 2: Reported extortion rates, Northern Triangle countries (reported extortions per 100 000 citizens)



Sources: Guatemala Attorney General's Office; El Salvador's National Civil Police; Honduras Attorney General's Office and Directorate of Police Investigation (for data from 2007–2012); Anti-Extortion Unit within the National Directorate of Investigation and Intelligence (for data from 2013–2017).

#GIResilience

With support from the Government of Germany, the #GIResilience project has been able to broaden its reach to cities in Mexico, Guatemala and the Philippines in 2019.

Oaxaca, Mexico

From 31 March to 6 April 2019, the GI-TOC implemented a series of Resilience Dialogues with community leaders, families and friends of missing persons in Oaxaca, Mexico, and journalists. The Resilience Dialogues allow communities to come together and discuss their concerns, risks and initiatives to transform their reality and overcome the challenges of a culture infested with crime. In total, 53 people participated. The following activities took place:

1. Mural painting in memory and defence of our disappeared. Eight faces of disappeared persons were painted on a wall in the centre of the city of Oaxaca de Juárez.
2. Workshop: building resilient communities. On 5 April, 21 civil-society organizations gathered to exchange experiences and create a network. Among the main problems identified was aggression towards activists.
3. Dialogue with journalists. On 6 April, journalists from 13 media outlets participated in a four-hour dialogue to analyze the state of journalism in Oaxaca. Four main factors or risk agents were identified: local organized crime; narcopolitics; coverage of mega infrastructure projects; hate campaigns against influential journalists. This activity served to articulate local journalists and identify strategies for security and support in risk coverage.
4. Meeting to strengthen capacities to search for missing persons. In April, 30 participants from local communities, all of them friends or families of disappeared persons, met to share their experience. The exchange of hope, tears and experiences led the Oaxaca families to identify their needs and constituted a network that will allow a coordinated search and advocacy of missing relatives. Currently the network is a direct beneficiary of the GI-TOC Resilience Fund with the objective of strengthening their technical and



political capacities in search of their missing families and friends.

Along with the Resilience Dialogues in Oaxaca, the GI-TOC identified three case studies of community resilience in Oaxaca:

1. Defenders of defenders and the need for self-care 'Casa la Serena';
2. Community Committees of Human Rights in Juchitán;
3. Chequeños learn by playing.

These stories reflect the work of several groups who are coming together to address the issues surrounding crime in Oaxaca. They are an inspiration for others and an example of community resilience: <https://globalinitiative.net/resilience-dialogues-in-oaxaca-mexico-2019/>

Ixil Region, Guatemala

On 25 to 26 April, GI-TOC implemented the Resilience Dialogues in the Ixil community, located in Quiché, Guatemala. There is no doubt of the strength of the Ixil community and their capacity for resilience. They have endured the violence of a civil war and continued to seek justice. Their action towards the prevention of violence could be an effective case study with lessons learnt to be shared with many other communities in Guatemala and around the world. The objective of this project is to make those stories visible and transform them into sources of community resilience.

The first dialogue was organized for community leaders and civil-society organizations. The session allowed them to identify the risks in their day-to-day work. The GI-TOC presented tools for the development of a risk analysis, in order to best prepare for confronting the challenges in their context. As a follow-up activity, and with GI-TOC support, the participants organized and implemented a forum on 24 May (with 75 participants) with the objective of identifying actions for violence prevention in youth as a main priority in the region. The dialogue has allowed a space for coordination between the three communities (Nebaj, Chajul and Cotzal).

The second dialogue was organized for journalists. The main need they identified in their work was training in investigative reporting, but they also admitted that their local news outlet was not focused on investigative reporting, but rather on day-to-day news. We identified the opportunity to organize capacity building sessions towards developing a strong journalist community in the region.

The third dialogue was organized for youth. The activities included an engraving workshop and mural painting. The artistic activities took place after a discussion of what community resilience means, and an exchange of ideas, initiatives and activities they are promoting in their community.

Overall, the participants were grateful for the Resilience Dialogue, hoping it would mark the beginning of a process that could help them strengthen their resilience capacity and network building.

Complementary to the Resilience Dialogues in the Ixil Region, GI-TOC identified three case studies of community resilience:

1. Ixil's Women's Network Association
2. Friendly Spaces
3. Horizons without Limits: stories that reflect the struggle and resilience of a community affected by genocide and impunity.

Resilience in Sinaloa, Mexico



Through the Resilience Project, 294 members of civil-society organizations were trained in issues relating to gender violence prevention, freedom of expression and forced disappearance. The project also gave assistance to the Network of Victims of Violence and Solidarity Accompaniment (Red de Víctimas de la Violencia y Acompañamiento Solidario), facilitating a physical and virtual space for exchange of experiences and policy proposals. Another important outcome came from a group of journalists who worked together, and with support from the project were able to design and present to the Sinaloa Congress a law proposal for the protection of journalists and defenders. As of November 28, the proposal presented has passed an important step in the legislative process – its first reading by the Sinaloa Congress.



PEOPLE

By definition, people are an essential part of the mechanics of organized crime, whether as perpetrators or as victims. Our primary focus in this workstream is on areas of organized crime where people are treated as commodities, in markets for human trafficking and smuggling, but also for kidnapping for ransom, for example. These have been prominent topics in the GI-TOC's activities to date.

Bringing this work within the broader 'people' workstream also aims to establish innovative ways to analyze and respond to human trafficking and smuggling, and therefore expand the – often restrictive and repetitive – policy discussion on these issues. Investigating trafficking for labour within the small-scale gold mining sector, for example, will draw on

previous GI-TOC expertise in this niche and discuss human trafficking as a cross-cutting issue, enmeshed within other industries and forms of organized crime. Similarly, newly established research into trafficking in conflict situations aims to place human trafficking within broader debates about effective humanitarian responses, crisis prevention and peacebuilding.

The workstream further includes a focus on people and communities affected by organized crime. This includes participants in criminal markets, such as drug users, direct victims of criminal activity, such as extortion and trafficking, or in a more peripheral sense, members of communities damaged by violence and insecurity.

Monitoring the political economy of people smuggling in Libya and the central Sahel

The GI-TOC continues to lead a research facility commissioned by the EU's Trust Fund for Africa to monitor and analyze the political economy of people smuggling in Libya and the central Sahel (Niger, Chad and Mali). This facility has two streams of work: a) monthly briefs on the situation in Libya and the Sahel, and b) long-form research on Libyan migration and smuggling dynamics.

Monthly briefs have been produced since July 2018 and the findings of this regular reporting – along with previous research – were synthesized

to produce 'The human conveyor belt broken – Assessing the collapse of the human-smuggling industry in Libya and the central Sahel'. The report was launched on 3 April 2019 and was a follow-on to the 'The human conveyor belt – trends in human tracking and smuggling in post-revolution Libya', which traced the rise of people smuggling between 2011 and 2016.

The monthly briefs are informed by a standing network of more than 35 field contacts (civil society activists, journalists, community leaders, etc.) across



these countries, who are recruited to provide information on nodes relevant to the assessment of organized crime, help with the interpretation of relevant events and conduct targeted research, as needed.

In October 2019, research on drug trafficking in Libya conducted by the GI-TOC for the European Monitoring Centre for Drugs and Drug Addiction was incorporated in the agency's EU Drug Markets Report 2019 (EDMR19) with a subsection titled 'Shifting sands – Libya's changing drug trafficking dynamics on the coastal and desert borders'. The GI-TOC was also invited to contribute to the Munich Security Conference report of 2019.

The second stream of this research consortium involves long-form research studies, and a total of four reports will be produced by the GI-TOC during the two-year reporting period. In November 2019, the first report, 'The political economy of migrant detention in Libya: Understanding the players and the business models', was finalized. The study was launched in October 2018. It analyzes the political economy around migrant detention in Libya, including both formal and informal detention centres. This study was conducted through a qualitative approach, based on primary field research that spanned four research modules. The methodology was route-focused and, as such, involved interviews in four countries: Niger, Libya, Italy and Malta.

A second study titled 'Migration trends across the Mediterranean: Piecing together the shifting

dynamics' was launched in May 2019. This study is based on a qualitative methodology, including 200 in-depth interviews with migrants and key informants in Libya, Niger, Tunisia, Egypt, Italy, Malta, Morocco, Mauritania and Spain, and was completed in November. The purpose of the study is to update Mediterranean migration trends, and to analyze the links between the Central Mediterranean and Western Mediterranean routes.



In September 2019, a third study titled 'The impact of shifting migration dynamics on patterns of trafficking in West Africa and the Sahel' was launched. This study involves a mixed methodology, including an 800-respondent survey in Niger and an 800-respondent survey in Mali, as well as 40 key informant interviews in Senegal and Nigeria, and will be completed in February 2020. The overall purpose of the research is to understand how the limited mobility options towards Europe have affected patterns of trafficking and will use proxies to understand how patterns of vulnerability to trafficking have shifted among migrant populations.

Throughout the year, several presentations were given on the state of organized crime, human smuggling and trafficking in North Africa and the Sahel in Vienna, at the UN Congress on Crime Prevention and Criminal Justice, as well as to several government

delegations and governmental agencies. Public debates were held in Brussels, Oslo, Copenhagen, Geneva, Bern, London, Rome and Tunis. The long-form research study on migrant detention in Libya was also presented in Brussels, to the operational committee of the EUTF; in Tunis, at a high-level meeting of EU member states to deliberate on

the bombing of the Tajoura detention centre in Libya; to German officials at an event at Stiftung Wissenschaft und Politik (SWP) in Berlin. A presentation on the global picture of child migration was also given at the University of Sydney's event on children, migration and health.

RESPECT – A GI-TOC anti-human-trafficking project

Babson College's Initiative on Human Trafficking and Modern Slavery and the International Organization for Migration (IOM) jointly with the GI-TOC were the founding organizations of the RESPECT initiative. As of July 2019, the GI-TOC continues to host the RESPECT initiative and its activities, such as being the research lead at the Tech Against Trafficking Initiative and the expansion of the Modern Slavery Map (www.modernslaverymap.org).

The RESPECT Resource Centre (<http://www.respect.international/resource-centre/>), the one-stop shop for businesses and relevant stakeholders on materials related to trafficking, is growing exponentially, with 80+ publications and documents added each month. This database currently hosts 750+ publications reports, blogs, interviews and events. Our resources are grouped into seven different risk and governance areas (such as recruitment, due diligence, etc), and 15 industries and seven regions.

In addition to its flagship resource centre, RESPECT has partnered with external organizations on a multi-stakeholder project, the Interactive Map for Business of Anti-Human Trafficking Organisations (www.modernslaverymap.org).

Launched in the UK on 22 May, 2018, the interactive map is a joint project between the RESPECT founding organizations, the Global Business Coalition Against Trafficking (GBCAT), and the United Nations Global Compact through its Action Platform on Decent Work in Global Supply Chains. The Interactive Map for Business of Anti-Human Trafficking Organisations aims to provide a unified repository of information as a resource to facilitate stakeholders in their engagement with the private sector in the fight against human trafficking.

Following its initial success, the interactive map has been updated on a regular basis and currently contains 92 organizations and initiatives who are working on five human-trafficking-related issues (child labour, forced labour, etc.), covering 11 industries and eight regions. With this mapping project of anti-human-trafficking initiatives and organizations, we aim to improve coordination on the eradication of modern slavery, and provide a unique baseline from which existing and newly formed initiatives can move forward.

This project is also supported by the Alliance 8.7, Business for Social Responsibility (BSR) and the International Labour Organization's (ILO) Global Business Network on Forced Labour and Human Trafficking.

Tech Against Trafficking

The Tech Against Trafficking (TAT) Initiative, launched in June 2018, is a coalition of technology companies collaborating with global experts to help eradicate human trafficking through technology. The current member companies include Amazon, AT&T, BT, Microsoft, Nokia, Salesforce.org and Vodafone. RESPECT was appointed as the research lead to guide TAT, alongside Business for Social Responsibility (BSR), acting as the TAT secretariat.

In the first half of 2019, the RESPECT initiative reached out to hundreds of TAT's global, regional and country contacts and networks, including those of intergovernmental organizations, such as UNODC, IOM, ILO and the UN Global Compact. The outreach activities have resulted in more than a hundred additional tools identified and added – many of which are regionally focused and locally developed in countries and communities from the Global South, resulting in increasing the number of tech tools developed to combat trafficking to more than 300.

In addition, the GI-TOC has contributed inputs to the UN Special Rapporteur on Contemporary Forms of Slavery's annual thematic report, 'Current and emerging forms of slavery' (which can be found at <https://bit.ly/2PyhBIU>).

In April 2019, TAT presented its flagship landscape mapping of tech tools at the Organization for Security and Co-operation in Europe's (OSCE) 19th Alliance against Trafficking in Persons, highlighting trends and gaps across the field of technology solutions working to combat human trafficking. In July 2019, TAT officially launched its first accelerator programmes, which aim to support the growth and scale of these technologies.

Led by the GI-TOC, TAT is currently contributing to the upcoming OSCE report on 'the role of information and communication technology in the fight against trafficking in human beings', specifically on the tech tools landscape mapping analysis. The report will be launched in late 2019.



INSTITUTIONS

One of the greatest challenges in countering transnational organized crime is formulating effective, viable and sustainable solutions. While much of the GI-TOC's work in other streams is centred on understanding organized crime groups themselves, their operations and their effects, our focus in this work-stream is on the legitimate institutions that seek to

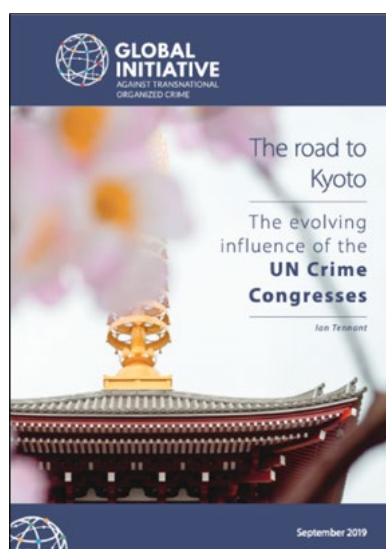
disrupt these groups and mitigate the damage they cause.

Throughout its work, the GI-TOC advocates for an integrated response to organized crime, in which tools and policies are developed that bring together law-enforcement approaches in the pursuit of political, development-based and multilateral strategies.

UNTOC

- The UNTOC Review Mechanism is a focal point through which civil society can push forward substantive debate and help contribute to the international agenda on organized crime. As the leading global civil-society organization on organized crime, the GI-TOC intends to bring its authority, convening power and extensive Network of Experts and grassroots civil society organizations (CSOs) working against organized crime to bring together a meaningful, rich and coordinated contribution to the UNTOC implementation review process.

The GI-TOC will leverage its engagement on both the international stage and at local levels through our research and community resilience work – to bring together the disparate civil society groups to feed in constructively to the UNTOC Review Mechanism. In particular, facilitating the engagement of women and ensuring



the disaggregation of gender perspectives are critical priorities. The GI-TOC's office in Vienna serves as a platform to engage with the Review Mechanism process and meetings, while our Network of Experts and offices across the world help to engage with the reviews at the country level.

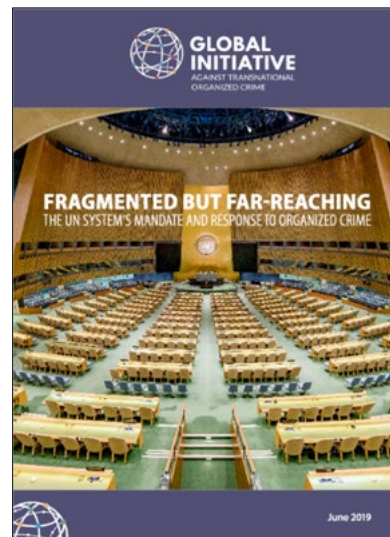
GI-TOC is working in close coordination with the UN Office on Drugs and Crime (UNODC), as the custodian of UNTOC, and is already undertaking a broad, and multi-pronged strategy to help ensure meaningful civil-society engagement in the Review Mechanism, to cover for civil society engagement in the mechanism. This strategy will include the following elements:

- A flagship and wide-ranging report on global organized crime trends and their impact on global governance and development will be published and presented by GI-TOC. This will cover both thematic and geographic issues, and emphasize the voices of those most affected by organized crime.
- The report will serve as part of our official input to the Conference of the Parties (CoP) and the Review Mechanism, and is important as an output that demonstrates and frames the future engagements between CSOs and member states.
- Supporting CSO participation in the UNTOC CoP: GI-TOC, through its Civil Society Resilience Fund Against Organized Crime will support the participation of CSO representatives at the UNTOC CoP in October 2020, to ensure that there is a broad base of voices to contribute to discussions and engage with member states, through both the formal programme and side events.
- Producing a Review Mechanism handbook for CSOs as a joint UNODC/GI-TOC initiative: Our vision for the handbook is a document informed by expert opinion, which will explain to civil-society organizations of all backgrounds, sizes and capacities how to enhance their ability to engage constructively in the UNTOC Review Mechanism at all stages. It also needs to clearly explain the basic concepts of the UNTOC, the mechanism, what is meant by civil society, and why it is so important that civil society has as strong a voice as possible.

A consultative process will support the drafting of this report, drawing upon consultations with the Global Initiative Network of Experts and broader civil society.

Engagement at the UN this year in Vienna, Geneva and New York:

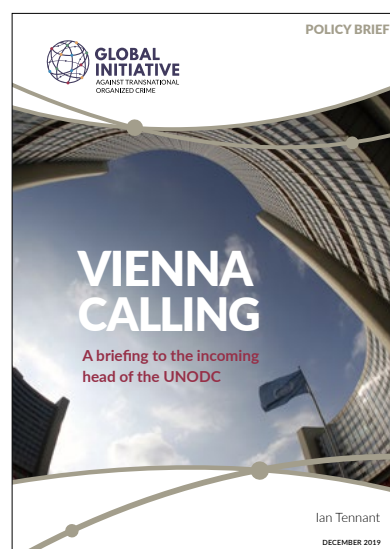
In Vienna, the GI-TOC held a series of side events around the Commission on Crime Prevention and Criminal Justice, and attended the Commission on Narcotic Drugs. We are collaborating with UNODC and member states in relation to the UNTOC Review Mechanism.



In Geneva, the GI-TOC participated in Drug Policy Week with a panel on drug policy in Africa. In New York, we have been following the work of the Security Council and the General Assembly, including the recent debate in the Council on terrorism and organized crime.

The GI-TOC also conducted research on the UN System response to organized crime in New York and launched a report, 'Far-reaching but fragmented', at the Swedish Mission in June. We co-hosted a side-event, 'Organized crime, arms trafficking, and illicit financial flows: Exploring SDG 16.4' during the High-Level Political Forum on Sustainable Development at the International Peace Institute and brought GI-TOC Network members together in New York for an informal dialogue. In November, the GI-TOC co-hosted an event contributing to the follow-up of UNSC Resolution 2482 together with the Permanent Mission of Norway to the UN, the Permanent Mission of Peru to the UN and the Permanent Mission of Tunisia to the UN.

We have published a number of blogs and briefs exploring ongoing UN activity through UNTOC-Watch, including a guide to the UN Crime Congress and an update of Security Council resolutions pertaining to organized crime. To coincide with the upcoming arrival of the new Executive Director of the UNODC, we published a policy brief covering the TOC-related challenges she would face as she takes up her position. During the high-level week at the UN General Assembly in September, the GI-TOC hosted three side events. With ENACT, we presented the Organised Crime Index Africa 2019, and hosted a side event on the illicit drug market in Africa. GI-TOC also hosted a side event on human smuggling in Libya, and staff participated on several panels at the UN headquarters, including on illicit financial flows in Africa and climate change and crime.



How growth in digital technologies changed the face of organized crime

Drawing on ongoing research conducted by the GI-TOC, together with new investigations, this primer seeks to give a high-level overview of how the growth of cyber technologies has impacted the landscape of five organized-crime types: trafficking in persons, human smuggling, drugs trafficking, wildlife trafficking and trafficking in cultural property. The primer is exploring how cyber is changing market dynamics, and whether it is impacting the structure of networks operating in these illicit economies; explores the legal and enforcement challenges cyber raises in each context; and offers some recommendations. This report is also exploring the changing role of private online service providers in regulating the internet,

and how they may be compelled to play a more active part in enforcement against the growth of illicit economies online.

Pulling this analysis of disparate crime types into one primer also allows comparisons and contrasts to be made across markets, facilitating the identification of cross-crime approaches.

In March 2019, we published another report: 'Cyber-Insecurities? A guide to the UN cybercrime debate'. The report examines cybercrime in an international context, exploring in particular why the UN is still trying to find its footing as an agenda-setting institution on countering cybercrime.

CIVIL SOCIETY RESILIENCE FUND AGAINST ORGANIZED CRIME

With the support of the Government of Norway, the GI-TOC established the Resilience Fund Against Transnational Organized Crime in December 2018. The aim of the Resilience Fund is to counter the impacts of organized crime worldwide by supporting civil society and non-state actors.



RESILIENCE FUND

Supporting community
responses to organized crime

The Resilience Fund is a new global programme that complements and builds on the Global Initiative's ongoing work in incubating resilience in communities harmed or threatened by criminal governance. Through the Fund, the Global Initiative identifies and empowers key civil-society actors, and builds their operational capacity, with the aim of creating networks of resilient communities against organized crime and violence. The following is a summary of activities and milestones:

- Approximately US\$500 000 allocated in small grants to 21 individuals and

organizations, in 17 countries across five continents.

- 40 expert stakeholders from 37 countries met to discuss and engage on the purpose and positioning of the Fund to build partnerships and share lessons learned.
- Five Advisory Council members appointed, and an inaugural meeting held, from five different regions (gender balanced).
- 200+ delegates attended the high-level launch event in Vienna.

High-level public launch of the Resilience Fund

The public launch event took place in the margins of the UN Commission on Crime Prevention and Criminal Justice (CCPCJ) in Vienna, on 21 May 2019. Over 100 guests

from the diplomatic and NGO community heard powerful and personal speeches from Griselda Triana (activist and wife of murdered journalist Javier Valdez), Rani Hong

(CEO of the Tronie Foundation) and Miguel Syjuco (Filipino writer and journalist), as well as opening

remarks from Mark Shaw and Kjersti Andersen, Norwegian Ambassador in Vienna.

Expert stakeholder consultations

On 22 and 23 May, 40 experts in community resilience and organized crime from around the world gathered to discuss the Resilience Fund, and how to make sure it best adds value in the communities we are aiming to support. The workshops featured a screening and Q&A with Mexican film director Everardo Gonzalez, as well as discussions led by a series of renowned journalists, activists and development actors, including the International

Committee of the Red Cross and the Organized Crime and Corruption Reporting Project. Other participants included the Global Investigative Journalism Network, Article 19 and independent experts. The report of the workshops will be taken into account in the future operations of the Fund. The meeting participants were invited to join the GI-TOC Network, and will also form the basis of a Resilience Fund stakeholder network.

Strategic oversight

A dedicated Advisory Council has been convened to oversee the strategic direction, administrative and financial policies of the Fund, though in each case this should be established commensurate with the mandate of the Fund, the mandate of the Global Initiative as the Fund Manager, and the rules, policies and responsibilities of the organization within the framework of its governing laws and constitution. The Advisory Council held its inaugural meeting in Vienna on 23 May.

The Advisory Council's responsibilities are to advocate for and promote the work of the Fund, and to raise funds for the continuation and expansion of the Fund's activities.

The Advisory Council includes the Fund's founding donors (based upon a minimum contribution) and some geographically representative eminent figures with proven commitment to the objectives of the Fund (for example, prominent journalists, human-rights activists or environmental defenders). The Advisory Council is chaired by Innocent Chukwuma of Nigeria, Director of the Ford Foundation for West Africa. The Council also includes:

- Gwen Boniface, GI-TOC board member, Canadian Senator and former senior law-enforcement official

- Geir Michalsen, Norwegian diplomat and organized-crime expert
- Angela Sapina, GI-TOC Senior Advisor and formerly of the International Committee of the Red Cross
- Miguel Syjuco, award-winning Filipino journalist and author, New York University Abu Dhabi Professor

In consultation with the Government of Norway, who prioritized ensuring that the Resilience Fund engages and has an impact on the ground as early as possible, the first six-month inception phase also included identifying a set of initial grant recipients.

Building on existing activities and networks of the Global Initiative, as well as of partners in key communities, the fund management team identified several grassroots organizations that seem to exemplify the incubation approach of the Fund. As the process of trust building, identifying needs, and delivering a tangible and meaningful programme of support with local community actors (many of whom may be working on a voluntary basis) cannot be rushed, the first wave of grantees were those with whom trust had already been built, in order to ensure that the Resilience Fund could provide support that is progressive. Three overall groups of grant recipients have been identified (see the table):

| 1. Counter-crime advocates / activists | 2. Journalists and media houses | 3. Community resilience initiatives |
|---|--|--|
| <p>Africa:</p> <p>South Africa: Following up on organized crime cases and monitoring court cases and judiciary process.</p> <p>Community activism and victim support and empowerment. Gangs intervener.</p> <p>Tanzania: Support to the network coordinator of a community-based support center for people who use drugs, focusing on women and children especially.</p> <p>Zimbabwe: Environmental defence and efforts for community building on environmental and land rights.</p> <p>Americas:</p> <p>Mexico: Leadership capacity development for mothers of disappeared, support in Sinaloa regarding art collectives and mothers of the disappeared.</p> | <p>Africa:</p> <p>Mozambique: Funding to an independent media house to establish a crime investigations desk and funding for investigations.</p> <p>South Africa: Investigative reporting on the criminal and social struggles and evolution of the Glebelands Hostel.</p> <p>Americas:</p> <p>Mexico: Capacity building for development of a journalism newsroom, support to families of murdered or attacked journalists.</p> | <p>Africa:</p> <p>Guinea-Bissau: Monitoring of court cases and supporting judges on anti-corruption efforts.</p> <p>Libya: Anti-smuggling efforts in the town of Zuwara; documentation and dissemination of anti-smuggling messages.</p> <p>Tanzania: A community-based support centre created to provide shelter, support, care, and compassion for people who are victims of drug-related violence in Dar es Salaam.</p> <p>Asia:</p> <p>Pakistan: Supporting the Network against Transnational Organized Crime to influence public policy.</p> <p>Philippines: Supporting rights, dialogue and community cohesion activities in Metro Manila relating to drug user communities.</p> <p>Americas:</p> <p>Guatemala: Awareness work for convicted women and women with convicted partners, crime prevention through arts and youth safe environments.</p> <p>Mexico: Journalism training and workshops for families of missing people, search techniques for mothers of the disappeared, awareness and dissemination of information for migrants at the border.</p> <p>Europe:</p> <p>Balkans: Supporting Balkan criminology network run by the University of Zagreb.</p> |

The GI-TOC is now working to develop its plans for the next year of operations, in consultation with the Fund's Advisory Council. The key insight gained from the experiences in 2019, and through the engagement with expert stakeholders, has been that the Fund needs to develop a more flexible approach, encouraging working across different themes and geographies. The Resilience Fund Advisory Council asked the GI-TOC to research and devise a fellowship programme that could be delivered under the Fund, to engender a more holistic and cross-cutting package of support for individuals. The Fellowship call for applications closed in November 2019, and the successful applicants will begin their fellowships in January 2020.

The Fund will, in 2020, take a more strategic approach to supporting journalists and ensuring that

it is working with existing umbrella and local organizations that offer support to local journalists and media houses. In addition, the Government of Norway has pledged additional funds in 2020 as an 'accelerator' programme for civil society resilience in a set of least developed countries experiencing significant damage from organized crime. The accelerator programme will be managed under the existing Resilience Fund management structure. In order to respond to these issues raised by the Council and other stakeholders, the Fund Management Team has designed a strategic framework for the Fund's operations in 2020 based on these developments and innovations. The fundamental strategy, structure and framework of the Resilience Fund will not change.

Individual activists

Gangsters want to kill me before murder trial ends, says Roegshanda Pascoe

NEWS / 28 AUGUST 2019, 10:20AM / STAFF WRITER



Roegshanda Pascoe Photo: David Ritchie African News Agency (ANA)

Roegchanda Pascoe – activist, South Africa

The Fund is supporting Roegchanda's activism and community support work in the Cape Flats area of South Africa, in particular with:

- Victim support and empowerment. Acting as a first responder when a crime is committed and assisting the victim/family with contacting the police and laying a complaint, and connecting them to trauma support and medical assistance.
- Regular meetings with other activists on how to engage with the state and reduce crime in their communities.
- Informal and formal mediation with gang members and leaders.
- Organizing a workshop/training for community activists in the Cape Flats.
- Bi-monthly research updates on gangs and violence, as well as support to other research on gangs.
- The Fund is paying for security costs, considering the threats against her life that have been regularly made.

Impact so far:

- Organizing vigils and platforms to engage the community in developing approaches to deal with murder rates and gender-based violence.
- Conducting counselling sessions for victims of gang violence.
- Creation of support networks for women victims of gang violence.

Journalism initiatives



Griselda Triana – journalist, Mexico

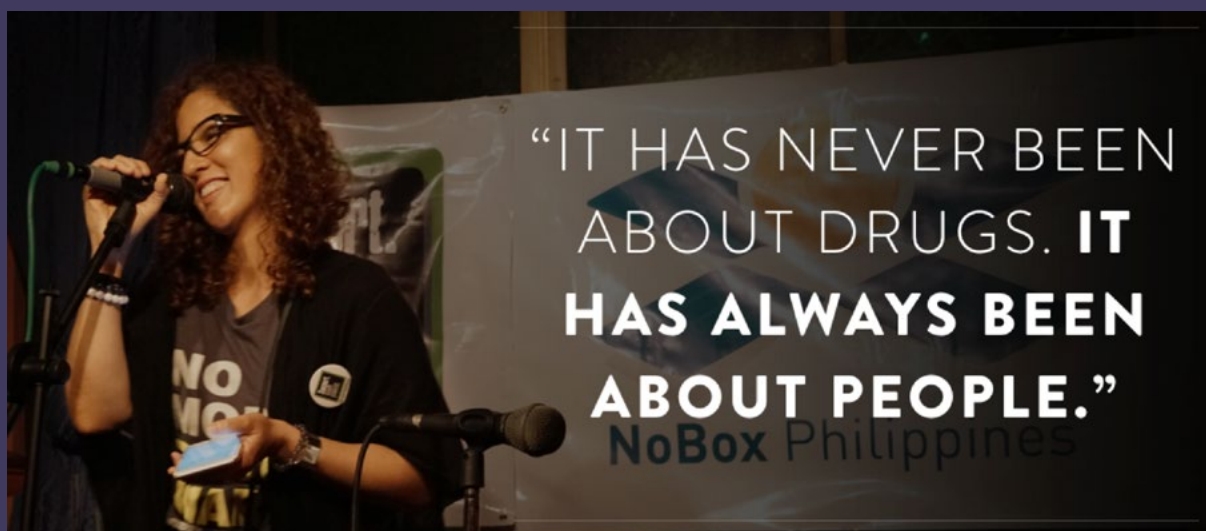
Griselda is a journalist from Sinaloa with 29 years of experience. After the murder of her husband, and journalist, Javier Valdez, in 2017, she became an activist for human rights but, at the same time, a target of the government and illicit groups. Her work has focused on demanding action from local and national authorities in the protection of journalists and their families, as well as sustained support for victims.

The grant has as an objective to identify the most effective tools for victims to demand justice and support in contexts with high impunity rates and hard-to-access programmes for protection and psychological support. This will be achieved through a series of interviews with families of victims.

Impact so far:

- Designing of a tool for collecting information and design of format for interviews.
- Identification of victims.
- The next phase will consist of carrying out interviews and the preparation of the report.

Community resilience initiatives



Inez Feria, Founder of NoBox

NoBox – Organization, Philippines

NoBox is an organization that has documented resilience-based initiatives in the Greater Manila area, focused on the response to the effects and injustices of the 'War on Drugs', and aimed at mitigating harm. It has also been working with and through the development of negotiated spaces emerging because of these bottom-up community resilience endeavours.

Through the Fund, NoBox will be supported to engage more directly with community-resilience-focused groups and networks. The primary objective of this work is the development of an informal grassroots resilience network in the Philippines, and the encouragement of inter-organizational dialogue around the sharing of experience in the encouragement of community resilience and drug war impact response measures. Supported work will also include two community resilience dialogue events, and coordination and resilience activity support.

Proposed activities:

- Dialogue partners identified in Manila, Cebu and Mindanao; and two community resilience dialogues held.
- Resilience coordination and communication support assistance provided for up to three community resilience actors, as identified by NoBox and community partners.

Impact so far:

- Identification of and first engagement with local groups and initial network setting.
- Preparation of the resilience fund.
- First assessment of the situation of drug users in Manila

ANNEX 1:

REPORTING AGAINST STRATEGIC OBJECTIVES AND INDICATORS

Strategic objective 1

To generate, analyze and publish value-adding information on organized crime by leveraging a strong network of global partners and organized-crime 'observatories'

| Measure of progress per Strategy 2018–2020 | Progress report, as at end of 2019 |
|---|--|
| Thirty high-quality and impactful research products, such as reports or other innovative formats, aimed at effective dissemination of information (10 per year). | At the end of 2019, we have published around 40 research reports. This is almost four times more than anticipated in the Strategy 2018–2020. |
| An organized-crime assessment tool that provides global coverage. | The Organized Crime Index Africa 2019 was launched on 24 September 2019 during the UN General Assembly week in New York. We published and launched an IUU Fishing Index in February 2019 in Geneva. |
| The quality of research is measured in terms of feedback from peer review and the GI-TOC's target audience, and through media coverage of the contents. | Our research studies are regularly peer reviewed and we received many positive feedback from journalists, academics and network members. Many of our reports are also extensively covered in the media. The 'Hotspots' report on organized crime in the Western Balkans was covered in 100+ outputs of the national and international media. |
| The topics covered by the publications are relevant to current issues and representative of different regions as well as of the diversity of challenges being faced by countries and communities, and with a focus on lessons learnt from the GI-TOC's own field initiatives. | The topics of the GI-TOC reports are on current and relevant issues, covering different regions in the world. This year, nine reports focus on Africa, six on Asia, two reports are on organized-crime issues in south-east Europe and three deal with organized crime in Central and South America. We have a series of reports (a total of 13) funded by the EU focusing on migrant issues in Libya and the greater Sahel. |
| A new website was launched in 2018 with the objective of increasing hits on the website by over 10% a year, reaching a target of 150 000 by end of 2020. | By the end of 2018, we already accomplished our target of 150 000 hits on the GI-TOC website. In 2019, we have had 134 000 hits, as of August 2019, and reached 202 400 hits by the end of December for the year 2019, which is an average of 16 850 hits/month. |
| The GI-TOC has an identified research partner/s in each region of the globe, established networks of data/information monitoring in high-profile regions/ countries and selected observatories of organized crime. | We have established a Civil Society Organized Crime Observatory for South Eastern Europe in 2018 and have set up an Organized Crime Observatory for Southern and Eastern Africa as of the beginning of September. |

Strategic objective 2

To promote engagements, debate and discussion on effective policy responses to organized crime that cross-cut and cross-fertilize thematic and country expertise

| Measure of progress per Strategy 2018–2020 | Progress report, as at end of 2019 |
|--|--|
| Diverse participation at GI-TOC meetings, in terms of both location and representation. | As of end of 2019, we have organized over 25 events in Switzerland, Mozambique, United Kingdom, Belgium, Austria, Brazil, Guatemala and Mexico. Participation was diverse: local activists, investigative journalists, law-enforcement representatives, academics and government officials attended. |
| Publication of a minimum 50 policy-relevant briefs and blogs a year. | As of end of 2019, we have published more than 20 relevant and timely blogs, four ops-eds, nine policy briefs and 20 reports. |
| Positive feedback received on GI-TOC discussions/ outputs on policy in individual countries and at regional and global (multilateral) level, and reference made to them in reports, policies and programmes. | We have received much positive feedback on our work and our reports have been quoted in highly-regarded publications, such as <i>The Economist</i> , <i>The New York Times</i> , <i>The Guardian</i> , <i>Der Spiegel</i> , <i>Le Monde</i> and so forth. We have also focused on ensuring national and local media coverage of relevant reports – for example, our report on local hotspots of organized crime in the Western Balkans was covered 100+ times in national and international media. |
| Invitations received, and high-profile technical presentations and communications made by GI-TOC staff and associates to national, civil society, industry and global technical forums. | GI-TOC staff are continually invited to give keynote addresses in panel discussions at relevant events. They are asked for their expert opinion on television, the radio and on podcasts. In 2019, GI-TOC staff presented their work over 100 times in different forums around the world. We also brief and present to governments, regional organizations, such as the EU and AU, and multilateral institutions around the world. Our staff are engaged with civil society on the ground globally, especially since the GI-TOC Resilience Fund started its operations in the beginning of January 2019. |

Strategic objective 3

To develop and implement innovative, field-based pilot response programmes

| Measure of progress per Strategy 2018–2020 | Progress report, as at end of 2019 |
|---|---|
| Six demonstration projects implemented over a three-year period. | <ol style="list-style-type: none"> 1) Central America 2) Gang Monitor, South Africa 3) East and Southern Africa Observatory 4) Western Balkans Observatory 5) Philippines 6) Mexico <p>The newly established Resilience Fund also becomes a key mechanism for field projects.</p> |
| Robust monitoring, evaluation and learning from the projects. | Monitoring and evaluation is ongoing. Projects are audited and monitored internally by the GI-TOC, as well as externally by donors. |
| Documented examples of where lessons from GI-TOC projects have been used by others to inform responses at local, national, regional, or global level. | <ol style="list-style-type: none"> 1) Research on gangs has been drawn on by governmental institutions in their policy responses. 2) A detailed report on migrant smuggling in the Libya and the Greater Sahel and its conclusions are used by governments in their response to the crisis. 3) Data from multiple research reports have been drawn into government security policy. |
| A focus on documenting and incubating community resilience, including a focus on civil-society and private-sector responses to criminal governance. | We launched the Civil Society Resilience Fund in May 2019, which supports local communities in their fight against organized crime. The Fund selects recipients who will benefit from carefully targeted financial support across three complementary priority 'windows': counter-crime advocates, community resilience groups and independent investigative journalists and media houses. A total of 21 grantees from all over the world received support from the Fund in 2019. |

Strategic objective 4

To continue to grow the GI-TOC Network of Experts and draw effectively on their access, input and influence

| Measure of progress per Strategy 2018–2020 | Progress report, as at end of 2019 |
|--|--|
| The Network to consist of 500 members by 2020, of whom at least a third shall be women, with our ultimate goal being to achieve gender parity in membership. | As of end of 2019, the network consists of 500 members, of whom 36% are women and 64% men. A special effort is currently being made to identify women experts to join the network. Notably, in July 2019, 34 female experts joined the Network, twice as many as the number of male experts. |
| The Network to provide a balance of representation between all regions and expertise. | The largest group of members are from Europe, followed by North America and Latin America. Membership growth by region has changed over the last three years: the strongest growth for GI membership between 2016 and 2019 is Latin America (from 13 to 69 members), followed by Europe (from 75 to 226 members), and North America (from 43 to 103 members). |
| Network members involved in all aspects of the GI-TOC's work: research, policy development and advocacy, as well as project implementation. | The largest number of network members come from academia, followed by civil society and law enforcement and UN/multilateral institutions. While the GI-TOC will continue to aim at increasing the number of law enforcement and media experts among its members, it is encouraging to note that there are increasingly more members from the private sector joining us in recent years. |
| An effective system of cross-Network communication measured by the number of interchanges between members of the Network. | As a response to the Network members' recommendations and requests, we have introduced the following activities, communication and resource channels in 2019: biannual bulletins, quarterly virtual group discussions (with the topics being selected based on the Network survey's results and preferences and attendance rate of about 30 participants on average per discussion), Network communication package and one-pager as well as Network approach and ethics – all of which were positively received and welcomed by the members. Furthermore, we received more than 60 updates from the members to include in our first and second bulletins in April and August 2019, respectively. |

Strategic objective 5

To build a well-managed and well-funded organization with a global reach and a committed, professional, expert and representative staff complement

| Measure of progress per Strategy 2018–2020 | Progress report, as at end of 2019 |
|---|---|
| Continued growth in the GI-TOC's budget with the objective of ensuring quality delivery and impact. | The budget continues to steadily grow, as can be seen in the financial graph earlier in this report. Revenue increased by 86% from 2017 to 2018. In 2019 we expected to reach an annual income in the region of CHF 10 million. |
| Clean audits achieved in 2018, 2019 and 2020. | Clean audits have been achieved in 2017 and 2018. The audit for 2019 will be performed in the first quarter of 2020. |
| 50% of staff and consultants from developing countries by 2020. | 33% of the staff (management, senior advisors, senior fellows, analysts and officers, and long-term consultants) are from developing countries. We are actively seeking to increase this proportion but it would probably be unrealistic to achieve the 50% objective in 2020. The vast majority of the short-term consultants in the fields are from developing countries. |
| Documented internal systems assessed as functioning effectively by the board. | With the growth of the GI-TOC and the opening of two additional regional offices (Cape Town and Vienna), we have set stronger internal systems in place to strengthen the operational structure. These systems have been approved and congratulated on by the Board as well as the Audit and Finance Committee. |



ANNEX 2:

AUDITED FINANCIAL STATEMENTS

**THE GLOBAL INITIATIVE AGAINST TRANSNATIONAL ORGANIZED CRIME
GENEVA**

STATUTORY AUDITORS' REPORT
To the General Meeting of Members
On the limited examination of the
financial statements
for the year ended 31 December 2019

Report of the statutory auditor to the General Meeting of Members on the limited examination of The Global Initiative against Transnational Organized Crime, Geneva

As statutory auditor, we have examined the financial statements (balance sheet, statement of income and expenses and notes) of The Global Initiative against Transnational Organized for the financial year ended 31 December 2019.

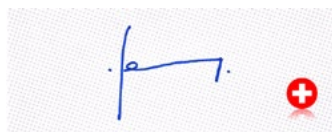
These financial statements are the responsibility of the Board. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

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

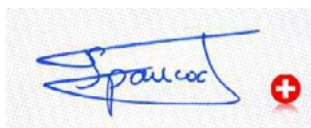
Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the association's articles of incorporation.

Without qualifying our opinion, we draw attention to the note "Deficit and going concern" to the financial statements describing the over-indebtedness financial position of the association at year-end 2019 and the projects' contracts and results that would offset the over-indebtedness in the future. If the forecasts could not be realized as expected, there would be a material uncertainty that may cast doubt about the association's ability to continue as a going concern and potentially about its solvency. Should the going concern assumption no longer be appropriate, the financial statements would have to be prepared based on liquidation values and/or the association dissolved.

MAZARS SA



Jean-Marc Jenny
Licensed Audit Expert
Auditor in Charge



Franck Paucod
Licensed Audit Expert

Vernier, 28 May 2020

Enclosures:

Financial statements for the year ended 31 December 2019 (Balance sheet, statement of income and expenses, notes)

The Global Initiative Against Transnational Organized Crime - Geneva

Balance Sheet as of 31st December 2019
(in Swiss Francs)

| | 2018 | 2019 |
|---|------------------|------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 550'711 | 1'659'662 |
| Grants receivables | 50'947 | 392'968 |
| Accrued income | 588'620 | 960'706 |
| Other current receivables | 7'172 | 19'284 |
| Sister organisation receivables | 30'817 | 133'565 |
| Loan to sister organisation | - | 180'890 |
| Transitory expenses | 24'479 | 26'139 |
| Current assets | 1'252'745 | 3'373'214 |
| Fixed assets | | |
| Fixed assets | 2'551 | 3'066 |
| Financial assets | 819 | 1'885 |
| Fixed assets | 3'369 | 4'951 |
| Total Assets | 1'256'115 | 3'378'165 |
| LIABILITIES | | |
| Short-term liabilities | | |
| Payables | 185'053 | 76'765 |
| Sister organisation payables | - | 164'528 |
| Accrued expenses | 343'475 | 530'604 |
| Other current payables | 81'958 | 40'565 |
| Deferred income | 889'051 | 2'716'890 |
| Short-term liabilities | 1'499'537 | 3'529'352 |
| Association own funds | | |
| Balance brought forward | -104'893 | - 243'422 |
| (Lack) Excess of income over expenditures | -138'529 | 92'235 |
| Total association own funds | -243'422 | -151'187 |
| Total Liabilities | 1'256'115 | 3'378'165 |

The Global Initiative Against Transnational Organized Crime - Geneva

Statement of Income and Expenses for the year ended 31 December 2019
compared to 2018
(in Swiss Francs)

| | 2018 | 2019 |
|---|-------------------|-------------------|
| INCOME | | |
| Grants received | 5'028'896 | 7'565'500 |
| Revenue from sister organisation | - | 213'246 |
| Income received in advance | -889'051 | -2'463'687 |
| Accrued income variation | 443'075 | 394'796 |
| Donations in kind | 169'115 | 116'875 |
| Total Income | 4'752'034 | 5'826'730 |
| PROGRAMME EXPENDITURE | | |
| Personnel costs and salary consultants | -2'147'929 | -2'366'567 |
| Salary and consultant fees from sister organisation | - | -274'270 |
| Consultant costs | -1'436'048 | -1'489'779 |
| Consultant costs in kind | -75'614 | 0 |
| Travel expenses | -699'492 | -830'165 |
| Professional services | -59'672 | -54'467 |
| Communications, media and outreach | -29'507 | -155'928 |
| Total Expenditure related to programs | -4'448'261 | -5'171'176 |
| Net contribution to overheads | 303'773 | 655'554 |
| OVERHEAD COSTS | | |
| Rental and maintenance | -20'002 | -23'104 |
| Rent in kind | -93'501 | -116'875 |
| Administration costs | -125'276 | -124'727 |
| VAT not recoverable | -132'338 | -174'316 |
| Overhead from sister organisation | - | -36'652 |
| Amortization | -750 | -1'101 |
| Total Overhead Costs | -371'868 | -476'775 |
| Earnings before financial results | -68'094 | 178'779 |
| FINANCIAL RESULTS | | |
| Bank interests received | - | 257 |
| Exchange gain & losses | -86'859 | -62'230 |
| Bank fees | -22'729 | -28'040 |
| Total financial results and expenses | -109'588 | -90'013 |
| OPERATION FROM PREVIOUS YEARS | | |
| Operating revenue from previous years | 65'128 | 11'152 |
| Operating charge from previous years | -25'975 | -7'683 |
| Total revenue and charges from previous years, net | 39'153 | 3'469 |
| Income over expenditures - Lack of income | -138'529 | 92'235 |

The Global Initiative Against Transnational Organized Crime - Geneva

Notes to the financial statements for the year ended 31st December 2019

(in Swiss Francs)

Association domicile

Avenue de la France 23, 1202 Genève

Scope of the association

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

Accounting principles applied in the preparation of the financial statements

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

Revenue recognition

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

Income from contributions

| Contributors | in CHF | in % |
|--|------------------|----------------|
| Agence Française d'Expertise Technique Internationale | 42'685 | 0.73% |
| Atlantic Council | 28'058 | 0.48% |
| Canada | 164'179 | 2.82% |
| European Commission | 1'457'481 | 25.01% |
| Germany | 301'791 | 5.18% |
| Institute for Security Studies as implementing partner for European Commission | 1'239'779 | 21.28% |
| Norway | 1'109'426 | 19.04% |
| Poland | 24'385 | 0.42% |
| Small projects | 200'506 | 3.44% |
| Switzerland | 294'357 | 5.05% |
| Core Contribution | 100'000 | 1.72% |
| Rent in kind | 116'875 | 2.01% |
| Civil Society Engagement in UNTOC Mechanism | 77'482 | 1.33% |
| UNDP | 124'695 | 2.14% |
| United Kingdom | 750'231 | 12.88% |
| United States of America | 89'158 | 1.53% |
| Total | 5'826'730 | 100.00% |

The Global Initiative Against Transnational Organized Crime - Geneva

Notes to the financial statements for the year ended 31st December 2019

(in Swiss Francs)

Contribution received from the United Kingdom

Following the specific requirement of the donor the following projects have been funded by the United Kingdom. Specific exchange rates have been used as stated on the grant agreements

| Name | Contract N° | in GBP |
|---|-------------|---------|
| Building of a regional network and civil society observatory to counter organised crime and corruption in the Balkans | C13977 | 98'144 |
| Civil Society Observatory for E and S Africa | 204227-109 | 348'716 |
| Europe Serious Organized Crime Joint Analysis | 40'121'500 | 11'164 |
| Global Security Rapid Analysis (GSRA) | 300358-113 | 29'971 |
| Organised Crime and Violence in Jamaica | 300358-121 | 37'657 |
| Political Economy of Organised Crime in the Levant Region | 300358-122 | 24'406 |
| UN TOC Guidelines support | 40'121'497 | 5'907 |

Expenditure recognition

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

Declaration of full-time equivalents

The association employs about forty consultants - employees of whom fewer than ten are located in Switzerland.

Pension liabilities

| | 2019 | 2018 |
|---|--------------|--------------|
| Liability to pension scheme as at 31st December | CHF 8'951.70 | CHF 7'063.50 |

Lease commitment not considered in the financials

None at end of the period.

The Swiss confederation is providing an in-kind contribution covering the rent for the Geneva's office space. This contractual agreement ends by 31 December 2023.

The Global Initiative Against Transnational Organized Crime - Geneva

Notes to the financial statements for the year ended 31st December 2019

(in Swiss Francs)

Sister organisations

The Parties :

- 1) The Global Initiative Against Transnational Organized Crime, an association established in Geneva, Switzerland (the "GI HQ")
- (2) The Global Initiative - Verein gegen transnationale Organisiert Kriminalität (GI-VG), with its place of residence in Vienna and registered in September 2018, (the "Vienna GI")
- (3) The Global Initiative Against Transnational Organized Crime Cape Town NPC, South Africa, registered in February 2019 (the "Cape Town GI")

Background :

The Parties are affiliated and act in the interest of the international "Global Initiative Network", with the Geneva HQ acting as the umbrella Organization for all national and international Global Initiative activities, and coordinating the activities of the parties.

The Parties have been providing and receiving services since their respective incorporation. Transactions have been processed at cost.

Transactions recorded with sister organisations :

| | | 2019 | 2018 |
|---|--------------|----------|---------|
| Income (services provided towards) in CHF | | | |
| | Vienna GI | 193'574 | 19'771 |
| | Cape Town GI | 19'671 | 0 |
| Total Income | | 213'246 | 19'771 |
| Expenses (services received from) in CHF | | | |
| Salaries | | | |
| | Vienna GI | -130'089 | -62'986 |
| | Cape Town GI | -144'180 | 0 |
| Others | | | |
| | Vienna GI | 0 | |
| | Cape Town GI | -14'726 | 0 |
| Total Expenses | | -288'996 | -62'986 |

Exchange Rates applied

| Currencies | 2019 | 2018 |
|-------------|---------|---------|
| AUD | 0.6851 | 0.7025 |
| CAD | 0.7494 | 0.7301 |
| DKK for 100 | 14.6703 | 15.8051 |
| EUR | 1.0960 | 1.1373 |
| GBP | 1.2835 | 1.2616 |
| NOK for 100 | 11.1004 | 11.4333 |
| PKR for 100 | 0.6315 | 0.7111 |
| SEK for 100 | 10.4687 | 11.0837 |
| THB for 100 | 3.2731 | 3.0570 |
| USD | 0.9778 | 0.9943 |
| ZAR | 0.0693 | 0.0689 |

The Global Initiative Against Transnational Organized Crime - Geneva

Notes to the financial statements for the year ended 31st December 2019

(in Swiss Francs)

Operation from previous period

Operating revenue from previous years

2018

Ruling has been obtained from VAT authorities on how to account for services acquired from outside Switzerland, hence reducing the VAT charges for 2016 and 2017.

Revenue in dispute in late 2017 has finally been agreed in early 2018 with the supplier.

2019

Final VAT invoice for services acquired outside Switzerland in 2018 has been reviewed early 2019 by the Swiss authorities in favor of the organization.

Operating charge from previous years

2018

One project funded by GIZ has been aborted.

Several invoices related to ENACT's consultant have been presented to us lately in 2018.

2019

Several travel expenses invoices have been received in 2019 related to trips that happened in 2018

Interest on late payment for the 2016 VAT due has been received mid June 2019

Subsequent events

On March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) epidemic a pandemic due to its rapid spread around the world, with more than 150 countries now affected. Many governments are taking increasingly stringent measures to help contain the virus. Currently there is a significant increase in economic uncertainty which is evidenced for example by more volatile exchange rates and a drastic reduction in travel.

We are in regular contact with our donors and other financial partners to closely monitor and update on the implications for the GI's implementation of activities. They have been understanding and supportive, allowing the reprioritisation of activities where needed. In addition, we are discussing specific COVID-related programming which are likely to be funded in 2020.

There has also been no significant impact to date, nor do we expect there to be. However, due to rapidly changing national measures to address the pandemic, as well as economic and financial disruptions, the actual impacts for the 2020 financial reporting period may turn out to be different from our expectations.

Deficit and going concern

The association net over-indebtedness financial position at year-end 2019 results from the profit of CHF 92'235 realised in 2019 and a carried-over deficit of CHF 243'422 from previous years and to the implementation of a large lump sum contract, for which the revenue has been conservatively estimated on the basis of the progress of the project and for which the total revenue will not be recognized in full until its end in mid-2020. Based on current delivery and expenditure patterns, management is anticipating the realization of a significant surplus from this project (which is likely to be increased in part due to further contracts being signed that will allow economies of scale for the implementation team in question). This would not only offset the indebtedness currently indicated, but would also allow for the building of a reserve.

In the view of management, the continuation of the operations for the foreseeable future is assured, and prudent policies towards financial management are being employed.

**The Global Initiative - Verein gegen
transnationale organisierte Kriminalität**

1010 Wien

Report on limited review of the
asset statement as of

31. Dezember 2019

Copy-No.:

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| 1. Report on the limited review | 1 - 2 |
|---------------------------------------|-------|

Appendix:

Asset statement

General Conditions of Contract for the Public Accounting Professions (AAB 2018) .

The Global Initiative - Verein gegen transnationale
Kriminalität

Report on the review

To the Executive Board of
The Global Initiative - Verein gegen transnationale Kriminalität
Schwarzenbergplatz 1
1010 Wien

Introduction

We have reviewed the attached asset statement of The Global Initiative - Verein gegen transnationale Kriminalität (Global Initiative against Transnational Organized Crime), Vienna, for the period from 1 January 2019 to 31 December 2019. The asset statement includes the balance sheet dated 31 December 2019 and the income statement for the period from 1 January 2019 to 31 December 2019. We have also reconciled the attachment with the figures in the balance sheet and income statement.

The representatives of the organisation are responsible for preparing this asset statement. They are also responsible for ensuring that the asset statement provides the most accurate possible view of the organisation's net assets, financial position and earnings in compliance with the relevant accounting regulations of the *Ertragsteuerrecht* (EStG) (Income Tax Act), in particular § 4 (1) EStG and the supplementary provisions of the articles of incorporation.

Our responsibility is to provide a summary assessment of these financial statements on the basis of our review.

Our responsibility and liability for proven financial losses caused by a grossly negligent breach of duty is limited to EUR 2 million in the same way as § 275 (2) UGB (Austrian Company Code). Our liability for minor negligence is excluded in accordance with the General Conditions of Contract for the Public Accounting Professions, as amended, on which this assignment is based. The limitation of our liability agreed with the client and stated here shall also apply in respect of any third party who undertakes or refrains from actions whilst relying on our report.

Scope of the review

We carried out the review in compliance with the auditing principles applicable in Austria, in particular KFS/PG 11 "principles for reviewing financial statements".

The review of financial statements/an asset statement includes enquiries, addressed primarily to those responsible for finance and accounting, as well as analytical assessments and other investigations. A review is carried out on a considerably smaller scale and includes less information than an audit of annual financial statements, and it therefore does not allow us to ascertain with the certainty comparable to an audit of annual financial statements that we are aware of all essential facts. For this reason we shall not issue an audit certificate.

Report on the review of the financial statements

The Global Initiative - Verein gegen transnationale
Kriminalität

Summarised assessment

On the basis of our review we did not discover any facts that would lead us to suspect that the attached asset statement does not present the most accurate possible view of the organisation's net assets and financial position as of 31 December 2019 and the earnings position for the period from 1 January 2019 to 31 December 2019 in compliance with the applicable accounting regulations.

This report is intended solely for the informational requirements of the Executive Board of The Global Initiative - Verein gegen transnationale Kriminalität as our client and it must not be disclosed to third parties, in whole or in part, without express consent.

Vienna, 22.05.2020



This report is a translation of the original report in German, which is solely valid.

Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternate versions.

II. Balance sheet as at December 31, 2019

| | 2019-12-31 EUR | 2018-12-31 EUR |
|---|---------------------|-------------------|
| ASSETS | | |
| A. Fixed assets | | |
| <i>I. Tangible assets</i> | | |
| 1. Tools and equipment | 3,308.64 | 1,880.00 |
| B. Current assets | | |
| <i>I. Accounts receivable and other assets</i> | | |
| 1. Accounts receivable - Affiliated companies | 92,014.12 | 0.00 |
| thereof other | 92,014.12 | 0.00 |
| 2. Other receivables and assets | 147,273.69 | 0.00 |
| | 239,287.81 | 0.00 |
| <i>II. Cash in hand and bank balances</i> | 1,428,236.88 | 609,416.76 |
| | 1,667,524.69 | 609,416.76 |
| C. Prepayments and accrued income | 78,045.00 | 178.98 |
| Total assets | 1,748,878.33 | 611,475.74 |

| | 2019-12-31 EUR | 2018-12-31 EUR |
|--|---------------------|-------------------|
| ASSOCIATION OWN FUNDS AND LIABILITIES | | |
| A. Association own funds | | |
| <i>I. Association own funds</i> | | |
| 1. Association own funds | -33,986.28 | -36,569.66 |
| B. Provisions | | |
| 1. Other provisions | 30,526.00 | 6,000.00 |
| C. Liabilities | | |
| 1. Accounts payable - Trade | 195.97 | 29,353.78 |
| 2. Accounts payable - Affiliated companies | 109,890.89 | 27,097.71 |
| thereof arising from deliveries and services | 109,890.89 | 27,097.71 |
| 3. Other liabilities | 15,678.25 | 5,221.75 |
| thereof taxes | 1,019.77 | 1,929.20 |
| thereof social security | 9,557.87 | 3,304.25 |
| | 125,765.11 | 61,673.24 |
| D. Accruals and deferred income | 1,626,573.50 | 580,372.16 |
| Total association own funds and liabilities | 1,748,878.33 | 611,475.74 |

III. Income statement for the fiscal year 2019

| | 2019 EUR | 2018 EUR |
|--|------------------------|--------------------------|
| 1. Revenue | | |
| a. Public subsidies | 1,296,193.03 | 16,744.47 |
| b. Other income | 145,960.25 | 62,985.68 |
| | <u>1,442,153.28</u> | <u>79,730.15</u> |
| 2. Cost of materials and purchased services | | |
| a. Statutory task fulfillment costs | -161,703.45 | 0.00 |
| thereof staff costs | -161,703.45 | 0.00 |
| 3. Personnel expenses | | |
| a. Salaries | -221,674.43 | -51,728.91 |
| b. Social security costs | -60,536.24 | -12,863.45 |
| | <u>-282,210.67</u> | <u>-64,592.36</u> |
| 4. Amortisation and depreciation | | |
| a. of tangible fixed assets | -1,842.32 | -376.00 |
| 5. Other operating expenses | -993,813.46 | -51,331.45 |
| | <u>-993,813.46</u> | <u>-51,331.45</u> |
| 6. Subtotal no. 1 to 5 (Operating result) | <u>2,583.38</u> | <u>-36,569.66</u> |
| 9. Net profit/loss for the year | 2,583.38 | -36,569.66 |

IV. Notes

for the fiscal year 2019

of

**The Global Initiative - Verein gegen transnationale organisierte
Kriminalität, Wien**

1 Accounting and valuation principles

1.1 General principles

The balance sheet as of December 31, 2019 was prepared in accordance with current accounting principles of the EStG and the VerG.

The association is classified as "medium" according to § 22 VerG as there relevant criteria were exceeded in 2019 the first time. As the association exceeded the criteria the first time, it is still balanced as a "small" association. Therefore, the association is obligated to have audited if its financial management is in accordance with the accounting and if its funds were used constitutionally within 4 months of preparation of the balance sheet.

The balance sheet was prepared under the Generally Accepted Accounting Principles, giving a true and fair view of the association's financial position.

The principle of completeness was applied at preparation of the balance sheet.

The evaluation of assets and liabilities was carried out considering the principle of individual items valuation and the going concern concept.

The principle of prudence was considered by showing only the realized gains at balance sheet date. All recognizable risks and possible future losses arisen in the fiscal year were taken into account.

1.2 Fixed Assets

Fixed assets are valued at acquisition or manufacturing cost reduced by straight-line depreciation.

Scheduled depreciation is based on the following useful lives:

| Fixed assets | Useful life in years |
|---|-------------------------|
| Technical equipment, plant and machinery | 3 |

1.3 Liabilities

Liabilities are valued at repayment amounts taking into account the principle of prudence.

2. Notes on the balance sheet and the profit and loss account

2.1 Balance sheet

2.1.1 Assets

Fixed assets

The development of fixed assets and details to the depreciation are shown in the attached schedule (Appendix 1).

2.1.2 Liabilities and owners equity

Provisions

The provisions developed in the fiscal year 2019 as follows:

| | Status 2019-01-01 EUR | Usage EUR | Allocation EUR | Status 2019-12-31 EUR |
|------------------|-----------------------------|-----------------|-------------------|-----------------------------|
| Other provisions | 6,000.00 | 6,000.00 | 30,526.00 | 30,526.00 |

The other provisions of EUR 30,526.00 include for example the accrual for the preparation of the financial statements as of December 31, 2019 as well as the audit of the financial statements. Furthermore the provisions cover inter alia bonus payments to the employees.

2.2 Profit and loss account

Revenue

| | 2019 EUR | 2018 EUR |
|------------------|---------------------|------------------|
| Public subsidies | 1,296,193.03 | 16,744.47 |
| Other income | 145,960.25 | 62,985.68 |
| | 1,442,153.28 | 79,730.15 |

The public subsidies also include in 2019 contributions from the United Kingdom in regards of the following projects (the underlying exchange rate is in general the one, which was published by the OeNB in Austria; the project "Western Balkans SOC (CSSF)" is exempted from this, as the underlying contract determines that OANDA exchange rates should be used instead):

| | contribution in GBP | contribution in EUR |
|--|------------------------|------------------------|
| Western Balkans SOC (CSSF) project (project reference 276) | 116,108.00 | 132,617.76 |
| UK-Poland Joint Civil Society Event on Anti-Corruption and Organized Crime | 9,500.00 | 11,015.77 |
| | 125,608.00 | 143,633.53 |

In 2018 Global have not received and contributions from the United Kingdom as the mentioned projects started in 2019.

Personnel expenses

| | 2019 EUR | 2018 EUR |
|-----------------------|-------------------|------------------|
| Salaries | 221,674.43 | 51,728.91 |
| Social security costs | 60,536.24 | 12,863.45 |
| | 282,210.67 | 64,592.36 |

Depreciation and amortization of intangible assets and of tangible assets

Scheduled depreciation/amortization in the current short financial year totaled EUR 1,842.32 (prior year: 376.00 EUR).

Other operating expenses

| | 2019 EUR | 2018 EUR |
|---|--------------------|-------------------|
| Other operating expenses | | |
| maintenance | -19,197.64 | -1,752.92 |
| travel, mileage | -163,547.92 | 0.00 |
| rent costs in kind | -35,000.00 | 0.00 |
| staff | -165,778.80 | -13,847.36 |
| office costs | -7,154.17 | -808.77 |
| mail expenses | -1,826.88 | -138.08 |
| expenditure on advertising and representation | -11,453.09 | 0.00 |
| insurances | -4,642.82 | 0.00 |
| legal and consulting expenses | -48,213.01 | -29,081.81 |
| education and training | -72,999.30 | 0.00 |
| fees and contribution | 0.00 | -5,795.40 |
| transaction costs | -4,638.75 | 0.51 |
| consultants | -158,789.71 | 0.00 |
| grants and grants to the sister organization | -290,753.85 | 0.00 |
| other operating expense | -9,817.52 | 92.38 |
| | <u>-993,813.46</u> | <u>-51,331.45</u> |

3. Other notes

The association is represented by Dr. Mark Shaw (Director) and Johanna Borstner (Director of Administration). The directors are authorized to represent the association together.

After the balance sheet date no significant events occurred which were not included into the balance sheet or the profit and loss account.

Staff

In 2019, the association employed 5 employee on average.

| | 2019 | 2018 |
|-----------|------|------|
| Workers | 0 | 0 |
| Employees | 5 | 1 |
| | 5 | 1 |

Vienna, 22. Mai 2020



.....
Dr. Mark Shaw



.....
Johanna Borstner

Anlagenspiegel zum December 31, 2019

| | Purchase/Production costs | | | | accumulated depreciations | | | | Net asset values | | | |
|----------------------------------|---------------------------|-----------------|-------------|-------------|---------------------------|---------------|-----------------|-------------|------------------|-----------------|-----------------|-----------------|
| | Status | Additions | Disposals | Repostings | Status | Status | Depreciations | Write-ups | Disposals | Status | Status | Status |
| | 2019-01-01 | | | | 2019-12-31 | 2019-01-01 | | | | 2019-12-31 | 2019-01-01 | 2019-12-31 |
| | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR | EUR |
| A. FIXED ASSETS | | | | | | | | | | | | |
| <i>I. Tangible assets</i> | | | | | | | | | | | | |
| 1. Tools and equipment | 2,256.00 | 3,270.96 | 0.00 | 0.00 | 5,526.96 | 376.00 | 1,842.32 | 0.00 | 0.00 | 2,218.32 | 1,880.00 | 3,308.64 |

GLOBAL INITIATIVE AGAINST TRANSNATIONAL ORGANISED CRIME CAPE TOWN NPC
(Registration number 2019/05557/08)
ANNUAL FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
General Information

| | | |
|---|---|---------------|
| Country of incorporation and domicile | South Africa | |
| Nature of business and principal activities | Non profit company | |
| Directors | D.S.W Otieno | Kenyan |
| | E.E Alemika | Nigerian |
| | P.H.P Gastrow | South African |
| Business address | Room 202 Community House 41 Salt River Road Cape Town 7925 | |
| Postal address | Room 202 Community House 41 Salt River Road Cape Town 7925 | |
| Bankers | Nedbank Limited | |
| Reviewers | Mazars | |
| | Registered Auditor | |
| Company registration number | 2019/05557/08 | |
| Level of assurance | These annual financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa. | |
| Preparer | The annual financial statements were independently compiled by: | |
| | Gerard Lategaan | |
| | Associate General Accountant (SA) | |
| Issued | 08 May 2020 | |

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Index

The reports and statements set out below comprise the annual financial statements presented to the members:

| Index | Page |
|--|-------------|
| Directors' Responsibilities and Approval | 3 |
| Independent Reviewer's Report | 4 - 5 |
| Directors' Report | 6 |
| Statement of Financial Position | 7 |
| Statement of Comprehensive Income | 8 |
| Statement of Changes in Equity | 9 |
| Statement of Cash Flows | 10 |
| Accounting Policies | 11 - 13 |
| Notes to the Annual Financial Statements | 14 - 17 |

The following supplementary information does not form part of the annual financial statements and has not been reviewed:

| | |
|---------------------------|----|
| Detailed Income Statement | 18 |
|---------------------------|----|

**Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Directors' Responsibilities and Approval**

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The independent reviewer is responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's independent reviewer and their report is presented on page 4 - 5.

The annual financial statements and supplementary information set out on pages 7 to 17, which have been prepared on the going concern basis, were approved by the directors on 08 May 2020 and were signed on their behalf by:



Director

Director

INDEPENDENT REVIEWER'S REPORT

To the members of Global Initiative Against Transformational Organised Crime Cape Town NPC

We have reviewed the annual financial statements of Global Initiative Against Transformational Organised Crime Cape Town NPC, set out on pages 7 to 17, which comprise the statement of financial position as at 31 December 2019 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and the notes to the financial statements, including a summary of significant accounting policies.

Directors' Responsibility for the Annual Financial Statements

The company's directors are responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

As is common with similar companies, it is not feasible for the company to institute accounting controls over cash collections from donations, prior to initial entry of the collections in the accounting records. Accordingly, it was impracticable for us to extend our examination beyond receipts actually recorded, therefore, we have been unable to satisfy ourselves as to the completeness of donations received.

REGISTERED AUDITOR — A FIRM OF CHARTERED ACCOUNTANTS(SA) • IRBA REGISTRATION NUMBER 900222

MAZARS HOUSE RIALTO ROAD GRAND MOORINGS PRECINCT CENTURY CITY 7441 • PO BOX 134 CENTURY CITY 7446 • DOCEX 9 CENTURY CITY
TEL: +27 21 818 5000 • FAX: +27 21 818 5001 • cpt@mazars.co.za • www.mazars.co.za

PARTNERS: MC OLCKERS (NATIONAL CO-CEO), MV NINAN (NATIONAL CO-CEO), LD AURET, JM BARNARD, AK BATT, H CASPER, FJ CRONJE, AS DE JAGER, D DOLLMAN,
M EDELBERG, Y FERREIRA, T GANGEN, AK HOOSAIN, MY ISMAIL, N JANSEN, J MARAIS, B MBUNGE, FN MILLER, G MOLYNEUX, S NAIDOO, MG ODENDAAL, W OLIVIER, D RESNICK,
BG SACKS, MA SALEE, N SILBOWITZ, SM SOLOMON, HH SWANEPOEL, MJA TEUCHERT, JC VAN TUBBERGH, EC VAN HEERDEN, N VOLSCHEK, J WATKINS-BAKER, J WESSELS

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT www.mazars.co.za

INDEPENDENT REVIEWER'S REPORT (continued)

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these annual financial statements do not present fairly, in all material respects, the financial position of Global Initiative Against Transnational Organised Crime Cape Town NPC as at 31 December 2019, and its financial performance and cash flows for the period then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

The financial statements include the directors' report as required by the Companies Act of South Africa. The directors are responsible for directors' report. Our conclusion on the financial statements does not cover the directors' report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the directors' report and, in doing so, considered whether the directors' report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the directors' report, we will report that fact. We have nothing to report in this regard.



Mazars
Partner: M Odendaal
Registered Auditor
08 May 2020
Cape Town

Global Initiative Against Transnational Organised Crime Cape Town NPC

Annual Financial Statements for the period ended 31 December 2019

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of Global Initiative Against Transnational Organised Crime Cape Town NPC for the period ended 31 December 2019.

1. Nature of business

Global Initiative Against Transnational Organised Crime Cape Town NPC was incorporated in South Africa with interests in the non-profit industry. The company operates in South Africa.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Directors

The directors in office at the date of this report are as follows:

| | Nationality | Appointment |
|---------------|--------------------|--------------------|
| D.S.W Otieno | Kenyan | 27 November 2018 |
| E.E Alemika | Nigerian | 01 December 2018 |
| P.H.P Gastrow | South African | 05 September 2018 |

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

6. Review

The annual financial statements are subject to an independent review and have been reviewed by Mazars

7. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa, of which the outcome was satisfactory.

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Statement of Financial Position as at 31 December 2019

| Figures in Rand | Notes | 31 December 2019 |
|-------------------------------------|--------------|-----------------------------|
| Assets | | |
| Non-Current Assets | | |
| Property, plant and equipment | 2 | 58,303 |
| Current Assets | | |
| Trade and other receivables | 3 | 1,448,776 |
| Cash and cash equivalents | 4 | 1,837,439 |
| | | 3,286,215 |
| Total Assets | | 3,344,518 |
| Equity and Liabilities | | |
| Equity | | |
| Retained income | | 7,389 |
| Liabilities | | |
| Current Liabilities | | |
| Trade and other payables | 5 | 726,127 |
| Other financial liabilities | 6 | 2,611,002 |
| | | 3,337,129 |
| Total Equity and Liabilities | | 3,344,518 |

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Statement of Comprehensive Income

| Figures in Rand | Notes | 11 months ended 31 December 2019 |
|-----------------------------|--------------|---|
| Revenue | 7 | 4,837,060 |
| Other income | | 1,522 |
| Operating expenses | | (4,773,837) |
| Operating surplus | 8 | 64,745 |
| Finance costs | 9 | (57,356) |
| Surplus for the year | | 7,389 |

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Statement of Changes in Equity

| Figures in Rand | Retained income | Total equity |
|------------------------------------|------------------------|---------------------|
| Balance at 01 January 2019 | - | - |
| Surplus for the year | 7,389 | 7,389 |
| Balance at 31 December 2019 | 7,389 | 7,389 |

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Statement of Cash Flows

| Figures in Rand | Notes | 11 months ended 31 December 2019 |
|---|--------------|---|
| Cash flows from operating activities | | |
| Cash used in operations | 11 | (650,243) |
| Finance costs | | (57,356) |
| Net cash from operating activities | | (707,599) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | 2 | (65,964) |
| Proceeds from loans from group companies | | 2,611,002 |
| Net cash from investing activities | | 2,545,038 |
| Total cash movement for the period | | 1,837,439 |
| Total cash at end of the period | 4 | 1,837,439 |

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. The annual financial statements are presented in South African Rands.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgements, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over its useful life taking into account the residual values where appropriate. The actual useful lives of assets and residual values are assessed annually. In re-assessing assets' useful lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one period.

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and machinery.

| Item | Depreciation method | Average useful life (years) |
|------------------------|---------------------|-----------------------------|
| Computer equipment | Straight line | 5 years |
| Furniture and fixtures | Straight line | 5 years |

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

Gains and losses on disposals are recognised in profit or loss.

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Accounting Policies

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include trade receivables and trade payables. These instruments are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

1.4 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.5 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those wholly due within 12 months after the end of the period in which the employees rendered the related service, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.6 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Accounting Policies

1.7 Revenue

Revenue consists of funds received from fundraising projects, fees and donations received.

Revenue is recognised when it is received.

1.8 Foreign exchange

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the each reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

The foreign exchange component of a non-monetary item is recognised consistently with any other gains or losses on those items, in other comprehensive income or is transferred from equity in other comprehensive income and included in the initial measurement of the cost of the asset or loss..

1.9 Related parties

Individuals or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party, or exercise significant influence over the other party in making financial and/or operating decisions. The directors of the company are to be key management and consequently related parties. Related party transactions and balances are disclosed in note 12.

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Notes to the Annual Financial Statements

| Figures in Rand | 11 months ended 31 December 2019 |
|-----------------|---|
|-----------------|---|

2. Property, plant and equipment

| | 2019 | | |
|------------------------|---------------|-----------------------------|-------------------|
| | Cost | Accumulated depreciation | Carrying value |
| Computer equipment | 25,966 | (6,110) | 19,856 |
| Furniture and fixtures | 39,998 | (1,551) | 38,447 |
| Total | 65,964 | (7,661) | 58,303 |

Reconciliation of property, plant and equipment - 2019

| | Opening balance | Additions | Depreciation | Closing balance |
|------------------------|--------------------|---------------|----------------|--------------------|
| Computer equipment | - | 25,966 | (6,110) | 19,856 |
| Furniture and fixtures | - | 39,998 | (1,551) | 38,447 |
| | - | 65,964 | (7,661) | 58,303 |

3. Trade and other receivables

| | |
|-------------------|------------------|
| Trade receivables | 1,141,997 |
| Other receivables | 279,972 |
| Deposits | 26,807 |
| | 1,448,776 |

4. Cash and cash equivalents

Cash and cash equivalents consist of:

| | |
|---------------|-----------|
| Bank balances | 1,837,439 |
|---------------|-----------|

5. Trade and other payables

| | |
|----------------------------|----------------|
| Trade payables | 418,183 |
| Income received in advance | 69,334 |
| Accrued leave pay | 82,303 |
| Accrued expense | 13,376 |
| Other payables | 142,931 |
| | 726,127 |

6. Other financial liabilities

At amortised cost

| | |
|--|-----------|
| Global Initiative Against Transnational Organised Crime Geneva | 2,611,002 |
| The loan is unsecured, interest free and is repayable on demand. | |

Current liabilities

| | |
|-------------------|-----------|
| At amortised cost | 2,611,002 |
|-------------------|-----------|

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Notes to the Annual Financial Statements

| Figures in Rand | 11 months ended 31 December 2019 |
|---|---|
| 7. Revenue | |
| Grant income | 4,626,422 |
| Other revenue | 210,638 |
| | 4,837,060 |
| 8. Operating surplus | |
| Operating surplus for the year is stated after accounting for the following: | |
| Operating lease charges | |
| Premises | |
| • Contractual amounts | 86,514 |
| Depreciation on property, plant and equipment | 7,661 |
| Employee costs | 2,648,589 |
| 9. Finance costs | |
| Interest paid | 57,356 |
| 10. Taxation | |
| The company is registered as a Public Benefit Organisation and accordingly is exempt from taxation in terms of section 10(1)(cN) of the Income Tax Act. | |
| 11. Cash used in operations | |
| Surplus before taxation | 7,389 |
| Adjustments for: | |
| Depreciation and amortisation | 7,661 |
| Finance costs | 57,356 |
| Changes in working capital: | |
| Trade and other receivables | (1,448,776) |
| Trade and other payables | 726,127 |
| | (650,243) |

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Notes to the Annual Financial Statements

| Figures in Rand | 11 months ended 31 December 2019 |
|-----------------|---|
|-----------------|---|

12. Related parties

| | |
|--------------------------------|--|
| Relationships | |
| Companies under common control | Global Initiative Against Transnational Organised Crime Geneva Global Initiative Against Transnational Organised Crime Vienna |
| Members of key management | E E Alemika G S W Otieno P H P Gastrow |

Related party balances and transactions with other related parties

Related party balances

Loan accounts - Owing (to) by related parties

| | |
|--|-----------|
| Global Initiative Against Transnational Organised Crime Geneva | 2,611,002 |
|--|-----------|

Amounts included in Trade receivable (Trade Payable) regarding related parties

| | |
|--|-----------|
| Global Initiative Against Transnational Organised Crime Vienna | (686,650) |
| Global Initiative Against Transnational Organised Crime Geneva | (50,855) |

Related party transactions

Purchases from related parties

| | |
|--|--------|
| Global Initiative Against Transnational Organised Crime Geneva | 27,834 |
|--|--------|

Revenue from related parties

| | |
|--|-------------|
| Global Initiative Against Transnational Organised Crime Vienna | (599,158) |
| Global Initiative Against Transnational Organised Crime Geneva | (4,027,264) |

Operating expenses paid to related parties

| | |
|--|---------|
| Global Initiative Against Transnational Organised Crime Vienna | 95,842 |
| Global Initiative Against Transnational Organised Crime Geneva | 801,386 |

13. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the period.

14. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

15. Events after the reporting period

The directors are not aware of any material reportable event which occurred after the reporting date and up to the date of this report.

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Notes to the Annual Financial Statements

| Figures in Rand | 11 months ended 31 December 2019 |
|------------------------|---|
|------------------------|---|

16. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2019

| | Financial assets at amortised cost | Total |
|-----------------------------|---|-----------|
| Trade and other receivables | 1,448,776 | 1,448,776 |

17. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2019

| | Financial liabilities at amortised cost | Total |
|----------------------------|--|--------------------|
| Loans from group companies | (2,611,002) | (2,611,002) |
| Trade and other payables | (418,184) | (418,184) |
| Other payables | (142,931) | (142,931) |
| | (3,172,117) | (3,172,117) |

Global Initiative Against Transnational Organised Crime Cape Town NPC
Annual Financial Statements for the period ended 31 December 2019
Detailed Income Statement

| Figures in Rand | 11 months ended 31 December 2019 |
|---|---|
| Revenue | 4,837,060 |
| Other income | |
| Profit and loss on exchange differences | 1,522 |
| Operating expenses | |
| Bank charges | 2,454 |
| Computer expenses | 109,210 |
| Consulting fees | 1,017,606 |
| Depreciation | 7,661 |
| Employee costs | 2,648,589 |
| Legal expenses | 193,781 |
| Loss on exchange differences | 2,164 |
| Printing and stationery | 4,353 |
| Rent paid | 86,514 |
| Repairs and maintenance | 1,120 |
| Service fees | 49,196 |
| Staff welfare | 47,321 |
| Telephone | 9,373 |
| Training | 69,775 |
| Travel - local | 483,569 |
| Website publications | 41,151 |
| | 4,773,837 |
| Operating surplus | 64,745 |
| Finance costs | (57,356) |
| Surplus for the year | 7,389 |



GLOBAL INITIATIVE

AGAINST TRANSNATIONAL
ORGANIZED CRIME

ABOUT THE GLOBAL INITIATIVE

The Global Initiative Against Transnational Organized Crime is a global network with over 500 Network Experts around the world. The Global Initiative provides a platform to promote greater debate and innovative approaches as the building blocks to an inclusive global strategy against organized crime.

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